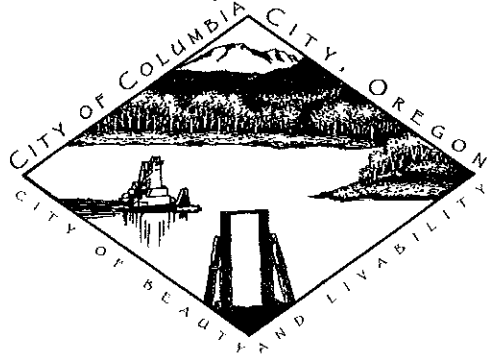


The City of Columbia City

In Columbia County on the Columbia River



CITY COUNCIL REGULAR MEETING AGENDA OCTOBER 4, 2018 - 6:00 PM CITY HALL COUNCIL CHAMBERS

1. **CALL TO ORDER/ROLL CALL**
2. **PUBLIC HEARINGS**
3. **CITIZEN INPUT**
4. **COUNCIL REPORTS**
 - 4.1 Parks Committee (Marson)
 - 4.2 Water and Sewer Committee (Thistle)
 - 4.3 Streets Committee (Marson)
 - 4.4 Audit Committee (Harrison)
 - 4.5 Hazard Mitigation Planning Group (Ebert)
 - 4.6 Other reports
5. **CONSENT AGENDA**
 - 5.1 Bills Paid with check numbers 31307 through 31361 during the month of September 2018.
 - 5.2 Activities Report from the Public Works Superintendent.
6. **UNFINISHED BUSINESS**
7. **NEW BUSINESS**
 - 7.1 Discussion with City Planner regarding options and issues for short term rentals within the City of Columbia City.
8. **OTHER BUSINESS**
9. **ADJOURNMENT**

**Audit Committee Meeting Minutes
City of Columbia City
September 18, 2018 - 2:30 PM**

Report for Period Ending June 30, 2018

PRESENT: Nell Harrison, Secretary
Rebecca Pickering, Committee Member
Suella Kovich, Committee Member
Barbara Gordon, Committee Member
Karli Ebert, Committee Member

The meeting was called to order at 2:30 PM. The Audit Committee conducted a review of deposits as well as checks issued and cashed on behalf of the City. All bank statements as well as 10 checks and 6 deposits entries which cleared for the months of April, May and June 2018 were reviewed.

All checks were reviewed for alterations, etc., as well as for authorized signatures that were issued and cashed during the month. Beginning bank balance was matched with closing bank balance for previous month. All deposits reviewed were correct. Blank checks were secured in locked storage.

The Committee verified the list of manual journal entries for the month of April 2018.

All files were found to be orderly and all checks issued were well documented by invoices/bills and applicable contractors. Records were securely stored.

No audit exceptions were noted. Acceptable procedures are in place by staff.

The next meeting was set for October 23, 2018 at 2:30 PM.

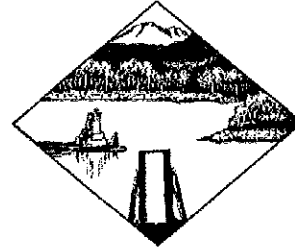
Meeting adjourned at 4:10 PM.

Nell Harrison
Audit Committee Member/Secretary

Bank Reconciliation

Checks by Date

User: Trivers
 Printed: 10/02/2018 - 3:25PM
 Cleared and Not Cleared Checks
 Print Void Checks



City of Columbia City
 PO Box 189
 1840 Second Street
 Columbia City, OR 97018
 (503) 397-4010

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
20964	4/2/2018	JOSEPH TRIPP		AP	Void		50.00
25	9/5/2018	FEDERAL GOVERNMENT		AP			13,948.54
26	9/5/2018	OR DEPT OF REVENUE		AP			3,521.03
27	9/5/2018	OR PERS		AP			11,405.70
31307	9/5/2018	CASCADE COLUMBIA DISTRIBUTI		AP			5,615.46
31308	9/5/2018	COLUMBIA CO ECONOMIC TEAM		AP			2,500.00
31309	9/5/2018	COMCAST CABLE		AP			269.79
31310	9/5/2018	COMCAST CABLE		AP			167.98
31311	9/5/2018	CRF&R MAINTENANCE FACILITY		AP			100.00
31312	9/5/2018	DAHLGREN'S DO IT BEST BUILDEI		AP			65.75
31313	9/5/2018	HAMER ELECTRIC, INC.		AP			4,336.69
31314	9/5/2018	ROBIN MCDOLE		AP			25.00
31315	9/5/2018	LEAHNETTE RIVERS		AP			89.81
31316	9/5/2018	ROSS & LAWRENCE UNION OIL CC		AP			666.28
31317	9/5/2018	LES SCHWAB, INC.		AP			83.66
31318	9/5/2018	CITY OF ST HELENS		AP			28,968.38
31319	9/5/2018	ST HELENS FEDERAL CREDIT UNI		AP			1,042.95
31320	9/5/2018	KENNY L. THOMAS		AP			600.00
31321	9/5/2018	TREE WISE, LLC		AP			1,500.00
31322	9/5/2018	WILLAMETTE VALLEY SECURITY,		AP			104.85
31323	9/7/2018	COLUMBIA CO CLERK		AP			166.00
31324	9/11/2018	COLUMBIA CO CLERK		AP			101.00
31325	9/11/2018	COLUMBIA FEED & SUPPLY		AP			289.99
31326	9/11/2018	COUNTRY MEDIA, INC.		AP			66.15
31327	9/11/2018	COVANTA ENERGY, LLC		AP			32.85
31328	9/11/2018	CRF&R MAINTENANCE FACILITY		AP			89.72
31329	9/11/2018	INTERSTATE PEST MANAGEMENT		AP			245.00
31330	9/11/2018	KENNEDY/JENKS CONSULTANTS		AP			11,125.78
31331	9/11/2018	KNIFE RIVER		AP			162.64
31332	9/11/2018	OR GOVERNMENT ETHICS COMMI		AP			475.12
31333	9/11/2018	STEPHEN D. PETERSEN		AP			95.00
31334	9/11/2018	QUILL CORPORATION		AP			48.48
31335	9/11/2018	LEAHNETTE RIVERS		AP			680.00
31336	9/11/2018	UTILIZE I.T., INC.		AP			285.00
31337	9/11/2018	GOVERNMENT FINANCE OFFICER		AP			185.00
31338	9/19/2018	ACE HARDWARE - WEST		AP			242.55
31339	9/19/2018	CITY COUNTY INSURANCE SERVIC		AP			3,030.60
31340	9/19/2018	COLUMBIA CO DEPT OF JUSTICE		AP			750.00
31341	9/19/2018	COLUMBIA CO TREASURER		AP			144.00
31342	9/19/2018	COLUMBIA RIVER PUD		AP			3,422.43
31343	9/19/2018	HUDSON PORTABLE TOILET SERV.		AP			453.00
31344	9/19/2018	KJ SECURITY SOLUTIONS & LOCK		AP			85.00
31345	9/19/2018	KOLDKIST		AP			45.50
31346	9/19/2018	NW NATURAL GAS		AP			36.50
31347	9/19/2018	ONE CALL CONCEPTS, INC		AP			17.16
31348	9/19/2018	OR DEPT OF REVENUE		AP			400.00

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
31349	9/19/2018	OR DEQ		AP			10,842.00
31350	9/19/2018	PETTY CASH		AP			63.87
31351	9/19/2018	RICOH USA, INC.		AP			182.20
31352	9/19/2018	JULIE SANDSTROM		AP			417.00
31353	9/19/2018	SCAPPOOSE SAND & GRAVEL CO.		AP			1,457.97
31354	9/19/2018	SIEGEL PLANNING SERVICES LLC		AP			235.10
31355	9/19/2018	CITY OF ST. HELENS		AP			227.68
31356	9/19/2018	SUNSET AUTO PARTS, INC.		AP			845.68
31357	9/19/2018	VERIZON WIRELESS		AP			550.48
21	9/28/2018	ASI FLEX		AP			216.66
31358	9/28/2018	ROBERT GREISEN		PR			1,750.28
31359	9/28/2018	LAURA MARKHAM		PR			1,117.78
31360	9/28/2018	HRA VEBA TRUST		AP			1,050.00
31361	9/28/2018	UNITED WAY of COLUMBIA COUN		AP			10.00

Total Void Check Count: 1

Total Void Check Amount: 50.00

Total Valid Check Count: 59

Total Valid Check Amount: 116,653.04

Total Check Count: 60

Total Check Amount: 116,703.04

City of Columbia City
Council Action & Status Report

Date Submitted: September 12, 2018
Agenda Date Requested: October 4, 2018
To: Columbia City City Council
Through: Planning Commission
From: Stacey Goldstein
Contract City Planner
Subject: Discussion regarding options and issues for short term rentals in the City

Type of Action Requested:

<input type="checkbox"/>	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	<input type="checkbox"/>	Action	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Report Only

1. EXECUTIVE SUMMARY and BACKGROUND

The Planning Commission is studying the issue of affordable housing in the City of Columbia City. One item that arose during our discussions pertained to short term rentals in the City. Short term rentals are those rentals typically marketed through web-based hosting platforms such as Airbnb, HomeAway and VRBO. Apparently the City has received inquiries from residents about whether or not they are allowed in Columbia City, as well as requests to allow them. Planning Staff wanted to have a discussion with the City Council to set the policy direction on these rentals.

The attached memo was prepared by my colleague and City Attorney for the City of Banks. The City of Banks was in a similar position last fall and the information provided in the memo is pertinent to Columbia City. The memo addresses short term rentals of private homes and individual rooms within private homes. In this context, short term rentals means less than 30 day rentals of all or part of a single family home. In effect,

these rentals operate like hotels or motels and are an alternative to short term stays and short term housing.

2. STAFF RECOMMENDATION

Staff recommends that the City Council review the attached memo and be prepared to discuss short term rentals at their meeting. Staff is asking for direction if the Planning Commission should work with staff to develop a short term rental regulatory program.

MEMORANDUM

To: Mayor Edison and the Banks City Council
From: Daniel Kearns, City Attorney
Date: August 8, 2017
Re: Options and issues for regulation of short-term rentals in the City

The question arose at the last city council meeting as to what means are available to the City for the regulation of short-term rentals, especially those marketed through web-based hosting platforms such as Airbnb, HomeAway and VRBO. This memo addresses several preliminary issues and then provides a range of options for the Council's consideration.

This memo addresses the short-term rental (STR) of private homes and individual rooms within private homes. In this context "short-term" means less than ~30 day rentals of all or part of an otherwise single-family home. Rental periods longer than ~30 days are considered long-term and are not addressed in this memo. Essentially and in effect, STRs operate like hotels or motels in that they are rented on a short-term basis, for compensation (rent) usually in a vacation or holiday context, but in a residential zone. In that light, they are an alternative to conventional motels and hotels. In the past few years, STRs have been marketed and rented exclusively over the internet, which has significantly increased the number of units involved and frequency of rental. Internet-based rental also makes it very easy to avoid or elude local regulation and taxation. Thus, STR regulation involves significant monitoring and enforcement elements.

A. Why Regulate Short-term Rental of Private Residences or Rooms in Homes?

Before initiating any sort of new regulatory program, the council should consider whether there is a need for such a program. Generally speaking, there are two reasons to regulate short-term rental of private homes or rooms within a home: (1) to address and curtail reported nuisance impacts caused by transient rental of private homes and rooms in private homes and (2) revenue raising through a transient lodging tax (TLT) or hotel tax.

1. Nuisance impacts of STRs: This has been the primary impetus behind most local regulatory programs aimed at STRs. Basically, STR's operate like miniature hotels in a residential zone, especially when the whole house is marketed on a web-based outlet and rented to large families and groups with multiple vehicles. As such, and depending on how they are managed, STRs can impose the full range of nuisance problems on their residential neighbors and neighborhoods: noise, late-night commotion, car door slamming, headlight glare, traffic, on-site and off-site parking problems, accumulation of garbage, etc. If properly managed, STRs do not create many of these nuisance problems, and neighbors do not complain. Also, nuisance impacts are minimized if the house is owner-occupied and there is a responsible person near-by that can respond quickly if problems arise. However, during peak tourist months, especially

when there is a large number or concentration of STRs in a limited area and the owner is not present or vigilant, STRs can generate intolerable nuisance impacts for their neighbors. Thus, for a small city, nuisance impacts and complaints from residential neighbors are usually the first reason for a city to consider adoption of STR regulations.

2. Revenue raising under a local Transient Room Tax (ORS 320.300 to 320.350): Because they are managed and operated similarly to motels, and frequently compete directly with motels, STRs are subject to local taxation under a local Transient Lodging Tax (TLT) authorized by ORS 320.300 to 320.350.

In short, state law currently does not limit the amount of TLT that the city may impose on STRs (including hotels and motels); however, ORS 320.350(7) is clear that the local TLT shall be based on the “the total retail price, including all charges other than taxes, paid by a person for occupancy of the transient lodging.” That said, ORS 320.350 also dictates that at least 70% of the net revenue from the local TLT must be used for “tourism promotion or tourism-related facilities.” The remaining 30% may be used for general governmental services. This is known as the 70/30 split. ORS 320.350 is set forth at the end of this memo.

For cities with a significant number of hotels, motels or STRs, the revenue generated from the TLT can be comparably significant. Thus, a secondary motive for adoption of a regulatory system for STRs is to raise revenue for tourism promotion and tourism-related facilities and, secondarily, to raise revenue for general governmental services. However, for Banks, any new TLT it might adopt will have to adhere to the 70/30 split.

B. How to Regulate STRs:

1. Land use regulations in the Development Code: A first step in regulating STRs, especially as a use allowed in residential zones, is to make clear whether and where STRs are allowed and under what circumstances. There is only one reported Oregon appellate case on STRs, and it holds that, absent a local ordinance that provides definitional clarity, simply renting a home or a room in a home is residential and not a commercial use. Thus, the first step is to amend the local development code to define STRs and then to specify where and under what circumstances they are allowed, and in which zones. While hotels and motels may not be appropriate in residential zones, STRs are typically located in residentially zoned districts where they are allowed. The objective should be to maintain the residential appearance and function of these homes and neighborhoods by imposing definitional requirements on STRs. Understand, however, that all such regulations are amendments to the City’s Development Code, which requires post-acknowledgement amendment procedures and notice to DLCDC. Arguably any new restrictions on STR use of single-family dwellings also require “Measure 56 notice” to all potentially affected (all residentially zoned) property. *See* ORS 227.186.

2. Nuisance Code regulations: Basic nuisance regulations are not land use regulations and should be focused on the commonly observed nuisance aspects of STRs, which include unreasonable nighttime noise, parking in places not designed or designated for parking, a

garbage pick-up requirement. Thus, nuisance prohibitions should be designed to work in concert with land use regulations that make clear the uses that are allowed in residential zones. One of the land use regulations associated with STRs is that the STR have a valid STR business license to operate.

3. Business Regulations. To maintain a reliable, complete and current inventory of active STRs, it is advisable to adopt a business license requirement specific to STRs. In this way, the city would have a current data base of all active STRs and can regulate them more closely and ensure the payment of any TLTs due. By integrating the land use regulations and business license regulations, the City can easily make illegal any STR operator that fails to register, maintain a current valid STR license and pay all TLTs that are due. The TLT program is relatively involved and should be part of the City's business regulations specific to STRs. ORS 320.300 to 320.350 controls the structure for any such TLT, and there are several good model ordinances and TLT programs among Oregon cities.

C. How to Adopt a STR regulatory Program:

As indicated from the foregoing short summary, a complete STR regulatory program is a comprehensive and complicated undertaking that requires a substantial amount of monitoring, administration and enforcement. Because it is not clear that there are many STRs operating in Banks, and no nuisance complaints associated with STRs, it is advisable to adopt a small program slowly and in gradual steps. I recommend the following steps in the following order:

1. Land use regulations – A fundamental question for operators and affected neighbors is whether STRs are allowed in the City's residential zones. Most codes, including Banks, are ambiguous on this point. I recommend that the Planning Commission recommend a narrow set of amendments to the City's residential zoning regulations to define STRs, and specify the applicable requirements and circumstances under which STRs are allowed in the City's residential zones. This first development code amendment should be kept fairly simple and provide a single, surgical amendment because of the relatively complicated procedures required by state law for such post-acknowledgement land use amendments.

2. STR Operator Business License – Next, I recommend that the City adopt a relatively simple STR operator license requirement and program. The requirements need not be very onerous or complicated, but the basic requirement should be that, in order to operate as an STR, the property owner must obtain and keep current a STR operator's license. This will allow the City to identify the regulated community and the universe of STRs in the City. It will also allow the City to shut-down or enforce against any STR operating without a license. Included in these regulations can be basic requirements designed to avoid nuisance complaints by residential neighbors, such as requiring that the owner reside at the house or that it be the owner's primary residence. Adoption and amendment of any such STR operator business license requirements can be accomplished fairly quickly and easily because the land use decision making procedures and notice requirements do not apply.

3. Transient Lodging Tax requirements. Once the City has identified the number and universe of STRs operating in the City, it can then proceed to adopt a taxation program. The contours of such a program are dictated by ORS 320.300 to 320.350. Because Banks has no motels or hotels, the revenue from a TLT limited to just STRs will be very small.

D. Impact of internet-based hosting platforms:

The principal problem created by on-line hosting platforms such as Airbnb, HomeAway and VRBO is that they make it easy for STR operators to elude detection and regulation by local governments and they make collection of TLTs difficult. Some cities, such as Portland, have undertaken direct regulation of the on-line hosting platforms, most, however, simply regulate the property owners and use of their properties as STRs. I recommend not regulating the hosting platforms because of the difficulty and expense of obtaining jurisdiction over these out of state entities and litigating the applicability of city regulations over them. The on-line hosting platforms also make monitoring and accounting for TLT payments difficult. While the on-line platforms collect the local TLT when required to do so, they usually refuse to disclose the identities of their clients who own the STR property when making payment to the city. There are services available to local governments that can search constantly the internet to detect and identify STRs being marketed in their communities. If the City is interested in the full STR regulatory program, which is not likely justified at this time, it should consider such a service to help in the monitoring and enforcement of the new regulations.

320.350 Tax moratorium; exceptions; uses of revenues. (1) A unit of local government that did not impose a local transient lodging tax on July 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition of the local transient lodging tax was approved on or before July 1, 2003.

(2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July 1, 2003.

(3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not decrease the percentage of total local transient lodging tax revenues that are actually expended to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local government that agreed, on or before July 1, 2003, to increase the percentage of total local transient lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities, must increase the percentage as agreed.

(4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is financing debt with local transient lodging tax revenues on November 26, 2003, must continue to finance the debt until the retirement of the debt, including any refinancing of that debt. If the tax is not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retirement:

(a) The local transient lodging tax revenue that financed the debt shall be used as provided in subsection (5) of this section; or

(b) The unit of local government shall thereafter eliminate the new tax or increase in tax otherwise described in subsection (1) or (2) of this section.

(5) Subsections (1) and (2) of this section do not apply to a new or increased local transient lodging tax if all of the net revenue from the new or increased tax, following reductions attributed to collection reimbursement charges, is used consistently with subsection (6) of this section to:

(a) Fund tourism promotion or tourism-related facilities;

(b) Fund city or county services; or

(c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative costs incurred in financing or refinancing that debt, provided that:

(A) The net revenue may be used for administrative costs only if the unit of local government provides a collection reimbursement charge; and

(B) Upon retirement of the debt, the unit of local government reduces the tax by the amount by which the tax was increased to finance or refinance the debt.

(6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent of net revenue from a new or increased local transient lodging tax may be used for the purpose described in subsection (5)(b) of this section.

(7)(a)(A) A local transient lodging tax must be computed on the total retail price, including all charges other than taxes, paid by a person for occupancy of the transient lodging.

(B) The total retail price paid by a person for occupancy of transient lodging that is part of a travel package may be determined by reasonable and verifiable standards from books and records kept in the ordinary course of the transient lodging tax collector's business.

(b) The tax shall be collected by the transient lodging tax collector that receives the consideration rendered for occupancy of the transient lodging.