

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
**Retreat**  
Tuesday, December 19, 2023  
Council Chambers

Present: Mayor Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Lisa Kerr and Gary Hayes

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett and Recorder Jennifer Barrett

Others:

CALL TO ORDER AND APPROVAL OF AGENDA

Mayor Knop called the meeting to order at 11:01 a.m.

Motion: Ogilvie moved to approve the agenda as presented; Hayes seconded the motion.

Vote: Ogilvie, Hayes, Knop, McCarty and Kerr voted AYE. The vote was 5:0 and the motion carried. The agenda was approved.

PUBLIC COMMENT

- Jan Siebert-Wahrmund PO Box 778 – Spoke about the cost of appeals, adding they are too high for many Cannon Beach residents. Only wealthy people or businesses can afford to appeal. Asked Council to look into the cost of appeals.

RETREAT DISCUSSIONS

Knop reminded everyone this meeting is on Zoom and YouTube and anyone can go back and watch the show.

**Projects**

- Status and schedule of funding/bonding for construction projects

**CH/PD**

St. Denis said the presentation will be dealing with the costs of the three major projects. We will be hearing from construction manager and general contractors. Then we'll talk about schedules. Although we have CIDA online, today is not intended to look at renderings, it's schedule and budget.

Jordan Fell and Will Somme from Emerick via Zoom

Jordan Fell/Emerick Construction – gave an overview of schedules for CH and PD. Fell answered Council's questions. Discussed options of staggering the projects and what the cost would be. Fell noted

keeping the projects in a similar time frame you are able to use the same subs, discussed the time frame for CH demolition. Fell noted there have been no revisions to the budget, adding the next milestone will be in February to re-present the updated budget. Gave an overview of the GMP (guaranteed maximum price). Discussed what items would influence the cost. Discussed the stagger of the projects in terms of mobilization costs. Council noted their concerns regarding ODOT. Fell said the plan is to stagger projects by a month so subs can go from one site to the other. St. Denis noted we are working on relocating staff that has minimal impact on the residents. A location for relocating staff ensued. St. Denis noted if we were to get a portable, we would want that portable to be able to be used at the food bank when we are done. Discussed the impact on the farmers market. St. Denis noted there are many markets that do not provide Wi-Fi – we are unique that we do. Fell said the estimated dates for City Hall is starting 8/24 and complete around 10/25. For police it would start around 8/24 with a completion of 8/25.

## **CBE**

David Brookings from Bremik

Brookings said the current start date is mid-august, so not sure that would allow any use of the site. Brookings gave an update on the CBE schedule. A discussion ensued regarding the farmer's market. Brookings says we hope to have a schedule that matches the estimate by Mid-January, and gave an overview of when each building would be remodeled, adding when we start moving the entire site will be under construction. Brookings answered Council's questions. Brookings gave an overview of the budget. Discussed where costs could potentially be cut. Brookings gave an overview of the difference from the ZCS prices what work they did. Discussed the use of TLT funds for this project, and what would it take if TLT was not used. Discussed what the cost of a delay would be.

Siebert-Wahrmund asked if today or soon we have a price comparison of asphalt shingle roof for the gym, but also at DRB in October. One DRB member mentioned having possible cedar shake roof for the gym rather than a metal roof. Wonder if we could look at that pricing to get an idea of what it would cost, for the January 9<sup>th</sup> meeting. Jennifer Beattie said we have had issues with asphalt shingles, adding while feasibility they have more warranty issues. St. Denis replied we'd get it. Siebert-Wahrmund replied another option would be to have a combination since the way the roof it on the Quonset hut. Brookings discussed pricing and the roof.

Council thanked CIDA, Bremik and Emerick.

St. Denis gave an overview of PFT revenue.

St. Denis gave an overview of sources of funds; a copy is included in the record and answered Council's questions.

Took a break for lunch at 12:41 pm. Reconvened at 1:09 pm

Matt Donahue DA Davidson, financial advisor

Donahue gave an overview of the bond debt service. Discussed the payment options. Donahue answered Council's questions. Discussed the annual payments. Council thanked Donahue. St. Denis said if you have questions later on, please email them to me and I'll forward to Donahue.

A discussion ensued regarding the cost of the projects and the materials provided at the retreat.

Zoom crashed at 1:55 pm. Reconvened at 2:00 pm

Discussed the state of the current City Hall/PD and how it would function in a disaster. Council shared their concerns about the project funding and projects. Discussed setting up a fund with the idea of after 10 years we could pay down the bond.

### **Zoning/Housing**

- Zoning
- Housing/Housing Size
- Short Term Rentals

Kerr said there's been so many studies. Clatsop County did a housing study a few years ago, then seemed like they ignored it. A conclusion was STR had a big effect on LTR, a discussion ensued. A discussion ensued regarding capping the STR, and how to process it. discussed options for STR policies. Consensus to put cap with a waiting list. Discussed having a nonactivity clause, discussed the current penalties.

The following items will be discussed an a future work session, cap, penalties, raising fees, inactivity clause, not allowing an ADU primary residence to be used as a rental. What zone we will allow STR in and not is a code audit item and will be discussed there. Kerr suggested looking at the 50% of assessed value to bring up to the code allowance at the code audit, adding says it's been abused in arch cape. Discussed non-compliant homes. Hayes said to look at zoning as a way to increase density. Discussed zone changes that would help middle housing issues. Discussed other city's models.

Siebert-Wahrmund said I would like to add trees to the conversation. Hayes said I think we all understand and have to balance environment and housing and their conflict with each other. Discussed gaps in the code for the code audit. Kerr showed examples from Carmel by the Sea. Discussed incentivizing and density. Discussed some of Chet's options from last week's retreat.

Break at 3:06 pm. Reconvened at 3:11 pm.

A discussion ensued on how do we create incentives for middle housing. A discussion ensued regarding middle housing. Discussed the sea ranch RV park that is for the sale and the potential uses. Discussed setbacks at ocean front properties.

Council will continue discussing at the February 13<sup>th</sup> work session.

### **Miscellaneous**

- RV Park

McCarthy said the contract on the 4 or 5<sup>th</sup> amendment went to 6% of revenue, it looks like their gross revenue is \$2.6M. The contract says manager gets 6% of gross revenue plus \$4,800 per month, makes approx. \$213,000 per year. The \$213,000 is that before the expenses they pay for, discussed the park revenue. Knop said I would be interested what goes into material and services. Hayes added the contract is coming for renewal in June, time to be discussing it. Hayes said do we want St. DenisC to come back with a shorter term renewal so we have flexibility to discuss further.

Discussed potential use of the RV park for interim staff during CH remodel.

Requested the TLT info is for RV Park. St. Denis replied we will send you a report to answer your question. J Barrett noted the TLT information is an exempt record. Can be sent to council with strict confidentiality clauses. Knop said we will get TLT revenue with confidentiality clause and breakdown in materials and services, and how much revenue the city clears each year on the RV Park.

## **(2) Good of the Order**

Kerr said I am concerned about impacting citizens ability to appeal, to me it's a due process issue. By making appeal costs high you are making it almost impossible for an average citizen to appeal a project, asking why did we raise it. J Barrett noted the last fee increase, a discussion ensued. Discussed citizen group or nonprofits who would want to appeal. Discussed fees for permits and appeals.

Future work session to review LU fees. Ask for legal input – discount rate for local or non-profit is it allowed, clear and objective and how do you define locals.

Knop said thank you everyone for our first smooth year together. Happy holidays

## **ADJORNMENT**

The meeting was adjourned at 4:39 p.m.

ATTEST:

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Jennifer Barrett, Recorder

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Barb Knop, Mayor