

City of Ashland
PARKS AND RECREATION COMMISSION
STUDY SESSION
Minutes
February 13, 2017

ATTENDEES

Present: Commissioners Gardiner, Heller, Landt, Lewis, Miller; Director Black; Superintendent Dials; Interim Superintendent McFarland; Assistant Manuel

Absent: Executive Assistant Dyssegard; City Council Liaison Mayor Stromberg

CALL TO ORDER

Chair Gardiner called the meeting to order at 5:30 p.m. at The Grove, 1195 E. Main Street. He welcomed Commissioner Heller to his first Ashland Parks and Recreation Commission meeting.

PUBLIC INPUT

There was none.

CALLE GUANAJUATO FEES AND MAP DISCUSSION

Dials began by noting that the current Calle Guanajuato Commercial Use Policy allows restaurants with access to the Calle to apply for outdoor seating. For the 2017 season, restaurant applications were received from Sesame, Louie's, Salame, Greenleaf, Mix Sweet Shop, Little Tokyo and Ex Nihilo. The Lithia Artisans Market application was also received.

Dials noted that APRC Commissioners are authorized to review square footage fees for outdoor restaurant seating by February 28 of each year. Dials relayed that 2017 fees for the Calle were \$7 per square foot for restaurants and \$5 per square foot for artisans as carried forward from the 2015/2016 season. Total Calle seating expenses for 2015/2016 were \$27,082.81 and revenues were \$26,274.34, for a cost recovery of approximately 97%.

Dials said annual maintenance and custodial supplies were approximately \$1,500 and personnel costs included time devoted to managing the Calle Guanajuato. Dials reported spending approximately 10% of her time on matters related to the Calle. Her duties included working through contracts, communications and general management. Also included as an administrative expense was time spent by APRC Director Black and Executive Assistant Dyssegard.

Dials reported that general maintenance and upkeep during the season included management of the recycling center, leaf blowing, landscape maintenance and restroom maintenance. Those costs were partially recovered from fees charged to restaurateurs and artisans. Fees were prorated for eight months of the year, the length of a Calle season.

In an effort to develop a more accurate accounting of labor provided by APRC, employees were asked to track their time spent on maintenance, cleaning and landscaping specifically dedicated to the Calle. Dials noted that weekly duties for the Calle included cleaning the restrooms for five hours per week and handling recycling center duties for one and one-half hours per week. The estimates did not include fees charged to other users of the recycling center, paid through utility bills. Dials explained that APRC staff time was not included in the utility bills.

Black said staff calculations were more detailed than in past years. He estimated costs for the recycling center, noting that adjustments were made to preclude restaurateurs from subsidizing the 17 other users of the service not situated along the Calle. Black disclosed the calculations per square foot, noting that the cost recovery model should include an annual adjustment for inflation. He relayed that a breakeven figure without the adjustment for inflation for restaurateurs would be \$8.61 per square foot predicated upon last year's figures.

Heller inquired further about staff time spent in meetings with the Calle Subcommittee and whether those costs were factored into the expensed staff time.

- ***Review of the Calle Guanajuato Map***

Dials explained the legend for the color-coded map and said the map depicted shared spaces – those spaces utilized by restaurants five days per week and artisans two days per week. Landt said it appeared that seniority took priority over proximity based upon the rendition.

Heller asked about changes to the fee structure based on adjustments for shared time. Black replied that there would be a minor adjustment in the final figures when the agreements were established. He stated that the map would be updated to include notations for spaces S1, 2A and 2B. The shared spaces would be artisan spaces primarily and restaurant spaces secondarily.

Dials indicated that there were no takers for spaces that could be shared between restaurants. The spaces previously "artisan only" that would be shared during the upcoming season were listed as 14 Calle Guanajuato and 29 N. Main.

PUBLIC INPUT

Andrew Card of 45 N. Main St. in Ashland was called to speak.

Card noted his ownership of Oberon's Restaurant and Bar. He discussed the Calle space for 45 N. Main, stating that the current contracts seemed to indicate seniority as the dominant principle. Card stated that when seniority was primary, it prevented APRC from equitably distributing restaurant space. He expressed concern about new restaurants not having an opportunity to qualify for outdoor seating on the Calle.

Card reported that Salame Restaurant, located at 47 N. Main Street, had been sold as of February 1, 2017. He relayed his understanding, based on the current policy, that when a business was sold, seniority was relinquished. In addition, if there was a vacancy, the spaces should be reassigned based on proximity. Card asked that APRC consider the application for Oberon's based on the changes in ownership for the space at 47 N. Main. He questioned whether the space could be retained by new owners or if other circumstances were applicable such as a name change for the restaurant if ownership remained the same.

Daniel Greenblatt of 507 Alison St in Ashland was called to speak.

Greenblatt spoke against any potential fee increases. He questioned whether APRC fees should include an expense for the Calle Guanajuato restrooms, noting that each restaurant provided restrooms internally for their customers.

Greenblatt spoke in favor of determining fees based on fair market value. He recommended a conservative approach, noting that if the fees were too high, restaurants would turn over more frequently, thereby negating any benefit from higher fees.

Tom DuBois of 690 N. Mountain in Ashland was called to speak.

DuBois noted that the Calle restrooms were at some distance from his restaurant. He stated that not only did his customers use the restrooms provided by his restaurant, the general public also had a preference for them.

DuBois stated that APRC was proposing an increase in fees of 23%. This increase was in addition to an increase for the previous year of 15%. He reiterated that restaurant margins were typically 5% and for each dollar increase, \$20,000 worth of food had to be sold to support payment of the fee. He challenged the 5% increase in APRC staff time as a factor affecting square footage fees on the Calle, noting that 200 hours per month to administer six contracts seemed excessive.

DuBois pledged to work with APRC and remain a good steward. In return he asked that an understanding of the local market and the mandates representing extraordinary expenses be factored in. He highlighted the increase in minimum wage laws and paid sick leave that impacted the viability of Ashland restaurants. He asked that APRC look at the vacancy rate, turnover on the Plaza and industry margins when setting a reasonable fee for outdoor seating on the Calle Guanajuato.

Tom Beam of 21 Winburn Way in Ashland was called to speak.

Beam asked a series of questions that included a query about renting a space when rents continually went up. He noted that continued increases could threaten the viability for participants in the outdoor seating program. Beam also questioned costs for the Calle restrooms, noting that restaurant customers used Sesame's restroom service because they typically were cleaner and more secure.

Beam suggested that predicating costs based on the CPI (Consumer Price Index) could provide more reasonable rate increases. He noted that first floor commercial interior space rents on average were approximately \$1.45 - \$1.65 per square foot.

Beam inquired about recourse based on dissatisfaction over the proposed contract.

Marcus Scott of 1205 Talent Ave. in Talent was called to speak.

Scott indicated empathy for the restaurants and the dilemma facing them. He noted that as manager of the Lithia Artisans Market, he was open to shared space as long as the artisans did not lose any space. He pointed out spaces not listed on the map and questioned the assignments, stating that indications were that artisans would lose three spaces during the upcoming season. He talked about space constraints and the artisans' varied display requirements, stating that the loss of artisan space as well as assignments to more difficult spaces threatened the viability of the market along the Calle Guanajuato.

It was agreed that Scott would review the assignments with Recreation Superintendent Dials prior to finalizing the spaces for the season.

Allan Sandler of 750 A. St. in Ashland was called to speak.

Sandler noted his position as a landlord and property developer. He stated that he kept his rates low along the Plaza and the Calle Guanajuato to enable restaurants to take advantage of the outdoor seating space. Sandler indicated that in his opinion, APRC rates were reasonable as proposed.

Sandler discussed ways to increase the APRC cost recovery business model, including the suggestion to weight rents based on intrinsic value. He noted that an accounting structure disclosing monthly costs rather than costs per season would be to the advantage of those involved.

Black addressed concerns over costs related to restrooms on the Calle, stating that in the past, leasers of outdoor seating space paid 100% of restroom maintenance costs. He indicated that maintenance costs for the upcoming season were adjusted so restaurants only absorbed two-thirds of restroom expenses.

Black explained that this year's inclusion of staff time was a more accurate measure than in previous years. Staff kept active logs of time spent for maintenance as well as other costs incurred. He provided examples of maintenance costs for the restrooms, stating that they involved more than just cleaning expenses. Items included checking and vacuuming the drains and keeping structures and equipment in good repair.

Black noted that the amended Commercial Use Policy would continue to be reviewed and changed on an annual basis. He recommended including it as an APRC goal in the coming year.

Black said the Commissioners were a legislative body empowered to make decisions. He stated that he would be happy to review the process for redress should the need arise. He commented that the map was an attempt to sort out assignments visually but he acknowledged that it was a limited tool.

Finally, he stated that the numbers presented were an estimate of what it would take to recover costs if the 2017 season proved similar to the previous season.

Commissioner Discussion

Landt referred to a position paper presented to APRC that outlined a rationale for a market value approach rather than the cost recovery model currently used. He noted that while the established APRC cost recovery model made sense for many APRC duties, leasing space on the Calle was a unique situation where the tenants' presence on APRC-managed land was for the purpose of generating profits. He suggested using a market value methodology as a basis for projecting the fee schedule. Once established, fees could adjust upward or downward based upon Ashland's meals tax receipts.

Landt noted that there wasn't time to apply the market-based valuation for the upcoming season. He explained that the 2017 contract would be predicated upon the cost recovery model, giving the Commissioners time to consider making a future change.

Heller advocated for a fee schedule that was simple to determine and use. He stated that market values could fluctuate, making the benchmark a volatile measure. Heller expressed his belief that the fees should be predictable and easy to calculate. Fee calculations should also factor in other impacts such as the mandated rise in minimum wage affecting business margins. Heller said he would be interested in seeing a straightforward plan that would limit staff time involved and make it easier for restaurants to project expenses for the season.

Landt noted that all restaurateurs paid into the meals tax and charging market value for those renting outdoor space would be a more equitable balance.

Lewis commented that the restaurateurs with proximity to the Calle Guanajuato were APRC customers. He expressed the consensus that APRC wanted their customers to utilize the outdoor space available to them. He acknowledged that preparing for the upcoming season meant evaluating future costs. The goal would be to work out a fee that neither undercharged nor overcharged for the space, one that would be balanced and fair to everyone. Lewis stated that coming up with the right figure would require further deliberation. He indicated that the cost recovery figures for the 2017 season were \$7 per square foot for eight months, making the cost approximately .88 cents per square foot – a reasonable cost for the moment.

Black said APRC had worked for over a decade to establish a fair assessment. This year the numbers were more accurate than ever but arriving at a true cost for renting outdoor seating required ongoing efforts. Black pointed out that Calle fees had remained the same for the past three years. He emphasized that APRC did its best to transparently establish outdoor seating cost estimates.

There followed a brief discussion about past numbers used and the rationale for the current \$7 per square foot fee. In terms of the application process, it was noted that applications were not taken unless space was available.

Black identified a possible loophole when assigning seniority. Discussion focused on how to determine ownership if restaurant names changed. Black said his understanding was that a restaurant owner forfeited seniority when the business sold. Gardiner noted that the topic was reviewed in depth by the Calle Guanajuato Subcommittee without resolution. Black agreed to look into the matter further.

Miller referred to a long list of policy items in need of more definitive statements. He said there was too much room for interpretation with the existing rules. He asked whether a decision by the Commissioners was needed prior to the upcoming season.

It was agreed by consensus that an investigation into the sale of Salame Restaurant would be handled by APRC. At the suggestion of Commissioner Landt, the investigation would include a question to the City Attorney about the common practice in similar situations. It was further agreed that the existing cost recovery fee schedule would stand for the upcoming season.

GOAL SETTING STRATEGIC PLAN

Black said his preference would be to pare down the number of 2017-2019 goals. He reviewed major projects such as continued progress toward a community use swimming pool, a Trails and Open Space Comp Plan Update, a Lithia Park Master Plan, a seismic evaluation of APRC facilities, expansion of the Bear Creek Greenway and an updated Open Space Plan. He noted unforeseen projects such as the Performance Audit and extraordinary contract work for the Commercial Use Policy as examples of time-consuming activities that slowed goal-based accomplishments.

Black indicated that 60% of BN 15-17 goals were either achieved or significantly advanced. 24% were in-progress, 9% were considered postponed and 7% were set aside as more important priorities arose.

Miller asked about interactions with the public when deliberating biennial goals. Black noted that public input was part of the agenda but input would be informal and the Commissioners could decide about how much commentary to accept.

Landt noted that at the last goal setting exercise, he advocated for a focus on the top five goals. He advised a continued laser focus on the top five goals as prioritized by the Commissioners. He agreed that progress on a myriad of objectives could dilute the focus and make it easier to get sidetracked. Black replied that more manageable goals would be appreciated by staff. He noted that throughout the year there seemed to be a number of unforeseen issues to address along with planned project goals. He was pleased with the accomplishments of APRC staff but advocated for fewer goals to allow staff to focus on day-to-day activities, since quality results and excellent customer service were highly valued. Black suggested that all Performance Audit-related goals be rolled into one and treated as if it were a Master Plan with an expectation of ongoing progress.

FORESTRY GRANT UPDATE

Interim Parks Superintendent McFarland introduced the scope of work and the parcels of land selected for treatment. McFarland stated that the two Acid Castle Rock properties would be combined into one large parcel for consideration of treatment. The Lawrence Property bordering the Acid Castle Rocks parcel to the south was selected, as was Siskiyou Mountain Park.

McFarland stated that Siskiyou Mountain Park was the first area in Ashland to be selected for a ground burn as a part of the restoration effort for the property. McFarland stated that APRC had signed a letter of commitment to begin fuels reduction on all three parcels. The grant would pay for \$105,000 worth of work with APRC providing a 10% match.

In reply to a question posed by Lewis, McFarland noted that the grant was generated from monies set aside from the State of Oregon for watershed enhancement. The grant itself was administered by the Nature Conservancy and Lomakatsi Restoration Project.

The ground burn at Siskiyou Mountain Park would include 16 acres of APRC property and five acres of privately owned land for a total of 21 acres. McFarland explained that the proposed burn was considered small in size and would be conducted as a sample burn. Each entity involved in the project had tasks related to the burn. He and Chief of Forestry Chris Chambers would be responsible for obtaining burn permits.

Lewis asked about future benefits from the treatment plan. McFarland answered that once the work of thinning, piling and burning was completed, treatment and maintenance would not be needed annually. Instead, once the level of sustainability was reached, treatments could occur every five years.

Heller asked about pesticide use. McFarland said chemicals for managing parks and forestland had not been used since the 1990s.

Gardiner asked about work to be completed by Parks staff in conjunction with this project. McFarland noted a general historic precedent of working cooperatively with other entities but noted that Parks staff would most likely be assigned to monitor the trails on the day of the burn. In response to a question by Landt, McFarland stated that costs incurred for staff time would be counted as part of the 10% match required by the grant.

The burn was expected to occur in March 2017. McFarland indicated that the intent was to complete the work prior to fire season. He explained that much depended upon weather conditions: foliage had to be dry but not too dry, wet but not too wet, wind drift needed to be acceptable and an ample ventilation factor had to be in place.

STAFF UPDATES

- ***Joint Meeting with City Council***

Black noted that APRC initiated an invitation to the Ashland City Council to conduct a joint public meeting. He asked that the Commissioners RSVP to determine whether a date of May 1, 2017, at 5:30 would work.

- ***Meeting Protocol***

Gardiner stated that his personal goal for the upcoming year would be to manage meetings at which public input was allowed. Per APRC protocol, speaking time would be limited to three minutes per speaker. He would also work to call on Commissioners to speak in the order requested, calling them by their official titles. Also per APRC protocol, no dialogue would be initiated during meetings. In that way, a more formal, consistent and effective meeting structure could be adopted. Gardiner explained that this type of structure would be helpful and facilitate a

smooth process. Dials added that staff presentations should be directed to the Commissioners rather than to the audience.

Landt referred to the Calle Guanajuato issue as a problematic topic currently up for discussion, stating that in his opinion, Gardiner had handled the matter well. He noted that there were times when it might become important to reopen public input, but in general the protocol should be upheld.

Heller commented that it was disconcerting to come before Commissioners with a topic and not receive feedback at the time. Landt indicated that offering speakers the opportunity to discuss matters with an appropriate APCR staff member after the meeting might be the most effective solution.

There followed a brief discussion about the professionalism expected of a legislative body and the proper appeal process for resulting disputes.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:15 pm

Respectfully submitted,

Betsy Manuel, Assistant

These Minutes are not a verbatim record. The narrative has been summarized to reflect the discussions made. Ashland Parks and Recreation Commission Study Sessions, Special Meetings and Regular Meetings are digitally recorded and available upon request.