



## COUNCIL WORK SESSION

Zoom Video Conference  
<https://ci.manzanita.or.us>

## AGENDA

October 5, 2022  
03:00 PM Pacific Time

**Video Meeting:** Council will hold this meeting through video conference. The public may watch live on the [City's Website: ci.manzanita.or.us/broadcast](https://ci.manzanita.or.us/broadcast)

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**Note:** Agenda item times are estimates and are subject to change.

- 1. CALL TO ORDER (3:00)**  
Mike Scott, Mayor
- 2. STR COMMITTEE RECOMMENDATIONS (3:01)**  
Leila Aman, City Manager
- 3. STR FEES SHORT TERM RENTAL INSPECTIONS AND RENEWAL FEES (3:41)**  
Scott Gebhart, Development Services Manager
- 4. ADJOURN (4:00)**  
Mike Scott, Mayor

### Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

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## COUNCIL STAFF REPORT

**To:** Mayor and City Council  
**From:** Leila Aman, City Manager  
**Subject:** **Appointments to the Short-Term Rental Committee**

**Date Written:** September 30,  
2021

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### ACTION REQUESTED

Approve Resolution 22-09 Making appointments to the Short-Term Rental Committee.

### HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[February 9, 2022](#) – City Council discussed and approved Resolution 22-02 forming a Short-Term Rental Committee.

[March 9, 2022](#) – City Council discussed the makeup of the short-term rental committee and approved the suggested make up of the committee and directed staff to open an application process to fill those positions.

[May 4, 2022](#) – City Council received an update on the Short-Term Rental committee process from staff.

[June 8, 2022](#) – City Council approved Resolution 22-08 as amended to include two additional ad hoc members to the committee utilizing the applicant pool from the STR committee process.

[September 7, 2022](#) – City Council approved selection criteria for the evaluation of STR applicants

### ANALYSIS

On June 8<sup>th</sup>, 2022 City Council approved Resolution 22-08 establishing a Short Term Rental committee. Staff were directed to use the recently updated Council Rules of Procedure to appoint two additional ad hoc members to the committee. The Council nominated Councilor Jerry Spegman to serve as the Council liaison and to work with the City Manager to conduct the process. Spegman and Aman held an initial STR Committee Meeting on August 4, 2022 and the committee nominated, and the majority approved the appointment of Deb Cipolla to the STR selection committee.

City Manager Aman reached out to all remaining STR candidates from the previous process to determine if there was ongoing interest. Several candidates indicated that they were not interested, leaving a pool of 8 remaining interested candidates.

On September 7, 2022, City Council reviewed and approved the selection criteria for the STR Committee selection process and directed staff to proceed with the process. The selection committee reviewed all remaining candidates independently based against the criteria and selected three candidates for interviews. The candidates selected for an interview included Cheryl Ogburn, Patrick Johnston and Anupam Narayan.

At the conclusion of these interviews and discussion the committee felt it had three extremely strong candidates. Prior to making a final decision on the Ad Hoc committee members, STR Committee member, and selection committee member Deb Cipolla submitted her resignation to the City Manager. After this action, the City Manager and Councilor Spegman determined that Cheryl Ogburn could fill the vacated seat, and that Patrick Johnston and Anupam Narayan could serve as the Ad Hoc Members.

**BUDGET IMPACTS**

None

**WORKLOAD IMPACT**

None

**STAFF RECOMMENDATION**

Staff recommend that the City Council approve Resolution 22-09 appointing Cheryl Ogburn to replace Deb Cipolla for the position representing a non-STR owner with a home within a lower dense (less than four STRs) block of STR properties in Manzanita and appoint Patrick Johnston and Anupam Narayan as Ad Hoc Members.

**ALTERNATIVES**

Council has the option of not accepting this recommendation and request that staff conduct a new process for all three appointments.

**ATTACHMENTS**

1. Resolution 22-09



**COUNCIL RESOLUTION No. 22-09**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANZANITA, OREGON, MAKING APPOINTMENTS TO THE SHORT-TERM RENTAL COMMITTEE.**

**WHEREAS**, on March 9, 2022, the City Council of the City of Manzanita passed Resolution 22-02 Establishing a Short-Term Rental Committee; and

**WHEREAS**, on June 8, 2022, City Council approved Resolution 22-08 making appointments to the Short-Term Rental Committee and directed staff to add two additional ad hoc members using the original pool of candidates following the City's new committee selection process passed by motion updating section 8 (2) of the City of Manzanita Rules of Procedure for Council Meetings; and

**WHEREAS**, on August 4, 2022, the STR Committee held its initial meeting and elected Deb Cipolla to participate in the committee selection process; and

**WHEREAS**, on September 7, 2022, City Council reviewed and approved criteria for the selection of remaining STR committee members; and

**WHEREAS**, the selection committee reviewed applications and interviewed three applicants; and

**WHEREAS**, at the conclusion of those interviews the City was notified of the resignation of a member of the STR Committee representing a non-STR owner with a home within a lower dense (less than four STRs) block of STR properties in Manzanita; and

**WHEREAS**, the committee agreed that the three interviewees were all qualified and represented strong candidates for the position and one interviewee, Cheryl Ogburn met the criteria of the vacated seat; and

**WHEREAS**, the two remaining candidates for the Ad Hoc positions were both equally strong and it was agreed upon by the committee that all interviewees should be appointed.

**Now, Therefore, be it Resolved** by the City Council of the City of Manzanita, the Short-Term Rental Committee is hereby amended to include the following new members:

Section 1:

1. The position representing a non-STR owner with a home within a lower dense (less than four STRs) block of STR properties in Manzanita shall be Cheryl Ogburn.
2. The two remaining ad hoc positions shall be Patrick Johnston, and Anupam Narayan.

Section 2:

The 7 voting members of the STR Committee shall be comprised of the following members and shall serve a term of four years:

1. Michael Duncan will represent an STR owner or agent of any currently licensed home within the City of Manzanita.
2. Jill Petty will represent an STR owner of a currently licensed home within the City who self-manages their property.
3. Carol Kennedy will represent a non-STR owner with a home within a highly dense (four or more STRs) block of STR properties in Manzanita.
4. Cheryl Ogburn will represent a non-STR owner with a home within a lower dense (less than four STRs) block of STR properties in Manzanita.
5. Jo Newhouse a non-STR owner with a home within any area of Manzanita.
6. Patrick Johnston will serve as an Ad Hoc Member.
7. Anupam Narayan will serve as an Ad Hoc Member.

Introduced and adopted by the City Council on \_\_\_\_\_.

This resolution is effective on \_\_\_\_\_.

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Michael Scott, Mayor

ATTEST:

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Leila Aman, City Manager/ City  
Recorder



## COUNCIL STAFF REPORT

To: Mayor and City Council

Date Written: September 15,  
2022

Reviewed: Leila Aman, City Manager

From: Scott Gebhart, Development Services Manager, Building Official  
Judy Wilson, STR Program Manager

Subject: **Adjusting Short-term Rental Inspection and License Application Fees**

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### ACTION REQUESTED

Discuss proposed increases to short-term rental inspection and license application fees to increase cost recovery and provide direction to staff on the annual license fee renewal.

### HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[Oct. 6, 2021](#) - City Council Adopted Resolution 21-16 Amending Inspection and License Fees for Short Term Rentals and Adding New Inspection Fees for Short Term Rental Inspections.

### ANALYSIS

Due to the additional staff time required to administer and enforce Ordinance 21-06 which amended Manzanita's STR Ordinance 10-03 on October 7, 2021, the current short-term rental fees are not adequate to recover the cost of staff time.

Staff are proposing to increase the Short-term Rental Inspection and License Application Fees for the purpose of greater cost recovery.

Staff has evaluated the time it takes to review, process and issue licenses and to conduct inspections and have made the following determinations:

**Short-Term Rental License Initial Application and Inspection** – Requires 4 hours of staff time for the STR Program Manager and 1.5 hours for the Building Permit Tech/ Inspector to obtain and process the required paperwork, and to conduct an initial inspection. The current fee is \$250 which does not fully cover the cost of required staff time. Staff propose an increase to this fee from \$250 to \$400 based on hours required and staff hourly rates.

**Annual License Renewal** – Requires 5 hours of staff time for the STR Program Manager to obtain and process the required paperwork and to conduct an initial inspection. Currently the annual short term-rental license renewal fee is \$250. Of that \$250 fee \$150 of those funds are allocated to the City's Civic Improvement Fund the balance of the renewal fee and all other fees go into the General Fund. Actual costs based on staff hourly rates is \$254. Including the \$150 for the Civic Improvement Fund, staff propose an increase to this fee from \$250 to at least \$400 based on hours required and staff hourly rates.

**Periodic Re-inspection** - Once a license is issued, periodic inspections are required every three years per Ordinance 10-03 Section 5(b). The current fee for a periodic re-inspection is \$150. A

periodic inspection requires both STR Program Manager and the Building Permit Tech/ Inspector - at 2.5 hours and 1.5 hours respectively - to obtain and process the required paperwork, conduct the inspection, and communicate the results. Staff propose an increase to this fee from \$150 to \$300 based on hours required and staff hourly rates.

**Follow Up Inspections** – If any deficiencies are noted, staff work with STR licensees and/or their agents to resolve the issues to maintain those licenses. This usually requires much correspondence in addition to the on-site follow up inspection to achieve correction of the deficiencies. The current fee for this is currently \$75 and only recovers the time of the on-site inspection itself. Staff proposes increasing the fee to \$225 to cover the cost of staff time needed to complete the follow up inspection process.

**Other Inspections** – Occasionally, issues arise that require random inspections to verify the safety or conformity of the short-term rental property. Staff propose increasing the fee from a \$150 to a \$250 for greater recovery of the costs of random inspections.

In summary, staff recommend Council make the following fee increases to better recover current costs of associated staff time:

- The short-term rental license initial application and inspection fee from \$250 to \$400
- The annual license renewal fee from \$250 to at least \$400
- The periodic re-inspection fee from \$150 to \$300
- The follow up inspection fee from \$75 to \$225
- The fee for other random inspections from \$150 to \$250

#### **BUDGET IMPACT**

This will have a positive impact on the City's budget as it will provide additional revenue to recover staff time and costs associated with implementing and managing the City's short-term rental program.

#### **WORKLOAD IMPACT**

There will be no additional workload impact on staff to collect these fees.

#### **STAFF RECOMMENDATION**

Council review proposed fees, provide feedback to staff on the Annual license renewal fee so that staff can return next month with a resolution putting these new fees into effect.

#### **ALTERNATIVES**

Council can elect to maintain the existing fee structure.

#### **ATTACHMENTS**

1. Resolution 21-16



**COUNCIL RESOLUTION No. 21-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANZANITA, OREGON, REPEALING RESOLUTION 14-06 AND REPLACING IT WITH RESOLUTION 21-16 AMENDING INSPECTION AND LICENSE FEES FOR SHORT TERM RENTALS AND ADDING NEW INSPECTION FEES FOR SHORT-TERM RENTAL INSPECTIONS.**

**WHEREAS**, Section 3 of Ordinance No. 10-03 establishes regulations on short-term rentals within the City; and

**WHEREAS**, Section 3 of Ordinance No. 10-03 provides that the City Council by resolution may establish fees for short-term rental licenses and inspections; and

**WHEREAS**, Section 3 of Ordinance No. 10-03 requires that “the fee shall include the cost of staff time to process the application and the initial Short-Term Rental inspection,” the City Council wishes to set fees which more effectively cover the cost of staff time required to process short term rental license applications and perform short term rental inspections;

**Now, Therefore, be it Resolved that:**

- Section 1. Effective August 1, 2016, the annual short-term rental license renewal fee shall be \$250 for the period beginning August 1 and ending July 31 of the following year. Effective August 1, 2016, the Civic Improvements Reserve shall be credited with \$150 of each annual short-term rental license fee collected.
- Section 2. Effective October 7, 2021, the short-term rental license initial application and inspection fee shall be \$250 for any new short-term rental application.
- Section 3. Effective October 7, 2021, the fees related to short-term rental inspections shall be as follows:
- a) The fee for periodic re-inspections as required in Section 5(b) of Ordinance 10-03 shall be \$150.
  - b) The fee for all follow-up short-term rental inspections shall be \$75.
  - c) The fee for all other short-term rental inspections shall be billed at \$150 per hour with a minimum one-hour fee. Addition inspection time shall be billed in half-hour increments.
- Section 4. The balance of the annual short term rental license renewal fee, the initial application and inspection fee, and all other fees collected noted in section 3 shall be credited to the General Fund.
- Section 5. Effective October 7, 2021, Resolution No. 14-06 adopted by the City Council on June 4, 2014, is hereby repealed.

Introduced and adopted by the City Council on October 6, 2021.