



925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4906
cdc@ci.lebanon.or.us
www.ci.lebanon.or.us

MEMORANDUM

Community Development

To: Mayor Jackola and City Council
From: Kelly Hart, Community Development Director
Subject: Planning, Government Affairs, and Economic Development City Manager Report Updates
Date: August 2025

- Transitions – My Final City Manager’s Report:

As I prepare to conclude my time with the City of Lebanon, I want to take a moment to reflect and extend my gratitude. It has truly been one of the greatest honors of my career to serve this community for the past six years. Together, we have navigated challenges, embraced opportunities, and laid the groundwork for a stronger future.

I want to assure the City Council, staff, and the community that I am doing everything possible to ensure a smooth transition. I am confident in the leadership and dedication of those who will carry the work ahead.

To the Planning Commission, I offer my deepest thanks. Your steadfast work and thoughtful guidance have been instrumental in responding to many development projects and necessary code changes. Your commitment to Lebanon’s growth and livability has been a cornerstone of our progress.

To the City Council, thank you for your professionalism, your policy leadership, and your support of both me and the incredible staff I’ve had the privilege to work alongside. Your vision and guidance have been invaluable in shaping Lebanon’s path forward.

To the City staff, I want to extend my heartfelt gratitude. I have had the privilege of working with many dedicated individuals who bring incredible passion to their work and to the community they serve. Your commitment, creativity, and perseverance have been a constant source of inspiration, and I know you will continue to do great things for Lebanon.

And to the community of Lebanon—thank you. Serving you has been a privilege and an honor. I am grateful for your engagement, your passion for this city, and the trust you placed in me to help steward Lebanon’s growth.

Though my role is changing, my admiration for this community remains. I look forward to seeing Lebanon continue to thrive in the years ahead.

Respectfully,
Kelly Hart, Community Development Director

- The regular August Planning Commission meeting included one public hearing:
 - Comprehensive Plan and Zoning Map Amendments CPMA-25-01 and ZMA-25-01 to change the land use designation from Mixed Use to Highway Commercial, Property Line Adjustment PLA-25-02 to consolidate two parcels together, and Conditional Use Permit CU-25-01 to authorize the construction and operation of a carwash facility for the parcel on Hwy 20, north of Burdell Blvd., just north of the new Tractor Supply. The Planning Commission unanimously approved the Property Line Adjustment and Conditional Use Permit, contingent on the City Council approval of the Comprehensive Plan and Zoning Map amendments, which the Planning Commission recommended approval.
- In August, three land use applications were approved administratively:
 - MLP-25-02 for a two-lot partition on Park Street
 - AR-25-05 for the construction of an accessory shop building larger than 1,000 square feet in a residential zone on Cleveland Street
 - PLA-25-03 for a property line adjustment between two parcels on E Pine Street
- There are currently four 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 (application has been deemed incomplete pending completion of a traffic impact analysis)
 - Comprehensive Plan and Zoning Map Amendments CPMA-25-01 and ZMA-25-01 to change the land use designation from Mixed Use to Highway Commercial for the parcel on Hwy 20, north of Burdell Blvd., just north of the new Tractor Supply (application is scheduled for public hearing before city council in September)
- City Legislative Efforts: The State began its special legislative session on August 29, 2025. At the time of writing this update, it had not come to a close. The city manager will provide an update on the special session in the October report.

The Legislative Affairs Consultant and Community Development Director are analyzing the results of the Legislative Platform work session and working on a draft legislative platform for City Council review. The goal is to have the platform approved before the end of the year, and available for review before the Council goal setting session in November.

In the last City Managers Report, we identified that an update of Supreme Court cases that may impact city governance would be provided. The following is a summary of the cases:

- Public Safety & Policing:
 - Barnes v. Felix (May 15, 2025) — The Court rejected the Fifth Circuit’s “moment-of-threat” rule and reaffirmed a totality-of-the-circumstances test for police use-of-force claims under the 4th Amendment. Impact: training standards, §1983 litigation risk, and incident reviews should reflect pre-event tactics and escalation—not just the split second of force.

- Bondi v. VanDerStok (Mar. 26, 2025) — Upheld ATF’s rule treating “ghost gun” kits as firearms under the Gun Control Act. Impact: supports local PD efforts against unserialized guns; helps tracing and coordination with federal partners.
- Environment, utilities & infrastructure
 - City & County of San Francisco v. EPA (Mar. 4, 2025) — EPA may not use open-ended “end-result” (receiving-water-quality) terms in NPDES permits; it must specify the steps/limits required. Impact: clearer permit obligations for municipal wastewater/storm systems; stronger footing to contest vague permit language.
 - Seven County Infrastructure Coalition v. Eagle County (May 29, 2025) — Narrows NEPA review and emphasizes substantial deference to agencies; agencies need not assess far-removed upstream/downstream effects. Impact: federal reviews for locally affected projects (rail/highway/utility) may be faster and less litigation-prone, though environmental challengers still have avenues.
- Strategic Planning Update: Five work sessions have been scheduled over the summer. So far, we have covered the municipal jail, wastewater treatment plant capital improvement project, and the development of a legislative platform. Two more sessions are planned in September, including discussions on the champion mill brownfield redevelopment project and the city solar facility project.
 - 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. Before the departure of the Community Development Director, a plan will be provided for the next phase of implementation of the housing production strategy to ensure the City stays on track with the implementation schedule.
- Solar Project: In September, a work session will provide the Council with options for implementing solar to offset utility costs for the municipal organization and fund the different projects.
- Grant Administration:
 - Grant applications:
 - The Department of Land Conservation and Development (DLCD) technical assistance grant is open for applications. The City intends to apply a parks 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: We continue to be in a holding pattern on this. When it is ready for adoption, the City Manager will present it to the City Council for consideration.

Economic Development:

- Strategic Plan Initiative 3.15: Business visitation program—No business visits occurred in August. We will not schedule a business visit in September as the Community Development Director focuses on transition planning. 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.
- Rural Economic Alliance (REAL): REAL is interviewing a candidate for a paid intern position to help further the strategic plan and supplement the work of the contracted consultant for the marketing plan. If the intern is hired, they will be shared among all the rural cities to collectively work on the actions outlined in the REAL strategic plan and help with economic development initiatives in each city. Lebanon was previously identified as a mentor city, but this will be amended with the departure of the Community Development Director.
- Comprehensive Economic Development Strategies (CEDS) Update: The CEDS have been open for public review and comment. Comments will be responded to in summary format, and the Cascade West Economic Development District (CWEDD) will consider adoption at its next quarterly meeting. 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 will be invited to the September meeting to transition as the City's representative in these meetings.