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MEMORANDUM

Community Development

To: Mayor Jackola and City Council Date: September 2025
From:
Subject: Planning, Government Affairs, and Economic Development City Manager Report Updates

- The regular September Planning Commission meeting was canceled due to a lack of public hearings scheduled. The October Planning Commission meeting will include one public hearing.
- In September, one land use application was approved administratively:
 - VAR-25-06 for a Class I Variance to allow a fence to exceed the maximum height standards in the setback areas for a property on W D Street.
- There are currently three land use applications under review for three projects:
 - VAR-25-05 for a variance to the fence height for a property on Snow Peak Place (staff is requiring a sight distance triangle analysis to ensure traffic safety prior to final consideration of the variance)
 - CU-25-02 authorize a fueling station installation at the previous Walgreens location (the traffic impact analysis is still being completed, however, the applicant's representative has indicated that no further information will be submitted as part of the application. In compliance with ORS, the application has been deemed complete, and the City has 120 days to make a final decision on the application.)
 - DCA-25-02 to amend the development code to include changes to the city's code interpretation procedures and the park and recreational trail land use categorizations and permitting requirements (application is scheduled for Planning Commission public hearing on October 15, 2025, and City Council public hearing on November 12, 2025)
- City Legislative Efforts: The League of Oregon Cities has developed a summary report of all the pertinent pieces of legislation that passed in the long session. That report is attached for Council's review.

The Legislative Platform draft is nearing completion. The draft has been reviewed by Department Heads, and the legislative consultant will be finalizing a draft for distribution to City Council for review.

- Strategic Planning Update: The summer of work sessions is officially completed! For consolidated review, below is the evaluation matrix for each project:

Project	Strategic Alignment	Regulatory Driver	Capital Cost	Risk Without Action	Capacity
Solar Implementation to offset Electricity Utility Costs	3.10 Evaluate solar as an opportunity to offset costs or generate revenue	No	\$589,000 - \$17,000,000 -Costs can be financed through several avenues -Immediate savings can be achieved if implemented	MEDIUM Increased utility costs from electricity rate increases	-City Manager/City Engineer -Public Works Director -Finance Director -Community Development Director
Champion Mill Redevelopment Project	3.12 Develop a strategy for the redevelopment and reuse of the Champion Mill brownfield site	YES DEQ EPA	\$1-10+ million for brownfield cleanup	MEDIUM -continued site degradation and demand on police services -continued depression on economic value of community -environmental and public health diminishment	-City Manager/City Engineer -Public Works Director -Community Development Director -Development Services Supervisor
Wastewater Treatment Plant Capital Project	1.1 Upgrade the wastewater treatment plant	YES NPDES Clean Water Act EPA	\$70 Million \$31 million -liquid stream (capacity/regulatory) -\$35 million solid stream (regulatory) -\$4 million admin building	HIGH -Capacity overflows -DEQ compliance fines -Legal liability for PFAs (?) -Potential moratorium on new connections due to violations/capacity	-City Manager/City Engineer -Public Works Director -Wastewater Treatment Plant Manager -Community Development Director -Finance Director -IT Staff
Re-open the municipal jail	4.5 Evaluate the feasibility of re-opening the municipal jail	NO -Policy Choice -CIS Insurance is determining minimum operating standards	-Minimal to no capital costs -Approximate \$1.25 million annual additional operating cost to the general fund, escalating for increasing salaries/benefits costs	NONE -Maintain the status quo	-City Manager -Police Chief -Police Captain -Police Lts. -City Attorney -Judge -Finance Director -Human Resources Director -Grant Writer

- Mark your calendars: A half-day council goal-setting retreat will be scheduled for the afternoon (noon – 5:00 pm) of Wednesday, November 12, 2025. SSW Consulting will be facilitating.
- Housing Production Strategy Implementation: The new housing code is officially live, and we have already had a Minor Land Partition application take advantage of the new code flexibility. Additional inquiries have been made about future housing subdivisions and other developments that utilize the new code options.
- Solar Project: At the goal-setting session, the Council will decide whether to proceed with a solar project or which project to pursue.
- Grant Administration:
 - Grant applications:
 - The Department of Land Conservation and Development (DLCD) technical assistance grant is open for applications. The City has submitted an application for a Parks and Trails Master Plan update.
 - The City is evaluating consultants to assist with the application and grant management of the Community Development Block Grant application for the library expansion project. This application and grant management is extensive and will require a level of expertise that the City does not have in house.
 - Awarded applications:
 - Safe Streets 4 All grant. We are STILL waiting for a grant agreement contract for this grant.
 - Housing Infrastructure Planning Grant: A \$100,000 grant to study sewer capacity and traffic impacts for potential development scenarios for the Champion Mill site. A kick-off meeting was held with the traffic engineering firm to identify the scope and coordinate with the market study associated with the EPA grant.
 - Grant Research: We are working on grants for Wastewater Treatment Plant capital improvements, solar grants, emergency operations, senior center programming/site improvement grants, parks master plan update, and housing infrastructure grants. We are also working on grants for the library capital improvements and the capital fundraising campaign.
 - Grant Administration: We received the second Phase II testing results for the Champion Mill site. DEQ has also accepted the work plan for the third round of Phase II testing. The next round is expected to start in early fall. We have scoped a market analysis to support the transportation study and determine the commercial viability of the site based on the site's constraints.
- Natural Hazards Mitigation Plan: The plan is now ready for adoption. It will be presented to council at staff's time availability.

Economic Development:

- Strategic Plan Initiative 3.15: Business visitation program—No business visits occurred in September. Business visits are anticipated to resume in October.
- Downtown Building Restoration Program: Two outstanding grant applications for this cycle are for the Lebanon Hotel and the old Wells Fargo building. Wells Fargo is currently under construction.

- Rural Economic Alliance (REAL): REAL held a meeting on September 25, 2025. The new intern was onboarded, and a work plan was discussed. The consultant's work plan to implement the marketing plan was also approved.
- Comprehensive Economic Development Strategies (CEDS) Update: The CEDS have been approved. The Community Development Director served as a Linn County representative for CWEDD and on the Executive Board. City Manager Whitlatch will fill in for the remainder of her term till the end of the year, then new county-wide nominations will be held to fill the position.
- 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. No recruitment packages were submitted in August based on the city's available site inventory. There has been no follow-up on the recruitment packages sent this year.
- Strategic Plan Initiative 5.4: Collaborate with community partners—The Community Development Director participates in monthly meetings with the downtown association, chamber of commerce, and prominent business owners. City Manager Whitlatch participated in the September lunch meeting and will continue with the representation until the next community development director starts.