



AGENDA

**MOLALLA CITY COUNCIL MEETING
May 10, 2023
7:15 PM
Molalla Civic Center
315 Kennel Ave, Molalla, OR 97038**

Mayor Scott Keyser

*Council President Jody Newland
Councilor Terry Shankle
Councilor Eric Vermillion*

*Councilor Leota Childress
Councilor Crystal Robles
Councilor RaeLynn Botsford*

WORK SESSION begins at 6:00pm: Open to the Public, but not open to Public Comment or Testimony

REGULAR COUNCIL MEETING begins at 7:15pm: Open to the Public and open to Public Comment or Testimony. Please fill out a comment card and submit it to the City Recorder, prior to the beginning of the meeting.

*In accordance with House Bill 2560, the City of Molalla adheres to the following practices:
Live-streaming of the Molalla City Council Meetings are available on Facebook at "Molalla City Council Meetings – LIVE" and "Molalla City Council Meetings" on YouTube.
Citizens can submit Public Comment in the following ways: attend the meeting, email the City Recorder @ recorder@cityofmolalla.com by 4:00pm on the day of the meeting, or drop it off at City Hall, 117 N. Molalla Avenue.*

- 1. CALL TO ORDER AND FLAG SALUTE**
- 2. ROLL CALL**
- 3. CONSENT AGENDA**
 - A. City Council Meeting Minutes – April 26, 2023Pg. 3
- 4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES**
 - A. Audit Firm of Boldt Carlisle Smith, A Division of SingerLewak (City Auditor).....Pg. 34
 - B. Planning Commission – Resignation and Appointment.....Pg. 40
- 5. PUBLIC COMMENT & WRITTEN COMMUNICATIONS**
(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generally engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)
- 6. PUBLIC HEARINGS**
- 7. ORDINANCES AND RESOLUTIONS**
 - A. Resolution No. 2023-08: Amending the Molalla Urban Renewal Plan (Huff) Pg. 41
 - B. Resolution No. 2023-09: Concurring with a Public Building Project for the Molalla Urban Renewal Plan (Huff)Pg. 44
- 8. GENERAL BUSINESS**
 - A. Police Department Discussion (Huff)
 - B. Draft Public Camping Ordinance Discussion (Huff)Pg. 47
 - C. Molalla HOPE, LLC. – Lease Discussion (Vermillion)Pg. 52
- 9. STAFF COMMUNICATION**
- 10. COUNCIL COMMUNICATION**

11. ADJOURN

Agenda posted at City Hall, Library, and the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855.



****AMENDED****

Minutes of the Molalla City Council Meeting

Molalla Civic Center
315 Kennel Ave., Molalla, OR 97038
April 26, 2023

CALL TO ORDER

The Molalla City Council Meeting of April 26, 2023 was called to order by Mayor Scott Keyser at 7:00pm.

COUNCIL ATTENDANCE

Present: Mayor Scott Keyser, Council President Jody Newland, Councilor Terry Shankle, Councilor Crystal Robles, Councilor Eric Vermillion, and Councilor RaeLynn Botsford.

Absent: Councilor Leota Childress.

STAFF IN ATTENDANCE

Mac Corthell, Community Development Director; Christie Teets, City Recorder.

Guests of Molalla City Council: County Commissioner Ben West, and Superintendent of MRSD, Tony Mann.

APPROVAL OF AGENDA

Councilor President Newland requested that House Bill 3501 be added to General Discussion. Councilor Robles seconded the request. Motion passed 6-0, with all Councilors voting Aye.

CONSENT AGENDA

- A. Work Session Meeting Minutes – April 12, 2023
- B. City Council Meeting Minutes – April 12, 2023

A motion was made by Councilor Robles to approve the Consent Agenda, seconded by Council President Newland. Vote passed 6-0, with all Councilors voting Aye.

EXECUTIVE SESSION ANNOUNCEMENT

Mayor Keyser made the following statement: “Before regular session this evening, an executive session with Council was held pursuant to Oregon Public Record Law, ORS 192.660(2): (h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. This item will be discussed during the Ordinances & Resolutions section of tonight’s meeting.”

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

- A. Resolution Discussion with Commissioner Ben West

Commissioner West feels the Resolution is important to local government as we are the impacted communities. The anticipated result is to create a network of social leaders that begin to push back and begin to assert what needs to be done, to call out the issues after millions of dollars have been spent with our communities still being overrun with addicted individuals experiencing homelessness. Mr. West feels the focus should be on recovery-first model opposed to a housing-first model.

Clackamas County is the third largest county in the State of Oregon. He acknowledged that Molalla has been impacted by homelessness, addiction and mental health issues, without receiving resources from County or State funding. He offered discussion with Council and is willing to collaborate.

City Recorder Teets asked questions on behalf of Councilor Childress. One question was “do you plan to eliminate the Housing First model?” Commissioner West explained that it is not just about housing, stating that people can overdose outdoors as well as they can within four walls. He stated that it’s about creating a continuum of care that helps meet the needs of people that helps get them recovered. It is a fact that people need housing, however it is expensive and not working. He feels the resolutions purpose will help people recover, in order to find proper housing. Ms. Teets asked a follow-up question of “where will funds come from for the treatment you recommend?” Commissioner West explained that funding comes from several areas, what they

are working on is how to get the funding to Molalla. He spoke to the difficulties that Boise v. Martin poses through House Bill 3115, with the ultimate goal being recovery focused.

Council President Newland asked that if the intent was to go away of the Housing First model, would the money be put towards mental health and addiction recovery treatment. Mr. West stated that was the intention, specifically helping with recovery as the main goal, so that we no longer have individuals languishing in our streets.

Council President Newland disagreed that the word ‘cure’ in the fifth paragraph of the resolution should be described in mental illness issues. She felt that some people with mental illness are brilliant and should not feel the need to be fixed, but to be accepted as who they are. Commissioner West clarified that the resolution is using the word cure to mental illness that is created by addiction, not other mental illnesses.

Mr. West feels that we can no longer turn a blind eye to addiction related mental health issues that we are surrounded by. He feels it is a form of palative core.

Council President Newland questioned the statistics that are mentioned in the resolution and where the data originated. Commissioner West explained that some work was provided by the UCLA Policy Lab. A robust study was performed on the percentage of homelessness, addiction, and mental illness and how those things interect. Oregon is now experiencing these items on a larger scale. He acknowledged that he received mutiple phone calls regarding the issues in Molalla, and knows that the numbers in Molalla are higher than most rural cities, and the resolution proposed speaks to all of the items. He felt it was important to keep the resolution somewhat broad, as many counties in Oregon are now adopting it.

Councilor Robles inquired if the data collected provided numbers on how many homeless individuals are accepting the help that is needed. Mr. West explained that outreach is a very important item that is taking place in Clackamas County. He feels the approach in Portland of providing a safe place for people to use drugs in not an answer to the issue, but perpetuating the issue even more. Councilor Robles asked about long-term sustainability for the program he is proposing through the proposed resolution. Commissioner West replied that elections matter, and that the Clackamas County Commissioners are committed to making it a priority for our County.

Mayor Keyser consulted with Council and the decision was made to hold a Work Session regarding this resolution in the coming weeks. Commissioner West thanked Council for their time, and was invited to join the remainder of the meeting at the Council dais.

[For the complete video account of the discussion with Commissioner West, please go to YouTube “Molalla City Council Meetings – April 26, 2023, minutes 3:40-37:50”](#)

B. Teacher of the Year Recognition

Councilor Vermillion presented the 2023 Pamplin Media Teacher of the Year, Andrea Isfeld, 5th Grade teacher at Molalla Elementary School. He congratulated her on her success and recognized her accomplishment. Superintendent of Molalla River School District, Tony Mann was grateful for the opportunity to highlight an educator, and thanked all MRSD staff for a job well done.

C. OLCC License Request – Casa De Caldos

A motion was made by Councilor Botsford to approve the OLCC License request for Casa De Caldos, seconded by Councilor Vermillion. Vote passed 6-0, with all Councilors voting Aye.

D. OLCC License Request – Fire Foods Company

A motion was made by Councilor Vermillion to approve the OLCC License request for Fire Foods, seconded by Councilor Botsford. Vote passed 6-0, with all Councilors voting Aye.

E. OLCC License Request – Outlaw Saloon

A motion was made by Council Vermillion to approve the OLCC License request for Outlaw Saloon, seconded by Councilor Robles. Vote passed 6-0, with all Councilors voting Aye.

PUBLIC COMMENT

Jacob Giberson, Molalla resident, shared his experience of losing his mother due to mental illness. He supports the resolution that Commissioner West has presented and hopes Council considers passing it. He stated that he was a volunteer with Molalla HOPE in past years, and wanted to speak on behalf of the good things that the Center provides to the community.

Char Pennie, Molalla resident, wanted to ask Commissioner West to clarify his statement about ‘curing’ mental illness. Mr. West reiterated that the point of the proposed resolution was to attempt to cure mental health illnesses due to addiction.

Kristy Hodgkinson, Molalla resident, proposed an alternative for the homeless encampment site proposed in the upcoming public camping ordinance. Ms. Hodgkinson suggested that the lease with Molalla HOPE be terminated and the building be used for offices by the Police Department.

Landon Hodgkinson, Molalla resident, read his statement to Council requesting that the homeless encampment not be placed at Clark Park, due to his concerns of needles and lack of safety for children to play.

Donielle Lowry, Molalla resident, requested Council make a motion to end the lease with Molalla HOPE due to ongoing issues. Ms. Lowry also asked Council to request that Councilor Childress resign her position as City Council, as an ethics violation towards her is pending.

Mayor Keyser paused Public Comment to read a message to the audience regarding the draft public camping ordinance, House Bill 3115, and the issues the City is facing. (message included in these meeting minutes)

Patricia Torsen, Molalla resident, thanked Commissioner West for his presentation. Ms. Torsen is concerned about the homeless crisis and the safety of our children.

Rick Gano, Molalla resident, Aquatic Center Board President, concerned with a homeless encampment being housed at Clark Park. Mr. Gano requested the consideration of Council.

Gary Hopkins, Molalla resident, is concerned about the safety of student athletes on the fields that have drug paraphernalia being left by homeless individuals. Mr. Hopkins is also concerned about the ethics violation of Councilor Childress, and recommends her resigning as Council. Mr. Hopkins was also in concurrence that Molalla HOPE be closed as a warming shelter.

Cindy May, Molalla resident, supported the statements by Kristy and Landon Hodgkinson.

Mayor Keyser invited Mr. Joe Herrera to speak in front of Council. Mr. Herrera raises concerns about multi-family housing and prefers single residential homes.

Randy Baker, Molalla resident, tried to explain the difference between the drug culture and the homeless culture, as he has experienced these issues in his life. Mr. Baker has called the non-emergency police line multiple times, reporting activity. Mr. Baker thanked Commissioner West for his presentation and explanation of the proposed resolution.

City Recorder Teets informed Council that she had received multiple public comment submissions for this evening's meeting. Council concurred that it was important for the emails to be read into the record. City Recorder Teets read each submission to Council and the audience. Submissions were from Molalla residents Nicole McConnell, Mindy Holeman, Ashley Mason, Kelli Bartholomew, Jodi Dix, Jana & Haylee Rasmussen, and Heidi Caldwell. (all submissions are included in these meeting minutes)

Council President Newland made the following statement to the audience: “I had a chance to meet with Councilor Childress last night, and I want you guys to know she has filed with the Oregon government ethics commission. They have 60 days to complete their preliminary review phase, and she is awaiting that decision. I honestly see this as a similar situation to Mayor Keyser’s investigation, although they’re different. We have processes in place in our country that assume innocence until proven otherwise, and we need to give them a chance to work. In our current culture, we seem to want to try people on social media first, and we’re not willing to wait. This may have been similar to those who were tarred and feathered in the early days of our country. As much as I encourage our Mayor and all of our Council to just let certain comments roll off your back, be a duck, right? The fact is we are human and sometimes words hurt. I just ask everyone to please be patient as we are waiting for final results. Thank you.

Mayor Keyser announced a ten-minute recess, from 8:40-8:50pm.

PUBLIC HEARINGS

None.

ORDINANCES AND RESOLUTIONS

- A. Resolution No. 2023-07: Authorizing a Fee in Lieu of Transportation System Improvements for Toliver Estates (Corthell)

Community Development Director Corthell presented the staff report to Council regarding the proposed resolution. This item was discussed during Executive Session, where Council agreed to make a decision at this at Regular Session. Mr. Corthell provided Council with options available.

Sandy McLeod, Molalla resident, spoke to the Council regarding she and her husband, Loren's property. Ms. McLeod was astounded that she and her husband were not informed of the resolution being brought to Council this evening. She requested that Council not approved the resolution until each parties attorney have had a chance to work this out.

Mr. Corthell explained that McLeod's attorney submitted a letter offering \$84,599 fee in lieu. Council has the opportunity to accept the offer, reject it, or table the decision for a later date. Mr. Corthell stated that the attorney's had worked through the issue, which is how an offer was presented to Council.

A motion was made by Councilor Botsford to approve Resolution No. 2023-07, amending the amount to \$84,599, seconded by Councilor Shankle. Vote passed 4-2. Councilors voting Aye: Councilor Vermillion, Councilor Shankle, Councilor Botsford, and Mayor Keyser. Voting Nay: Council President Newland and Councilor Robles.

GENERAL BUSINESS

- A. Molalla HOPE, LLC. Announcement (Teets)

City Recorder Teets reported to Council that Molalla HOPE Executive Director Childress requested that the closure message regarding the Warming Center be provided to Council in its entirety. Ms. Teets informed Council that the complete message is provided to them in their packet. It is also available online.

- B. House Bill 3501 Discussion

Council President Newland brought House Bill 3501 that is currently in legislature to the attention of Council members. The main message of HB 3501 is to allow public camping in any areas of a city, including public rights-of-way. It would inhibit time, place, and manner content from cities ordinances. Council President Newland requested that Council as a whole create a message to send to our State Representative.

Commissioner West stated that a Clackamas County Board meeting will be held the next day and that he will ask the Board as a whole to review the House Bill. He feels that it is a threat and attack on communities.

Post script: Notification was received from House Representatives on May 1, 2023 that this Bill is dead.

STAFF COMMUNICATION

- City Recorder Teets had no report.
- Community Development Director Corthell shared that the monthly Community Development report will be available later in the week.

COUNCIL COMMUNICATION

- Councilor Vermillion announced MRSD Board Meeting and Summer School dates. He thanked everyone that participated in the Town Hall meeting. Councilor Vermillion made a statement regarding the concerns of the homeless population in Molalla.
- Councilor Shankle announced the City Wide Clean-Up Day that is taking place on April 28th – 29th.
- Council President Newland acknowledged Landon Hodgkinson as the youngest public comment speaker that Council has had, and thanked him for attending the meeting. Council President Newland thanked all of the attendees and appreciated their comments. She also announced the upcoming Parks CPC meetings.

- Councilor Robles gave a report on the current Library activities. She thanked the audience members for their participation in the meeting and for providing public comment.
- Councilor Botsford shared that the Chamber of Commerce is trying to determine a theme for this years Grand Parade. She invited anyone with ideas to contact the Chamber.
- Mayor Keyser announced Loyalty Days at the Molalla Fire Department on Monday, May 1st. Mayor Keyser also shared that on Friday, May 5th, he will be presenting a report to Legislature for funding of our new Wastewater Treatment Plant.

For the good of the order, Councilor Newland announced paving on Shirley Street, in hopes that people could avoid that area.

For the complete video account of the City Council Meeting, please go to YouTube
“Molalla City Council Meetings – April 26, 2023”

ADJOURN

Mayor Keyser adjourned the meeting at 9:16pm.

Scott Keyser, Mayor

Date

ATTEST:

Christie Teets, CMC
City Recorder

DRAFT

Kristy Hodgkinson of Molalla

Tonight I want to speak not only of my own opinions but also that of a group of Molalla residents that are either not able to attend tonight or aren't comfortable speaking in public. I will provide a list of those residents to the council as well.

Over the last two months I have heard the city council ask the residents of Molalla to come up with a good alternative to using our city parks as a place to provide the mandated Camping area that the State of Oregon is requiring.

It is also my understanding that the city may terminate Molalla Hope's lease of the warming center if the city has an alternative need for the building or property.

I propose the city terminate the lease and use the building for temporary office space for the Molalla Police Department. Their current building is insufficient. This would provide them with more space to have individual desks.

Terminating the lease would also make the fenced area behind the building become available. We could then use that area as the location for the homeless encampment site. The area is already fenced and gated. That means we could unlock it only during the designated camping time and lock it during the day. Which helps us to ensure our children could not get access to the area. Having the area next to a building that is also occupied by the police department would discourage any illegal happenings. It is also located in an easy to access area for the police if an incident arises. This not only is for the safety of the community but is also good for the safety of the homeless. The fire department is also located close by for easy access to medical services. The gravel area would be much easier to keep clean compared to any of the parks or other fields being looked at for consideration. Being on gravel instead of a grassy area also reduces the chance of fires to be started.

Another positive aspect of this proposal is that the police would then have a stronger presence for our youth that use the neighboring skate park. This would help give them a better sense of safety while using the park.

This not only would solve two of our cities current issues. It would also end Leota Chidress involvement with a city owned building while she is under investigation for a ethics violation.

I would like to ask the council to consider making a motion to end the lease on the warming center at tonight's meeting.

At this time I would like to ask that anyone who feels I am also speaking on their behalf and is in favor of this idea please stand in recognition.

Thank you so much for your time and for allowing me to speak.

List of people in support of Kristy Hodgkinson's speech.

Belinda Simmons
Jodi Houser
Nicole Jung
Mary Beth Pearson
Kristina Christopherson
Leona Jones
Kimberly Adams
Sandy Jones
Haley Lowrie
Jodi Dix
Victoria Roggensack
Monica Chance
Susan Robbins
Randy Baker
Elizabeth Holmes
Lisa Runyan
Theresa Manning
Steve Woodward
Lynetter Boutelle
Katie Derrick
Carmon Prettyman
Cory Adlard
Dusty Willman
Lynda McDonald-Lay
Carmon Coy
Char Pennie
David Potts
Nichole McConnell
Kim Gredvig
Lacey Sandquist
Nicholas Taylor
Andrea Nordahl
Kenneth Powell
Ashley Bentley
Adam Bany
John Leek
Melissa Leek
Jennifer Blair
Robert Roggensack
Paige Lantz
Katie Hartle
Violet Kuehl

Dustin Kuehl
Jennifer Jaspers
Dustin Gresham
Laurinda Nealeigh
Brandon Nealeigh
Debra Moehnke
David Moehnke
Matthew Calhoon
Sarah Moehnke
Noelle Brown
Melissa Dowe
Tara Martin
Andy Foskett
Tammy Bauer

Hello my name is Landon Hodgkinson. I live on Shirley st. Just a few houses down from Clarke Park.

For the last 5 years I have enjoyed making memories at Clarke park.

I walk or ride my scooter to and from the park. We have played with my stomp rocket in the grass, went to the vintage market, and national night out. I play on the equipment and enjoy riding my scooter on the new paths through the park.

I have worries if the homeless are allowed to sleep at Clarke Park.

I worry the park will no longer stay pretty.

I worry the homeless people won't follow the rules.

I worry I won't be able to have fun riding my scooter or play at the park anymore. Because they may leave drugs, needles, and trash behind.

I worry having the homeless area at the park or Bohlander field will cause the homeless to walk in front of my house all of the time. Which would mean I couldn't play safely in my front yard anymore.

Please help me to keep making memories and keep Clarke park safe.

From: [Jana Rasmussen](#)
To: [City Recorder](#)
Subject: homeless situation
Date: Wednesday, April 26, 2023 4:01:05 PM

I want to comment in regards to the homeless situation. As someone who homeschools and is active in our community I wish to have my families voice heard.

We are against having a camping spot as we have seen how it is in other cities. Also we walk town with our kids and the park and the amount of things we are finding evidence of drug use. Most don't let us sit at the picnic tables to have a picnic as they are laying across them and have their belongings strung out on them. some looking and smelling really bad. We enjoy a picnic table for eating or doing learning. My daughter has been talked to , approached and made uncomfortable by a handful of them as well. maybe bolander field parking lot while the rodeo is not going on is a good spot . But please do not have it in or near our parks.

I have to cut this short so it will be in, in time.

Jana & Haylee

Before we get started I'd like to take a moment to address an issue of extreme importance to many of you in the audience, many folks watching at home, and certainly to this Council. I am referring to the Public Camping Ordinance dictated to us by House Bill 3115.

I am excited to see the community mobilizing behind this and any other issue, it is the American way, but also want to provide some insight on how you all can help us in our roles as community decision makers on this issue. City staff has produced a packet of information regarding the camping ordinance and homelessness in public spaces. There are paper copies available here tonight, City Staff will be posting them on the Did You Know page of the Molalla Current tomorrow, and they will also be available at City Hall and the Civic Center moving forward for those who may lack computer access or skills.

The reason we have pieced together this information is so that folks can understand the problem space we're working in and help us as your elected decision makers by providing community feedback, suggestions, and insights that are tethered to reality. We would all like cart Blanche to legislate as we desire on this issue and many others, but the laws of the United States and the State of Oregon supersede our authority to do so in this and many other situations. With that said, there are a lot of creative minds in Molalla and we as a Council want and need your input on how we should move forward, but we need realistic suggestions; not that all of those we've received to date are unrealistic. So, please grab a packet or read up on the Current so that you are fully aware of the limitations, requirements, and timelines involved; this will help you and us by receiving community feedback that also reconciles the space in which we are forced to operate. Thank you!"

From: [nichole mcconnell](#)
To: [Scott Keyser](#); [Jody Newland](#); [Eric Vermillion](#); [Terry Shankle](#); [Leota Childress](#); [Rae-Lynn Botsford](#); [Crystal Robles](#); [Dan Huff](#); [Christie Teets](#)
Subject: Designated camping ordinance
Date: Monday, April 24, 2023 8:03:13 PM

Dear Mayor and Council,

I'll share my story with you as I have on Facebook. As it's a relevant concern for me and my neighbors. I am very much against Bohlander being a designated camp. My children wouldn't be safe in thier own backyard. And this beautiful space is essentially used as a backyard to all the surrounding neighborhoods. And if proposing a fenced area is supposed to keep us safe, well you're not going to be able to lock them in like animals. They are going to roam as they please.

Thank you for reading this.

As I've heard comments from the Mayor, it seems he's pushing for Bohlander field as the homeless camp.

In July of 2021, it was my son's birthday, my mother-in-law and her other half, who's a retired fireman, were in our living room when he noticed a young man who looked like a street person was sitting in the field, then trying to stomp out a fire he started from a cigarette. The four of us were out there immediately with shovels and carrying out buckets of water and it still grew this large in minutes. Luckily it wasn't a windy day. We did call the fire department and they doused it completely.

What could have happened if we weren't home? This was when we had a water restriction, so our backyard was bone dry also. This fire could easily spread to homes. I understand this is always a risk, but if the city is proposing the homeless to sleep there, it's adding to that risk. Especially when they'll be there during the night and Homeowners are helpless. I know they said no fires are allowed, but it only takes a lighter or cigarette butt.

Every summer this field is extremely dry.
See photo



From: [nichole mcconnell](#)
To: [Scott Keyser](#); [Jody Newland](#); [Terry Shankle](#); [Crystal Robles](#); [Leota Childress](#); [Eric Vermillion](#); [Rae-Lynn Botsford](#)
Cc: [Dan Huff](#); [Christie Teets](#)
Subject: Resolution from Ben West
Date: Tuesday, April 25, 2023 3:05:31 PM

At this time I do not support this resolution and I would hope you get community feedback and details first before voting yes.

I really have no idea what it truly means, it sounds good on the outside, but will the City have more obligation to provide services. Does it mean opening a full-time shelter that anyone from the entire County can come. Will it open a can of worms? Why is the County coming to Molalla with this? Why not take it to a larger City and see how it works for them first? A full-time shelter and recovery center should be located in OC, Clackamas or Gladstone area, where there is multiple services, Hospitals, emergency care and tri-met services. Especially if it's funded by the County.

Perhaps they should rethink their vote on project turn key.

Also, why should Molalla accept the fee in lieu of the Toliver Estate improvements? What is the reason they won't fulfill their obligation?

Thank you,
Nichole

From: [Leota Childress](#)
To: [Dan Huff](#); [Christie Teets](#)
Subject: Fw: Homeless Camp
Date: Wednesday, April 26, 2023 12:08:31 AM

Leota Childress
City Councilor
City of Molalla
503.829.6855

From: Mindy Holeman <mindy@grandviewcares.com>
Sent: Tuesday, April 25, 2023 5:24 PM
To: Leota Childress
Subject: Homeless Camp

Dear Sirs,

As a resident of Molalla, I'm appalled that I am just now finding out that this is a mandatory homeless encampment coming to our small town. We do not have the finances or the resources to make this happen. Not only have we seen an increase in homelessness, but drugs. Our small town is not large enough, nor do we have the resources to accommodate such an influx of homelessness. This is going to make our property taxes go up and property value go down. As it is, we have a drug house on our street! I live on June Dr. The police have done nothing about it. Vagrants and druggies are pedaling up and down my street casing houses and rooting through our trash! Just the other day, a man on drugs was talking to himself and screaming on the corner.. and this is what you are bringing to our small family town!? You should be ashamed of yourselves! This is unacceptable! Please be warned... if any of you vote this in, I will personally petition for your removal and make sure you are not re-elected. You have a responsibility to protect our community.. being paid by the state to relocate people from Portland is not protection. It's disgusting and needs to stop!

A Sincerely Concerned Citizen,

Mindy Holeman

From: [nichole.mcconnell](#)
To: [Dan Huff](#); [Scott Keyser](#); [Jody Newland](#); [Terry Shankle](#); [Leota Childress](#); [Crystal Robles](#); [Rae-Lynn Botsford](#); [Eric Vermillion](#)
Cc: [Christie Teets](#)
Subject: Camping Ordinance
Date: Wednesday, April 26, 2023 9:32:35 AM

Dear Mayor, Council and Mr. Huff,

I think my biggest fear is this narrative of "picking" a spot and placing that burden in one neighborhood, rather than it being shared as a community. The City doesn't have to choose a place for a camp, they just need to enforce rules around it. Which is what the first draft of the ordinance was. So unless there is a property that is away from residential neighborhoods, there should be no designated camp. Picking a spot in a neighborhood Park or field and erecting a fenced area is just giving permission for their own space and possibly creating problems where there were once none. The idea of a fenced area is not going to protect anyone but them. They could still leave unwanted items or trash anywhere they travel to and from. And the thought of picking one place to make it easier for the City to clean up or for the police to patrol, well we don't pay taxes to make their lives easier, quite the opposite. They exist to better our community. I can understand banning camping at Fox Park and certain localized areas. But the property of the warming center should not be exempt. And if the operation of the warming center has created so much havoc, which the PD should be able to confirm, then shut it down.

Thanks again for listening.

Nichole

From: [Ashley Mason](#)
To: [City Recorder](#)
Subject: City Council Meeting 4/26/2023 support email
Date: Wednesday, April 26, 2023 10:24:19 AM

We - Benjamin and Ashley Mason, property owners in the Bear Creek community want to add our supportive votes to the below listed plan to be proposed by Kristy Hodgkinson at the city council meeting tonight 4/26/2023.

Hello friends and fellow community members,

I am proposing an idea at this weeks city council meeting. It will solve a few issues our city is facing. There is a clause in the warming center's lease. It states that if the city needs the building for another use the city can terminate the lease.

I propose that the city end the lease. They could use the building to provide our police department with much needed office/desk space. Something they are in desperate need of while they are awaiting their new building. We could also use the gravel fenced in area behind the building to fulfill the need of a designated camping area for the homeless. This would provide a small fenced, well lit, gated, and easily patrolled area. It would also provide the skate park with more police patrol.

From: [Leota Childress](#)
To: [Kelli Bartholomew](#); [Dan Huff](#); [Christie Teets](#)
Subject: Re: Designated Homeless encampment - Molalla
Date: Wednesday, April 26, 2023 12:50:51 PM

Ms. Bartholomew, thank you for sharing your views on homeless camping.

I have copied City Manager Huff and City Recorder Teets to be sure that your comments are in the records.

Leota Childress
City Councilor
City of Molalla
503.829.6855

From: Kelli Bartholomew <kelli@aiyanaaesthetics.com>
Sent: Wednesday, April 26, 2023 12:06:12 PM
To: Leota Childress
Subject: Designated Homeless encampment - Molalla

Councilor Childress,

As a business in downtown Molalla we want to speak out against this designated homeless encampment as a detriment to our growth and vitality. We are finally recovering from COVID and our beautiful city is beginning to thrive again. If this initiative happens, we fear for the security, safety and well being of the downtown area and the City of Molalla as a whole. It is clear as to the effects of housing the homeless as we look at our neighboring City of Portland. The devastation is unbelievable and to accept this as Molallas future is unacceptable. I hope you will put our City first and take a stand against this outrageous mistake.

--
Kelli Bartholomew
AIYANA Aesthetics / Practice Manager
kelli@aiyanaaesthetics.com
(503) 882-0007



From: [Heidi Caldwell](#)
To: [City Recorder](#)
Subject: Public comment for City Council
Date: Wednesday, April 26, 2023 2:37:27 PM

Public comments for tonight's meeting. Please read into record.

Kind regards,
Heidi Caldwell

Council Members,

Now knowing Councilor Childress has financial gain from her non-profit, Molalla Hope, I'm curious how a conflict of interest does not exist when she is allowed to take part and vote on things such as approval of the cities budget. I'm sure if the call logs for the police department are analyzed we would find that a significant increase of police activity is taking part at or because of her non-profit. A non-profit she collects an income from. In fact, I'm sure the non-profit calls for and uses police services. Yet, Councilor Childress has been a decision maker over the police departments budget for years. Correct me if I'm wrong, but has she ever announced a conflict of interest during these meetings?

It's clear to me it's time for Councilor Childress to make a choice between being a council member or working for her non-profit, too many conflicts exist for her to effectively lead our city.

Mr. Keyser, you are also complacent in this. And from what you have admitted on social media, a bold faced liar. By all accounts from an email Councilor Childress sent today, you brought this issue forth March 13th, 2023. However, while retaliating against a private citizen sharing conversations she had with you in November of 2021, you yourself, in your own words, indicated this citizen brought the concern forward to you in February of 2021, 9 months previously. If I need to remind you, this was directly after you posted a video pretending to have been shocked by all of this revelation and "only recently finding out".

You sir sat on this information for two years. Sat at the dias during the April 27, 2022 Council discussion and still said nothing. Had you brought this information forward when you were made aware of it, it could have been acted upon then. Molalla Hope is a 501(3)(c), their financial records are required to be disclosed when requested making your claim of the city just discovering it recently indicative of you hiding relevant information in an ethics issue. Unless now you want to claim city staff are lazy and didn't do their jobs for two years to protect yourself? You have zero integrity and you are the one who should not be trusted.

Scott Keyser you have made a mockery of this small town by your continued antics and lies. You too should step down.

Heidi Caldwell

From: [Jodi Dix](#)
To: [City Recorder](#)
Subject: Molalla homeless issues
Date: Wednesday, April 26, 2023 3:59:01 PM

Hi,

My name is Jodi Dix and I 'm sending this to you because I'm very concerned about the homeless issues in our town of Molalla. The drugs and thief's are out of control. I feel the warming center needs to be shut down it's drawing so many homeless people to our town and we don't feel safe anymore. Use the space for something that will benefit our town. Police space, kids fun activities, DARE program etc... I don't feel that Leota should be on the city council anymore or the head of the warming center. She is doing a poor job at running the warming center when all you see are drug deals, homeless doing drugs and causing big fights with each other. This is horrible to see our town like this! I have lived here 47 years and have never seen anything like this.

I would also like to recommend Rotary Park for a place for the homeless. There's no play structures there. It can be easily patrolled. More lighting would be nice. Leota did say there is only 15 or so of them. There's plenty of room there. You do have my permission to read this at the city council meeting tonight.

Thank you,
Jodi Dix
Sent from my iPhone

From: [Dan Huff](#)
To: [Christie Teets](#); [Suzanne Baughman](#); [Chris Long](#); [Bobby Call](#); [Mac Corthell](#)
Subject: FW: Warming Center Notice
Date: Friday, April 14, 2023 12:23:24 PM

FYI

From: Leota Childress <molallahope@gmail.com>
Sent: Friday, April 14, 2023 12:17 PM
To: Dan Huff <dhuff@cityofmolalla.com>
Subject: Warming Center Notice

City Manager Huff,

The Warming Center, managed by Molalla HOPE, Inc., has reached the maximum number of allowable nights to operate under the agreement with the Molalla Fire Department. Therefore, regardless of the weather, it will not be open again this winter season.

Furthermore, due to conditions beyond our control, all service operations at the Center will cease until at least June 1 *unless we open due to extreme heat*. There will be no laundry services, weekly meals, or drug recovery/housing programs available at 209 Kennel Ave. Management is saddened to have to take these steps. The majority of our clients are being denied services because of a few bad apples over whom none of us have control.

While we believe there is a need for a portable toilet available for the entire community, we have learned that it is being mis-used by people at the skatepark and the homeless population and has become detrimental to the livability of the area, so it is being removed.

Our **Closed Do Not Trespass** signs will be posted today.

It has been a long and arduous season for you and us, with the worst winter in ten years. We were open 109 nights and 24 days and that added to the visibility of the homeless population with more folks coming in from their camps near Molalla. Plus, we have had to contend with a small but vociferous number of opponents in town who continue to stir the pot of discontent and spread untruths.

Let us all look forward to calmer seas ahead.

Best Regards,
Leota R Childress
Executive Director
Molalla HOPE Inc

House Bill 3501

Sponsored by Representative CHAICHI; Representative PHAM K

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Establishes Oregon Right to Rest Act. Makes violation unlawful practice enforceable by Commissioner of Bureau of Labor and Industries or by civil action.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to rights of persons experiencing homelessness; creating new provisions; amending ORS
3 659A.885; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 to 6 of this 2023 Act are added to and made a part of ORS chapter**
6 **659A.**

7 **SECTION 2. Sections 3 to 6 of this 2023 Act shall be known and may be cited as the**
8 **Oregon Right to Rest Act.**

9 **SECTION 3. (1) The Legislative Assembly finds that:**

10 (a) **Many persons in Oregon have experienced homelessness as a result of economic**
11 **hardship, a shortage of safe and affordable housing, the inability to obtain gainful employ-**
12 **ment and a disintegrating social safety net system; and**

13 (b) **Decriminalization of rest allows local governments to redirect resources from local**
14 **law enforcement activities to activities that address the root causes of homelessness and**
15 **poverty.**

16 (2) **It is declared to be the public policy of Oregon to guarantee persons experiencing**
17 **homelessness participation in the social and economic life of this state, remunerative em-**
18 **ployment, use of and free movement within public spaces, participation in and receipt of the**
19 **benefits of the services, programs and activities of state government and local governments**
20 **and housing accommodations of the person's choice, without discrimination.**

21 **SECTION 4. As used in sections 3 to 6 of this 2023 Act:**

22 (1) **"Harassment" means a knowing and willful course of conduct directed at a person**
23 **experiencing homelessness that a reasonable person would consider as seriously alarming,**
24 **tormenting or terrorizing of the person experiencing homelessness.**

25 (2) **"Housing status" means the residential status of a person experiencing homelessness.**

26 (3) **"Local government" has the meaning given that term in ORS 174.116.**

27 (4) **"Motor vehicle" has the meaning given that term in ORS 801.360.**

28 (5)(a) **"Persons experiencing homelessness" means persons who lack, or are perceived to**
29 **lack, a fixed, regular and adequate nighttime residence.**

30 (b) **"Persons experiencing homelessness" includes persons who:**

31 (A) **Share the housing of other persons due to loss of housing, economic hardship or a**

NOTE: Matter in boldfaced type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in boldfaced type.

1 similar reason;

2 (B) Live in motels, hotels, trailer parks or campgrounds due to the lack of alternative
3 adequate accommodations;

4 (C) Live in emergency or transitional shelters;

5 (D) Are abandoned in hospitals;

6 (E) Are awaiting foster care placement;

7 (F) Have a primary nighttime residence that is a public or private place not designed for
8 or ordinarily used as a regular sleeping accommodation for human beings;

9 (G) Live in cars, parks, public spaces, abandoned buildings, substandard housing, bus or
10 train stations or similar settings; or

11 (H) Are migratory and otherwise experiencing homelessness as described in this sub-
12 section.

13 (6)(a) "Public space" means any property that is owned, in whole or in part, by state
14 government or a local government, or upon which there is an easement for public use, and
15 that is held open to the public.

16 (b) "Public space" includes but is not limited to plazas, courtyards, parking lots, side-
17 walks, public transportation facilities and services, public buildings and parks.

18 (c) "Public space" does not mean a private business establishment.

19 (7) "Recreational vehicle" has the meaning given that term in ORS 650.300.

20 (8) "Rest" means the state of sleeping or not moving or the state of holding certain
21 postures that include but are not limited to sitting, standing, leaning, kneeling, squatting or
22 lying on the ground or other surface.

23 (9) "State government" has the meaning given that term in ORS 174.111.

24 **SECTION 5.** (1) In enacting sections 3 to 6 of this 2023 Act, it is the intent of the Legis-
25 lative Assembly that:

26 (a) Persons experiencing homelessness be permitted to use public spaces in the same
27 manner as any other person without discrimination based on their housing status;

28 (b) A person experiencing homelessness has a privacy interest and a reasonable expect-
29 ation of privacy in any property belonging to the person, regardless of whether the property
30 is located in a public space; and

31 (c) Every person in this state, including persons experiencing homelessness, have the
32 rights set forth in subsection (2) of this section to be exercised without being subject to
33 harassment, citation or arrest by law enforcement officers, public or private security per-
34 sonnel or employees of local governments.

35 (2) Notwithstanding any other law or regulation of state government or local govern-
36 ment, a person experiencing homelessness has the following rights:

37 (a) To use and move freely in public spaces without discrimination and time limitations
38 that are based on housing status.

39 (b) To rest in public spaces and seek protection from adverse weather conditions that are
40 unsuitable for human exposure in a manner that does not obstruct human or vehicle traffic.

41 (c) To eat, share, accept or give food in any public space in which having food is not
42 prohibited.

43 (d) To pray, meditate, worship or practice religion in public spaces without discrimination
44 based on housing status.

45 (e) To occupy a motor vehicle or a recreational vehicle provided that the vehicle is legally

1 parked on public property or on private property with the permission of the private property
2 owner.

3 (3) Subsection (2) of this section does not apply if the public space is closed to the general
4 public or requires a fee for entry. When this subsection applies, and it is legal and reasonable
5 to do so, law enforcement or local officials shall clearly designate and provide an appropriate
6 alternative place for persons experiencing homelessness to rest without time limitations in
7 the near vicinity.

8 (4) An affirmative defense is available to a person experiencing homelessness to a civil
9 or criminal charge related to use of public spaces that the person was exercising the rights
10 set forth in this section.

11 **SECTION 6.** (1) It is an unlawful practice for any person to deny, refuse, restrict or
12 withhold from a person experiencing homelessness any of the rights listed in section 5 of this
13 2023 Act.

14 (2) Complaints alleging an unlawful practice under this section may be filed by the
15 aggrieved person, or by a person lawfully acting on behalf of the aggrieved person, with the
16 Commissioner of the Bureau of Labor and Industries in the manner provided by ORS
17 659A.820. The commissioner shall enforce this section in the manner provided in this chapter
18 regarding other unlawful practices.

19 (3) Violation of this section subjects the violator to the civil remedies and penalties pro-
20 vided in this chapter.

21 **SECTION 7.** ORS 659A.885, as amended by section 7, chapter 99, Oregon Laws 2022, is amended
22 to read:

23 659A.885. (1) Any person claiming to be aggrieved by an unlawful practice specified in sub-
24 section (2) of this section may file a civil action in circuit court. In any action under this subsection,
25 the court may order injunctive relief and any other equitable relief that may be appropriate, in-
26 cluding but not limited to reinstatement or the hiring of employees with or without back pay. A
27 court may order back pay in an action under this subsection only for the two-year period imme-
28 diately preceding the filing of a complaint under ORS 659A.820 with the Commissioner of the Bureau
29 of Labor and Industries, or if a complaint was not filed before the action was commenced, the two-
30 year period immediately preceding the filing of the action. In any action under this subsection, the
31 court may allow the prevailing party costs and reasonable attorney fees at trial and on appeal. Ex-
32 cept as provided in subsection (3) of this section:

- 33 (a) The judge shall determine the facts in an action under this subsection; and
- 34 (b) Upon any appeal of a judgment in an action under this subsection, the appellate court shall
35 review the judgment pursuant to the standard established by ORS 19.415 (3).

36 (2) An action may be brought under subsection (1) of this section alleging a violation of:

- 37 (a) ORS 10.090, 10.092, 25.337, 25.424, 171.120, 243.323, 408.230, 408.237 (2), 475C.285, 476.574,
38 652.020, 652.220, 652.355, 653.060, 653.263, 653.265, 653.547, 653.549, 653.601 to 653.661, 659.852,
39 659A.030, 659A.040, 659A.043, 659A.046, 659A.063, 659A.069, 659A.082, 659A.088, 659A.103 to
40 659A.145, 659A.147, 659A.150 to 659A.186, 659A.194, 659A.199, 659A.203, 659A.218, 659A.228,
41 659A.230, 659A.233, 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306,
42 659A.309, 659A.315, 659A.318, 659A.320, 659A.343, 659A.355, 659A.370 or 659A.421 or section 5,
43 chapter 99, Oregon Laws 2022, or section 6 of this 2023 Act; or

44 (b) ORS 653.470, except an action may not be brought for a claim relating to ORS 653.450.

45 (3) In any action under subsection (1) of this section alleging a violation of ORS 25.337, 25.424,

1 243.323, 652.220, 652.355, 653.547, 653.549, 659.852, 659A.030, 659A.040, 659A.043, 659A.046, 659A.069,
2 659A.082, 659A.103 to 659A.145, 659A.199, 659A.203, 659A.228, 659A.230, 659A.250 to 659A.262,
3 659A.290, 659A.318, 659A.343, 659A.355, 659A.370 or 659A.421:

4 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
5 compensatory damages or \$200, whichever is greater, and punitive damages;

6 (b) At the request of any party, the action shall be tried to a jury;

7 (c) Upon appeal of any judgment finding a violation, the appellate court shall review the judg-
8 ment pursuant to the standard established by ORS 19.415 (1); and

9 (d) Any attorney fee agreement shall be subject to approval by the court.

10 (4) Notwithstanding ORS 31.730, in an action under subsection (1) of this section alleging a vi-
11 olation of ORS 652.220, the court may award punitive damages if:

12 (a) It is proved by clear and convincing evidence that an employer has engaged in fraud, acted
13 with malice or acted with willful and wanton misconduct; or

14 (b) An employer was previously adjudicated in a proceeding under this section or under ORS
15 659A.850 for a violation of ORS 652.220.

16 (5) In any action under subsection (1) of this section alleging a violation of ORS 653.060 or
17 659A.147, the court may award, in addition to the relief authorized under subsection (1) of this sec-
18 tion, compensatory damages or \$200, whichever is greater.

19 (6) In any action under subsection (1) of this section alleging a violation of ORS 171.120, 476.574
20 or 659A.218, the court may award, in addition to the relief authorized under subsection (1) of this
21 section, compensatory damages or \$250, whichever is greater.

22 (7) In any action under subsection (1) of this section alleging a violation of ORS 10.090 or 10.092,
23 the court may award, in addition to the relief authorized under subsection (1) of this section, a civil
24 penalty in the amount of \$720.

25 (8) Any individual against whom any distinction, discrimination or restriction on account of
26 race, color, religion, sex, sexual orientation, gender identity, national origin, marital status or age,
27 if the individual is 18 years of age or older, has been made by any place of public accommodation,
28 as defined in ORS 659A.400, by any employee or person acting on behalf of the place or by any
29 person aiding or abetting the place or person in violation of ORS 659A.406 may bring an action
30 against the operator or manager of the place, the employee or person acting on behalf of the place
31 or the aider or abettor of the place or person. Notwithstanding subsection (1) of this section, in an
32 action under this subsection:

33 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
34 compensatory and punitive damages;

35 (b) The operator or manager of the place of public accommodation, the employee or person
36 acting on behalf of the place, and any aider or abettor shall be jointly and severally liable for all
37 damages awarded in the action;

38 (c) At the request of any party, the action shall be tried to a jury;

39 (d) The court shall award reasonable attorney fees to a prevailing plaintiff;

40 (e) The court may award reasonable attorney fees and expert witness fees incurred by a de-
41 fendant who prevails only if the court determines that the plaintiff had no objectively reasonable
42 basis for asserting a claim or no reasonable basis for appealing an adverse decision of a trial court;
43 and

44 (f) Upon any appeal of a judgment under this subsection, the appellate court shall review the
45 judgment pursuant to the standard established by ORS 19.415 (1).

1 (9) When the commissioner or the Attorney General has reasonable cause to believe that a
 2 person or group of persons is engaged in a pattern or practice of resistance to the rights protected
 3 by ORS 659A.145 or 659A.421 or federal housing law, or that a group of persons has been denied
 4 any of the rights protected by ORS 659A.145 or 659A.421 or federal housing law, the commissioner
 5 or the Attorney General may file a civil action on behalf of the aggrieved persons in the same
 6 manner as a person or group of persons may file a civil action under this section. In a civil action
 7 filed under this subsection, the court may assess against the respondent, in addition to the relief
 8 authorized under subsections (1) and (3) of this section, a civil penalty:

9 (a) In an amount not exceeding \$50,000 for a first violation; and

10 (b) In an amount not exceeding \$100,000 for any subsequent violation.

11 (10) In any action under subsection (1) of this section alleging a violation of ORS 659A.145 or
 12 659A.421 or alleging discrimination under federal housing law, when the commissioner is pursuing
 13 the action on behalf of an aggrieved complainant, the court shall award reasonable attorney fees to
 14 the commissioner if the commissioner prevails in the action. The court may award reasonable at-
 15 torney fees and expert witness fees incurred by a defendant that prevails in the action if the court
 16 determines that the commissioner had no objectively reasonable basis for asserting the claim or for
 17 appealing an adverse decision of the trial court.

18 (11) In an action under subsection (1) or (9) of this section alleging a violation of ORS 659A.145
 19 or 659A.421 or discrimination under federal housing law:

20 (a) "Aggrieved person" includes a person who believes that the person:

21 (A) Has been injured by an unlawful practice or discriminatory housing practice; or

22 (B) Will be injured by an unlawful practice or discriminatory housing practice that is about to
 23 occur.

24 (b) An aggrieved person in regard to issues to be determined in an action may intervene as of
 25 right in the action. The Attorney General may intervene in the action if the Attorney General cer-
 26 tifies that the case is of general public importance. The court may allow an intervenor prevailing
 27 party costs and reasonable attorney fees at trial and on appeal.

28 **(12) In any action under subsection (1) of this section alleging a violation of section 6 of**
 29 **this 2023 Act, the court may award, in addition to the relief authorized under subsection (1)**
 30 **of this section:**

31 **(a) Compensatory damages or \$1,000 per violation, whichever is greater; and**

32 **(b) A civil penalty in the amount of \$1,000.**

33 **SECTION 8.** ORS 659A.885, as amended by section 10, chapter 197, Oregon Laws 2017, section
 34 6, chapter 139, Oregon Laws 2019, section 8, chapter 343, Oregon Laws 2019, section 8, chapter 463,
 35 Oregon Laws 2019, section 13, chapter 701, Oregon Laws 2019, section 45, chapter 367, Oregon Laws
 36 2021, and section 8, chapter 99, Oregon Laws 2022, is amended to read:

37 659A.885. (1) Any person claiming to be aggrieved by an unlawful practice specified in sub-
 38 section (2) of this section may file a civil action in circuit court. In any action under this subsection,
 39 the court may order injunctive relief and any other equitable relief that may be appropriate, in-
 40 cluding but not limited to reinstatement or the hiring of employees with or without back pay. A
 41 court may order back pay in an action under this subsection only for the two-year period imme-
 42 diately preceding the filing of a complaint under ORS 659A.820 with the Commissioner of the Bureau
 43 of Labor and Industries, or if a complaint was not filed before the action was commenced, the two-
 44 year period immediately preceding the filing of the action. In any action under this subsection, the
 45 court may allow the prevailing party costs and reasonable attorney fees at trial and on appeal. Ex-

1 cept as provided in subsection (3) of this section:

2 (a) The judge shall determine the facts in an action under this subsection; and

3 (b) Upon any appeal of a judgment in an action under this subsection, the appellate court shall
4 review the judgment pursuant to the standard established by ORS 19.415 (3).

5 (2) An action may be brought under subsection (1) of this section alleging a violation of:

6 (a) ORS 10.090, 10.092, 25.337, 25.424, 171.120, 243.323, 408.230, 408.237 (2), 475C.285, 476.574,
7 652.020, 652.220, 652.355, 653.060, 653.263, 653.265, 653.547, 653.549, 653.601 to 653.661, 659.852,
8 659A.030, 659A.040, 659A.043, 659A.046, 659A.063, 659A.069, 659A.082, 659A.088, 659A.103 to
9 659A.145, 659A.147, 659A.150 to 659A.186, 659A.194, 659A.199, 659A.203, 659A.218, 659A.228,
10 659A.230, 659A.233, 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306,
11 659A.309, 659A.315, 659A.318, 659A.320, 659A.343, 659A.355, 659A.357, 659A.370 or 659A.421 or sec-
12 tion 5, chapter 99, Oregon Laws 2022, or **section 6 of this 2023 Act**; or

13 (b) ORS 653.470, except an action may not be brought for a claim relating to ORS 653.450.

14 (3) In any action under subsection (1) of this section alleging a violation of ORS 25.337, 25.424,
15 243.323, 652.220, 652.355, 653.547, 653.549, 659.852, 659A.030, 659A.040, 659A.043, 659A.046, 659A.069,
16 659A.082, 659A.103 to 659A.145, 659A.199, 659A.203, 659A.228, 659A.230, 659A.250 to 659A.262,
17 659A.290, 659A.318, 659A.343, 659A.355, 659A.357, 659A.370 or 659A.421:

18 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
19 compensatory damages or \$200, whichever is greater, and punitive damages;

20 (b) At the request of any party, the action shall be tried to a jury;

21 (c) Upon appeal of any judgment finding a violation, the appellate court shall review the judg-
22 ment pursuant to the standard established by ORS 19.415 (1); and

23 (d) Any attorney fee agreement shall be subject to approval by the court.

24 (4) Notwithstanding ORS 31.730, in an action under subsection (1) of this section alleging a vi-
25 olation of ORS 652.220, the court may award punitive damages if:

26 (a) It is proved by clear and convincing evidence that an employer has engaged in fraud, acted
27 with malice or acted with willful and wanton misconduct; or

28 (b) An employer was previously adjudicated in a proceeding under this section or under ORS
29 659A.850 for a violation of ORS 652.220.

30 (5) In any action under subsection (1) of this section alleging a violation of ORS 653.060 or
31 659A.147, the court may award, in addition to the relief authorized under subsection (1) of this sec-
32 tion, compensatory damages or \$200, whichever is greater.

33 (6) In any action under subsection (1) of this section alleging a violation of ORS 171.120, 476.574
34 or 659A.218, the court may award, in addition to the relief authorized under subsection (1) of this
35 section, compensatory damages or \$250, whichever is greater.

36 (7) In any action under subsection (1) of this section alleging a violation of ORS 10.090 or 10.092,
37 the court may award, in addition to the relief authorized under subsection (1) of this section, a civil
38 penalty in the amount of \$720.

39 (8) Any individual against whom any distinction, discrimination or restriction on account of
40 race, color, religion, sex, sexual orientation, gender identity, national origin, marital status or age,
41 if the individual is 18 years of age or older, has been made by any place of public accommodation,
42 as defined in ORS 659A.400, by any employee or person acting on behalf of the place or by any
43 person aiding or abetting the place or person in violation of ORS 659A.406 may bring an action
44 against the operator or manager of the place, the employee or person acting on behalf of the place
45 or the aider or abettor of the place or person. Notwithstanding subsection (1) of this section, in an

1 action under this subsection:

2 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
3 compensatory and punitive damages;

4 (b) The operator or manager of the place of public accommodation, the employee or person
5 acting on behalf of the place, and any aider or abettor shall be jointly and severally liable for all
6 damages awarded in the action;

7 (c) At the request of any party, the action shall be tried to a jury;

8 (d) The court shall award reasonable attorney fees to a prevailing plaintiff;

9 (e) The court may award reasonable attorney fees and expert witness fees incurred by a de-
10 fendant who prevails only if the court determines that the plaintiff had no objectively reasonable
11 basis for asserting a claim or no reasonable basis for appealing an adverse decision of a trial court;
12 and

13 (f) Upon any appeal of a judgment under this subsection, the appellate court shall review the
14 judgment pursuant to the standard established by ORS 19.415 (1).

15 (9) When the commissioner or the Attorney General has reasonable cause to believe that a
16 person or group of persons is engaged in a pattern or practice of resistance to the rights protected
17 by ORS 659A.145 or 659A.421 or federal housing law, or that a group of persons has been denied
18 any of the rights protected by ORS 659A.145 or 659A.421 or federal housing law, the commissioner
19 or the Attorney General may file a civil action on behalf of the aggrieved persons in the same
20 manner as a person or group of persons may file a civil action under this section. In a civil action
21 filed under this subsection, the court may assess against the respondent, in addition to the relief
22 authorized under subsections (1) and (3) of this section, a civil penalty:

23 (a) In an amount not exceeding \$50,000 for a first violation; and

24 (b) In an amount not exceeding \$100,000 for any subsequent violation.

25 (10) In any action under subsection (1) of this section alleging a violation of ORS 659A.145 or
26 659A.421 or alleging discrimination under federal housing law, when the commissioner is pursuing
27 the action on behalf of an aggrieved complainant, the court shall award reasonable attorney fees to
28 the commissioner if the commissioner prevails in the action. The court may award reasonable at-
29 torney fees and expert witness fees incurred by a defendant that prevails in the action if the court
30 determines that the commissioner had no objectively reasonable basis for asserting the claim or for
31 appealing an adverse decision of the trial court.

32 (11) In an action under subsection (1) or (9) of this section alleging a violation of ORS 659A.145
33 or 659A.421 or discrimination under federal housing law:

34 (a) "Aggrieved person" includes a person who believes that the person:

35 (A) Has been injured by an unlawful practice or discriminatory housing practice; or

36 (B) Will be injured by an unlawful practice or discriminatory housing practice that is about to
37 occur.

38 (b) An aggrieved person in regard to issues to be determined in an action may intervene as of
39 right in the action. The Attorney General may intervene in the action if the Attorney General cer-
40 tifies that the case is of general public importance. The court may allow an intervenor prevailing
41 party costs and reasonable attorney fees at trial and on appeal.

42 **(12) In any action under subsection (1) of this section alleging a violation of section 6 of**
43 **this 2023 Act, the court may award, in addition to the relief authorized under subsection (1)**
44 **of this section:**

45 (a) **Compensatory damages or \$1,000 per violation, whichever is greater; and**

1 **(b) A civil penalty in the amount of \$1,000.**

2 **SECTION 9.** ORS 659A.885, as amended by section 10, chapter 197, Oregon Laws 2017, section
 3 6, chapter 139, Oregon Laws 2019, section 8, chapter 343, Oregon Laws 2019, section 8, chapter 463,
 4 Oregon Laws 2019, section 58, chapter 700, Oregon Laws 2019, section 13, chapter 701, Oregon Laws
 5 2019, section 46, chapter 367, Oregon Laws 2021, and section 9, chapter 99, Oregon Laws 2022, is
 6 amended to read:

7 659A.885. (1) Any person claiming to be aggrieved by an unlawful practice specified in sub-
 8 section (2) of this section may file a civil action in circuit court. In any action under this subsection,
 9 the court may order injunctive relief and any other equitable relief that may be appropriate, in-
 10 cluding but not limited to reinstatement or the hiring of employees with or without back pay. A
 11 court may order back pay in an action under this subsection only for the two-year period imme-
 12 diately preceding the filing of a complaint under ORS 659A.820 with the Commissioner of the Bureau
 13 of Labor and Industries, or if a complaint was not filed before the action was commenced, the two-
 14 year period immediately preceding the filing of the action. In any action under this subsection, the
 15 court may allow the prevailing party costs and reasonable attorney fees at trial and on appeal. Ex-
 16 cept as provided in subsection (3) of this section:

17 (a) The judge shall determine the facts in an action under this subsection; and

18 (b) Upon any appeal of a judgment in an action under this subsection, the appellate court shall
 19 review the judgment pursuant to the standard established by ORS 19.415 (3).

20 (2) An action may be brought under subsection (1) of this section alleging a violation of:

21 (a) ORS 10.090, 10.092, 25.337, 25.424, 171.120, 243.323, 408.230, 408.237 (2), 475C.285, 476.574,
 22 652.020, 652.220, 652.355, 653.060, 653.263, 653.265, 653.547, 653.549, 653.601 to 653.661, 657B.060 and
 23 657B.070, 659.852, 659A.030, 659A.040, 659A.043, 659A.046, 659A.063, 659A.069, 659A.082, 659A.088,
 24 659A.103 to 659A.145, 659A.147, 659A.150 to 659A.186, 659A.194, 659A.199, 659A.203, 659A.218,
 25 659A.228, 659A.230, 659A.233, 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300,
 26 659A.306, 659A.309, 659A.315, 659A.318, 659A.320, 659A.343, 659A.355, 659A.357, 659A.370 or
 27 659A.421 or section 5, chapter 99, Oregon Laws 2022, **or section 6 of this 2023 Act**; or

28 (b) ORS 653.470, except an action may not be brought for a claim relating to ORS 653.450.

29 (3) In any action under subsection (1) of this section alleging a violation of ORS 25.337, 25.424,
 30 243.323, 652.220, 652.355, 653.547, 653.549, 657B.060 and 657B.070, 659.852, 659A.030, 659A.040,
 31 659A.043, 659A.046, 659A.069, 659A.082, 659A.103 to 659A.145, 659A.199, 659A.203, 659A.228,
 32 659A.230, 659A.250 to 659A.262, 659A.290, 659A.318, 659A.343, 659A.355, 659A.357, 659A.370 or
 33 659A.421:

34 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
 35 compensatory damages or \$200, whichever is greater, and punitive damages;

36 (b) At the request of any party, the action shall be tried to a jury;

37 (c) Upon appeal of any judgment finding a violation, the appellate court shall review the judg-
 38 ment pursuant to the standard established by ORS 19.415 (1); and

39 (d) Any attorney fee agreement shall be subject to approval by the court.

40 (4) Notwithstanding ORS 31.730, in an action under subsection (1) of this section alleging a vi-
 41 olation of ORS 652.220, the court may award punitive damages if:

42 (a) It is proved by clear and convincing evidence that an employer has engaged in fraud, acted
 43 with malice or acted with willful and wanton misconduct; or

44 (b) An employer was previously adjudicated in a proceeding under this section or under ORS
 45 659A.850 for a violation of ORS 652.220.

1 (5) In any action under subsection (1) of this section alleging a violation of ORS 653.060 or
 2 659A.147, the court may award, in addition to the relief authorized under subsection (1) of this sec-
 3 tion, compensatory damages or \$200, whichever is greater.

4 (6) In any action under subsection (1) of this section alleging a violation of ORS 171.120, 476.574
 5 or 659A.218, the court may award, in addition to the relief authorized under subsection (1) of this
 6 section, compensatory damages or \$250, whichever is greater.

7 (7) In any action under subsection (1) of this section alleging a violation of ORS 10.090 or 10.092,
 8 the court may award, in addition to the relief authorized under subsection (1) of this section, a civil
 9 penalty in the amount of \$720.

10 (8) Any individual against whom any distinction, discrimination or restriction on account of
 11 race, color, religion, sex, sexual orientation, gender identity, national origin, marital status or age,
 12 if the individual is 18 years of age or older, has been made by any place of public accommodation,
 13 as defined in ORS 659A.400, by any employee or person acting on behalf of the place or by any
 14 person aiding or abetting the place or person in violation of ORS 659A.406 may bring an action
 15 against the operator or manager of the place, the employee or person acting on behalf of the place
 16 or the aider or abettor of the place or person. Notwithstanding subsection (1) of this section, in an
 17 action under this subsection:

18 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
 19 compensatory and punitive damages;

20 (b) The operator or manager of the place of public accommodation, the employee or person
 21 acting on behalf of the place, and any aider or abettor shall be jointly and severally liable for all
 22 damages awarded in the action;

23 (c) At the request of any party, the action shall be tried to a jury;

24 (d) The court shall award reasonable attorney fees to a prevailing plaintiff;

25 (e) The court may award reasonable attorney fees and expert witness fees incurred by a de-
 26 fendant who prevails only if the court determines that the plaintiff had no objectively reasonable
 27 basis for asserting a claim or no reasonable basis for appealing an adverse decision of a trial court;
 28 and

29 (f) Upon any appeal of a judgment under this subsection, the appellate court shall review the
 30 judgment pursuant to the standard established by ORS 19.415 (1).

31 (9) When the commissioner or the Attorney General has reasonable cause to believe that a
 32 person or group of persons is engaged in a pattern or practice of resistance to the rights protected
 33 by ORS 659A.145 or 659A.421 or federal housing law, or that a group of persons has been denied
 34 any of the rights protected by ORS 659A.145 or 659A.421 or federal housing law, the commissioner
 35 or the Attorney General may file a civil action on behalf of the aggrieved persons in the same
 36 manner as a person or group of persons may file a civil action under this section. In a civil action
 37 filed under this subsection, the court may assess against the respondent, in addition to the relief
 38 authorized under subsections (1) and (3) of this section, a civil penalty:

39 (a) In an amount not exceeding \$50,000 for a first violation; and

40 (b) In an amount not exceeding \$100,000 for any subsequent violation.

41 (10) In any action under subsection (1) of this section alleging a violation of ORS 659A.145 or
 42 659A.421 or alleging discrimination under federal housing law, when the commissioner is pursuing
 43 the action on behalf of an aggrieved complainant, the court shall award reasonable attorney fees to
 44 the commissioner if the commissioner prevails in the action. The court may award reasonable at-
 45 torney fees and expert witness fees incurred by a defendant that prevails in the action if the court

1 determines that the commissioner had no objectively reasonable basis for asserting the claim or for
2 appealing an adverse decision of the trial court.

3 (11) In an action under subsection (1) or (9) of this section alleging a violation of ORS 659A.145
4 or 659A.421 or discrimination under federal housing law:

5 (a) "Aggrieved person" includes a person who believes that the person:

6 (A) Has been injured by an unlawful practice or discriminatory housing practice; or

7 (B) Will be injured by an unlawful practice or discriminatory housing practice that is about to
8 occur.

9 (b) An aggrieved person in regard to issues to be determined in an action may intervene as of
10 right in the action. The Attorney General may intervene in the action if the Attorney General cer-
11 tifies that the case is of general public importance. The court may allow an intervenor prevailing
12 party costs and reasonable attorney fees at trial and on appeal.

13 **(12) In any action under subsection (1) of this section alleging a violation of section 6 of**
14 **this 2023 Act, the court may award, in addition to the relief authorized under subsection (1)**
15 **of this section:**

16 (a) **Compensatory damages or \$1,000 per violation, whichever is greater; and**

17 (b) **A civil penalty in the amount of \$1,000.**

18 **SECTION 10. This 2023 Act takes effect on the 91st day after the date on which the 2023**
19 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

20



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: Presentations

Agenda Date: May 10, 2023

From: Cindy Chauran, Acting Finance Director
Approved by: Dan Huff, City Manager

SUBJECT: City Auditor Presentation to Council

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: None required.

BACKGROUND:

The accounting firm of SingerLewak presents an annual report to Council. They are a new firm to City of Molalla, and this will be their first presentation. Accountants will be available for questions and comment.



March 30, 2023

Honorable Mayor and City Council
City of Molalla
Molalla, Oregon

This letter is to inform the City Council of the City of Molalla, Oregon (the "City") about significant matters related to the conduct of our audit as of and for the year ended June 30, 2022, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process

Our Responsibilities with Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated June 8, 2022. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated July 20, 2022, regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Accounting Policies

- A summary of the significant accounting policies adopted by the City is included in Note 2 to the financial statements. During the year ended June 30, 2022, the City adopted and implemented GASB Statement No. 87, *Leases*, however it was determined that there was no material impact on the City's financial statements.

Significant Accounting Estimates

- Management's estimate of the depreciation expense is based on the estimated economic useful life of capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
- Management's estimate of the net pension liability, deferred outflows – pension related and deferred inflows – pension related are based on an actuarial valuation performed on the Oregon Public Employees Retirement System Plan. We evaluated the key factors and assumptions used in the actuarial valuation in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
- Management's estimate of the net other postemployment (OPEB) asset, deferred outflows – OPEB related and deferred inflows – OPEB related are based on an actuarial valuation performed on the Oregon Public Employees Retirement System Plan. We evaluated the key factors and assumptions used in the actuarial valuation in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Disclosures

- The disclosure of prior period adjustments in Note 3 to cash, accounts receivable, accounts payable, and capital assets to correct beginning assets, net position, and fund balances.
- The disclosure of cash, cash equivalents and investments in Note 4 to the financial statements which describes the liquid assets available for operations of the City.

Audit Adjustments and Uncorrected Misstatements

Management corrected the material misstatements in the attached schedule that were identified as a result of our audit procedures.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Internal Control Matters

We have issued a separate communication dated March 30, 2023 regarding certain deficiencies in internal control that we identified during the planning or performance of our audit of the financial statements.

Disagreements With Management

We are not aware of any disagreements with management during the audit process.

Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Honorable Mayor and City Council
City of Molalla
March 30, 2023
Page 3

Other Matters

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to the City.

This report is intended solely for the information and use of the Mayor, City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Singer Lewak LLP

March 30, 2023



March 30, 2023

To Management, Honorable Mayor and Council Members
City of Molalla
Molalla, Oregon

In planning and performing our audit of the financial statements of the City of Molalla, Oregon (the "City") as of June 30, 2022 and for the year then ended, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be a material weakness or a significant deficiency. Therefore, a material weakness or a significant deficiency may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in *design* exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in *operation* exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiency in the City's internal control to be a material weakness:

Capital Asset Maintenance

Observation

Management was unable to produce a complete capital asset and related depreciation schedule that was in agreement to the prior year financial statements. We believe this indicates a material weakness in the design of the control to reconcile capital asset account balances to detail records.

Recommendation

The City should maintain capital asset and depreciation records, and reconcile the information to be reported in their financial statements at year end. In addition, these schedules should be reviewed and approved by supervisory personnel.

Management Comments

April 22, 2019 the City of Molalla had contracted with an outside consulting company to review and evaluate the City's assets, policies and procedures. The company worked with a prior auditor at that time to balance our assets moving forward.

Finance's focus then turned to asset processes and procedures moving forward. We will execute the recommendation moving forward in maintaining our capital assets, depreciation records when it comes to reconciling the capital assets. We appreciate knowing they have now been reconciled, adjusted, and agree with all audited financial statements.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Singer Lewak LLP

March 30, 2023



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: Presentations & Ceremonies

Agenda Date: May 10, 2023

From: Christie Teets, City Recorder
Approved by: Dan Huff, City Manager

SUBJECT: Planning Commission Resignation and Appointment

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: Appoint David Potts to Planning Commission.

BACKGROUND:

In January 2023, two Planning Commission seats were open for appointment. At the January 25, 2023 Council meeting, Greg Hillhouse and Martin Ornelas were appointed to the Molalla Planning Commission.

Staff received notification from Greg Hillhouse on Sunday, April 23rd, that he is moving outside of Molalla City limits, therefore having to resign his position on Planning Commission.

At the January meeting, Mayor Keyser stated that if an opening came up soon, David Potts would be eligible for appointment. Mr. Potts is interested in serving on the Planning Commission and is requesting appointment.



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: Ordinances & Resolutions

Agenda Date: May 10, 2023

From: Dan Huff, City Manager
Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2023-08: Amending the Molalla Urban Renewal Plan

FISCAL IMPACT: None – Plan Amendment Only

RECOMMENDATION/RECOMMEND MOTION: Adoption of Resolution No. 2023-08, by title only.

BACKGROUND:

State Law requires that the City Council/Governing body also adopt by Resolution approving any changes the Molalla Urban Renewal Agency (MURA) makes to the Molalla Urban Renewal Plan. The MURA will be considering an Urban Renewal Plan amendment to add police facility construction to the Plan at their May 10, 2023 meeting. Included with this memo is a Resolution that is identical to the Resolution provided to the Urban Renewal Agency.



RESOLUTION NO. 2023-08

**A RESOLUTION OF CITY OF MOLALLA, OREGON
AMENDING THE MOLALLA URBAN RENEWAL PLAN**

WHEREAS, the Molalla Urban Renewal Agency (“Agency”) is an urban renewal agency formed under ORS Chapter 457; and

WHEREAS, the Molalla City Council (“City Council”) adopted the Molalla Urban Renewal Plan (“Plan”) on July 24, 2003; and

WHEREAS, the Agency adopted Resolution No. 2020-04 on August 12, 2020, to authorize acquisition of property and right of way improvements for the new police station; and

WHEREAS, taxing districts concurred with this expenditure of funds for a public building project as required by ORS 457.089; and

WHEREAS, the Agency desires to further amend the Plan to revise Section 700. Description of Projects to be Undertaken; and

WHEREAS, this amendment is show in Exhibit A, Plan Amendment; and

Now, Therefore, the City of Molalla resolves as follows:

Section 1. Findings. The above-stated findings contained in this Resolution are hereby adopted.

Section 2. Purpose. The purpose of this Resolution is to amend the Molalla Urban Renewal Plan to clarify a project in the Plan.

Section 3. Adoption. In accordance with the amendment section of the Molalla Urban Renewal Plan, this is a minor amendment to be adopted by resolution of the Molalla City Council.

Section 4. The addition of a public building project must receive concurrence of the taxing districts as stipulated in ORS 457.089. Concurrence has been requested from taxing districts. The public building project will be approved as part of this amendment only after concurrence by the taxing districts as stipulated in ORS 457.089.

Section 5. Effective date. This resolution becomes effective immediately upon passage of the Molalla City Council.

Adopted this 10th day of May 2023.

Scott Keyser, Mayor

ATTEST:

Christie Teets, City Recorder

Exhibit A

Molalla Urban Renewal Plan Amendment

New wording is shown in *italics*, deletions are shown in ~~crossout~~.

The Molalla Urban Renewal Plan (“Plan”) is amended as follows:

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

F. Public Buildings and Facilities

The Renewal Agency may participate in development of public facilities in the Renewal Area. The extent of the Renewal Agency’s participation in funding public facilities will be based upon a Renewal Agency finding on the proportional benefit of that project to the Urban Renewal Area, and the importance of the project in carrying out Plan objectives. Potential public facilities to be funded may include:

- Assist in improvements to fire station and public safety training facility.
- Develop new public parking facilities.
- Assist in improvements to, or construction of public facilities, including city hall, *police facility* and a conference/community center.

In 2023 the Agency authorized the allocation of funds to partially fund a Police Facility by contributing to demolition/environmental expenses, construction expenses and gap funding in addition to the frontage improvements and land acquisition that were identified in the 2020 amendment to the urban renewal plan.



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: Ordinance & Resolutions

Agenda Date: May 10, 2023

From: Dan Huff, City Manager
Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2023-09: Concurring with a Public Building Project for the Molalla Urban Renewal Plan

FISCAL IMPACT: None – Plan Amendment Only

RECOMMENDATION/RECOMMEND MOTION: Adopt Resolution No. 2023-09, by title only.

BACKGROUND:

State Law requires that the Molalla Urban Renewal Agency gain concurrence from three of the top four taxing districts impacted by the District, (including the City of Molalla) when a Public Building Project is included in an Urban Renewal Plan. The attached Resolution provides Council with the opportunity to concur with the Molalla Urban Renewal Agency formally regarding inclusion of construction of a Police Public Building Project.



**A RESOLUTION OF THE MOLALLA CITY COUNCIL, OREGON,
CONCURRING WITH A PUBLIC BUILDING PROJECT FOR THE
MOLALLA URBAN RENEWAL PLAN.**

WHEREAS, the Molalla Urban Renewal Agency (“Agency”) is an urban renewal agency formed under ORS Chapter 457; and

WHEREAS, the Molalla City Council (“City Council”) adopted the Molalla Urban Renewal Plan (“Plan”) on July 24, 2003; and

WHEREAS, the Agency adopted Resolution No. 2020-04 on August 12, 2020, to authorize acquisition of property and right of way improvements for the new police station; and

WHEREAS, taxing districts, including the Molalla City Council, concurred with this expenditure of funds for a public building project as required by ORS 457.089; and

WHEREAS, the Agency desires to amend the Plan to revise Section 700. Description of Projects to be Undertaken; and

WHEREAS, the addition of a public building project requires concurrence of taxing districts in accordance with ORS 457.089; and

WHEREAS, these amendments are show in Exhibit A, Plan Amendment; and

WHEREAS, the Agency is consulting with impacted taxing districts regarding the projects to be undertaken including requesting concurrence for the Police Station project; and

WHEREAS, the Agency has requested concurrence from the City of Molalla; and

WHEREAS, the City of Molalla has considered this request.

Now, Therefore, Molalla City Council Resolves as follows:

Section 1. Findings. The above-stated findings contained in this Resolution are hereby adopted.

Section 2. Purpose. The purpose of this Resolution is to concur with the addition of a public building project in the Molalla Urban Renewal Plan.

Section 3. Action. The Molalla City Council hereby approves the addition of a public building project, a police station, to the Molalla Urban Renewal Plan.

Section 4. Effective date. This resolution becomes effective immediately upon passage of the Molalla City Council.

Adopted this 10th day of May 2023.

Scott Keyser, Mayor

ATTEST:

Christie Teets, City Recorder

Exhibit A

Molalla Urban Renewal Plan Amendment

New wording is shown in *italics*, deletions are shown in ~~crossout~~.

The Molalla Urban Renewal Plan (“Plan”) is amended as follows:

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

F. Public Buildings and Facilities

The Renewal Agency may participate in development of public facilities in the Renewal Area. The extent of the Renewal Agency’s participation in funding public facilities will be based upon a Renewal Agency finding on the proportional benefit of that project to the Urban Renewal Area, and the importance of the project in carrying out Plan objectives. Potential public facilities to be funded may include:

- Assist in improvements to fire station and public safety training facility.
- Develop new public parking facilities.
- Assist in improvements to, or construction of public facilities, including city hall, *police facility* and a conference/community center.

In 2023 the Agency authorized the allocation of funds to partially fund a Police Facility by contributing to demolition/environmental expenses, construction expenses and gap funding in addition to the frontage improvements and land acquisition that were identified in the 2020 amendment to the urban renewal plan.



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: General Discussion

Agenda Date: May 10, 2023

From: Christie Teets, City Recorder
Approved by: Dan Huff, City Manager

SUBJECT: Draft Ordinance: Regulating and Prohibiting Public Camping on Public Property

FISCAL IMPACT: unknown

RECOMMENDATION/RECOMMEND MOTION: none at this time

BACKGROUND:

State of Oregon House Bill 3115 requires cities to update/create Ordinances related to Public camping.

Attached Council will find an updated copy from the last discussion regarding this topic.



**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MOLALLA, OREGON,
REGULATING AND PROHIBITING PUBLIC CAMPING ON PUBLIC PROPERTY**

WHEREAS, State of Oregon House Bill 3115 requires the City of Molalla to allow individuals and families that are temporarily experiencing the effects of homelessness to rest or camp in relatively safe and sanitary locations while they are actively seeking access to stable and affordable housing; and

WHEREAS, Due to the House Bill requirement, the City is required to establish codes related to resting or camping in the City to allow for legal resting or camping during reasonable time periods, while protecting sensitive areas of the City that are disproportionately impacted by the negative effects of such activity; and

WHEREAS, The City desires to discourage camping in areas where such activities fundamentally undermine the public's ability to use that public property for its intended purpose and create unsafe and unsanitary living conditions, which can threaten the general health, welfare and safety of the City and its inhabitants; and

WHEREAS, The City encourages the active participation of all concerned persons, organizations, businesses, and public agencies to work in partnership with the City and the homeless community to address the short- and long-term impacts of homelessness in the community.

NOW, THEREFORE, THE CITY OF MOLALLA ORDAINS AS FOLLOWS:

Section 1. TITLE. This Ordinance shall be known as the Regulating and Prohibiting Public Camping on Public Property Ordinance of the City of Molalla.

Section 2. PURPOSE. It is found and declared that:

- A. From time-to-time persons may establish campsites on sidewalks, public rights-of-way, under bridges, and in other areas not designated for camping;
- B. Such persons, by such actions create unsafe and unsanitary living conditions which pose a threat to the peace, health, and safety of themselves and the community;
- C. Camping, resting, lying, or sleeping on a playground, under a pavilion, a recreation area or sports field fundamentally undermines the public's ability to use that public property for its intended purpose;
- D. Camping, resting, lying, or sleeping on rights of way, or in a manner that obstructs sidewalks prevents the public's ability to use that public property for its intended

purpose and can in some situations can create violations in the American with Disabilities Act (ADA) or result in imminent threats to life;

- E. These regulations are meant strictly to regulate the use of publicly owned property, and are not intended to regulate activities on private property; and
- F. The enactment of this provision is necessary to protect the peace, health, and safety of the City and its inhabitants.

Section 3. DEFINITIONS. As used in this Ordinance, the following terms and phrases shall have the meaning set forth herein:

"Camp" or "Camping" means to pitch, erect, create, use, or occupy camp facilities for the purposes of habitation, as evidenced by the use of camp paraphernalia.

"Campsite" means any place where one or more persons have established temporary sleeping accommodations by use of camp facilities and/or camp paraphernalia.

"Camp Facilities" include, but are not limited to, tents, bivouacs, huts, other temporary or portable shelters, and vehicles or recreation vehicles as defined by ORS.

"Camp Paraphernalia" includes, but is not limited to, tarpaulins, cots, beds, sleeping bags, blankets, mattresses, hammocks, or other sleeping matter, or non-city designated cooking facilities and similar equipment.

"Fire" includes, but is not limited to, open flames, recreational fires, burning of garbage, bonfires, or other fires, flames, or other sources of heat.

"Natural area" means any land designated as natural resource area or wetland as identified on the City of Molalla Zoning Map, including all riparian areas associated with Bear Creek, Creamery Creek, and Shorty's Pond.

"Parking Lot" means a developed location that is designated for parking motor vehicles, whether developed with asphalt, concrete, gravel, or other material. It also means any real property, land or structure owned, leased, or managed by a public agency, including utility easements. A public agency includes, but is not limited to the City of Molalla, Clackamas County, and Oregon Department of Transportation.

"Public rights-of-way" means all City-owned or controlled rights-of-way, whether in fee title or as a hold of a public easement for right-of-way or public access purposes. Public rights-of-way include but are not limited to any public road, street, sidewalk, or private street or other property that is subject to a public access easement dedicated or granted to the City for vehicular, pedestrian, or other means, and any planter strip or landscape area located adjacent to or contained within streets that is part of the public right-of-way.

"Resting" means the acts of sitting, lying, sleeping, or keeping warm and dry outdoors, as defined in House Bill 3115.

"Store" or "Storage" means to put aside or accumulate for use when needed, to put for safekeeping, to place or leave in a location.

"Park Areas" means publicly owned grounds operated under the supervision of the City of Molalla whether within or outside of the corporate limits of the City of Molalla providing outdoor passive and active recreation opportunities.

Section 4. PROHIBITED CAMPING. This section's regulations are meant strictly to regulate the use of public property within the City of Molalla and are not intended to regulate activities on private property.

- A. Except as expressly authorized by the City of Molalla Municipal Code, it shall be unlawful for any persons to establish or occupy a campsite at any time on the following public property and/or:
1. All Park Areas within the City of Molalla.
 2. On sidewalks in a manner reducing the clear, continuous sidewalk width of less than five feet, as described in Molalla Municipal Code, Chapter 17-3.3.040 Pedestrian Access and Circulation, and ORS 162.025 Disorderly Conduct.
 3. Identified wetlands or natural areas.
 4. Fields used for sporting events or recreational use.
 5. When a Molalla Sheltering Facility is open, all public camping is prohibited. Exceptions include when a Molalla Sheltering Facility is at capacity, or if an individual has been denied access.
 6. Any residential zone.
 7. Within 1000 feet of a playground or school.
- B. Except as expressly authorized by the City of Molalla Municipal Code, it shall be unlawful for any person to camp or maintain a campsite on any public property from dawn to dusk. Fires are prohibited in all Parks and publicly owned property.
- C. Except as expressly authorized by the City of Molalla Municipal Code, it shall be unlawful for any person to store personal property, including camp facilities and camp paraphernalia, on any public property from dawn to dusk. Fires are prohibited in all Parks and publicly owned property.
- D. Except as expressly authorized by the City of Molalla Municipal Code, it shall be unlawful to knowingly leave personal property unattended on public property.

Personal property left unattended may be removed and disposed by the City, in accordance with State law, if:

1. The property poses an immediate threat to public health, safety, or welfare; or
2. The property has been posted with a written notice in accordance with State Law.
3. Any property removed by the City shall be held and disposed of pursuant to State law if not claimed within 30-days after removal.

- a. Individuals may claim their property, without a fee, by contacting the Police Department or Parks Department within 30 days.
 - b. Items that have no apparent utility or are in unsanitary condition may be immediately discarded.
 - c. Weapons, controlled substances other than prescription medication and items that appear to be either stolen or evidence of a crime shall be retained and disposed of by the Police Department in accordance with applicable legal requirements for the property in question.
- E. Notwithstanding the provisions of this Chapter, the City Manager or designee may temporarily authorize camping or storage of personal property on public property by written order that specifies the period of time and location:
- 1. In the event of emergency circumstances.
 - 2. Upon finding it to be in the public interest and consistent with City Council goals and policies.

Section 5. PERMITTED CAMPING/RESTING. Areas for permitted camping are identified in Exhibit A. (Map indicating locations as determined by City Council.)

Section 6. PENALTIES AND ENFORCEMENT.

- A. Violation of any provisions in this Ordinance is a Class D violation pursuant to ORS 153.019. Each day that a violation occurs will be considered a separate offense.
- B. In addition to any other penalties that may be imposed, any campsite used for overnight sleeping in a manner not authorized by this Ordinance or other provisions of this code shall constitute a public nuisance and may be abated in accordance with State law.

Section 7. SEVERABILITY. If any court of competent jurisdiction declares any Section of this Ordinance invalid, such decision shall be deemed to apply to that Section only and shall not affect the validity of the Ordinance as a whole or any part thereof other than the part declared invalid.

Section 8. EFFECTIVE DATE. Due to the urgent nature, this Ordinance shall become effective immediately upon adoption of the Molalla City Council.

Signed this XX day of MONTH 2023.

Scott Keyser, Mayor

Date

ATTEST:

Christie Teets, CMC, City Recorder



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: General Discussion

Agenda Date: May 10, 2023

From: Christie Teets, City Recorder
Approved by: Dan Huff, City Manager

SUBJECT: Molalla HOPE, LLC Lease

FISCAL IMPACT: n/a

RECOMMENDATION/RECOMMEND MOTION: n/a

BACKGROUND:

Councilor Vermillion contacted my office, requesting that the Warming Center Lease be placed on the May 10th Agenda. With Mayor Keyser's consent, the item was added.

The Molalla HOPE, LLC lease is included for reference.

CITY OF MOLALLA



COMMERCIAL LEASE AGREEMENT

This COMMERCIAL LEASE AGREEMENT (hereinafter the "Agreement" or "Lease") is entered into, this 25th day of May, 2022, by and between City of Molalla, a municipal corporation (hereinafter referred to as the "Landlord") and Molalla HOPE, Inc., a 501(c)(3) nonprofit corporation located at 209 Kennel Ave., Molalla, Oregon, (hereinafter referred to as "Tenant") both of which may be referred to hereinafter as "Party" or "Parties".

LANDLORD AND TENANT DO HEREBY COVENANT, CONTRACT AND AGREE AS FOLLOWS:

1. The Premises

(a) Except as set forth below, Landlord does hereby lease to the Tenant and the Tenant does hereby lease and take from Landlord the Premises located in Molalla, Oregon, identified as 209 Kennel Ave., Molalla, Oregon, 97038, which is located on a portion of tax lot 52E09CB 7705 as set forth in the property report in Exhibit A, which is attached hereto and incorporated herein. The Premises are comprised of the building, parking spaces in front of the building and a fenced back yard behind the building. This Lease does not grant any rights of access to light or air over any part of the Premises.

(b) As discussed in Section 12, the parties expect that Tenant will remodel the Premises at some point during the term of this Lease (the "Remodel Project"). The Remodel Project may expand the area of the defined Premises as described in Section 1(a) above, including, but not limited to, an increase in the size of the building to facilitate the construction of more office space. The Remodel Project will also include the addition of laundry facilities and converting one bathroom to accommodate a shower. If Landlord approves a Remodel Project by written acceptance of the remodel plans as that process is described in Section 12, the parties agree that the defined Premises area as described in Section 1(a) above will conform to the building's larger physical "footprint".

2. Lease Term

The lease agreement shall commence on May 1, 2022, and shall terminate on May 1, 2032.

3. Lease Extension

The parties may choose to extend this agreement upon such terms as may be agreed upon in writing and signed by the parties at the time of any such extension. The parties intend that no holdover leasehold interests shall be established or permitted, and that Tenant shall surrender the Premises on May 1, 2032, unless an extension of this lease or a new lease is entered into by the parties.

4. Purpose

Tenant may use the Premises for providing social services such as operating an Extreme Weather Center, a Warming Center, Cooling Center, Smoke Shelter, and Clackamas County Social Services office under a contract with Clackamas County as well as for activities necessary to support the provision of such services. To further support such use of the Premises, Tenant may, consistent with Landlord's previous practice, permit third party use of the Premises to hold events such as weddings and community gatherings for a fee equal to fair market value. Such third-party use may include Tenant and/or a group affiliated with Tenant paying a fee equal to fair market value for the purposes of holding events on the Premises unrelated to the provision of social services. Without paying such a fee, Tenant agrees not to use Premises for purposes other than providing funded services and activities necessary to support the provision of such services.

Tenant shall not use or knowingly permit upon any part of the Premises any article which may be dangerous, unless safeguarded as required by law, nor allow or cause any condition on the Premises which constitutes a nuisance, public or private, or which may make void or voidable any insurance in force with respect to the Premises. Tenant shall not use or permit the use of the Premises for any purpose which would adversely affect the value or character of the Premises, or which would constitute strip

or waste. Tenant shall comply, at Tenant's own expense, with all laws and regulations of any municipal, county, state, federal or other public authority respecting Tenant's particular use of the Premises.

Tenant shall refrain from any activity in Tenant's use of the Premises which would make it impracticable to insure the Premises or the buildings or prevent Landlord from taking advantage of the ruling of the Insurance Rating Bureau of the state allowing Landlord to obtain reduced premiums for long term fire insurance policies unless Tenant pays the additional cost of the insurance. If Tenant installs any electrical equipment that overloads the lines in the Premises or any such buildings or installs any other type of equipment that increases the likelihood of fire over that of a general office or retail sales use, Tenant shall at Tenant's own expense make whatever changes are necessary to comply with the requirements of the insurance underwriters and the governmental authorities having jurisdiction.

Tenant will keep the Premises clean and orderly and will use the Premises in a first-class, professional manner. Tenant will supervise its employees and cause Tenant's agents, independent contractors, employees, customers, suppliers, and invitees to conduct their activities in a manner that complies with the requirements of this Lease.

5. Hazardous Materials

Neither Tenant nor Tenant's agents or employees will cause or permit any Hazardous Material, as hereinafter defined, to be brought, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Premises, except reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Tenant's business that are generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good business practices. Tenant covenants to remove from the Premises (or the Building, Project or Common Areas, if applicable), upon the expiration or sooner termination of this Lease and at Tenant's sole cost and expense, any and all Hazardous Materials brought, stored, used, generated, or released on, in, or into the environment by Tenant, its agents, employees, or invitees during the term of this Lease. As used herein, the term Hazardous Material means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local governmental authority, the state of Oregon, or the United States government. The term Hazardous Material includes, without limitation, any material or substance that is defined as

- a) "hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "hazardous substance", "hazardous material", or "waste" under any federal, state, or local law,
- b) petroleum, and
- c) asbestos.
- d) The provisions of this Section 16(b) will survive any termination of this Lease.

6. Rent, Late Fees, Security Deposit and Taxes

Tenant shall pay to Landlord the amount of one dollar (\$1) per year payable to Landlord on or before the Fifteenth day of April in any year in which this lease is in effect. In addition, Tenant shall pay to Landlord the amount necessary to reimburse Landlord's costs to maintain fire and extended coverage insurance on the Premises within 30 days of receiving notice from Landlord of the reimbursement amount due. Landlord shall use commercially reasonable efforts to find the most affordable fire and extended coverage insurance available, but otherwise, which insurance to purchase shall be made by Landlord in its sole discretion. These combined payments are hereinafter referred to as "Rent". Rent shall be paid to Landlord, in advance without demand at 117 N. Molalla, Avenue Molalla, OR 97038, or at such other place as the parties can agree upon. The Tenant agrees that rent shall be paid in lawful money of the United States. No Security Deposit or Damage Deposit is due under this Lease.

It is the parties' understanding that no property or personal taxes are owing on this Property. However, if the County determines that property or personal taxes are owed for any reason, including but not limited to Tenant's loss of its tax exemption status, then Tenant shall be responsible for and pay as additional rent before delinquent any and all applicable assessments and real and personal property taxes assessed to the Premises during the Term of this Lease. All applicable real property taxes and assessments payable for a period, part of which shall be within the Term of this Lease and part of which shall be either before or after the Term of this Lease, shall be prorated, and Tenant shall pay the portion allocated to the Lease term. Landlord shall give Tenant not less than sixty (60) days written notice of the amount and due date of any such assessment

and/or property tax. In the event Tenant is unable to pay the amount within the sixty-day notice period, Tenant may enter into a separate promissory note payable to Landlord over a period not to exceed six (6) months or the Term of this Lease, whichever is less, to reimburse Landlord for the cost of such taxes, assessments, and interest thereon.

If any applicable assessment or property taxes exist, Tenant may be eligible for total or partial property tax exemption provided Tenant can demonstrate it is a tax exempt or governmental entity and has provided timely certification to allow Landlord to apply for and be granted exemption from real property taxes on the Premises described herein pursuant to ORS 307.112. Once granted, the Additional Rent for property taxes and assessments shall not be applicable. Such determination is solely at the discretion of the Clackamas County (Oregon) Department of Assessment and Taxation. If Tenant believes it is eligible for such waiver, Tenant is solely responsible for gathering the pertinent information, completing the required forms, and accomplishing any and all tasks required by the County so Landlord may apply for property tax exemption for part or all of the leased space. Provided Tenant provides such information, Landlord shall promptly execute and submit all required documentation to the County to apply for the exemption. Because the County exemption determination is made only at certain times during the Tax Year, Tenant shall be responsible for its proportionate share of Property Taxes until such an exemption is granted by Clackamas County. Tenant shall pay any such tax or assessment to Landlord as described in the preceding paragraph.

7. Utilities

Tenant shall be solely liable for utility charges as they become due, including those for water, sewer, gas, electricity, telephone, internet and other services and utilities used by Tenant on the Premises during the term of this Lease Agreement unless otherwise expressly agreed in writing by Landlord.

8. Assignment and Subleasing

Except as provided in section 4 of this lease, Tenant shall not assign this Agreement or Sublease or grant any license to use the Premises or any part thereof without the prior written consent of the Landlord. Consent by the Landlord to one such assignment, subleasing or license, shall not be deemed to be consent to any subsequent assignment, sublease, or license. Any assignment, sublease, or license without the prior written consent of the Landlord or an assignment or subleasing by operation of law shall be absolutely null and void, and shall, at the Landlord's option, terminate this Agreement.

9. Repairs and Maintenance

During the Lease term, Tenant shall,

- a) at Tenant's expense, make all necessary repairs to the Premises and improvements located thereon and, at Tenant's expense perform all necessary maintenance in order to keep the same in good order and condition. Tenant agrees to abide by any applicable federal, state, or local laws related to such repairs and maintenance including but not limited to structural issues, roofing, HVAC and electrical.
- b) Tenant shall take good care of the Premises and shall, at the expiration or termination of this Agreement, surrender and deliver up the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use and wear and damage by fire or other casualty excepted.
- c) Tenant shall permit Landlord and Landlord's employees and agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same upon reasonable notice to Tenant. Landlord or its employees and agents shall have the right to enter the Premises at reasonable times, upon twenty-four hours advance written notice to Tenant, in order to make such repairs as Landlord shall deem necessary or desirable in the event that Tenant has failed to make such repairs after receiving written notice from Landlord. Tenant shall grant emergency access to protect the property upon immediate need by the Landlord, its employees, or agents. In addition, Landlord, its employees, and agents shall have access to the Premises at the beginning of each monthly calendar quarter for any necessary maintenance reviews. Nothing contained in this Section shall be deemed to impose any obligation upon Landlord not expressly stated elsewhere in this Lease.

10. Landlord's Interference with Tenant

Any repairs, maintenance, other work performed on or around the Premises by Landlord, or other use of the Premises by Landlord shall be done in such a way as to interfere as little as reasonably possible with use of the Premises by Tenant. Landlord

shall respect Tenant's professional needs and responsibilities while excising rights under this Agreement. If Landlord's activities materially interfere or disturb Tenant's business, Tenant's rent will be abated proportionately for the period of substantial interference and/or substantial disturbance.

11. Changes, Alterations, and Additions by Tenant

Tenant shall not make any changes, alterations, or additions, including any initial tenant improvements, in or to the Premises, nor contract for any such changes, alterations or additions, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld, or unduly delayed. Prior to requesting Landlord's consent to any such changes, alterations or additions, Tenant will provide Landlord with all relevant plans, specifications, names and addresses of contractors, copies of proposed contracts and any permits required in such form as may be required by Landlord. In addition, Landlord shall be furnished such surety bonds, cash deposits or securities or other indemnifications as Landlord may require to indemnify Landlord against potential liens, costs, damages, or expenses relating to such changes, alterations or additions. All permanently attached partitions, plumbing, electrical wiring, additions to or improvements upon the Premises, whether installed by Landlord or Tenant, shall be and become a part of the building as soon as installed and the property of Landlord unless otherwise provided in this Lease.

It is the parties' understanding that the Property will be remodeled to some extent, with funds for that remodel coming from donations received by Tenant from a third-party donor (the "Remodel Project.") Tenant agrees to provide Landlord with a written scope of work and any requested contractor bios for any work related to the Remodel Project. Tenant agrees not to engage in the Remodel Project or any part thereof until it has received donation funds or other sources of income necessary to ensure the proper completion of the Remodel Project, which may be completed in stages. Tenant agrees that before any work may be performed it must provide to Landlord evidence of income funds necessary to properly complete the Remodel Project and that it must obtain written consent from Landlord to begin such work. Tenant is entirely responsible for the costs to complete any and all portions of any remodel, and Tenant agrees to compensate Landlord for any work Landlord must perform to complete the Remodel Project should any portion remain incomplete at the lease's termination.

Any work performed by Tenant in or to the Premises shall comply with all applicable laws, including but not limited to any applicable building codes, land use requirements and prevailing wage mandates.

12. Removal Of Tenant's Trade Fixtures

All of Tenant's trade fixtures installed, affixed and/or otherwise attached to the Premises by Tenant (the "Trade Fixtures") shall be the property of Tenant. Any and all such Trade Fixtures may at any time and from time to time during the term of this Lease, or at the termination of this Lease, either by default or otherwise, be removed by Tenant from the Premises without any obligation on the part of Tenant to replace said Trade Fixtures. Tenant shall be allowed a reasonable time to remove the Trade Fixtures from the Premises and Tenant shall be responsible for repairing any damage caused thereby and for restoration of any carpet, walls, or ceiling where Trade Fixtures were removed. Trade fixtures not removed in accordance with this section at the termination of this Lease shall become property of Landlord.

13. Signage

Except as may otherwise be agreed to by the Parties in order to facilitate the advertisement of events being held on the Premises, Tenant shall not install any free standing sign outside the Premises; inscribe any inscription; post, place or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Premises at places visible (either directly or indirectly as on outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Landlord's written consent thereto which consent shall not be unreasonably withheld. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too inconsistent with or inappropriate to the Premises. Tenant shall repair all damage to the Premises resulting from the removal of signs installed by Tenant.

14. Insurance

Landlord shall maintain fire and extended coverage insurance on the Building and the Premises in such amounts as Landlord shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Premises. Tenant and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Premises.

Landlord shall not be required to maintain insurance against thefts within the Premises. Landlord shall not be liable for any loss or damage to person or property sustained by Tenant, or other persons, which may be caused by the Premises, or any improvements thereon or appurtenances thereto, or by any other cause of whatsoever nature, unless solely caused by the gross negligence of Landlord.

Tenant agrees, during the term of this Lease or any renewal or extension thereof, to maintain in force and effect, at Tenant's expense, the coverages specified below, and insuring against the risks under this Lease, and shall provide Landlord the protection afforded by the Oregon Tort Claims Act, ORS 30.270 to 30.300 as amended or interpreted by a Court of competent jurisdiction. Tenant's insurance shall be issued by and binding upon an insurance company with an AM Best rating of "A" or better. Such Insurance shall be the primary coverage, and Tenant's insurance is excess and solely for damages or losses for which Landlord is responsible. The coverages indicated below are minimums for Tenant's Insurance. In no case shall it be less than stated in this Section. In all cases, the Tenant shall be responsible for any deductible associated with the insurance coverage.

A Certificate of Insurance along with a true copy of the Policy Endorsements approved by the City's insurance carrier cited in this Section delivered to Landlord by Tenant will be satisfactory proof of the required insurance.

- (a) "Occurrence" Insurance Form. Each policy shall be written on an "occurrence" form with an admitted insurance carrier licensed to do business in the State of Oregon and acceptable to Landlord. Each policy shall contain an endorsement entitling Tenant and Landlord to not less than 30 days prior written notice of any material change, non-renewal, or cancellation. None of the required liability insurance may be arranged on a "claims made" basis.
- (b) Types and Amounts of Required Insurance. During the Lease Period, the Tenant shall maintain in force, at its own expense, the following types and amounts of insurance:
 - (i) Comprehensive general liability:
 - Two million dollars for bodily injury or death to each person,
 - Two million dollars for property damage resulting from any one accident or incident,
 - Three million dollars aggregate, and
 - Two million dollars for all other types of liability.
 - (ii) The policy shall be endorsed to include the additional insureds listed hereinafter with limits not less than stated above, or as may be unilaterally adjusted from time to time by Landlord in order to track increases in insurance industry standard coverage and/or trends in awards to injured parties, as well as to conform to any adjustments made to the Oregon Tort Claims Act limits.
- (c) Coverage Period. Except as otherwise provided, the insurance required by this Section shall be maintained by Tenant throughout the Lease Period and such other period(s) of time during which the Tenant is operating within the Premises or is engaged in the installation or removal of goods or equipment, including while being onsite to carry out any repair, remodeling or other activity allowed or required under this Lease whether that activity is within or without the Lease Period.
- (d) Required Policy Endorsement Language. Each such insurance policy shall contain the following endorsements and an acknowledgment that notice of cancellation or nonrenewal will be sent in writing thirty (30) days after the written notice. Within thirty days after receipt by Lessee of such notice and in no event later than ten (10) business days prior to such cancellation or expiration of any policy, the Tenant shall obtain and furnish to Landlord new Certificates of Insurance and endorsements issued by a responsible insurer acceptable to Landlord as evidence the Tenant meets the requirements of this Section.
 - (i) Additional Insureds Endorsement. The following specific "additional insureds" language shall be included:
"The City of Molalla, its elected and appointed officials, officers, agents, employees and volunteers."

(ii) A Separation of Aggregate Limits Endorsement. Any insurance policy cited above containing an annual aggregate limit of liability shall be issued with a Separation of Aggregate Limits Endorsement with respect to Lessee's and Lessor's interests' renewal will be sent in writing to the Named Insured and that the policy will remain in effect for at least thirty (30) days.

15. Damage And Destruction Of The Premises

If the Premises or any other part of the Buildings or Structures are damaged by fire or other casualty resulting from any act or negligence of Tenant or of Tenant's agents, employees, volunteers, or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance. This obligation shall survive any termination of this Agreement pursuant to the following paragraph.

In the event of substantially total destruction of the Building by fire or other casualty, either Party may terminate this Lease as of the date of said fire or casualty. In the event of damage to the Building by fire or other casualty to the extent of fifty percent (50%) or more of the sound value of the Building, Landlord may or may not elect to repair the Building. Written notice of Landlord's election shall be given Tenant within thirty (30) days after the occurrence of said damage. If such notice is not so given, Landlord conclusively shall be deemed to have elected not to repair. In the event Landlord elects not to repair the Building, this Lease shall terminate with the date of the damage. If the Building is partially destroyed and the damage does not amount to fifty percent (50%) of the sound value thereof, or if greater than such extent and Landlord elects to repair, then except as provided in the preceding paragraph, Landlord shall repair the Building with all convenient speed and shall have the right to take possession of and occupy, to the exclusion of Tenant, all or part of said Building in order to make the necessary repairs. Tenant hereby agrees to vacate, upon request, all, or any part of the Building in order to make the necessary repairs.

For the period of time between the day of the damage and until repairs have been substantially completed, there shall be such an abatement of the Rent as the nature of the injury or damage and its interference with the occupancy of the Premises by Tenant shall warrant. If, however, the damage is slight, Landlord shall not cause any material interference with the occupation of the Premises by Tenant, then there shall be no abatement of the Rent and Landlord shall repair the damage with all convenient speed. If, however, such damage cannot be repaired within one hundred twenty (120) days after the date of such damage, then Tenant shall have the option of terminating this Lease upon written notice to Landlord. If Tenant exercises its option to terminate this Lease, then in such case, Tenant shall pay rent apportioned to the date of damage and shall immediately surrender the Premises to Landlord, who may enter and repossess the same.

16. Indemnification

Indemnification by Tenant: Tenant shall defend and indemnify Landlord and save Landlord harmless from and against any and all liability, damages, costs or expenses, including reasonable attorney fees, arising from any act, omission or negligence of Tenant, or the officers, contractors, licensees, agents, servants employees, guests, invitees or visitors of Tenant, in or about the Premises, or arising from any accident, injury or damage, howsoever and by whomsoever caused, to any person or property, occurring in or about the Premises; provided, that the foregoing provision shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused solely by the fault of Landlord, or of any officer, contractor, licensee, agent, servant, employee, guest, invitee or visitor of Landlord

17. Condemnation

If the Premises or any portion are taken or damaged under any right of eminent domain or any transfer in lieu thereof, Landlord shall have the option of terminating this Lease upon the giving of written notice within sixty (60) days after the taking. If this Lease is not so terminated, Landlord will repair and restore the Premises, and this Lease will continue, but, commencing with the date on which Tenant is deprived of the use of any portion of the Premises or of any rights under this Lease, Rent will be proportionately abated or reduced, based on the extent to which Tenant's use of the Premises is impaired. The term "eminent domain" shall include the exercise of any similar governmental power and any purchase or other acquisition in lieu of condemnation.

Proceeds from eminent domain shall be paid to Landlord. Tenant shall make no claim to any portion thereof, except that Tenant may make a claim in the condemnation proceedings for the value of Tenant's interest in any improvement constructed by Tenant, so long as the claim does not reduce the amount of Landlord's claim, and except to the extent such award has been made specifically to Tenant. Tenant shall have the right to file a claim against the contemnor for any taking of fixtures and improvements owned by or paid for by Tenant and for relocation expenses.

18. Landlord's Warranty

Landlord warrants it has the right to lease the Premises free of all encumbrances, except easements, conditions, and restrictions of record. Subject to these exceptions, Landlord will defend Tenant's right to quiet enjoyment of the Premises from the lawful claims of all persons during the Lease Term.

19. Subordination to Mortgages & Estoppel Certificates

Landlord warrants that the property is not encumbered by any lien or mortgage and that Landlord will not mortgage this property as a security for any indebtedness during the pendency of this Lease term without lessee's written consent. Should lessee consent, then this Lease, and all rights of Tenant, will be subject and subordinate to all mortgages that may hereafter affect the Premises, whether or not the mortgages also cover other lands and buildings, to each and every advance under such mortgages, and to all renewals, modifications, replacements, and extensions of such mortgages. The preceding sentence is self-operative, and no further instrument of subordination will be required. In confirmation of the subordination, Tenant will promptly execute, acknowledge, and deliver any instrument that Landlord or any mortgagee may reasonably request to evidence the subordination.

20. Force Majeure

In the event that either party hereto shall be delayed, hindered in or prevented from performing any act required hereunder by reason of strikes, lockouts, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, adverse weather conditions or any other reason of a like nature not the fault of or beyond the control of the party delayed in performing such act, then performance of such act shall be excused for the period of the delay and the period allowed for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything contained herein to the contrary, Tenant shall not be excused from the payment of rent or other sums of money which may become due under the terms of this Lease.

21. Quiet Enjoyment

Landlord hereby covenants and agrees that if Tenant shall perform all of the covenants and agreements herein stipulated to be performed by Tenant, Tenant shall at all times during the continuance hereof, have peaceable and quiet enjoyment and possession of the Premises without any interference or hindrance from Landlord or any person or persons claiming by, through, or under Landlord.

22. Relationship To Parties

The relationship of the Parties to this Lease is that of Landlord and Tenant. Landlord is not a partner or joint venturer with Tenant in any respect for any purpose in the conduct of Tenant's business or otherwise.

24. Default

If the premises are deserted or vacated by Tenant for more than ninety (90) days, or if proceedings are commenced against Tenant under a bankruptcy act or for the appointment of a trustee or receiver of Tenant's property either before or after the commencement of the Lease Term, or if Tenant fails to perform any of Tenant's obligations under this Lease and the failure continues for more than thirty (30) days after written notice of the default is given by Landlord to Tenant, Tenant shall be in default and Landlord shall have all rights available to Landlord in law or equity for breach of this Lease, unless such default or breach of the Lease reasonably takes longer than thirty (30) days to cure. Tenant shall have such additional time as necessary to cure, provided that Tenant shall have commenced to cure within said thirty (30) day period and thereafter diligently pursue said cure to completion.

If Landlord fails to pay any installment of taxes or assessment or any interest, principal, costs or other charges upon any lease, mortgage or deed of trust or other lien or encumbrances affecting the premises, and to which this Lease may be subordinate when any of the same become due, or Landlord fails to make any repairs or do any work required of Landlord by the provisions of this Lease, and the failure continues for more than thirty (30) days after written notice of default is given by Tenant to Landlord, Landlord shall be in default and Tenant shall have all rights available to Tenant in law or equity for breach of this Lease.

If Tenant fails to pay Rent within ten (10) business days after written notice from Landlord, provided that only one such written notice from Landlord is required in any 12-month period, Tenant shall be in default and Landlord shall have all rights available to Landlord in law, at equity or under statute for breach of this Lease including the right to terminate this Lease.

In the event of termination of this Lease, Landlord shall use its best efforts to mitigate Tenant's damages and shall be entitled to recover the following amounts as damages:

- a) The loss of reasonable rental value from the date of default until a new tenant has been, or with the exercise of reasonable efforts could have been, secured up to and including the date of termination.
- b) The reasonable costs of reentry and re-letting including the cost of any clean-up, broker commissions, attorney's fees, and advertising costs necessary to re-let the Premises.
- c) Any excess of the value of the rent and all of Tenant's other obligations under this Lease over the reasonable expected return from the Premises for the period commencing on the date of award and continuing through the end of the term. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of the United States National Bank of Oregon, or its successors, in effect on the date of trial.

Failure by either Landlord or Tenant to insist upon the strict performance of any term or condition of this Lease, or the failure to exercise any right or remedy available on a breach of this Lease, shall not be deemed to be a waiver of any such breach or of any term or condition. No waiver of any breach shall affect or alter any term or condition of this Lease, and each such term or condition shall continue in full force and effect with respect to any other existing or subsequent breach of this Lease.

If Tenant shall be in default under the terms of this Lease, Landlord may cure such default on behalf of Tenant in which event Tenant shall reimburse Landlord for all sums paid to effect the cure.

25. Time is of the Essence

Time is of the essence of this Lease with respect to the performance by either Party of the obligations under this Lease.

26. Surrender at Expiration

Tenant shall, on the last day of the Lease Term, or upon the sooner termination thereof, peaceably and quietly surrender the Premises to Landlord, broom-clean, including all alterations, replacements, changes or additions placed by Tenant thereon, in as good condition and repair as at the Possession Date and as any new structures, replacements, additions or improvements constructed, erected added or placed thereon by Tenant are when completed, with normal wear and tear excepted.

All fixtures placed upon the Premises during the Lease Term other than Tenant's Trade Fixtures shall, at Landlord's option, become the property of Landlord. Moveable furniture, decorations, floor coverings other than hard surface bonded or adhesively fixed flooring, curtains, blinds, furnishings, and trade fixtures shall remain the property of Tenant if placed on the Premises by Tenant.

If Landlord so elects and so notifies Tenant at the time approval is given for the installation thereof, Tenant shall remove any or all fixtures which would otherwise remain the property of Landlord and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at 9% per annum from the date of expenditure. Tenant shall remove all furnishings, furniture and trade fixtures which remain the property of Tenant. If Tenant fails to do so, this shall be an abandonment of the property and Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within twenty (20) days after removal was required, Landlord may elect to hold Tenant to Tenant's obligation of removal. If Landlord elects to require Tenant to remove, Landlord may affect removal and place the property in public storage for Tenant's account. Tenant shall be liable to

Landlord for the cost of removal, transportation to storage and storage with interest on all such expenses from the date of expenditure by Landlord.

27. Termination

- (a) Landlord may terminate this lease for any one of the following, or any other cause permitted by law:
1. arrearages of rent or additional rent beyond ten days from the Fifteenth of the month after written notice,
 2. the bankruptcy or insolvency of the Tenant,
 3. substantial damage to or destruction of the Premises,
 4. any significant willful or negligent damage to the Premises caused by the Tenant or by persons permitted on the Premises by the Tenant,
 5. a material change in the use of the Premises by the Tenant in particular (without limiting the generality of this provision), if any change affects the Landlord's building insurance or that constitutes a nuisance,
 6. any unauthorized assignment or subletting of this lease by the Tenant, or
 7. any sale or material change in use of the building in which the Premises are located by the Landlord.
- (b) Tenant may terminate this lease if the cost of any single repair or maintenance required under section 9 is in excess of fifty thousand dollars (\$50,000.00), provided that Landlord may, in its sole discretion, contribute funds to any repair or maintenance in order to limit Tenant's costs below this amount. If Landlord determines to contribute funds to any repair or maintenance that give rise to Tenant's right to terminate under this paragraph, Landlord shall inform Tenant of this fact within eight (8) business days after Tenant has provided notice to Landlord of Tenant's intent to terminate. Tenant's ability to terminate shall cease if Landlord contributes funds to cause Tenant's costs for the repair or maintenance that give rise to the right to terminate to be less than the amount set forth above.

Should Landlord elect to terminate this lease, notification shall be sent to the Tenant via United States Postal first-class certified mail, postage prepaid, return receipt requested, thirty (30) days prior to the date of intended lease termination. Should Tenant elect to terminate this lease, notification shall be sent to Landlord via United States Postal first-class certified mail, postage prepaid, return receipt requested, ten (10) business days prior to the date of intended lease termination.

Notification shall be sent to the parties as follows:

If to Landlord: City of Molalla
 Attention: City Manager
 PO Box 248
 Molalla, OR 9703 8
 (503)829-6855 (Phone)
 (503)829-3676 (FAX)

If to Tenant: Molalla HOPE, Inc.
 Attention: President
 209 Kennel Ave.
 Molalla, Oregon 97038

28. Liens

Except with respect to activities for which the Landlord is responsible, Tenant shall pay as due all claims by third parties for work done on and for services rendered or material furnished to the leased Premises and requested or authorized by Tenant. Tenant shall keep the Premises free from all liens, including construction, mechanics and material men's liens, arising from any act or omission of Tenant or those claiming under Tenant. If Tenant fails to pay any such claims or discharge any lien, other than liens Tenant disputes with the Oregon Construction Contractor's Board in good faith, Landlord may do so and collect the cost as additional rent. Further, if Tenant fails to secure the discharge of any lien within ten (10) business days of Landlord's notice to Tenant requiring such removal or discharge, and Landlord is under threat of foreclosure or sale or put in other financial jeopardy under the lien, Landlord shall take all appropriate actions to discharge the lien and shall pay any costs, attorney fees and other

charges that could accrue as a result and bill the total cost to Tenant as additional rent. Any amount so added shall bear interest from the date due by invoice and shall be payable upon demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have because of Tenant's default. Landlord shall have the right to post and maintain on the Premises such notices of non-responsibility as are provided for under the lien laws of the State of Oregon.

29. Construction

The Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any parts of this Lease. If the context so requires, the singular pronoun shall be taken to mean and include the plural and generally all grammatical changes shall be made, assumed, and implied so as to apply this document to the specific party or parties to this Lease and to their agents, employees, and representatives. This Lease shall be interpreted in accordance with the fair meaning of its words and both parties certify they either have been or have had the opportunity to be represented by their own counsel and that they are familiar with the provisions of this Lease, which provisions have been fully negotiated, and agree that the provisions hereof are not to be construed either for or against either party as the drafting party.

30. Governing Law

This Lease is governed by the statutory and case law of the State of Oregon. The parties hereby indicate by their signatures below that they have read and agree with the terms and conditions of this Agreement in its entirety.

31. Successors

All covenants, agreements, terms, and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, and successors.

32. Entire Agreement

This Lease and the attached Exhibits and schedules, if any, contain the entire agreement of the Landlord and Tenant concerning the Premises and all prior written and oral agreements and representations between the parties are void. Landlord and Tenant agree that there are no implied covenants or other agreements between the parties except as expressly set forth in this Lease. Neither Landlord nor Tenant is relying on any representations of the other party except those expressly set forth herein.

33. Remedies Cumulative

Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Tenant or Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the party in question of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

34. Bankruptcy

This Lease shall not be assigned or transferred voluntarily or involuntarily by operation of law. It may, at the option of Landlord, be terminated if Tenant is adjudged bankrupt or insolvent, or makes an assignment for the benefit of creditors, or files or is a party to the filing of a petition in bankruptcy, or commits an act of bankruptcy, or in case a receiver or a trustee is appointed to take charge of any of the assets of Tenant or sublessees and assigns in or about the Premises and such receiver or trustee is not removed within thirty (30) days after the date of appointment, or in the event of judicial sale of the personal property in or on the Premises upon judgment against Tenant or any sublessee or assignee, unless such property or reasonable replacement thereof is installed on the Premises. To the extent permitted by law, this Lease or any sublease hereunder shall not be considered as an asset of a debtor in possession or an asset in bankruptcy, insolvency, receivership, or other judicial proceedings

35. Costs and Attorney Fees

Except as otherwise provided in this Agreement, any dispute relating to this Agreement, or in the event that a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action seeking a declaration of rights or an action for rescission, is instituted to interpret or enforce this Agreement or any provision of this Agreement, each party shall bear its own costs including attorney fees.

36. Execution in Counterparts

This Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

Executed this 25th day of May 2022.

Finished in the presence of

FOR LANDLORD



City Manager, City of Molalla

Date: 5-25-2022

FOR TENANT



Molalla HOPE, Inc., President

05/25/2022