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MEMORANDUM

Community Development

To: Mayor Jackola and City Council
From: Kelly Hart, Community Development Director
Subject: Community Development Department City Manager Report Updates

Date: January 2025

2024 Year-End Update:

The Community Development Department experienced significant changes in 2024. With the departure of the Economic Development Catalyst in February, the department decreased staffing levels and attempted to absorb as many economic development functions as possible while finding ways to leverage outside partners to help continue our efforts.

The Planning Division was significantly impacted by tracking and responding to the extensive legislation and regulations passed by the federal and state governments. The significant long-range planning project in 2024 included implementing the Housing Production Strategy. With a state grant, the city initiated significant code amendments to implement new housing tools to promote housing development further to help meet the state's housing production targets. The Planning Division also had to respond to FEMA's pre-implementation compliance measures associated with floodplain management and the Endangered Species Act and prepare for new implementation and reporting requirements. Additional state legislation, including amendments to allowing housing in existing commercial buildings and mandatory adjustments (variances) for housing, required internal policy modifications to implement the state regulations.

The Planning Division processed 45 land use applications in 2024, the same as the previous calendar year. Most applications were related to housing development, land divisions, and subdivisions, with two commercial developments approved, Tractor Supply and Tunnel Radio. The City's largest housing subdivision in almost 20 years, with 122 lots, was approved in 2024 off Crowfoot Road. This subdivision proposal can be directly attributed to the City's completion of the westside interceptor sewer main project. It is anticipated that additional development will occur due to the availability of infrastructure.

The Planning Commission met for 7 out of 12 scheduled meetings, demonstrating a shift in application types in 2024 to minor development and land use applications approved at the administrative level. In October, Commissioner McClain resigned, and in November, the Mayor appointed Commissioner Regina Thompson, who has been attending meetings as an interested member of the public for over a year.

The Building Division saw increased permits issued and fees collected, while also seeing a \$5.7 million reduction in project valuation. The minor increase in fees while project valuation decreased was due to the fee adjustments authorized by the Council, the first significant building fee modification in over six years.

	2023	2024
Permit	693	738
Fees	\$520,679.25	\$548,565.90
Project Valuation	\$45,830,818.64	\$40,081,022.95

For the Economic Development Division, 2024 focused on evaluating what functions could be maintained without the Economic Development Catalyst's staffing assistance and how to leverage partnerships to continue the good work.

The main programs maintained were the Business Visitation Program, the Downtown Building Restoration Program, the Rural Economic Alliance (REAL), and participation in the Cascade West Economic Development District and Cascade West Regional Consortium on Wetlands. Implementation of the Economic Opportunity Analysis (EOA) was temporarily halted to focus on the strategic plan, and it was determined the EOA implementation would rely on obtaining grants and contracting with outside assistance in the future.

Overall, the Community Development Department completed a significant amount of work in 2024, and the success is largely due to the dedicated staff, including Tammy Dickey, Shawn Eaton, and Josh Bacher. 2025 is shaping up to be even busier, and I thank them for their dedication and the extremely hard work they put into making Lebanon and the Community Development Department great.

Current Updates:

Planning:

- The January Planning Commission meeting was canceled due to a lack of public hearing items.
- In January, one application was approved administratively:
 - VAR-24-13 for a sign variance for the property at 211 S Main Street
- There are currently two land use applications under review:
 - CI-24-01 for a code interpretation to determine whether recreational trails are permitted in the low-density residential zone (the applicant requested that the Planning Commission review the determination; a hearing is scheduled for the February Planning Commission meeting).
 - A-25-01 for right-of-way annexations for portions of Crowfoot Road, Stoltz Hill Road, Wassom Street, and Kees Street (hearings tentatively scheduled in February for Planning Commission and March for City Council)
- City Legislative Efforts: On January 28, 2025, the League of Oregon Cities hosted City Day at the Capitol. Mayor Jackola, City Manager Whitlatch, Public Works Director Williams, and Community Development Director Hart attended. The event included an agenda with presentations from Governor Tina Kotek and others in Legislative leadership and sessions focused on the 2025 legislative

outlook and challenges facing Oregon's cities. Four meetings were held with senators and representatives to advocate for local infrastructure funding and bring resources back to the local level.

- Staff has reviewed 98 legislative bills that may impact the city to identify how the bills align with the Council's policy positions and whether to provide testimony in support or opposition of specific bills. The list was narrowed to 33 bills of interest. However, more bills are being introduced daily. The city's lobbyist continues monitoring the bill tracker to identify potential legislation of interest and assist in drafting testimony.
- Strategic Planning Update: The City Manager and Department Heads are evaluating the final action items and calibrating the implementation matrix to ensure a consistent implementation plan over the next five years. Several action items are already underway. As part of the budgeting process, staff will propose an annual budget for a council goal-setting session to align council goals, the strategic plan, and the annual budgeting process.
- Housing Production Strategy Implementation: The code amendment process for the first round of implementation of the Housing Production Strategy is wrapping up. There will be one final Project Advisory Committee meeting to review the final proposed packet of code changes. A joint City Council/Planning Commission work session meeting is scheduled for April 9th to review the final proposed code package, with public hearings for adoption in the April Planning Commission and May City Council meetings.
- Solar Project: Staff is moving forward with identifying a consultant to assist with developing plans for grant application materials. However, grant funding opportunities may be affected based on federal policy decisions, which may delay or modify the project. Staff is monitoring the opportunities and continuing to move forward with the project as planned and will identify alternatives as necessary.
- Grant Administration:
 - Submitted applications: Thriving Communities grant. The grant was submitted for \$350,000 to help fund the waterline replacement project on Grant Street between Park Street and 3rd Street. The Thriving Communities Grant is a federally funded program. An email was received on January 29, 2025, indicating that the grant review process and program operations continue as planned until further direction is provided.
 - Awarded applications: Safe Streets 4 All grant. This is another federally funded grant. Although this grant has been awarded, the OCWCOG awaits the grant agreement.
 - Grant Research: Wastewater Treatment Plant capital grants, solar grants, emergency operations, and water line replacements.
 - Grant Administration: OCWCOG is administering the EPA grant funding the environmental assessment work currently underway for the Champion Mill site and the upcoming reuse planning process.
 - Community Development Director Hart is participating in a Local Infrastructure Hub Grant Writing Bootcamp for Developing Clean Energy & Clean Transportation Projects and Combined Railroad Crossing Elimination and Consolidated Rail Infrastructure and Safety Improvements program. The National League of Cities provides this multi-session program for free.

- Lebanon Community School District Facilities Advisory Committee: The Community Development Director continues participating in the LCSD Facilities Advisory Committee, which is on hiatus until spring.
- Natural Hazards Mitigation Plan: The City continues to participate in developing the Linn County Natural Hazards Mitigation Plan. A final draft of the plan has been circulated for review. Depending on county scheduling, the adoption process is likely scheduled for early summer.
- Multiagency Coordination on Homelessness (MAC) group: The MAC group announced during its November meeting that the 2025 Point-In-Time Count is scheduled for Wednesday, January 29, 2025, through February 5, 2025. Community Services Consortium is taking the lead in coordinating volunteers and community resources to help with the regional count of unhoused individuals.

Building:

- The city processed 39 permits in December. The total fees received were \$26,198.70, and the construction valuation was \$1,608,439.74.
- By comparison, in December 2023, 39 permits were processed. The total fees received were \$33,183.38, and the construction valuation was \$3,363,417.78.
- A current list of the more significant construction sites include:
 - Riverside Banks Subdivision and Duplexes (Williams Street)
 - 8-lot subdivision – Cascade Estates (Seven Oaks Lane/Cascade Drive)
 - 19-lot subdivision (Walker & Wassom)
 - Blackrock Apartments – 12 units (2nd Street and Airport Road)
 - Airport Road Apartments – 60 units (Airport Road and Russell Drive)
 - Gas Station and Convenience Store (911 W Airport)

Economic Development:

- Strategic Plan Initiative 3.15: Business visitation program - The Community Development Director, City Manager, and both Councilors from Ward 2 visited the Veterans’ Home for the January Business Visitation program. The meeting included a discussion of workforce needs, emergency management coordination between police/fire and the veterans’ home, and opportunities for the city and veterans’ home to partner and engage further. The visit concluded with a tour of the facility.
- Downtown Building Restoration Program: The new program application was released in early January with a deadline of February 6, 2025. Once the grant submittal window closes, a committee will be formed to review the submissions and determine which applications should be awarded grant funding.
- Rural Economic Alliance (REAL): A marketing plan has been developed based on the community survey results. The plan identifies several action items to be completed to elevate REAL's visibility in the business community and position it as a resource for new and growing businesses. The REAL group is identifying resources to help accomplish these tasks.

- Comprehensive Economic Development Strategies (CEDS) Update: The Community Development Director is participating in the regional five-year CEDS update. This strategy document and plan ensures the region and city are eligible for state and federal grants to help accomplish economic development goals.
- Strategic Plan Initiative 3.11: Respond to Business Oregon recruitments based on site availability—the Business Oregon Prospector site is reviewed weekly, and targeted emails from Business Oregon Industrial Lands Specialists are examined to determine whether a recruitment package should be submitted for the competitive bid. Based on the city’s available site inventory, there were no eligible bids in January.