

INFORMAL MINUTES

March 17, 2008

2:00 p.m.

Oval Office

PRESENT: Commissioners Mary P. Stern, Leslie Lewis, and Kathy George.

Staff: John M. Gray, Jr., John Krawczyk, Laura Tschabold, Dave Lawson, Martin Chroust-Masin, Ken Friday, and Tim Loewen.

Guests: David Bates, News-Register; Kenneth & Kimberly Schweiger, 710 Water St, Lafayette; and Kris Bledsoe, 3500 SW Redmond Hill Rd.

* indicates item forwarded to formal agenda

Mary called the meeting to order.

* Personnel - John K presented personnel requests from various departments. See agenda for details. Dave Lawson stated that Nicole Orlaineta, who has been receiving out-of-class pay, has successfully completed her six-month probation period and will be a long-term asset to the department.

Minutes

B. O. 08-201 - Leslie moved approval of informal session minutes from February 4, 2008. The motion passed, Mary, Leslie, and Kathy voting aye.

Committees - Mary stated that she will be meeting with Stephanie Armstrong this afternoon to review the eight applications received for the LNG Advisory Committee. She said that the function of the committee will be to follow the pipeline proposals and make recommendations to the Board for any action.

* Contracts/Grants - See agenda for details.

* Land Use - Martin Chroust-Masin briefed the Board on Planning Docket NCU-06-07(MCM), a request to recognize existing development as substantial development to allow placement of a single family dwelling and to recognize Tax Lot 2317-600 as a legal lot, applicant Louis Kern, appellant Stephen Hamilton.

Ken Friday discussed possible evening dates for the continuation of Planning Dockets PA-03-07(KF) and PA-04-06(KF) regarding the Southeast Newberg Transportation Plan and the Newberg Urban Reserve Area expansion. Mary suggested asking for help from Oregon Solutions because the county is at a standstill with the Oregon Department of Transportation regarding the improvement of failing intersections along Highway 99W in Newberg and Dundee. She stated that there is a looming threat of a growth moratorium being placed on those cities because of the issues with the road, which belongs to ODOT. Leslie suggested inviting Oregon Solutions to a meeting with the Board, along with the mayors and city managers. John K pointed out that the improvement of traffic signal technology in that area would be much cheaper in the long run than

laying more pavement.

John K also reported that there was a massive traffic jam in that area on Friday as a result of Verizon workers working on the telephone line along Highway 99W. He stated that Verizon needs to be reminded not to work on those lines on Fridays unless it is an emergency situation.

Lease Agreement - The Board discussed an offer from Crown Castle International for a perpetual easement for the cell tower at 2070 NE Lafayette Avenue in McMinnville for the sum of \$36,000. John G suggested waiting until the existing lease expires in 2018 before negotiating new lease terms.

Room Tax - Mary discussed the possibility of a room tax as a way to help fund the emergency communications system and resolve road issues, if grant funding is not available. She distributed a handout (see Exhibit A) of projected revenues and asked the other commissioners to look it over. She stated that the deadline for the Board to put the issue on the November ballot would be September 4th.

The meeting adjourned at 2:54 p.m.

Anne Britt
Secretary

2004 Room Tax Info:

The Oregon Tourism Commission estimates that in 2000-2001, Yamhill County generated approximately \$6 million in receipts from hotels, motels, Bed & Breakfasts, and other overnight facilities. Approximately 25% of those rooms are in Newberg where there is already a 6% room tax.

Using the above figures, if an 8% overnight user fee were approved by voters with the condition that only 2% additional be collected from Newberg, approximately \$390,000 could be collected each year. (After our last discussion, I updated the estimates to include revised tourism numbers in the county. The new numbers are in yellow, but do not include the new Comfort Inn in McMinnville, and several other B7Bs. The Allison, the Austin family's proposed conference center/spa/hotel in Newberg, and the new "boutique hotel", which is proposed for the hills above Dayton, will also increase any projections. Obviously, the numbers will be much higher once the Dayton and Newberg facilities are built.)

Newberg	\$1.5 million x .02=	\$ 30,000	1.65	33,000
Rest of the County	\$4.5 million x .08=	\$360,000	4.95	396,000
		\$390,000		429,000

Five Percent of this money must be returned to hotels/motels/B&Bs for administrative costs.
 \$390,000- \$19,500 = \$370,500. \$429,000 -21,450 407,550

The remaining \$370,500 will be distributed as follows:

Year 1

County Admin. Costs	10%	\$ 37,050	40,755 (366,795)
County	25%	\$ 92,625	110,038.50
Tourist Related Promotion	65%	\$240,825	256,756.50

(If county admin costs are taken off the top, Tourist Promotion would get 70% of remainder or \$233,415, County would get \$100,035 or 30%)

Year 2

County Admin. Costs	5%	\$ 18,525
County	25%	\$ 92,625
Tourist Related Promotion	70%	\$259,350

County proceeds must be used to support activities that benefit or support tourism. Possible uses for these funds include increasing sheriff's deputies on our county roads, making improvements on county roads near tourist attractions, installing new restrooms in our county parks, and supporting the Wheatland Ferry. The money could also be used to fund the emergency communications system in the county as tourists clearly benefit from police, fire, and emergency medical services while visiting Yamhill County.

Tourist Related Promotion – County will control distribution of these funds. An RFP will be used every three years to select a tourist promoter. The tourist provider would undergo an annual audit to ensure proceeds were spent appropriately.

Under ORS 320.350 (which was passed at the same time our local levy failed), “at least 70% of net revenue from a new or increased local transient lodging tax shall be used for” tourism promotion or related facilities. I think for the net, we would not include the 5% to the hotels/motels/inns or the 5-10% fee to the county as both of these are administrative costs.

November 2008 Ballot?

The earlier numbers do not include the new Comfort Inn in McMinnville and several new B&Bs (Black Walnut, Abbey Rd. Farms, etc.). They also do not include potential revenues from the Springbrook development in Newberg, the Kahn Boutique Hotel, or other looming resorts.

If/When the 50 Room Boutique Hotel in Dayton opens, projected room tax revenues are huge. Potential room rates mentioned at the hearing were any where from \$350- \$600.

$\$350 \times .08 \times 50 \text{ rooms} \times 365 \text{ days per year} \times 70\% \text{ occupancy rate} = \$375,700$

$\$500 \times .08 \times 50 \text{ rooms} \times 365 \text{ days per year} \times 70\% \text{ occupancy rate} = \$511,000$

$\$600 \times .08 \times 50 \text{ rooms} \times 365 \text{ days per year} \times 70\% \text{ occupancy rate} = \$613,200$

	429,000	est. room tax receipts
+	<u>375,700</u>	est. receipts from Boutique Hotel @ \$350/night/room
=	804700	total room tax receipts
-	<u>40235</u>	5% admin fee to inns/hotels
=	764465	
-	<u>40235</u>	5% admin fee to county
=	724230	net total room tax receipts
-	<u>506,961</u>	70% to tourism
	217269	remaining 30% for countywide tourist related activities (such as emergency communications system)

To be placed on the November 2008 Ballot, August 5 would be the last day to submit signatures. If Commissioners put it on, deadline would be September 4.