



**CITY COUNCIL SPECIAL SESSION MINUTES ~ APPROVED
APRIL 3, 2024 AT 6:00 PM**

City Hall ~ 82877 Spruce St., Westlake, OR

These proceedings of the Dunes City Council were recorded and are on file at Dunes City Hall. Upon approval by the City Council, these minutes will be available online at www.DunesCity.com

1. CALL TO ORDER

Mayor Ed McGuire called the Wednesday, April 3, 2024 meeting of the Dunes City Council to order at 6:36 pm.

2. ROLL CALL

Roll Call was taken by Mayor Ed McGuire.

Present: Mayor Ed McGuire, Council President Susan Snow, Councilor Joe Giammona, Councilor Melissa Stinson, Councilor Chris Clemons, and Councilor Tom Mallen

Absent: Councilor Rich Olson

Also Present: City Administrator/Recorder Jamie Mills, Planning Secretary Lila Timmons, and various Dunes City residents.

3. CONSIDERATION OF THE AGENDA

Mayor Ed McGuire asked if there were any changes or corrections that needed to be discussed. There were none.

Councilor Melissa Stinson made a motion to approve the Agenda. Councilor Tom Mallen seconded the motion. The motion to approve the agenda passed by unanimous vote.

4. ANNOUNCEMENTS/CORRESPONDENCE

There were none.

5. OLD BUSINESS

A. Continued Review and discussion of the Short-Term Rental Ordinance

Mayor Ed McGuire asked if anyone had a question or comment on page 10.

Councilor Melissa Stinson stated that for item B, we have always had an issue mailing to residents because the addresses are not updated on the Lane County site. Mayor Ed McGuire stated that it was State Law to mail to the recorded legal owner so would you like to state in the Ordinance that it is required to also mail to the property address.

Councilor Joe Giammona suggested that the mailings should be sent Certified Mail with Return Receipt. Councilor Chris Clemons suggested that the address be the applicant's address which should be up to date. Mayor Ed McGuire, Councilor Melissa Stinson and Councilor Joe Giammona agreed that the Certified Mail with Return Receipt should be mailed to both the property and the applicant's address.

Councilor Joe Giammona asked whether or not 10 days was enough time and suggested 14 days under section B, Notice.

Councilor Joe Giammona suggested that a citizen asking for an appeal should send their request by Certified Mail with Return Receipt. Councilor Chris Clemons asked if the request had to be mailed or could a resident come down to City Hall to appeal.

Councilor Melissa Stinson asked if there was a specific form to be filled out to request an appeal.

Mayor Ed McGuire stated that applicants had three choices to request an appeal: hand deliver, certified mail with return receipt, and/or mail. Another option would be to create a template and post on the website.

Councilor Melissa Stinson asked if the 10 days was enough time since it was addressed earlier. It was decided to state 10 calendar days.

Mayor Ed McGuire reiterated the Violations section on page 11. Councilor Melissa Stinson asked how the Council is determining the fine. Councilor Joe Giammona stated that he was developing a fee schedule.

Councilor Melissa Stinson asked how the Council was going to effectively enforce the new Short-Term Rental language. Councilor Joe Giammona answered that the fee structure establishes the money needed for a Code Compliance Officer.

Councilor Chris Clemons asked if the new Code Compliance Officer would track complaints as well. Mayor Ed McGuire stated that we would need to come up with a database for that information.

Mayor Ed McGuire stated that he talked to another entity that has been through a Short-Term Rental revision and found two things that really made a difference for them which were: 1) having a code enforcement person handling the complaints and talking to the property owners and 2) having some sort of recording device (Ring camera or equal) on the front of the house. The property owners would have to pay for the service. But, if a complaint comes in, the property owner is asked to provide the footage from the time of the complaint. If the property owner does not provide the footage, it is an automatic \$1,000 fine. This has pretty much cured the problem for the entity.

Councilor Chris Clemons asked if the other entity would provide the verbiage used in their Ordinance.

Councilor President Susan Snow asked if the fees in Section D would be deleted and refer to a fee schedule, such as "by a fine set in the fee schedule".

Mayor Ed McGuire stated that he wanted to delete Section F. The Councilors agreed.

Mayor Ed McGuire stated that he did not have an issue with the Public Nuisance Declared Section.

Mayor Ed McGuire asked about 123.018, Discontinuance of Short-Term Rental Occupancy. After much discussion, the Councilor decided the verbiage should be changed to "After a permit has been revoked, the property...". Also, a definition for Revocation needs to be added after Personal Delivery.

Councilor Tom Mallen stated that he would like to change the last sentence to state, “provided, however, an owner of record”.

Mayor Ed McGuire stated that he would like to strike out “or commercial property” in the first sentence of Section 123.019.

Councilor Melissa Stinson suggested to strike out “responsible tenant” in the same sentence.

Mayor Ed McGuire stated that the other entity also suggested that occupancy should be allowed for 2 people per bedroom plus 2.

Density Limit should now state, “Only one Short-Term Rental permit shall be permitted per parcel.

Councilor Melissa Stinson asked if from “The maximum number” to the end of the paragraph should be deleted. Mayor Ed McGuire said he would like to see that.

Mayor Ed McGuire stated that because it was addressed earlier, he would like to strike out Section C as well.

Councilor Joe Giammona asked is the last sentence of Section B should remain. The Councilors agreed for that last sentence to state, “The City Council has sole discretion to determine the final occupancy limit.”

The Councilors also agreed to strike out C.

In Section D, since Section C was deleted, strike out where it references Section C.

Mayor Ed McGuire suggested to delete Section E.

Mr. Claycomb stated that he came to the meeting to learn how to get a Short-Term Rental permit. Mayor Ed McGuire stated that no new permits will be granted until the Councilors are done with the revisions. Mr. Claycomb stated that it has taken awhile and that he will have to bring someone in, legal or not.

Mayor Ed McGuire said that he wanted to talk about the numbers of Short-Term Rentals allowed. Councilor President Snow stated that it had been decided that the Short-Term Rentals were not to exceed 5% of the housing stock in Dunes City.

Councilor Joe Giammona said that he plugged in 70 permits into his Pro Forma. Mayor Ed McGuire stated that ended up being about 10%. Mayor Ed McGuire stated that in Newport, they have said that there is a certain of income generated to maintain the permit. Councilor Melissa Stinson asked staff how many Short-Term Permits were currently permitted. City Administrator stated that there were 34 permits granted.

Councilor Joe Giammona stated that based on 70 permits allowed at a \$1000 proposed permit fee would net \$70,000. Estimated owner consolidated in a month with a 5% licensing fee, \$175/night, times 12 nights would generate \$147,000 for the owner group per year. This would generate \$7300.50 revenue to the City per month and an annual \$88,000. If you add the \$70,000 plus the \$88,000 would equal \$158,000 for the City.

Councilor Joe Giammona stated that we were not ready to add the fines totals as of yet. He further stated that with a compliance offer at \$35/hr. and 20 hours and fully loaded would be \$65,000/yr.

Councilor Chris Clemons asked City Administrator Jamie Mills what she thought the appropriate number of hours would be for a compliance officer. She did not know.

Councilor Melissa Stinson asked if the Code Enforcement Officer could be used for other code enforcement issues other than Short-Term Rentals only.

Councilor Joe Giammona stated that on average an owner using the above numbers should net \$23,000/year after paying fees to Dunes City. He further stated that this should

provide the City with positive cash flow which will trickle down to the residents for services, etc.

Citizen Jeanne Jackson expressed concern that having Short-Term Rentals makes it harder for families to find housing.

Councilor Joe Giammona stated that there are positive attributes to Short-Term Rentals.

Councilor Joe Giammona stated that the Councilors are trying something new to make a difference to the City.

Councilor Melissa Stinson expressed concern about how the Council will regenerate Dunes City if it allows a great number of Short-Term Rentals. She stated that the Council needed to have a strong enough cap on Short-Term Rentals.

Mayor Ed McGuire stated that it has been recommended that a number needed to be established and not a percent.

City Administrator Jamie Mills stated that there were about 750 homes.

Councilor Melissa Stinson stated that 5% of 750 is 37.5. Councilor Susan Snow suggested to round that number up to 40. Mayor Ed McGuire asked how many are permitted currently and how many have applied that are waiting for approval. City Administrator Jamie Mills stated that there are 34 permitted currently and that she did not have the number that have applied but waiting for approval.

Councilor Melissa Stinson asked if 40 permits could still provide for a Code Enforcement Officer.

Mayor Ed McGuire stated that fines usually go to another fund like the General Fund.

Councilor Joe Giammona spoke about a fine structure.

Mayor Ed McGuire asked City Administrator Jamie Mills if a Code Enforcement Officer could write a parking ticket in Dunes City. City Administrator Jamie Mills stated that she would have to check on that.

Councilor Joe Giammona stated that if we go with 40 permits it nets out to \$62,000 to Dunes City. Mayor Ed McGuire stated that the number of nights might go up since the unpermitted are competing with the permitted so the revenue might go up.

The Councilors stated that the Short-Term Rentals should be first come, first serve starting in July once the current permits expire.

Mayor Ed McGuire stated that the next step would be to see all the revisions, and the proposed table of fines (an exhibit based on 40 permits).

Mayor Ed McGuire asked the City Administrator Jamie Mills what the process will be. She stated that the new Short-Term Rental Ordinance should be published.

City Administrator Jamie Mills asked whether or not there was going to be an application fee and a permit fee.

Councilor Joe Giammona stated that the City does not want to add more administrative costs.

Councilor Chris Clemons stated that currently there is not a fee to apply for a permit. No payment is due until a permit is granted. So, this is flipping the model. Mayor Ed McGuire stated that an option could be a \$500 application fee and then once approved the permit fee could be \$1000. Councilor Joe Giammona suggested \$250 and \$1250.

Councilor Susan Snow stated that it must be \$500 and then \$1000 due to research involved. Councilor Joe Giammona confirmed that the application fee is \$500 and an \$1000 issuance/permit fee. Councilor Chris Clemons stated that this model could be used for building permits, etc.

10. NEW BUSINESS

- A. Begin review of Comprehensive Plan for referral to the Planning Commission
This will be delayed until the next work session.

11. FOR THE GOOD OF THE ORDER - NONE

12. ADJOURNMENT

Councilor Melissa Stinson made a motion to adjourn the meeting. Councilor Chris Clemmons seconded the motion. The motion passed unanimously.

Mayor Ed McGuire adjourned the meeting at 8:47 pm.

APPROVED BY THE DUNES CITY COUNCIL ON THE 16TH DAY OF APRIL 2024

__[Signature on File at Dunes City Hall]__
Susan Snow, Council President

ATTEST:

__[Signature on File at Dunes City Hall]__
Lila Timmons, Acting City Administrator