

1. Agenda

Documents:

[12-08_CC_AGENDA_12-08-16.PDF](#)

2. Meeting Materials

Documents:

[12-08_CITY_ADMINISTRATOR_NOV_2016_REPORT.PDF](#)
[12-08_FOOD_EQUITY_COMMITTEE_LETTER.PDF](#)
[12-08_MANAGEMENT_DISCUSSION_AND_ANALYSIS_2016.PDF](#)
[12-08_ORDINANCE_347_SDC_PAYMENTS.PDF](#)
[12-08_ORDINANCE_348_CET.PDF](#)
[12-08_PC_RECOMMENDATION_ON_FORMULA_BUSINESS.PDF](#)
[12-08_PWREPORT_NOVEMBER_2016_12_4_2016.PDF](#)
[12-08_RESOLUTION_NO._2016_12_01.PDF](#)
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Yachats City Council Vision

Our village is a place where natural resources are valued and protected, where diversity is celebrated, and where a vibrant economy and sense of community pride create and recreate a living spirit. Yachats cares not just for its citizens' basic needs but also supports them in their efforts to excel mentally, physically, artistically, and spiritually. It is a community with an enduring sense of itself.



CITY OF YACHATS

CITY COUNCIL MEETING

441 Hwy 101N, Yachats Commons, Room 1

**Thursday, December 8, 2016 at
2:00pm**

AGENDA

- I. Announcements and Correspondence
 - Letter from Food Equity Committee
- II. Citizen's Concerns
- III. Consent Agenda
 - A. Minutes: 11/07/16 Council Work Session; 11/10/16 Council Meeting
 - B. Bills for Approval
- IV. Reports
 - A. Council
 - B. Written Reports:
 - Administrator, Code Enforcement, Public Works
- V. Public Hearing CLOSED - Ordinance 346: Amendments to Yachats Municipal Code Chapter 9
- VI. Business
 - A. Resolution 2016-12-01 Indigenous Peoples Day on each January 1
VOTE
 - B. Re-finance General Obligation Refunding Bond & Water Revenue Funding Bond
VOTE
 - C. Recommendation from Planning Commission on formula business restriction
REVIEW
 - D. Ordinance 347 Affordable Housing (to defer SDC fees)
VOTE
 - E. Ordinance 348 Construction Excise Tax (1% of Building Permit Fees) VOTE
 - F. Resolution 2016-12-02 Intergovernmental Agreement for CET w/Lincoln Co.
VOTE
 - G. Management Discussion and Analysis 2015-16 (MD&A)
REVIEW
- VII. Other Business
 - A. Mayor's Report
 - B. From the Staff
 - C. From the Council

This meeting is open to the public and all interested persons are invited to attend. This meeting will be audio taped. All items to be considered by the Commission must be submitted to City Hall no later than one week prior to the meeting. Minutes of all public meetings are available for review at City Hall, or on the City website at www.yachatsoregon.org.

In accordance with ORS 192.630, City of Yachats will make a good faith effort to provide accommodations for any person desiring to attend a public meeting, if the request is made at least 48 hours in advance of the meeting time. The meeting room is physically accessible to persons with mobility devices; a sign language or foreign language interpreter may be available, with advance notice. Call City Hall at 541-547-3565 or Oregon Relay 1-800-735-2900 (TDD) two days in advance.

POSTED 12-07-16



CITY ADMINISTRATOR REPORT 11/10/16 – 12/07/16

DEPARTMENT	SUBJECT	DESCRIPTION
CIP Streets	Hwy 101	Weekly meetings, phone calls, emails with engineer, contractor, utilities, workers in reference to continuing highway project, new costs, resolution of issues.
Water	Water service calls	Coordinated complaints concerning water issues; responded to emails.
Water CIP	South Reservoir	Working with engineer, planner, owner on documentation following public hearing Dec. 6, in order to complete purchase and begin.
Accounting	Training and changes	Multiple trainings for entire staff for new accounting system; accountant and staff making corrections, creating new documents, revenue/expenditure tracking updated. Multiple meetings, emails, phone calls with banking reps, access to systems, deposits
Audit	Audit Reports	Met and worked with City Auditor on both 2014-15 and 2015-16 audit reports. Continuing forensic audit with Tom Lauritzen
Sewer F.O.G.	Grease removal	Working with Dave Buckwald, Rick Haynes, Greg Scott and Kimmie Jackson to get data for committee to begin process on FOG/BOD regulation
Yard Debris	Truck pick-up route	Met with representatives from Dahl Sanitation about a new route they are looking at setting up to pick up yard debris like they do recycle
Building issues	Events, repairs, issues, resolutions	Multiple meetings concerning increased use of The Commons and 501 Building, repairs to doors, utilization of space. Had window cut in interior office for utilities payments; adding short wall to counter
Sewer/Water	Weekly meetings	Meet with Public Works, Code Enforcement, Facilities Management, Food Pantry volunteers, msc groups regularly.

Housing/ Vacation Rentals/Goals	Research	Continuing research on current City issues, including work-force housing, vacation rentals, goals of the council, transition of mayoral and council positions
Planning	Formula business; public hearing	Arranged for rep from Cross Development to come from Iowa to host public meeting about Dollar General Store. Attended that meeting, as well as Planning hearing on reservoir site

December 1, 2016

Karl Wissmann, President and Chief Executive Officer
C&K Market Inc.
Medford, Or 97404

Dear Karl:

It has taken a while but finally we can celebrate together: Senior Discount Day in Yachats and Waldport. According to Scott, manager of Ray's in Waldport, over 400 people signed up on the first day, Tuesday November 22. For the size of our community, this is amazing. Members of our committee have visited both stores on the 22nd and on the 29th. They continue to enroll at a brisk pace.

The Senior Discount signs are clear and welcoming. Enrollment protocol is simple. Community members are appreciative. 7% seems minimal. However, over a month, (four Tuesday's), the discount is significant.

Our committee, as individual members from both communities, want to take this opportunity to thank you for a job well done. Rocky and staff are to be commended as well as managers and staff from both stores.

We look forward to promoting this excellent endeavor and continue working with you in the future on other meaningful projects that assist our community. We would like to alert and invite you to an upcoming meeting on December 5, from 11am - 1pm, in the Commons Multi - Purpose room, Yachats, to meet and listen to a representative from Dollar General Store. The corporation has filed plans to build stores in Yachats and Waldport. They have information to share relative to their mission and goals.

We want to extend our best hopes and wishes to you and your staff for a pleasant and fruitful holiday season.

Respectfully,

Susan Woodruff, Mayor, City of Waldport
Max Glenn, Councilman, City of Yachats
Bob Barrett, Pastor, Yachats Community Presbyterian Church, City of Yachats
Heide Lambert, Deputy Director, Neighbors for Kids, City of Waldport
Joni Lindros, At Large, City of Waldport
Morry Lindros, At Large, City of Waldport

Management's Discussion and Analysis 2015-16

Analysis of the Government's Overall Condition

The current and short-term financial condition of Yachats is good. The number of visitors to our City has continued to increase. Hotels, motels and individual rental homes have responded to the demand by increasing room rates. Yachats increased the Transient Lodging Tax Rate during the year, with the majority of the rate increase flowing to the Visitor Amenity Fund, as required by Oregon statutes. A combination of higher occupancy, higher room rates and a small increase in the tax rate has resulted in a significant increase in the General Fund revenue provided by the tax. Food and Beverage Tax collections also increased, consistent with the increase in the number of visitors to our City. Since Yachats has no general obligation property tax revenue, Transient Lodging Tax revenue allows the General Fund to support the budgets for the Commons (community center), Library, Museum and minimal repairs to our Streets.

Yachats has been reluctant to increase Water and Sewer rates since the real estate and economic recession in the mid-2000s. Costs of operating our facilities continued to rise over the years, reducing the ability to set aside funds for projects needed to expand our supply and storage capacity for water. Recent years have experienced water usage restrictions implemented in the late summer and early fall months, which coincide with the highest occupancy rates for our tourist economy. The City studied the issues and implemented system-wide rate increases during the year, with annual increases based on a local cost index. Yachats also conducted a study of our management organization and was able to eliminate the position of Public Works Director (PWD) while upgrading the position of City Recorder to City Administrator, who assumed the PWD duties. These changes have put the Water and Sewer Funds on track to help contribute to the costs of future projects.

Over the longer term, additional revenue will be needed to fund much-needed infrastructure projects. Yachats implemented an Urban Renewal District (URD) in 2005 to help generate funds for future projects. The URD got off to a slow start due to the real estate recession. Recent improvements in the local real estate market have increased construction activity within the URD boundaries, generating higher tax revenue. As the URD matures, it will become a significant contributor to providing the funds needed for infrastructure projects.

Financial Highlights:

- Budgeted General Fund revenues were increased during the year to reflect the additional visitor activity experienced earlier in the fiscal year. The General Fund transfer to the Visitor Amenities Fund was increased proportionally, additional funds were transferred to the Storm Drain Fund and internal personnel costs were reallocated to accurately reflect how city staff were utilized across funds.
- The Capital Reserve Fund benefitted from a significant collection of LID Assessments related to bank-owned properties in a stalled real estate development. The Water/ Sewer rate increase, along with a modest Capital Project Fee, imposed during the year, increased future project transfers into the Capital Reserve Fund by approximately 25%. At the same time, Capital Project spending was redirected

towards the Highway 101 Project to ensure that adequate funds were available to complete the project in the core downtown area.

- The Systems Development Fund exceeded budget and prior years as building activity increased after a long real estate recession on the central Oregon coast.
- The Highway 101 Project Fund delivered less than budgeted revenue and 75% less spending than originally expected. Design challenges, right-of-way issues, storm drain improvements and other challenges effectively delayed the project into the next fiscal year.
- A significant winter storm in December caused a culvert and drainage failure in south Yachats. Emergency repairs impacted the Storm Drain Fund. A FEMA grant covering most of the incurred costs was received subsequent to year end.
- For the Water Fund, the rate change delivered the expected \$25,000 additional revenue for the partial year it was in effect. Materials and Services expenses were under budget, due to renewed focus on vendor expense control and revisions to the chart of accounts which allowed better visibility into our invoice costs. The improved financial performance of the Water Fund allowed an additional \$25,000 to be set aside for reserves.
- Construction of the South Water Reservoir was delayed until fiscal year 2017. The Project was originally expected to be completed in the current fiscal year.
- The Sewer Fund experienced the same revenue increases as the Water Fund, due to the mid-year rate increase. Expenses for Materials and Services were under budget, allowing an additional \$25,000 to be set aside for reserves.
- Yachats arranged to end its contract to provide wastewater treatment support to the United States Forest Service (USFS). In light of the organization change eliminating the position of Public Works Director, the value of having the public works crew 100% dedicated to the City more than offset the revenue generated by the USFS work.
- The Urban Renewal Fund generated tax increment revenue above budget and in excess of the prior year. New construction activity within the URD has finally started to increase, after having been severely impacted by the real estate recession of the 2000s. Yachats' Urban Renewal Plan is significantly behind the original projections created in 2005 but has finally started to mature and generate increasing revenue.

Economic Factors and Next Year's Budget

Water and Sewer revenue will increase over 2016, reflecting a full year of the rate increase enacted in February, 2016. Significant capital expenditures will occur to complete the Highway 101 Improvement Project. Yachats has planned for the expenditures and has adequate reserves available to complete the project.

**CITY OF YACHATS
ORDINANCE NO. 347**

**AN ORDINANCE AMENDING THE YACHATS MUNICIPAL CODE TO PROVIDE
FOR INSTALLMENT PAYMENTS OF SYSTEMS DEVELOPMENT CHARGES FOR
QUALIFIED HOUSING.**

WHEREAS, the City has long imposed systems development charges as authorized by ORS § 223.297 *et seq.*, in order to assure adequate infrastructure for anticipated future development; and

WHEREAS, the Council previously found and determined that system development charges need to be apportioned equitably, based upon the nature of the development; and

WHEREAS, the City of Yachats, State of Oregon, and the entire Nation are currently facing a crisis in affordable housing for households of low and moderate income; and

WHEREAS, in its Comprehensive Plan the City agreed to actively encourage the creation of affordable housing for all income levels; and

WHEREAS, system development charges can be an insurmountable barrier to affordable housing development; and

WHEREAS, Portland, Salem, Eugene, Bend and other Oregon cities have adopted measures to eliminate the barrier to new affordable housing posed by system development charges.

NOW, THEREFORE, the City of Yachats ordains as follows:

Section 1. Yachats Municipal Code Section 8.20.030 is hereby amended to read as follows:

Section 8.20.030 Definitions.

As used in this chapter:

“Area Median Income” means Lincoln County, Oregon median household income by household size, as defined by the U.S. Department of Housing and Urban Development, and published periodically.

“Capital Improvement(s)” means public facilities or assets used for any of the following:

1. Water supply, treatment and distribution;

2. Wastewater collection, transmission, treatment and disposal;
3. Drainage and flood control;
4. Transportation, including but not limited to streets, sidewalks, bike paths, traffic signals and control devices, street lights, street trees, public transportation, vehicle parking, and bridges; or
5. Parks and recreation, including but not limited to mini-neighborhood parks, neighborhood parks, community parks, and other recreational facilities.

“Development” means the act of constructing a building or conducting a mining operation, or making a physical change in the use or appearance of a structure or land, which increases the usage of any capital improvements or which creates the need for additional capital improvements.

“Improvement fee” means a fee for costs associated with capital improvements to be constructed. This term shall have the same meaning as the term “improvement fee” as used in ORS 223.297 through 223.314.

“Qualified Housing” means rental units that satisfy Item 1 (below) and ownership units that satisfy Item 2 (below); and, in either case, also satisfy Item 3 (below):

1. A rental unit set aside for households at or under 80 per cent of Area Median Income, which is income-restricted for a period of not less than thirty (30) years, through a recorded document.
2. A rental unit set aside for households at or under 80 per cent of Area Median Income which is income-restricted for a period of not less than thirty (30) years, through a recorded document enforceable by (a) Oregon Housing and Community Services, if the project is funded by that agency; or (b) the City of Yachats, Oregon, if the project receives no funding from Oregon Housing and Community Services; or
3. An ownership unit set aside for households at or under 100 per cent of Area Median Income, which has a Perpetual Buyer Income Restriction of 100 per cent of Area Median Income or less, and a Perpetual Limit on Profit on Re-sale of not more than two (2) per cent of an owner’s ownership of the dwelling unit, both contained in a recorded document that is enforceable by: (a) Oregon Housing and Community Services, if the project is funded by that agency; or (b) the City of Yachats, Oregon, if the project receives no funding from Oregon Housing and Community Services; and

4. In either case, incorporates either (a) a prohibition against renting or selling to someone who is not employed in the area of USPS Zip Code 97498; or (b) a preference for applicants who are currently employed in, or have accepted offers for employment in, the area of USPS Zip Code 97498; that complies with Section 42(G) of the Internal Revenue Code, Treasury Regulation 1.42-9 and HUD Handbook 4350.3 of the United States Department of Housing and Urban Development.

“Qualified Ownership Unit” means a dwelling unit, the sale price of which, as to the first buyer after the income restriction and re-sale restriction have been recorded, ensures that the then-total monthly costs of ownership for the dwelling unit (including principal and interest payments on a loan, insurance, property taxes, mortgage insurance premium, utilities, owners association fees, and any other ownership costs) do not exceed the rent for such a dwelling unit, determined as if it were a Qualified Rental Unit.

“Qualified public improvements” means a capital improvement that is:

1. Required as a condition of development approval;
2. Identified in the plan adopted pursuant to Subsection 8.20.070(B); and either
 - a. Not located on or contiguous to a parcel of land that is the subject of the development approval, or
 - b. Located in whole or in part on or contiguous to property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

“Qualified rental unit” means a dwelling unit for which rent does not exceed 30 per cent of 80 per cent of Area Median Income for a household of the size given by multiplying the number of bedrooms in that dwelling unit by 1.5 (and rounded up).

“Reimbursement fee” means a fee for costs associated with capital improvements constructed or under construction on the date the fee is adopted.

“Systems development charge” means a reimbursement fee, a public improvement fee or a combination thereof assessed or collected at the times of increased usage of a capital improvement or issuance of a development permit, building permit or connection to the capital improvement. It shall also include that portion of a sewer or water system connection charge that is greater than the amount necessary to

reimburse the city for its average cost of inspecting and installing connections with water and sewer facilities.

Section 2. There is hereby added to the Yachats City Code a new Section 8.20.091 as follows:

Section 8.20.091. Payment of Systems Development Charges on Qualified Housing

Systems Development Charges for Qualified Housing shall be determined and payable in installments as follows:

- A. The amount of System Development Charges for Qualified Housing shall be those prevailing on the date building permits are issued.
- B. Systems Development Charges for Qualified Housing shall be: (1) paid prior to issuance of building permits, as to 50 per cent of the Systems Development Charges; and (2) the balance of 50 per cent shall be paid without interest within 15 days after the end of the Applicable Income Restriction Period.
- C. If any dwelling unit ceases to be Qualified Housing prior to expiration of the Applicable Income Restriction Period, the deferred Systems Development Charges for that unit shall be immediately due and payable.
- D. A conversion of any qualified rental unit to qualified ownership unit does not accelerate the due date of the deferred Systems Development Charges for the converted dwelling units.

Section 3. Effective Date. This Ordinance shall be in effect 30 days after it has been adopted.

Passed and adopted by the Yachats City Council on this ____ day of _____, 20__.

AYES: _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

Approved by the Mayor this ____ day of _____, 20__.

Ronald L. Brean, Mayor

Attest: _____
Joan Davies, City Administrator

**CITY OF YACHATS
ORDINANCE NO. 348**

**AN ORDINANCE AMENDING THE YACHATS MUNICIPAL CODE TO ADD A
CONSTRUCTION EXCISE TAX**

WHEREAS, the City of Yachats, State of Oregon, and the entire nation are currently facing a crisis in affordable housing for households of low and moderate income; and

WHEREAS, in its Comprehensive Plan the City agreed to actively encourage the creation of housing that is affordable for all income levels; and

WHEREAS, in Senate Bill 1533, the Oregon Legislative Assembly recently authorized Oregon local governments to impose a construction excise tax for affordable housing; and

WHEREAS, enactment of the construction excise tax would provide a new resource to help make Qualified Housing projects economically feasible and thereby encourage development of additional Qualified Housing in Yachats as contemplated in the Comprehensive Plan.

NOW, THEREFORE, the City of Yachats ordains as follows:

Section 1. Yachats Municipal Code is hereby amended to add Chapter 3.16 Construction Excise Tax:

Section 3.16.010 Purpose.

This Chapter establishes a construction excise tax on commercial and residential improvements, in order to provide funding for affordable housing in the City of Yachats. Chapter 3.16 of the Municipal Code shall be known as the Construction Excise Tax.

Section 3.16.020 Definitions.

As used in this Chapter:

- A. "Area Median Income" means Lincoln County median household income by household size as defined by the United States Department of Housing and Urban Development, and published periodically.
- B. "Commercial" means designed or intended to be used, or actually used, for other than residential purposes.
- C. "Construct" or "construction" means erecting, constructing, enlarging, altering, repairing, improving, or converting any

building or structure for which the issuance of a building permit is required by Oregon law.

- D. "Improvement" means a permanent addition to or modification of real property resulting in a new structure, additional square footage to an existing structure, or addition of living space to an existing structure.
- E. "Net revenue" means construction excise tax revenues remaining after the administrative fees described in Section 3.16.120(A) are deducted from the total construction excise tax collected, plus all interest and penalty collected on delinquent construction excise tax.
- F. "Qualified housing" means a qualified rental unit that satisfies item 1 below, and a qualified ownership unit that satisfies item 2 below; provided, however that, in either case, item 3 below is also satisfied:

- 1. A rental unit set aside for households at or fewer than 80 per cent of Area Median Income and which is income restricted for a period not less than thirty (30) years through a recorded document enforceable by:

- (a) Oregon Housing and Community Services, if the project is funded by that agency; or

- (b) City of Yachats, if the project receives no funding from Oregon Housing and Community Services; or

- 2. An ownership unit set aside for households at or under 80 per cent of Area Median Income which has a Perpetual Buyer Income Restriction of 80 per cent of Area Median Income or less and a perpetual limit on profit on re-sale of not more than two (2) per cent per year of an owner's ownership of the dwelling unit, both contained in a recorded document that is enforceable by:

- (a) Oregon Housing and Community Services, if the project is funded by that agency; or

- (b) City of Yachats, if the project receives no funding from Oregon Housing and Community Services; and

- 3. In either case, incorporates either (a) a prohibition against renting or selling to someone who is not employed within the USPS Zip Code

area of 97498; or (b) a preference for applicants who are currently employed in, or have accepted offers for employment in, the USPS Zip Code of 97498, that complies with section 42(g) of the Internal Revenue Code, Treasury Regulation 1.42-9, and HUD Handbook 4350.3 of the United States Department of Housing and Urban Development.

- G. "Qualified ownership unit" means a dwelling unit the sale price of which, as to the first buyer after the income restriction and re-sale restriction have been recorded, ensures that the then-total monthly costs of ownership for the dwelling unit (including principal and interest payments on a loan, insurance, property taxes, mortgage insurance premium, utilities, owner association fees, and any other ownership costs) do not exceed the rent for such dwelling unit determined as if it were a qualified rental unit.
- H. "Qualified rental unit" means a rental dwelling unit for which rent does not exceed 30 per cent of 80 per cent of the Area Median Income for a household of the size given by multiplying the number of bedrooms in that dwelling unit by 1.5 (and rounded up).
- I. "Structure" means something constructed or built and having a fixed base on, or affixed to, the ground or to another structure.
- J. "Value of improvement" means the total value of the improvement as determined in the process of issuance of the building permit.

Section 3.16.030 Administration and Enforcement Authority.

The City Administrator is responsible for the administration of this Chapter.

Section 3.16.040 Imposition of Tax.

A. Each person who applies to construct a commercial improvement in the City shall pay a commercial construction excise tax in the amount of one per cent of the full value of the improvement.

B. Each person who applies to construct a residential improvement in the City shall pay a residential construction excise tax in the amount of one per cent of the full value of the improvement.

C. The construction excise tax shall be due and payable, and must be paid, prior to the issuance of any building permit, as required by ORS 320.189 as amended by SB 1533 Section 8(4), and shall be collected by Lincoln County, pursuant to an Intergovernmental Agreement.

Section 3.16.050 Exemptions.

- A. The construction excise tax shall not apply to any of the following improvements:
1. Private school improvements.
 2. Public improvements as defined in ORS 279A.010.
 3. Qualified Housing.
 4. Public or private hospital improvements.
 5. Improvements to religious facilities primarily used for worship or education associated with worship.
 6. Agricultural buildings, as defined in ORS 455.315(2)(1).
 7. A facility operated by a not-for-profit corporation and that is:
 - a. A long-term care facility, as defined in ORS 442.015.
 - b. A residential care facility, as defined in ORS 443.400.
 - c. A continuing care retirement community, as defined by ORS 101.020.
 8. Any other exemption required by Oregon statute.
- B. The Lincoln County Building Department may require any person seeking an exemption to demonstrate that the improvements are eligible for an exemption and to establish all facts necessary to support the exemption.

Section 3.16.060 Failure to Pay.

The Lincoln County Building Department may not issue a building permit for construction of in-City improvements to any person who has failed to pay the applicable construction excise tax.

Section 3.16.070 Statement of Full Value of Improvement Required.

It is a violation of this Chapter for any person to fail to state, or to understate, the full value of improvements to be constructed in the City in connection with an application for a building permit.

Section 3.16.080 Interest and Penalties for Failure to Comply.

- A. All amounts of construction excise tax not paid when due shall bear interest on the entire unpaid amount at the rate of .833 per cent simple interest per month or fraction thereof (10 per cent per annum), computed from the original due date to the 15th day of the month following the date of the payment. Interest amounts may not be waived.
- B. A penalty of five per cent of the underpayment of construction excise tax shall apply to:
 - 1. Any underpayment due to the improvements constructed initially failing, or later ceasing, to be Qualified Housing prior to expiration of the applicable income restriction period.
 - 2. Any underpayment involving a failure to state, or an understatement of, the full value of improvements.
- C. If not paid within ten (10) days after billing, all interest and penalties shall merge with and become part of the construction excise tax required to be paid under this Chapter. From the point of merger, the previously-assessed interest and penalty become part of the tax due for calculation of interest and penalty for subsequent periods.

Section 3.16.090 Enforcement by Civil Action.

The construction excise tax, and any assessed interest and penalties due and owing under this Chapter constitute a debt owing to the City by the person liable for the tax, as set forth in Section 3.16.040.

Section 3.16.100 Refunds.

- A. The City shall issue a refund from the Qualified Housing Fund, and only from the Qualified Housing Fund, to any person who has paid a construction excise tax the amount of the tax actually paid, less the collection charge paid to Lincoln County and less any funds paid to Oregon Housing and Community Services:
 - 1. If the taxpayer establishes that the tax was paid for improvements that were otherwise eligible for an exemption under section 3.16.050.

2. If the taxpayer establishes that construction of the improvements was not commenced and the associated building permit has been cancelled by the Lincoln County Building Department.
3. Upon a determination by the City Administrator or the Council that the amount of any construction excise tax, penalty, or interest has been erroneously collected or paid to the City under this Chapter.
 - A. The City Administrator shall either refund all amounts due under this section within 30 days of a complete application for the refund or give written notice of the reasons why the application has been denied. Any request for refund must be submitted within three years from the date of payment.
 - B. Denial of a refund claim may be appealed as provided in section 3.16.110.

Section 3.16.110 Appeals.

- A. Any written determination issued by Lincoln County Building Department applying the provisions of this Chapter pursuant to an intergovernmental agreement, believed to be in error, may be reviewed by the City Administrator if the recipient requests review in writing delivered to the City Administrator within ten days after receipt of the written determination, together with all documentation required to support the request.
- B. Any written determination from the City Administrator applying the provisions of this Chapter regarding liability for payment of construction excise taxes may be appealed to the Council as provided in section 3.08.180 of the City Code.
- C. The filing of any appeal shall not stay the effectiveness of the written determination unless the Council so directs.

Section 3.16.120 Dedication of Revenue.

- A. Pursuant to intergovernmental agreement, the City shall pay to Lincoln County an amount equal to four per cent of the construction excise tax collected, to cover its administrative expenses related to collection and distribution of the tax.
- B. Net revenues from the construction excise tax imposed with respect to residential improvements shall be expended as

follows:

1. Fifteen (15) per cent shall be remitted to the Oregon Housing and Community Services Department to fund home ownership programs that provide down-payment assistance.
 2. Eighty-five (85) per cent shall be transferred to and held in a segregated fund known as the Qualified Housing Fund and, as allowed by ORS 197.309(7), that fund (and only that fund) shall be used to provide grants to assist developers achieve financial feasibility for new Qualified Housing. Grants may be made either to: (i) subsidize the construction of qualified housing; or (ii) subsidize the expenses of operating qualified rental housing during the first 15 years of its operation; or (iii) both (i) and (ii).
- A. Net revenues from the construction excise tax imposed with respect to commercial improvements shall be expended as follows:
1. Fifty (50) per cent shall be transferred to the Qualified Housing Fund and shall be used as described in subsection B.2.
 2. Fifty (50) per cent shall be transferred to the City's Streets Fund.

Section 3.16.130. Grant Procedures.

- A. A person seeking a grant from the Qualified Housing Fund shall submit to the City Administrator an application that contains all of the following:
 - 1. Description of the proposed Qualified Housing project.
 - 2. Analysis showing how the project meets each element of the definition of Qualified Housing.
 - 3. The development pro forma, operating pro forma and timeline for the project.
 - 4. A statement of the requested amount and timing of the grant.
 - 5. Analysis showing how the requested grant would help the project achieve financial feasibility.
- A. After determining that an application is complete, the City Administrator shall submit the grant request to the Council for approval or disapproval.
- B. If the Council approves a grant, the grant shall be disbursed to the applicant solely and exclusively from monies in the Qualified Housing Fund and then only:
 - 1. After the applicant executes a written grant agreement in the form prescribed by the City Administrator which shall include:
 - a. Representation and warranty that the project meets all conditions of eligibility and that the funds will be used solely for the purposes stated in the grant agreement.
 - b. Acknowledgment that the grant obligates only the Qualified Housing Fund, not any other funds of the City.
 - c. Covenant to repay to the City promptly all grant funds provided to the project if the project ceases to be Qualified Housing before the applicable income restriction period expires.

1. If the grant is a construction subsidy, concurrently with the closing of the construction loan for the project.
2. If the grant is an operating expense subsidy, only after all certificates of occupancy for the project have been issued, but no earlier than the funding date or dates set forth in the grant application.

Section 2. Effective Date. This Ordinance shall be effective on the ____ day of _____, 201_.

Passed and adopted by the Yachats City Council on this ____ day of _____, 201_.

AYES: _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

Approved by the Mayor this ____ day of _____, 201_.

Ronald L. Brean, Mayor

ATTEST:

Joan Davies, City Administrator

Proposed Amendment to Yachats Zoning & Land Use Code
FORMULA BUSINESS REGULATIONS

At the November 15, 2016 Planning Commission meeting, the Commission held a public hearing to consider recommending a Yachats Zoning and Land Use Code amendment to include Formula Business regulations. Testimony provided to the Planning Commission included one letter from James Burley in opposition to the proposed amendment, and oral testimony was provided at the meeting by Tony Shepherd who was also opposed to the proposed amendment. Following deliberations, the Planning Commission passed a motion recommending the formula business amendment.

In summary, the proposed amendment

- 1) Includes a definition of “formula business”,
- 2) Restricts the types of formula businesses allowed in the commercial zone to motels/hotels, gas stations, health care providers, groceries, pharmacies, financial institutions, and real estate companies. All other formula businesses are prohibited and;
- 3) Requires proposed formula businesses to adhere to standards through the conditional use process which requires a public hearing with the Planning Commission.

This recommended amendment, as described below, is now being forwarded to the City Council for consideration of adoption.

Chapter 9.04 – General Provisions and Definitions

Section 9.04.030 Definitions

(new proposed definition)

“Formula Business” shall mean a business that is required by license or corporate structure to maintain any of the following: standardized services, décor, uniforms, architecture, signs, or other similar features. This shall include but not be limited to restaurants, retail sales and services, wholesale distributors, and industrial operations.

Chapter 9.28 – C-1 Retail Commercial Zone

Section 9.28.020 Conditional uses

(new proposed conditional use)

V. Formula Business for motels/hotels, gas stations, health care providers, groceries, pharmacies, financial institutions, and real estate companies. All other formula businesses are prohibited.

Chapter 9.72 – Conditional Uses

Section 9.72.050 Standards and procedures governing conditional uses

(new subsection)

F. Standards for Formula Businesses

1. An approved formula business shall only be for motels/hotels, gas stations, health care providers,

groceries, pharmacies, financial institutions, or real estate companies;

2. The proposed Formula Business has been designed to preserve and enhance the City's small town character and to integrate existing community architectural and design features which will preserve such character for the City's residents and visitors. Elements that may be considered include, but are not limited to, color scheme, trademark, service mark, signage, and exterior or interior décor;
3. The applicant shall submit a plan indicating the provision for rubbish removal, including the dumpster location with proper screening and buffering so that there are not any substantial impacts to abutting properties;
4. There shall not be any impacts to the roadway or abutting properties from the loading area.

Date: December 4, 2016

To: Joan Davies City Administrator
From: David Buckwald & Rick McClung

Re: November 2016 Public Works Report

Produced: 3,872,600 Gallons of Drinking Water
Treated: 10,018,000 Gallons of Wastewater

Department	Subject	Description
Streets	Storm grates	New replacement storm grates manufactured and placed on Hwy 101 in front of the Drift Inn and on E. 2 nd St.
Streets	Road Mtc.	Filled potholes on King St. Bladed and rocked Overlook, Windy Way, Rock View and Cape View streets.
Streets	Tree	Removed tree stump from Horizon Hill storm damage.
501 Building	Sewer system	Assisted electrician with troubleshooting sewer system at the 501 building. Pump was bad and is being replaced.
Library	Outside bench	Removed, repaired and returned a damaged outside bench at the library.
Parks & Commons	Tasks	Installed service window at City Hall. Constructed base form for sea lion at 501 building.

Public Works	Equipment Repair	Vac-Truck—problems with the power steering system. Will be out of service until fixed starting the week of December 5. Kabota tractor—Repaired corroded wires. 5yd Dump Truck needs radiator repaired.
Public Works	Customer service	Assisted customer with locating utilities at a commercial building.
Water	Water service calls	Responded to service call: 102 Hwy 101 S. unexplained high water use, replaced meter.
Water	Raw water	Cleaned Reedy Creek intake and flushed the in-line cleanout screen twice.
Water	Water Plant Mtc.	Polymer pump skid installed.
Water	Meter reading	Read meters. No severe issues.
Sewer CIP	Screw Press Conveyor. SCADA	Ordered the new Screw Press conveyor extension. Lead time—8-10 weeks. Worked on NETDMR for new electronic reporting to the Oregon DEQ.
Sewer	WWTP	Building cat walk over digesters to enable safe removal of gear box for annual mtc.
Sewer	Biosolids	21,159 gallons of biosolids were processed and sent to the land fill.
Sewer/Water	Weekly meetings	Met with City Administrator.

Hwy 101 Project	Hwy 101	10 man hours and 9 vac-truck hours spent hydro-excavating (pot-holing) to find exact utility locations. Connection made of new section of the six inch sewer force main complete. PW crew and 3 vacuum trucks used with no service interruption. Time: 1.5 hr
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**CITY OF YACHATS
RESOLUTION NO. 2016-12-01**

**A RESOLUTION DECLARING EACH JANUARY 1 “INDIGENOUS PEOPLES DAY” IN
THE CITY OF YACHATS, OREGON**

WHEREAS, humans have inhabited our beloved community for far more years than are recorded in written history; and

WHEREAS, in a less-enlightened time, our locale served as a prison camp for descendants of the Yachats area’s earliest human inhabitants, and of other native peoples on or near the Oregon coast; and

WHEREAS, the people of Yachats recognize the rights and value of indigenous peoples, their worthiness of our respect, as resources of cultural and philosophical and spiritual enlightenment, and as friends; and

WHEREAS, the people of Yachats and the people of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, and the Confederated Tribes of Siletz Indians, have reached out to each other and established a relationship based on open communications, understanding and recognition of past injustices with a commitment that all future peoples will be treated with the civility and respect they deserve; and

WHEREAS, the annual New Year’s Day Peace Hike in the Yachats area is an event that seeks to underscore these principals of mutual respect and to create a focus on the peaceful co-existence of all peoples of the earth; and

WHEREAS, the people of Yachats recognize that there are others in the world, both Native American and of other ethnic and cultural groups, that continue to suffer prejudice and persecution; and

WHEREAS, the Yachats City Council believes it is imperative that we do what we can to end that suffering, and that it is important to recognize the wrongs of the past each day, and to rededicate ourselves to the values of civility, acceptance and humanity;

NOW, THEREFORE, the City Council of the City of Yachats resolves as follows:

That January 1 of each year shall be known as “Indigenous Peoples Day” in the City of Yachats, Oregon; a day when we will honor and embrace diversity, compassion,

wisdom, friendship and a mutual respect for the natural wonders of the Central Oregon Coast and all of its people.

EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 8th day of December, 2016.

CITY OF YACHATS

By: _____
Ronald L. Brean, Mayor

ATTEST:

Joan Davies, City Administrator

City of Yachats, Oregon

\$494,067 Water Revenue Refunding Bond, Series 2017

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
1/1/2017				
7/1/2017	13,263.06	2.90%	7,163.97	20,427.03
1/1/2018	13,455.37	2.90%	6,971.66	20,427.03
7/1/2018	13,650.48	2.90%	6,776.55	20,427.03
1/1/2019	13,848.41	2.90%	6,578.62	20,427.03
7/1/2019	14,049.21	2.90%	6,377.82	20,427.03
1/1/2020	14,252.92	2.90%	6,174.11	20,427.03
7/1/2020	14,459.59	2.90%	5,967.44	20,427.03
1/1/2021	14,669.25	2.90%	5,757.78	20,427.03
7/1/2021	14,881.96	2.90%	5,545.07	20,427.03
1/1/2022	15,097.75	2.90%	5,329.28	20,427.03
7/1/2022	15,316.66	2.90%	5,110.37	20,427.03
1/1/2023	15,538.76	2.90%	4,888.27	20,427.03
7/1/2023	15,764.07	2.90%	4,662.96	20,427.03
1/1/2024	15,992.65	2.90%	4,434.38	20,427.03
7/1/2024	16,224.54	2.90%	4,202.49	20,427.03
1/1/2025	16,459.80	2.90%	3,967.23	20,427.03
7/1/2025	16,698.46	2.90%	3,728.57	20,427.03
1/1/2026	16,940.59	2.90%	3,486.44	20,427.03
7/1/2026	17,186.23	2.90%	3,240.80	20,427.03
1/1/2027	17,435.43	2.90%	2,991.60	20,427.03
7/1/2027	17,688.24	2.90%	2,738.79	20,427.03
1/1/2028	17,944.72	2.90%	2,482.31	20,427.03
7/1/2028	18,204.92	2.90%	2,222.11	20,427.03
1/1/2029	18,468.89	2.90%	1,958.14	20,427.03
7/1/2029	18,736.69	2.90%	1,690.34	20,427.03
1/1/2030	19,008.37	2.90%	1,418.66	20,427.03
7/1/2030	19,284.00	2.90%	1,143.03	20,427.03
1/1/2031	19,563.61	2.90%	863.42	20,427.03
7/1/2031	19,847.29	2.90%	579.74	20,427.03
1/1/2032	20,135.07	2.90%	291.96	20,427.03
Total	494,067.00		118,743.90	612,810.90

City of Yachats, Oregon

\$494,067 Water Revenue Refunding Bond, Series 2017

Dated 1-Jan-2017

Net Projected Savings

Gross Projected Savings

	<u>RD Bonds</u>	<u>Series 2017</u>	<u>Difference</u>	
Total Interest	\$ 293,543	\$ 118,744	\$ 174,799	
Reserve Account Requirement	\$ 39,978	\$ 40,854	\$ (876)	
Gross Projected Savings				\$ 173,923

Estimated Costs of Issuance

Bond Counsel	\$ -	\$ 12,000	\$ (12,000)	
Bank Origination Fee	\$ -	\$ 1,000	\$ (1,000)	
Bank Counsel	\$ -	\$ 5,000	\$ (5,000)	
Estimated Costs of Issuance				\$ (18,000)

Net Projected Savings	\$ 155,923
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Code Enforcement Report

November 2016

I hope everyone had a wonderful Thanksgiving. I was able to spend the Holiday with my daughter, Robin my son-in law, Chris and my beautiful granddaughter, Baby Kathryn What a joy. She learned three new words while I was there, Mamma, Like and Hi. She already had Dada down. It was way too short of a trip, but sure good to see everyone. Blythe and Robin worked all day for the Thanksgiving dinner. I did the gravy and helped with the clean-up. They now live in Boise, ID.

- Call Charter regarding cable in trees on King Street.
- Hedge trimmed on Ocean View Drive.
- Weeds brush cut on Ocean View Drive.
- Talked to son on Marine Drive regarding vehicles parked on City Right of Way.
- Talked to woman on W. 4th Street with an aggressive dog. She agreed to keep it on a leash when outside.
- Attend City Council work session.
- Attend City Council meeting.
- Complaint of vehicle on W. 3rd Street. People sleeping in vehicle. Vehicle was gone when I drove by.
- Submit newsletter article.
- Contact rental agent regarding light pollution to a neighboring property. Rental agent sent out a maintenance person to put a globe on the light.
- Left message for rental agent regarding a vacation rental on W. 3rd Street that needs yard maintenance.
- Attended F.O.G. meeting.
- Called property owner on Lincoln Street. Bamboo on his property is invading a neighboring property. He said he would take care of it.
- Left message for rental agent for a vacation rental on W. 3rd Street. Property needs maintenance. No return call.
- Call from Trisha, Code Enforcement Officer from Waldport regarding towing of derelict vehicles. We share the same problem. No towing company is willing to take this on. Trisha meets with the Sheriff's Department this week to see if we can work this out.

Donald W. Niskanen, CEP
Code Enforcement Officer
City of Yachats