

**APPROVED BY ORDER # 9-07-695**

**MINUTES OF THE  
LINCOLN COUNTY BOARD OF COMMISSIONERS**

**MEETING OF AUGUST 29, 2007**

**CALL TO ORDER**

Chair Bill Hall convened the adjourned session of the Lincoln County Board of Commissioners. Present at the meeting were Commissioner Terry Thompson, Commissioner Don Lindly, County Counsel Wayne Belmont, and Recorder Judy Eames. Also present were PIO Liz Sample, Kendall Cable, *News-Times*; and Kiera Morgan from KNPT radio.

**ROLL CALL - ESTABLISHMENT OF A QUORUM**

**RECOGNITION/PROCLAMATION**

**ADOPTION OF CONSENT CALENDAR**

Chair Hall introduced the Consent Calendar items. There were no items highlighted or deleted. Commissioner Thompson made a motion to approve the Consent Calendar in its entirety. Commissioner Lindly seconded the motion. The vote was taken and the motion passed unanimously.

**MOTION TO APPROVE CONSENT  
CALENDAR OF AUGUST 29, 2007**

**CONSENT CALENDAR ITEMS**

*Minutes of the Board of Commissioners Meeting*

8-07-689 BOC Meeting Minutes of August 22, 2007

*Commissioner Appointments & Resignations*

*License Applications or Renewals*

*Tax Foreclosure, Right-of-Way, Sales and Deeds*

8-07-690 Dedication of additional right-of-way for SE Nelson Wayside Drive

*General Budget Resolutions*

Acting as Governing Body of County Wide Service Districts

Documents and Recording Matters in the Commissioners Journal

Execution and recordation:

8-07-691 Annexing certain properties into the Bayshore Special Road District at the request of the property owners

8-07-692 Amending Order # 8-07-684 to correct a condition of approval

Recordation:

8-07-693 Juvenile Accountability Block Grant—CFDA # 16.523, Grant # 2006-6357

8-07-694 Professional Services Agreement for Shelter Services between Lincoln County and Tillamook County

Execution:

Intergovernmental Agreement # 3721 for provision of automated victim notification (SAVNS Service Agreement)

**DECISION/ACTION**

**Potential increase of placing county room tax on November 2007 Ballot**

Chair Hall summarized last week's discussion of the possibility of placing a ballot measure on the November 2007 ballot to increase Lincoln County's transient room tax from 6% to 9%. He noted that the last transient room tax increase by the county was 16 years ago. Under House Bill 2267 which became state law in 2003, up to 30% of the collected tax can go to the county's general fund; a minimum of 70% must go to supporting a tourism-related facility or tourism promotion. Of the 70% collected from the 3% increase, 40% will be slated to go to the county fairgrounds facilities and 30% will go to the Oregon Coast Aquarium.

Commissioner Lindly advised that he recently toured the Linn County expo facilities and would support a similar type of facility on Lincoln County's fair grounds, although the facility would have to be considerably smaller. A covered arena could be explored as an option, but construction costs may be significantly more than the revenues raised through a tax increase. Commissioner Lindly urged interested parties to stop by and look at Linn County's facility. Commissioner Thompson indicated that decisions on the type of facility would need much more discussion and input from the community.

Chair Hall stated that a letter dated August 21, 2007 from Gregg Mindt, President and CEO of the Oregon Lodging Association, was received by the commissioners urging the county to work closely with the lodging industry before acting to raise the transient room tax. On August 28, 2007, a letter was submitted to the Board from Tony Pope, General Manager of Salishan Spa & Golf Resort, stating that the Salishan Resort had no objection to an increase in the county room tax, nor did Mr. Pope believe the increase would impact Salishan's business. The letter also indicated that the resort would be comfortable with a percentage of the room taxes collected being dedicated to support the aquarium, as well as other marketing efforts that bring tourism to the central Oregon coast. An e-mail was also received from Rick Brissette, a Lincoln City Council member, voicing opposition to the proposed increase. Mr. Brissette stated that because Lincoln City's transient room tax is currently at 8%, if the tax is increased to 9%, Lincoln City would be collecting an additional 1% in the city and sending it all to the county. He noted that none of the monies collected by the county are slated to be spent outside the Newport general area and urged the Board not to put the tax increase out for a vote until Lincoln City had an opportunity to increase its transient room tax to 9%. Commissioner Thompson advised that he had also received a call and e-mail from Mr. Brissette.

Chair Hall invited public input. Gregg Mindt, President and CEO of the Oregon Lodging Association, voiced concern over the size of the proposed increase in the transient room tax. He noted that the lodging industry is interested in working with local governments on the challenges that exist in obtaining funding for projects and urged the commissioners to allow for more communication on the issue before taking action. Mr. Mindt asked whether money raised from the proposed tax increase would go to the county in perpetuity. Commissioner Thompson stated that the commissioners are not deciding on whether to impose the tax, but are putting it out for the voters to decide. Commissioner Lindly noted that he had talked to Mr. Mindt about the proposed measure previously by telephone.

The commissioners also heard from Lori Hollingsworth, Mayor of Lincoln City, who stated she supported both the aquarium and the Lincoln County Fair. She stated she did object, however, to having taxes collected from Lincoln City lodging businesses which would not be spent for projects within Lincoln City or within any of the other cities in the county, with the exception of Newport. Mayor Hollingsworth stated that the Pacific Culinary School, the Jennifer Sears Glass Foundry, and the 4C's Cultural Center, all located in Lincoln City, bring in many tourists nationwide, and that they, too, could benefit from some of the anticipated \$445,000 that would be collected in Lincoln City as a result of the 1% increase in transient room tax. She advised that Lincoln City's charter requires that any tax increase be approved by the voters in the city and, historically, this has been a difficult task. Mayor Hollingsworth urged the commissioners to postpone putting this measure on the November ballot so that a consensus on how to spend the money can be reached between the city and the county and the voters have a chance to become better educated on the issue.

Commissioner Lindly noted that there had originally been some misunderstanding about the requirement contained in Lincoln City's charter mandating a vote by the citizens of the city. Commissioner Thompson expressed concern over Mayor Hollingsworth's request to spend some

or all of the 1% collected by Lincoln City in the city and asked if the commissioners needed to act immediately to place the ballot measure on the November ballot or could postpone action for a later date. Chair Hall advised that if the ballot measure was going to be placed on the November ballot, in order to meet the appropriate deadlines a resolution would need to be adopted by the commissioners no later than September 5. The commissioners then heard from Sandy Pfaff, Executive Director of the Lincoln City Visitor and Convention Bureau, who stated she would like to see some of the money going to other marketing opportunities within the cities and suggested that the Central Oregon Coast Association would be a proper recipient. Ms. Pfaff asked that the commissioners postpone putting the measure on the November ballot in order to facilitate further discussion with the cities. She indicated she also felt the voters would benefit from additional education on the issue. Commissioner Lindly pointed out that none of the citizens of Lincoln City or the county would actually be paying the tax, which would be paid by guests staying in lodging facilities.

Chair Hall noted that Lincoln City's current transient room tax is 8%, Newport's is 9.5%, Yachats' and Waldport's are 7%, Depoe Bay's is 8%, and Toledo's is 6% (*Note: Toledo's not verified*). The city councils, with the exception of Lincoln City, can take action to increase their transient room tax.

Lyle Mattson, a long-time citizen of Lincoln County, indicated his support of the tax increase. He stated that a few years ago, the Lincoln County Fair Grounds had been in jeopardy of being closed due to lack of funding. The Lincoln County Posse, of which Mr. Mattson is a member, stepped in and ran the fair for a few years until the Lincoln County Fair Board felt it was in a position to resume operations. Because of a lack of secure state funding or other revenue stream for operations, the fair has continued to struggle. Mr. Mattson also voiced support of the Oregon Coast Aquarium as a huge contributor to the economic well-being of the county. Susie Clement, Chair of the Lincoln County Fair Board, noted her support of the transient room tax increase and stated secure funding for the fair is needed in order to assure its continuing operation.

Commissioner Thompson stated he would have trouble supporting conditions that would require any of the additional 1% tax collected by Lincoln City to be spent within the city. He noted that the county is responsible for providing certain services within the Lincoln City area and that these services come at a cost. He suggested not collecting the 1% increase within Lincoln City. Counsel Belmont advised that the measure as proposed makes the increase countywide. A variety of options dealing with entering into a memorandum of understanding or intergovernmental agreement with Lincoln City were discussed; Counsel Belmont stated that those details could be worked out before the November election as long as the county adhered to state requirements dealing with the 30%-70% allocation. Commissioner Lindly indicated that the commissioners had been conducting discussions and dialogues with interested parties for several months. He pointed to Mr. Pope's letter stating that the Salishan Resort felt there would be no negative impact on its business as a result of the increase and to Mr. Brissette's comments that the Oregon Coast Aquarium and the Lincoln County Fair benefit the entire county. Commissioner Lindly noted that according to Dale Schmidt, President of the Oregon Coast Aquarium, the aquarium brings in 500,000 visitors a year, many of whom stay in lodging

facilities outside of Newport. He stated that the Board of Commissioners has been a member of all the city chambers over the past 17 years and is a strong supporter of all seven incorporated cities. Commissioner Lindly felt that there are adequate resources for tourism promotion and noted that Rebecah Morris's organization, the Oregon Coast Visitors Association, annually receives \$335,000 from the 1% statewide fund. He expressed hope that the county and Lincoln City could reach an agreement that would satisfy both entities' concerns. Chair Hall noted that the fairgrounds are county-owned, and that as an owner, the county has a responsibility and obligation to protect its property. He stated that it will be up to the voters to make the ultimate decision on whether to increase the transient room tax.

Commissioner Lindly made a motion to direct staff to draft a resolution placing a ballot measure on the November 2007 ballot to increase the county's transient room tax from 6% to 9%; in accordance with state law, 30% will go to the county general fund, and 70% will go to supporting a tourism-related facility or tourism promotion, i.e., the county fairgrounds facilities (40%) and the Oregon Coast Aquarium (30%); and that an intergovernmental agreement or memorandum of understanding be entered into with the City of Lincoln City to outline how the 1% increase in tax collected by the city will be allocated. Assistant County Counsel Rob Bovett advised that the ballot measure is currently in preliminary draft form and will need an explanatory statement included. Commissioner Thompson stated it was important to him that all citizens of the county be treated equally. Commissioner Thompson then seconded Commissioner Lindly's motion. A vote was taken and the motion passed unanimously.

**MOTION TO DIRECT STAFF TO DRAFT A  
RESOLUTION PLACING A BALLOT  
MEASURE ON THE NOVEMBER 2007  
BALLOT TO INCREASE THE COUNTY'S  
TRANSIENT ROOM TAX FROM 6% TO 9%**

**DISCUSSION/INFORMATION**

**BOARD OF COMMISSIONERS AS GOVERNING BODY OF COUNTYWIDE  
SERVICE DISTRICTS**

**REPORTS**

Commissioner Thompson reported he has been dealing with fiber optic cable and marine reserve issues during the past week. He noted that there is a constant need for areas where cables can be placed, and Lincoln County is being looked at as a site. Historically, Lincoln County has not been considered because of off-shore mountain sites. Because of the increase in the establishment of marine reserves along the Pacific coastline, it is becoming increasingly difficult to find sites for cables. Commissioner Thompson reported that the conflict is beginning to become a hotly debated one in the state. He advised that the first wave action buoy anchor was dropped off Lincoln County's coastline last week.

Commissioner Lindly advised that there will be a special session in February of the Oregon legislature and that he had attended a meeting of the Association of Oregon Counties Public Safety Committee on August 28 to go over a variety of issues that are important to the counties. The legislature has committed to adjourn the special session by the end of February.

Chair Hall stated that he had been contacted by Ray Naff, a staff member to Governor Kulongowski, in response to a letter sent by the commissioners concerning the Regional Investment funding to the counties. \$7 million had been allocated in the last biennium; the Governor had proposed \$11 million during the current legislative session, which the legislature reduced to \$2 million. Mr. Naff reported that the Governor's support of the funding remains strong.

### **CONSTITUENT INPUT**

Dr. Frank Pisciotta asked for clarification on the incompatibility of cable placement with Marine Reserves. Commissioner Thompson stated that any placement of cable disturbs the environment somewhat, and it is extremely difficult to enter into an agreement with the Marine Reserves for this reason.

Liz Sample, Chair of the Happy Days on the Bay Committee, invited the commissioners and the public to attend the Happy Days event scheduled on September 1 and 2, 2007. The event will benefit the Lincoln County Children's Advocacy Center. Happy Days on the Bay will be held at the South Beach Marina and will offer a variety of activities and music for all age groups.

### **EXECUTIVE SESSION**

### **ADJOURNMENT**

The meeting adjourned at 10:45 a.m. These meeting minutes were read and approved this 5<sup>th</sup> day of September 2007.

## **LINCOLN COUNTY BOARD OF COMMISSIONERS**

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**BILL HALL**, Chair

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**TERRY N. THOMPSON**, Commissioner

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**DON LINDLY**, Commissioner