

CALL TO ORDER The Regular meeting of the Seaside City Council was called to order at 7:00 PM by Council President Montero.

ROLL CALL Present: Council President Tita Montero; Councilors Seth Morrissey, Randy Frank, Dana Phillips, Tom Horning, and Steve Wright.

Absent: Mayor Jay Barber.

Also Present: Mark Winstanley, City Manager; Dan Van Thiel, City Attorney, Dale McDowell, Public Works Director; Kevin Cupples, Planning Director; Russ Vandenberg, Convention Center & Visitors Bureau General Manager; Dave Ham, Seaside Police Chief; and RJ Marx, Daily Astorian/Seaside Signal.

Council President Montero stated before she started the Council meeting she wanted to announce that Larry Haller passed away Sunday, May 21, 2017, and she would like to have a moment of silence after Councilor Phillips said a few words about Larry Haller.

Councilor Phillips stated Larry Haller was an incredible man that did so much for this community. Larry and Joyce Haller moved to Seaside in 1960 with their toes running as far as community service in Seaside. Larry was referred to as Mr. Haller because he was a math teacher at Seaside High School and coach for Babe Ruth Basketball, Football, and Baseball as he went around the games with his coffee can collecting money to help Seaside Kids. The City was graced to have him serve on the City Council from 1981 to 2001. He was a mentor who called and asked because of his health if I would decide to step up and run for City Council, and then I realized it was Uncle Larry who was asking me to do this. I referred to him as Uncle Larry because he was Uncle Larry to our daughter Tiffany. The man made such an incredible impact on this community and was heavily involved in the original planning of the Seaside Civic and Convention Center and was a major player in the Million Dollar Broadway Project. Larry Haller did a lot for this community and loved the community. It was a loss to us but now I know he is up in heaven with our daughter and probably directing traffic. Larry will be sorely missed by all those who loved him and he has left a large footprint in the Community.

Councilor Montero asked for a moment of silence for Larry Haller.

AGENDA Council President Montero asked for a motion for approval to the agenda.

Councilor Frank so moved with a second from Councilor Horning; carried unanimously. (Frank/Horning)

PROCLAMATIONS Councilor Morrissey read a Proclamation: Mental Health Month.

COMMENTS – STUDENT REPRESENTATIVE

Lizzy Barnes, Seaside High School Student Representative, stated today was three weeks from graduation which was exciting. This weekend there were six track athletes who competed at the State Meet. On Tuesday, May 23, 2017, was the track awards and Wednesday, May 24, 2017, the Sprinkling of Happiness Parade which would start at the high school. On Thursday, May 25, 2017, was softball awards, and Friday, May 26, 2017, was baseball awards. The Pacifica Presentations were Wednesday, May 31, 2017, at the Convention Center starting at 5:00 PM. The Choir Concert was Friday, June 2, 2017, at 7:00 PM. On Tuesday, June 6, 2017, was Senior Scholarship Night. On Wednesday, June 7, 2017, were finals for seniors. The Scholar Athlete award night was Wednesday, June 7, 2017. The last day of school for seniors was Friday, June 9, 2017, Bachelorette was Sunday, June 11, 2017, and graduation on Monday, June 12, 2017. The last day of school for freshman to Junior is Thursday, June 15, 2017.

Council President Montero asked what her favorite memory was about being the Student Representative.

Ms. Barnes stated one of her favorite memories was the reaction after the school bond had passed and how excited the community was, and also the recognition of the basketball teams because it was such a big deal to the school.

Council President Montero asked what her future plans were.

Ms. Barnes stated she would be going to college at Guilford in North Carolina and will play soccer there and also on the honors college, and possibly go to law school. Ms. Barnes thanked the City Council for having her as the Student Representative this year.

Council President Montero thanked Ms. Barnes for taking on the roll as Student Representative.

Councilor Phillips stated with your brother being here last year, you have done the family very proud.

Council President Montero recessed the City Council meeting at 7:10 PM to celebrate Lizzy Barnes last meeting. Cupcakes were served.

Council President Montero reconvened the City Council meeting at 7:16 PM.

COMMENTS – PUBLIC

John Dunzer, 2964 Keepsake Drive, Seaside, presented Council with information on the Seaside Budget Committee: The Seaside Budget Committee meets publicly to review the budget documents as proposed by the budget officer. The budget committee receives the budget and budget message and provides an opportunity for the public to ask questions about and comment on the budget. Mr. Dunzer stated this was not true as he was not allowed to speak at the Budget Committee meeting. Mr. Dunzer also presented Council with information on a Preliminary Feasibility Study from the Cascadia People's Utility District, for an Energy Facilities Acquisition and Establishment of New Energy Utility and spoke on the matter. (This information is on file with the City Council packet for May 22, 2017).

Cindy Daly, 2380 Ocean Vista Drive, Seaside, stated she was the President of the National Alliance on Mental Illness in Clatsop County and she really appreciated the Proclamation which calls attention to people with mental health issues. The organization does not seek to help the individual but instead help the families and friends. There was a fallacy that people with mental issues or homeless want to be out there but they do not. Ms. Daly thanked the Council for their support by reading the Proclamation.

Cynthia Malkowski, 516 25th Avenue, Seaside, stated she attended the meeting to give input on the Airbnb Contract and wasn't aware she could not comment on the agenda item.

Mark Winstanley, City Manager, stated it would be best if she spoke at the time the Airbnb Contract was discussed.

CONFLICT

Council President Montero asked whether any Councilor wished to declare a conflict of interest.

Councilor Steve Wright stated he was on the Planning Commission for the discussion of 11a and he asked to be recused.

CONSENT AGENDA

Council President Montero asked for a motion to approve the consent agenda.

Consent Agenda: Payment of the Bills - \$153,396.57; and Approval of Minutes May 8, 2017.

Councilor Frank so moved with a second from Councilor Morrisey; carried unanimously. (Frank/Morrisey)

UNFINISHED BUSINESS:

PUBLIC HEARING

This was the duly advertised time and place to hold a public hearing regarding an Ordinance of the City of Seaside, Oregon, Amending the Zoning Map referenced in Code of Seaside Ordinance Chapter 151 Changing the zoning at 2145 North Wahanna Road from SR to R-3

ORDINANCE 2017-03

AN ORDINANCE OF THE CITY OF SEASIDE, OREGON, AMENDING THE ZONING MAP REFERENCED IN CODE OF SEASIDE ORDINANCE CHAPTER 151 CHANGING THE ZONING AT 2145 NORTH WAHANNA ROAD FROM SR TO R-3 – Third and Final Reading.

Council President Montero stated Ordinance 2017-03 was changing the zoning at 2145 North Wahanna Road. This was the third and final reading so technically it is not a public hearing.

Kevin Cupples, Planning Director, stated it was not a public hearing from the standpoint of the land use action but the ordinance was still open for review.

Council President Montero asked Kevin Cupples to explain.

Mr. Cupples explained this was the third and final reading on the ordinance and gives people the opportunity to comment on the zone map amendment that will change the upland Suburban Residential (SR) zoned portions of the property at 2145 N Wahanna Road to High Density Residential (R-3).

Council President Montero opened public comments on the ordinance for changing the zoning.

Greg O'Connor, PO Box 1249, Gearhart, read a letter he presented to Council. The people of Wahanna are struggling to have a piece of the American Dream and that dream is not to live in High Density Apartments. I do have a general Question that should be kept in mind: What will it take for you to Conform to the Stated Zoning Law of Suburban Residential, or even shift to R1 because I haven't seen a rallying of support behind the High Density Zoning.

Many others in the community & surrounding community have all voiced their concern in OPPOSITION to the EXTREME ZONING CHANGE from Suburban Residential to High Density R3 to no avail. Mr. O'Connor further stated actually to a surprising unanimous decision to reject the concerns of the Citizens' in favor of One Limited Liability Corporation Mr. James Folk & Sierra Partners. Mr. James Folk has failed to speak in favor of his own application.

James Folk was at the meeting and stated that was not true.

Mr. O'Connor stated he did not realize that. Mr. O'Connor further stated he would like to remind everyone that if this does not pass there is no deprivation to the owner or owners whoever they may be. We as a community are not saying Mr. James Folk, (Celeste & Jeffrey Bodner) & Sierra Partners II LLC, cannot live on the property of mostly wetland or even that he could not convert to a duplex or even Tri-Plex as R1 would amply allow. But to build a mega 40+ apartments complex will only add to crime, drugs, graffiti (if this passes I predict that the future Council meetings will enact ordinances to combat the escalation of crime, graffiti, drugs overdoses and traffic problems) oh wait these are already dire issues facing the City. One doesn't need to have a degree in criminology to understand that Higher Crime is a byproduct of High Density Living. I am a Proponent of keeping Seaside a nice coastal town so that future generations can enjoy the natural beauty of Seaside rather than encounter metropolitan issues that face this nation. There are so many reasons to reject this re-zoning that it would appear to be an act of negligence to pass this re-zoning especially in the face of Such Overwhelming Citizen Concern and by negligence I mean not merely hypothetically discussion points but real foreseeable adverse consequences to the fragile Wahanna Community and Seaside itself, all without any reasonable study traffic or police that should be demanded of such a drastic zoning change. Mr. O'Connor continued reading the letter which is on file with the May 22, 2017, City Council packet.

Council President Montero asked if there were any other comments. Council President Montero stated there were a couple of things she would like Mr. Cupples to address. Council was being told something was not legal and she was all for transparency and all for thinking things out and she did not understand all of this. Council President Montero asked if Mr. Cupples could comment on any of these things that Mr. O'Connor references.

Mr. Cupples stated he was not aware of any regulation. When they go through a re-zoning process there is nothing that binds you to saying you can't increase property more than 1.2 two times, he had never heard of it.

Dan Van Thiel, City Attorney, stated he did not see any issues or suggestion of any illegality and would suggest if mistakes are made then there are other avenues to take. People can take this before the Land Use Board of Appeals.

Council President Montero asked for comments from the Council.

Councilor Phillips stated this had not changed her opinion as the Council spent two days in a goal setting meeting and there was additional housing needed in the Community.

Councilor Morrisey stated anywhere there is density increased or housing put in there was going to be people that would not like where it was. There were a lot of similar apartment complexes on Wahanna already and there is not a place to further extend the Urban Growth Boundary and the only real option for housing is to increase the density. Councilor Morrisey further stated he was in favor of the zone change as well.

Council President Montero stated the Council met with other elected officials from Clatsop County and that was a top goal all over the county is for housing and the housing shortage and how to increase the number of residential units in the county and specific cities.

Council President Montero asked for a motion for third reading by title only.

Councilor Phillips so moved to read by title only with a second from Councilor Frank; carried with Councilor Wright abstaining. (Phillips/Frank)

Council President Montero asked for a motion to adopt.

Councilor Phillips so moved with a second from Councilor Morrisey; carried with the following roll call vote: (Phillips/Morrisey)

YEAS: FRANK, MONTERO, PHILLIPS, MORRISEY, HORNING
NAYS: NONE
ABSENT: BARBER
ABSTAIN: WRIGHT

PUBLIC HEARING

This was the duly advertised time and place to hold a public hearing regarding an Ordinance of the City of Seaside, Oregon, Annexing Certain Property East of the City (Property located at 2145 North Wahanna)

ORDINANCE 2017-04

ORDINANCE 2017-04 – AN ORDINANCE OF THE CITY OF SEASIDE, OREGON, ANNEXING CERTAIN PROPERTY EAST OF THE CITY (PROPERTY LOCATED at 2145 NORTH WAHANNA)

Council President Montero stated Ordinance 2017-04 which is the annexing of the property into the City. Council President Montero asked if there were any comments from Mr. Cupples.

Mr. Cupples explained this was the third and final reading.

Council President Montero asked for a motion for third reading by title only.

Councilor Phillips moved to read Ordinance 2017-04 by title only with a second from Councilor Morrisey; carried unanimously. (Phillips/Morrisey)

Council President Montero asked for a motion to adopt.

Councilor Frank so moved with a second from Councilor Phillips; carried with the following roll call vote: (Frank/Phillips)

YEAS: FRANK, MONTERO, WRIGHT, PHILLIPS, MORRISEY, HORNING
NAYS: NONE
ABSENT: BARBER
ABSTAIN: NONE

**VACANCY –
BUDGET COIMMITTEE**

Council President Montero stated there were two vacancies on the Budget Committee with one application received from Robert Perkel. Council President Montero further stated the vacancy would be left open.

**VACANCY –
PARKS ADVISORY
COMMITTEE**

Council President Montero stated there were three vacancies on the Parks Advisory Committee with three term expirations from Jason Boyd, Norman Brown, and Mary Blake.

NEW BUSINESS;

**UPDATE – SEASIDE
SCHOOL DISTRICT
CONSTRUCTPROJECT**

Sheila Roley, Seaside School District 10 Superintendant, introduced Mitali Kulkain who was the project manager and would be the person running this project for the school district for the next three and a half years. Ms. Roley presented the City Council with a power point presentation titled: Seaside School District 10 Construction Project. Ms. Roley thanked everyone for the school bond passing. Ms. Roley stated the January to April 2017 Milestones were Education Specifications, School Program Finalized, School Tours, Design Summit, CM/GC RFP Issued, and Boundary Survey. May 2017 Target Milestone were Path o Net Zero GO/NO GO Decision, Energy Trust of Oregon Charrette, hortlist CM/GC Firms, Concept Site Plan with Building foot print developed for District review, Urban Growth Boundary Application #1 submitted prepared, and Site Survey and preliminary Geotechnical analysis. Executive Summary: From January to April 2017, DOWA-IBI has spent a significant amount of time finalizing the functional programming and Educational Specifications for Seaside School District. The architects and the design consultants are continuing to work with the district's design committee to further develop and refine preliminary conceptual design concepts, The Construction Manager / General Contractor (CM/GC) RFP was published on April 10th, and a mandatory pre-proposal meeting was held on April 17th. The pre-proposal meeting received a good response from the CM/GC community. Proposals from three CM/GC firms were received on May 9th; KPFF has finished the LiDAR (Light Imaging Detecting and Ranging) survey and mapped the property boundary. AKS Forestry will work with the district for the timber sale of the lower property, and the UBG application is in process and will be submitted by the end of May. Community Engagement Program: In March 2017, two community engagement visioning sessions were scheduled. The community members along with the district met with the DAY team to identify community project goals for the project construction: Community Pride, Forward Thinking, Sustainable - Rooted to Place, Resilient, STEAM Partnerships with Schools. On March 17th, the design committee which included, the district, community members and students met to commence the Schematic Design process with the Design Summit. DOWA-IBI led a design activity that allowed committee members to work on and generate preliminary layouts for both Seaside Heights Elementary School and for the new Middle School/High School Campus. Guiding Principles: Design student-centered and community-focused facilities, Provide facilities that reflect the community, culture and natural environment, Facilities (new and old) should be timeless, cohesive, flexible and inspirational, Incorporate natural light to enhance the learning environment, Construct facilities that create spaces for instruction, performance, athletics and community, Design facilities and spaces that are inclusive and age appropriate at all grade levels, Be good stewards of the community and their investments, and Build “a place everyone wants to be”.

Mitali Kulkain, Project Manager, stated the Project Highlights: On April 21st, a Pull Planning meeting was hosted by DOWA-IBI and facilitated by DAY. All the consultants including the district participated in the discussion. The goal of this meeting was to show respect for people, collaborate, set a culture of continuous improvement, and get team buy-in. By the end of the session, we had created a visual schedule with major milestones.

Pull Planning: What is pull planning? Pull Planning is a tool from the Lean Principles, A collaborative journey for continuous improvement: Work is planned by those who have the best knowledge - Last Planners, Milestone based, Visual scheduling, Reliance on commitments, and Accountability, ownership and team buy-in. Desired Outcomes: Respect for people, Collaborate, Set a culture of continuous improvement, and Team buy-in. There was a project timeline with project planning with starting the process in 2017 to campus construction complete and campus opens for students for Academic year 2020.

Ms. Roley finished the presentation with the process timeline and the budget and asked if there were any questions.

Mr. Dunzer stated initially when you put together the budget for the bond issue you had money in there for off sites like doing utility work, what is that process.

Ms. Roley stated right now we were working with the city, looking at what needs to be done and we've had some traffic engineering and civil engineering evaluations that are not finalized. We will look at all that needs to be done and see what falls under the menu of the city and what falls under the district. There is still a lot of work to be done.

Mr. Winstanley stated there was a meeting he attended with Ms. Roley and the engineers for the school district, Kevin Cupples, and Dale McDowell. The issues were discussed from a water standpoint and a sewer standpoint and that was a big complex and would tax certain parts of the system and the City would need to adjust for.

Mr. Dunzer stated as a member of Seaside he did not feel like picking up the whole bill.

Mr. Winstanley stated he did not think the school district intended that to be the case.

Mr. Dunzer stated there were a lot of kids going there from Cannon Beach and Gearhart and so forth and that should be part of it.

Mr. Winstanley stated Mr. Dunzer was bringing up a really good point in that we want to be good partners but the city has a responsibility to the tax payers of Seaside to be responsible in the development and that was part of the conversation taking place.

Ms. Roley stated the really nice thing about this project is that we continue to work with the city in a really collaborative way instead of everyone competing on how it should be done.

**SIGN ORDINANCE
AMENDMENT
PETITION**

Mr. Cupples stated Patrick Seager; owner of the Gray Whale BBQ and Grill has submitted a petition concerning a proposed change to the sign ordinance. It would simply remove the provision that "A-Frame" or "Sandwich Board" signs located on private property need to be located not more than 10 feet from the entrance of a building. Although the proposed change seemed relatively minor, staff did ask the Planning Commission for input on the proposed amendment prior to bringing the request before the City Council. The Commission was evenly split over the proposed amendment. Three Commissioners expressing concerns over the potential impacts and they believed it deserved more consideration while the other three agreed the change seemed reasonable. In looking back at prior ordinances (as suggested by Commissioners Ridout), it appears the 10 foot restriction was incorporated into the ordinance when it was revised in 2002. At that time, there was some public comment before the Planning Commission against allowing sandwich board signs and the Commission believed the added restriction would limit their use. Since these types of signs are temporary and tend to come and go at will, complaint driven enforcement makes their regulation very inconsistent. Staff would like to have the Council review Mr. Seager's attached information and determine if: No change to the ordinance is believed to be necessary at this time, The seemingly minor change warrants consideration and direct staff to simply draft an amendment to the ordinance for Council review & final action, or The proposed change should be formally reviewed by the Planning Commission to determine if this or some other modification should be considered prior to the Council taking any further action. Although not required, this could include a public hearing process before the Planning Commission prior to any formal recommendation to the Council.

Patrick Seager, Gray Whale BBQ and Grill, owner requested a change to Seaside Sign Code Chapter 155, Section 155.16 sub section 5. The City of Seaside has a sign code, Chapter 155, in section 155.16, sub section 5, titled "Location" which reads as follows. A-Frame or sandwich board signs: These signs are not permitted more than ten feet from the entrance of a building. They must be located entirely on the property with no more than one sign per business regardless of the permitted area allowed. The sign area is limited to no more than ten square feet per face. Only one sign is permitted per business. A collective group of concerned merchants and property owners is requesting that the section be amended to delete the following line from the current code "These signs are not permitted more than ten feet from the entrance of a building." The above 10-foot rule places too many restrictions on effective placement of the aforementioned sign on our leased or private property. It still has to be on the property as well as subject to all other requirements of Chapter 155. Detailed Reasons and Statements were attached In Appendix A (which was in the Council packet). There was a list of property owners that have also requested the change.

Mr. Seager stated he was requesting the change because of hardship and other reasons: Loss of business revenue about \$100 to \$150 a day, the 10' rule does not work for most of the businesses.

Merchants and Property Owners Requesting Change also filled out or signed a petition and there were copies submitted to Council in the Council packet.

Jason Johnson, 250 S. Roosevelt, Seaside, stated he was the owner of Tonquin Trading which was a small business on the highway. The business was operating with a very low budget and went with the biggest bang for our buck. Seaside is well known for being a tourist community and there were a lot of sporting events that bring people to the community. Searching for a spot was based on the idea of surviving the winter being without tourist traffic in our building and the possibility of seeing out business because of the stop light intersection. The business was opened in September, 2016, and a friend put a sign together for free and put it out and instantly there was traffic coming through and a lot of that business came from the sandwich sign. Mr. Johnson further stated he knows the city can see the value in it because their volunteer fire department puts a sandwich board sign right next to the sidewalk. During Spring Break it was the slowest week and the business that comes in now is mainly because of the sign.

Council President Montero asked Mr. Seager and Mr. Johnson if they knew what the legal signage was allowed on their buildings and were they using it to the maximum.

Mr. Seager stated he had additional room on his building for more signage.

Mr. Johnson stated the sign could be switched up to get more attention but the sandwich board sign is a hiking symbol which was a universal symbol that lets people know what exactly is inside our store.

Councilor Horning asked Mr. Cupples if the Sign Ordinance was created in 2004.

Mr. Cupples stated the sign ordinance was further back then that but it had gone through a number of amendments over time. Mr. Cupples stated the last amendments were in 2007.

Councilor Horning stated the ordinance was modified because there was a concern of too much clutter on the sidewalks and Broadway at some point in the past that made it difficult for people to feel like they were having a quality experience on the street. Things were regulated more as a result and now were moving back towards having more things fluttering in the breeze. Mr. Horning stated the concern he had was that we want to be assistance to the business community if we have an unfair sign ordinance but we don't want to give away things that were intended to maintain a quality community environment and was a split decision on where we are going.

Mr. Cupples stated there had not been any drastic changes since he has worked for the City. There was a reorganization of the ordinance and I know that was when the ten foot rule went into effect. That was brought up by an individual who spoke before the Planning Commission. Prior to that there was no regulation on sandwich boards and there had been lots of concerns raised about sandwich board signs in the downtown core area but that was a completely different issue because there was no set rules to explain the downtown core area.

Mr. Winstanley stated if the Council was to consider a change in the sign ordinance this would deal with sandwich still on private property and there wasn't any change at this point where sandwich board signs would be allowed on the public right-of-way. Currently they were not allowed on the sidewalk downtown but needed to be on private property. The question that was really being posed here is if you own a lot of private property could you be more then ten feet from your door.

Councilor Frank stated when he listens to them talk he thinks they should be able to do that but he did not know how many businesses there were and how many sandwich board signs there were. Councilor Frank needed to understand that.

Mr. Cupples stated in the case of sandwich boards it was common for small businesses to put a sandwich board sign out and every community treats signs differently.

Mr. Winstanley stated one of the recommendations was to push this back to the Planning Commission. When the City takes complaints often it is not for the small businesses necessarily but the big businesses put them out also. The city enforcement was whether you were in compliance with the sign ordinance and this may not be a cut and dry issue.

Council President Montero stated there was no way to have a sign ordinance that would be one size fits all and as long as she had lived here there were complaints about sloppy and messy with all the sandwich boards and flags on the highway and we have to take that into consideration along with consideration the success of our businesses and the enforcement. Council President Montero further stated she looked at every one of the businesses that signed a petition and in some cases she didn't understand why a sandwich board would improve what they already have and some other places in town made the city look shoddy because of broken feather flags and use of the sidewalk for merchandise.

Councilor Morrissey stated the ten foot rule was totally arbitrary and makes no sense and if you own property they should be able to put a sign out. The downtown doesn't really count because that is public right-of-way and not private property. If this helps the businesses succeed then that is good.

Councilor Wright stated he basically had the same thought and asked if there was a reason why it was reprised.

Mr. Cupples stated when the Planning Commission was reviewing the ordinance the individual that testified thought they all should be banned entirely and it was incorporated into the ordinance.

Councilor Frank asked if a sandwich board was still part of the total signage allowed.

Mr. Cupples stated the sandwich board was basically exempt as long as it is the size that was allowed in the ordinance. It does not come out of the maximum sign area. Everyone is supposed to be able to put up a sandwich board sign. The feather flags have been allowed as a banner and do come out of your sign area but do not require a permit.

Council President Montero stated the Feather Flag was done as a policy and not as part of the ordinance. Part of this is being fair to all the businesses and that is what enforcement was.

Councilor Phillips stated she understood trying to be fair to all the businesses but not all the businesses have their own private property. No one size fits all and she was thinking at one time you couldn't even walk down Broadway with the signs and feather flags. There are two businesses and that property is there's, and listening to them talk about how they may lose their businesses it changed my mind.

Councilor Frank asked if the ordinance could be amended tonight. What was the process?

Mr. Cupples stated Council would ask for a formal ordinance amendment to be brought before Council.

Councilor Phillips stated if this was sent back to the Planning Commission it would not help the business owners.

Mr. Winstanley stated Council has the ability to go ahead to make this change without sending it through the Planning Commission.

Councilor Frank stated that was quite a time period and were into the season.

Mr. Cupples asked if Council would be interested on putting a short sunset period on it and consider it after a period of time.

Mr. Winstanley stated Council could go through the process of changing the ordinance and at the same time send this back to the Planning Commission.

Councilor Frank stated the process to make the change was for Mr. Cupples to word this and do so at the next meeting.

Mr. Cupples stated that can be done, the only question was does Council want it to be valid for a period of time that can be incorporated in.

Council President Montero stated it had been about ten years since the ordinance has been looked at in full and her thought would be to look at the whole sign ordinance.

Councilor Phillips stated that can happen in the future.

Council President Montero stated if the amendment was done right away it would be appropriate to say ok we do this for the summer or towards the end of the year. Council can evaluate what does our town look like with sandwich boards and evaluate the business people.

Councilor Frank made a motion that Kevin revise the sign ordinance and allow sandwich boards on the property of the business without the limit of ten feet and have a sunset date to revisit with a second from Councilor Morrissey; carried with Montero opposed.
(Frank/Morrissey)

Mr. Cupples stated it was a pretty simple amendment of drawing a line through part of the ordinance.

RESOLUTION #3891

A RESOLUTION ADOPTING AND APPROPRIATING SUPPLEMENTAL BUDGET INCREASES AND REDUCTIONS OF LESS THAN 10% FOR THE 2016-2017 CITY OF SEASIDE BUDGET

Mr. Winstanley explained the resolution would be for adopting and appropriating supplemental budgets of less than 10% for the 2016-2017 year. The purpose of the funds was completed which was the construction fund for the North Holladay Project.

The second fund was for fire equipment fund and that was where the fire truck was purchased and they borrowed money and pay interest on the money borrowed but the interest rates have gone up and were adjusting the budget.

Council President Montero asked for public comments, there were no public comments.

Council President Montero asked for Council comments, there were no Council comments.

Council President Montero asked for a motion.

Councilor Frank so moved to read by title only Resolution #3891 with a second from Councilor Phillips; carried unanimously. (Frank/Phillips)

Councilor Frank moved to adopt with a second from Councilor Phillips; carried unanimously. (Frank/Phillips)

RESOLUTION #3892

A RESOLUTION OF THE CITY OF SEASIDE, OREGON, EXTENDING SEASIDE'S WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF THE CITY OF SEASIDE

Mr. Winstanley stated Resolution #3892 was a housekeeping resolution. Each year by our insurance company the city was required to extend the Workman's Comp coverage to all volunteers for the City of Seaside.

Council President Montero asked for public comments, there were no public comments.

Council President Montero asked for Council comments, there were no Council comments.

Council President Montero asked for a motion.

Councilor Frank moved to read Resolution #3892 by title only with a second from Councilor Phillips; carried unanimously. (Frank/Phillips)

Councilor Frank moved to adopt with a second from Councilor Phillips; carried unanimously. (Frank/Phillips)

**FINAL – VISITORS
BUREAU RE-SIDING
AND WINDOW REPLACE.**

Russ Vandenberg, Convention Center & Visitors Bureau General Manager, stated Helligso Construction Company has completed the siding and window improvements on the east and south facing walls of the Visitors Bureau and Chamber Building. The completed works was approved and staff would like to request that the Mayor and City Council release the retainage of \$2,121.10 to Helligso Construction Co.

Councilor Morrisey moved to release the retainage with a second from Councilor Phillips; carried unanimously. (Morrisey/Phillips)

**AGREEMENT - AIRBNB
TRANSIENT ROOM TAX**

Mr. Winstanley stated this was a contract agreement with Airbnb Transient Room Tax. Airbnb was an organization that has been a challenging organization for the city to work with to collect transient room tax. It was not an unusual situation for the city, there were a number of organizations that handle vacation rental properties or the rental of rooms through their organizations but Airbnb up until now has been an organization that basically has chosen to fly under the radar screen. Airbnb came to the city and for the properties they handle they would enter into a contract with the city and be responsible for paying the room tax the City of Seaside levies under its ordinance. Airbnb would provide the room tax to the City of Seaside for those rental properties. Mr. Winstanley further stated Dan Van Thiel had been involved in reviewing the contract and there was a memo in the packet from Jon Rahl, Tourism Director, and he has been very involved in this and been working with the Airbnb people to make sure the contractual agreement would be beneficial and in line with what it is that the city does. One piece of this arrangement that is unusual for us is that with other vacation rental properties whether handled by individuals or companies we receive information about that property on an individual basis. Airbnb while they are going to keep that information at this point are not going to disclose that information and they feel that this is something that they have certain privacy requirements. They will disclose to their customers all the requirements that the City of Seaside has as far as vacation rental properties are concerned but will not be our agent in keeping track of those individuals' properties. That has been a difficult concept for us and the city has been working on this for quite a while. Certainly one of the things the city wants to do was try and get Airbnb to play on the same playing field as everyone else and that has been challenging. The City of Portland was successful in negotiating the first contract with Airbnb. Later Lane County negotiated a contract with Airbnb and our contract was patterned after the City of Portland and Lane County.

Memo from Jon Rahl: Airbnb Transient Room Tax which was founded in 2008 in San Francisco by a group of roommates, Airbnb has grown globally to the tune of more than three million room and housing listings in 65,000 cities across 191 countries.

Over the last three years, the state of Oregon and several communities across the state have executed contractual agreements with Airbnb to insure rental taxes are collected at the time of rental on Airbnb.com. Currently, the only guaranteed bed tax collected on an Airbnb listing in Seaside is a state tax, thanks to an agreement the state signed with Airbnb in 2014. During the past few months, we have had our own discussions about such an agreement with Airbnb to help insure all bed tax through this growing room sharing service is collected under City of Seaside ordinances established many years ago. After reviewing the terminology and consulting with our attorney, Mr. Dan Van Thiel, we recommend signing an agreement with Airbnb. The agreement will become effective June 1 and all taxes related to Seaside listings on Airbnb will begin collecting taxes on July 1, 2017. A feature that asks all Airbnb hosts (homes) to provide their business license number - which is then housed through the Airbnb rental interface and can be used as a resource for city staff to help authenticate whether Airbnb homes in Seaside are properly licensed — will provide a tool for Seaside to help monitor the licensure status of Airbnb listings. Coupled with the purchase of a software program license called STR Helper that will assist in the auditing process for any properties listed for rental on popular vacation websites like Airbnb.com, VRBO.com, HomeAway.com, VacationRentals.com and others, we believe this will help make sure Seaside is properly collecting lodging tax from those renting any housing unit in Seaside as a short-term rental unit. Tactic to improve TRT collections in Seaside Cost: Cost for long term agreement with Airbnb is \$0, Cost for initial setup and first year STR Helper \$8,000 (2017-18), Cost for S FR Helper per year thereafter \$5,000 (2018-19). Benefits to City of Seaside of Contract and Software License: Insure TRT is collected by any home/unit listed with Airbnb (currently unavailable), Business License Number listed on Airbnb.com (currently unavailable), Ability to scan addresses throughout Seaside via software to audit listing as a short-term rental, Ability to send letter requesting compliance (for those that aren't) with the click of a button, and many other benefits can be provided upon request.

Council President Montero stated Airbnb would be paying the 10% tax.

Mr. Winstanley stated they are acting as an agent for the properties they represent and those properties whatever legal arrangement they make between the owner and themselves it will include the fact they are required to pay room tax at the rate the city has.

Cynthia Malkowski, 516 25th Avenue, Seaside, stated she has lived in Clatsop County since 1975 and she has a home here and her husband Steven and her were hotel owners and had a vacation rental that was licensed for twenty years so this is not a case of being worried about competition. What she worried about was the negative impact the illegal hotel industry with the proliferation of these Airbnb, Vacasa, Flip Key, VRBO, and the ability to maintain our control over power quality of life with the existence of these entities. Mrs. Malkowski spoke with Randy and was floored to find out this vote was happening and she spent all day on the phone with the Oregon Restaurant and Lodging Association which we are members. She had been talking to the American Hotel and Lodging professional entity in Washington DC and this vote while at first may seem like yes Airbnb is going to start paying taxes is absolutely not the case. She wanted to contribute significant studies that have been done and the impact on communities such as ours and she would like to present this in orderly fashion with the request that this vote be tabled until another month when the public has a chance to understand the impact on our community. Mrs. Malkowski further stated she printed this screenshot of the Airbnb Website for Seaside, Oregon, and talked to Randy about how many VRD licenses in the City of Seaside and she stated maybe 300 or 400 and how many are active the city does not know. This is the screenshot for Vacasa showing 300 properties in their inventory in Seaside, Oregon, and how many of those are legally licensed and she would like that person to stand up in here and say we know how many are licensed and how many are not. The traffic in our neighborhood loses the quality of life and in addition there was a troubling trend where VRBO and these entities are no longer morphine from mom and pop. What is happening is real estate investments in Portland are buying up properties and renting them out illegally. Would a forty unit apartment building in Seaside be needed if these properties were available for single family housing year round and as a business owner this is the first time that she had seen owners and operators doing the hard work to make this a great place and for the first time people truly cannot afford to live here and people were only open five days a week and that was all they could physically work because there was not enough labor to hire so the toxic residual impact on the business community is there. People aren't going out to eat so our restaurants suffering too. Mrs. Malkowski further stated when she read this contract her hair caught on fire because anybody can enter into a legal contract but the terms of this contract are absolutely stunning and one component in the contract and is a game changer and blows me away: The tax and jurisdiction agrees that it will not audit or issue an assessment with Airbnb more then once per any consecutive forty-eight month period and it will be limited to two consecutive twelve month periods within the forty-eight period which was on page two. What does that say were not going to open our books and we refuse to accountable and yea maybe we will give you stuff but only twelve out of forty –eight months. The contract creates a separate and unfair and lack of transparency. A set of rules that is completely different then rules she had to follow and wished she could operate under these circumstances. This is a vicious trend that is changing the face of her community and she did not want to see this negative trend impact the community and would not even need to talk about the forty unit apartment if people were operating legally here. Mrs. Malkowski discussed the ORLA Commission study. The agreement Council would vote on tonight this was the title of the agreement: Voluntary Collection Agreement for the City of Seaside Transient Room Tax. What is the voluntary collective agreement, Mrs. Malkowski read the Airbnb comparisons with voluntary collection agreement.

This was a red herring and Mrs. Malkowski respectively request more research be done that there be public input and that this vote be tabled until next month. Mrs. Malkowski left two reports with the City Council. Report 1: Hosts with Multiple Units – A Key Driver of Airbnb Growth and Report 2: Airbnb Agreements with State and Local Tax Agencies.

Steven Malkowski, 516 25th Avenue, Seaside, stated he was here in regards to the Airbnb issue and believed Council should take additional time to look at the two reports my wife had presented this evening and submitted in detail and you will find this is quite an eye opener in making a decision on whether to vote for this agreement or not. Mr. Malkowski further stated they were twenty-five year residents in Seaside and from part time to full time and were small business owners in incorporated Clatsop County. We see this effect of this expansion of vacation rental dwellings and short term rentals really have an impact to Seaside. The biggest concern probably of what was addressed earlier tonight in regards to affordable housing and certainly seems to be a crisis not only here in the North Coast but throughout other parts of Oregon and the Country. It is a significant impact to us as small business owners when trying to solicit employees to work at our lodging property where an experience was sold and we are not competing with Airbnb folks. The types of wages we try to attract our employees with are between \$15.00 to \$20.00 an hour and are full time jobs. Once people go online to look at the housing options and opportunities in the area it was a non starter for them losing the majority of the candidates which was a struggle. The oldest son is stationed on the Coast Guard and there was a huge struggle for the coast guard to find housing. The youngest son works at Safeway and they were able to get into a house with the help of their parents because the cost of rent and availability of apartments was becoming prohibited and from a housing standpoint this was a huge issue to the short term rentals. This was a barrier for our families and young adults to try and stay in the area. Mr. Malkowski further stated there was also a discussion about the investment in schools and was wondering how many children are going to be in the area if we can't attract families to the area and be able to afford to live here and he was also worried about the small business and being able to keep employees. Mr. Malkowski discussed the study of the Hosts with Multiple Units – A Key Driver of Airbnb Growth. Mr. Malkowski further stated he wanted to speak to Council about the Airbnb Agreements with State and Local Tax Agencies – A Formula for Undermining Tax Fairness, Transparency and the Rule of Law. The author of the report was a gentleman by the name of Dan Bucks and he read the note on the author and this report.

Council President Montero stated the report can be given to Kim Jordan and she will make copies for the Council.

Mr. Malkowski stated earlier his wife was receiving some emails including this document from ORLA and from the American Lodging Association through ORLA and he would like to read a paragraph that came in today's email.

Council President Montero stated she would like to ask something. It has been a long meeting and if this was presented to us to read and we are all interested in this and want to do our due diligence but it has been a long meeting.

Mr. Malkowski stated the biggest concern that was raised at ORLA and the American Lodging Association was specific to your document Council was considering and that was being able to audit only once in four years instead of annually. What we were directed to in that fifty page document there were discussions of negative impacts to communities.

Councilor Horning stated he would look forward to seeing the documents and would support the request to table the vote for the time being so that Council could be more informative before choosing.

Councilor Morrisey agreed.

Council President Montero stated she agreed there were a lot of factors in this and at this point the item will be tabled so that Council could review the documents.

**LICENSING AGREEMENT
RUBY'S ROADSIDE GRILL**

Mike Morgan, Cannon Beach stated this was an agreement between the City of Seaside and David Remer and Candace Remer. The City is the owner of certain real Property in Clatsop County. Remer is the owner of certain real property in Clatsop County which abuts the real property described. Remer desires to utilize their properties abutting City's Property and in doing so requires this License Agreement to provide ingress and egress and access to the Remer property for the purpose of placing in the Remer property a parking lot to benefit their business. The agreement would allow the City to grant permission to Remer and Remer accepts City's permission to the use of a portion of City's Property. As indicated it is to the benefit of Remer that they have access to the property for the purpose of placing thereon a parking lot to complement their business. The benefit to the City is that the public generally shall have a free unimpeded and unrestricted access to any of the parking place improved by Remer on their property.

Councilor Frank stated do they plan on having signage and where would that be.

Mr. Morgan stated that was yet to be determined and would remain private property three acres from the Steven's Estate and this particular area is right behind the Kent Price Building. Other people can use the area to access the Mill Pond area.

Councilor Frank stated there were two areas and one showed a proposed parking lot and the other one shows a future parking lot. What was the intent on the future parking lot and was that City property.

Mr. Winstanley stated the only part that belonged to the City was the driveway.

Mr. Morgan stated that amount of parking would not be necessary for the small business and would not be used for a future parking lot.

Councilor Frank stated there was a proposed five feet landscaping that runs along the driveway would they put that in right away.

Mr. Morgan stated that was a sidewalk and required by the Planning Commission.

Council President Montero stated she like the idea and had two concerns. One is that she agrees no sign on the highway that says Mill Ponds Parking but was concerned that nobody will know they can use the parking because they will think it is private parking for Ruby's only. Was there any plan of signage at the parking area itself?

Mr. Morgan stated he thinks they would be open to erecting a sign. With the homeless activity back in that area it was important it was not used as an overnight parking.

Councilor Morrissey stated he agreed there needed to be some signage for parking.

Council President Montero stated there was a sidewalk and people had a habit of not picking up after themselves.

Mr. Morgan stated his observation was the property was a disaster before they started developing the parking but now the staff was on top of keeping those things cleaned up.

Councilor Horning stated he did not see this coming and would like to recuse himself from the vote as he has worked with the developer.

Councilor Morrissey moved Council enter into a licensing agreement with Ruby's with a second from Councilor Frank; carried with Horning abstaining. (Morrissey/Frank)

**SCCC RENOVATION
/ADDITION ARCHITECH
DESIGN CONTRACT**

Mr. Vandenberg stated as we continue to move forward with the SCCC Renovation / Addition Project, we are now in the phase of securing the Architectural Design and Engineering team. We have reviewed and rated the following list of Architectural/Design submitted qualifications/proposals and would like to make the following recommendation: HOLST + Convergence, Steele Associates, URBANADD. Staff is recommending HOLST + Convergence based on their exceptional qualifications and experience of convention center/Renovation-Addition projects. Total cost of Architectural Design and Engineering is \$1,328,203.00.

Mr. Winstanley stated there were a number of exhibits that were referenced in the agreement and since they are referenced would become part of the signed contract.

Mr. Vandenberg stated he had the exhibits which would be included with the agreement.

Council President Montero stated was that a flat fee or is there a possibility of contingencies.

Mr. Vandenberg stated there were contingencies built into that amount.

Councilor Phillips made a motion to approve the contract with HOLST + Convergence and to include the exhibits with a second from Councilor Frank; carried unanimously. (Phillips/Frank)

Councilor Morrissey stated initially the price feels a little high to him but he trust Mr. Vandenberg's ability in choosing the best firm for the job.

**COMMENTS –
CITY STAFF
AND OTHERS**

Mr. Vandenberg stated this was a great opportunity for me to make an announcement. Council has heard Jon Rahl with his marketing campaign "Its Easy To Seaside". There have been ads and literature that has been going out and during the Governors Conference on tourism that was held in Salem approximately a week ago Seaside was awarded the State Marketing Campaign of the Year and recognized by all the Designated Marketing Organizations of the State and it was presented to Jon at that conference.

Dave Ham, Seaside Police Chief, stated he and two other delegates from the police department returned from Washington DC for the National Memorial for Sergeant Goodding and it went very well and it was a pleasure and honor to be there.

Mr. Cupples stated the Planning Commission was excited about the next joint work session and they would like to start talking about vacation rentals and amendments that may need to be made and that was one of Council's goals.

Council President Montero asked when the next meeting would be.

Mr. Cupples stated the last Monday in July.

Mr. McDowell stated if Council remembers last year there were twenty-eight kids from Ponderosa Elementary and they came to clean the beach and we have expanded and there were sixty coming on Thursday, May 25, 2017 and they were very excited. Mr. McDowell further stated flower baskets go up Tuesday, May 23, 2017, at 8:00 AM.

Mr. Winstanley stated he wanted to take a minute to remember Larry Haller as he had the opportunity to work with him for twenty years at the City of Seaside and there were a lot of people that don't realize but he met Mr. Haller fifty years ago when he had a freshman in his class and he was my home room teacher. Mr. Winstanley further stated the fire department received a grant within the last couple of days for \$145,000.00 for equipment from the department of Home Land Security and they were very excited about that.

COMMENTS – COUNCIL

Councilor Horning stated he was looking forward to enjoying the sunny weather.

Councilor Frank stated flower baskets tomorrow and anyone can come and help. Councilor Frank further stated he also had Larry as an Algebra Teacher.

Councilor Phillips stated she forgot to mention how the business owners hated Larry because they got so tired of him coming in and asking for advertising money they would just give it to him.

Councilor Wright stated congratulations to the fire department with the Fire Levy passing. Councilor Wright further stated the discussion tonight with Airbnb points out our goals like Kevin said revisiting the Vacation Rental Dwelling Ordinance.

Council President Montero congratulated Lizzy and wished her the best of luck.

ADJOURNMENT

The regular meeting adjourned at 9:45PM.

Kim Jordan, Secretary

TITA MONTERO, COUNCIL PRESIDENT