

**MINUTES FOR THE REGULAR MEETING
ASHLAND CITY COUNCIL
December 2, 2014
Council Chambers
1175 E. Main Street**

CALL TO ORDER

Mayor Stromberg called the meeting to order at 7:00 p.m. in the Civic Center Council Chambers.

ROLL CALL

Councilor Voisin, Morris, Lemhouse, Slattery, Rosenthal, and Marsh were present.

Councilor Rosenthal/Lemhouse m/s to add the contract with Key Manufacturing and Rentals regarding the ice rink structure to the Consent Agenda. Voice Vote: all AYES. Motion passed.

MAYOR'S ANNOUNCEMENTS

Mayor Stromberg announced vacancies on the Public Arts, Transportation, and Tree Commissions.

APPROVAL OF MINUTES

The minutes of the Business Meeting of November 18, 2014 were approved as presented.

SPECIAL PRESENTATIONS & AWARDS None

PUBLIC FORUM

Jonathan Chenjeri/1301 Iowa Street/Explained SOREDI, Southern Oregon Regional Economical Development Inc., was the initiative of Southern Oregon government, public and private holdings to help business prosper to advance economic opportunities compatible with community values with innovative business. He noted services cooperative firms provided and how SOREDI helped local economies thrive.

Colin Swales/95 Coolidge Street/Commented on a new medical marijuana dispensary close to his home. He was surprised the City did not allow dispensaries in the downtown area. Instead they were pushed out to the residential zones. He questioned what would happen to medical marijuana dispensaries when marijuana was legalized. The code did not address marijuana retail stores.

David French/864 Cypress Point Loop/Addressed a traffic safety issue regarding a pick-up truck with advertisement panels for the Historic Armory parked on Pioneer Street next to the Umqua Bank. It blocked visibility for motorists pulling out of the bank parking lot. He submitted photos into the record.

Leigh Madsen/176 Orange Avenue/Invited everyone to an art show developed by Kay Hagen specifically designed around the guests at the Ashland Community Resource Center. Her artwork would be on display and for sale December 13, 2014 from 3:00 p.m. to 7:00 p.m. at the Center.

CONSENT AGENDA

- 1. Approval of commission, committee, and board minutes**
- 2. Liquor License application for Kathryn Maloof dba Agave**
- 3. FEMA Assistance to Firefighters Grant Requests**
- 4. A resolution titled, "A resolution declaring the Canvass of the Vote of the Election Held in and for the City of Ashland, Oregon on November 2, 2014" and Mayoral proclamation**
- 5. Special Procurement for Key Manufacturing, Ice Rink Tent install and removal**

Councilor Voisin pulled Consent Agenda item #5 for further discussion. Parks and Recreation

Superintendent Rachel Dials explained the appeal period would expire December 8, 2014 and the Parks and Recreation Department planned to set the tent up December 9, 2014. Parks and Recreation Director Michael Black and staff worked with neighbors and created a plan to mitigate concerns regarding glare from the tent. The ice rink would be closed starting December 3, 2014 and reopen December 17, 2014 before the December 20, 2014 celebration.

Councilor Voisin/Morris m/s to approve Consent Agenda items. Voice Vote: YES. Motion passed.

PUBLIC HEARINGS

1. Public Hearing and first reading by title only of an ordinance titled, “An ordinance of the City of Ashland repealing Ordinance No. 2052 and replacing in its entirety existing Title 18 Land Use of the Ashland Municipal Code with a restated and revised Unified Land Use Ordinance”

Planning Manager Maria Harris provided background on the Unified Land Use Ordinance (ULUO) and summarized changes incorporated into the proposed ordinance. Ms. Harris clarified the change in multi-family definition would not affect single-family homes with an accessory unit because it presently was subject to site review.

Public Hearing Open: 7:29 p.m.

Colin Swales/95 Coolidge Street/He noted that he had spoke at the last public hearing and another meeting where Mark Knox represented his now private clients to make sure their wish list of amendments to the code were included. He spoke against the building height. Lithia Way was becoming a luxury condominium canyon instead of a commercial zone as originally intended. The 55-foot height proposal plus the other five feet would make a huge difference to the look and feel of a small town. Something not mentioned at all during the Planning Commission meetings or to the Council, was that a building plat was measured as an average of the total lot. In the new proposal the 55-feet on the down slope side would be more like 75-feet. He wanted to make Council aware of the real consequences of building up. The other thing he did not like was public plaza space being eliminated for an extra story on top.

Mr. Swales took issue with time allotted to speak. He went on to respond to a question regarding how the 55-foot height requirement could be taller.

Public Hearing Closed: 7:35 p.m.

Councilor Slattery/Marsh m/s to approve First Reading of an ordinance titled, “An ordinance of the City of Ashland repealing Ordinance No. 2052 and replacing in its entirety existing Title 18 Land Use of the Ashland Municipal Code with a restated and revised unified land use ordinance” and move the ordinance to second reading. DISCUSSION: Councilor Marsh noted the amount of work that went into the ordinance and thanked everyone involved. Councilor Voisin would not support the motion and felt strongly about increasing the building height in a commercial zone when the City did not have the appropriate fire equipment. Councilor Rosenthal shared the same concern regarding building height and lack of existing safety equipment. The City needed to address infill strategy going forward along with public safety and develop ways to obtain the necessary equipment. Councilor Lemhouse explained the building height issue was a result of the aggressive infill strategy the City had in place. He did not think the lack of a ladder truck was reason enough to fail the ordinance. If that were an issue, worldwide cities would not have high-rise buildings. There were strategies fire safety officials could implement to keep people safe. The new ordinance was an improvement over the current one.

Councilor Morris thought a modern building at 55-feet was safer than an older building at 30-feet. The ordinance was a compromise of many things but better than what was currently in place and would function well. Councilor Voisin commented she had heard Council say how much they cherished the

small town feel of Ashland. Increasing the height of the commercial area would change the entire look of the downtown radically and was another reason she would opposed the ordinance.

Roll Call Vote: Councilor Marsh, Lemhouse, Slattery, Morris, and Rosenthal, YES; Councilor Voisin, NO. Motion passed 5-1.

UNFINISHED BUSINESS None

NEW AND MISCELLANEOUS BUSINESS

1. Talent Ashland Phoenix Emergency Pipeline Intertie project update and approval of Medford Water Commission wholesale agreement

Public Works Director Mike Faught explained staff had taken a project that typically took two years and accomplished it in five months. He introduced and thanked key staff Morgan Wayman, Steve Walker, Scott Fleury, Dave Lohman, Dave Kanner, Mike Morrison, and contract Design Engineer Jeff Ballard from RH2. He thanked Oregon Department of Transportation (ODOT), and Jackson County for expediting the permit process. Mr. Ballard presented the Mayor and Council with plaques in honor of the project. Councilor Voisin thanked Senior Engineer Pieter Smeenk for acquiring the \$2.9 million loan that enabled the City to afford the project. Mr. Faught thanked Chris Peters, a consultant who helped Mr. Smeenk work on the loan.

In order to meet the September deadline, the City built a temporary pump station on a right of way and was presently negotiating the property purchase. Of the \$559,120 spent to construct the temporary facility, \$115,876 could not be re-used at the new site. Associated costs for professional services on final construction totaled approximately \$151,600 leaving a balance of \$478,973 to complete the permanent pump station.

Mr. Faught reviewed the options RH2 researched for future expansion from 2.13 million gallons of water per day (mgd) to 3 mgd. He also contacted Ray Bartlett from Economic and Financial Analysis who reported revenue short falls but did not think it would necessitate a rate increase.

The City had 18 months to move the temporary pump station 150 feet to another lot. Mr. Ballard addressed Option 2 and explained two pumps provided redundancy at a smaller amount to generate 2.13 mgd. The second pump was smaller than the rented one. There was a possibility to align the pumps differently to function depending on the flow rates required.

Mr. Faught clarified it was not cost effective to build a shell at this time because of the unknown of what was needed 5-10 years from now. Mr. Ballard further clarified they were building half of a shell, completing the remainder of the shell was not recommended considering the amount of mechanical and electrical required for the space. It would also cost the same as funding a full pump station.

Mr. Faught went to explain the City had the foresight to raise rates in anticipation of the TAP project and created the surplus money to pay the debt in the future. They were not sure what that would look like ten years from now but at this time, there was no reason to raise rates. Staff also pushed a couple projects out on the 20-year plan to fund the TAP project.

Mr. Ballard added because of the differences in pumps, controls, and mechanical and electrical connections, they would replace everything in order to pump 3 mgd from the permanent pump station. It would also require some remodeling. Only a small portion of the temporary system would be re-used in the permanent system. The pump was chosen because of the emergency and what was available at the time and was not the long-term solution.

Mr. Bartlett included loss of water sales in the financial report. Due to conservation the City lost

approximately \$200,000 in projected revenue, Mr. Bartlett factored that loss into the analysis and built it into the financial plan.

Councilor Rosenthal/Voisin m/s to approve Option 1 TAP Pump Station project to include the acquisition of a new pump. DISCUSSION: Councilor Rosenthal explained TAP was an emergency arrangement and the City would never have to use water from the Medford water supply while Option 2 mortgaged several projects. Councilor Voisin could support Option 1, but was very disappointed they had to move the pump station because of the emergency. She supported Option 1 using the existing pump equipment. Councilor Morris liked Option 2 and thought eventually the City would end up paying the money to get to Option 2. Councilor Lemhouse agreed with Councilor Morris. He would rather spend money on a redundant system while there was momentum and cost less than it would in a decade. Councilor Slattery supported Option 2 as well.

Councilor Marsh disliked both options. The City made it through the crisis without using Medford water. Option 1 provided the capacity for 2.13 mgd and there was not a budget for infrastructure costs to go to 3 mgd. Councilor Rosenthal questioned if there was enough time to research other options. Mr. Faught responded there was possibly two weeks. It would take 18-months to get everything accomplished including construction. Senior Engineer and Project Manager Morgan Wayman added the permit process and contract bidding would take time. Waiting two weeks was reasonable. Mr. Ballard commented they initially started with more options but from a technical perspective and engineering mindset, these were the two best options. Mr. Faught preferred Option 2 because it prepared the City for all contingencies.

Councilor Lemhouse noted both options were legitimate and preferred over preparedness to being under prepared. Councilor Voisin explained the City could have redundancy built on redundancy and still not have water if the area experienced a serious drought. Councilor Lemhouse raised a point of clarification and asked staff to explain the difference between the Ashland and Medford watershed. Mr. Faught explained Ashland had an 800-acre watershed with no reserve and a different weather pattern while the Lost Creek watershed had reserve levels specifically saved for drought years. Medford had the better system to extend water during drought than Ashland did. Councilor Voisin commented water from Medford would be extremely expensive and did not want to spend the money at this time. She suggested waiting to see the effects of climate change and make a decision then. Mr. Faught confirmed Option 1 would meet the 2 mgd requirement for emergencies. However, it was not designed to run for extended periods. **Roll Call Vote: Councilor Rosenthal and Voisin, YES; Councilor Marsh, Lemhouse, Morris, and Slattery, NO. Motion failed 4-2.**

Councilor Morris/Slattery m/s to approve the Option 2 TAP pump station project.

DISCUSSION: Councilor Morris explained Option 2 was more reliable. The two-pump system offered a back up. **Roll Call Vote: Councilor Marsh, Lemhouse, Rosenthal, Morris, YES; Councilor Voisin, NO. Motion passed 5-1.**

Councilor Slattery/Lemhouse m/s to approve the Medford Water Commission Wholesale Water Service Agreement. Roll Call Vote: Councilor Marsh, Lemhouse, Rosenthal, Lemhouse, Voisin, and Slattery, YES. Motion passed.

2. Annual appointments to the Citizen Budget Committee and the Council liaison to the Municipal Audit Commission

City Recorder Barbara Christensen received one application from Chase Mayer and Garrett Furuichi was interested in reappointment. There were three vacancies on the Commission. Council requested that the City Recorder continue to advertise for the two vacant positions on the Citizen Budget Committee and bring to council once more applications are received.

Councilor Slattery/Lemhouse m/s approval of Budget Committee member Garrett Furuichi with a term ending December 31, 2018. Voice Vote: all AYES. Motion passed.

Ms. Christensen went on to explain the process for Council Liaisons was to have the next liaison in place prior to the end of the current liaison's term. Council preferred waiting until January 2015 to make the appointment and include the new Councilor in the process.

3. Solid Waste Franchise rates & fees update resolutions

Management Analyst Adam Hanks explained one of the recommendations of the ad Hoc Recycle Center Committee was a sticker program for curbside recycling to match the solid waste sticker program already in place. Recology General Manager Steve DiFabion noted a typo in the rates for the 32-gallon and the 64-gallon recycle carts. He would get back to staff and Council with the correct cost. Mr. Hanks went on to explain staff separated the administrative operations standards and rules from the franchise rates and fees so there were two resolutions before Council.

Councilor Marsh/Slattery m/s to approve Resolution #2014-22 Solid Waste Franchise Rates and Fees repealing 2013-32. DISCUSSION: Councilor Marsh clarified the sticker program provided an incentive for community to participate in recycling at a more modest level than was currently required in the program and would reduce their overall waste stream. Mr. DiFabion explained Recology used Reduce, Reuse, and Recycle, as third to emphasize Reduce and ultimately not produce materials that require recycling. Councilor Slattery raised a point of order.

Councilor Slattery/Rosenthal m/s to suspend Council Rules. Voice Vote: all AYES. Motion passed. DISCUSSION: Councilor Marsh understood the intent but wanted to be clear on the language stated in the staff report.

Councilor Lemhouse/Rosenthal m/s to reinstate Council Rules. Voice Vote: all AYES. Motion passed.

Roll Call Vote on main motion: Councilor Rosenthal, Lemhouse, Marsh, Slattery, Morris and Voisin, YES. Motion passed.

Councilor Marsh/Rosenthal m/s to approve Resolution #2014-23 adopting Solid Waste administrative operations standards and rules. Roll Call Vote: Councilor Rosenthal, Lemhouse, Marsh, Slattery, Morris and Voisin, YES. Motion passed.

4. Solid Waste Franchise: A presentation of Financial Incentive Options for waste reduction

Management Analyst Adam Hanks explained the report was part of the franchise agreement approved October 2013. The report included a range of options or methodologies for rate structures to incentivize waste reduction and prevention. Recology General Manager Steve DiFabion addressed highlights and explained a primary tool used in Jackson County to increase diversion was education. Recology employed one full time position devoted to education and thought outreach would increase the effectiveness of education. Rate Approaches entailed engineering rates to drive a particular behavior to recycling. He went on to explain what had worked in San Francisco regarding waste and recycling.

City Administrator Dave Kanner addressed Mandatory Garbage Service and explained mandating garbage and recycling service for all customers alone provided the incentive to recycle because there were no disincentives. Mr. DiFabion confirmed some communities used mandatory garbage and recycling service to achieve waste reduction and recycling goals and described methods used in San Francisco. Mandatory service often lead to collection issues where people refused to pay or use the service and often led to liens on properties. It also had potential to lower rates but overall required more research.

Council agreed education was important wanted options on 24-gallon cans, composting, rewards for good behavior, expanded sticker programs, and information on mandatory service.

Julie Matthews/2090 Creek Drive/Shared her prior experience with Recology and mandated rates in the San Francisco area explaining rates doubled and almost tripled very quickly. In San Jose, the mandate held property owners responsible for garbage whether or not renters paid their bill, even if the property was vacant. Mandating rates introduced controls that were not fair and opened up the possibility to continue increasing rates. The community needed incentives instead.

Mayor Stromberg clarified when Recology requested a rate increase the City hired a consultant that analyzed that data and determined the requested rates were reasonable.

Staff would further research recommendations and return with more information. Implementing 24-gallon can service and composting would come back at a different time.

5. Economic Development Strategy program and activity update

Item delayed due to time constraints.

6. Discussion of Normal Neighborhood Plan Working Group recommendations

Councilor Marsh provided a presentation that included:

- **Original Land Use and Street Framework**
- **Recommended Land Use and Street Framework**
- **Recommended Land Use Framework – Land Use and Housing Density:**
 1. Housing Density gradation should move from south to north. This would place higher density development near the railroad tracks and within a relatively short distance to transit lines, parks, and community facilities. This approach will also protect the existing watershed.
 2. Zoning designations applied with the Normal neighborhood area should be consistent with the zoning of adjacent land within the City Limits, and use zoning labels that are comparable to those used in the rest of the city while recognizing the Normal Neighborhood (NN) district.
 3. Maintain option for neighborhood serving businesses and services close to East Main Street near the northeast corner of the plan area.
- **Recommended Open Space Framework**

Open Space:

 1. Maintain the approach toward designation of open space and conservation areas proposed in the draft plan. Amend the plan to allow non-conservation open space to be relocated requiring a minor amendment application.
 2. Obtain a review of the final plan by the Parks Department prior to adoption.

Design issues:

 1. Maintain a maximum building height of 35 feet.
 2. Encourage the development of clustered housing that integrates with open space and respects the viewshed.
 3. Provide for a smooth transition between adjacent developments to promote neighborhood cohesiveness, provide open space in a coordinated manner, and secure an efficient circulation system.
- **Recommended Street Framework**

Transportation:

 1. The internal transportation system's local street network should incorporate multiple connections with East Main Street as shown, and maintain the Normal Collector as designated in the draft plan. Additional connections to East Main Street or Clay Street,

- which are not shown in the proposed Street Framework, should require a major amendment to the Plan.
2. Internal local streets should be aligned to provide a grid pattern, including clear east-west connections.
 3. Pedestrian and bicycle pathways are critical, especially as a means to connect residents with the middle school and the existing bike path.
 4. External transportation improvements, including the railroad crossing and improvements to East Main Street are integral and should proceed in concert with development.
- **Next Steps**

The working group believes that as a next step that the city should direct staff, and/or an outside consultant, to identify and quantify:

 1. The need and possible means for public infrastructure investment in the project, and
 2. The overall costs and benefits of development to the City.
 - **Alternative Motions**
 - Direct Staff to amend the Normal Neighborhood Plan implementing ordinances to incorporate the selected recommendations of the Normal Neighborhood Working Group as discussed by Council, present the updated plan to the Planning Commission and Parks Department for comment, and schedule a review before the Normal Neighborhood Working Group upon completion.
 - Direct Staff to conduct an analysis of external infrastructure improvements [transportation, water, sewer, storm drain] associated with the plan area's development to identify and quantify the need and possible means for public investment, and present this analysis to the Normal Neighborhood Working Group upon completion.

Mayor Stromberg supported the plan and thought it could go further. Council was not required to annex and needed to ensure there was enough of a public benefit to make it worthwhile for what the City will have to do to make this happen. It was important the plan be designed to be feasible to develop. Annexations created value in the system and alternately the developers had to take significant risk. The second thing was they took significant steps to relate to the actual physical set up and not just working out of abstract concepts. Parks and Recreation would participate and look at ways to integrate it as a park concept or at least part of it. The Working Group still needed to figure out affordable housing. Another issue was circulation. He wanted to take into account people who had already developed in the area and build on their efforts. He also thought 500 units was too much and now was the time to look at the city as a whole, decide the urban core and put infrastructure there with public transit and more density at key locations and minimize density at the fringes.

Planning Commissioner Rich Kaplan commented on the process and while they reached consensus on some recommendations, there was still different opinions on how the plan should look. Getting input from the Parks and Recreation Department and the developers with help resolve the affordable housing issue. Another issue was wetlands. Mayor Stromberg added the wildlife corridors as another piece.

Community Development Director Bill Molnar thought the April 2015 completion date for analysis was achievable. Council discussed having the developer make a proposal on transportation costs and the majority did not support the suggestion.

Debbie Miller/160 Normal Street/Explained she was on the Planning Commission and had recused herself from all meetings regarding the Normal Neighborhood Plan and spoke as a private citizen. She had testified many times on the problems of developing the area and the number of dwelling units consultants and the Working Group considered. Allowing 400 units was too many houses, would most likely not be family oriented and would create a ghettoisation on the edge of town. In addition, the transportation east and west was not thought through well enough.

Carol Block/355 Normal Street Thought the East Main improvements and Railroad Crossing costs would be enormous. She suggested Council poll the community on the issues residents have brought up repeatedly at the Working Groups. Taxpayers had a say and it was important to include them. She commented on the survey already taken and questioned how many people received the survey and thought it was only thirty people. She did not understand why the City was still looking into Normal neighborhood when there was 20 years of buildable land inventory in other areas. Out of the 94 acres considered for the project, owners of 40 acres had no intention of building ever.

Councilor Marsh affirmed the Working Group was not backing away from the ordinance requiring 25% affordable housing. It made better sense to move the higher density area to the southern area. Affordable housing did not have to be in the higher density area. Senior Planner Brandon Goldman explained the Department of Housing and Urban Development (HUD) limited state and federal funding to help subsidize affordable housing if there were noise issues and the Railroad in operation would constitute one. Alternately, that would not prohibit a private property owner from developing affordable housing without federal subsidy. Councilor Marsh addressed the wetlands and noted the Working Group made no changes to the Planning Commission's recommendation to preserve wetlands as distinguished on the 2008 map and included the large open space delineations. Councilor Marsh would work with staff on including the Transportation Commission in the process.

Councilor Morris/Lemhouse m/s to direct staff to amend the Normal Neighborhood Plan implementing ordinances to incorporate the selected recommendations of the Normal Neighborhood Working Group as discussed by Council, present the updated plan to the Planning Commission and Parks Department for comment, and schedule a review before the Normal Neighborhood Working Group upon completion. And, to direct staff to conduct an analysis of external infrastructure improvements associated with the plan area's development to identify and quantify the need and possible means for public investment, and present this analysis to the Normal Neighborhood Working Group upon completion. DISCUSSION: Councilor Morris thought the plan needed to go back to the Planning Commission and Public Works for numbers and then back to Council. Councilor Lemhouse clarified this was not a final adoption of the plan and there would be more opportunity for public comment.

Councilor Voisin/Marsh m/s to amend the motion to include review by Transportation Commission. DISCUSSION: Councilor Voisin thought it was important for the Transportation Commission to review the plan. **Roll Call Vote: Councilor Marsh, Slattery, Morris, Voisin, Rosenthal, and Lemhouse, YES. Motion passed.**

Roll Call Vote on amended main motion: Councilor Marsh, Slattery, Morris, Voisin, Rosenthal, and Lemhouse, YES. Motion passed.

7. Direction to staff on how to enforce the Food and Beverage tax ordinance

City Administrator Dave Kanner explained the item was a result from a complaint the City received during the summer that food and beverage vendors at the Tuesday Growers Market were not paying Food and Beverage Tax. The complaint originated from a brick and mortar food and beverage vendor who felt it was unfair competition.

The City notified two vendors they were in violation of the Food and Beverage ordinance. Neither paid the taxes owed, appealed, or contacted the City to establish a payment plan. Two weeks after contacting the vendors, the Growers Market contacted the City for information about the Food and Beverage tax. Administrative Services Director Lee Tuneberg requested information from the Growers Market on who the vendors were so the City could contact them. The Growers Market did not comply with this request

for several weeks and had made no effort to comply with the City's request that the vendors pay their taxes.

There was a misconception the food and beverage vendors did not think they were responsible for the Food and Beverage tax because the Growers Market was a mutual benefit non-profit and that was not the case. Another misconception was food and beverage vendors had not been charging the tax to their customers. Under the Food and Beverage Tax Ordinance, they were not required to charge the tax to their customers. They had the option of building it into their prices. It was the operator, not the customer, responsible for paying the tax.

David French/864 Cypress Point Loop/Owned Griffin Creek Coffee and was a member of the Growers Market for the last three years and thought the Food and Beverage tax needed to be adjusted. He was in operation for less than 8 hours a week in Ashland selling cups of coffee for \$1.00. The revenue the City would gain from him weekly was approximately \$7-\$11. He asked the Council to consider exclusion for smaller businesses. The Food and Beverage tax actually really burdened the tourist community. The businesses were not paying the tax, the customers were. Additionally, imposing a retroactive tax placed an unfair burden on a small business owner.

Monica Rey/12310 Ramsey Road, Gold Hill/Explained the Growers Market was cooperating with the City of Ashland. Currently they were altering their policies and information administered to their members regarding the enforcement of the Food and Beverage tax. They immediately contacted Mr. Tuneberg. During their monthly meeting, they discussed the tax and prepared to move forward. They sent the City the list of vendors requested and notified their vendors they were eligible for this tax in the future and needed to keep records and paperwork and deposit the taxes. Their only request was starting the tax 2015 since it was new to their vendors. It seemed unfair to enact the tax retroactively when the Growers Market was not aware it applied to their vendors.

Jerry Painter/940 SW 6th Street/Owned Daddy's Donuts & Juices and was shocked when he received a letter stating he was responsible for retroactive Food and Beverage tax from the time he began selling at the Growers Market 20 years ago. He did not see the reason or fairness in the letter and thought it was a hard tactic to frighten the vendors. The tax was obviously for tourists and the Growers Market was not a tourist attraction, attracting approximately 5% tourists. Food vendors could not sell food at the Saturday market downtown. Apparently, the exclusion was due to food vendors not paying enough taxes. It was not fair to have food vendors pay taxes and still exclude them from the Saturday market. The right thing to do was leave things as they have been, tax the permanent downtown businesses that will collect the larger part of sales from tourists and let the micro part time restaurants have the chance to stay in business and not burden the people of Ashland with more taxes.

Marcella Bell/637 Red Oak Street, Central Point/Explained the seasonal nature of their business as well as their recent efforts to transition to electronic record keeping led to a situation where current leadership and membership was unaware that any of the members were obligated to collect Food and Beverage tax. They recognized that ignorance did not constitute an exemption from their responsibility and that was not why they were there. They were there to ask that the City allow the members affected by the tax collection to move forward in a way where they could keep accurate records. Vendors operated their businesses in Ashland on an incredibly limited basis, 36 days throughout the year with a maximum of 144 hours. While they recognize they made an error they wanted to correct the error in a way that allowed accurate record keeping and upfront assessment rather than after the fact estimates.

Kyle Reilly/14855 East Evans Creek Road, Rogue River/Urged Council to defer the enforcement of the Food and Beverage tax to 2015. The majority of food vendors were willing to pay the tax but a retroactive tax would be very difficult at this point.

Councilor Marsh/Lemhouse m/s to defer enforcement of the Food & Beverage Tax Ordinance against prepared food operators at the Tuesday Growers Market until 2015.

DISCUSSION: Councilor Marsh thought the City needed to move forward with the imposition of the tax. It had been ambiguous and deferring enforcement until 2015 allowed a fresh start. Councilor Lemhouse thought what was unfair was mischaracterizing a tax that had been in place for 20 years as a retroactive tax when it was not. For whatever reason the Growers Market had not had a process in place to ensure members were aware of the tax. He appreciated Ms. Bell's testimony and how the Growers Market was creating policies regarding the tax. The fairness issue to him was telling some food vendors they did not have to do what others who conduct the same business have done. Council was being asked to be unfair. He was not sure whether it was worthwhile to impose the tax in 2015 instead requesting retroactive tax. Councilor Rosenthal thought Council was rushing through the discussion and thought the item should be continued to the next meeting. Councilor Voisin agreed with Councilor Rosenthal but also wanted staff to look into adding the Growers Market as an exemption to the Food and Beverage ordinance.

Councilor Slattery/Lemhouse m/s to postpone consideration of this item until next meeting. Voice Vote: all AYES. Motion passed.

ORDINANCES, RESOLUTIONS AND CONTRACTS (None)

OTHER BUSINESS FROM COUNCIL MEMBERS/REPORTS FROM COUNCIL LIAISONS

Councilor Slattery noted Southern Oregon University (SOU) football team won the quarterfinal game and was playing a semi-final game in Chicago Saturday. People interested in viewing the game could go to the SOU website. In addition, the SOU Girls Volley Ball team was in the nationals.

Councilor Marsh announced the State of the City event was scheduled for January 27, 2015 at the Community Center at 5:30 p.m. People interested in participating in the planning could contact Councilor Marsh.

ADJOURNMENT OF BUSINESS MEETING

Meeting adjourned at 10:30 p.m.

Barbara Christensen, City Recorder

John Stromberg, Mayor