

1. 2:00 P.M. Agenda

Documents:

[2024-07-03 Finance Committee Agenda \(4\).Pdf](#)

2. Meeting Material

Documents:

[Business Licenses And Regulations For VR.pdf](#)

3. Additional Documents Added After Meeting

Documents:

[City Of Yachats LT Revenue Enhancements.pdf](#)



CITY OF YACHATS
FINANCE COMMITTEE WORK SESSION MEETING
Tuesday July 3, 2024 at 2:00pm
To Be Held Via Zoom & In Person Located at:
Commons Building, Civic Meeting Room 1
441 Hwy 101 N., Yachats OR 97498

Join Zoom Meeting

<https://us02web.zoom.us/j/86120535365>

Meeting ID: 861 2053 5365

- I. Meeting Called to Order
- II. Announcements and Correspondence
- III. Citizens' Concerns (limited to items not on the agenda, 5-minute limitation per person)
- VI. New Business
 - a. Two reps from vacation rentals
 - a. Sharing their reporting process for vacation rentals
- VII. Ongoing Business
 - a. Utility Rates
 - b. Vacation Rental Code Amendment
- VIII. Other Business
 - a. From Staff
 - b. From Staff

The Yachats City meetings are open to the public and being held via Zoom. These are open meetings under Oregon law. Meetings are audio-recorded. The meeting are accessible to persons with disabilities. For accommodations, please call (541) 547-3565, or Oregon Relay 1-800-735-2900 (TDD) two days in advance. City of Yachats does not discriminate on the basis of race, color, religion, creed, gender, national origin, age, disability, marital or veteran status, sexual orientation, or any other legally protected status. 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 06/27/24 By: Kimmie Jackson, Deputy City Recorder

Title 4

BUSINESS LICENSES AND REGULATIONS

Chapter 4.04		§ 4.04.110.	Appeal.
BUSINESS LICENSES GENERALLY		§ 4.04.120.	Violations—Penalties.
§ 4.04.010.	Purpose.	Chapter 4.08	
§ 4.04.020.	Definitions.	VACATION RENTAL LICENSES	
§ 4.04.030.	Exemptions.		
§ 4.04.040.	License required.	§ 4.08.010.	Purpose.
§ 4.04.050.	License application.	§ 4.08.020.	Definitions.
§ 4.04.060.	License fees.	§ 4.08.030.	Standards.
§ 4.04.070.	Specific requirements.	§ 4.08.040.	Inspection, license and annual fee.
§ 4.04.080.	Transfers and relocations.		
§ 4.04.090.	License term.	§ 4.08.050.	Complaints.
§ 4.04.100.	Denial, revocation or suspension of license.	§ 4.08.060.	Violations—Penalties.

CHAPTER 4.04
BUSINESS LICENSES GENERALLY

§ 4.04.010. Purpose.

This chapter is enacted to provide revenue to pay for expenses incurred in issuing licenses, to pay for municipal services to businesses, and to provide for the health, safety and welfare of the citizens of Yachats through the licensing of businesses.

(Ord. 170 § 1, 1995)

§ 4.04.020. Definitions.

For the purpose of licensing businesses in the City, the following definitions apply:

"Amusement device" means any game, device or machine kept, operated or played in any place of business or other place where the public is invited or permitted to attend and which may be played by the insertion of coins.

"Arcade" means any business whose primary purpose is providing entertainment by the playing of amusement devices.

"Business" means any trade, occupation, calling, profession, pursuit or activity which is carried on for the purpose of profit.

"Exhibition" means the display of goods or materials for which an admission fee is charged.

"Flea market" means all general sales, open to the public, conducted in any commercial zone or public facilities zone within the City, for the purpose of disposing of personal property. These general sales include, but are not limited to, sales entitled "flea markets," "bazaars" and "rummage sales." This includes situations where booths, tables or spaces are sold or rented for the purpose of conducting sales of personal property. For this definition "personal property" means property which is owned by the individual conducting the sale, is purchased for resale, or is obtained on consignment.

"Garage sale" includes, but is not limited to, "porch sales," "patio sales" or "yard sales," and consists of any public sale of new or used goods by an individual or group from private property when the group or individual is not in the business of selling goods or is not licensed as a secondhand dealer, and when the property from which the sale is to be conducted is not within a zone permitting commercial business or otherwise permitted under the provisions of this chapter.

"Hotel" and "motel" includes any single structure or multiple combination of two or more structures, operated as a single business venture where one or more units, rooms or apartments are hired out to the public for rent on less than a monthly rental basis, exclusive of any unit, room or apartment that is occupied by the owner, contract vendee or manager.

"Itinerant merchant/peddler" means a person or persons traveling from place to place selling and delivering from stock on hand.

"Nonprofit" means any business or organization which holds a certificate of exemption from taxes from the Internal Revenue Service.

"Person" means any person, firm, partnership, association or corporation.

(Ord. 170 § 2, 1995)

§ 4.04.030. Exemptions.

- A. Hobbies. Any pursuit or activity which is carried on in a casual manner, such as a hobby, where no display or advertising is conducted to promote the products or services of the pursuit or activity.
- B. Income Based on Wages. No person whose income is based solely on a wage or salary shall, for the purpose of this chapter, be deemed a person transacting or carrying on any business in the City, and it is the intention that license fees will be borne by the employer.
- C. Franchise. Any business paying a franchise tax or fee under City ordinances or resolutions now existing.
- D. Wholesalers. Wholesalers making deliveries or taking orders from duly licensed retail outlets within the City.
- E. Sixteen Years or Younger. Any person 16 years or younger who operates a business on a part-time basis, which business has an annual gross income of less than \$500.
- F. Nonprofit organizations as defined in this chapter.
- G. Rentals. Any person having for rent three or fewer residential or commercial units which rent for a period of 30 days or longer.
- H. Vacation Rentals. Any person having a vacation rental license.
(Ord. 170 § 3, 1995)

§ 4.04.040. License required.

It is unlawful for any person who is not exempt from buying a license under the provision of this chapter or expressly exempted by any other State or Federal law to conduct, engage in, carry on or practice any business within the corporate limits of the City of Yachats, without securing a license from the City Recorder and paying the fee prescribed by City Council resolution applicable to the business.

- A. Multiple Locations. A person engaged in business in more than one location or in more than one business licensed under this chapter shall make a separate application and pay a separate license fee for each business or location, except as otherwise provided in this chapter.
- B. Exceptions. License shall not be required for each separate part or transaction of the business when a separate part or transaction of the business is conducted as a necessary and usual part of the general business for which the license has been issued.

More than one business license shall not be required for the operation of a business which may have, sell, or provide two or more dissimilar products or services, if all parts of the business are owned by the same person and is conducted as the same business upon the same premises. (Examples: retail stores selling two dissimilar products or services, operated as one business, requires only one license; a business selling products and providing unrelated services, operated as one business, requires only one license; a retail store and a professional office, although owned and operated by the same person, would require two licenses if the professional is prohibited from selling the retail items as a part of the professional service.)

- C. Advertisement. A person representing him or herself, or exhibiting any sign or

advertisement, that he or she is engaged in a business within the City on which a license fee is levied by this chapter, shall be deemed to be actually engaged in such business and shall be liable for the payment of such license fee and subject to the penalties for failure to comply with the requirements of this chapter.

- D. Outside Activities. In the event a licensed business contracts to sponsor an outside activity, i.e., rodeo, circus, carnival, etc., a City business license must be obtained for that specific activity and the business license fee must be paid.
- E. Carnivals. The granting of a business license to a person intending to conduct a carnival, circus, tent show, or public event of a commercial nature within the City shall be at the discretion of the City Council, and a permit shall be granted only if the following conditions are met:
 - 1. The per day license fee is paid at the time of making of application;
 - 2. Application is made at least 30 days prior to the intended event;
 - 3. No permit shall be granted if obstruction to free and uninterrupted traffic, both vehicular and pedestrian, will result;
 - 4. The applicant shall post a bond or cash in the amount of \$500 to secure performance and compliance with the City's nuisance ordinance;
 - 5. Proper sanitary facilities shall be assured;
 - 6. Proper police regulation shall be assured.

(Ord. 170 § 4, 1995)

§ 4.04.050. License application.

- A. Application for a business license, or for renewal of a business license shall be made to the office of the City Recorder upon forms furnished by the City. Each application shall contain the following information:
 - 1. The registered business name;
 - 2. The location of the business;
 - 3. The mailing address of the business;
 - 4. The business telephone number;
 - 5. A description of the business;
 - 6. The name and address of the owner;
 - 7. The date of application;
 - 8. The fiscal year for which application is made;
 - 9. The amount of money tendered with the application;
 - 10. The average number of employees regularly employed by the business;

11. Social Security Number or Federal Identification Number;
 12. Contractor's construction board number (if any);
 13. Signature of owner;
 14. For businesses operating within the City limits, evidence that building inspections have been passed for any construction after 1974 requiring a building permit;
 15. Number of rental/motel units (if applicable);
 16. Number of seats (restaurants, lounges, taverns);
 17. Any other information necessary to enable the City to review the application under subsection B of this section and to determine the appropriate fee.
- B. The City Recorder shall refer each application to the appropriate departments of the City for review. Upon a favorable recommendation from each department, the City Recorder shall issue the license. If any department determines that the application should be denied, the City Recorder shall notify the applicant of the denial and the reasons for the denial.
- C. The City Recorder shall issue a decision on an application within 30 days of the submission of a complete application form, all requested additional information, and annual license fee.
- (Ord. 170 § 5, 1995; Ord. 356 § 1, 2018)

§ 4.04.060. License fees.

- A. All business license fees shall be determined by resolution of the City Council.
- B. When an applicant for a new business license has not engaged in business during the calendar year until after August 1st, the required fee for the license shall be reduced by one-half. The reduced license fee shall only apply to businesses that have not had a Yachats City business license in a previous year.
- (Ord. 170 § 6, 1995; Ord. 284, 09/22/2009 ; Ord. 337, 2015)

§ 4.04.070. Specific requirements.

In addition to any other requirements of this chapter, each licensee shall:

- A. Notify the City within 10 days of any change in material information contained in the application, related materials, or license;
- B. Display a business license upon request to any person with whom he or she is dealing as part of the licensed activity or to an officer or employee of the City.
- (Ord. 170 § 7, 1995)

§ 4.04.080. Transfers and relocations.

- A. Transfer of License. In the event of the transfer of ownership of any business, the business license may be transferred by application to the City Recorder within 30 days after the transfer, or the license is deemed to automatically expire. The City may approve the transfer upon finding that the new applicant meets the requirements of this chapter.

- B. Relocation of an Existing Business. In the event a business relocates, the licensee shall reapply to the City Recorder to transfer the business license. The City may issue the license upon finding that the new location meets the requirements of this chapter.
(Ord. 170 § 8, 1995)

§ 4.04.090. License term.

All business licenses issued under this chapter, except for those licenses issued on a daily basis, are annual and shall expire on January 1st of each year. The required application and license fee are due on January 1st of each year for the calendar year commencing with that date and are delinquent on February 1st.

(Ord. 170 § 9, 1995; Ord. 284, 2009)

§ 4.04.100. Denial, revocation or suspension of license.

- A. The City Recorder may deny, suspend or revoke a business license upon finding that:
1. The licensee fails to meet the requirements of, or is doing business in violation of Federal, State or County laws or City ordinances;
 2. The applicant has provided false or misleading material information;
 3. The applicant's past or present violation of law or ordinance presents a reasonable doubt about his or her ability to perform the licensed activity without endangering property or the public health or safety;
 4. The licensed activity would endanger property or the public health or safety;
 5. The licensed activity is conducted in a structure within the City that does not meet State Building Code standards as determined by the Lincoln County building official.
- B. Notice. The City Recorder shall provide written notice to the applicant or licensee of a denial, suspension or revocation. The notice shall state the reason for the action taken and shall inform the applicant of the right to appeal under Section 4.04.110. The notice shall be given at least 15 days before a revocation becomes effective. If the violation ends within the 15 days, the City Recorder may discontinue the revocation proceedings.
- C. Reapplication. A person whose application for a business license has been denied or whose license has been revoked may, after 90 days from the date of denial or revocation, apply for a license upon payment of the application fee and submission of an application form and related documents.
- D. Disqualification. A person whose application for any business license has been denied or whose license has been revoked for a total of two times within one year or who has a total of four denials or revocations, shall be disqualified from applying for a license for a period of two years from the date of the last revocation or denial.
- E. Summary Suspension. Upon determining that a licensed activity presents an immediate danger to person or property, the City Recorder may summarily suspend the license for the activity. The suspension takes effect immediately upon notice of the suspension being received by the licensee, or being delivered to the licensee's business address as stated on the licensee's application for the license being suspended. Such a notice shall state the reason for the suspension and inform the licensee of the provisions for appeal under Section

4.04.110. The City may continue a suspension as long as the reason for the suspension exists or until a determination on appeal regarding the suspension is made under Section 4.04.110.

(Ord. 170 § 10, 1995; Ord. 356 §§ 1, 2, 2018)

§ 4.04.110. Appeal.

In the event an applicant for a license under this chapter is denied such license, or in the event a license is suspended or revoked, the applicant or license holder shall have the right of appeal. The written notice of appeal to the Council shall be filed with the City Recorder within 15 days after the denial of license or license suspension or revocation. If a notice of revocation is appealed, the revocation does not take effect until final determination of the appeal. The Council shall hear and make a determination in regard to the appeal at its next regular meeting held not less than 10 days after the filing of the notice of appeal. The decision of the Council on such appeal shall be final and conclusive.

(Ord. 170 § 11, 1995)

§ 4.04.120. Violations—Penalties.

- A. Penalties. Any person who violates any provisions of this chapter commits a Class B civil infraction and shall be subject to the procedures and penalties of Chapter 1.12, as now constituted or hereafter amended, revised or repealed.
- B. Inspection and Right of Entry. Whenever officials responsible for enforcement or administration of this chapter, or their duly authorized representatives, suspect a violation of any provisions of this chapter, or when necessary to investigate an application for, or revocation of a license under any of the procedures prescribed in this chapter, they may enter on any site, or into any structure, for the purpose of investigation, provided they do so in a reasonable manner. No secured building shall be entered without the consent of the owner or occupant unless under authority of a warrant, order from a court of competent jurisdiction or other lawful authority.
- C. Alternative Remedies. The City may, as an alternative to other remedies that are legally available for enforcing this chapter, institute injunctive, abatement, including summary abatement, or other appropriate proceedings to prevent, enjoin, abate or remove a business that is operating in violation of this chapter.

(Ord. 170 § 12, 1995; Ord. 185 § 6, 1996)

CHAPTER 4.08
VACATION RENTAL LICENSES

§ 4.08.010. Purpose.

The vacation rental license is in recognition of the desire of many owners to rent their property on a short-term basis and to provide for the orderly use and regulation of such rentals to preserve the health, safety and welfare of the community. This use shall not adversely affect the residential character of the neighborhood. These standards and procedures are in addition to City ordinances and Federal and State laws and regulations. The purpose of an inspection is to ensure the health and welfare of the occupants.

(Ord. 148 § 1, 1992; Ord. 291a, 2010; Ord. 311, 2012; Ord. 328, 2014; Ord. 347 § 1, 2017)

§ 4.08.020. Definitions.

"Dwelling unit" means any building or portion thereof which contains separate living facilities, including provisions for sleeping, eating, cooking and sanitation.

"Incident" means an offensive activity or breach of the standards.

"Local contact person" means a person with the authority to take action or make decisions concerning the management of a licensed vacation rental property.

"Overnight" means anytime between the hours of 10:00 p.m. and 7:00 a.m. on the following day.

"Rental occupant" means a person over the age of four years who occupies a rented dwelling unit.

"Sleeping area" means a bedroom or loft within a dwelling unit which meets the requirements of the building code as adopted by the State of Oregon.

"Surfaced" means a gravel, paved, tile, brick or concrete surface suitable for parking a vehicle.

"Vacation rental" means a single-family dwelling, duplex or triplex which is rented, or held out as available for rent, for periods of less than 30 days, such as by the day or week. The dwelling may consist of individual units or be in a contiguous form to be considered a vacation rental dwelling; however, each individual unit is to be considered separately for licensing and regulation purposes. A dwelling which is listed with an agent as a vacation rental, advertised, available by referral, word of mouth, commendation and reputation are some of, but not limited to, the ways of identifying a vacation rental. It shall be a rebuttable presumption that a dwelling unit is a vacation rental if it is visited overnight by at least four different vehicles over the course of a month, for three consecutive months. The exchange of consideration is not necessary to meet the definition of a vacation rental if the dwelling otherwise is held out as available for occupancy for periods of less than 30 days.

(Ord. 148 § 1, 1992; Ord. 226, 2002; Ord. 291a, 2010; Ord. 311, 2012; Ord. 328, 2014; Ord. 347 § 1, 2017)

§ 4.08.030. Standards.

A vacation rental license shall be issued to the dwelling owner providing the following standards are met:

- A. Except for individual units located on the same property, such as a duplex or triplex as defined above in Section 4.08.020, a person holding a vacation rental license or an interest

in a property covered by a vacation rental license shall not be eligible to apply for or hold, as a member of a group or any other form of beneficial ownership, a vacation rental license covering any other property. Any change of ownership, in whatever form, shall be reported to the City within 30 days.

- B. Vacation rentals in residential zones shall have no more than four bedrooms. (This provision shall be waived for any existing vacation rental as of the effective date of Ordinance No. 328, adopted November 13, 2014.)
- C. A vacation rental shall comply with all applicable laws. Basic visitor rules as provided by the City must be prominently displayed on the inside of the primary exit door.
- D. Each vacation rental shall have a local contact person who must live within 10 miles of the City of Yachats and be available for response to alleged violations within two hours of notification. The contact information for the local contact person shall be kept current with the City of Yachats; identified on the vacation rental application; and available by phone at all reasonable times (8:00 a.m. to 11:00 p.m.) and respond within two hours if there is a problem during the dwelling's use as a vacation rental. The City license, with the name and phone number of the local contact, shall be posted on the front of the vacation rental building, where the public can easily read it. The license placard furnished by the City will be a specific color matched to property management companies, to further assist the public in identifying the responsible party. The house number for the vacation rental shall be prominently displayed on the exterior of the building, using numbers at least four inches in height, and be readily visible from the street. A copy of the local contact person agreement, in a form approved by the City, which lists the duties and responsibilities of the local contact person, signed by both the property owner and the local contact person, shall be filed with the City, and kept current.
- E. One on-property parking space, as defined in Section 9.04.030 for off-street parking, shall be provided for each bedroom in the dwelling, but in no event shall fewer than two spaces be provided for the vacation rental. (This provision shall be waived for any existing vacation rental as of the effective date of Ordinance No. 226, adopted 1/15/2002.) If access to the rental property crosses private property via an easement, right-of-way, or other conveyance, all parking must be contained on the rental property. Owners are required to provide parking that is unimpeded, surfaced, useable and available to renters. The parking shall be mapped and posted in the home, and a copy given to the City with the vacation rental license application, and again whenever the location of designated parking spaces change. The owner shall require renters to use only the parking spaces that are surfaced and marked on the map.
- F. The maximum number of overnight vehicles allowed on the property shall not exceed the number of surfaced parking areas on the property or six vehicles, whichever is less. Daytime parking is limited to surfaced parking on the property. If access to the rental property crosses private property via an easement, right-of-way, or conveyance, ingress and egress must be accomplished without encroachment on other properties adjoining the privately maintained access road or driveway. In such situations applicants will provide evidence of their right to use the privately maintained access road or driveway consistent with vacation rental before a vacation rental license is granted.
- G. There shall not be any noise, litter or odor noticeable at or beyond the property line resulting from the use of the dwelling as a vacation rental that violates Yachats Municipal

Code.

- H. The maximum allowable number of overnight occupants shall be two persons per sleeping area plus two additional persons per vacation rental. The rental agent shall match the number of persons and vehicles to the particular property being rented. Advertisements for the rental shall not list a number of occupants that exceeds the number authorized by the City. Recreational vehicles, campers, tents and similar structures shall not be allowed on vacation rental properties. Parking a boat trailer of moderate size, with or without a boat, is permitted as a substitute for one vehicle.
 - I. Weekly solid waste collection service shall be provided. A sufficient number of suitable garbage receptacles shall be provided and must have bear-proof mechanisms. Except on collection day, these garbage receptacles shall not be readily visible from the street. Renters shall be advised not to place trash outside in plastic bags.
 - J. Each vacation rental shall provide and maintain a container for the disposal of cooking grease into a solid waste receptacle to prevent the grease from entering the sewer system.
 - K. All pets must be under control at all times. Methods of control include a leash or demonstrated effective voice command. The person having the control, custody or possession of a dog shall clean up after the dog by using a dog waste bag or other suitable method.
 - L. Vacation rental licenses are non-transferable.
 - M. The licensee must comply with the requirements of the occupancy tax ordinance as a condition for issuance or renewal of a vacation rental license.
 - N. Licensees shall keep all information on the GoYachats website current and notify City Hall of any changes in mailing address, email address or agent or contact person. Email addresses, mailing addresses and phone numbers for the owner, local contact person and person responsible for tax reporting shall be kept current with the City. Failure to keep contact information current shall constitute a violation of this chapter.
 - O. Licensees may not advertise a vacation rental for a higher occupancy than the maximum allowable number of overnight occupants listed on the license.
 - P. Vacation rentals shall comply with the standards in this section, whether or not the vacation rental is occupied by a renter, owner, or other person.
- (Ord. 148 § 3, 1992; Ord. 191, 1997; Ord. 226, 2002; Ord. 237, 2003; Ord. 291, 2010; Ord. 311, 2012; Ord. 324, 2013; Ord. 328, 2014; Ord. 347 § 1, 2017)

§ 4.08.040. Inspection, license and annual fee.

- A. The City shall prepare an application form for a vacation rental license. Prior to issuance of a vacation rental license, the City will inspect the subject property to determine occupancy capacity, parking and access compliance. Upon receipt of the completed application, the annual license fee, inspection and attestation that the licensing standards have been met, the City shall issue a license to the applicant (not the dwelling) for a period of one year. The license may be renewed annually if all standards are met. If a license is renewed annually until at least five consecutive years have elapsed, the City will re-inspect before issuing a license for the sixth (6th) year. The City retains the right to re-inspect the property

at any time. Complaints received by the City may trigger a re-inspection. An inspection fee will be assessed for the initial inspection, for additional inspections undertaken due to complaints, and for each five year inspection completed by the City. A vacation rental licensee shall not be required to pay a business occupation license fee in addition to the annual license fee. The annual license and inspection fees shall be set by resolution of the City Council. All fees are non-refundable.

- B. All licenses shall be obtained prior to any rental of the property. The required application and license fee are due on January 1 of each year for the fiscal year commencing with that date and are delinquent on February 1. The delinquency fee will be set by resolution.
- C. A total of 125 licenses will be available at any one time. For license renewals each year, priority will be given to existing licenses seeking renewal, so long as the renewal application is delivered to the City by December 29, or the next business day if December 29 falls on a day City Hall is closed. After December 29, if existing licenses are below 125 in total number, and there are licenses available after accounting for all license renewal, new applications will be accepted on a first-come first-served basis, with process identified through administrative policy.

(Ord. 148 § 4, 1992; Ord. 199 § 1, 1997; Ord. 284, 2009; Ord. 291, 2010; Ord. 311, 2012; Ord. 328, 2014; Ord. 347 § 1, 2017; Ord. 362 § 1, 2019)

§ 4.08.050. Complaints.

All complaints shall be in writing on a form provided by the City and signed by the complainant. The complainant must show or attest that they have made a timely attempt to resolve the issue with the person representatively responsible for management of the property. The complainant is expected to initiate the process while the out of compliance incident is occurring or when they first become aware that a property is not in compliance with the regulations. All complaints filed with the City shall be verified by the City for validity.

- A. When a complaint is filed that is verified by the City to be valid, the owner and local contact person will be notified in writing by mail or email, and provided with a copy of the complaint. Either the owner or the local contact person will be required to meet with a City representative to discuss means by which further complaints may be avoided. If the licensee fails to meet this requirement within a reasonable amount of time, City staff will prepare a report for City Council action.
- B. Upon a second complaint that is verified by the City to be valid, the owner and local contact person will again be notified in writing by mail or email and provided with a copy of the complaint. Either the owner or local contact person will again be required to meet with a City representative to further discuss means by which further complaints may be avoided. If the licensee fails to meet this requirement within a reasonable amount of time, the City Recorder will prepare a report for City Council action.
- C. Upon a third complaint within a 90 day period that is verified by the City to be valid, the owner and agent, if any, will be notified in writing by mail or email and provided with a copy of the complaint.
 - 1. City staff may schedule a hearing and prepare a report for City Council action.
 - 2. The City Council may schedule a hearing.

3. Either the City Manager or City Council may, without a hearing, revoke the license immediately.
 4. In the event that a license is revoked, the applicant or license holder shall have the right of appeal. The written notice of appeal to the Council shall be filed with the City within 15 days of the notice of revocation.
- D. Standards of judging complaints shall include, but are not limited to, the following:
1. Noncompliance with vacation rental license standards as stated in Section 4.08.030;
 2. Monopoly of on-street parking;
 3. Other offensive activities not in harmony with the residential neighborhood such as trespass, excessive noise or pets running loose.
- E. The City Council, upon hearing the evidence, may: (1) approve the license as it exists; (2) revoke the license; (3) impose appropriate restrictions on the operation of the license.
(Ord. 148 § 5, 1992; Ord. 226, 2002; Ord. 311, 2012; Ord. 328, 2014; Ord. 347 § 1, 2017)

§ 4.08.060. Violations—Penalties.

It is unlawful for any person so required to fail or refuse to apply for a license, or operate without a license as required herein. Any person who violates any provisions of this chapter is subject to a fine of up to \$1,000 per violation, with each day of a continuing violation constituting a separate violation. The third violation within any consecutive 12 month period shall result in revocation of the vacation rental license for 12 months, after which time the owner may reapply for a new license, in accordance with Section 4.08.040(C). Violations shall be subject to the procedures and penalties of Chapter 1.12, as now constituted or hereafter amended or revised.
(Ord. 148 § 6, 1992; Ord. 185 § 4, 1996; Ord. 328, 2014; Ord. 347 § 1, 2017)

City of Yachats

Public Works & Streets Commission/Finance Committee coordination discussion

August 8, 2023 – 2:00 PM – Council Chambers

BACKGROUND

Yachats updated the ordinance covering its Finance Committee in September, 2021. Over the next several months, new members were recruited, considered, and appointed. The initial appointees and their individual assignments were:

John Moore – Urban Renewal District, Taxes, and appropriations’

Charles Bame-Aldred – General Fund Capital Projects, priorities, and appropriations

Vicky West – Transient Rental Taxes, Food & Beverage Taxes, and revenue reporting

Tom Lauritzen – Enterprise Funds, Capital Projects, and appropriations

John Moore has since resigned his appointment. Urban Renewal responsibilities were transferred to Tom Lauritzen. Interim City Manager Rick Sant has replaced former City Manager Heide Lambert as Chair of the Finance Committee. The Chair has indicated that he will likely be able to call his first Finance Committee meeting in early September.

Long-term Revenue Forecast

In preparation for the 23-24 Capital Improvement Plan for the City’s Budget, the Finance Committee identified several long-term revenue sources that could fund all the Enterprise projects identified in the recently completed Master Plans for Water and Wastewater. The Projects identified in the Master Plans totaled over \$21 Million and were spread over 20 years.

Attached is a copy of the long-term revenue plan, as of February, 2023. (Brief discussion of the components). Since the plan was created, our City Manager resigned, and a new Council has begun to put its stamp on City finances. The Finance Committee has concluded that there will be significant demands on general fund revenue that will likely prohibit the annual transfer of \$200,000 from the General Fund to Water sustainability. Rick McClung, Water lead, and Tom Lauritzen, Enterprise Fund member of the Finance Committee, have been working on a series of steps that Yachats could consider for replacing the Sustainability funds and free those dollars up for some of the new priorities that the current Council is considering. We will present these in the order of easiest to hardest to implement and look forward to your review, comments, and priorities.

1 - Industry Standard Free Water – implemented with AAWU rate study –

Yachats adopted a rate plan presented by the AAWU (Tim Tice) that was based on large city industry standards. We can debate the wisdom of applying industry standards, derived from large numbers of big

meters to a population of 8 meters, at length, but that decision is in the past. What we can do is incrementally improve on that decision by tailoring the parameters to more closely align with our earlier goals of reducing the amount of subsidy that residents provide to large water users.

Each 2" meter is granted 5.8 units before billed consumption starts. The lone 4" meter is granted 28.0 no-charge units.

This first change that we propose would be to eliminate all no-charge water to all non-standard meters in the system.

This change is 68.6 units per month at \$13.83 each for an annual amount of \$11,385.00.

2 – Properties with prepaid SDC fees and no installed meter

The City of Yachats has approximately 93 lots with prepaid SDC fees, and no meter installed. These properties locked in their connection costs but provide no on-going support to the system that services their property. Upon paying the SDC fees, these property owners became owners of the utility system. Many of these prepayments go back 30-40 years.

We propose that properties with pre-paid SDC fees and no meter pay a monthly standby fee equal to 50% of the monthly minimum fee with a meter.

93 meters at \$55 per month is an annual revenue of \$61,380.

3 – Individual Homes with Vacation Rental Licenses

Yachats has authorized 125 TRT licenses in the city. The most recent count a few months ago was 112. We propose that TRT-licensed homes pay a higher monthly minimum than owner-occupied homes. Raising the minimum for commercial activity in residential zones furthers our goal of reducing the subsidy that homeowners pay for the benefit of the lodging industry. Our initial estimate is that a 50% premium is a reasonable amount for a commercial activity.

112 homes at a \$55 monthly premium is an annual revenue of \$73,920. We should consider classifying all commercial activity as eligible for the surcharge. Our customer classifications in the city's UB system have become muddled and need scrubbing to get an accurate count.

4 – Raise Hotel/Motel/Restaurant Water rates; increase handling fee for administration

The city currently allows a 5% discount on the taxes collected as a handling fee. Said another way, the hotel/restaurant pays 95% of the tax generated by customers and keeps the 5% as a handling fee to do the calculations for the city. Raising the handling fee to 10% would allow the city to raise water rates by \$55,000 for hotels and motels and \$21,000 for restaurants.

5 – Summary of potential rate adjustments

1 - Elimination of industry standard free water	\$ 11,385
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Really easy to implement – 8 meters.

2 – Prepaid SDC properties – 50% minimum	\$ 61,380
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A new rate structure is needed, not too difficult.

3 – Individual Vacation homes	\$ 73,920
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Like 2; not too difficult. A new rate structure.

4 – Handling fee for hotels/motels	\$ 76,000
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Total	<u>\$ 222,685</u>
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Thank you for the opportunity to present these potential revenue items. We look forward to your consideration of these items in your discussions and their impact on the long-term approach to funding our Master Plan items.

Respectfully submitted – Rick McClung and Tom Lauritzen