



COUNCIL PUBLIC HEARING

Wednesday, September 03, 2025

APPROVED MINUTES

MEMBERS PRESENT

Mayor Jennifer Massey
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF PRESENT

John Walsh, City Administrator
Kathy Payne, City Recorder
Lisa Scholl, Deputy City Recorder
Jacob Graichen, City Planner
Ashley Wigod, Contracted City Attorney

OTHERS

Arthur
Chuck Leahy
Susie Wilson
Brady Preheim

OPEN PUBLIC HEARING – 6:30 p.m.

TOPIC

1. Sale of City-Owned Property on Kelly Street described as:
- Tax Account No. 28848, Map No. 4N1W04-BB-03000, 9,583 Square Feet

Contracted City Attorney Wigod explained the legal framework for the sale of real property under ORS 221.725. She noted that before a City Council sells real property, it must publish a notice stating the time and place of the public hearing, a description of the property, the proposed uses, and the reasons why the Council considers it necessary or convenient to sell the property. Wigod confirmed that the City Recorder had satisfied these notice requirements and explained that the nature of the proposed sale and general terms, including appraisal or market value evidence, must be fully disclosed at the public hearing.

PUBLIC COMMENTS

- ◆ Chuck Leahy, of Leahy Investments and Ken Leahy Construction addressed the Council. He explained that the property in question was previously landlocked and of little value until his company made improvements to the surrounding property, including public storm systems and sewer systems that benefited the women's shelter in the area. Leahy noted that when they purchased the surrounding property, it cost \$1.60 per square foot and had issues with homeless camps, brush, and crime. He mentioned that the City property was "in the way" of potential development and that he had been working on developing the area since 2011.

- ◆ Susie Wilson, a realtor with Oregon First, added that they had been planning development for four years and were ready to proceed, with potential interested parties for the development.

City Planner Graichen presented maps and background information about the property. He displayed a brochure from 2013 showing the approximate location of the property, photos from 2018 and 2020, and maps illustrating how the City property is surrounded on three sides by Leahy Investments' property. Graichen noted that the area includes commercial development, with Burger King located just north of Howard Street. He explained that the Greystone Estate Subdivision created by Leahy included several residential lots (now fully developed) and two commercial lots adjacent to the City property. He confirmed the property is zoned for general commercial use, not residential.

Graichen detailed that in 2022, during a pre-application meeting, the developers had included this City property in their plans for a commercial development of approximately 20,000 square feet across four separate buildings, apparently unaware the City still owned it. He noted that while the subdivision had resolved access issues to the property, incorporating it into a larger commercial development would make the access concern irrelevant.

City Administrator Walsh explained that the proposed transaction was structured as a barter for sale. The City had conducted multiple appraisals of the land and also evaluated the fill material delivered to the site, including hauling, placement, and grading costs, determining that the fill material was of equal or greater value to the City. He confirmed there was no public use for the property, making it necessary and convenient for the City to sell it.

Councilor Hubbard expressed concern about ensuring the City received value in the soil exchange, emphasizing the need for structural fill quality. Mayor Massey echoed these concerns, questioning whether the soil was properly tested and validated as good quality structural fill free from contaminants and organics with appropriate compaction properties.

- ◆ Brady Preheim raised process concerns, referring to this as "the dirty dirt deal" and objecting to the fact that the dirt had already been delivered before the hearing and formal approval process was completed. He viewed this as procedurally backward and inappropriate.

Wigod suggested that the Council could approve the resolution conditionally, requiring Walsh confirm the quality and value of the fill material provided to the City. Mayor Massey agreed that this approach would allow them to proceed with the sale while ensuring proper due diligence regarding the quality of the dirt received.

Mayor Massey noted that Resolution No. 2051 regarding this property sale would be addressed at the Council Regular Session later that evening.

CLOSE PUBLIC HEARING – 6:49 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

/s/ Kathy Payne
Kathy Payne, City Recorder

/s/ Jennifer Massey
Jennifer Massey, Mayor