



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** June 2, 2025  
**From:** Josh Soper, City Attorney  
**Subject:** PUBLIC HEARING: Resolution 2025-14 – Adopting a Revised Development Moratorium Providing Improved Flexibility

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## **DECISION TO BE MADE:**

Whether to adopt a revised moratorium providing improved flexibility and making other changes and clarifications.

## **PURPOSE / OBJECTIVE:**

To provide additional flexibility in the ERU reassignment program for economic development activities, to reflect that the ERU allocation program for pre-moratorium developments has largely concluded, and to make additional changes to best address the needs of the City, developers, and property owners.

## **BACKGROUND / CONTEXT:**

The City first enacted a development moratorium relating to capacity issues with its wastewater treatment system on October 3, 2022 (Moratorium 1.0) prior to entering the Consent Decree with EPA and DEQ relating to those same issues. Since that time, the City has periodically enacted replacement moratoria as circumstances change, generally to loosen restrictions or provide improved flexibility as much as possible.

Resolution 2025-14 is a continuation of those efforts. It would have the effect of adopting a new moratorium and repealing the existing moratorium, rather than being an extension of the existing moratorium, because state law requires a new moratorium be adopted in order to make any modifications to the moratorium terms.

## **KEY CONSIDERATIONS / ANALYSIS:**

Staff is bringing forward a resolution to establish a replacement development moratorium (Moratorium 4.0) that would make the following changes:

1. The ERU allocation program established in Moratorium 3.0, for development projects which predated Moratorium 1.0, has largely been completed, so the language of Moratorium 4.0 has been updated accordingly. Moratorium 4.0 retains two components of the ERU allocation program from Moratorium 3.0: (A) extensions of existing allocations, and (B) new allocations for pollution/health/safety reasons (e.g. failed septic systems) and duplexes for pre-moratorium

development projects. Based on feedback received at a City Council work session on March 17, 2025, additional clarification was added to this section regarding the need to maintain unexpired land use approval in order to obtain an extension of an ERU allocation.

2. Allow more flexibility in the ERU reassignment program for economic development activities, and clarify what constitutes an “existing development” for purposes of this program.
3. Allow partitions in limited circumstances.
4. Minor housekeeping and clarifications, including clarifications to Section 6 and 10 based on feedback received at the City Council work session on March 17, 2025.

#### **BUDGET IMPACT:**

As compared to the moratorium currently in effect, this moratorium is expected to have a difficult to quantify, but positive, budgetary impact through reduced litigation risk, increased Development Services Department fee revenue from developments that move forward, increased property values which will result in more property tax revenue, and revenue from utility services on properties that are developed.

#### **RECOMMENDATION:**

Staff recommends the City Council adopt Resolution 2025-14.

#### **SUGGESTED MOTION LANGUAGE:**

“I move to adopt Resolution 2025-14.”

#### **LIST OF ATTACHMENTS / EXHIBITS:**

1. Resolution 2025-14 with attached findings