

Colin Murphey/The Daily Astorian
 Numerous vacation rentals exist along the coast.



Airbnb: Cannon Beach has joined an emerging skepticism about these agreements in the past year

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Definitions

The state passed legislation in 2013 that requires intermediaries to pay lodging taxes directly to cities.

Wendy Johnson, an intergovernmental relations associate with the League of Oregon Cities, said the conflict comes from the fact Airbnb does not identify as an intermediary, and therefore argues they don't have to adhere to the requirements.

"We've explained that the agreements are one option for tax payment. The league will continue to pursue legislation that all entities should be treated the same," Johnson said.

Differences in language about whether Airbnb is responsible for local and state lodging taxes is what the league is hoping to resolve during the upcoming legislative session. Because there is no specific state statute, Johnson said Airbnb is claiming federal internet privacy protections as justification for keeping clients anonymous.

"Right now, some cities are getting

paid, some aren't. But they aren't paying you unless you get an agreement. We think all intermediaries should be treated the same," Johnson said.

Cities have had mixed experiences with entering these types of agreements, she said. Larger cities, which have a hard time tracking unregistered rentals, have used agreements to avoid the risk of losing revenue in a time where most are facing shortfalls. But smaller towns, like Cannon Beach, often have better luck working with local property owners who pay taxes directly.

Not being able to audit these vacation rentals also makes it nearly impossible to enforce codes that help regulate safety and the saturation of rentals in the midst of countrywide housing crisis, Johnson said.

Skepticism

Cannon Beach has joined an emerging skepticism about these agreements in the past year. Astoria has been hesitant to allow Airbnb to collect lodging taxes on

the city's behalf, even as city staff struggle to enforce city rules and collect all the taxes owed. At a work session in December, staff brought up concerns about not knowing who is operating these types of vacation rentals.

Hoteliers like Cynthia and Stephen Malkowski of the Arch Cape Inn came out against Seaside's agreement because of what they saw as unfair treatment.

Jason Brandt, president and CEO of the Oregon Restaurant & Lodging Association, said he dissuades cities from entering these agreements. There should be an equal playing field in the marketplace, and that all lodging should be held to the same standard to ensure cities have accurate information, he added.

"We consider ourselves a partner with cities to make sure revenue is collected so cities can promote tourism," Brandt said.

Accountability

Seaside, however, saw the agreement as a way to collect money the city otherwise would have never received, said

Public Information Officer Jon Rahl.

"Previously, if you booked a room through Airbnb, you'd get a notice of a state lodging tax, but no notice of the local. You were just paying \$1.80 on a \$100 rental," Rahl said. "It was really left up to the host to collect the local tax separately and charge the person after the fact or take it out of their own pockets."

Along with the agreement, Rahl said the city also decided to invest in STR Helper, a type of software that tracks homes listed on Airbnb and reports which homes don't necessarily match up with list of licensed rentals.

Cannon Beach city councilors decided to explore the possibility of investing in similar software, in the hopes that if the city can identify noncompliant rentals it can also succeed in receiving payment directly.

"This would mitigate the problem of not knowing who these people are. We get more from this program than from Airbnb," City Councilor Mike Benefield said.

Warrenton: District has grown about 20 percent over the past decade

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Rapid growth

As the region's most affordable urban housing market, Warrenton grew from 4,100 people in 2000 to nearly 5,400 people last year, according to a forecast by Portland State University's Population Research Center. The city is expected to add another 2,000 residents by 2035.

"We agreed that the 2 percent per year population growth is probably conservative," said Mark Kujala, a former Warrenton mayor who helped present the committee's findings.

Over the past decade, the district has grown by about 20 percent, topping 1,000 stu-

dents for the first time last year. Superintendent Mark Jeffery has estimated enrollment will eventually peak at 1,159 students in the 2024-25 school year.

The district has had to be creative in fitting all the new students, filling every nook and cranny of the grade school and adding six two-classroom portables outside. The high school is also at capacity and will require portables for any new growth, the committee's report said.

School by school

Seaside School District recently passed a \$100 million bond measure to build a new K-12 campus on 80 acres

donated by Weyerhaeuser out of the tsunami inundation zone. The district has a dramatically higher-value property tax base than Warrenton.

"We can't go out for a \$100 million general obligation bond," Kujala said. "We need to do something in a phased-in approach. We also, at the same time, have to recognize that the ultimate goal is to relocate all of the classes and all of the grades to a new campus."

The committee recommended acquiring the first right of refusal on a 70- to 80-acre plot of land for between \$4 million and \$6 million, with the purchase contingent on passage of a general obligation bond in the November election.

The district would also sell property it owns in Hammond.

A \$27.5 million middle school would be built for at least 260 students, with utilities, gyms and other features designed to eventually expand. The committee found moving the middle school grades out of the K-8 Warrenton Grade School would provide the least disruption to students, Kujala said.

The second phase would add the high school with a bond in the May 2022 election, while keeping portions of the old high school for a regional vocational center. The last phase would add preschool and elementary grades to the master campus with a May 2032

bond measure.

The bond for the campus and middle school is estimated to cost \$2.49 per \$1,000 worth of assessed property value, with a 25-year maturity. School Board Member Dan Jackson questioned how the district would pay off the subsequent bonds in a short time span.

Districts regularly refinance bonds to lower payments and go out for new bonds halfway through the maturity of existing measures, Rose said. Warrenton's growth will also expand the tax base, and the district has 66 cents per \$1,000 of assessed value in existing bond debt coming off people's tax bills in five years,

Kujala said.

In about 35 bond campaigns he's been involved in, Rose said about 80 to 85 percent passed. While price is an issue, most that fail are because of the lack of a clear vision supported by the community, he said.

"I would encourage laying out a master campus plan before you decide whether to go out for a bond," Rose said, estimating the school board would likely decide in April or May on whether to go out for a bond.

Rose recommended the district apply for a matching grant of up to \$4 million from the state, made available if voters pass a general obligation bond.

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