

Gearhart Planning Commission Minutes for January 9, 2025

MEMBERS: Virginia Dideum, Russ Taggard, Don Frank, Eric Halperin, Emerson Fisher, John Mesberg, and Jennifer Grey

STAFF: Chad Sweet, Peter Watts, Garrett Phillips, and Angoleana Torres

Minutes

The regular meeting of the Gearhart Planning Commission for Thursday, January 9, 2025, was called to order at 6:00 p.m. by President Virginia Dideum. *All Members, staff, and land use attorney were present except Garrett Phillips.*

ELECTIONS

On **MOTION** by Taggard, 2nd by Halperin, Dideum was nominated as Planning Commission President.

6 - Approved (Frank, Taggard, Grey, Halperin, Mesberg, Fisher)

1 - abstained (Dideum)

0 – Opposed

On **MOTION** by Halperin, 2nd by Mesberg, Frank was nominated as Planning Commission Vice President.

6 - Approved (Dideum, Taggard, Grey, Halperin, Mesberg, Fisher)

1 - abstained (Frank)

0 – Opposed

CONSENT AGENDA

On **MOTION** by Halperin, 2nd by Taggard, the consent agenda was approved as presented with alterations. Said agenda approved Minutes for December 12, 2024 with edits, financial report for December 31, 2024. No Correspondence

7 - Approved (Dideum, Taggard, Grey, Halperin, Frank, Mesberg, Fisher),

0 – Opposed

STAFF REPORT

Sweet provided several updates and clarifications regarding the development of a new public safety building for Gearhart. He announced that the second public community meeting is scheduled for January 14th to gather input on the site planning for the building. The meeting will focus on gathering feedback

to ensure the design remains compact, functional, and cost-effective while allowing for future growth. Sweet emphasized the importance of public involvement in addressing concerns and incorporating lessons learned from previous elections. Flyers were distributed to encourage participation.

Sweet addressed misinformation circulating online, notably the claim of an \$18 million project budget, clarifying that no budget has been set as programming and site studies are still underway. Structural assessments revealed that remodeling the current building is impractical due to its hollow masonry construction, lack of reinforcement, and significant structural deficiencies. Renovating it would cost approximately \$7-8 million and involve constructing an external structure to support the existing one. Additional challenges include the need to replace adjacent facilities, such as the water shop and the deteriorating public works pole barn.

Sweet also dismissed speculation about transitioning to a paid fire department, affirming Gearhart's strong volunteer base of about 30 members, the highest in the county. While nearby communities like Cannon Beach operate with paid staff due to volunteer shortages, Gearhart remains committed to its volunteer model, which significantly reduces costs. Comparatively, Cannon Beach's fire department operates on a \$4.7 million budget, while Gearhart's fire department budget is under \$1 million.

Addressing further misconceptions, He clarified that the city has no plans for a regional training center. However, Gearhart's fire department has supported neighboring departments by hosting training sessions and using advanced equipment funded through grants. This cooperation underscores the region's mutual aid agreements.

Funding for the new public safety building is expected to come from general obligation bonds, the most economical borrowing method for municipalities. Sweet emphasized Gearhart's comparatively low property taxes, with a permanent rate of \$1.01 per \$1,000 of assessed value, significantly below the state average of \$2.50 per \$1,000 in similar-sized Oregon cities. For example, neighboring cities like Seaside and Cannon Beach have rates of \$2.65 and \$2.82 per \$1,000, respectively. Gearhart's two existing bonds for the water treatment facility, totaling \$0.98 per \$1,000, are set to expire by 2031, potentially offsetting future bond costs. A hypothetical \$15 million project would add roughly \$1 per \$1,000 to property taxes, a 50% increase to Gearhart's current rate but still maintaining its competitiveness among Oregon's lowest-taxed municipalities.

Sweet noted that Gearhart operates its city services, including planning, police, fire, and public works, on a \$3.7 million budget, significantly less than neighboring municipalities. Community feedback and participation in the upcoming meeting are critical to ensure informed decision-making and alignment with public priorities.

Watts began discussing the difference between Cannon Beach's \$56 million city budget, largely funded by transient lodging tax, and Gearhart's smaller budget. He highlighted how the character of Gearhart was preserved by implementing short-term rental restrictions, even though this reduced potential tax revenue. Watts noted the popularity of short-term rentals in Cannon Beach and explained that Gearhart's decision to limit them stemmed from concerns about community character and housing availability.

Sweet reminded the group that Gearhart's tax revenue is based on assessed property values, not real market values, which significantly reduces the potential tax base. He used a specific example to

illustrate how a public safety building costing \$15 million would result in a modest increase in property taxes, contradicting misinformation circulating in the community about excessive tax burdens.

Watts reflected on challenges during the previous public process, including a high volume of public records requests and misinformation. He shared efforts to improve transparency and noted that some community members misunderstood key details about proposed projects, exacerbating tensions.

Frank asked about the history of a previous proposal for a city hall, fire station, and police station. Sweet responded, explaining that the \$3.7 million project from 2005-2007 was ultimately rejected due to community concerns about cost, size, and design. He described how legal appeals, changes to infrastructure laws, and additional expenses for a water treatment facility compounded the project's challenges.

Sweet elaborated on how the city is addressing financial sustainability. Initiatives include revisiting water rates, implementing system development charges (SDCs) for new construction, and adopting cost recovery measures for emergency services. He praised the resourcefulness of Gearhart's staff in managing multiple responsibilities despite limited resources.

Watts suggested potential solutions for financial challenges, such as annexation or implementing a public safety fee modeled after life-flight memberships. He noted that Gearhart's aging population and growing number of year-round residents are increasing demand for services, such as fire and emergency response, further straining the budget.

Frank asked about the financial impact of short-term rental restrictions. Watts clarified that restrictions mainly applied to R-1 and R-2 neighborhoods, while hotels and condos continued to generate the majority of lodging tax revenue. Sweet added that despite a reduction in short-term rental numbers, overall revenue from transient lodging tax has increased due to higher occupancy rates and higher rental prices.

Watts concluded by emphasizing the importance of accurate population data, as many state-shared revenues—such as alcohol, gas, cannabis, and cigarette taxes, all depend on the city's population as determined by Portland State University.

COMMISSIONERS REPORT

Dideum expressed gratitude and appreciation to Taggard for serving as the Planning Commission Vice President and for his support for many years.

GOALS LIST

- Removed line by census - Fire Station site UGB swap/Annexation/Zone change.
The Fire Station site UGB swap was removed as it's no longer a priority but may be revisited for UGB swap after housing and land analyses are completed.

VISITORS COMMENTS – None

PUBLIC HEARINGS

UNFINISHED BUSINESS - None

NEW BUSINESS

Oregon Model Floodplain Management Ordinance

Watts explained the draft FEMA ordinance addressing Federal requirements for salmon and fish habitat preservation. This stems from litigation mandating Oregon cities to adopt measures ensuring compliance. The city received FEMA's guidance late, offering three options: adopting FEMA's model ordinance, creating a local program for map accuracy verification, or enacting a building moratorium in floodplain areas. He advised against a moratorium due to potential conflicts with the Governor's Housing Bill, recommending a hybrid approach instead.

The hybrid model adopts FEMA's data but allows property owners to challenge inaccurate maps through FEMA's LOMAR (Letter of Map Revision) and CLOMAR (Conditional Letter of Map Revision) processes. Key provisions include "no net fill" standards, requiring compensatory cuts for added fill in mapped flood zones to prevent habitat degradation. This ensures compliance while enabling development flexibility.

Compliance with FEMA requirements is critical to maintain eligibility for disaster insurance and funding. Watts noted challenges with FEMA's static maps, particularly for dynamic water systems like Neacoxie Creek, and highlighted ordinance additions (e.g., CLOMAR language and no net loss standards) designed to balance habitat protection with development opportunities.

Dideum requested a sheet explaining the various abbreviations (e.g., LOMAR, CLOMAR, B Zone, Velocity Zone), noting the abundance of unfamiliar terms.

Grey asked whether the draft document combines previous zoning updates reviewed in late summer or early fall with the new FEMA requirements. Watts confirmed that it does. She also asked the question whether the City Council's directive for a hybrid approach (combining FEMA's model ordinance with additional flexibility for property owners) aligns with the document's language. The commissioner observed that the staff summary mentions adopting FEMA's model ordinance with minor edits but doesn't explicitly mention the hybrid approach. She asked for clarification on whether the language reflects the Council's directive for a hybrid approach or if the model ordinance has changed enough to make it sufficient on its own.

Watts clarified that the city did adopt the hybrid approach as directed by the Council. He acknowledged that the summary language might not fully reflect this decision and suggested updating it to explicitly include the hybrid approach for accuracy and clarity.

Grey referenced the previous meeting, noting that changes to the FEMA model ordinance were happening quickly at the time. She asked if there had been any significant updates to the model ordinance since then that might have influenced the current draft.

Watts responded that while there have been some adjustments to the FEMA model ordinance, they have been relatively limited. He also mentioned that there has been intervention from Governor Kodak and

Oregon's Congressional delegation, but these efforts have not significantly impacted the ordinance or the current draft.

Watts explained that including the CLOMAR and LOMAR processes in the ordinance provides flexibility for property owners, which was not originally allowed in FEMA's language. Initially, FEMA's model prohibited these options and did not permit cut-and-fill actions. However, the city's revised approach now includes "no net loss" standards, allowing for these activities while ensuring habitat protection. Watts suggested revising the summary to clearly reflect the added flexibility for property owners.

Frank asked whether the public hearing next month related to this issue was focused on a specific case or if it was a general discussion.

Diddum explained that the public hearing next month is a standard procedure for any proposed changes. During the hearing, the commission will review the statement, and Garrett will likely provide a summary of the proposal. Members of the public will then have the opportunity to speak in favor of or against it. The commission can either recommend that the City Council adopt the changes, recommend against adoption, or suggest postponing the decision, though the latter is not encouraged. Diddum emphasized that the hearing is meant to inform the public, particularly property owners in floodplain areas who may be concerned about the restrictions in the proposed ordinance, especially if they are considering development.

Watts explained that if he owned an undeveloped property in a floodplain or was looking to expand his house, he would be submitting his application immediately to ensure compliance with existing rules. He emphasized that the city must follow current laws when processing complete applications. Watts acknowledged that the community may have mixed reactions, with some people likely concerned while others may be pleased with the changes. He noted that the city has limited discretion in the matter, as most of the process is dictated by federal requirements. While there is room for minor adjustments and clarifications, the city must adopt the ordinance to maintain eligibility for federal insurance.

Taggard reiterated his understanding that the restrictive nature of the ordinance is necessary to secure FEMA insurance. He emphasized that the document must remain as it is in order to proceed with the FEMA application and maintain compliance with federal requirements.

Watts explained that FEMA initially set a December deadline for the city to make substantial progress toward enacting the ordinance, but this was not feasible given that the draft language was not yet available. As a result, FEMA extended the deadline, allowing the city to show progress rather than immediate compliance. Watts mentioned that he had been updating the City Council at every meeting to demonstrate the city's efforts to move forward. He acknowledged the severity of FEMA's stance, noting that failure to adopt substantially similar language could result in the city losing its FEMA insurance, as this was the requirement outlined by FEMA.

Taggard asked for clarification on Section 3.10.6.0, expressing that it seemed to pertain to the wettest conditions, particularly areas near the creek that are highly susceptible to flooding. He was generalizing about the final category, questioning whether it specifically applied to such conditions.

Watts explained that Section 3.10.6.0 aligns with FEMA's 2024 Oregon Implementation Plan, which requires jurisdictions to demonstrate measurable actions to prevent any net loss of the inherent floodplain function. This reflects FEMA's emphasis on preserving floodplain integrity through enforceable standards.

Taggard also asked for clarification to his understanding by asking if the mapped areas outlined correspond to the specified floodplain zones. He also inquired about the tree replacement chart at the end of the document, specifically noting the ratio requiring six trees to be planted for each 39-inch or greater tree removed. Taggard sought confirmation that his interpretation of this requirement was correct, referencing the top blue line in the chart. Additionally, he asked whether this tree replacement standard was a FEMA mandate, or a regulation set by the city. Watts confirmed it was FEMA.

Taggard continued by reflecting on the logic of the tree replacement requirement, connecting it to a situation previously discussed regarding over-planted trees. He referenced a case from six months prior, where a former property owner had densely planted trees, leading to overgrowth and eventual crowding. Taggard questioned whether the ordinance allows for flexibility, suggesting that some sites might not be able to accommodate the mandated six replacement trees without creating an overgrown hedge in the future.

Watts explained that while the ordinance mandates planting six small replacement trees, the practical reality is that not all trees are likely to survive due to factors such as deer grazing or environmental challenges. He emphasized that FEMA establishes standards to comply with federal requirements but is unlikely to closely monitor or enforce these provisions on a community-by-community basis. Instead, the standards serve as a general framework to ensure compliance with federal expectations.

Frank asked whether the city would need to amend its recently passed ordinance to incorporate the new FEMA rules after they are enacted. He expressed concern about whether the timing of this process would necessitate revisiting and updating the ordinance within a few months to ensure alignment with the new requirements.

Watts responded that adjustments to the ordinance might be necessary only if specific properties fall within the floodplain zone. He highlighted broader concerns by sharing an example of delays in obtaining approval for a local wetlands inventory, which has taken over nine months despite existing delineations. He questioned how property owners would navigate similar processes under these new rules, expressing uncertainty about how the implementation would unfold.

Mesberg raised concerns about the formatting of section references in the document, noting that they omit the prefix "3.10," which made it difficult to locate specific sections. He suggested fully citing sections (e.g., "3.10.2.0") to avoid confusion, particularly for readers unfamiliar with the document's structure. He shared an example where the lack of full citation caused difficulty finding a referenced section.

Watts clarified that the current format assumes readers understand all sections begin with "3.10," but acknowledged Mesberg's point and agreed to consider fully citing sections for clarity, though it would require additional effort.

Taggard also identified a correction needed in section 3.10.4.4.2, where "granted" was mistakenly written as "graded." Additionally, he inquired about the use of "2024" instead of "2025" in the document's dating. It was explained that the dates reflect when FEMA published their guidance.

Staff confirmed that adding page numbers and fully citing section references was a feasible improvement, and that this feedback would be communicated to Phillips.

Fisher raised the question of the potential impact of changes in the incoming administration's stance on FEMA or the Endangered Species Act. Specifically, he inquired what would happen if the federal litigation driving these regulations, referred to as "Tenino Settlement" were to be overturned or dismissed.

Watts explained that the regulatory changes stem from federal litigation, not FEMA's initiative, as FEMA was essentially ordered to act. Despite requests from the Governor and Oregon's Congressional delegation to pause the implementation, FEMA has refused. Watts noted that federal judges wield significant authority in these matters, and while a new administration may not prioritize this issue, it is uncertain whether they could take any action to alter the current course.

Frank asked Watts if FEMA provided a new deadline, to which Watts confirmed they had extended it to spring. Watts emphasized that the city has made significant progress by maintaining thorough documentation to show they are taking the matter seriously and responding proactively. He noted that compared to other cities, some of which are pursuing lawsuits, the city is well ahead in its timeline of efforts.

INFORMATION / DISCUSSION - None

CONCERNS OF THE COMMISSION - None

QUESTIONS FOR LAND USE ATTORNEY - None

The meeting was adjourned at 7:20 p.m.

Angoleana R. Torres, Secretary

Approved