

CITY OF YACHATS
CITY COUNCIL WORK SESSION
December 2, 2016
Minutes

The work session of the City Council was called to order by Mayor Ron Brean at 9:30 a.m. in the Civic Meeting Room. Council members present: Mayor Ron Brean, Max Glenn, Sandy Dunn, Greg Scott and Barbara Frye were present. Also present: City Administrator Joan Davies; Code Enforcement Officer Don Niskanen; Water Department Lead Rick McClung, Facilities Manager Leon Sterner. Audience: 11.

I. Call meeting to order

The meeting was called to order at 9:30am by Mayor Ron Brean.

II. Status update: Hwy 101 Project

Water Department Lead Rick McClung reported the contractor started at 5:00am today installing the new force main, and the City shut down two pump stations to make the switch. Contractor Pacific Excavation (PacEx) has been great to work with on this project, with not a lot of complaints. The project is on schedule. They will start on ADA ramps on the sidewalks and have just a couple of pieces of new storm drain to put in yet.

Councilor Greg Scott said staging phase is to not have too much torn up at once. McClung explained that they have had to work around the storms, and had to jockey some things around on the schedule. They brought in a second crew to make up for lost time. It's important to keep them working.

Councilor Scott asked how the businesses are being notified of the construction schedule and City Administrator Davies said she keeps the schedule current on the City website, and when we know of special changes, such as the vac trucks starting at 5:00am, the affected businesses and residents are notified. McClung said they have "Access Business" signs up, to try to keep customers aware that each business is open. Mayor Brean said it seems like tourism shut down right after Thanksgiving.

Councilor Barbara Frye said there were bad potholes last weekend. McClung said that actually he brought this up with the contractor yesterday and it's because the asphalt in the trenches settles, after the crew has filled them up and left for the weekend.

Councilor Frye added that the E. 2nd Street water shut-off of water was done without a sign at Prospect, so drivers who tried to go down E. 2nd Street had to go the wrong way down Prospect to get to Hwy 101. McClung said there was also a vehicle blocking the construction equipment, and the owner said he had lost his keys, so they had to work around the vehicle, but most deliveries are happening on schedule. Councilor Sandy Dunn noticed said she had noticed that Oceanview Drive is getting more use by traffic that wants to avoid the construction flaggers. She asked if the City could notify the County of the potholes, since it's actually a County road, and McClung said Wastewater Lead Dave Buckwald had notified them last week.

III. Status update: Water supply, tank site status

Rick McClung reported that there is a conditional use hearing before the Planning Commission next week. Engineers will bring in photos of similar sites and drainage plans. Over Thanksgiving week, it rained hard and the drainage was in the middle of the road. Mr. Rowson, whose home was hit by the landslide earlier this year, sent photos of the flow, and they were forwarded to the project engineers. Improvements to the drainage system are part of the construction package for the reservoir, McClung explained, and the geo tech report is done.

1 Councilor Scott said he had heard that the Planning Commission has questions about the project, and
2 he wanted to be sure a city official would be attending the hearing, to answer those questions. He said it
3 needs to be stated on the record that if the City doesn't build on this site, there is no other option south
4 of the bridge. If there is no connection in that area, there will be no water supply there for the fire
5 department, or water supply following a tsunami. McClung said he will be there, and the project
6 engineers will be there to answer the technical questions.

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8 Councilor Frye asked McClung if he anticipates much opposition, and he said there might be a couple of
9 objections, but he thinks it's a matter of education. She agreed and said that people do better when they
10 know the reasons behind why things happen. Councilor Dunn asked to be sure people understand
11 there is not going to be a zone change in the hills, and that the conditional use request is not all that
12 unusual, and it's just the nature of the game. McClung added that it has to be built in the city limits, and
13 Councilor Scott clarified it also has to be a certain height. Several sites were looked at, but didn't suit.

14 15 **IV. Continued Discussion: Proposed "affordable housing" project and construction** 16 **excise tax**

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18 Councilor Dunn said that at the last meeting, the Council discussed Layne Morrill's housing proposal
19 and appointed a task force to look more closely at Mr. Morrill's request for 100 per cent of the systems
20 development charges to be deferred for 30 years, and for a one per cent construction excise tax to be
21 imposed on building within the City. Members of the task force included representatives from the motels
22 and restaurants. She then read the summary of what the task force had found, and explained to the
23 audience that if some of the units ended up being work force housing, it would exceed their
24 expectations and be icing on the cake. She stressed that no money would be coming out of the
25 General Fund, and that Mr. Morrill is coming up with ways to satisfy other developers, not just Our
26 Coastal Village. The task force initially recommended deferring half of the SDC and imposing the tax.

27
28 Councilor Frye went on to report that a second meeting had been held with her, the Mayor, the Mayor-
29 elect, McClung, Tom Lauritzen and Administrator Davies. She learned that there were far more aspects
30 to the proposal than she realized, including the City's obligations to current projects and the Urban
31 Renewal District. Information that the City Attorney provided also made a difference to how she viewed
32 it. Mayor-elect Gerald Stanley said he had initially said he supported deferring 100 per cent of the
33 system development charges, but it was hard for him to understand the terminology, and to distinguish
34 between theory and the actual plan before the Council. With further discussion and information, it
35 became clear to him that there might be better ways, extremely creative ways, to encourage all housing.

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37 Administrator Davies summarized what the City Attorney had suggested they look at, and Mayor Brean
38 went on to say that if the construction excise tax was imposed, the revenue would be committed totally
39 to Affordable Housing projects, not all housing development. The City Administrator pointed out that Mr.
40 Morrill told her the percentage of how much of the tax revenue went to which entity should be figured
41 differently than she had done. Councilor Max Glenn asked if the SDC money was needed up front, due
42 to actual expenses it would cost the City, and the Administrator told him it was not for actual expenses.
43 Mr. Morrill, who was attending the work session by phone from Arizona, said that it was hard for him to
44 hear what all was said, but that he did not think he agreed with what was said about SDC, or what the
45 City Attorney had said. He then explained what the percentage breakdown should be, based on the
46 assumption that 2016 building permits were about the same as those issued in 2015 by the county.
47 Councilor Dunn said that she had not previously understood about the construction excise tax and how
48 it had to be used. She pointed out that the City has not had any commercial construction for years.

49
50 Councilor Scott said that currently the City has huge construction projects, is converting to a new
51 accounting system and has new employees on board in City Hall. Starting a new housing program in
52 addition to those does not make sense. If the neither the local employers nor the Chamber seem to
53 have interest, why should the City be involved? It is beyond what the City Charter says to do. Councilor

1 Dunn said that the business community has said they will probably go it alone with some kind of
2 housing, but Mr. Morrill has the property, design, experience and is ready to go, so if it does not cost the
3 General Fund anything, she wondered why the City would not support it. She was not ready to ignore it.
4 Councilor Scott countered that if the project made sense, let Mr. Morrill do it.
5

6 Mayor Brean pointed out that the city government is a dynamic institution and will always have multiple
7 balls in the air to juggle. He is not the least worried about the City or its financing, but they do need to
8 look at the requests that ask for a future commitment. Councilor Glenn referred to work he has been
9 involved with through the Land Trust in rehabilitating properties. He has also heard about the City of
10 Bend housing program model, and wants to know more about it. He would be willing to support a 50 per
11 cent deferral when it comes to a vote. Mr. Morrill added that the construction excise tax can only be
12 used for affordable housing, and asked why the City could not take advantage of that.
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14 **VI. Continued Discussion: Committee/commission review**

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16 Councilor Glenn asked if the League of Oregon Cities has models for small city committees, and Mayor
17 Brean said they do not. Councilor Frye said they need to review the organizational study. Councilor
18 Dunn commented that the marketing committee needed to be added to the list, and that it is floundering.
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20 **VII. New discussion: Columbus Day/Indigenous People Day**

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22 The Mayor, Councilor Scott and resident Joanne Kittel had asked to look at naming a day to recognize
23 indigenous people. Some cities and counties have done so; some substituted it for Columbus Day;
24 others have named a separate day for it. Gerald Stanley said he thought the public should be made
25 aware for a month, for input, because it could become a hot issue. Councilor Frye said that would just
26 drag out the process, and wondered if it was really important, as the Council does these kinds of
27 resolutions or proclamations periodically. Mayor Brean said he thought they should move ahead, and
28 that his read was that the community will support it, because it supports the relationship the City has
29 developed with the First Nations. Councilor Dunn thought it should be a separate day, and not even
30 worry about Columbus Day – new day, new ceremony. Mayor Brean suggested making it New Year's
31 Day, and tie it in with the Peace Hike.
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33 **VIII. New discussion: Formula business recommendation from Planning Commission**

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35 Councilor Glenn said he was ready to act on the Planning Commission's recommendation to create an
36 ordinance prohibiting formula businesses within the city limits. He wished that it had come two months
37 earlier, referring to the submitted plans for a Dollar General Store, which came in the day before the
38 Planning Commission referred the matter to the Council. There was discussion about existing code that
39 limits the height of buildings, as well as the size and height of signs. Mayor Brean pointed out that the
40 concept of eliminating certain businesses is tricky. An ordinance requiring a public hearing would allow
41 for public input. Councilor Scott said part of the concern was the plastic and trash that would be
42 generated, and that seven good citizens on the Planning Commission had looked at this matter for eight
43 months, before making this recommendation.
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45 **IX. New discussion: Re-finance City loans**

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47 City Administrator Davies had provided the Council with documents to re-finance water bonds that the
48 City has had for several years. An offer from the City's new bank, Washington Federal, would reduce
49 the interest by about half, as well as reduce the number of years for which they would be making
50 payments. It looks like it will save the City about \$300,000 if they choose to allow this.
51

52 **X. Monthly review: Measurable Objectives/Goals (Shepherding)**

1 Councilor Dunn – transportation had a meeting set, then it was changed, then yesterday it was
2 cancelled. It will be re-set for January 11. She will advise Lincoln County Transit that she is going off the
3 Council and that Councilor Frye will be their contact.

4
5 Councilor Frye – not much happening with Lincoln Community Health Center. The death of their director
6 affected the process, but they are still committed to developing a presence in Yachats. They have a big
7 mental health grant coming in, so there is a lot of stuff happening.

8
9 Councilor Scott – working with City Administrator on property inventory. There has been a delay in the
10 MuniBilling change. He is bringing on another developer in January to help get the system done sooner.
11 He asked the Council if there was anything he needed to know about the survey he proposed. Councilor
12 Frye said she didn't like the way it was laid out – seemed weird. Councilor Scott said he would have an
13 article in the next newsletter, and that part of the strategy is to not revise the survey too dramatically.

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15 **XI. Approve agenda for December 8, 2016 City Council meeting**

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17 The proposed agenda was approved by consensus. Councilor Glenn said he would like to see Mayor
18 Brean address the big projects and what he sees that the Council needs to keep in front of them, after
19 he retires. Mayor Brean asked if he should just make it part of his Mayor's Report. He would use the
20 same list to discuss with the incoming mayor.

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22 The meeting was adjourned at 11:43am.

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25 _____
26 Ronald Brean, Mayor

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Attest: _____
Joan Davies, City Administrator