

Charleston Advisory Committee Meeting

Wednesday, January 15, 2020, 12:00pm

Charleston Marina RV Park
63402 Kingfisher Road, Charleston, OR 97420



M E M O R A N D U M

TO: Charleston Marina Advisory Committee
And All Interested Parties

FROM: Brandon Collura, Harbormaster

DATE: January 8, 2020

SUBJECT: Charleston Marina Advisory Committee Meeting Notice

A regular meeting of the Charleston Marina Advisory Committee has been scheduled for:

DATE: Wednesday, January 15, 2020
TIME: 12:00 p.m. – 1:30 p.m.
**LOCATION: Charleston Marina RV Park
Recreation Room
63402 Kingfisher Road
Charleston, OR 97420**

Lunch will be provided for the Charleston Marina Advisory Committee members.

Guests are encouraged to bring their own lunch. Many local businesses offer boxed and to-go lunches. Please feel free to contact any of them to purchase a meal to bring to the meeting, or feel free to bring your own.

BC/km

**OREGON INTERNATIONAL PORT OF COOS BAY
CHARLESTON MARINA ADVISORY COMMITTEE MEETING
12:00 p.m., Wednesday, January 15, 2020
Charleston Marina RV Park, Recreation Room**

T E N T A T I V E A G E N D A

- 1.** Call Meeting to Order
- 2.** Introductions of Guests and Port Staff
- 3.** Review and Approval of October 16, 2019 Meeting Minutes
- 4.** Financial Data Review
- 5.** New Issues/Projects
- 6.** Roundtable Discussion on Facilities Maintenance Needs from the Customers' and Staff Perspectives
- 7.** Public Comment
- 8.** Committee Comments
- 9.** Next Meeting Date: Wednesday, April 15, 2020 at 12:00 p.m.
- 10.** Adjourn

Review Meeting Minutes

**OREGON INTERNATIONAL PORT OF COOS BAY
CHARLESTON MARINA ADVISORY COMMITTEE MEETING
12:00 p.m., Wednesday, October 16, 2019
Charleston Marina RV Park, Recreation Room**

DRAFT MINUTES

ATTENDANCE

Advisory Members:

Nick Nylander, Chair; Mark Fleck, Vice Chair; Kyle Cox; Kathleen Hornstuen; and Knute Nemeth.

Port Staff:

Brandon Collura, Harbormaster; Mike Stonesifer, Maintenance Manager; Lanelle Comstock, Chief Administrative Officer; and Krystal Moffett, Administrative Assistant.

Guest:

Tim Hyatt, Charleston Merchants Association.

1. CALL MEETING TO ORDER

Chair Nick Nylander called the meeting to order at 12:10 p.m.

2. INTRODUCTION OF GUESTS

3. REVIEW AND APPROVAL OF MEETING MINUTES

A. Approval of July 17, 2019 Meeting Minutes

Upon a motion by Nick Nylander (Second by Knute Nemeth), the Charleston Advisory Committee Members voted to approve the July 17, 2019 Meeting Minutes. **Motion Passed.**

4. FINANCIAL DATA REVIEW

Harbormaster Brandon Collura reviewed the financial data for Charleston Operations. The first quarter actual versus budget was only a 1% difference for the operating income. The RV Park was full most of the summer, the launch ramps were busy and the marina in general did very well. The overall expenses are down slightly from budget, because personnel expenses were low due to being short staffed. The regular operating expenses are also down slightly. The operating results show actual of \$217,644 against a budget of \$167,072. Other income had the greatest variance; the reason for that is income expected from a State Marine Board grant budgeted in this fiscal year was received last year. Charleston Net Results were \$234,928 versus a budget of \$110,297. Most of that is due to projects that have not yet started. Overall, Charleston is doing well.

5. DISCUSSION OF BYLAWS AMENDMENT REGARDING QUORUM

Chair Nick Nylander asked for follow-up information as discussed at the previous meeting regarding the possible amendment of bylaws. Lanelle Comstock stated ORS statutes were consulted and it is permissible to amend quorum; however, it would change from a majority to not less than one-third. With a committee this size the difference would be small. Rather than amend bylaws, it is recommended to encourage attendance by all members as much as possible. Mr. Nylander stated discussion of amending bylaws will be tabled, unless the problem continues. Mike Stonesifer welcomed the two newest members.

6. NEW ISSUES/PROJECTS

Harbormaster Brandon Collura began with discussion of the proposed transient lodging tax. It has been proposed to enact a 9.5% transient lodging tax within Charleston. The cities of Coos Bay and North Bend both pay this type of tax, which was recently raised to 9.5% from approximately 7%. Charleston is within an unincorporated area and therefore does not fall under the cities' tax. The Port would like to see more discussion take place prior to moving forward.

The revenue collected from the tax is proposed to be divided as such: 5% would stay with the merchant, 40% would go to the Coos Bay North Bend Visitors Convention Bureau (VCB), 30% would go to Coos County, and the remaining 25% would go to the Charleston Merchants Association (CMA). The Port is concerned the tax could potentially decrease RV Park occupancy in the Marina as well as for other stakeholders who were not engaged in the process. There are questions and concerns of how much money it will actually bring in and how that money will be spent.

Kathleen Hornstuen asked if there is another County Commissioners meeting coming up. Tim Hyatt confirmed there was a meeting recently, and the next meeting is scheduled October 29, 2019 at 1:30 p.m. Mr. Hyatt shared more background information with the committee, including history of the Charleston visitors center, which began in a temporary building that was towed from place to place with a forklift. Recently, the CMA was instrumental in working to clean up Bastendorff Beach. Currently the visitors center is marginal at best and operates on about \$5,000 per year. It is expected the tax will bring in around \$300,000-500,000 per year. The Port has concern what the County would do with their portion of the tax revenue; discussion has been centered around public safety for the Charleston community and code enforcement of distressed properties.

Mr. Hyatt said the vision of the CMA is to build a new visitors center for Charleston, near the current site or another accessible area, and to build a structure the community can be proud of. The revenue could be utilized to pay for the construction of the visitors center, a staff person, parking and lighting, or other related project. Approval of any funds expended would go through the Oregon Restaurant and Lodging Association (ORLA). Accordingly, there are guidelines to what is permissible. In general terms, if it lasts for ten years and is around the visitors center, it is likely to be approved.

Mr. Hyatt stated transient lodging taxes are in place nearly everywhere now. Some of the lowest are around 6%, and the average up and down the coast is more than 9.5%. Coos Bay and North Bend picked 9.5% because that is the lowest on average of the communities around us. The CMA sees this as an opportunity lost. Someone from out of the area expects to pay this tax here as they do elsewhere.

Mr. Hyatt stated the CMA has tried to keep this an open process with everyone involved as much as possible.

Mr. Hyatt stated the VCB (as Oregon's Adventure Coast) spends close to \$1 million per year advertising the area, and this tax would put them over that threshold. In recent years, there was talk of cutting Charleston from the advertisement and just promoting Coos Bay and North Bend, due to the lack of funding provided to the VCB from Charleston. This tax would provide that funding and give Charleston a seat on the board to determine the direction of spending.

Ms. Hornstuen asked who owns the Charleston visitors center now, stating the County owns the property. Mr. Hyatt confirmed there is a 99-year lease in place from the County to the CMA. Kyle Cox asked where the proposed percentages came from, and who determines how the revenue is divided. Knute Nemeth stated it is still open and the numbers are rough. Mr. Hyatt stated these numbers were negotiated between the County Commissioners and the VCB. Mr. Nemeth asked who will administrate the program. Mr. Hyatt confirmed the County will be the administrator, collecting and then distributing the funds. Mr. Cox asked whether the money going to the County will come back to Charleston. Mr. Hyatt stated the County Commissioners want Charleston to succeed and could put the money to use in code enforcement and public safety. Mr. Cox stated it would be nice to have enhanced patrol within the community, especially at night. Ms. Hornstuen asked if it could be negotiated with the County for improved maintenance, such as trash patrol. Mr. Hyatt stated that is a good question for the County, as he is not sure that would qualify through ORLA for use of the funding. Ms. Hornstuen stated since Charleston is not a city, there is no city maintenance department. Mr. Hyatt stated ORLA has strict guidelines of what the money can be spent on. The CMA's priority is on the visitors center, as it is people's first impression of Charleston and needs a substantial upgrade.

Mark Fleck asked how this is being perceived in the local lodging community. Mr. Hyatt stated the overall goal of the tax is to bring more people into Charleston and improve the community, and most of the people directly affected are in favor of the tax. Mr. Fleck shared his doubt the tax would discourage visitors from coming to Charleston. Mr. Nylander asked who will make the final decision and Mr. Hyatt confirmed it will be the County Commissioners. Mr. Hyatt stated the preliminary boundary is from Old Seven Devils Road to the city limits and will include all of Charleston, county and state parks, as well as vacation rentals. Mr. Fleck asked whether the County Commissioners are looking for public input. Mr. Hyatt confirmed, stating there is not a template form but suggesting anyone who would like to express support or concerns to draft a free-form email to the County Commissioners.

Ms. Hornstuen asked the CCEC sent a letter of support when this process was in the beginning stages; and asked how the Port feels about the issue. Mr. Collura stated the stance of the Port at this time is not supportive of the 9.5% tax. The Port is concerned the tax would decrease the competitiveness of the Charleston RV Park against places like Winchester Bay where the tax is only 6%. The Port wants more of an active discussion with all stakeholders. Ms. Comstock stated in the past that customers have balked at a 3% cost of living rate increase, and this increase of nearly 10% will effect all of the customers and ultimately businesses in the community. That is the Port's biggest concern. Mr. Cox stated that an increase of any amount will result in some pushback, and most places now have this tax which people expect to pay.

Mr. Hyatt stated that Charleston is a great place to visit and has a lot to offer. The difference in tax here and elsewhere is not enough to deter visitors. Mr. Cox stated that when choosing lodging the destination is chosen first, then all accommodations in the area have the same tax. Tax is not part of the decision. Ms. Comstock stated concern for the Port's regular customers who will notice the rate increase. Mr. Cox stated it is unlikely they would not return because of the tax. Ms. Hornstuen asked if the Port felt the 5% retained with the merchant would not offset the potential loss of customers. Mr. Cox asked if the Port would be more in favor of a lower tax. Mr. Collura stated the Port wants to be included as part of the conversation, and perhaps not have the tax start so high. Mr. Hyatt stated initially a 7% tax was discussed, but Commissioners felt since the communities of Coos Bay and North Bend are at 9.5%, Charleston should be as well.

Mr. Nemeth brought up the issue of cleanup, stating concern the community cannot keep up with cleanup and maintenance as it is now, and if more visitors come it will exacerbate the problem. If the money is all spent on advertising, then it will not address the problem of maintenance to keep the visual appeal up to standard. It's more than just paying for weekly sanitary service to dump the trash bins; crews are needed to mow and weed eat, pressure wash, etc. Mr. Nemeth suggested taking 20% of the revenue and devoting it to a maintenance fee, either through the Port or the County. Mr. Cox stated the County has more maintenance staff and equipment than the Port. Mr. Nemeth stated all organizations in Charleston would like to do more and have been absorbing the increasing costs while balancing the manpower needed with finances available. The extra touch provided by the tax revenue would raise the bar of the community, but some of it must be set aside for maintenance and upkeep or visitors will not return.

Mr. Cox stated along with needed maintenance, there is a lack of family oriented and kid-friendly places. There are numerous sport fishing and recreational opportunities, but no playgrounds for families. This would bring more traffic into the community. Ms. Hornstuen suggested petitioning the County for a park near the visitors center. Mr. Hyatt stated the new visitors center could potentially be moved to a new location. Mr. Cox stated if built in the current location a park would need to be fenced, since it is so close to the highway.

Mr. Hyatt shared there are different financing options being considered, such as grants, loans, or a bond. Either way, construction could happen quickly after implementation of the tax. There is some stringent oversight of what could be approved with the ORLA group, and since the CMA is a 501c4 there are restrictions with that as well. Mr. Cox stated those restrictions should be considered when determining the percentages. If the CMA would only be allowed to build a visitors center then 25% seems high; perhaps 10% of that should go to parks or another cause. Mr. Hyatt stated they are still looking into those restrictions.

Mr. Hyatt stated this is the first step in Charleston establishing a taxing district as some type of municipality to help better the community. Mr. Cox stated he is in favor of the 9.5% as it will match Coos Bay and North Bend, and the benefits outweigh the potential loss of customers.

Mr. Fleck asked as the advisory committee for Charleston, whether it would be advisable to encourage Port staff and Commissioners to be in favor. Mr. Nylander stated it would be prudent to attend the upcoming County Commissioners meeting. Mr. Nemeth stated Port Commissioners and staff should be involved with the planning and scheduling, and it would be in the Port's favor if the tax is passed.

7. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS

Ms. Hornstuen asked if there has been any recent discussion about needed improvements to Troller Road. Mr. Cox stated a few years back there was an effort to fix the road and people on the road had pledged money to help. A temporary fix went into place, and then people forgot. The road is County owned, though it was vacated. The biggest users of the road are the Port and Port tenants. Ms. Hornstuen stated the improvements were included in the master plan projects. Mr. Stonesifer stated maintenance crews have spent time trying to patch holes. Mr. Cox agreed that portions have been fixed, but more needs to be done. Ms. Hornstuen asked if the County could be brought back on as a partner. Mr. Cox asked how the decision was made to vacate the maintenance of the road, stating the County should be approached. Mr. Nemeth stated the Shipyard is a big part of the economic vitality of Charleston and all users depend on good access to it. Mr. Cox asked the Port to put pressure on the County. Mr. Collura stated he will reach out to the County and report back to the committee.

8. PUBLIC COMMENT

9. COMMITTEE COMMENT

10. NEXT MEETING DATE

The next Charleston Advisory Committee Meeting is scheduled for Wednesday, January 15, 2020 at 12:00 p.m.

11. ADJOURN

Chair Nick Nylander adjourned the meeting at 1:35 p.m.

Financial Data Review