

CITY OF GEARHART
Worksession of the City Council
Thursday, August 18, 2022
6:30 pm On-site and Virtual/Telephonic

The worksession of the Gearhart City Council was held Thursday, August 18, 2022. Council members and City staff were able to attend on-site, virtually, or by dialing in on a telephone. The public was able to attend virtually or by dialing in on a telephone.

Mayor Smith called the meeting to order at 6:30 pm. Present were Mayor Kerry Smith, Councilor Reita Fackerell, Councilor Dana Gould, Councilor Austin Tomlinson, Councilor Brent Warren, City Administrator Chad Sweet, City Attorney Peter Watts, Executive Assistant Krysti Ficker, and City Treasurer Justine Hill. A quorum of the Council was present.

Mayor Smith introduced the topic of the urban growth boundary (UGB) land exchange/contingent land transfer agreement. Administrator Sweet followed up with an explanation and confirmed that the current land exchange agreement will expire. Council members had recently walked the site that is covered in the agreement. The intent of the worksession was to follow-up with any questions or comments that Council members may have regarding the land transfer agreement. Steve Olstedt and Ryan Osburn, property representatives, were available at the meeting.

Attorney Watts confirmed that the land transfer does provide benefits to the City. He talked about economic analysis; benefits from property taxation; increased water revenues; connecting City water lines to eliminate stagnant water; density credits; and increase in City property for future needs and park space.

Councilor Warren reiterated that as per section 3.2 Termination of the agreement, it expires in twelve calendar months unless both parties agree to extend the term. He felt that at this point the land agreement is independent of the failed fire/police bond.

Mayor Smith does not see any downside to the land agreement. It has the potential for a nice park. It is a nice piece of property that would provide a lot of options for the City to explore in the future. The City would benefit from future tax collection; being able to loop water systems; and assist in eliminating stagnant water syndrome.

Councilor Fackerell inquired if the City had any specific plans for the property. Administrator Sweet stated that there were no specific plans. Mayor Smith thought that it may provide an opportunity to look for another City water well, which would be a farther distance away from the ocean.

Councilor Gould referenced the City's Comprehensive Plan in terms of aligning the land agreement with goals. Administrator Sweet pointed out that the property acquired would be higher in elevation and provide additional space for the City. Councilor Gould felt that the property does allow options for future needs and provides flexibility for future City enhancements.

Councilor Tomlinson inquired about the buildable lands inventory and the State threshold requirements. He wanted to make sure that City thresholds for supplying water were attainable and felt it was important that the City do their due diligence when adding a new housing development.

There was additional discussion on adding a third water filtration system; system development fees; and any rate increases associated with the development. Administrator Sweet clarified that a third water filtration system may not be required; that the City has been exploring implementing system development fees; and that there would be no impact on water rates because of the development. Future water rates may be impacted by water conservation and financial feasibility.


Councilor Gould brought up citizen questions that have been raised. One was related to any potential archaeological heritage issues on the site. Steve Olstedt, property representative, indicated that they probably have done the required archeological studies when they prepared information for Clatsop County. Another was related to traffic impact studies. Steve Olstedt mentioned that a current study was being done by Lancaster and should be done in the next few weeks. Councilor Gould also inquired if it would be appropriate to eliminate any association with the fire/police construction project. Ryan Osburn, property representative, strongly agreed with eliminating any association with that project.

Councilors continued to discuss the process for approval of the agreement; septic systems; density requirements; potential groundwater contaminations; water production concerns; American Rescue Plan (COVID relief) funds; and financial impacts and assumptions. Councilor Warren created a financial spreadsheet to analyze financial components, which demonstrates that the City would be forgoing future income by not moving forward with the agreement.


Mayor Smith concluded the urban growth boundary (UGB) land exchange/contingent land transfer agreement and thanked the owner representatives for being available to answer questions.

Mayor Smith introduced the topic of procurement ordinance #934 and requested Administrator Sweet go over the staff report from the last Council meeting. Administrator Sweet read the synopsis and Councilor options. Councilor Warren supports safe harbors. Councilor Gould was interested in pros and cons. Attorney Watts talked about difficulties in procurement around the State. He indicated that setting too restrictive of procurement boundaries may limit the number of vendors that are interested in bidding. Treasurer Hill talked about aligning the City of Gearhart procurement processes with the State of Oregon revised statutes. The ultimate goal is to create consistency, transparency, and a system that staff can succeed in. Administrator Sweet said procurement has been an area that the City needs to improve upon and that aligning with State regulations would help in this process.

Mayor Smith adjourned the meeting at 7:37 pm.



Chad Sweet, City Administrator



Mayor Kerry Smith