



AGENDA

MOLALLA CITY COUNCIL MEETING
June 23, 2021
7:00 PM
Molalla Adult Center
315 Kennel Ave, Molalla, OR 97038

Mayor Scott Keyser

Council President Leota Childress
Councilor Elizabeth Klein
Councilor Terry Shankle

Councilor Jody Newland
Councilor Crystal Robles
Councilor Steve Deller

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

REGULAR COUNCIL MEETING begins at 7:00pm: 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.

The On-Demand replay of the Molalla City Council Meetings are available on Facebook at “Molalla City Council Meetings – LIVE” and “Molalla City Council Meetings” on YouTube.

1. CALL TO ORDER AND FLAG SALUTE

2. ROLL CALL

3. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

4. PUBLIC COMMENT

(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.)

- A. Public Comment Received by Mike Simmons.....Pg. 3
- B. Response by Planning Director, Mac Corthell..... Pg. 12

5. APPROVAL OF THE AGENDA

6. CONSENT AGENDA

- A. Meeting Minutes – June 9, 2021.....Pg. 13
- B. Clark Park Phase 4: Contract Award.....Pg. 16
- C. RFP#2021-01: Municipal Court Judge: Contract Award.....Pg. 17

7. PUBLIC HEARINGS

- A. Ordinance No. 2021-09: Amending Molalla Municipal Code Section 17-2.2.040.D to Comply with HB 2001 (Corthell)Pg. 23

8. ORDINANCES AND RESOLUTIONS

- A. Ordinance No. 2021-09: Amending Molalla Municipal Code Section 17-2.2.040.D to Comply with HB 2001 (Corthell)Pg. 23
- B. Ordinance No. 2021-07: Annexation and Zone Change of 52E17A 102 & 290, 52E17 2480, Approximately 16.30 Acres on the NW corner of S. Molalla Ave and Molalla Forest Rd. (Second Reading).....Pg.52

9. GENERAL BUSINESS

- A. Economic Development Road Map (Discussion & Adoption).....Pg. 70

10. REPORTS

- A. City Manager and Staff
- B. City Councilors
- C. Mayor

11. ADJOURN

From: [Mike Simmons](#)
To: [Mac Corthell](#); [City Recorder](#); msimmons616@hotmail.com; [Jesse Winterowd](#)
Subject: Molalla Urban planning directions
Date: Monday, June 21, 2021 8:20:07 AM
Attachments: [Outlook-pl1iqxq2.png](#)
[Molalla Process Implications Memorandum 6.14.21.docx](#)

17 June 2021

Hi Mac,

I requested that Jesse at Winterbrook Planning compile a memo to describe the pro and con elements for different paths that the City of Molalla has the option to follow concerning Urban growth planning.

Please see the attached Memo.

As you know Winterbrook has been involved with Molalla since 2007, first with the city directly for four years and then starting again in 2015 with my family and our neighbors privately funded, but City endorsed, studies.

As you are pursuing the needed urban planning, the choices Molalla has is to pursue a 20-year study, leading to a UGB expansion, or a 50-year study that can yield a URA then UGB expansion. It is clear from the attached Winterbrook Memo that if Molalla wishes to have the option to be in control of its own future the 50-year study/ URA first approach is the only option.

Pursuing a 20-year study will yield a UGB most likely solely within the southern exception lands with the City of Molalla having no options. Within the exception lands there is unlikely to be any significant growth and therefore additional land in any direction will not be needed in the future. If this is the case Molalla will wither over the next decades.

Pursuing a 50-year study, either by private or public funding will result in the City of Molalla being able to create an Urban Reserve and therefore having the independent choice to bring in the most suitable land into the UGB the for its needs, as determined by the City. Within statutes of course, but in reality, parcels within the URA are then available of consideration.

If you or anyone in the city would care to review for reference the Housing and Economic needs vs inventory studies that Winterbrook Planning and Johnson Economics produced in 2015 and updated in 2018 they are available to you in the city's records with the planning commission, or if requested from my self or Winterbrook and Johnson directly.

Please consider this and I will use my 3 minutes at the 23 June 2021 council meeting to comment, basically as written above to include this in the record for the City's review.


Hi Christie,

Please include this for the record as citizen input to the council.

Best Regards,

Mike Simmons

13258 S Vick Rd, Molalla

503-805-5877 

Memorandum



To: Mike Simmons
From: Jesse Winterowd, AICP, PMP
Date: June 14, 2021
Re: **Molalla Urban Growth Process Implications**

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Introduction

This memorandum provides land use history and context for the City of Molalla and estimates likely process pitfalls and results of possible long-range urban planning approaches.

Molalla Urban Growth History

The City of Molalla’s Comprehensive Plan (Plan) and Urban Growth Boundary (UGB) were established in 1980. At the time, the city’s population was 3,180 and the UGB was intended to provide a 20-year land supply that would accommodate:

- 1) Housing needs of a population growing to 7,645;
 - 2) Employment needs anticipating growth in jobs for the increased population and surrounding areas;
-

- 3) Public and semi-public needs for parks, schools, lodges, churches and similar uses that make up the fabric of urban life.

Plans are intended to be reviewed and updated every 5 to 7 years to retain relevance, and UGBs are intended to correspondingly be updated to retain a rolling 20-year land supply to meet current and future housing, public and employment needs.

Molalla engaged in a Comprehensive Plan update process in 2007-2011, leading to Plan updates, efficiency measures increasing density, development code updates, and a city approval of a 50-year urban reserve area (URA). However, due to a population coordination disagreement with Clackamas County, that process ended without an acknowledged URA. Clackamas County updated Molalla's Plan in 2014, noting "based on preliminary buildable lands inventory figures, it is likely Molalla's UGB has a deficit of both residential and employment lands".

Therefore, from 1980 to now, despite the population more than tripling, the Molalla UGB has not changed. According to Portland State University, there are currently over 10,000 residents within the UGB. As one would expect given this situation, Molalla now:

- Has well under a 20-year supply of residential land;
- Lacks enough park land to meet park needs for the current population;
- Lacks school land to meet school needs for Molalla residents; and
- Lacks employment land sufficient to provide opportunity for anticipated future employment needs.

Urban Growth Land Need Estimates

Winterbrook has performed multiple land need and supply analyses for Molalla within the past 15 years. The last analysis was performed using 2018 land supply and population forecasts. Since then, Molalla has continued to develop what is left of its land supply. There is always a degree of discretion and judgment in supply and demand analysis, and a variety of different safe harbor approaches are legally available. We anticipate a new or updated analysis will show:

- Between 200-270 acres needed for housing to serve the PSU forecast population of 15,141 through 2040; and
- Between 70-110 acres of residential land supply within the existing UGB.

This will result in an unmet need of between 90-200 acres of residential land for housing. If public and semi-public land need (parks, schools, etc) is accounted for, this will add between 30-100 acres of need for residential land.

Therefore, a purely residential land need analysis is likely to show up to 300 acres of residential land needed to add to the UGB over the next 20 years.

Expansion Priorities and Exception Lands

Molalla (and other Oregon cities), must apply a statutory priority to inclusion of lands for urban growth:

- 1) Urban Reserve. Currently Molalla has no URA, so would not be able to expand into this category.
- 2) Exception Land. This is land outside of the UGB not zoned for farm or forest. Molalla has two large exception areas adjacent to or near the UGB. To the south, a 556-acre exception area generally zoned for rural residential. To the west, an approximately 100-acre airfield exception area with associated rural residential parcels.
- 3) Lower Quality Soils (Soil Class III-VI). Class III and IV soils are generally wetland and floodplain areas.
- 4) Higher Quality Soils (Soil Class II). Most of the farmland around Molalla is Class II soils.

As noted above, the highest applicable priority land is a 556-acre area of rural residential land adjacent to the south of Molalla. We estimate this southern exception area alone would provide 280-360 buildable acres of residential land supply.

Therefore, we estimate a 20-year analysis of housing needs, or overall residential land needs, will lead to an expansion of Molalla's UGB into, and very likely only into, the southern rural residential exception area.

There are a few problems with expansion into this area:

- 1) Inefficient parcelization and existing development pattern. The southern exception area contains over 130 tax lots, existing roads, septic systems, and buildings. This makes land acquisition and development generally more expensive than on larger, undeveloped parcels.
- 2) More expensive to serve with public facilities. Because of the parcelization pattern and existing private facilities, as well as topography, this area is more expensive to serve with public facilities than areas adjacent to the UGB in other directions.
- 3) Adjacent to industrial and planned industrial areas. The southern portion of Molalla contains most of Molalla's existing and planned industrial employment land. Planning for urban residential neighborhoods in this area may increase environmental health hazards and potential future conflicts, and would not typically be considered "good" urban design.
- 4) Residents do not want to be annexed. During previous public hearings related to urban growth, many residents in the southern exception area came to testify they did not want to be in Molalla, and do not want to be annexed.

- 5) Land supply. In order to expand its UGB, a city must show its current UGB lacks sufficient land supply to meet future needs. Once the exception area is inside Molalla's UGB it will count as available land supply in planning analyses, even if it never gets annexed or meets any of the city's needs. If Molalla is interested in planning for the needs of its current and future residents, holding a large supply of land that is costly and inefficient to develop will limit opportunities for future planning efforts.

Urban Reserve Approach

All of the problems with exception area growth were considered extensively by the planning commission and city council in the 2007-2011 process. Expanding the UGB exclusively into an area that would not accommodate growth effectively was not considered to be good planning or a worthwhile end result.

This led to the 2007-2011 approach of planning for a bigger picture and establishing an urban reserve area (URA) prior to expanding the UGB. Having an established URA would allow future UGB expansions in areas that could effectively meet urban needs and be efficiently served by public facilities. As noted earlier, this effort failed due to lack of common ground on a coordinated population forecast with Clackamas County. However, in 2014 Clackamas County adopted a coordinated forecast, and since that time, the population forecast is no longer a point of contention.

Winterbrook and Johnson Economics, through private funding from 2015-2019, developed updated studies and analysis supporting the establishment of a URA to allow for efficient and effective urban growth. The products were prepared with the same methodology as used for government-funded products and provided to Molalla for public use. These studies were based on 2017 coordinated population forecasts, for 20- and 50-year timeframes.

As shown in Table 1 below, the 20-year (UGB) analysis identified an unmet need for 327 acres of residential and employment land, and the 50-year (URA) analysis identified an unmet need for 1,275 acres of residential and employment land. Expanding only the UGB would very likely bring in only exceptions area land. That would mean nearly all of Molalla's future housing, parks, schools, commercial, and industrial land would be planned in the rural residential areas to the south of the city.

Establishing a URA would allow Molalla to include all exceptions areas adjacent to the UGB, as well as additional land consistent with growth priorities (lower quality farmland, then higher quality farmland). As Molalla expanded its UGB, it could identify which lands within the URA would be most efficient to serve with public facilities and best meet identified residential (including parks and schools) and employment needs.

Table 1: Demand and Supply Comparison (2037, 2067)

| Residential Land Demand | 2037 | 2067 |
|--------------------------------------|--------------|--------------|
| Housing | 272 | 737 |
| Public / Semi-Public | 120 | 297 |
| Residential Supply | 83 | 83 |
| Residential Surplus (Deficit) | (309) | (951) |

| Employment Land Demand | 2037 | 2067 |
|-------------------------------------|-------------|--------------|
| Commercial | 54 | 154 |
| Industrial | 101 | 307 |
| Employment Land Supply | 137 | 137 |
| Employment Surplus (Deficit) | (18) | (324) |

| Total Surplus (Deficit) | (327) | (1,275) |
|--------------------------------|--------------|----------------|
|--------------------------------|--------------|----------------|

This URA approach was supported by Molalla, DLCDD and Clackamas County in multiple meetings from 2015 through 2019. However, Molalla did not initiate a process to use the Buildable Lands Inventory, Housing Needs Analysis, and Economic Opportunities Analysis products to establish a URA and subsequently expand the UGB at that time.

Population Forecast

Portland State University updates population forecasts for all Oregon cities and counties every four years. These forecasts provide the fundamental basis for urban growth planning – cities must plan to accommodate 20 years of forecast population growth within their UGBs.

However, past and ongoing population growth is a major driving factor of the population forecast. If Molalla does not have enough available residential land to meet demand and its population growth slows down, future forecasts will correspondingly reduce their assumptions for growth. Put simply, if a community is growing, it will receive a higher assumption for future population growth than if it isn't growing.

This dynamic is a significant concern in relation to inclusion of exceptions area land within the UGB – if land within the UGB does not develop to meet residential or employment needs, Molalla's population will not grow consistent with the forecast, population growth forecasts will decline, and Molalla will show a lower need for land. The lower need will continue to be “met” on paper by existing land supply (i.e., the exceptions area land that does not annex or develop) and Molalla will not be able to provide land that will realistically address housing or employment land demand. This cycle will continue to decrease population forecasts every four years.

Planning Process Options

Molalla will soon officially have over 10,000 population and will therefore be required by the state to evaluate 20-year land needs and update its Plan to accommodate those needs. As noted above, it is extremely likely that Molalla will need to expand its UGB to provide enough land for an additional 20 years of population growth.

DLCD Grants

Some grant funding is available from DLCD to apply toward long-range planning work. Funding is limited and demand is high for these grants. A typical grant condition is that the recipient adopt the product of the grant. As explained below, in all likely grant cases the direct result will be that Molalla will be required to include the southern exception area in a UGB expansion.

Housing Needs Analysis & Strategies Grant

This would evaluate housing need over the next 20 years for Molalla, and some potential strategies to meet that need. In order for Molalla to adopt an HNA grant product, the city will also be required to meet the needs identified in the HNA. This will very likely require adopting efficiency measures and expanding the UGB. The grant is unlikely to be funded to include the extent of legislative changes required, so the city would either cover the cost of additional analysis, process, and work products, or enter into a sequential adoption process and apply for additional grant funds at the next grant cycle.

The resulting UGB expansion after all of this work will very likely be limited to 100-200 acres of expansion into the rural residential exception area to the south of the city.

Urbanization Report Grant

An urbanization report goes beyond just housing needs and addresses public and employment land needs. The advantage of this would be a more comprehensive look at future land needs for Molalla, and ability to plan more effectively.

Employment needs evaluations vary widely. Public and semi-public needs evaluations vary widely. Accommodating all urban needs would require bringing the entire southern exception area into the UGB, along with possibly the airport exception area, and likely require 50-200 acres expansion onto farmland beyond these areas.

Including additional analysis increases funding requirements. An employment opportunities analysis (EOA) is typically similar in cost to an HNA. Given the shortage of funds available, this approach is less likely to be fully funded. The UGB expansion required by this approach is very likely to require an additional grant cycle.

Urban Reserve Approach

Establishing an urban reserve area (URA) prior to UGB expansion is the only approach that will not immediately place all or most of Molalla’s future growth within the southern exception area. Despite previous discussions and agreements to use this approach, DLCD is unlikely to fund an urban reserve evaluation prior to UGB expansion for Molalla this grant cycle.



Mac Corthell – Planning Director

117 N Molalla Avenue, PO Box 248, Molalla, Oregon 97038
Phone: (503) 759-0219 Email: mcorthell@cityofmolalla.com

June 21, 2021

Re: Mike Simmons email dated 6/17/21 & Winterbrook Process Implications Memo Dated 6/14/21

Honorable Mayor & City Council,

I wanted to take a moment and respond to the information provided by Mr. Simmons and Winterbrook Planning Consultants referenced in the “Re” line. I have been in consistent contact with Mr. Simmons and Jesse Winterowd of Winterbrook Planning. Mr. Simmons has been a consistent advocate for creation of an Urban Reserve prior to UGB expansion and notably has a vested interest in Urban Reserve creation as his land would likely be included in an Urban Reserve and would likely not be included in a basic UGB expansion. Thus the value of his land would likely benefit by an Urban Reserve, but not by a UGB expansion without an Urban Reserve.

With that said, staff does not disagree with the analysis provided by Winterbrook. However, the time for selecting between a UGB expansion only versus an Urban Reserve followed by UGB expansion, is not yet upon us. Staff is currently in the process of applying for a DLCD grant to help cover the cost of a Housing Needs Analysis and Production Strategy, as required by HB 2003, for cities over 10,000 in population. This does not commit the City to one approach or the other, and it is not a wasted effort as the results of the HNA can be built upon for an urbanization study (in the case of an Urban Reserve), or for a UGB expansion without an Urban Reserve. The studies currently being applied for are purposed to meet the requirements placed upon the city by HB 2003.

As we work through these studies, Staff will be setting up a citizen engagement forum for UGB expansion/Urban Reserve designation and providing information as to the implications of each while fielding commentary from the public on the two approaches. This information will be compiled and presented to the Planning Commission to make a recommendation on what approach they feel is most in the community interest. That recommendation will then be presented to the Council and you will make the final decision on which approach the City will take. It is likely a work session will be in order on this topic as well.

All of that is to say that this information, while valid, is a bit out front of where we are in the process. With processes as complex as Urban Reserve designation versus straight UGB expansion, information received out of order has a tendency to confuse. Please take the time to read and understand what has been presented and forward me any questions you may have as a result. But more to the point, know that we will be discussing all of this in the near future as we move forward with bringing our UGB into compliance with state law whether through Urban Reserve to UGB expansion, or straight expansion of the UGB.

Sincerely,

/s/ Mac Corthell

Planning Director



Minutes of the Molalla City Council Meeting

**Molalla Adult Community Center
315 Kennel Ave., Molalla, OR 97038
June 9, 2021**

CALL TO ORDER

The Molalla City Council Meeting of June 9, 2021 was called to order by Mayor Scott Keyser at 7:18pm.

COUNCIL ATTENDANCE

Mayor Scott Keyser, Council President Leota Childress, Councilor Elizabeth Klein, Councilor Terry Shankle, Councilor Jody Newland, Councilor Crystal Robles, Councilor Steve Deller.

STAFF IN ATTENDANCE

Dan Huff, City Manager; Chaunee Seifried, Finance Director; Mac Corthell, Planning Director; Christie DeSantis, City Recorder; Frank Schoenfeld, Police Chief; Chris Long, Lieutenant.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

- A. Economic Development Road Map (Mary Bosch, Marketek)
- B. Molalla Police Department Scholarship Award (Schoenfeld)

Mary Bosch with Marketek, Inc. presented Council with an Economic Development Road Map. Mary's goal is to join the Vision and Action Plan with the Economic Development Plan.

[For the full video account of the Marketek, Inc. presentation, go to YouTube, "Molalla City Council Meeting 6/9/2021, Part 1" minutes 00:28-26:15](#)

PUBLIC COMMENT

None.

APPROVAL OF THE AGENDA

Approved as presented.

CONSENT AGENDA

- A. Meeting Minutes – May 26, 2021

A motion was made by Councilor Deller to approved the Consent Agenda, seconded by Council President Childress. Vote passed 7-0, with all Councilors voting Aye.

PUBLIC HEARINGS

- A. Ordinance No. 2021-07: Annexation and Zone Change of 52E17A 102 & 290, 52E17 2480, Approximately 16.30 Acres on the NW Corner of S. Molalla Ave and Molalla Forest Rd.

Planning Director Mac Corthell read the Facts & Findings of the Annexation and Zone Change of 52E17A 102 & 290, 52E17 2480, approximately 16.30 acres on the NW corner of S. Molalla Avenue and Molalla Forest Road into the record.

The Public Hearing for Ordinance No. 2021-07 was opened by Mayor Keyser at 8:04pm. As there were no audience members present, the Public Hearing was closed at 8:05pm.

- B. Resolution No. 2021-12: Adopting the City of Molalla Budget Fiscal Year 2021-2022; Making Appropriations; and Categorizing and Levying Ad Valorem Taxes

Finance Director Chaunee Seifried presented FY Budget 2021-2022 to Council for adoption. Ms. Seifried explained that the Molalla Budget Committee had reviewed and acted on the proposed City Budget on April 22, 2021.

The Public Hearing for Resolution No. 2021-12 was opened by Mayor Keyser at 8:06pm. As there were no audience members present, the Public Hearing was closed at 8:07pm.

ORDINANCES AND RESOLUTIONS

- A. Ordinance No. 2021-07: Annexation and Zone Change of 52E17A 102 & 290, 52E17 2480, Approximately 16.30 Acres on the NW corner of S. Molalla Ave and Molalla Forest Rd.

A motion was made by Councilor Deller to hold the First Reading of Ordinance No. 2021-07 by title only, seconded by Council President Childress. Vote passed 6-1. Councilors voting Aye: Mayor Keyser, Councilor Klein, Council President Childress, Councilor Shankle, Councilor Robles, Councilor Deller. Voting Nay: Councilor Newland.

- B. Resolution No. 2021-12: Adopting the City of Molalla Budget Fiscal Year 2021-2022; Making Appropriations; and Categorizing and Levying Ad Valorem Taxes (Seifried)

A motion was made by Council President Childress to adopt Resolution No. 2021-12 by title only, seconded by Councilor Robles. Vote passed 7-0 with all Councilors voting Aye.

Mayor Keyser called for a five minute break at 8:15pm. The meeting reconvened at 8:23pm.

- C. Resolution No. 2021-08: Adopting a Supplemental Budget for Fiscal Year 2020-2021 and Appropriating Funds

A motion was made by Councilor Newland to adopt Resolution No. 2021-08 by title only, seconded by Councilor Robles. Vote passed 7-0, with all Councilors voting Aye.

- D. Resolution No. 2021-18: For the City to Begin Participating in the Oregon PERS Unused Sick Leave Program under ORS 238.150 (1)(A) (Seifried)

A motion was made by Councilor Newland to adopt Resolution No. 2021-12 by title only, seconded by Councilor Robles. Vote passed 7-0, with all Councilors voting Aye.

GENERAL BUSINESS

- A. Sheckard Property Purchase

City Manager Huff informed Council that the purchase and sale agreement for the acquisition of the Sheckard property is ready for signing. Staff has completed due diligence and specifically conducted a Level I Environmental Report. The property is free of environmental encumbrances and will allow the City to proceed with park planning.

Council President Childress made a motion to authorize the City Manager to close escrow and complete the purchase of the Sheckard Property, Councilor Robles seconded. Vote passed 7-0, with all Councilors voting Aye.

- B. Ratification of CCPOA Peace Officers Contract (Huff)

Mr. Huff explained to Council that the Molalla Peace Officers and support staff are ready to sign a three year agreement for the dates July 1, 2021 – June 30, 2024.

A motion was made by Council President Childress to authorized the City Manager to sign the three-year bargaining unit agreement with the Clackamas County Peace Officers Association (CCPOA), seconded by Councilor Shankle. Vote passed 6-0, with all Councilors voting Aye. Councilor Deller abstained from voting.

- C. Ratification of City Manager Contract (DeSantis)

City Recorder DeSantis presented the City Manager’s contract for approval to Council. Council President Childress explained the changes from the past contract to the new contract.

Councilor Shankle made a motion that Council ratify the City Manager’s contract for 2021-2023, seconded by Councilor Newland. Vote passed 7-0, with all Councilor’s voting Aye.

STAFF, MAYOR AND COUNCIL REPORTS

- Finance Director Seifried had nothing to report.
- City Recorder DeSantis had nothing to report.
- Mr. Huff read a statement to Council regarding a Facebook post that was made by the Mayor after a recent Council meeting.
- Councilor Deller had nothing to report.
- Councilor Robles reported on events taking place at the Library currently, and encouraged community members to check it out.
- Councilor Newland had nothing to report.
- Councilor Shankle had nothing to report.
- Council President Childress gave an update on the County Emergency Operations Center. The goal is how to better respond when there is an emergency, and how to provide an Emergency Shelter. Ms. Childress attended the downtown owners business meeting on Monday and would like to become the liason from Council for that group. Councilors agreed. Lastly, Ms. Childress shared that she is working on an Emergency Alert system to be used community wide. Her goal is to have the system in place by the end of this year.
- Councilor Klein had nothing to report.
- Mayor Keyser had nothing to report.

ADJOURN

Mayor Keyser adjourned the meeting at 8:54pm.

Scott Keyser, Mayor

Date

ATTEST:

Christie DeSantis, City Recorder

City of Molalla

City Council Meeting



Agenda Category: Consent Agenda

Subject: Contract Award for the Clark Park Pathway Ph 4 project #20-05

Recommendation: Council Approval

Date of Meeting to be Presented: June 23, 2021

Fiscal Impact: Capital Projects Fund

Background:

The City advertised an Invitation to Bid on May 5, 2021 and May 12, 2021 in the Daily Journal of Commerce. On June 9, 2021, the City received and opened a total of three bids. Below is the Bid Summary for the three lowest responsible bidders:

- | | |
|-------------------------------|---------------|
| 1. D&D Concrete and Utilities | \$ 224,770.00 |
| 2. GT Excavating Inc | \$ 264,932.50 |
| 3. Brown Contracting | \$ 288,023.00 |

After review of the bids, D&D Concrete and Utilities was deemed the lowest responsible bidder. A Notice of Intent to Award was issued to all bidders and no protests were received. Staff recommends City Council award the contract to D&D Concrete and Utilities and authorize the City Manager to execute a contract and any change orders within the approved budget.

SUBMITTED BY: Gerald Fisher, Public Works Director
APPROVED BY: Dan Huff, City Manager

City of Molalla

City Council Meeting



Agenda Category: Consent Agenda

Subject: RFP#2021-01: Municipal Court Judge

Recommendation: Sign and Award Contract

Date of Meeting to be Presented: June 23, 2021

Fiscal Impact:

Background:

City of Molalla posted an RFP for Municipal Court Judge on March 29, 2021, and it ran until April 30, 2021. Mayor and Council met for two separate Executive Sessions on May 19 and May 26, 2021 to interview applicants.

At the May 26, 2021 regular City Council meeting, Ms. Lucy Heil was appointed as the Molalla Municipal Court Judge.

The final step in this process is to approve the contract and authorize Mayor Keyser to sign.

SUBMITTED BY: Chaunee Seifried, Court Administrator
APPROVED BY: Dan Huff, City Manager

**AGREEMENT FOR
MUNICIPAL JUDGE FOR THE CITY OF MOLALLA**

This AGREEMENT ("Agreement") is made and entered into this 1st day of July 2021, by and between the CITY OF MOLALLA, a Municipal Corporation, hereinafter called "CITY," and Lucy Heil, hereinafter called "JUDGE" both of whom agree as follows:

WITNESSETH

WHEREAS, the City desires to contract for the services of said JUDGE as Municipal Judge of the City of Molalla;

WHEREAS, it is the desire of the Molalla City Council to establish certain conditions under this contract with said JUDGE;

WHEREAS, JUDGE desires to contract with City as Municipal Judge of said CITY.

SECTION 1. CONTRACT

CITY hereby contracts with JUDGE as the Municipal Judge of said CITY to perform the functions and duties specified in City Charter, attached hereto, and incorporated by reference herein; and to perform such other legally permissible and proper duties and functions as may from time to time arise in the operation of the Municipal Court. This AGREEMENT may be modified in writing when there is agreement by both parties.

SECTION 2. DUTIES

- a. Duties include all normal duties of Municipal Judge acting in that capacity for the Municipal Court. These duties include, but are not limited to, having regular arraignments, accepting pleas, conducting bench trials, presiding over jury trials as necessary, and conducting sentencing hearings. It may be necessary to conduct a jury trial on a separate day from regular court day. The JUDGE also issues warrants, such as bench warrants for criminal non-appearances and administrative search warrants, reviews probation reports, and has probation violation hearings. The JUDGE must be available for telephone calls or video conferences to consider probable cause affidavits and other court matters.
- b. JUDGE will perform work in a manner according to professional standards observed by those in the municipal court judge profession. JUDGE shall maintain membership in good standing with the Oregon State Bar.
- c. The Municipal Court Clerk assists the JUDGE with paperwork and necessary orders. The JUDGE may review court programs, court fines, court charges, and court procedures that are consistent with applicable law. The JUDGE may issue court orders establishing the procedure and amounts of fees consistent with applicable law. The JUDGE will keep the Municipal Court Clerk apprised of changes in laws and procedures. The JUDGE, Municipal Court Clerk and City Prosecutor will meet to review calendars and programs applicable to court operations.
- d. While it is agreed that JUDGE shall personally serve as Municipal Court Judge and shall be available to fill the duties of that office generally not less than eighty percent of the time needed to fulfill those duties, it is anticipated that ethical conflicts, scheduling conflicts, vacations, illness, and etcetera will occasionally require the employment of pro tem municipal judges. It is understood that it is in the interest of both parties to maintain an active pro tem judge so that the work for the Municipal Court will not be interrupted when JUDGE must be absent from that position. Therefore, JUDGE shall provide at her own expense, a pro-Tem Judge, who shall sit and hear cases when the JUDGE is absent due to illness, vacation, or when conflicts arise. The pro-Tem Judge or Judges shall be approved by the City Council. To accommodate Council approval, JUDGE shall submit to the City Council the names of those persons whom she wishes to nominate as pro tem judges for the term of this Agreement within twenty days of the effective

date of this AGREEMENT or when a vacancy occurs in the pro-tem position. These persons shall be members of the Oregon State Bar, and in good standing. Any pro tem judge shall also be an independent contractor and not an employee of the City and shall, in JUDGE'S absence, provide the same services listed in this AGREEMENT.

e. The JUDGE will not represent any clients in legal matters where the City is involved, whether in Municipal Court, Clackamas County Circuit Court, or any in any other court of competent jurisdiction.

f. The Council shall conduct an evaluation of the JUDGE'S performance annually. The JUDGE is to develop a self-evaluation form each year and turn it in to the City Manager for the City Council no later than 60 days prior to the scheduled performance review. The date of the evaluation shall be no later than March 31 of each year.

g. The CITY agrees to notify the JUDGE promptly when a citizen is lodged in jail on a Molalla Municipal Charge.

h. Part of JUDGE'S duties may also require the JUDGE to go to the Clackamas County jail located in Oregon City to arraign defendants via video that may be lodged in Clackamas County jail pursuant to a warrant issued by the Molalla Municipal Court.

SECTION 3. CONFLICT OF INTEREST

JUDGE will disclose any actual, apparent, or potential conflict of interest that may exist relative to the services to be provided pursuant to this AGREEMENT. In the event of a potential conflict of interest due to a former attorney-client relationship between JUDGE and an accused, the accused and the City Prosecutor will be given the opportunity to waive the conflict after full disclosure. In the event a former client or the City Prosecutor declines to waive the conflict, a pro-Tem Judge will handle the proceedings. A pro-Tem Judge will be assigned in the event an apparent or actual conflict of interest is identified.

SECTION 4. AGENT OF THE CITY STATUS

JUDGE is an agent of the CITY, and as an agent of the CITY, she is responsible for all employees, subcontractors, and agents performing portions of this work under this AGREEMENT. JUDGE will not be considered an employee of the CITY for the performance of any work under this AGREEMENT.

JUDGE will not be a participant in, nor be in a qualified position as defined by PERS or be eligible for any other benefits provided to CITY employees.

SECTION 5. COMPENSATION AND REPORTING

JUDGE will perform duties described above at the rate of \$1,800.00 per month.

Requests for any compensation adjustments must be made to the City Manager and approved by the City Council between January and March of a given year for budgeting purposes. Any adjustment granted will go into effect at the beginning of the fiscal year (July 1.)

SECTION 6. ANNUAL REVIEW OF OPERATIONS

On an annual basis, JUDGE will prepare a report to the Council regarding court operations. The report shall be provided to the City Manager no later than [insert date].

SECTION 7. NOTICES

All notices, bills and payments shall be made in writing and may be given by personal delivery, by mail, or email to the following.

TO: Finance Director
City of Molalla
PO Box 248 / 117 N. Molalla Ave.
Molalla, OR. 97038
finance@cityofmolalla.com

SECTION 8. COMPLIANCE WITH LAW

- a. JUDGE shall comply with all applicable federal, state and local statutes, ordinances, administrative rules, regulations and other legal requirements in performance of this AGREEMENT.
- b. JUDGE shall not discriminate against any individual because of race, color, religion, sex, age, national origin, physical or mental disability, disabled veteran or veteran status, or any other protected status or activity in violation of local, state or federal law. JUDGE will administer the Court in compliance with City policy and applicable union collective bargaining agreements.
- c. JUDGE shall comply with all requirements associated with access to and confidentiality of law enforcement data system records and categories of records protected by law which come before the Court. JUDGE shall appropriately direct Court staff and the police department with respect to such matters which come to her attention.
- d. JUDGE shall be a contract employee for all federal or state taxes applicable to any compensation or payments paid to JUDGE under this AGREEMENT. JUDGE is not eligible for any federal Social Security, unemployment insurance, or workers' compensation benefits from compensation or payments paid under this AGREEMENT.

SECTION 9. DISPUTE RESOLUTION

Any controversy or claim arising out of or relating to this AGREEMENT, including without limitation, the making, performance, or interpretation of this AGREEMENT or the AGREEMENT documents, shall be attempted to be settled by mediation in good faith prior to any litigation being filed. Any litigation arising under or as a result of this AGREEMENT shall be tried to the court without a jury. Each party agrees to be responsible for payment of its own professional fees, including attorneys' fees.

SECTION 10. TERM OF AGREEMENT

This AGREEMENT shall commence on July 1, 2021 This AGREEMENT shall expire on June 30, 2023, unless terminated as specified in this section. The Parties may, by mutual agreement, renew this AGREEMENT for two- year terms.

JUDGE serves at the pleasure of the City Council. Therefore, this AGREEMENT may be terminated by CITY at any time for its own convenience by written notice to JUDGE, effective immediately or at any time identified. JUDGE may terminate this AGREEMENT, for any reason upon (60) days' written notice of JUDGE'S intent to terminate. In the event this agreement is terminated, JUDGE shall receive compensation only for Services performed up to the last day of work performed as a JUDGE.

SECTION 12. INDEMNIFICATION AND INSURANCE

Except for the performance of her judicial functions for which the City shall indemnify, defend and hold JUDGE harmless, JUDGE acknowledges responsibility for any and all liability arising out of the performance of this AGREEMENT and shall hold City harmless from, indemnify and defend CITY for any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from JUDGE'S acts, omissions, activities or services in the course of performing this AGREEMENT.

JUDGE shall maintain occurrence form commercial general liability and automobile liability insurance for the protection of JUDGE, CITY, its Councilors, officers, agents and employees. Coverage shall include personal injury, bodily injury (including death) and broad form property damage, including loss of use of property, occurring in the course of or in any way related to JUDGE'S operations, in an amount not less than Two Million dollars (\$2,000,000.00) combined single limit per occurrence. Such insurance shall name CITY as an additional insured.

JUDGE shall maintain professional liability insurance as mandated by the Oregon State Bar.

JUDGE is self-employed and is responsible for any claims of workers' compensation that may arise from her self-employment in accordance with Oregon law.

JUDGE shall furnish the CITY certificates evidencing the date, amount, and type of insurance required by this AGREEMENT. All policies will provide for not less than thirty (30) days written notice to the CITY before they may be canceled.

The coverage provided by insurance required under this AGREEMENT shall be primary, and any other insurance carried by CITY shall be excess.

SECTION 13. GENERAL PROVISIONS

JUDGE shall maintain the confidentiality, both external and internal, of that confidential information which JUDGE receives in her capacity as JUDGE, to the extent appropriate. This Agreement shall not be interpreted or applied to affect the proper and public sessions of the Court or proper access to judicial proceedings and Court records not under seal.

JUDGE shall not use any data, pictures, or other representations of the CITY in JUDGE'S external advertising, marketing programs, or other promotional efforts except with prior specific written authorization from the CITY.

JUDGE shall furnish to City JUDGE'S employer identification number, as designated by the Internal Revenue Service or JUDGE'S Social Security number.

The AGREEMENT shall be governed by the laws of the State of Oregon. Venue shall be in Clackamas County, Oregon.

Neither CITY nor JUDGE shall assign or transfer their interest or obligation hereunder in this AGREEMENT without the written consent of the others. Except as otherwise provided above, JUDGE must seek and obtain CITY'S written consent before subcontracting any part of the work required of JUDGE under this AGREEMENT. Any assignment, transfer, or subcontract attempted in violation of this subparagraph shall be void.

All work, including but not limited to documents, drawings, papers, computer programs, and photographs, performed or produced by JUDGE under this AGREEMENT shall be the property of CITY. JUDGE shall retain all books, documents, papers, and records that are directly pertinent to this AGREEMENT for at least ten years after CITY makes final payment on this AGREEMENT and all other pending matters are closed.

This AGREEMENT shall not create any rights in, or inure to the benefit of, any party other than the CITY and JUDGE.

The AGREEMENT incorporates, without limitation, standard contract clauses that are required in every public contract in accordance with the Oregon Revised Statutes Chapter 279B and in particular the provisions of ORS 279B.220, 279B.225, 279B.230 and 279B.235. As such, to the extent applicable under State law, these paragraphs apply to this Agreement. This Agreement hereby incorporates by reference any other standard contract clauses required by federal, state, and local laws, ordinances, and regulations.

If any provision of this AGREEMENT is held to be invalid, it will not affect the validity of any other provision. This AGREEMENT will be constructed as if the invalid provision had never been included.

A waiver by a party of any breach by the other shall not be deemed to be a waiver of any subsequent breach.

This AGREEMENT contains the entire contract between the parties and supersedes all prior written or oral discussions or contracts regarding the same subject.

IN WITNESS WHEREOF, the City of Molalla has caused this AGREEMENT to be signed and executed in its behalf by its City Council and duly attested by its City Recorder, and AGENT OF THE CITY has signed and executed this AGREEMENT, both in duplicate, the day and year first above written.

CITY OF MOLALLA:

JUDGE:

By: _____
Scott Keyser, Mayor

By: _____
Lucy Heil

ATTESTED:

By: _____
Christie DeSantis, City Recorder

City of Molalla

City Council Meeting



Agenda Category: Public Hearings/Ordinances

Subject: Ordinance 2021-09, Amendment of the City of Molalla Development Code to comply with HB2001, Duplexes and Accessory Structures in Residential Zones.

Date of Meeting to be Presented: 6/2/21 – PC Review & Recommendation, 6/23/21 – CC Public Hearing, 1st reading, possible 2nd reading.

Fiscal Impact: Costs associated with development and implementation, and costs associated with reconciling master planning documents with increased densities in some residential zones.

Background: House Bill 2001 passed in the 2019 Regular Legislative Session and requires cities of 10,000 or more to meet certain requirements.

Requirement 1. *“the development of a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings. Nothing in this subsection prohibits a local government from allowing middle housing types in addition to duplexes.”*

The most recent PSU (official) population estimate for the City of Molalla is 9,910. With revisions coming in late June, and again in September, Molalla will almost certainly surpass the 10,000-population mark. Once that happens, Molalla falls into the medium sized (10k-25k population) city requirements for HB 2001 and if we have not adopted an ordinance that reconciles our code with HB 2001 requirements, the model code (attached) automatically supersedes our code and applies. Staff finds the model code to be a more intensive and permissive regulation than what is required by law and is proposing the attached amendment in lieu.

Requirement 2. Additionally, HB 2001 requires the Council to address and make findings relevant to increased housing affordability, explicitly:

- a) *Waiving or deferring **system development charges**;*
- b) *Adopting or amending criteria for **property tax exemptions** under ORS 307.515 (Definitions for ORS 307.515 to 307.523) to 307.523 (Time for filing application), 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) or 307.651 (Definitions for ORS 307.651 to 307.687) to 307.687 (Review of denial of application) or property tax freezes under ORS 308.450 (Definitions for ORS 308.450 to 308.481) to 308.481 (Extending deadline for completion of rehabilitation project); and*
- c) *Assessing a **construction tax** under ORS 320.192 (City or county ordinance or resolution to impose tax) and 320.195 (Deposit of revenues).*

City Staff's discussion and recommendations on this requirement are located in the findings of fact attached.

Requirement 3. *"Shall allow in areas within the urban growth boundary that are zoned for detached single-family dwellings the development of at least one accessory dwelling unit for each detached single-family dwelling, subject to reasonable local regulations relating to siting and design. (b) As used in this subsection.*

(A) "Accessory dwelling unit" means an interior, attached or detached residential structure that is used in connection with or that is accessory to a single-family dwelling.

(B) "Reasonable local regulations relating to siting and design" does not include owner occupancy requirements of either the primary or accessory structure or requirements to construct additional off-street parking."

The current Development Code already complies with this requirement.

Exhibits:

- 1. Proposed Amendment A – Staff Recommendation
- 1. Proposed Amendment B – Planning Commission Recommendation
- 2. Findings of Fact
- 3. Medium Cities Model Code
- 4. ORS Language HB 2001

Recommended Action & Motions:

- 1. Staff Recommendation – Adopt as is.
- 2. PC Recommendation – Adopt with amendment to equalize lot coverage standards.

I move that the Molalla City Council conduct the first reading of Ordinance 2021-09 with proposed amendment (A or B) by title only.



ORDINANCE NUMBER 2021-09

AN ORDINANCE OF THE CITY OF MOLALLA, OREGON AMENDING MOLALLA MUNICIPAL CODE SECTION 17-2.2.040.D TO COMPLY WITH HB 2001

WHEREAS, HB 2001 was adopted by the Oregon Legislature in the 2019 Regular Session; and

WHEREAS, HB 2001 creates requirements for cities over 10,000 in population; and

WHEREAS, The City of Molalla was at 9,910 in the January, 2021 Portland State Population report; and

WHEREAS, The new population report will be released in June, 2021 with a likely population over 10,000 for the City of Molalla; and

WHEREAS, The City of Molalla must comply with HB 2001 prior to hitting the 10,000 population mark; and

WHEREAS, Failure to comply with HB 2001 prior to the 10,000 in population mark will result in a 'model code' superseding the City's development code as it relates to the subject matter of HB 2001; and

WHEREAS, This ordinance was properly noticed to DLCD on 5/17/21 – 37 days prior to the public hearing on 6/23/21; and

WHEREAS, This ordinance was properly noticed in the Molalla Pioneer and on the City's Website on 6/9/21, 14 days in advance of the public hearing on 6/23/21; and

WHEREAS, Planning Commission review and recommendation of this ordinance was completed on 6/2/21.

Now, Therefore, the City of Molalla does ordain as follows:

Section 1. Molalla Municipal Code Sections 17-2.2.040.D is amended consistent with Exhibit 1, which is incorporated herein and adopted by reference.

Section 2. The findings related to this amendment, attached as Exhibit 2, are incorporated herein and adopted by reference.

Section 3. Effective Date. This ordinance shall be effective 30 days after adoption by the City Council and approval by the Mayor.

The first reading of this ordinance was held on June 23, 2021 and was passed by a vote of ____ Aye and ____ Nay votes.

The second reading of this ordinance was held on _____ and was adopted by a vote of ____ Aye and ____ Nay votes; **OR**

This ordinance was made available to the public at least 5 days prior to the first reading and was adopted at the first reading by unanimous approval of the City Council; the second reading is waived.

This ordinance is hereby adopted this ____ day of _____ 2021.

Scott Keyser, Mayor

ATTEST:

Christie DeSantis, City Recorder

EXHIBIT 1 – PROPOSED AMENDMENT A

Proposed Language – Purple

Existing Language – Black

Proposed Removals – ~~Strikethrough~~

Table 17-2.2.040.D Lot and Development Standards for Residential Zones

| Standard | R1 Zone | R2 Zone | R3 Zone | R5 Zone |
|---|---|---|---|---|
| <p>Residential Density, per section 17.2.2.060 (Dwelling Units per net acre) – minimum and Maximum</p> <p><i>*Density standards are waived only where those standards would allow a detached SFR, but not a Duplex on a residential lot.</i></p> | <p><i>Min 4 DU and a Max 8 DU per net buildable acre</i></p> | <p><i>Min 6 DU and a Max 12 DU per net buildable acre</i></p> | <p><i>Min 8 DU and a Max 24 DU per net buildable acre</i></p> | <p><i>Min 6 DU and a Max 24 DU per net buildable acre</i></p> |
| <p>Minimum Lot Area (square Feet)</p> <p><i>Single-Family, not attached</i></p> <p><i>Duplex (per duplex)</i></p> | <p>5,000sf</p> | <p>3,600sf</p> | <p>3,000sf</p> | <p>3,000sf</p> |
| | <p>6,000sf 5,000sf</p> | <p>5,800sf 3,600sf</p> | <p>4,500sf 3,000sf</p> | <p>4,500sf 3,000sf</p> |
| <p>Minimum Lot Width</p> <p><i>Single-Family, not attached</i></p> <p><i>Corner Lot</i></p> <p><i>Interior Lot</i></p> <p><i>Duplex (per duplex)</i></p> <p>Corner Lot</p> <p>Interior Lot</p> | <p>60ft</p> <p>50ft</p> <p>60ft</p> <p>60ft</p> <p>50ft</p> | <p>50ft</p> <p>46ft</p> <p>56ft</p> <p>50ft</p> <p>46ft</p> | <p>48ft</p> <p>44ft</p> <p>56ft</p> <p>48ft</p> <p>44ft</p> | <p>48ft</p> <p>44ft</p> <p>50ft</p> <p>48ft</p> <p>44ft</p> |
| <p>Lot Coverage. Maximum Lot Coverage (foundation plane area as % of site area)</p> <p><i>Single-Family, not attached</i></p> <p><i>Duplex (per duplex)</i></p> | <p>40%</p> <p>60%</p> | <p>50%</p> <p>60%</p> | <p>50%</p> <p>75%</p> | <p>50%</p> <p>75%</p> |
| <p>Build-To Line Maximum (feet):</p> <p><u>Applies to New Buildings Only, except does not apply to detached single-family dwellings and duplexes:</u></p> <p>1) At least one primary building entrance shall be built no farther from the street right-of-way than the</p> | <p><i>Not Applicable</i></p> | <p>20 ft; may be increased when pedestrian amenities are</p> | <p>20 ft; may be increased when pedestrian amenities are provided</p> | <p>20 ft; may be increased when pedestrian amenities are provided</p> |

| | | | | |
|--|--|--|---|---|
| <p>build-to line; except that where a greater setback is required for a Planned Street Improvement, the build-to line increases proportionately.</p> <p>2) The City may also approve exceptions to the build-to line through Site Design Review where pedestrian amenities are provided between a primary building entrance and the street right-of-way. (See also Section 17-3.2.050 Civic Space and Pedestrian Amenities.)</p> | | <p>provided between a primary building entrance and street</p> | <p>between a primary building entrance and street</p> | <p>between a primary building entrance and street</p> |
|--|--|--|---|---|

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EXHIBIT 1 – PROPOSED AMENDMENT B

Proposed Language – Purple

Existing Language – Black

Proposed Removals – ~~Strikethrough~~

Table 17-2.2.040.D Lot and Development Standards for Residential Zones

| Standard | R1 Zone | R2 Zone | R3 Zone | R5 Zone |
|---|---|---|---|---|
| <p>Residential Density, per section 17.2.2.060 (Dwelling Units per net acre) – minimum and maximum</p> <p><i>*Density standards are waived only where those standards would allow a detached SFR, but not a Duplex on a residential lot.</i></p> | <p><i>Min 4 DU and a Max 8 DU per net buildable acre</i></p> | <p><i>Min 6 DU and a Max 12 DU per net buildable acre</i></p> | <p><i>Min 8 DU and a Max 24 DU per net buildable acre</i></p> | <p><i>Min 6 DU and a Max 24 DU per net buildable acre</i></p> |
| <p>Minimum Lot Area (square Feet)</p> <p>Single-Family, not attached</p> <p>Duplex (per duplex)</p> | <p>5,000sf</p> <p>6,000sf 5,000sf</p> | <p>3,600sf</p> <p>5,800sf 3,600sf</p> | <p>3,000sf</p> <p>4,500sf 3,000sf</p> | <p>3,000sf</p> <p>4,500sf 3,000sf</p> |
| <p>Minimum Lot Width</p> <p>Single-Family, not attached</p> <p>Corner Lot</p> <p>Interior Lot</p> <p>Duplex (per duplex)</p> <p>Corner Lot</p> <p>Interior Lot</p> | <p>60ft</p> <p>50ft</p> <p>60ft 60ft</p> <p>50ft</p> <p>50ft</p> | <p>50ft</p> <p>46ft</p> <p>56ft 56ft</p> <p>50ft</p> <p>46ft</p> | <p>48ft</p> <p>44ft</p> <p>56ft 56ft</p> <p>48ft</p> <p>44ft</p> | <p>48ft</p> <p>44ft</p> <p>50ft 50ft</p> <p>48ft</p> <p>44ft</p> |
| <p>Lot Coverage. Maximum Lot Coverage (foundation plane area as % of site area)</p> <p>Single-Family, not attached</p> <p>Duplex (per duplex)</p> | <p>40%</p> <p>60% 40%</p> | <p>50%</p> <p>60% 50%</p> | <p>50%</p> <p>75% 50%</p> | <p>50%</p> <p>75% 50%</p> |
| <p>Build-To Line Maximum (feet):</p> | <p>Not Applicable</p> | <p>20 ft; may be increased when</p> | <p>20 ft; may be increased when</p> | <p>20 ft; may be increased when</p> |

| | | | | |
|---|--|---|---|---|
| <p><u>Applies to New Buildings Only, except does not apply to detached single-family dwellings and duplexes:</u></p> <p>1) At least one primary building entrance shall be built no farther from the street right-of-way than the build-to line; except that where a greater setback is required for a Planned Street Improvement, the build-to line increases proportionately.</p> <p>2) The City may also approve exceptions to the build-to line through Site Design Review where pedestrian amenities are provided between a primary building entrance and the street right-of-way. (See also Section 17-3.2.050 Civic Space and Pedestrian Amenities.)</p> | | <p>pedestrian amenities are provided between a primary building entrance and street</p> | <p>pedestrian amenities are provided between a primary building entrance and street</p> | <p>pedestrian amenities are provided between a primary building entrance and street</p> |
|---|--|---|---|---|

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EXHIBIT 2 – FINDINGS OF FACT

MMC 17-4.6.020 Procedure. Except for corrections, amendments to Development Code Text are Legislative (Type IV).

Staff Response: The proposed ordinance is and amendment to Development Code Text and as such follows a Legislative Type IV process.

MMC 17-4.1.050(C) Type IV (Legislative Decisions) Procedure.

- 1. The planning official shall notify in writing the Oregon Department of Land Conservation and Development (DLCD) of legislative amendments at least 35 days before the first public hearing.***

Staff Response: The proposed ordinance was appropriately noticed to DLCD on 5/17/21, 37 days prior to the 6/23/21 public hearing.

- 2. At least 10 days before the scheduled City Council public hearing date, public notice shall be published in a newspaper of general circulation in the city and the City's website.***

Staff Response: This proposed ordinance will be appropriately noticed in the paper and online at least 10 days prior to the City Council public hearing.

MMC 17-4.6.030 Amendments to Code; Criteria

Planning Commission review and recommendation, and City Council approval, of an ordinance amending the Zoning Map, Development Code, or Comprehensive Plan shall be based on all of the following criteria:

- A. If the proposal involves an amendment to the Comprehensive Plan, the amendment must be consistent with the Statewide Planning Goals and relevant Oregon Administrative Rules;***

Finding: The proposal does not involve an amendment to the Comprehensive Plan.

This criterion is not applicable.

- B. The proposal must be consistent with the Comprehensive Plan (the Comprehensive Plan may be amended concurrently with proposed changes in zoning);***

Finding: This proposal increases housing options in the residential zone in accordance with the comprehensive plan. Additionally, the maximum density requirements in the residential zones are superseded by the requirements of HB 2001 in the case that a Duplex exceeds the maximum density, but a single-family detached would not. However, density standards still apply as written in all other circumstances. This criterion is met.

C. *The City Council must find the proposal to be in the public interest with regard to community conditions; the proposal either responds to changes in the community, or it corrects a mistake or inconsistency in the subject plan or code;*

Finding: This amendment is purposed to comply with HB 2001, a state mandate to allow for Duplex development on any lot that a Single Family-detached home could be sited. The mandate applies to all cities over 10,000 in population, and the City of Molalla rests at over 9,900 in the January 2021 PSU population estimate. Thus the changes in the size of the community make compliance with HB 2001 a requirement, and this proposal meets those requirements. This criterion is met.

D. *The amendment must conform to Section 17-4.6.050 Transportation Planning Rule Compliance*

Finding: By the language of the statute, HB 2001 exempts transportation rule compliance from the considerations in adoption of a compliant regulation. This criterion is not applicable.

Additional Finding Mandated by HB 2001

a) *Waiving or deferring system development charges;*

Staff Response: The Molalla City Council has held 7 meetings in the last 4 months that included consideration and calibration of System Development Charges (SDC's). While reevaluation of SDC's and adjustment to a lower number have been the intent of these meetings, full waiver of SDC's has not been deemed a viable option based on the city's generally unimproved infrastructure due to a historical lack of applying SDC's and improvement requirements.

The city code currently provides a deferral system whereby SDC's can be amortized and paid back over a longer term, or at a later date.

Finding: This is not a viable option for the City of Molalla based on the unimproved nature of the City's infrastructure in light of substantial population growth.

b) *Adopting or amending criteria for property tax exemptions under ORS 307.515 (Definitions for ORS 307.515 to 307.523) to 307.523 (Time for filing application), 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) or 307.651 (Definitions for ORS 307.651 to 307.687) to 307.687 (Review of denial of application) or property tax freezes*

under ORS 308.450 (Definitions for ORS 308.450 to 308.481) to 308.481 (Extending deadline for completion of rehabilitation project); and

Staff Response:

ORS 307.515 – 307.523 provides an option for local governments to exempt a property or portion thereof from property taxes if the property is built after adoption of the provision, is occupied by low-income persons (income at or below 60% of area median income), the rent reflects the full value of the exemption, and the exemption has been approved.

ORS 307.540-307.548 provides an option to exempt property from property taxes in the case a non-profit purchase and develops the property for low-income housing. Also provides an option to terminate the exemption in case the property is not used as low-income housing.

ORS 307.651-307.687 provides an option to exempt single-unit housing for up to 10 tax years, provided a public benefit or specified design element is met.

ORS 308.450-308.481 provides an option to limit the taxes on a property in exchange for rehabilitation of the property and rent controls during the exemption period.

All Provisions These exemptions, subject to some exceptions, apply only to the City of Molalla property taxes.

Finding: Adoption of any of the above provisions will result in a reduction of property tax revenue below what would be received by the city. Additionally, establishing an appropriate program in any one of these areas would require an initial startup cost in the form of staff and/or consultant time, as well as ongoing costs to manager/administer the program. The city currently lacks the staff capacity to take on development and management of such a program. These property tax exemptions are not currently viable for the City of Molalla.

c) *Assessing a construction tax under ORS 320.192 (City or county ordinance or resolution to impose tax) and 320.195 (Deposit of revenues).*

Staff Response: These provisions create a regulatory scheme whereby the city can impose a tax on improvements to real property creating a new structure or increased square footage.

Finding: The City of Molalla is currently underdeveloped in terms of public infrastructure which places a substantial burden on developers in the form of required development improvements and system development charges. Adding an additional tax would have a chilling effect on development beyond what is already being experienced due to the existing fees/improvement requirements listed above. This tax is not currently viable for the City of Molalla.

Medium Cities Middle Housing Model Code

User's Guide:

Oregon House Bill 2001 (2019) (HB 2001) requires that “Medium Cities” (defined as cities with a population of more than 10,000 and less than 25,000 that are not within Metro’s jurisdiction) allow a duplex on each lot or parcel zoned for residential use that allows for the development of detached single family dwellings. Duplexes provide an opportunity to increase housing supply in developed neighborhoods and can blend in well with detached single-family dwellings.

The bill allows local governments to regulate siting and design of duplexes, provided that the regulations do not, individually or cumulatively, discourage duplex development through unreasonable costs or delay. When regulating siting and design of duplexes, Medium Cities should balance concerns about neighborhood compatibility and other factors against the need to address Oregon’s housing shortage by removing barriers to development and should ensure that any siting and design regulations do not, individually or cumulatively, discourage the development of duplexes through unreasonable costs or delay.

Medium Cities may develop their own standards in compliance with the requirements of HB 2001. This model code may provide guidance toward that end. However, if Medium Cities do not wish to prepare their own standards or if Medium Cities do not adopt the required code amendments by June 30, 2021, they must directly apply this model code prepared by the Department of Land and Conservation Development (DCLD) to development in their jurisdictions. The model code is intended to be straightforward and implementable by Medium Cities throughout the state. The model rules are consistent with the requirements and intent of HB 2001 and are intended to ensure that a duplex is no more difficult to develop than a detached single family home. The model code will be adopted by reference into Oregon Administrative Rules.

To the extent they are applicable, the Administrative Rules contained in Chapter 660, Division 46 apply to and may be used to interpret this model code.

Exhibit 3

Sections:

- A. Purpose
- B. Definitions
- C. Applicability
- D. Relationship to Other Regulations
- E. Permitted Uses and Approval Process
- F. Development Standards
- G. Design Standards
- H. Duplex Conversions
- I. Figures

A. Purpose

The purpose of this model middle housing code (“code”) is to implement HB 2001, codified in ORS 197.758 et seq, by providing siting and design standards for duplexes developed on lots or parcels that allow for the development of detached single family dwellings.

B. Definitions

The following definitions shall apply for the purposes of this code, notwithstanding other definitions in the development code:

1. “Detached single family dwelling” means a detached structure on a lot or parcel that is comprised of a single dwelling unit. Detached single family dwellings may be constructed off-site, e.g., manufactured dwellings or modular homes.
2. “Duplex” means two dwelling units on a lot or parcel in any configuration. Figures 1–6 in Section I illustrate examples of possible duplex configurations. In instances where a development can meet the definition of a duplex and also meets the definition of a primary dwelling unit with an accessory dwelling unit (ADU), the applicant shall specify at the time of application review whether the development is considered a duplex or a primary dwelling unit with an ADU.
3. “Lot or Parcel” means any legally created unit of land.
4. “Zoned for residential use” means a zoning district in which residential dwellings are the primary use and which implements a residential Comprehensive Plan map designation.

C. Applicability

1. Except as specified in subsection (2) of this section (C), the standards in this code allow for the development of duplexes, including those created through conversion of existing detached single family dwellings, on lots or parcels zoned for residential use that allow for the development of detached single family dwellings.
2. The standards in this code do not allow the following, unless otherwise permitted by the development code:

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- Creation of duplexes on lots or parcels on lands that are not zoned for residential use. This includes lands zoned primarily for commercial, industrial, agricultural, public, or mixed uses, even if those zones allow for the development of detached single family dwellings.
- Creation of more than two dwelling units on a single lot or parcel.

D. Relationship to Other Regulations

1. Conflicts. In the event of a conflict between this code and other standards applicable to a duplex, the standards of this code control.
2. Public Works Standards. Clear and objective exceptions to public works standards granted to single family dwellings shall also be granted to duplexes.
3. Protective Measures. Duplexes shall comply with protective measures (plans, policies, or regulations) adopted pursuant to statewide land use planning goals (e.g., environmental and natural hazard protections).

E. Permitted Uses and Approval Process

Duplexes are permitted outright on lots or parcels zoned for residential use that allow for the development of detached single family dwellings. Duplexes are subject to the same approval process as that for detached single family dwellings in the same zone and are subject only to clear and objective standards, approval criteria, conditions, and procedures. Alternatively, an applicant may choose to submit an application for a duplex subject to discretionary standards and criteria adopted in accordance with ORS 197.307, if such a process is available.

F. Development Standards

Except as specified below, duplexes shall meet all clear and objective development standards that apply to detached single family dwellings in the same zone (including, but not limited to, minimum and maximum lot size, minimum and maximum setbacks, and building height), unless those standards conflict with this code.

The following development standards are invalid and do not apply to duplexes being developed on lots or parcels zoned for residential use that allow the development of a detached single family dwelling:

1. Maximum Density. The jurisdiction's pre-existing density maximums and minimum lot sizes for duplexes do not apply.
2. Setbacks. A minimum front setback of greater than 20 feet or a minimum rear setback of greater than 15 feet except for those minimum setbacks applicable to garages and carports.
3. Off-Street Parking. Any off-street parking requirement.

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G. Design Standards

New duplexes shall meet all clear and objective design standards (e.g., entry orientation, window coverage, articulation, etc.) that apply to detached single family dwellings in the same zone, unless those standards conflict with this code. Facades of dwellings that are separated from the street property line by another dwelling are exempt from meeting building design standards.

Any design standards that apply only to duplexes are invalid.

H. Duplex Conversions

Conversion of an existing detached single family dwelling to a duplex is allowed, pursuant to Section C, provided that the conversion does not increase nonconformance with applicable clear and objective standards.

I. Figures

The following figures illustrate examples of possible duplex configurations. Other configurations may also be acceptable, provided the development meets the definition of duplex, pursuant to Section B.

Figure 1. Stacked Duplex

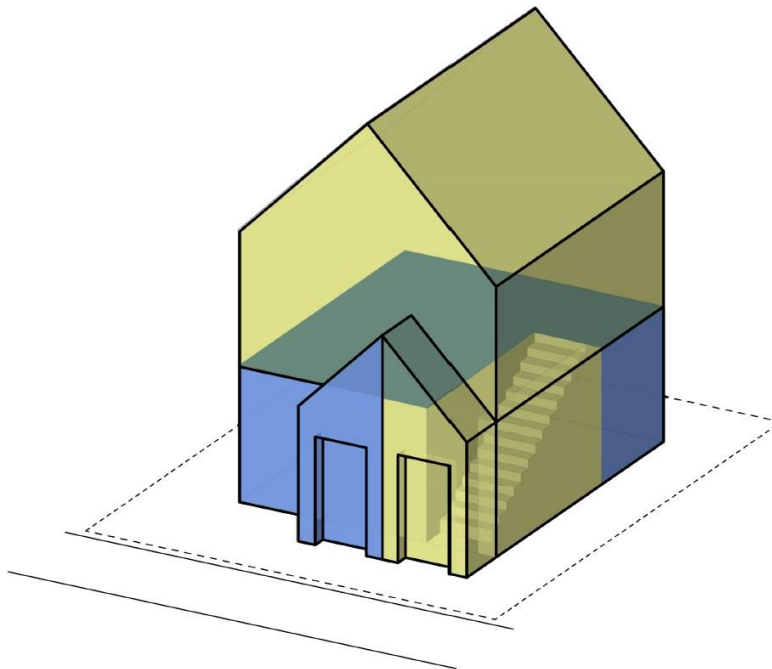


Exhibit 3

Figure 2. Side-by-Side Duplex

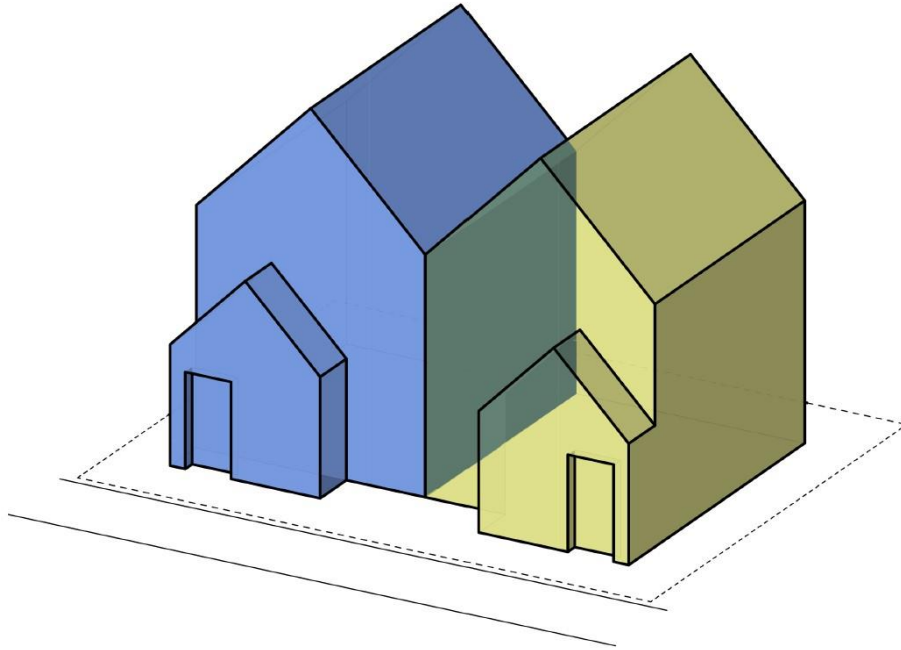


Figure 3. Duplex Attached by Garage Wall

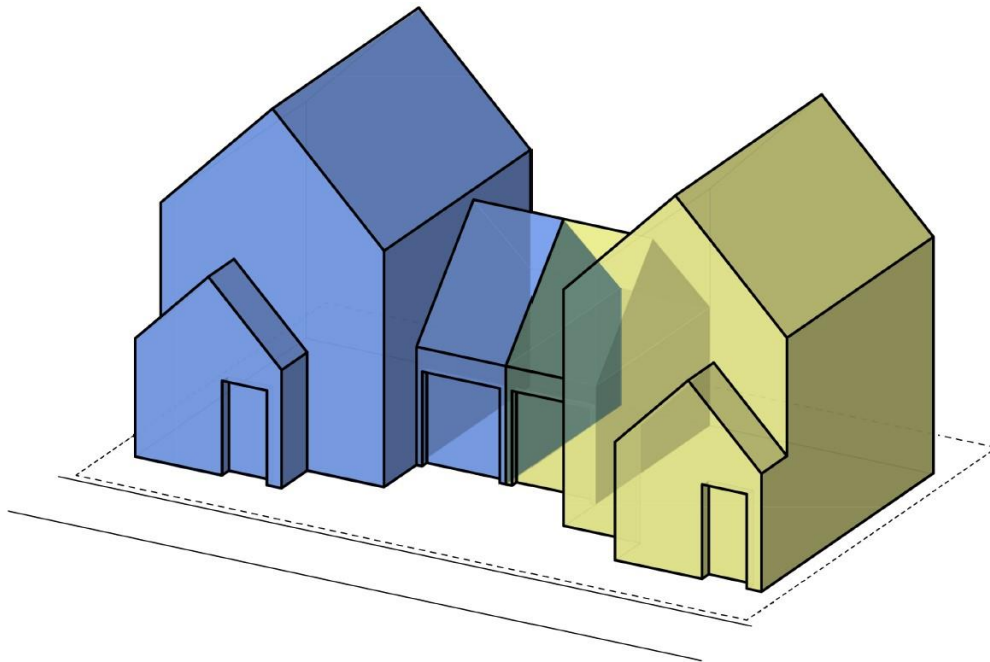


Exhibit 3

Figure 4. Duplex Attached by Breezeway

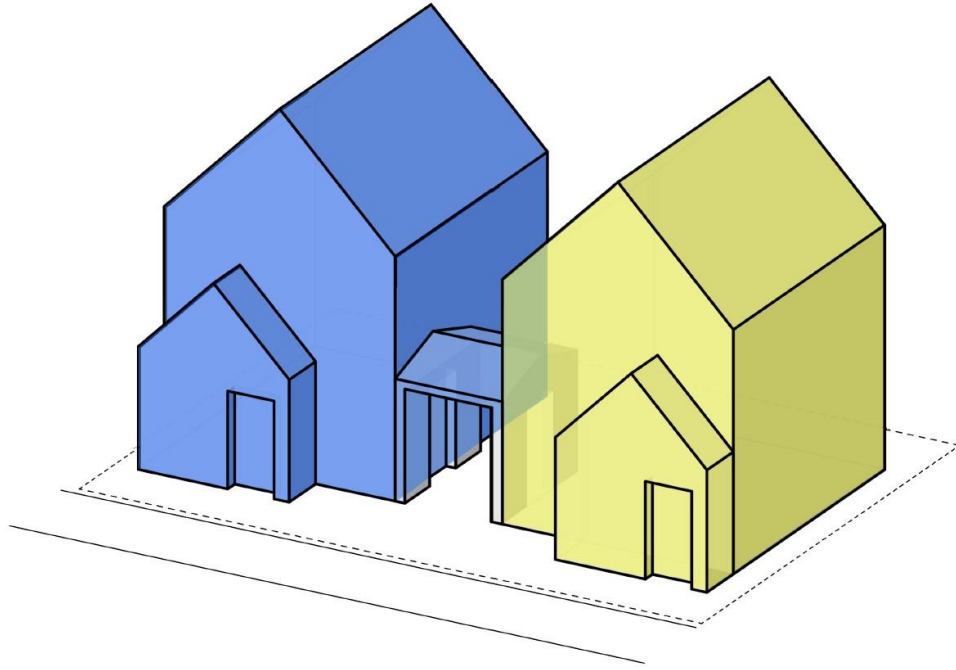


Figure 5. Detached Duplex Units Side-by-Side

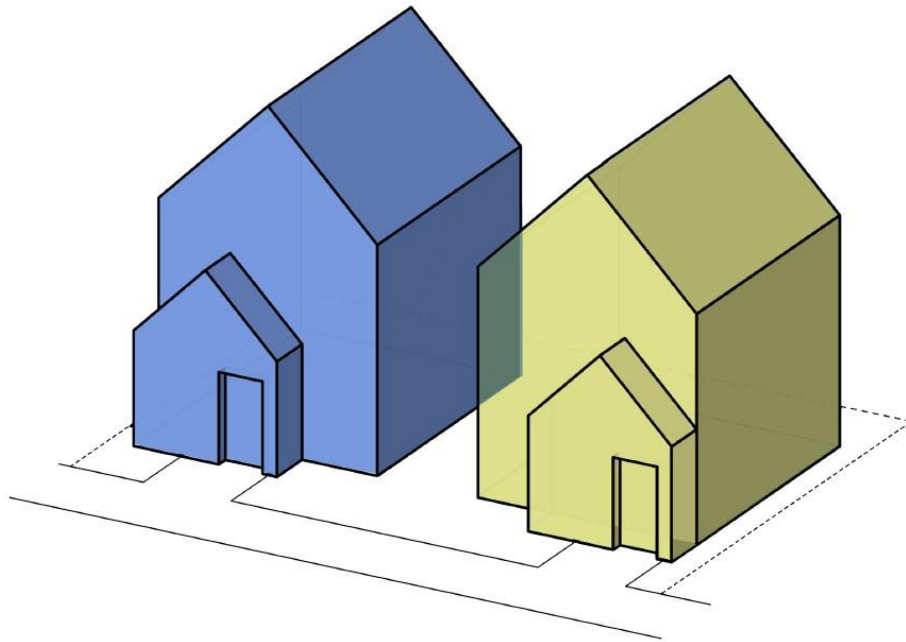


Exhibit 3

Figure 6. Detached Duplex Units Front and Back

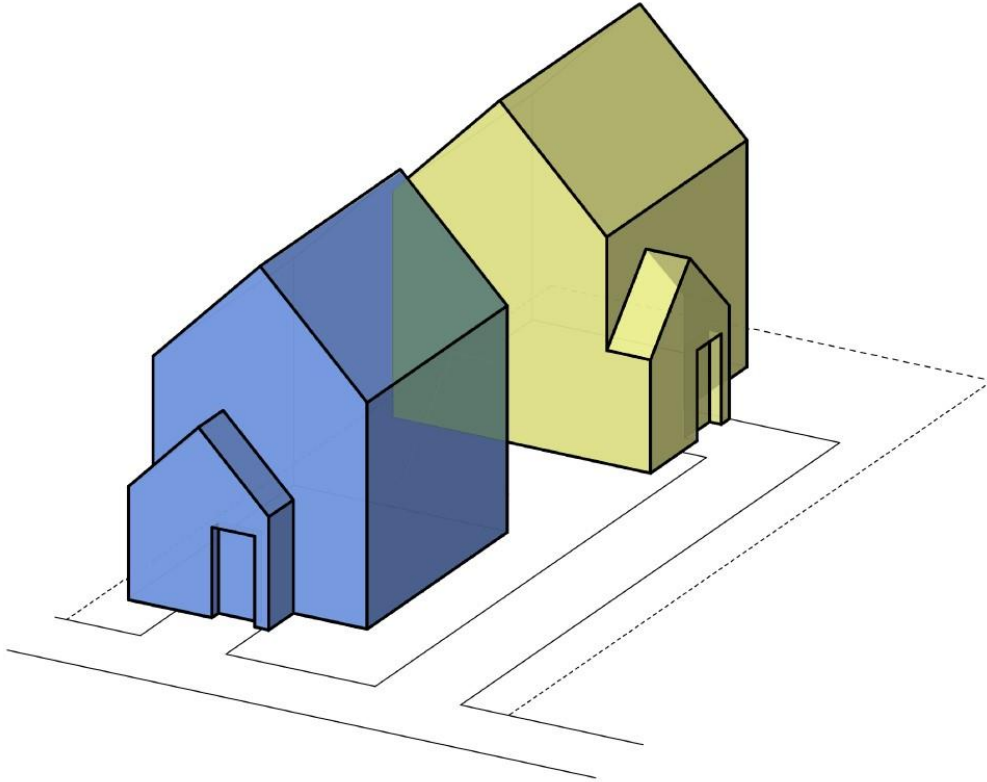


Exhibit 4

80th OREGON LEGISLATIVE ASSEMBLY--2019 Regular Session

**Enrolled
House Bill 2001**

Sponsored by Representative KOTEK; Representatives FAHEY, HERNANDEZ, MARSH, MITCHELL, POWER, STARK, WILLIAMS, ZIKA (Presession filed.)

CHAPTER

AN ACT

Relating to housing; creating new provisions; amending ORS 197.296, 197.303, 197.312 and 455.610 and section 1, chapter 47, Oregon Laws 2018; and declaring an emergency.

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

SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 197.

SECTION 2. (1) As used in this section:

(a) "Cottage clusters" means groupings of no fewer than four detached housing units per acre with a footprint of less than 900 square feet each and that include a common courtyard.

(b) "Middle housing" means:

- (A) Duplexes;
- (B) Triplexes;
- (C) Quadplexes;
- (D) Cottage clusters; and
- (E) Townhouses.

(c) "Townhouses" means a dwelling unit constructed in a row of two or more attached units, where each dwelling unit is located on an individual lot or parcel and shares at least one common wall with an adjacent unit.

(2) Except as provided in subsection (4) of this section, each city with a population of 25,000 or more and each county or city within a metropolitan service district shall allow the development of:

(a) All middle housing types in areas zoned for residential use that allow for the development of detached single-family dwellings; and

(b) A duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings.

(3) Except as provided in subsection (4) of this section, each city not within a metropolitan service district with a population of more than 10,000 and less than 25,000 shall allow the development of a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings. Nothing in this subsection prohibits a local government from allowing middle housing types in addition to duplexes.

(4) This section does not apply to:

- (a) Cities with a population of 1,000 or fewer;
- (b) Lands not within an urban growth boundary;
- (c) Lands that are not incorporated and also lack sufficient urban services, as defined in ORS 195.065;

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(d) Lands that are not zoned for residential use, including lands zoned primarily for commercial, industrial, agricultural or public uses; or

(e) Lands that are not incorporated and are zoned under an interim zoning designation that maintains the land's potential for planned urban development.

(5) Local governments may regulate siting and design of middle housing required to be permitted under this section, provided that the regulations do not, individually or cumulatively, discourage the development of all middle housing types permitted in the area through unreasonable costs or delay. Local governments may regulate middle housing to comply with protective measures adopted pursuant to statewide land use planning goals.

(6) This section does not prohibit local governments from permitting:

(a) Single-family dwellings in areas zoned to allow for single-family dwellings; or

(b) Middle housing in areas not required under this section.

SECTION 3. (1) Notwithstanding ORS 197.646, a local government shall adopt land use regulations or amend its comprehensive plan to implement section 2 of this 2019 Act no later than:

(a) June 30, 2021, for each city subject to section 2 (3) of this 2019 Act; or

(b) June 30, 2022, for each local government subject to section 2 (2) of this 2019 Act.

(2) The Land Conservation and Development Commission, with the assistance of the Building Codes Division of the Department of Consumer and Business Services, shall develop a model middle housing ordinance no later than December 31, 2020.

(3) A local government that has not acted within the time provided under subsection (1) of this section shall directly apply the model ordinance developed by the commission under subsection (2) of this section under ORS 197.646 (3) until the local government acts as described in subsection (1) of this section.

(4) In adopting regulations or amending a comprehensive plan under this section, a local government shall consider ways to increase the affordability of middle housing by considering ordinances and policies that include but are not limited to:

(a) Waiving or deferring system development charges;

(b) Adopting or amending criteria for property tax exemptions under ORS 307.515 to 307.523, 307.540 to 307.548 or 307.651 to 307.687 or property tax freezes under ORS 308.450 to 308.481; and

(c) Assessing a construction tax under ORS 320.192 and 320.195.

(5) When a local government makes a legislative decision to amend its comprehensive plan or land use regulations to allow middle housing in areas zoned for residential use that allow for detached single-family dwellings, the local government is not required to consider whether the amendments significantly affect an existing or planned transportation facility.

SECTION 4. (1) Notwithstanding section 3 (1) or (3) of this 2019 Act, the Department of Land Conservation and Development may grant to a local government that is subject to section 2 of this 2019 Act an extension of the time allowed to adopt land use regulations or amend its comprehensive plan under section 3 of this 2019 Act.

(2) An extension under this section may be applied only to specific areas where the local government has identified water, sewer, storm drainage or transportation services that are either significantly deficient or are expected to be significantly deficient before December 31, 2023, and for which the local government has established a plan of actions that will remedy the deficiency in those services that is approved by the department. The extension may not extend beyond the date that the local government intends to correct the deficiency under the plan.

(3) In areas where the extension under this section does not apply, the local government shall apply its own land use regulations consistent with section 3 (1) of this 2019 Act or the model ordinance developed under section 3 (2) of this 2019 Act.

(4) A request for an extension by a local government must be filed with the department no later than:

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- (a) **December 31, 2020, for a city subject to section 2 (3) of this 2019 Act.**
- (b) **June 30, 2021, for a local government subject to section 2 (2) of this 2019 Act.**
- (5) **The department shall grant or deny a request for an extension under this section:**
 - (a) **Within 90 days of receipt of a complete request from a city subject to section 2 (3) of this 2019 Act.**
 - (b) **Within 120 days of receipt of a complete request from a local government subject to section 2 (2) of this 2019 Act.**
- (6) **The department shall adopt rules regarding the form and substance of a local government's application for an extension under this section. The department may include rules regarding:**
 - (a) **Defining the affected areas;**
 - (b) **Calculating deficiencies of water, sewer, storm drainage or transportation services;**
 - (c) **Service deficiency levels required to qualify for the extension;**
 - (d) **The components and timing of a remediation plan necessary to qualify for an extension;**
 - (e) **Standards for evaluating applications; and**
 - (f) **Establishing deadlines and components for the approval of a plan of action.**

SECTION 5. ORS 197.296 is amended to read:

197.296. (1)(a) The provisions of subsections (2) to (9) of this section apply to metropolitan service district regional framework plans and local government comprehensive plans for lands within the urban growth boundary of a city that is located outside of a metropolitan service district and has a population of 25,000 or more.

(b) The Land Conservation and Development Commission may establish a set of factors under which additional cities are subject to the provisions of this section. In establishing the set of factors required under this paragraph, the commission shall consider the size of the city, the rate of population growth of the city or the proximity of the city to another city with a population of 25,000 or more or to a metropolitan service district.

(2) At periodic review pursuant to ORS 197.628 to 197.651 or at any other legislative review of the comprehensive plan or regional framework plan that concerns the urban growth boundary and requires the application of a statewide planning goal relating to buildable lands for residential use, a local government shall demonstrate that its comprehensive plan or regional framework plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review.

(3) In performing the duties under subsection (2) of this section, a local government shall:

(a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands; and

(b) Conduct an analysis of **existing and projected** housing need by type and density range, in accordance with **all factors under** ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

(4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, "buildable lands" includes:

(A) Vacant lands planned or zoned for residential use;

(B) Partially vacant lands planned or zoned for residential use;

(C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and

(D) Lands that may be used for residential infill or redevelopment.

(b) For the purpose of the inventory and determination of housing capacity described in subsection (3)(a) of this section, the local government must demonstrate consideration of:

(A) The extent that residential development is prohibited or restricted by local regulation and ordinance, state law and rule or federal statute and regulation;

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(B) A written long term contract or easement for radio, telecommunications or electrical facilities, if the written contract or easement is provided to the local government; and

(C) The presence of a single family dwelling or other structure on a lot or parcel.

(c) Except for land that may be used for residential infill or redevelopment, a local government shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity *[and need]* pursuant to subsection [(3)] **(3)(a)** of this section must be based on data relating to land within the urban growth boundary that has been collected since the last *[periodic]* review or *[five]* **six** years, whichever is greater. The data shall include:

(A) The number, density and average mix of housing types of urban residential development that have actually occurred;

(B) Trends in density and average mix of housing types of urban residential development;

(C) **Market factors that may substantially impact future urban residential development;**
and

[(C) Demographic and population trends;]

[(D) Economic trends and cycles; and]

[(E)] **(D)** The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

(b) A local government shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity *[and need]*. The shorter time period may not be less than three years.

(c) A local government shall use data from a wider geographic area or use a time period *[for economic cycles and trends]* longer than the time period described in paragraph (a) of this subsection if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to paragraph (a) of this subsection. The local government must clearly describe the geographic area, time frame and source of data used in a determination performed under this paragraph.

(6) If the housing need determined pursuant to subsection (3)(b) of this section is greater than the housing capacity determined pursuant to subsection (3)(a) of this section, the local government shall take one or *[more]* **both** of the following actions to accommodate the additional housing need:

(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years. As part of this process, the local government shall consider the effects of measures taken pursuant to paragraph (b) of this subsection. The amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and the local government that has the authority to approve the urban growth boundary[;].

(b) Amend its comprehensive plan, regional framework plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary. A local government or metropolitan service district that takes this action shall *[monitor and record the level of development activity and development density by housing type following the date of the adoption of the new measures; or]* **adopt findings regarding the density expectations assumed to result from measures adopted under this paragraph based upon the factors listed in ORS 197.303 (2) and data in subsection (5)(a) of this section. The density expectations may not project an increase in residential capacity above achieved density by more than three percent without quantifiable validation of such departures. For a local government located outside of a metropolitan service district, a quantifiable vali-**

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ation must demonstrate that the assumed housing capacity has been achieved in areas that are zoned to allow no greater than the same authorized density level within the local jurisdiction or a jurisdiction in the same region. For a metropolitan service district, a quantifiable validation must demonstrate that the assumed housing capacity has been achieved in areas that are zoned to allow no greater than the same authorized density level within the metropolitan service district.

[(c) Adopt a combination of the actions described in paragraphs (a) and (b) of this subsection.]

(c) As used in this subsection, “authorized density level” has the meaning given that term in ORS 227.175.

(7) Using the **housing need** analysis conducted under subsection (3)(b) of this section, the local government shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (5)(a)(A) of this section, or if that mix is different from the actual mix of housing types determined under subsection (5)(a)(A) of this section, the local government, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.

(8)(a) A local government outside a metropolitan service district that takes any actions under subsection (6) or (7) of this section shall demonstrate that the comprehensive plan and land use regulations comply with goals and rules adopted by the commission and implement ORS 197.295 to 197.314.

(b) *[The]* A local government shall determine the density and mix of housing types anticipated as a result of actions taken under subsections (6) and (7) of this section and monitor and record the actual density and mix of housing types achieved **following the adoption of these actions**. The local government shall compare actual and anticipated density and mix. The local government shall submit its comparison to the commission at the next periodic review or at the next legislative review of its urban growth boundary, whichever comes first.

(9) In establishing that actions and measures adopted under subsections (6) and (7) of this section demonstrably increase the likelihood of higher density residential development, the local government shall at a minimum ensure that land zoned for needed housing is in locations appropriate for the housing types identified under subsection (3) of this section, *[and]* is zoned at density ranges that are likely to be achieved by the housing market using the analysis in subsection (3) of this section **and is in areas where sufficient urban services are planned to enable the higher density development to occur over the 20-year period**. Actions or measures, or both, may include but are not limited to:

- (a) Increases in the permitted density on existing residential land;
- (b) Financial incentives for higher density housing;
- (c) Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer;
- (d) Removal or easing of approval standards or procedures;
- (e) Minimum density ranges;
- (f) Redevelopment and infill strategies;
- (g) Authorization of housing types not previously allowed by the plan or regulations;
- (h) Adoption of an average residential density standard; and
- (i) Rezoning or redesignation of nonresidential land.

(10)(a) The provisions of this subsection apply to local government comprehensive plans for lands within the urban growth boundary of a city that is located outside of a metropolitan service district and has a population of less than 25,000.

(b) At periodic review pursuant to ORS 197.628 to 197.651 or at any other legislative review of the comprehensive plan that requires the application of a statewide planning goal relating to buildable lands for residential use, a city shall, according to rules of the commission:

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- (A) Determine the estimated housing needs within the jurisdiction for the next 20 years;
- (B) Inventory the supply of buildable lands available within the urban growth boundary to accommodate the estimated housing needs determined under this subsection; and
- (C) Adopt measures necessary to accommodate the estimated housing needs determined under this subsection.

(c) For the purpose of the inventory described in this subsection, “buildable lands” includes those lands described in subsection (4)(a) of this section.

SECTION 6. ORS 197.303 is amended to read:

197.303. (1) As used in ORS [197.307] **197.295 to 197.314**, “needed housing” means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

- (a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and
- (e) Housing for farmworkers.

(2) For the purpose of estimating housing needs, as described in ORS 197.296 (3)(b), a local government shall use the population projections prescribed by ORS 195.033 or 195.036 and shall consider and adopt findings related to changes in each of the following factors since the last periodic or legislative review or six years, whichever is greater, and the projected future changes in these factors over a 20-year planning period:

- (a) Household sizes;**
- (b) Household demographics in terms of age, gender, race or other established demographic category;**
- (c) Household incomes;**
- (d) Vacancy rates; and**
- (e) Housing costs.**

(3) A local government shall make the estimate described in subsection (2) of this section using a shorter time period than since the last periodic or legislative review or six years, whichever is greater, if the local government finds that the shorter time period will provide more accurate and reliable data related to housing need. The shorter time period may not be less than three years.

(4) A local government shall use data from a wider geographic area or use a time period longer than the time period described in subsection (2) of this section if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to subsection (2) of this section. The local government must clearly describe the geographic area, time frame and source of data used in an estimate performed under this subsection.

[2] **(5)** Subsection (1)(a) and (d) of this section does not apply to:

- (a) A city with a population of less than 2,500.
- (b) A county with a population of less than 15,000.

[3] **(6)** A local government may take an exception under ORS 197.732 to the definition of “needed housing” in subsection (1) of this section in the same manner that an exception may be taken under the goals.

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SECTION 7. ORS 197.312, as amended by section 7, chapter 15, Oregon Laws 2018, is amended to read:

197.312. (1) A city or county may not by charter prohibit from all residential zones attached or detached single-family housing, multifamily housing for both owner and renter occupancy or manufactured homes. A city or county may not by charter prohibit government assisted housing or impose additional approval standards on government assisted housing that are not applied to similar but unassisted housing.

(2)(a) A single-family dwelling for a farmworker and the farmworker's immediate family is a permitted use in any residential or commercial zone that allows single-family dwellings as a permitted use.

(b) A city or county may not impose a zoning requirement on the establishment and maintenance of a single-family dwelling for a farmworker and the farmworker's immediate family in a residential or commercial zone described in paragraph (a) of this subsection that is more restrictive than a zoning requirement imposed on other single-family dwellings in the same zone.

(3)(a) Multifamily housing for farmworkers and farmworkers' immediate families is a permitted use in any residential or commercial zone that allows multifamily housing generally as a permitted use.

(b) A city or county may not impose a zoning requirement on the establishment and maintenance of multifamily housing for farmworkers and farmworkers' immediate families in a residential or commercial zone described in paragraph (a) of this subsection that is more restrictive than a zoning requirement imposed on other multifamily housing in the same zone.

(4) A city or county may not prohibit a property owner or developer from maintaining a real estate sales office in a subdivision or planned community containing more than 50 lots or dwelling units for the sale of lots or dwelling units that remain available for sale to the public.

(5)(a) A city with a population greater than 2,500 or a county with a population greater than 15,000 shall allow in areas within the urban growth boundary that are zoned for detached single-family dwellings the development of at least one accessory dwelling unit for each detached single-family dwelling, subject to reasonable local regulations relating to siting and design.

(b) As used in this subsection[,]:

(A) "Accessory dwelling unit" means an interior, attached or detached residential structure that is used in connection with or that is accessory to a single-family dwelling.

(B) "**Reasonable local regulations relating to siting and design**" does not include owner-occupancy requirements of either the primary or accessory structure or requirements to construct additional off-street parking.

(6) **Subsection (5) of this section does not prohibit local governments from regulating vacation occupancies, as defined in ORS 90.100, to require owner-occupancy or off-street parking.**

SECTION 8. Section 1, chapter 47, Oregon Laws 2018, is amended to read:

Sec. 1. (1) For purposes of this section:

(a) A household is severely rent burdened if the household spends more than 50 percent of the income of the household on gross rent for housing.

(b) A regulated affordable unit is a residential unit subject to a regulatory agreement that runs with the land and that requires affordability for an established income level for a defined period of time.

[(c) A single-family unit may be rented or owned by a household and includes single-family homes, duplexes, townhomes, row homes and mobile homes.]

(2)(a) The Housing and Community Services Department shall annually provide to the governing body of each city in this state with a population greater than 10,000 the most current data available from the United States Census Bureau, or any other source the department considers at least as reliable, showing the percentage of renter households in the city that are severely rent burdened.

(b) The Housing and Community Services Department, in collaboration with the Department of Land Conservation and Development, shall develop a survey form on which the governing body of

Exhibit 4

a city may provide specific information related to the affordability of housing within the city, including, but not limited to:

(A) The actions relating to land use and other related matters that the governing body has taken to increase the affordability of housing and reduce rent burdens for severely rent burdened households; and

(B) The additional actions the governing body intends to take to reduce rent burdens for severely rent burdened households.

(c) If the Housing and Community Services Department determines that at least 25 percent of the renter households in a city are severely rent burdened, the department shall provide the governing body of the city with the survey form developed pursuant to paragraph (b) of this subsection.

(d) The governing body of the city shall return the completed survey form to the Housing and Community Services Department and the Department of Land Conservation and Development within 60 days of receipt.

(3)(a) In any year in which the governing body of a city is informed under this section that at least 25 percent of the renter households in the city are severely rent burdened, the governing body shall hold at least one public meeting to discuss the causes and consequences of severe rent burdens within the city, the barriers to reducing rent burdens and possible solutions.

(b) The Housing and Community Services Department may adopt rules governing the conduct of the public meeting required under this subsection.

(4) No later than February 1 of each year, the governing body of each city in this state with a population greater than 10,000 shall submit to the Department of Land Conservation and Development a report for the immediately preceding calendar year setting forth separately for each of the following categories the total number of units that were permitted and the total number that were produced:

- (a) Residential units.
- (b) Regulated affordable residential units.
- (c) Multifamily residential units.
- (d) Regulated affordable multifamily residential units.
- (e) Single-family *[units]* **homes.**
- (f) Regulated affordable single-family *[units]* **homes.**
- (g) Accessory dwelling units.**
- (h) Regulated affordable accessory dwelling units.**
- (i) Units of middle housing, as defined in section 2 of this 2019 Act.**
- (j) Regulated affordable units of middle housing.**

SECTION 9. ORS 455.610 is amended to read:

455.610. (1) The Director of the Department of Consumer and Business Services shall adopt, and amend as necessary, a Low-Rise Residential Dwelling Code that contains all requirements, including structural design provisions, related to the construction of residential dwellings three stories or less above grade. The code provisions for plumbing and electrical requirements must be compatible with other specialty codes adopted by the director. The Electrical and Elevator Board, the Mechanical Board and the State Plumbing Board shall review, respectively, amendments to the electrical, mechanical or plumbing provisions of the code.

(2) Changes or amendments to the code adopted under subsection (1) of this section may be made when:

- (a) Required by geographic or climatic conditions unique to Oregon;
- (b) Necessary to be compatible with other statutory provisions;
- (c) Changes to the national codes are adopted in Oregon; or
- (d) Necessary to authorize the use of building materials and techniques that are consistent with nationally recognized standards and building practices.

(3) Notwithstanding ORS 455.030, 455.035, 455.110 and 455.112, the director may, at any time following appropriate consultation with the Mechanical Board or Building Codes Structures Board,

Exhibit 4

amend the mechanical specialty code or structural specialty code to ensure compatibility with the Low-Rise Residential Dwelling Code.

(4) The water conservation provisions for toilets, urinals, shower heads and interior faucets adopted in the Low-Rise Residential Dwelling Code shall be the same as those adopted under ORS 447.020 to meet the requirements of ORS 447.145.

(5) The Low-Rise Residential Dwelling Code shall be adopted and amended as provided by ORS 455.030 and 455.110.

(6) The director, by rule, shall establish uniform standards for a municipality to allow an alternate method of construction to the requirements for one and two family dwellings built to the Low-Rise Residential Dwelling Code in areas where the local jurisdiction determines that the fire apparatus means of approach to a property or water supply serving a property does not meet applicable fire code or state building code requirements. The alternate method of construction, which may include but is not limited to the installation of automatic fire sprinkler systems, must be approved in conjunction with the approval of an application under ORS 197.522.

(7) For lots of record existing before July 2, 2001, or property that receives any approval for partition, subdivision or construction under ORS 197.522 before July 2, 2001, a municipality allowing an alternate method of construction to the requirements for one and two family dwellings built to the Low-Rise Residential Dwelling Code may apply the uniform standards established by the director pursuant to subsection (6) of this section. For property that receives all approvals for partition, subdivision or construction under ORS 197.522 on or after July 2, 2001, a municipality allowing an alternate method of construction to the requirements for one and two family dwellings built to the Low-Rise Residential Dwelling Code must apply the uniform standards established by the director pursuant to subsection (6) of this section.

(8) The director, by rule, shall establish uniform standards for a municipality to allow alternate approval of construction related to conversions of single-family dwellings into no more than four residential dwelling units built to the Low-Rise Residential Dwelling Code that received occupancy approval prior to January 1, 2020. The standards established under this subsection must include standards describing the information that must be submitted before an application for alternate approval will be deemed complete.

(9)(a) A building official described in ORS 455.148 or 455.150 must approve or deny an application for alternate approval under subsection (8) of this section no later than 15 business days after receiving a complete application.

(b) A building official who denies an application for alternate approval under this subsection shall provide to the applicant:

(A) A written explanation of the basis for the denial; and

(B) A statement that describes the applicant's appeal rights under subsection (10) of this section.

(10)(a) An appeal from a denial under subsection (9) of this section must be made through a municipal administrative process. A municipality shall provide an administrative process that:

(A) Is other than a judicial proceeding in a court of law; and

(B) Affords the party an opportunity to appeal the denial before an individual, department or body that is other than a plan reviewer, inspector or building official for the municipality.

(b) A decision in an administrative process under this subsection must be completed no later than 30 business days after the building official receives notice of the appeal.

(c) Notwithstanding ORS 455.690, a municipal administrative process required under this subsection is the exclusive means for appealing a denial under subsection (9) of this section.

(11) The costs incurred by a municipality under subsections (9) and (10) of this section are building inspection program administration and enforcement costs for the purpose of fee adoption under ORS 455.210.

Exhibit 4

SECTION 10. (1) It is the policy of the State of Oregon to reduce to the extent practicable administrative and permitting costs and barriers to the construction of middle housing, as defined in section 2 of this 2019 Act, while maintaining safety, public health and the general welfare with respect to construction and occupancy.

(2) The Department of Consumer and Business Services shall submit a report describing rules and standards relating to low-rise residential dwellings proposed under ORS 455.610, as amended by section 9 of this 2019 Act, in the manner provided in ORS 192.245, to an interim committee of the Legislative Assembly related to housing no later than January 1, 2020.

SECTION 11. Section 12 of this 2019 Act is added to and made a part of ORS 94.550 to 94.783.

SECTION 12. A provision in a governing document that is adopted or amended on or after the effective date of this 2019 Act, is void and unenforceable to the extent that the provision would prohibit or have the effect of unreasonably restricting the development of housing that is otherwise allowable under the maximum density of the zoning for the land.

SECTION 13. A provision in a recorded instrument affecting real property is not enforceable if:

(1) The provision would allow the development of a single-family dwelling on the real property but would prohibit the development of:

- (a) Middle housing, as defined in section 2 of this 2019 Act; or
- (b) An accessory dwelling unit allowed under ORS 197.312 (5); and

(2) The instrument was executed on or after the effective date of this 2019 Act.

SECTION 14. (1) Sections 2, 12 and 13 of this 2019 Act and the amendments to ORS 197.296, 197.303, 197.312 and 455.610 and section 1, chapter 47, Oregon Laws 2018, by sections 5 to 9 of this 2019 Act become operative on January 1, 2020.

(2) The Land Conservation and Development Commission, the Department of Consumer and Business Services and the Residential and Manufactured Structures Board may take any actions before the operative date specified in subsection (1) of this section necessary to enable the commission, department or board to exercise, on or after the operative date specified in subsection (1) of this section, the duties required under sections 2, 3 and 10 of this 2019 Act and the amendments to ORS 455.610 by section 9 of this 2019 Act.

SECTION 15. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Land Conservation and Development, for the biennium beginning July 1, 2019, out of the General Fund, the amount of \$3,500,000 for the purpose of providing technical assistance to local governments in implementing section 3 (1) of this 2019 Act and to develop plans to improve water, sewer, storm drainage and transportation services as described in section 4 (2) of this 2019 Act. The department shall prioritize technical assistance to cities or counties with limited planning staff or that commit to implementation earlier than the date required under section 3 (1) of this 2019 Act.

SECTION 16. This 2019 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect on its passage.

Exhibit 4

Passed by House June 20, 2019

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate June 30, 2019

.....
Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2019

Approved:

.....M,....., 2019

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2019

.....
Bev Clarno, Secretary of State

City of Molalla

City Council Meeting



Agenda Category: Public Hearing/Ordinances

Subject: Second reading of DCA08-2021/ORD2021-07 Annexation and Zone Change of 52E17A 102 & 290, 52E17 2480, approximately 16.30 acres on the NW corner of S Molalla Ave and Molalla Forest Rd.

Recommended Action & Motion(s): Conduct second reading by title only and adopt.

Date of Meeting to be Presented: 5/5/21-Planning Commission Recommendation; 6/9/21 City Council Public Hearing & 1st reading (approved: 6-yes, 1-no); 6/23/21 2nd reading & adoption.

Fiscal Impact: Property tax revenues to the general fund due to annexation into city limits.

Background: A proposal to annex three contiguous, single ownership properties, containing approximately 16.30 acres, from within the Molalla UGB into the City Limits. A concurrent proposal to re-zone the subject property from Rural Industrial (RI) to Heavy Industrial (M2). No new development is proposed in this application but is expected in the near future.

The subject property is located south of town at the northwest corner of S Molalla Ave and Molalla Forest Road. There is no current use on the property, and 2 abandoned mill buildings are currently located on the site.

Posted for public review 4/27/21.

Exhibits:

Exhibit 1 – Ownership Documents

Exhibit 2 – Property Report(s)

Exhibit 3 – Current, Proposed, and Comprehensive Plan Zoning

Exhibit 4 – Annexation Survey and Legal Description

Exhibit 5 – Public Utility Feasibility Plan

Exhibit 6 – Findings of Fact

Ordinance No. 2021-07: Annexing Lots 52E17100102, 52E17100290, AND 52E1702480, A 16.30 Acre Territory and Assigning an M-2 City Zoning Designation to the Annexed Territory



ORDINANCE NUMBER 2021-07

AN ORDINANCE OF THE CITY OF MOLALLA, OREGON ANNEXING TAX LOTS 52E17A 00102, 52E17A 00290, AND 52E17 02480; A 16.30 ACRE TERRITORY, AND ASSIGNING AN M-2 (HEAVY INDUSTRIAL) CITY ZONING DESIGNATION TO THE ANNEXED TERRITORY

WHEREAS, The City of Molalla Charter, Chapter X, Section 38 requires petitions to annex territory into the city limits to be submitted to the electors of the city; and

WHEREAS, ORS 222.127 supersedes city charters and ordinances requiring a petition to annex territory into the city limits to be submitted to the electors of the city, and requires cities to follow a separate framework for annexations under certain circumstances; and

WHEREAS, The circumstances are present in this application that require the City to apply ORS 222.127 in lieu of the City Charter annexation of territory; and

WHEREAS, The property owners submitted an application for annexation of Tax Lot 52E17A 00102, 52E17A 00290, and 52E17 02480; a 16.30 acre territory located at the northwest corner of S Molalla Ave and Molalla forest road; and

WHEREAS, the City of Molalla is authorized to annex territory under Oregon Revised Statutes (ORS) Chapter 222 and Molalla Municipal Code (MMC) Sections 17-1.2.060, Table 17-4.1.010, and 17-4.1.050; and

WHEREAS, The Owners submitted a concurrent annexation and zone change application proposing an M-2 (Heavy Industrial) city zoning designation as prescribed by the Molalla Comprehensive Plan to the Property; and

WHEREAS, public notice of the annexation request and the zone change request was separately provided consistent with both MMC Section 17-4.1.050.C and ORS 227.186; and

WHEREAS, the Molalla City Council conducted a legislative public hearing on June 09, 2021, where Council heard and considered testimony and evidence presented by the City staff, the Applicant, and those appearing at the public hearing; and

WHEREAS, after the conclusion of the public hearing Council determined the annexation is consistent with all applicable legal requirements of state law, and City ordinances related to annexing property and voted to approve the application; and

WHEREAS, after the conclusion of the public hearing Council determined the zone change is consistent with all applicable legal requirements of state law, and City ordinances related to annexing property and voted to approve the application.

Now, Therefore, the City of Molalla does ordain as follows:

Section 1. The Council approves and endorses the annexation application for the Property shown and described in Exhibit 1 through Exhibit 4 (the property).

Section 2. The existing Clackamas County zoning for the Property, Rural Industrial (RI) is changed to the Heavy Industrial (M-2) City zoning designation in accordance with the City of Molalla Comprehensive Plan.

Section 3. The findings related to the annexation and zone change, and supporting documentation, attached as Exhibits 1-6, are incorporated herein by reference and adopted.

Section 4. Notice to Utilities. In accordance with ORS 222.005, the City Recorder shall, no later than 10 working days after passage of this ordinance of the proposed annexation, provide by certified mail to all public utilities operating within the City, each site address to be annexed as recorded on county assessment and tax rolls, a legal description and map of the proposed boundary change and a copy of the City Council's ordinance approving the annexation.

Section 5. Notice to County. In accordance with ORS 222.010, the City Recorder shall report to the Clackamas County Clerk and County Assessor all changes in the boundaries of limits of the city. The report shall be filed by the City within 10 days from the effective date of this ordinance.

Section 6. Assessor Valuation. In accordance with ORS 222.030 the City Reorder shall request that the County Assessor furnish within 20 days of official request, a statement showing for the current fiscal year assessed valuation of the Property.

Section 7. Notice to Secretary of State. In accordance with ORS 222.177 the City Recorder shall transmit to the secretary of State:

- 1) A copy of this ordinance proclaiming the annexation,
- 2) A copy of the statement of consent for all electors or landowners of the Property who consented to the annexation under ORS 222.170

Section 8. Effective Date. Due to urgent need, this ordinance shall be effective upon approval of the City Council.

The first reading of this ordinance was held on June 09, 2021 and was passed by a vote of 6 Ayes and 1 Nay.

The second reading of this ordinance was held on June 23, 2021 and was adopted by a vote of ___Aye and ___ Nay votes.

Signed this 23rd day of June 2021.

Scott Keyser, Mayor

ATTEST:

Christie DeSantis, City Recorder

EXHIBIT 1 – Ownership and Property Description Documents (3 pages)

| | |
|--|---|
|  Schedule A | Owner's Policy of Title Insurance ISSUED BY First American Title Insurance Company POLICY NUMBER 3471160 |
|--|---|

Name and Address of Title Insurance Company:

First American Title Insurance Company, 1 First American Way, Santa Ana, CA 92707.

File No.: 7012-3471160

Address Reference: 250 West 7th Street, Molalla, OR 97038

Amount of Insurance: \$1,600,000.00

Premium: \$3,000.00

Date of Policy: September 16, 2020 at 8:00 a.m.

1. Name of Insured:

Dansons Molalla, LLC, a Delaware limited liability company

2. The estate or interest in the Land that is insured by this policy is:

Fee Simple as to Parcels I, II, III and IV; easement as to Parcel V

3. Title is vested in:

Dansons Molalla, LLC, a Delaware limited liability company

4. The Land referred to in this policy is described as follows:

Parcel I:

A tract of land Situated in the Northeast one-quarter of Section 17, Township 5 South, Range 2 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, being a portion of vacated Blocks 15, 16 and 19, METZLER AND HART'S ADDITION TO MOLALLA, more particularly described as follows:

Commencing at the Northeast corner of Section 17, Township 5 South, Range 2 East, of the Willamette Meridian, marked with a bronze disk in concrete; thence South 18°17'55" West 1160.07 feet to the Southeast corner of the land described as Exhibit B in Fee No. 2018-015788 and the true point of beginning; thence along the Westerly line of Molalla Avenue, having a right of way width of 60.00 feet, South 18°17'55" West 1178.21 feet to the point of intersection of the Westerly line of Molalla Avenue with the Northerly line of S. Molalla Forest Road, having a right of way width of 60.00 feet; thence along said Northerly line of S. Molalla Forest Road North 41°38'30" West 573.25 feet; thence continuing along the Northerly line of S. Molalla Forest Road, along a curve to the left with a radius of 572.96 feet 255.25 feet (chord bears North 54°24'16" West 253.15 feet); thence North 17°48'10" East 556.47 feet to a point on the South boundary of Fee No. 2018-015788; thence North 89°02'56" East along the South boundary of Fee No. 2018-015788, 786.64 feet to a point on the Westerly line of Molalla Avenue and the true point of beginning.

EXCEPTING THEREFROM the following:

A tract of land Situated in the Northeast one-quarter of Section 17, Township 5 South, Range 2 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, being a portion of vacated Blocks 15, 16 and 19, METZLER AND HART'S ADDITION TO MOLALLA, more particularly described as follows:

Commencing at the Northeast corner of Section 17, Township 5 South, Range 2 East, of the Willamette Meridian, marked with a bronze disk in concrete; thence South 18°17'55" West 1160.07 feet to the Southeast corner of the land described as Exhibit B in Fee No. 2018-015788 and the true point of beginning; thence South 18°17'55" West 458.22 feet to a point marked with a 5/8" iron rod marked with a yellow plastic cap marked "ACS&P 668-3151"; thence North 71°58'15" West 367.00 feet to a point marked with a 5/8" iron rod marked with a yellow plastic cap marked "ACS&P 668-3151"; thence North 18°17'55" East parallel with the centerline of Molalla Avenue 331.78 feet to a point on the South boundary of Fee No. 2018-015788; thence along the South boundary of Fee No. 2018-015788 North 89°02'56" East, 388.73 feet to a point on the Westerly line of Molalla Avenue and the true point of beginning.

Parcel II:

A tract of land located in the Northeast quarter of Section 17, Township 5 South, Range 2 East, Willamette Meridian, in the County of Clackamas, State of Oregon, being a portion of vacated P.E. & E. Railway, METZLER AND HART'S ADDITION TO MOLALLA, more particularly described as follows:

Commencing at the Northeast corner of Section 17, Township 5 South, Range 2 East, Willamette Meridian, marked by a bronze disk in concrete; thence South 18° 17' 55" West 2338.28 feet to a one inch iron pipe at the intersection of the Northerly right of way line of S. Molalla Forest Road (a 60 foot right of way, also being former Eastern & Western Logging Co. Railway right of way) with the Westerly right of way of S. Molalla Avenue (a 60 foot right of way); thence along the Northerly line of S. Molalla Forest Road North 41° 38' 30" West 573.25 feet; thence continuing along the Northerly line of S. Molalla Forest Road, along a curve to the left with a radius of 572.96 feet 255.25 feet (long chord bears North 54° 24' 16" West 253.15 feet) to a point of intersection with the East line of former P.E. & E. Railway right of way (a former 80 foot right of way) and True Point Of Beginning; thence continuing along a curve to the left with a radius of 572.96 feet 46.07 feet (long chord bears North 69° 28' 13" West 46.05 feet) to a point of tangency; thence North 71° 46' 25" West 34.00 feet to a point of intersection with the West line of former P.E. & E. Railway right of way; thence North 17° 48' 10" East 526.86 feet along the West line of said named right of way line to a point of intersection with the Molalla city limits line; thence North 89° 02' 56" East 84.48 feet along said city limits line to the East line of former P.E. & E. Railway right of way; thence South 17° 48' 10" West 556.47 feet along the East line of said named right of way line to a point on the North line of S. Molalla Forest Road and the True Point of Beginning.

Parcel III:

A tract of land located in the Northeast quarter of Section 17, Township 5 South, Range 2 East, Willamette Meridian, in the County of Clackamas, State of Oregon, being a portion of vacated Blocks 17, 18, and Down St., METZLER AND HART'S ADDITION TO MOLALLA, more particularly described as follows:

Commencing at the Northeast corner of Section 17, Township 5 South, Range 2 East, Willamette Meridian, marked by a bronze disk in concrete; thence South 18° 17' 55" West 2338.28 feet to a one inch iron pipe at the intersection of the Northerly right of way line of S. Molalla Forest Road (a 60 foot right of way, also being former Eastern & Western Logging Co. Railway right of way) with the Westerly right of way of S. Molalla Avenue (a 60 foot right of way); thence along the Northerly line of S. Molalla Forest Road North 41° 38' 30" West 573.25 feet; thence continuing along the Northerly line

of S. Molalla Forest Road, along a curve to the left with a radius of 572.96 feet 255.25 feet (long chord bears North 54° 24' 16" West 253.15 feet) to a point of intersection with the East line of former P.E. & E. Railway right of way; thence continuing along a curve to the left with a radius of 572.96 feet 46.07 feet (long chord bears North 69° 28' 13" West 46.05 feet) to a point of tangency; thence North 71° 46' 25" West 34.00 feet to a point of intersection with the West line of former P.E. & E. Railway right of way and True Point Of Beginning; thence North 17° 48' 10" East 526.86 feet along the West line of said named right of way line to a point of intersection with the Molalla city limits line; thence South 89° 02' 56" West 238.84 feet along said city limits line to a point of intersection with the Westerly line of vacated Block 18, METZLER AND HART'S ADDITION TO MOLALLA; thence South 17° 38' 13" West along the Westerly line thereof, also being the Westerly lines of vacated Down St. and vacated Block 17, METZLER AND HART'S ADDITION TO MOLALLA, 448.42 feet to the Northerly right of way line of S. Molalla Forest Road; thence South 71° 46' 25" East 224.87 feet along said right of way line to the True Point of Beginning.

Parcel IV:

A tract of land located in the Northeast quarter of Section 17, Township 5 South, Range 2 East, Willamette Meridian, in the County of Clackamas, State of Oregon, more particularly described as follows:

Commencing at the Northeast corner of Section 17, Township 5 South, Range 2 East, Willamette Meridian, marked by a bronze disk in concrete; thence South 18° 17' 55" West 2338.28 feet to a one inch iron pipe at the intersection of the Northerly right of way line of S. Molalla Forest Road (a 60 foot right of way, also being former Eastern & Western Logging Co. Railway right of way) with the Westerly right of way of S. Molalla Avenue (a 60 foot right of way); thence along the Northerly line of S. Molalla Forest Road North 41° 38' 30" West 573.25 feet; thence continuing along the Northerly line of S. Molalla Forest Road, along a curve to the left with a radius of 572.96 feet 255.25 feet (long chord bears North 54° 24' 16" West 253.15 feet) to a point of intersection with the East line of former P.E. & E. Railway right of way; thence continuing along a curve to the left with a radius of 572.96 feet 46.07 feet (long chord bears North 69° 28' 13" West 46.05 feet) to a point of tangency; thence North 71° 46' 25" West 34.00 feet to a point of intersection with the West line of former P.E. & E. Railway right of way; thence continuing along the Northerly line of S. Molalla Forest Road North 71° 46' 25" West 224.87 feet to the Westerly line of vacated Block 17, METZLER AND HART'S ADDITION TO MOLALLA and True Point Of Beginning; thence continuing along the Northerly line of S. Molalla Forest Road North 71° 46' 25" West 191.11 feet to the East line of a tract of land sold to Andy W Falk, et ux, by contract recorded January 9, 2002, Fee No. 2002-002140, Clackamas County Deed Records; thence North 18° 30' 14" East along the said East line, a distance of 384.18 feet to a point of intersection with the Molalla city limits line; thence North 89° 02' 56" East 195.48 feet along said North line to a point of intersection with the Westerly line of vacated Block 18, METZLER AND HART'S ADDITION TO MOLALLA; thence South 17° 38' 13" West along the Westerly line thereof, also being the Westerly lines of vacated Down St. and vacated Block 17, METZLER AND HART'S ADDITION TO MOLALLA, 448.42 feet to the Northerly right of way line of S. Molalla Forest Road and the True Point of Beginning.

Parcel V:

An easement for ingress and egress as described in document recorded August 28, 2017 as Fee No 2017-058796.

EXHIBIT 2 – PROPERTY REPORTS (3 pages)



Geographic Information Systems
168 Warner-Milne Rd
Oregon City, OR 97045

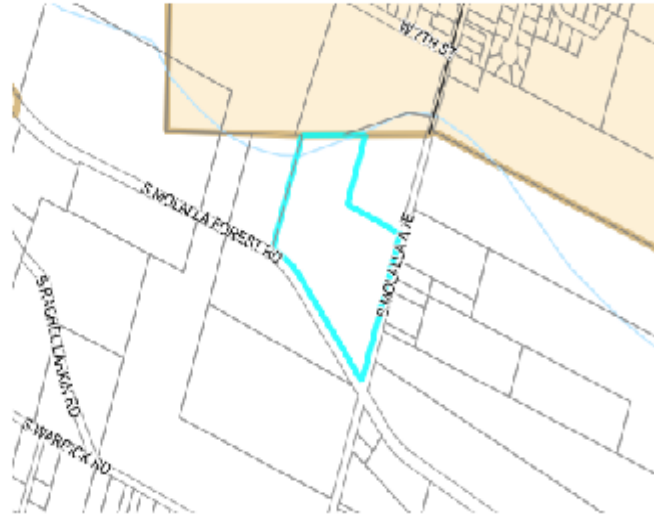
Property Report

FFP INC
PO BOX 1791
MCMINNVILLE, OR 97128

Site Address: 250 W 7TH ST
Taxlot 52E17A 00102
Land Value: 74318
Building Value: 1618220
Total Value: 1692538

Est. Acres: 10.93
Year Built:
Sale Date: 06/04/2007
Sale Amount: 0
Sale Type: X

Location Map:



Land Class:
301
Building Class:

Neighborhood:
Area 02 Industrial
Taxcode Districts: 035013

| | | | |
|----------------------------------|-------------------------------|-----------------|-----------------|
| Site | Zoning Designation(s): | | |
| UGB: MOLALLA | <u>Zone</u> | <u>Overlays</u> | <u>Acreage:</u> |
| Flood Zone: Not Available | RI | N/A | 10.93 |

Fire: Molalla RFPD #73
Park: N/A
School: Molalla River
Sewer: N/A
Water: N/A
Cable: n/a
CPO: Molalla
Garb/Recyc: Molalla Sanitary
City/County: Clackamas Co.

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

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Ordinance No. 2021-07: Annexing Lots 52E17100102, 52E17100290, AND 52E1702480, A 16.30 Acre Territory and Assigning an M-2 City Zoning Designation to the Annexed Territory



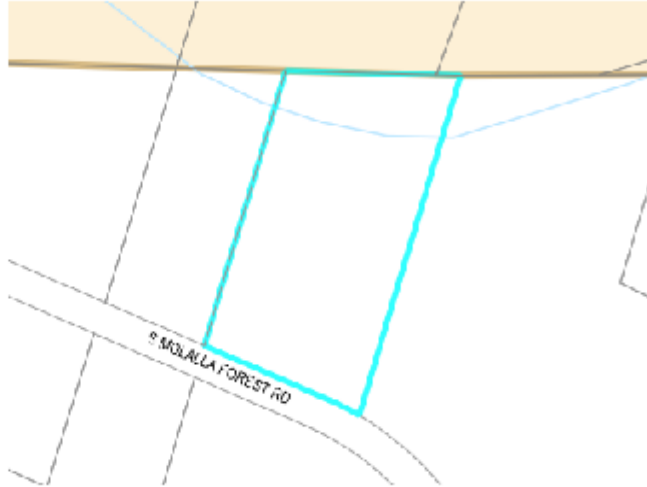
Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

FFP INC
 PO BOX 1791
 MCMINNVILLE, OR 97128

Site Address: NO SITUS
 Taxlot: 52E17A 00290
 Land Value: 106829
 Building Value: 0
 Total Value: 106829
 Est. Acres: 3.39
 Year Built:
 Sale Date: 06/04/2007
 Sale Amount: 0
 Sale Type: X

Location Map:



Land Class:
 300
 Building Class:

Neighborhood:
 Area 02 Industrial
 Taxcode Districts: 035013

Fire: Molalla RFPD #73
 Park: N/A
 School: Molalla Rtver
 Sewer: N/A
 Water: N/A
 Cable: n/a
 CPO: Molalla
 Garb/Recyc: Molalla Sanitary
 City/County: Clackamas Co.

| | | | |
|---------------------------|------------------------|------------------|-----------------|
| Site | Zoning Designation(s): | | |
| UGB: MOLALLA | <u>Zone</u> | <u>Overlays:</u> | <u>Acreage:</u> |
| Flood Zone: Not Available | RI | N/A | 3.39 |

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

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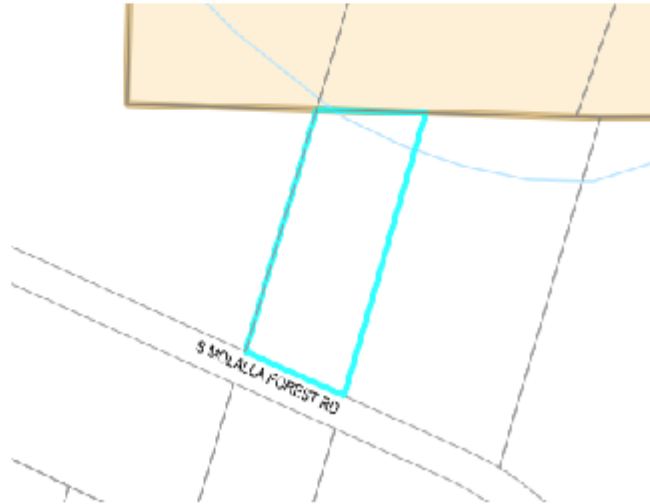


Geographic Information Systems
 168 Warner-Milne Rd
 Oregon City, OR 97045

Property Report

FFP INC
 PO BOX 1791
 MCMINNVILLE, OR 97128

Location Map:



Site Address: **NO SITUS**
 Taxlot: **52E17 02480**
 Land Value: **96429**
 Building Value: **0**
 Total Value: **96429**
 Est. Acres: **1.77**
 Year Built:
 Sale Date: **06/04/2007**
 Sale Amount: **0**
 Sale Type: **X**

Land Class:

301

Building Class:

Neighborhood:

Area 02 Industrial

Taxcode Districts: 035013

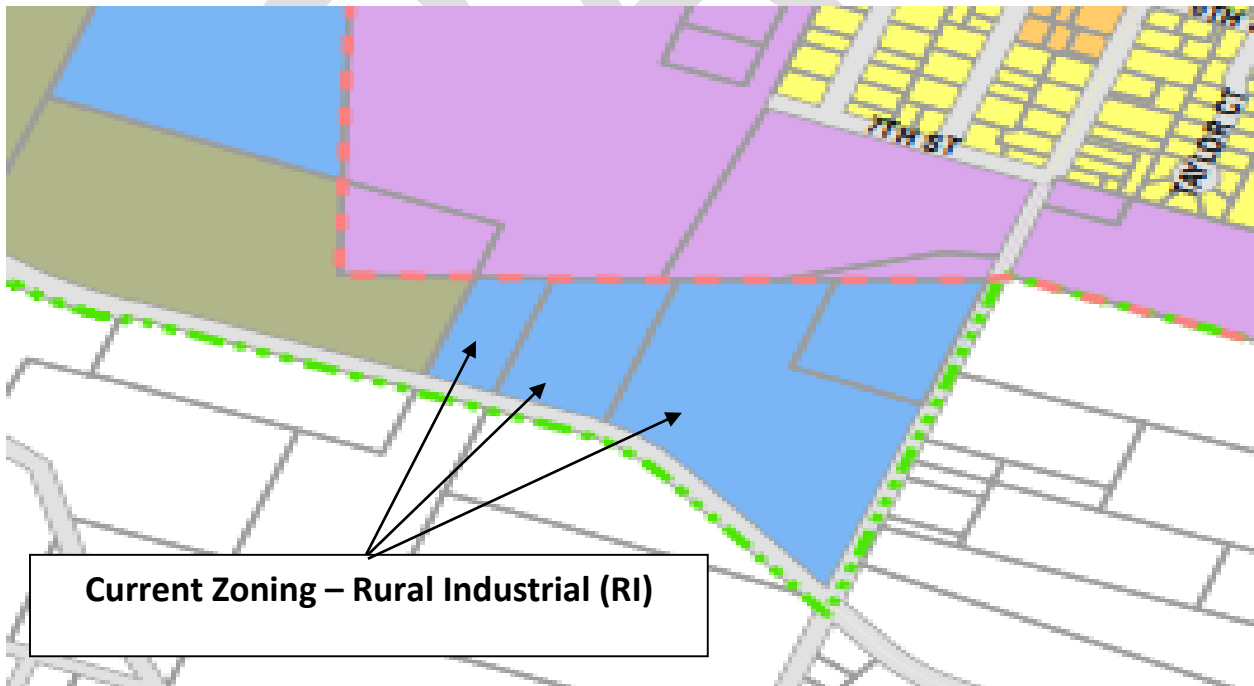
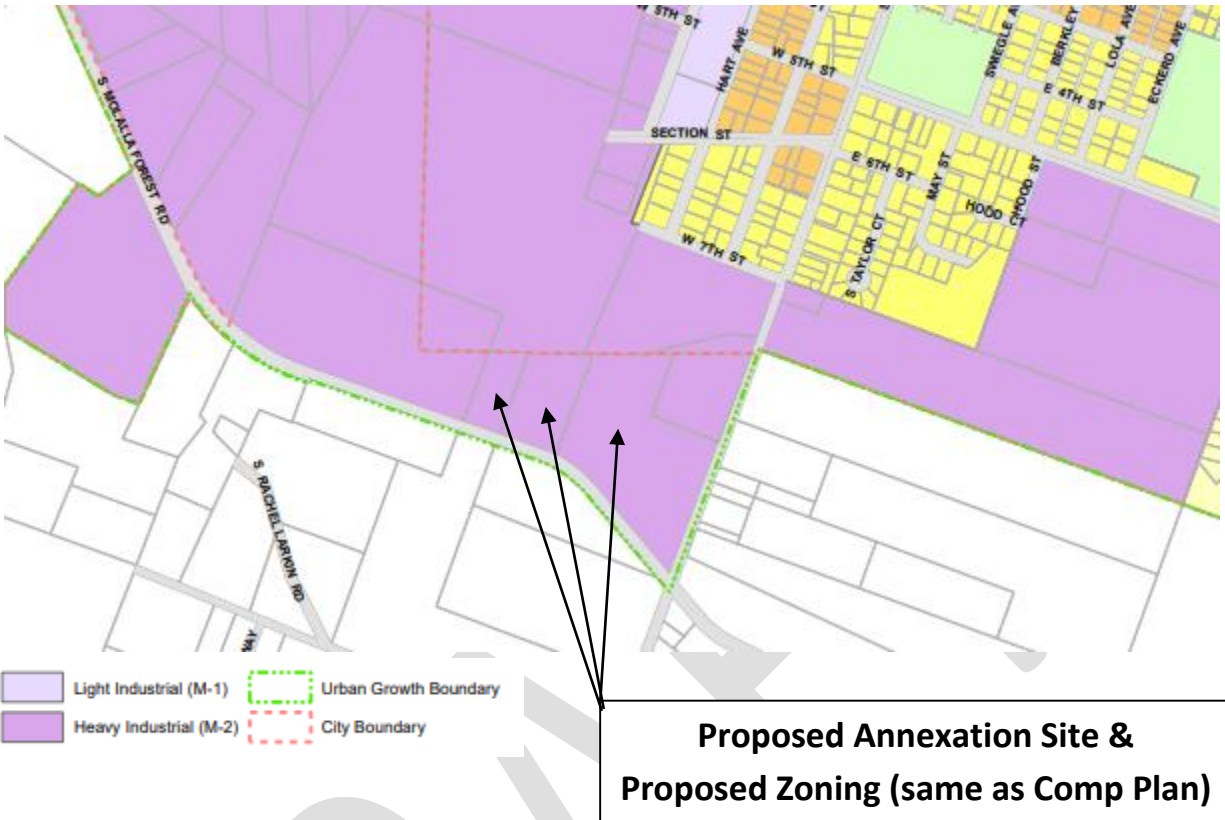
Fire: Molalla RFPD #73
Park: N/A
School: Molalla Rtver
Sewer: N/A
Water: N/A
Cable: n/a
CPO: Molalla
Garb/Recyc: Molalla Sanitary
City/County: Clackamas Co.

| Site | Zoning Designation(s): | | | |
|-------------|------------------------|-------------|------------------|-----------------|
| UGB: | MOLALLA | <u>Zone</u> | <u>Overlays:</u> | <u>Acreage:</u> |
| Flood Zone: | Not Available | RI | N/A | 1.77 |

This map and all other information have been compiled for preliminary and/or general purposes only. This information is not intended to be complete for purposes of determining land use restrictions, zoning, title, parcel size, or suitability of any property for a specific use. Users are cautioned to field verify all information before making decisions.

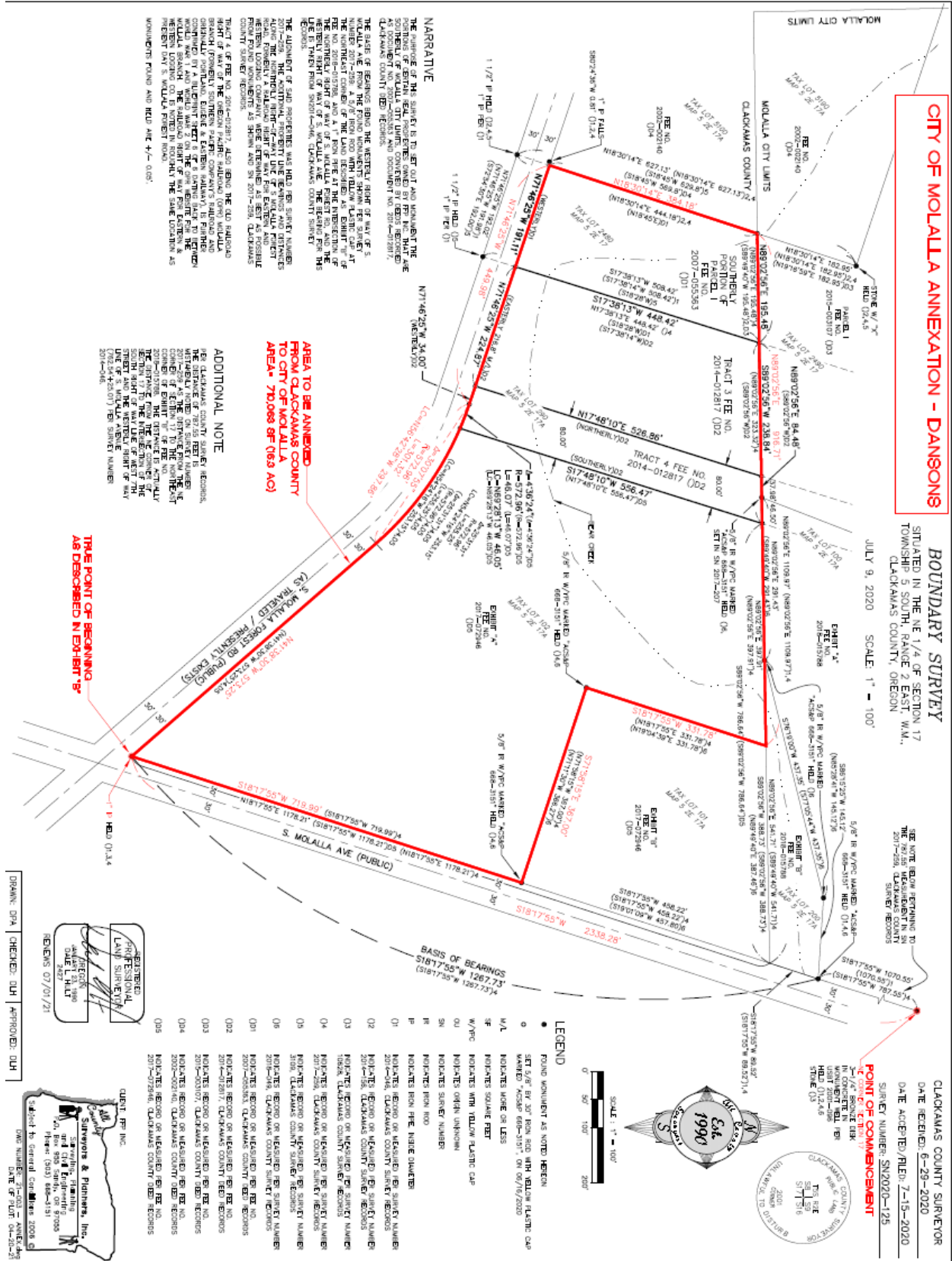
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EXHIBIT 3 – Proposed Zoning (same as Comprehensive Plan) & Current Zoning



Ordinance No. 2021-07: Annexing Lots 52E17100102, 52E17100290, AND 52E1702480, A 16.30 Acre Territory and Assigning an M-2 City Zoning Designation to the Annexed Territory

EXHIBIT 4 - ANNEXATION SURVEY & LEGAL DESCRIPTION (2 PAGES)



CITY OF MOLALLA ANNEXATION - DANSONS

BOUNDARY SURVEY
SITUATED IN THE NE 1/4 OF SECTION 17
TOWNSHIP 3 SOUTH, RANGE 2 EAST, W.M.,
CLACKAMAS COUNTY, OREGON

JULY 9, 2020 SCALE 1" = 100'

CLACKAMAS COUNTY SURVEYOR
DATE RECEIVED: 6-29-2020
DATE ACCEPTED/FILED: 7-15-2020
SURVEY NUMBER: SN2020-125

POINT OF COMMENCEMENT
CORNERS OF EXHIBIT 8

NARRATIVE

THE PURPOSE OF THIS SURVEY IS TO SET OUT AND MONUMENT THE SOUTHWEST CORNER OF THE LAND BEING ANNEXED TO THE CITY OF MOLALLA CITY LIMITS, COVERED BY DEEDS RECORDED IN CLACKAMAS COUNTY DEED RECORDS, DOCUMENT NO. 2014-012817 (D2) AND DOCUMENT NO. 2014-012817 (D2).

THE SURVEY WAS CONDUCTED ON JULY 9, 2020, BY CLACKAMAS COUNTY SURVEYOR DANSONS. THE SURVEY WAS CONDUCTED IN ACCORDANCE WITH THE OREGON SURVEYING ACT, CHAPTER 91, ORS, AND THE OREGON PROFESSIONAL SURVEYING BOARD RULES, CHAPTER 91, OAR.

THE ADJUNCTION OF SAID TERRITORY WAS MADE PER SURVEY NUMBER 2014-012817 (D2). THE ADJUNCTION WAS MADE PER SURVEY NUMBER 2014-012817 (D2). THE ADJUNCTION WAS MADE PER SURVEY NUMBER 2014-012817 (D2).

AREA TO BE ANNEXED FROM CLACKAMAS COUNTY TO CITY OF MOLALLA AREA+ 70,068 SF (1.63 AC)

ADDITIONAL NOTE

PER CLACKAMAS COUNTY SURVEY RECORDS, THE SURVEY OF 1975 IS BEING RE-ANNEXED TO THE CITY OF MOLALLA CITY LIMITS. THE SURVEY OF 1975 IS BEING RE-ANNEXED TO THE CITY OF MOLALLA CITY LIMITS. THE SURVEY OF 1975 IS BEING RE-ANNEXED TO THE CITY OF MOLALLA CITY LIMITS.

TRUE POINT OF BEGINNING AS DESCRIBED IN EXHIBIT 8

REGISTERED PROFESSIONAL LAND SURVEYOR
DANSONS
RECORDS 07/01/21

DRAWN: DPA CHECKED: DJH APPROVED: DJH

CLACKAMAS COUNTY SURVEYOR
DANSONS
DATE RECEIVED: 6-29-2020
DATE ACCEPTED/FILED: 7-15-2020
SURVEY NUMBER: SN2020-125



All County Surveyors & Planners, Inc.

PO Box 955 • Sandy, Oregon 97055 • Phone: 503-668-3151

Job No. 21-003
April 20, 2021

LEGAL DESCRIPTION CITY OF MOLALLA ANNEXATION - DANSONS

A tract of land located in the Northeast quarter of Section 17, Township 5 South, Range 2 East, W.M., in the County of Clackamas, State of Oregon, more particularly described as follows:

Commencing at the Northeast corner of Section 17, Township 5 South, Range 2 East, W.M., marked by a bronze disk in concrete; thence South $18^{\circ} 17' 55''$ West 2,338.28 feet to a one inch iron pipe at the intersection of the Northerly right of way line of S. Molalla Forest Road (a 60 foot right of way) with the Westerly right of way of S. Molalla Avenue (a 60 foot right of way) and the **True Point of Beginning**; thence North $41^{\circ} 38' 30''$ West 573.25 feet along the Northerly line of S. Molalla Forest Road; thence continuing along the Northerly line of S. Molalla Forest Road, along a curve to the left with a radius of 572.96 feet 301.32 feet (long chord bears North $56^{\circ} 42' 28''$ West 297.86 feet) to a point of tangency; thence continuing along the Northerly line of S. Molalla Forest Road North $71^{\circ} 46' 25''$ West 449.98 feet to the East line of a tract of land (Fee No. 2002-002140, Clackamas County Deed Records); thence North $18^{\circ} 30' 14''$ East 384.18 feet along said East line to the Molalla city limits line; thence North $89^{\circ} 02' 56''$ East 916.71 feet along said North line to the West line of a tract of land (Fee No. 2017-072946, Clackamas County Deed Records); thence South $18^{\circ} 17' 55''$ West 331.78 feet along said West line to the South line of said tract; thence South $71^{\circ} 58' 15''$ East 367.00 feet along said South line to the Westerly right of way line of S. Molalla Avenue (a 60 foot right of way); thence South $18^{\circ} 17' 55''$ West 719.99 feet along the Westerly line of S. Molalla Avenue to the **True Point Of Beginning**.

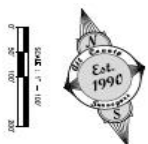
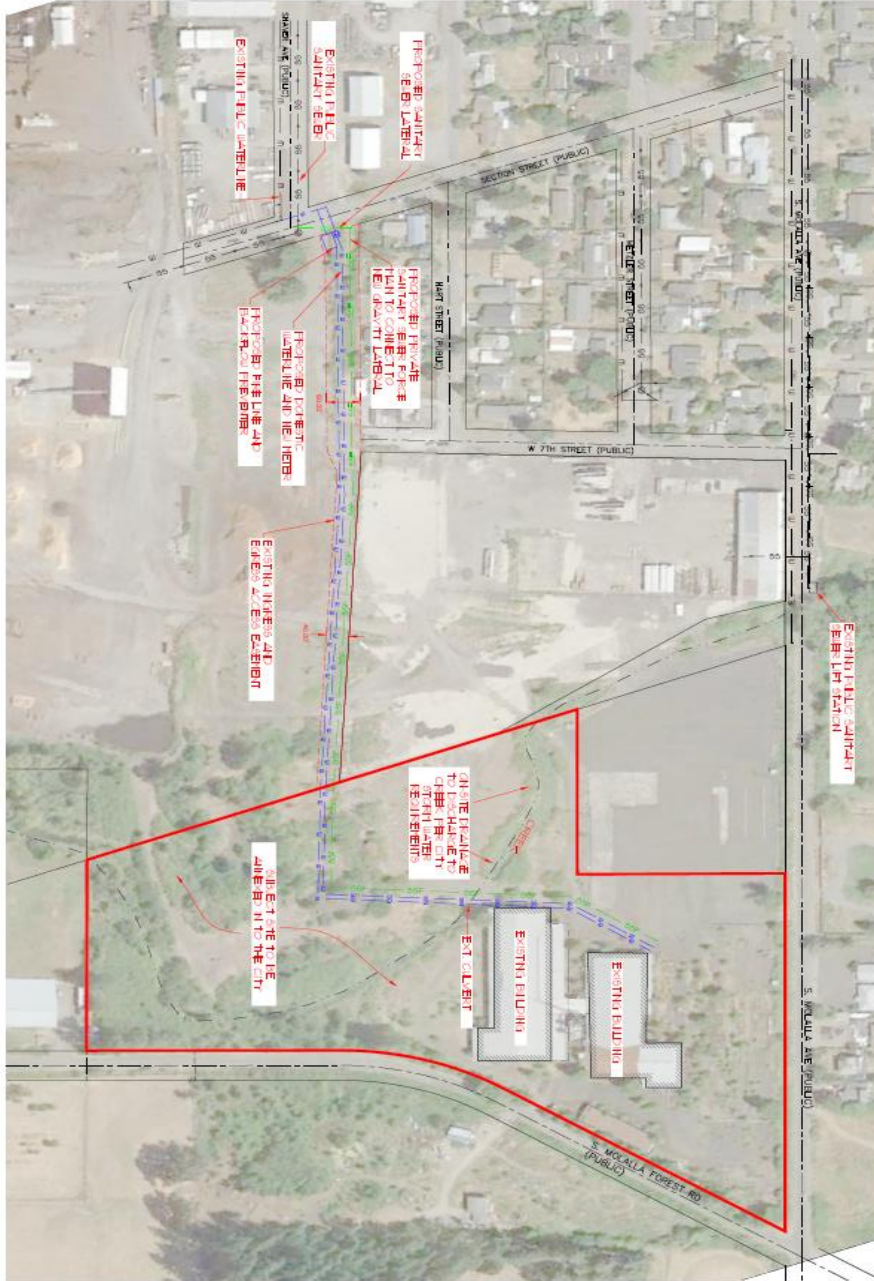
BASIS OF BEARINGS FOR THIS DESCRIPTION IS
SN 2020-125, CLACKAMAS COUNTY SURVEY RECORDS.

CONTAINING AN AREA OF 710,063 SQUARE FEET (16.3 AC), MORE OR LESS.



RENEWS 07/01/21

EXHIBIT 5 – PUBLIC UTILITIES FEASIBILITY PLAN



CLIENT: DANSONS
 ATTENTION: JOHN LITTE, VP OF
 PELLET MILL OPERATIONS
 3811 N. 5TH AVE. SUITE 500
 PHOENIX, AZ 85013
 PHONE: 304-676-6644

SARAH COUNTY
Surveyors & Planners, Inc.
 Surveying, Planning and
 Civil Engineering
 P.O. Box 830 Sandy, OR 97055
 Phone: (503) 688-3131

PROJECT: **PUBLIC UTILITY FEASIBILITY PLAN**
 FOR: DANSONS ANNEXATION

LOCATION: **250 W 7TH ST, MOLALLA, OREGON**

| | |
|---------------|--------------------------|
| SCALE | 1/4" = 1' - 0" |
| DATE | 04-21-21 |
| FILE | 21-003 - PRE-C/17/19-Ann |
| LEGAL | |
| SHEET NO. | 19 |
| TWP. | 25S |
| RANGE | 5W |
| REVISION DATE | 10/29/2020 |



| | | | |
|----------|---------|----------|----|
| DATE | NO. | REVISION | BY |
| - | - | - | - |
| DESIGNED | RLM/SRN | | |
| DRAWN | SRN | | |
| CHECKED | RLM | | |
| APPROVED | RLM | | |

EXHIBIT 6 – FINDINGS OF FACT (4 pages)

Applicable to Annexation Only

Annexation Criteria in Oregon Revised Statute 222.127

- 1. This section applies to a city whose laws require a petition proposing annexation of territory to be submitted to the electors of the city.*

Staff Finding: ORS 222.127 by its language supersedes Chapter X, Section 38 of the City of Molalla’s charter and is the controlling law for this application.

- 2. Notwithstanding a contrary provision of the city charter or a city ordinance, upon receipt of a petition proposing annexation of territory submitted by all owners of land in the territory, the legislative body of the city shall annex the territory without submitting the proposal to the electors of the city if [criterion 2(a)-(d), 3, and 4 below are met]:*

Finding: The city is in receipt of a petition proposing annexation of the territory described in Exhibits 1-5 of Ordinance 2021-07. The petition was filed by all of owners of land in the described territory, Dansons Molalla, LLC.

This criterion is met.

- a. The territory is included within an urban growth boundary adopted by the city or Metro, as defined in ORS 197.015;*

Finding: The subject property is within the current City of Molalla urban growth boundary.

This criterion is met.

- b. The territory is, or upon annexation of the territory into the city will be, subject to the acknowledged comprehensive plan of the city;*

Finding: The territory in question is anticipated and included in the current City of Molalla Comprehensive Plan. Upon annexation the property will be subject to Molalla’s current Comprehensive Plan.

This criterion is met.

- c. At least one lot or parcel within the territory is contiguous to the city limits or is separated from the city limits only by a public right of way or a body of water;*

Finding: The northern border of the subject lots are all contiguous to the city limits.

Ordinance No. 2021-07: Annexing Lots 52E17100102, 52E17100290, AND 52E1702480, A 16.30 Acre Territory and Assigning an M-2 City Zoning Designation to the Annexed Territory

This criterion is met.

d. The proposal conforms to all other requirements of the city's ordinances.

Finding: MMC Table 17-3.1.020 makes annexation application approvals subject to public facilities requirements in MMC 17-3.6. The application includes a staff approved public facilities feasibility plan which is attached to this ordinance as Exhibit 5.

Also see MMC 17-4.6.030 Analysis below regarding amendments to the zoning map.

This criterion is met.

- 3. The territory to be annexed under this section includes any additional territory described in ORS 222.111 (Authority and procedure for annexation) (1) that must be annexed in order to locate infrastructure and right of way access for services necessary for development of the territory described in subsection (2) of this section at a density equal to the average residential density within the annexing city***

Finding: No additional territory is required. The territory proposed is sufficient to locate infrastructure and right of way access for services necessary to develop.

This criterion is met.

- 4. When the legislative body of the city determines that the criteria described in subsection (2) of this section apply to territory proposed for annexation, the legislative body may declare that the territory described in subsections (2) and (3) of this section is annexed to the city by an ordinance that contains a description of the territory annexed. [2016 c.51 §2]***

Finding: The criteria described subsection 2 apply to the territory proposed for annexation. Therefore, the City Council shall annex the territory without submitting the proposal to the electors of the city. Ordinance 2021-07 contains the required description of the territory annexed.

This criterion is met.

Applicable to Annexation and Zone Change

MMC 17-4.6.030 Annexation & Zone Change Approval Criteria
Planning Commission review and recommendation, and City Council approval, of an ordinance amending the Zoning Map, Development Code, or Comprehensive Plan shall be based on all of the following criteria:

(A) If the proposal involves an amendment to the Comprehensive Plan, the amendment must be consistent with the Statewide Planning Goals and relevant Oregon Administrative Rules;

Finding: Neither the annexation or zone change action amends the Comprehensive Plan.

This criterion is not applicable.

(B) The proposal must be consistent with the Comprehensive Plan (the Comprehensive Plan may be amended concurrently with proposed changes in zoning);

Finding: The Molalla Comprehensive Plan includes the territory at issue with a zoning designation of M-2, Heavy Industrial. The annexation deals with land that is part of the comprehensive plan and the concurrent zone change proposal is for an M-2 zoning designation which is consistent with the Comprehensive Plan.

This criterion is met.

(C) The City Council must find the proposal to be in the public interest with regard to community conditions; the proposal either responds to changes in the community, or it corrects a mistake or inconsistency in the subject plan or code;

Finding: The proposed annexation and zone change is intended to prepare the subject property for redevelopment of the site in a follow-on land use process. Approval of this proposal is expected to cure a blighted property, provide 30-40 new traded sector jobs to the Molalla Community, and situate a well-established manufacturing firm in the City of Molalla.

Additionally, the Rural Industrial designation of this territory is not consistent with the Comprehensive Plan. The zone change will cure that inconsistency.

This criterion is met.

(D) The amendment must conform to Section 17-4.6.050 Transportation Planning Rule Compliance

Finding: This proposal does not significantly affect the existing or planned transportation system because future development will be consistent with the adopted Comprehensive Plan and Transportation System Plan which already contemplates the territory at issue in this application.

This criterion is met.

Applicable to Zone Change Only

MMC 17-1.2.060 Development Code and Zoning Map Implementation

(A) Zoning of Areas to be Annexed. Concurrent with annexation of land to the City of Molalla, the City Council, upon considering the recommendation of the Planning Commission, shall enact an ordinance applying applicable zoning designation(s) to the subject land, pursuant to Chapter 17-4.6. The Comprehensive Plan shall guide the designation of zoning for annexed areas.

Finding: This proposal is a concurrent annexation and zone change proposal. Chapter 17-4.6 of the comprehensive plan designates the land at issue in this proposal as Heavy Industrial (M2), and the proposal is consistent with that designation.

This criterion is met.

City of Molalla

City Council Meeting



Agenda Category: General Business

Subject: Adoption of Economic Vitality Roadmap

Recommendation: Adopt

Date of Meeting to be Presented: 6/9/21 – Presentation to Council;
6/23/21 Discussion/Adoption.

Fiscal Impact: No direct or immediate fiscal impact.

Background:

The City of Molalla Economic Vitality Roadmap was adapted from the 2020-2030 Community Visioning Document with development assistance from the Economic Development Steering Committee, the City's ED action teams, multiple business and ED survey respondents, City Staff, and ED Consultant - Mary Bosch (Marketek).

The ED Roadmap was presented to the City Council on 6/9/21 and no questions, concerns, or comments have been received as of this staff report.

SUBMITTED BY: Mac Corthell, Planning Director
APPROVED BY: Dan Huff, City Manager

ECONOMIC VITALITY (EV) ROADMAP

City of Molalla

June 9, 2021





VISION PLAN: 5 FOCUS AREAS

5 Focus Areas based on City aspirations for 2030:

1. A **resilient community** that passionately recognizes and builds on its history, culture, and location
2. A **welcoming, friendly and vibrant community** with an attractive hometown feel that is safe, hospitable, and inclusive of all residents, businesses, and visitors
3. **An economically sound and growing community** which is evident in the diversity of businesses, partnerships, education, innovation, and the strong work ethic of its people
4. A **full-service hub** of resources
5. A **beautiful and tranquil area** where people are deeply connected to its unique natural features

THE MOLALLA ECONOMIC DEVELOPMENT COMMITTEE

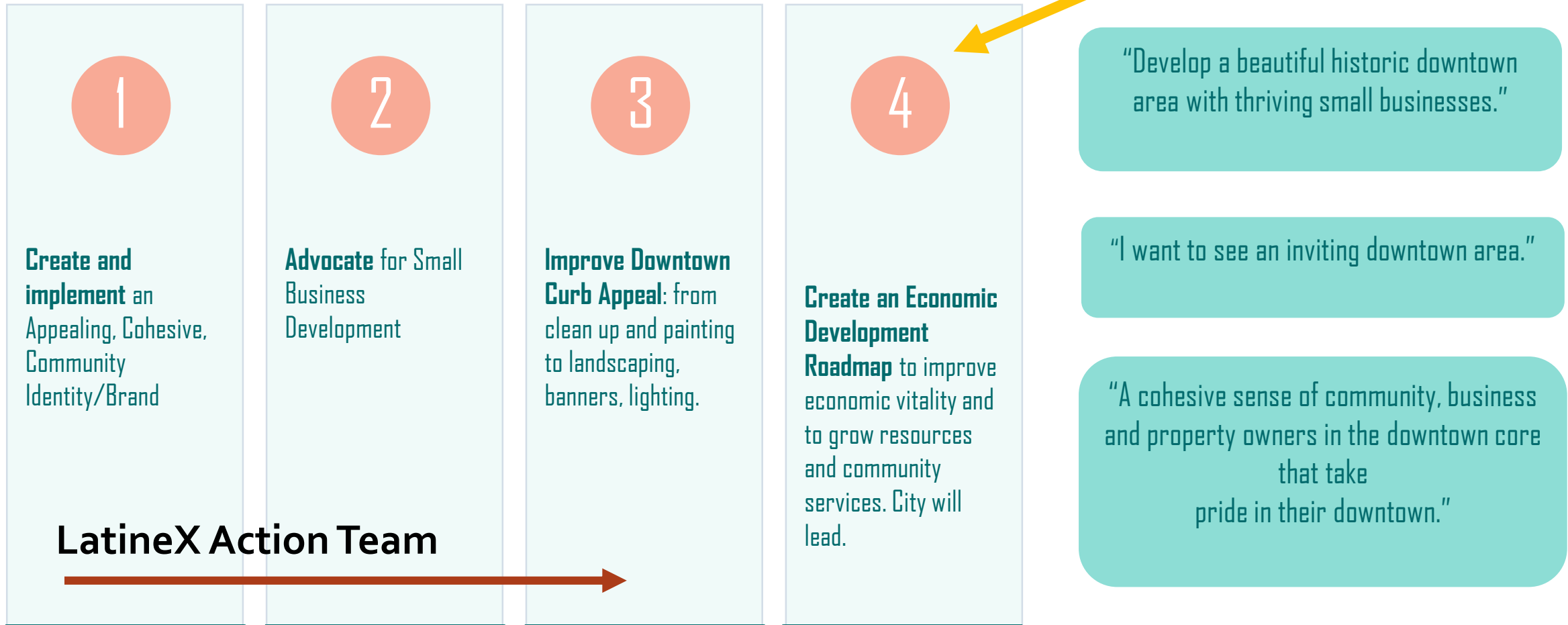
PURPOSE: To assist with the creation of a tangible economic development action plan and encourage community engagement in implementation

- Pamela Lucht - NW Transplants LLC
- Elizabeth (Lizz) Klein - City Council
- Crystal Robles - City Council
- Brad Berzinski - Molalla High School
- Robert Thompson - Welcome to Molalla & eXp Realty LLC
- Mac Corthell - City Planning Director



Guided by a Community-based Process

PRIORITIES FOR ACTION – 2021



Interwoven elements of Community & Economic Vitality

Source: Molalla Vision Plan

Sample of Results:

- Story Walk Storyboards are underway
- Clean-up Day planning
- Organized Advocacy for Highway improvements
- Small Business Outreach & Survey Completed
- Engagement of LatineX residents
- Draft Molalla Identity & Market Position Statement
- Flower baskets/planter program underway
- Engaged and committed Steering Committee meeting monthly

***Nearly 40 community members are
engaged with moving Molalla's Vision Plan to Action!***

WHAT MAKES AN ECONOMIC BASE?



"It's not one thing!"

In this work, stay focused on:

BUSINESS INTERESTS & RESOURCES

- Workforce – Talent, Education
- Competitive Business Costs
- Market (access, consumer base)
- Quality of Life
- Government/Regulation (positive)
- Real Estate
- Incentives, Financing, Capital
- Housing



Assessment and Next Steps Highlights.....

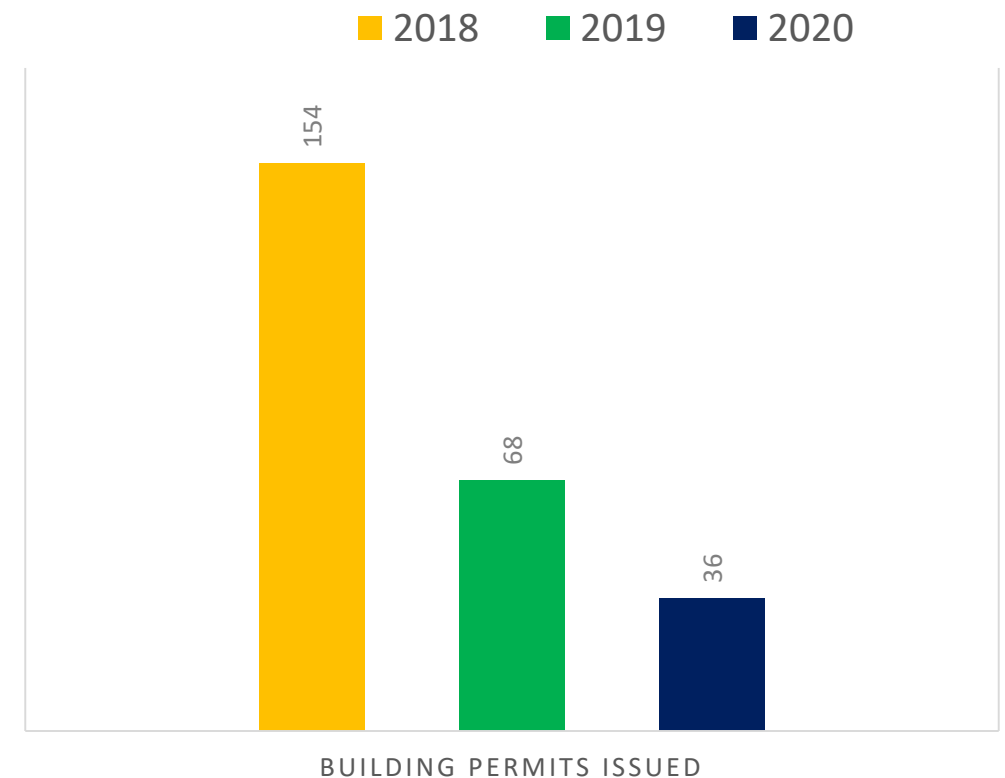


OUR COMMUNITY is
Growing and Changing

GROWTH TRENDS: *Building Permits Issued*

| 2020 | |
|-------------|------|
| Residential | 32 |
| Commercial | 4 |
| Industrial | 0 |
| 2019 | |
| Residential | 64 |
| Commercial | 4 |
| Industrial | 0 |
| 2018 | |
| Residential | 152* |
| Commercial | 1 |
| Industrial | 1 |

*includes Bear Creek



In May 2021, 16 commercial & industrial projects are active

As of May 2021, 16 active projects in pipeline:

12 commercial & 4 industrial



**Nearly \$28 million in investment
233 jobs anticipated**

Self Storage - Cascade Center

- **Autozone - Cascade Center**
- **Grocery Outlet - Cascade Center**
- **Dollar Tree - Cascade Center**
- **Goodwill - Cascade Center**
- **Burger King - Cascade Center**
- **Dollar General - Cascade Center**
- **Dairy Queen**
- **Dansons**
- **Molalla Market Place Bank**
- **Molalla Market Place Retail**
- **Scandia**
- **Center Market**
- **B & I Construction and Office Space**
- **Industrial Landscaping Company**
- **Industrial Landscaping Company Retail Space**
- **Mobile Food Unit Pod**
- **By Design Steel Company**



ECONOMIC DIVERSITY IS A KEY ASSET

3200 local jobs - From agriculture and manufacturing to tourism and retail



WHAT LOCAL BUSINESSES ARE SAYING...

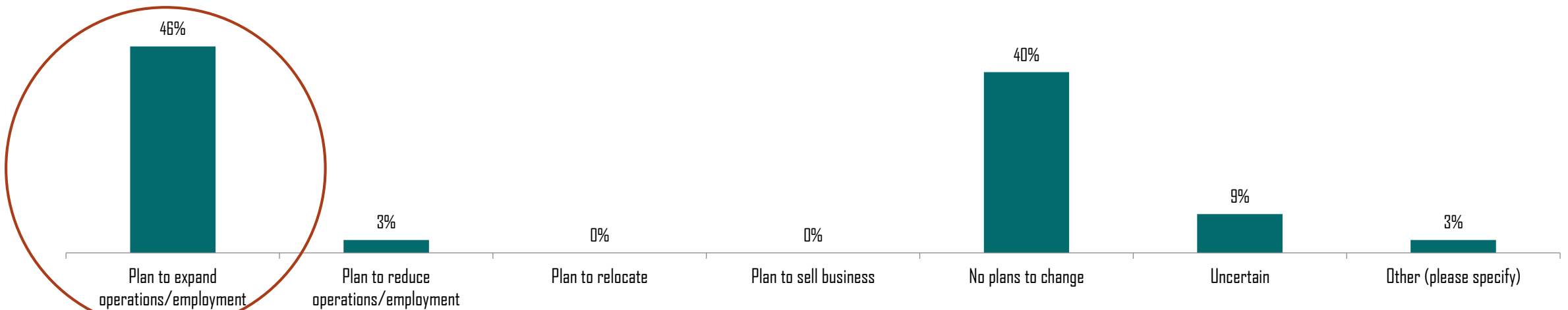
Molalla's Small Business Advocacy Action Team created a Small Business Survey, garnering 35 responses from local business owners and/or operators in March 2021. What follows are a few key highlights from results.

- Business owners are **generally optimistic** despite a tumultuous 2020 – with most saying they either will expand or stay steady
- When asked about the top advantages of doing business in Molalla, an overwhelming majority pointed to the **small town feel and local community**

Q10 What are the top advantages of doing business within Molalla? List up to three.

area Easy access Small town offer home clients local Close home
 people great business easy town work
 community advantage growing products Molalla
 Customers live help supporting big love

Which phrase best describes your **plans to expand or reduce your operations** in the next 1 or 2 years?



BUSINESS CLIMATE SUMMARY

ASSETS



Well-rated high school

Community feel, neighborly support

Natural beauty and resources

Economic diversity

CHALLENGES



The availability and skill level of workforce

Ability to navigate and keep up with the tax laws and government regulation

Limited land availability

Market support/shoppers

Downtown parking is limited

Limited roads in and out of town

CHALLENGES



"There are way too many vacant buildings and small businesses have a hard time. Something needs to be done to **help small businesses** and **encourage property owners to maintain their buildings and work with renters.**"

"We really need another store out here. I shop Winco, Trader Joe's and Costco because Safeway is always understaffed and overpriced. **Maybe a lower priced store would keep people local for shopping!**"



Available Industrial Space exists but is limited and little is 'on the market'

Only 1 Industrial space actively marketed (spring 2021)

- Molalla Forest Road Industrial Park
- 17,800 SF building on 14.55 AC lot

Undeveloped; but What's Buildable?

Vacant Heavy Industrial (M-2)

Within UGB: 128.99 ac

Vacant Light Industrial (M-1)

In UGB: 13.41 ac



OPPORTUNITIES



Retail Business Development

Fill vacant business spaces; Expand retail base
Marketing campaigns

Tourism Development

"More shopping and food options."

"More grocery stores!"

Quality of Life Improvements

Home prices
Schools
Recreation
Crime

"Bring back a vital Main Street to the heart of town -- a bustling 'old-town,' busy with hometown business, like it once was."

Industry Cluster Expansion



How to: Grow the Economy?

Economic Development Core Services

1. Build Your ED Network & Synergies
2. Business Assistance & Facilitation
3. Business Attraction & Marketing
4. Entrepreneurial Development
5. Economic Snapshots & Benchmarks
6. Branding
7. Marketing (e.g., website)



To Compete....



1. Get active within the economic development profession.

CHAMPIONS FOR OREGON

OREGON ECONOMIC DEVELOPMENT ASSOCIATION

The Oregon Economic Development Association (OEDA) is a statewide non-profit organization working to support economic development professionals who are on Oregon's front line in diversifying and expanding Oregon's economy.

PLAY ▶ VIDEO

REGISTER | Economic Development
Training Courses

2. Tap Economic Development Partners and Resources *(many!)*



Business Oregon



Clackamas Community College



Clackamas Workforce Partnership



Commercial Real Estate Development Association



Greater Portland, Inc.



Metro



Mt. Hood Territory



Oregon Economic Development Association



3. Tell Your Story – Promote Your Successes!

Ex: VISITOR INDUSTRY

Travel Oregon Molalla page features Molalla Train Park, the Buckeroo and Rosse Posse Acres Elk Farm

- There are opportunities to draw more visitors in to Molalla. Key to success = Partner with key attraction and visitor industry leaders in and around the area to increase Molalla's



sure.

- Welcome to Molalla page has space for upcoming events and offers a comprehensive spot for visitors to see businesses and restaurants. Continue to build on the momentum on that page!



4. Get a clear picture of your real estate: commercial and industrial and how to expand 'market-ready' properties.

.....*Investment is a must*

Staff. Marketing and Visibility. Planning for continued economic growth.

2021 – 2022 FY Workplan



| | |
|------------|---|
| Strategy 1 | Support and guide the Economic Development Steering Committee(SC) and Action Teams |
| Strategy 2 | Encourage and support formation of Latinx Action Team |
| Strategy 3 | Strengthen partnerships with and leverage resources of economic and business development organizations to serve Molalla business community |
| Strategy 4 | Meet 1-on-1 with Molalla's largest employers (starting w/ traded sector) to build relationship and understand and help address key challenges and opportunities |
| Strategy 5 | Follow-up with small business survey respondents |
| Strategy 6 | Help new and expanding commercial/industrial businesses offset cost of infrastructure improvements |
| Strategy 7 | Promote City's commitment to economic development and provide businesses 1-stop info center by adding economic development webpage to website |
| Strategy 8 | For Visitor Marketing, clarify organizational roles and responsibilities of City, Ec Dev Steering Committee, Welcome to Molalla and Chamber + next steps |
| Strategy 9 | Increase positive media coverage of Molalla's accomplishments, events, community spirit |