



AGENDA

**MOLALLA CITY COUNCIL MEETING
April 27, 2022
7:00 PM
Molalla Civic Center
315 Kennel Ave, Molalla, OR 97038**

Mayor Scott Keyser

*Council President Jody Newland
Councilor Elizabeth Klein
Councilor Terry Shankle*

*Councilor Leota Childress
Councilor Crystal Robles
Councilor Eric Vermillion*

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.

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

1. CALL TO ORDER AND FLAG SALUTE

2. ROLL CALL

3. CONSENT AGENDA

- A. Council Meeting Minutes – April 13, 2022.....Pg. 3
- B. City Work Session Meeting Minutes – April 13, 2022.....Pg. 6

4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

- A. Parks CPC Applicants.....Pg. 7

5. PUBLIC COMMENT & WRITTEN COMMUNICATIONS

(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Council does not generally engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Council.)

6. PUBLIC HEARINGS

7. ORDINANCES AND RESOLUTIONS

- A. Resolution No. 2022-03: Adopting a 5-Year Capital Improvement Plan (Corthell).....Pg. 9
- B. Resolution No. 2022-04: Adopting Updated System Development Charge Rates (Corthell)...Pg. 21

8. GENERAL BUSINESS

- A. Molalla HOPE, LLC. – Lease Proposal (Huff).....Pg. 30
- B. ARPA Funding Request – Molalla Buckeroo Association (Huff).....Pg. 42
- C. Body Cam Presentation – Molalla Police Department (Chief Long)

9. STAFF COMMUNICATION

10. COUNCIL COMMUNICATION

11. ADJOURN



Minutes of the Molalla City Council Meeting

Molalla Civic Center
315 Kennel Ave., Molalla, OR 97038
April 13, 2022

CALL TO ORDER

The Molalla City Council Meeting of April 13, 2022 was called to order by Mayor Scott Keyser at 7:08pm

COUNCIL ATTENDANCE

Present: Mayor Scott Keyser, Council President Jody Newland, Councilor Elizabeth Klein, Councilor Leota Childress, Councilor Terry Shankle, Councilor Crystal Robles, and Councilor Eric Vermillion.

STAFF IN ATTENDANCE

Dan Huff, City Manager; Christie Teets, City Recorder, Mac Corthell, Community Development Director; Andy Peters, Public Works Division Manager.

CONSENT AGENDA

- A. City Council Meeting Minutes – March 23, 2022
- B. Work Session Meeting Minutes – March 23, 2022

A motion was made by Councilor Robles to approve the Consent Agenda, seconded by Councilor Vermillion. Vote passed 7-0, with all Councilors voting Aye.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

None.

PUBLIC COMMENT

None.

PUBLIC HEARINGS

None.

ORDINANCES AND RESOLUTIONS

None.

GENERAL BUSINESS

- A. Buckeroo Request for ARPA Funds (Huff)

The Molalla Buckeroo Association has requested \$50,000 from the City's ARPA funds due to two years of cancellation in events caused by the COVID-19 pandemic. This is a permissible allocation of ARPA Funds.

Councilor Newland commented that she had multiple questions for the Buckeroo Association, and that it would have been good for someone to be present.

Councilor Vermillion questioned whether this money had been earmarked for another project. City Manager Huff replied that another planned project did not take place, therefore funds are available. Award this money would not take away from another scheduled project at this time.

Councilor Klein asked for clarification regarding the request. The request is unclear of whether they are asking for \$50,000 before or after the rodeo, or both, bringing the total to \$100,000.

Councilor Childress shared that Clackamas County just announced that there is \$2M available in ARPA funding for nonprofits struggling from the pandemic. She asked if the Buckeroo applied/approached the County and if they sought reimbursement from the City or County through the application process.

A motion was made by Mayor Keyser to table this item until the April 27, 2022, meeting, seconded by Council President Newland. Vote passed 7-0, with all Councilors voting Aye.

B. Contract Award: Strawberry Park and Fox Park (Huff/Peters)

Public Works Division Manager Peters shared the cooperative purchase agreement process for purchasing park equipment to Council. Mr. Peters let Council know that the vendor will be NW Playground Equipment, and the installer will be Canby Excavating.

A motion was made by Council President Newland to approve the award for Strawberry and Fox Parks, seconded by Councilor Childress.

Discussion followed with Council President Newland asking what the benefit would be to opening it up for bid. Community Development Director Corthell explained that going with this cooperative agreement will provide the City with a discount.

The vot was called and passed 7-0, with all Councilors voting Aye.

C. City Manager Evaluation Report (Keyser)

Mayor Keyser announced that “at the March 23, 2022, Council meeting, Council completed the annual evaluation of the City Manager. This process is required by Molalla Municipal Code 1.02.200 and written into the City Managers contract. This year is not a contract renewal year and negotiations on contract content were not discussed.

The City Council has given the City Manager high marks in leadership, fiscal management, and employee management. Our city staff works as a team and has accomplished many of Councils Visioning goals set annually.

We, as the City Council appreciate the challenging work, goal accomplishment and dedication to making Molalla a better Molalla.”

Councilor Robles stated that the staff commented similarly regarding leadership, work environment, encouragement, education and felt that it spoke highly to the leadership City of Molalla. She appreciates the effort put forth by staff with reports that are presented, along with other educational materials and opportunities.

D. Street Utility Maintenance Fee Discussion (Keyser)

Mayor Keyser is concerned about the condition of city streets and the lack of funding. He feels that if the Council doesn’t consider a Street Utility Fee soon, that our streets will continue to deteriorate to the point of not repair, but replacement. Mayor Keyser would like staff to present Council with a proposal, along with an educational process. Mr. Huff explained that there are recent projects that have been completed within the city that could be provided for educational purposes, specifically the Heintz Street project. Mayor Keyser stated that each Councilor elected had a responsibility to the citizens to properly repair the streets and that cannot be started without proper funding. Discussion continued with focus on education. Councilor Robles encouraged people to review the League of Oregon Cities website, Oregon City, City of Hillsboro’s website, to better understand street utility fees.

STAFF COMMUNICATION

- Public Works Division Manager Peters had nothing to report.
- Community Development Director Corthell had nothing to report.
- City Recorder Teets gave Councilors an update on the May calendar. May 11th and 25th are Council meetings, beginning with Work Sessions at 6:00pm. May 18th is the Budget Committee Meeting, beginning at 6:30pm.

- City Manager Huff welcomed everyone to the new Council Chambers. He stated that there are still a few things to be completed, including an ADA bathroom. Mr. Huff explained that the wood that was used for the dais is Douglas Fir from the Santiam Wildfire in 2020.

COUNCIL COMMUNICATION

- Councilor Vermillion announced that Chamber of Commerce will meet on April 14, 2022 at Woodcrafters. The MRSD will meet on April 14, 2022 in the high school commons or via Zoom.
- Councilor Robles encouraged everyone to attend the Molalla Library or the website to discover the most recent events.
- Councilor Childress attended a webinar hosted by Clackamas County with a focus on the rural areas. It is for nonprofits and small business that have had a loss due to COVID-19. The County has two million dollars in ARPA funds available for distribution. She also reminded citizens that the City Wide Clean-Up Day is taking place on April 29-30 at Bohlander Field.
- Councilor Shankle had nothing to report.
- Councilor Klein shared that Beautification & Culture CPC met on April 12, 2022 with a focus on the Art Contest for the new kiosks.
- Council President Newland announced that Parks CPC applications are due on Friday, April 15, 2022.
- Mayor Keyser announced that C4 on April 7, 2022. The main topic continues to be the Tolling Project.

[For the complete video account of the City Council Meeting, please go to YouTube “Molalla City Council Meetings – April 13, 2022”](#)

ADJOURN

Mayor Keyser adjourned the meeting at 8:15pm.

Scott Keyser, Mayor

Date

ATTEST:

Christie Teets, City Recorder



Minutes of the Molalla City Council Work Session

**Molalla Civic Center
315 Kennel Ave., Molalla, OR 97038
April 13, 2022**

CALL TO ORDER

The Molalla City Council Work Session of April 13, 2022 was called to order by Mayor Scott Keyser at 6:02pm.

COUNCIL ATTENDANCE

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

STAFF IN ATTENDANCE

Dan Huff, City Manager; Christie Teets, City Recorder, Mac Corthell, Community Development Director; Andy Peters, Public Works Division Manager.

DISCUSSION ITEMS

- A. CIP Approval
- B. System Development Charges

The documents listed under Discussion Items are available on the City’s website. Please visit www.cityofmolalla.com, April 13, 2022 Work Session.

For the complete video account of the City Council Meeting, please go to YouTube “Molalla City Council Work Session – April 13, 2022”

ADJOURN

Mayor Keyser adjourned the meeting at 7:03pm.

Scott Keyser, Mayor

Date

ATTEST:

Christie Teets, City Recorder



RECEIVED
JUL 23 2021

BY:

City of Molalla Application for Appointment to Citizen Committee

Date: July 14, 2021

Board/Committee of Interest: PARKS

Name:	<u>Bettj Martin</u>	
Address:	<u>816 E. 5th Molalla, OR</u>	
State/Province	<u>OR</u>	
Zip/Postal Code:	<u>97038</u>	
Home Phone:		
Work Phone: *E-Mail	<u>503-577-1045 - Cell</u>	
	<u>bmartin@Molalla.net</u>	
Years of Residence Inside City	<u>50 yrs</u>	

Current or Previous Community Affiliations or Activities:

<u>Previous Park Committee</u>
<u>Served on Molalla Fire Board</u>

Why would you like to serve on this committee and give any other background you might have in this area.

<u>Would like to hear what City Council has in mind for our Parks</u>

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

<u>FRisbee Golf, Fox Park</u>

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

<u>at this point I don't know what the Council has in mind</u>

*Signature:



City of Molalla
Application for Appointment to Citizen
Committee/Board/Commission/Council

Date: 3.25.2022

Committee/Board/Commission/Council position of interest: Parks CPC

Name: Rebecca Hendrickson

Address: 413 Metzler St

State/Province: Oregon Zip/Postal Code: 97038

Home Phone: 503.544.8571 Work Phone: n/a

*E-Mail reba84@hotmail.com

Current or Previous Community Affiliations or Activities:

2020-current: Molalla Youth Sports Softball Rep
2018-2021: Molalla River Academy Board member/President
2019-current: Youth sports Coach

Why would you like to serve on this Committee/Board/Commission/Council and give any other background you might have in this area.

As I become more involved within the youth sports area of our community, I see a need for facilities as we bring more housing into the area. I feel passionately that our youth need to be provided with opportunities within this space.

If applying for re-appointment to this Committee/Board/Commission/Council/Task Force, please indicate what has been the key accomplishment of the group during your service.

N/A

→ cont on bottom of page.

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

This may exist, however, when looking at planning parks space, I would love to see a master list of community needs/wants to be able to use to in order to try to implement some in plans being worked on.

*Signature:

[Handwritten Signature]

117 Molalla Ave/PO Box 248 Molalla Oregon 97038
 Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com

REV: 02/14/2019 Citizen Application - City Recorder

I would like to bring my perspective to the table while working on community projects.



CITY OF MOLALLA

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

Staff Report

Agenda Category: General Discussion

Agenda Date: April 27, 2022

From: Mac Corthell, Community Development Director

Approved by: Dan Huff, City Manager

SUBJECT:

Resolution 2022-03 Adopting a 5-Year Capital Improvement Plan (CIP)

FISCAL IMPACT:

The CIP is the Primary Tool in Determining the Capital Improvement Fund Budget Proposal.

RECOMMENDATION/RECOMMEND MOTION:

I move the City of Molalla Adopt Resolution 2022-03, A Resolution of the City of Molalla, Oregon, Adopting a 5-Year Capital Improvement Plan.

BACKGROUND:

The 5-year CIP is created using the master planning documents from each system, staff knowledge of needs that have arisen since master plan adoption, and community input as provided by the City Council.

The CIP is essentially a tool that the Council uses to provide staff with marching orders for Capital Improvements; it aids staff in planning, budgeting, and managing growth and development of the City's infrastructure systems in accordance with best practices and community need. The CIP considers feasibility, financial constraint, financial opportunity, risk management, system need, growth, and many other factors into consideration during development.

Finally, the CIP is a required precursor to setting Improvement SDC's in order to ensure new development and increased usage of capital systems is proportionately paid for by the new development or new use of the system rather than the existing community.



RESOLUTION NO. 2022-03

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
ADOPTING A 5-YEAR CAPITAL IMPROVEMENT PLAN**

WHEREAS, ORS 223.309 requires the Council to adopt an Improvement Plan prior to establishment of System Development Charges (SDC’s); and

WHEREAS, MMC 13.14 requires the Council to adopt an Improvement Plan identifying how Improvement SDC’s may be spent; and

WHEREAS, the 5-Year Capital Improvement Plan (CIP) should be updated regularly to reflect completed projects, changed circumstances, and shifting needs; and

WHEREAS, the 5-Year Capital Improvement Plan is a necessary tool for planning, budgeting, and managing growth and development of public infrastructure; and

WHEREAS, City Staff has developed a proposed 5-Year CIP based on the City’s Master Planning documents, other identified infrastructure needs, funding availability, staff capacity, and community livability.

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

Section 1. The 5-Year Capital Improvement Plan attached hereto as Exhibit A is hereby adopted and shall remain in effect until it is modified or replaced by action of the City Council.

Section 2. All prior versions of the 5-Year Capital Improvement Plan are hereby repealed.

Section 3. This resolution shall become effective immediately upon adoption by the City Council.

Signed this 27th day of APRIL 2022.

Scott Keyser, Mayor

ATTEST:

Christie Teets, City Recorder



City of Molalla

2022-2026 Capital Improvement Plan

Adopted by Resolution 2022-03

Molalla City Council

Scott Keyser, Mayor
Elizabeth Klein, Councilor
Leota Childress, Councilor
Jody Newland, Council President
Terry Shankle, Councilor
Crystal Robles, Councilor
Eric Vermillion, Councilor

Prepared by:

Mac Corthell, JD, Community Development Director

Capital Improvement Plan (FY21/22 – FY25/26)

The plan identifies a set of capital projects, beyond annual operating expenses, to be pursued over a 5-year planning period based on system need and anticipated funding availability.

Many of the projects in the CIP were identified in the adopted Master Plan documents covering specific areas. Some projects are included at the request of management and maintenance personnel.

The plan is relevant to the areas of transportation, wastewater collection and treatment, water treatment and distribution, stormwater treatment and drainage, parks and public facilities.

The primary goals of the CIP are to:

- Provide a balanced program for capital improvements given anticipated funding sources over the planning period.
- Illustrate upcoming capital needs based on anticipated funding levels.
- Serve as a basis for the Capital Projects budget for the coming fiscal years.

The funding year listed in this document can be expected to change as additional information on the project, and its funding source(s), becomes available. The CIP is meant to be a dynamic document, with revisions expected so that the projects funded best meet the City's needs at the time funds are available. This plan should be reviewed annually, and appropriate revisions made at that time.

Included at the beginning of this CIP is a list of projects recently completed or currently underway and based on prior CIP and master planning documents.

Project Classification

Projects identified in the CIP are placed in one of 5 functional areas:

- Transportation
- Wastewater
- Water
- Stormwater
- Parks
- Facilities (projects are Included in this report, but not in the 5-year CIP)

Completed Projects

The following is a list of completed projects since 2018 separated by functional area.

Transportation

- Molalla Avenue Streetscape Improvements (2018)
- Transportation System Master Plan Update (2018)
- Shaver Ave & OR 211 Pavement Reconstruction (2018)

- Lowe Rd Jurisdictional Transfer (2018)
- Ona Way Jurisdictional Transfer (2018)
- System Development Charges Update (2019)
- Fenton Ave CDBG (2019)
- Molalla Ave & 5th St Intersection Improvements (2020)
- Molalla Ave & Heintz St Intersection Improvements (2020)
- OR 213 & Toliver Rd All Roads Transportation Safety (ARTS) Project (2021)
- S Leroy Ave Extension and Development (2021)
- Molalla Forest Road Bike/Ped Bridge (2021)
- OR 211 & Shaver St Intersection Resurfacing (2022)
- W Heintz St Resurfacing from N Leroy Ave to Carol Ct (2022)
- OR 211 Widening and Sidewalk Infill from N Hezzie Ln to Ridings Ave (2022)
- OR 211 Bike & Pedestrian Improvements from OR 213 to Ona Way (2022)

Wastewater

- WWTP Aeration Basin Grit and Sand Removal (2018)
- WWTP Effluent Pump House HVAC Replacement (2018)
- WWTP Gravity Filter Media Replacement (2018)
- WWTP Headworks Screen Rebuild (2018)
- WWTP Aeration Basin Mixer Replacement (2018)
- Recycled Water Reuse Plan Update (2018)
- Wastewater Facility and Collection System Master Plan Update (2018)
- WWTP Transfer Pump Replacement (2019)
- WWTP O&M Manual Update (2019)
- Rate Study & System Development Charges Update (2019)
- Fenton Avenue Sewer Replacement (2019)
- Fenton Avenue Sewer Replacement (2020)
- Patrol Street Sewer Replacement (2020)
- WWTP New Headworks Screen (2020)
- Molalla Ave PS Sewer Replacement (2021)
- Sewer Line installation on S Leroy Ave (2022)
- City Hall Public Sewer Line Replacement (2022)

Water

- Molalla Avenue Waterline Improvements (2018)
- WTP Security Fencing and Gate Improvements (2018)
- Faurie Avenue Waterline Replacement (2018)
- Fenton Avenue Waterline Replacement Ph 1 (2019)
- Fenton Avenue Waterline Replacement Ph 2 (2020)
- Patrol Street Waterline Replacement Ph 2 (2020)
- Trout Creek Monitoring Station (2020)
- Trout Creek Water Right Transfer (2021)

- WTP New 2MGD Filtration Unit (2021)
- WTP Sodium Hypochlorite and SCADA Upgrades (2021)
- WTP Aluminum Chlorohydrate (ACH) Upgrades (2021)
- Water Management, Conservation, and Water System Master Plan (2021)
- Comprehensive Leak Analysis (2021)
- Water Main Upsize at Cascade Center (2022)
- City Shops/Elementary School to WWTP Waterline Replacement (2022)

Stormwater

- Molalla Avenue Stormwater Improvements (2018)
- Ross Street Stormwater Improvements (2018)
- 5 YR TMDL Implementation Plan (2018)
- Fenton Ave Reconstruction (2019)
- City Shops Bioswale (2020)
- Creamery Creek Storm Culvert Improvement (2021)
- Mercury TMDL Implementation Plan (2022)

Parks

- Clark Park Improvements – Phase 1 (2018)
- Clark Park Improvements – Phase 2 (2019)
- Clark Park Improvements Phase 3 (2020)
- Yelkus Park Land Acquisition (2021)
- Clark Park Improvements Phase 4 (2022)

Facilities

- Public Works Shops (2020)
- City Hall Remodel – Phase 3 (2021)
- New Police Facility Land Acquisition (2021)
- City Hall Remodel – Phase 4 (2022)
- Civic Center Remodel – Phase 1 (2022)

5-Year Capital Improvement Plan

The list of projects below is divided into projects already underway (design or construction) and projects projected to begin within the 5-year planning period beginning FY21/22. All of these projects are reflected in the 5-year CIP.

UNDERWAY PROJECTS

Transportation

- OR 213 & Toliver Road Roundabout Project
- OR 211 & Molalla Avenue Signal & Intersection Improvements
- Molalla Forest Road (North of OR 211) Improvements
- OR 211 Sidewalk Infill and Roadway Widening
- Shirley St and N Cole Ave Curb Extension Remediation

Wastewater

- WWTP Upgrade
- Eckerd Ave, Lola Ave, and 2nd St Sewer Replacement (WWFCSMP Project 4)
- Biosolids Removal from Lagoons

Water

- Eckerd Ave, Lola Ave, and 2nd St Waterline Replacement
- Scandia Waterline Replacement
- WTP New 2.0MG Water Tank Addition
- WTP Disinfection/Contact Time Tracer Study
- Various Service Line Replacements
- S Molalla Ave from 5th St to MFR Waterline Replacement and Upsize

Stormwater

- City Shops Decant Facility

Parks

- Strawberry Park Development
- Fox Park Playground Improvements
- Chief Yelkus Park Development

Facilities

- New Police Facility

PROJECTS PROJECTED TO BEGIN WITHIN 5-YEAR PLANNING PERIOD

Transportation

- Section and Shaver St Truck Route Improvements
- South View Ln Extension
- Molalla Forest Road Opening from S Molalla Ave to OR 211
- West Lane Improvements
- OR 211 Widening and Sidewalk Infill Opportunity Based Continuation

Wastewater

- S Swiegle Ave Sewer Replacement
- E Main St Sewer Replacement
- S Molalla Pump Station Improvement
- Stowers Pump Station Improvement
- Steelhead and Coho Pump Station Improvement
- Expansion of Recycled Water Application Fields

Water

- New Raw Water Intake Construction
- WTP Polymer and Soda Ash Tanks Replacement
- WTP Treated Water Storage Seismic Valves
- 6th St, 7th St, and Cole Ave Waterline Replacement
- Frances St Waterline Improvements

- Shirley St Waterline Improvements

Stormwater

- Stormwater Master Plan Update

Parks

- Parks Master Plan Update

Facilities

- N/A

Capital Improvement Plan

The attached spreadsheet provides the proposed Capital Improvement Plan for the City of Molalla and contains all projects listed in the Master Planning Document for each system.

The “Funded CIP” is the 5-year Capital Improvement Plan.

The “Unfunded CIP” is the remainder of the known capital needs for the 20-year planning period.

		The RESURFACING CIP (Revenue: \$5 Street Utility Fee, \$132K per year)															
		total 5 year CIP need															
		The UNFUNDED CIP (Revenue: future grants, odot STIP, developer participation, etc)															
Molalla Forest Road	Reconstruct and widen Molalla Forest Road as a concrete street from OR 211 to Mathias Road to provide a continuous 3-lane cross section. (2,500 LF)	Pending	TSP	M18	Low	100%				\$11,450,383			\$11,450,383				
OR 211	Widen OR 211 from the west city limits to OR 213 to provide a continuous 3-lane cross section. (1,375 LF)	Pending	TSP	M3,B1-B7,P3-P6	Low	70%				\$1,455,286			\$1,455,286				
OR 211	Widen OR 211 from OR 213 to Shaver Avenue to provide a continuous 3-lane cross section. (4,000 LF)	Pending	TSP	M4,S2,B1-B7,P3-P6	Medium	70%				\$15,464,413			\$15,464,413				
OR 211	Widen OR 211 from Mathias Road to the east city limits to provide a continuous 3-lane cross section. (2,500 LF)	Pending	TSP	M5,B1-B7,P3-P6	Medium	70%				\$2,750,651			\$2,750,651				
Subtotal																	
												\$736,510	\$3,591,000	\$3,250,000	\$21,395,350	\$12,875,383	\$18,750,000
The UNFUNDED CIP (Revenue: future grants, odot STIP, developer participation, etc)																	
Arterials																	
Falling Asphalt Resurfacing (Arterials)	Digout and repair failing subgrades and resurface on Arterials where the pavement is failing	Resurface	PCI	2015	High	0%				\$5,000,000	\$250,000		\$5,250,000				
Falling Asphalt Resurfacing (Collectors)	Digout and repair failing subgrades and resurface where the pavement is failing	Resurface	PCI	2015	High	0%				\$5,000,000	\$250,000		\$5,250,000				
Falling Asphalt Resurfacing (Neighborhoods)	Digout and repair failing subgrades and resurface where the pavement is failing	Resurface	PCI	2015	High	0%				\$5,000,000	\$250,000		\$5,250,000				
Falling Asphalt Resurfacing (Intersections)	Digout and repair failing subgrades and resurface where the pavement is failing	Resurface	PCI	2015	High	0%				\$5,000,000	\$250,000		\$5,250,000				
Subtotal																	
												\$736,510	\$3,591,000	\$3,250,000	\$21,395,350	\$12,875,383	\$18,750,000
Collectors																	
Leroy Avenue	Widen Leroy Avenue from Toliver Road to OR 211 to provide a continuous 2-lane cross section per City standards. (1,330 LF)	Pending	TSP	M7	Low	100%				\$618,363			\$618,363				
Mathias Road Widening and Pedestrian Infill	Widen Mathias Road from OR 211 to the south city limits to provide a continuous 3-lane cross section. (2,850 LF); Install sidewalk	Pending	TSP	M8, P17	Low	0%				\$1,135,443			\$1,135,443				
Shirley Street Widening and Pedestrian Infill	Widen Shirley Street from N Molalla Avenue OR 211 to provide a continuous 2-lane cross section per City standards. Fill in	Pending	TSP	M9, P12	Low	100%				\$1,433,963			\$1,433,963				
Ridings Avenue Pedestrian Infill	Fill in gaps on both sides of the roadway from Toliver Road to OR 211 with sidewalks of appropriate width. (West Side 1,815	Pending	TSP	P13	Medium	87%				\$795,000			\$795,000				
W 5th Street Connection and Pedestrian Improvements	Construct W 5th Street from Lowe Road terminus to Hart Avenue. (2,400 LF)	Pending	TSP	M10, P15	High	0%				\$3,033,179			\$3,033,179				
E 5th Street	Construct E 5th Street from Mathias Road to Feyrer Park Road. (1,000 LF)	Pending	TSP	M11	Low	0%				\$1,785,791			\$1,785,791				
Leroy Avenue Connection and Pedestrian Improvements	Construct Leroy Avenue from OR 211 to Lowe Road (east). (790 LF) Revised to 100 LF; Fill in gaps on the east side of the road	Pending	TSP	M15, P14	Low	100%				\$476,672			\$476,672				
Lowe Road (west)	Reconstruct and widen Lowe Road from OR 213 to Molalla Forest Road to City standards. (2,850 LF)	Pending	TSP	M16	Low	100%				\$4,445,819			\$4,445,819				
Lowe Road (east)	Reconstruct and widen Lowe Road from Molalla Forest Road to roadway terminus. (1,560 LF)	Pending	TSP	M17	Low	100%				\$3,480,959			\$3,480,959				
Molalla Forest Road	Reconstruct and widen Molalla Forest Road as a concrete street from OR 211 to Mathias Road to provide a continuous 3-lane c	Pending	TSP	M18	Low	100%				\$11,450,383			\$11,450,383				
Toliver Road Pedestrian Infill (Collectors)	Fill in gaps on both sides of the roadway from the west city limits to OR 213 with sidewalks of appropriate width. (North Side 1,9	Pending	TSP	P10-P11	Medium	30%				\$2,400,000			\$2,400,000				
Cole Ave Pedestrian Infill	Fill in gaps on both sides of the roadway from Frances Street to OR 211 with sidewalks of appropriate width. (West Side 0 LF, E	Pending	TSP	P16	Medium	25%				\$373,150			\$373,150				
Francis Street Pedestrian Infill	Fill in gaps on the south side of the roadway from N Molalla Avenue to Christopher Street with sidewalks of appropriate width. (S	Pending	TSP	P18	Medium	100%				\$373,150			\$373,150				
Neighborhood Streets																	
Affolter Avenue	Construct Affolter Avenue from southern terminus to Frances Street and from Miller Street to north city limits. (425 LF)	Pending	TSP	M12	Low	0%				\$1,204,742			\$1,204,742				
Commercial Way	Construct Commercial Way from the roadway terminus to Lowe Road (west). (680 LF)	Pending	TSP	M13	Low	0%				\$389,142			\$389,142				
Hezzie Lane	Construct Hezzie Lane from the southern roadway terminus to the northern roadway terminus. (1,790 LF)	Pending	TSP	M14	Low	100%				\$1,258,049			\$1,258,049				
Sharrows across town	Install shared lane pavement markings (sharrows) and signs on both sides of the roadway	Pending	TSP	B14-B33	Low	0%				\$200,000			\$200,000				
Toliver Drive Pedestrian Infill (Neighborhoods)	Fill in gaps on both sides of the roadway from north of Berwick Court to Toliver Road with sidewalks of appropriate width. (West	Pending	TSP	P19	Low	0%				\$280,000			\$280,000				
Kennel Avenue, Pedestrian Infill	Fill in gaps on both sides of the roadway from Ross Street to OR 211 with sidewalks of appropriate width. (West Side 310 LF, Ea	Pending	TSP	P20	Medium	0%				\$298,520			\$298,520				
E Heintz Street, Pedestrian Infill	Fill in gaps on both sides of the roadway from N Molalla Avenue to Fenton Avenue with sidewalks of appropriate width. (North S	Pending	TSP	P21	Medium	87%				\$138,599			\$138,599				
Industrial Way, Pedestrian Infill	Fill in gaps on the east side of the roadway from Toliver Road to the southern roadway terminus with sidewalks of appropriate w	Pending	TSP	P22	Medium	54%				\$410,465			\$410,465				
Industrial Way, Pedestrian Infill	Fill in gaps on both sides of the roadway from the northern roadway terminus to OR 211 with sidewalks of appropriate width. (W	Pending	TSP	P23	Medium	0%				\$117,276			\$117,276				
Stowers Road, Pedestrian Infill	Fill in gaps on both sides of the roadway from OR 211 to E 7th Street with sidewalks of appropriate width.	Pending	TSP	P24	Medium	0%				\$181,244			\$181,244				
E 7th Street, Pedestrian Infill	Install sidewalks on both sides of the roadway from Stowers Road to Mathias Road. (North Side 705 LF, South Side 705 LF)	Pending	TSP	P25	Low	0%				\$501,088			\$501,088				
Intersection Improvements																	
OR 213/Meadow Road	Reconfigure the intersection to provide a center two-way left-turn lane along OR 213 - coordinate with Project M11; Install an en	Pending	TSP	M19,B35, P26	Medium	0%				\$159,922			\$159,922				
OR 213/OR 211	Install a separate right-turn lane at the southbound approach if/when adjacent property redevelops.2	Pending	TSP	M21	Low	0%				\$159,922			\$159,922				
OR 211/Ona Way	Widen OR 211 to provide a westbound left-turn lane and install a traffic signal when warranted - Coordinate with Project M4.2	Pending	TSP	M22,B38	Low	58%				\$1,066,144			\$1,066,144				
OR 211/Leroy Avenue	Widen OR 211 to provide an eastbound left-turn lane and install a traffic signal when warranted - Coordinate with Project M4.2	Pending	TSP	M23,S6,B39	Low	54%				\$1,066,144			\$1,066,144				
OR 211/Ridings Avenue	Widen OR 211 to provide an eastbound left-turn lane - Coordinate with Project M4.3	Pending	TSP	M24,B40	Low	46%				\$-			\$-				
OR 211/Hezzie Lane Pedestrian Improvements	Install an enhanced pedestrian crossing at the OR 211/Hezzie Lane intersection.3	Pending	TSP	P28	High	0%				\$159,922			\$159,922				
OR 211/Molalla Forest Road1	Install an enhanced pedestrian crossing at the OR 211/Molalla Forest Road intersection.3	Pending	TSP	P29	High	0%				\$159,922			\$159,922				
OR 211/Grange & Berkeley Avenues1	Install an enhanced pedestrian crossing at the OR 211/Grange Avenue/Berkeley Avenue intersection.3	Pending	TSP	P30	Medium	0%				\$159,922			\$159,922				
OR 211/N. Cole Avenue1	Install an enhanced pedestrian crossing at the OR 211/Cole Avenue intersection.3	Pending	TSP	P31	High	0%				\$159,922			\$159,922				
OR 211/Stowers Road1	Install an enhanced pedestrian crossing at the OR 211/Stowers Road intersection.3	Pending	TSP	P32	Medium	0%				\$159,922			\$159,922				
OR 211/Metzler Avenue1	Install curb extensions with American's with Disabilities Act (ADA) accessible curb ramps with tactile warning strips on the north	Pending	TSP	P33	Medium	0%				\$159,922			\$159,922				
Toliver Road/Industrial Way1	Install an enhanced pedestrian crossing at the Toliver Road/Industrial Way intersection.3	Pending	TSP	P34	Medium	0%				\$53,307			\$53,307				
Toliver Road/Zimmerman Lane	Install an enhanced pedestrian crossing at the Toliver Road/Zimmerman Lane intersection.3	Pending	TSP	P35	Low	0%				\$53,307			\$53,307				
Toliver Road/Leroy Avenue	Install an enhanced pedestrian crossing at the Toliver Road/Leroy Avenue intersection.3	Pending	TSP	P36	Medium	0%				\$53,307			\$53,307				
Toliver Road/Ridings Avenue	Install an enhanced pedestrian crossing at the Toliver Road/Ridings Avenue intersection.3	Pending	TSP	P37	Medium	0%				\$53,307			\$53,307				
Toliver Road/Kennel Avenue	Install and enhanced pedestrian crossing at the Toliver Road/Kennel Avenue intersection.3	Pending	TSP	P38	Medium	0%				\$53,307			\$53,307				
Leroy Avenue/Heintz Street	Install an enhanced pedestrian crossing at the Leroy Avenue/Heintz Street intersection.3	Pending	TSP	P39	Low	0%				\$53,307			\$53,307				
E 5th Street/May Street	Install an enhanced pedestrian crossing at the E 5th Street/May Street intersection.3	Pending	TSP	P40	Low	0%				\$53,307			\$53,307				
E 5th Street/Stowers Road	Install an enhanced pedestrian crossing at the E 5th Street/Stowers Road intersection.3	Pending	TSP	P41	Low	0%				\$53,307			\$53,307				
OR 211/Mathias Road	Install a roundabout when warranted.2	Pending	TSP	M26	Low	0%				\$2,665,359			\$2,665,359				
N Molalla Avenue/Toliver Road	Widen N Molalla Avenue to provide a center two-way left-turn lane along N Molalla Avenue and install an eastbound right-turn la	Pending	TSP	M27,B41	Low	0%				\$159,922			\$159,922				
N Molalla Avenue/Shirley Street	Widen N Molalla Avenue to provide a center two-way left-turn lane along N Molalla Avenue and install a westbound right-turn la	Pending	TSP	M28	Low	0%				\$159,922			\$159,922				
S Molalla Avenue/Molalla Forest Road	Install a roundabout when warranted.	Pending	TSP	M31	Low	0%				\$2,665,359			\$2,665,359				
Feyrer Park Road/Mathias Road	Install a roundabout when warranted.	Pending	TSP	M32	Low	0%				\$2,665,359			\$2,665,359				
OR 211/Mathias Road	Install a single lane roundabout.	Pending	TSP	S7	Low	0%				\$0			\$0				
Parking																	
Limited and/or Flexible Parking Requirements	Update the Molalla Municipal Code to limit and/or allow for flexible parking requirements.	Pending	TSP	TDM3	Low	0%				\$0			\$0				
Parking Management	Develop a parking management plan for downtown Molalla to impose time limits in commercial areas and allow for the potential	Pending	TSP	TDM4	Low	100%				\$26,654			\$26,654				
Parking Management Plant Implementation Project					Low	50%				\$450,000			\$450,000				
Non Motorized Trails System																	
Molalla Western Railway Spur	Install a shared-use path along the former Molalla Western Railway Spur right-of-way from the north city limits to OR 211.	Pending	TSP	P44	Low	100%				\$2,094,972			\$2,094,972				

Key: P=Pedestrian, M=Motor Vehicle, S=Safety, B=Bycycle, PIS=Pavement Index Survey, TSP=Transportation System Plan
Resurfacing Analytical Framework (project work selected) is based on: a "four questions" analysis (attached to Work Order 2344, the Resurfacing Program)
Unfunded-to-Funded Analytical Framework: based on opportunity, grant, development participation, or other unplanned revenue source identified.

Project	Description	Status	Source	MP Priority	% Imp.	SDC Elig	Project Cost	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	>2026	
The COMPLETED CIP (last 5 years)														
Comprehensive Leak Analysis Program	Conduct a comprehensive leak analysis program. The analysis should focus on areas with known leaks, pipes that have surpassed their design life, and Telemetry (17-15)	Complete	WMP T	6	High		\$0							
New Water Filter, chemical feed room, and Telemetry (17-15)		Complete	Project	17-15										
Trout Creek Monitoring Station and Water Right Transfer		Complete	Project	18-11, 18-12										
Water Plant Security Fencing		Complete	Project	17-18										
1.2 MG Tank Dive inspection and cleaning		Complete	Project	18-03										
The FUNDED CIP (Revenue: Rate and SDCs)														
New Molalla Intake	Install intake screen with air burst/water wash system approximately 75 feet upriver of the existing intake screens and to conduct	Pending	WMP T	1	High	100%	\$2,946,000		\$70,000	\$2,876,000				
New 2 MG Treated Water Tank w/Land Acquisition	Land acquisition, construction of a glass-fused-to-steel tank with an aluminum dome roof construction, and demolition of the existing	Pending	WMP T	2	High	100%	\$6,550,000	\$15,000	\$200,000		\$6,335,000			
Decant Facility	Split among Storm, Water, Streets, used for debris handling nad Mercury testing	Pending	TMDL		High	0%	\$10,000	\$10,000						
AC Water Main through Coleman Field, replace with 4" PEX	To accommodate the new RWUP Field if/when it happens.	Pending	Staff		High	0%	\$28,000		\$28,000					
Scandia Waterline	Highest leaker in town, accounts for 6% of total water loss				High	78%	\$350,000	\$200,000						
City Hall Upstairs Remodel	Participation in admin efforts	Pending				0%	\$37,200	\$37,200						
Civic Center Remodel	Participation in admin efforts	Pending				0%	\$23,700	\$23,700						
Remove and Replace Polymer and Soda Ash Bulk Storage Tanks	Replace the polymer and soda ash bulk storage tanks.	Pending	WMP T	5	High	0%	\$120,000		\$120,000					
Treated Water Storage Seismic Valves	Install seismic valves and piping for the storage tanks.	Pending	WMP T	7	High	0%	\$381,000			\$381,000				
Disinfection Contact Time Tracer Study	Review and update their current Disinfection Contact Time Tracer Study.	Pending	WMP T	8	High	0%	\$50,000	\$50,000						
Service Line Replacements - Ph 1	Replace services in Big Meadows between OR 213 and the east end of Mountainview Lane. Replace services on Andrian Drive	Pending	WMP S	1	High	0%	\$807,000	\$45,000	\$762,000					
Eckerd Ave. and E 2nd St.	Replace 900 feet of 6-inch AC water main on Eckerd (2nd to 5th). Replace 300 feet of 4-inch cast iron water main with 8-inch w	Pending	WMP D	1	High	84%	\$687,000	\$687,000						
Lola Ave.	Replacement of 1,400 feet of 4-inch steel water main with 8-inch water main (W Main to 7th). (4" upsized to 8") – 100% SDC Elig	Pending	WMP D	2	High	100%	\$840,000		\$840,000					
South Molalla Ave., E 6th St., and May St.	Replace of 1100 feet of 6-inch steel water main on Molalla (5th to 7th) with 8-inch water main. Replace 600 feet of 6-inch AC and	Pending	WMP D	6	High	78%	\$1,099,000	\$350,000						
E 6th, E 7th St., and South Cole Ave.	Replace 2,800 feet of 6-inch and 8-inch AC water main with 8-inch water main. (6" upsized to 8") – 78% SDC Eligible	Pending	WMP D	7	High	78%	\$1,750,000			\$1,750,000				
Molalla Elem. School and PW Shops	Replace of 700 feet of 6-inch AC water main and 300 feet of 2-inch water main with 8-inch water main from Toliver to Shops pro	Pending	WMP D	9	High	90%	\$441,200	\$441,200						
Toliver Road WWTP Water Line Improvements	Replace 1,100 feet of 2-inch water main with 8-inch water main. (2" upsized to 8") 100% SDC Eligible	Pending	WMP D	15	Medium	100%	\$259,000	\$259,000						
Frances Street Water Line Improvements	Replace 500 feet of 6-inch AC water main along with 500 feet of 6-inch steel water main with 8-inch water main. (6" upsized to 8	Pending	WMP D	17	Low	78%	\$720,000					\$720,000		
Shirley Street Water Line Improvements	Replace 3,600 feet of 14-inch steel water main with 8-inch water main.	Pending	WMP D	18	Low	0%	\$1,914,000					\$450,000		
Subtotal								\$2,118,100	\$2,020,000	\$2,131,000	\$6,335,000	\$1,170,000		
total 5 year CIP need										\$16,650,100				

The UNFUNDED CIP													
2 MG Tank Exterior Resurfacing	Resurface the exterior coating.	Pending	WMP T	3	High	0%	\$1,830,000						\$1,830,000
Pressure Reducing Valves	Split the Molalla water system into three pressure zones including the installation of four Pressure Reducing Valves (PRVs).	Pending	WMP T	4	High	0%	\$1,040,000						\$1,040,000
Service Line Replacements - Ph 2	Replace Services in Big Meadows and Burghardt Estates from Mountainview Lane to 722 Meadowlawn, Kalugin Court, Trinity C	Pending	WMP S	2	Medium	0%	\$832,000						\$832,000
Service Line Replacements - Ph 3	Replace services in Toliver Estates areas between RR ROW, Molalla Ave, Toliver Road, and north City Limits.	Pending	WMP S	3	Low	0%	\$543,000						\$543,000
Swiggle Ave.	Replace 450 feet of 6-inch steel water main with 8-inch water main on Swiggle (Alley S of 3rd to 5th). Install 300 feet of new 8-in	Pending	WMP D	3	High	87%	\$347,000						\$347,000
Metzler Ave., West 3rd St., and West 4th St.	Replace of 1,000 feet of 6-inch AC water main on Metzler (Section to 7th). High priority 5th Street to 7th Street. Replace of 1,300	Pending	WMP D	4	High	82%	\$1,528,000						\$1,528,000
Hart St. and Section St.	Replace 1,700 feet of 6-inch steel on Hart (W Main to 5th). Replace 500 feet of 4-inch steel on Hart (Section to 7th). Replace 240	Pending	WMP D	5	High	74%	\$992,000						\$992,000
E 3rd St., E 4th St., and Stowers Rd.	Replace of 1,400 feet of 6-inch AC water main with 8-inch water main. (6" upsized to 8") – 78% SDC Eligible	Pending	WMP D	8	High	78%	\$833,000						\$833,000
North Cole Avenue Water Line Improvements	Replace 600 feet of 10-inch AC water main with 10-inch water main (Garden to Patrol) and (Heintz to Shirley).	Pending	WMP D	10	Medium	0%	\$317,000						\$317,000
Toliver Drive, Kennel Street, West Ross Street, Revilot, and Benwick W	Replace 2,300 feet of 6-inch AC water main with 8-inch water main. (6" upsized to 8") – 78% SDC Eligible	Pending	WMP D	11	Medium	78%	\$1,222,000						\$1,222,000
West Heintz Street Water Line Improvements	Replace 1,900 feet of 6-inch AC water main with 8-inch water main. (6" upsized to 8") – 78% SDC Eligible	Pending	WMP D	12	Medium	78%	\$1,004,000						\$1,004,000
Robbins Street and Fenton Avenue Water Line Improvements	Replace 1,700 feet of 6-inch AC water main along with 300 feet of 6-inch steel water main with 8-inch water main. (6" upsized to	Pending	WMP D	13	Medium	78%	\$1,030,000						\$1,030,000
Ridings Avenue Water Line Improvements	Replace 1,500 feet of 6-inch AC water main with 8-inch water main. (6" upsized to 8") 78% SDC Eligible	Pending	WMP D	14	Medium	78%	\$1,032,000						\$1,032,000
W. 7th St. Water Line Improvements	Replace 700 feet of 8-inch Class 200 water main with 8-inch C-900 PVC water main. not SDC Eligible	Pending	WMP D	16	Medium	0%	\$335,000						\$335,000
Miller Street and North Cole Avenue Water Line Improvements	Replace 3,500 feet of 14-inch steel water main with 8-inch water main.	Pending	WMP D	19	Low	0%	\$1,751,000						\$1,751,000
South Molalla Forest Road to South Molalla Avenue Water Line Improv	Install 5800 feet of 12-inch water main on South Molalla Forest Road (Ona to Molalla). Install 1600 feet of 12-inch water main on	Pending	WMP D	20	Low	100%	\$3,715,000						\$3,715,000
Transmission Main Reroute and Replacement	Install 5500 feet of new 18-inch PVC main along Feyrer Park, Mathias, and E Main. Abandon waterline through Coleman Ranch	Pending	WMP D	21	Low	68%	\$3,166,000						\$3,166,000
South Molalla Forest Road Water Line Improvements	Install 2,200 feet of new 8-inch water main. Cost TBD. Developer project.	Pending	WMP D	22	Low	100%	\$0						\$0
North Molalla Avenue Water Line Improvements	Replace 500 feet of 4-inch steel water main with 8-inch water main. Cost TBD. Developer project.	Pending	WMP D	23	Low	75%	\$0						\$0
Well Exploration and ASR feasibility study	Establish a secondary water source for the City	Staff				100%	\$400,000						\$400,000
Scandia Waterline, remainder from completed portion to Heintz (Develo	Replace 500 feet of 6-inch steel water main with 8-inch water main. Cost TBD.	Pending	WMP D	24	Low	78%	\$0						\$0

Capacity Increasing assumptions from Dyer Review 3/17/22

- 4" – 400 gpm
- 6" – 900 gpm (125% increase in capacity from 4" to 6")
- 8" – 1,600 gpm (300% increase in capacity from 4" to 8", 78% increase in capacity from 6" to 8")
- 14" – 4,750 gpm
- 18" – 8,000 gpm (68% increase in capacity from 14" to 18")

Project	Description	Status	Source	MP Priority	% Imp.	SDC Elig	Project Cost	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	>2026
The COMPLETED CIP (last 5 years)													
Fenton Avenue Reconstruction - CDBG Grant \$165K (Shared Cost, 20% City Match)		Complete											
The FUNDED CIP (Revenue: Rate and SDCs)													
Shops Decant Facility \$60K (Shared Cost)			TMDL				\$60,000	\$60,000					
Stormwater System Master Plan Update \$250K							\$250,000		\$90,000	\$160,000			
Subtotal								\$60,000	\$90,000	\$160,000	\$0	\$0	
total 5 year CIP need										\$310,000			
The UNFUNDED CIP													
TMDL Implementation													Pending Master Plan Update
Bear Creek at S. Molalla, Flooding													Pending Master Plan Update
Bear Creek at Ona Way, Flooding													Pending Master Plan Update
Big Meadow east culdesacs flooding													Pending Master Plan Update
Creamery Creek east of Toliver flooding													Pending Master Plan Update
Francis at N Molalla Flooding													Pending Master Plan Update
Miller at N Molalla													Pending Master Plan Update
Ivor Davies Pond													Pending Master Plan Update
Toliver by Bus Barn, flooding													Pending Master Plan Update

Project	Description	Status	Source	MP Priority	% Imp.	SDC Elig	Project Cost	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	>2026
		<i>The COMPLETED CIP (last 5 years)</i>											
	Clark Park Phases 1-4	Complete	18-15				\$0						
	Clark Park Tree Survey and Safety Removals	Complete	18-18										
		<i>The FUNDED CIP (Revenue: Rate and SDCs)</i>											
	Parks System Master Plan Update \$150K						\$150,000		\$90,000	\$60,000			
	Clark Park Phase 5 (Sports Fields)						\$600,000			\$75,000	\$525,000		
	Molalla Forest Road (Yelkus Road)						\$850,000	\$120,000	\$730,000				
	Chief Yelkus Park						\$850,000		\$500,000	\$350,000			
	Strawberry Park						\$300,000	\$200,000	\$75,000				
	Fox Park Improvements						\$251,637	\$176,637	\$75,000				
							Subtotal	\$496,637	\$1,470,000	\$485,000	\$525,000	\$0	
							total 5 year CIP need			\$2,976,637			

PARKS



CITY OF MOLALLA

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

Staff Report

Agenda Category: General Discussion

Agenda Date: April 27, 2022

From: Mac Corthell, Community Development Director
Approved by: Dan Huff, City Manager

SUBJECT:

Resolution 2022-04 Adopting Updated System Development Charge (SDC) Rates

FISCAL IMPACT:

The SDC Rates Determine the Charges Applied to New Development and Increased Usage of Capital Systems for their proportionate use of existing systems and their contribution to system capacity expansion.

RECOMMENDATION/RECOMMEND MOTION:

I move the City of Molalla Adopt Resolution 2022-04, A Resolution of the City of Molalla, Oregon, Adopting Updated System Development Charge Rates.

BACKGROUND:

System Development Charges (SDC) are paid by New Development, and increased usage of Capital Systems; they consist of a reimbursement portion and an improvement portion.

Reimbursement fees are based on the depreciated and cost adjusted value of existing fixed assets in the system divided by projected community growth.

Improvement fees are based on the projects in the 5-year Capital Improvement Plan, limited by the capacity increasing percentage of each, and divided by projected community growth.

SDC's are a one-time charge that run with the property and provide that property with SDC credits equal to the use for which SDC's have been paid, or the use at the time an SDC was implemented for uses that preceded SDC adoption.



RESOLUTION NO. 2022-04

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
ADOPTING UPDATED SYSTEM DEVELOPMENT CHARGE RATES**

WHEREAS, ORS 223, authorizes the City of Molalla to establish System Development Charge (SDC) methodologies and rates; and

WHEREAS, MMC 13.14, provides for the establishment and revision of SDC rates by resolution; and

WHEREAS, the City Council has held numerous work sessions to discuss Molalla's SDC rates and methodology; and

WHEREAS, the City Council wishes to adopt the SDC rates set forth in this resolution.

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

Section 1. The SDC rates provided in Exhibit A, and the Primary Trip Ends provided in Exhibit B are hereby adopted. If a specific use is not reasonably provided for in Exhibit B, the Institute of Traffic Engineers (ITE) Trip Generation Manual, 10th Edition, shall be utilized in accordance with the SDC methodology to calculate primary trip ends.

Section 2. The inflationary index shall be applied annually on July 1st of each year, to all SDC Rates. The inflationary index shall be equal to the Engineering News Record (ENR) cost escalation factor Construction Cost Index (CCI).

Section 3. Resolution 2021-27, and 2021-17 are hereby repealed.

Section 4. Mobile Food Units shall be charged Transportation SDC's at a rate equal to 2.0 Primary Trip Ends.

Section 5. This resolution shall become effective immediately upon adoption by the City Council.

Signed this 27th day of APRIL 2022.

Scott Keyser, Mayor

ATTEST:

Christie Teets, City Recorder



CITY OF MOLALLA
SYSTEM DEVELOPMENT CHARGES (SDC)

EFFECTIVE UPON ADOPTION BY THE CITY COUNCIL

1. WATER SYSTEM SDC'S – Resolution 2022-04

METER SIZE	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMINISTRATIVE SDC	TOTAL SDC
5/8" or 3 / 4"	\$5,751	\$1,146	\$138	\$7,035
1"	\$9,644	\$1,914	\$231	\$11,789
1 ½"	\$19,151	\$3,816	\$459	\$23,426
2"	\$30,652	\$6,108	\$735	\$37,495
3"	\$61,306	\$12,216	\$1,470	\$74,992
4"	\$95,812	\$19,092	\$2,298	\$117,202

2. SEWER SYSTEM SDC'S – Resolution 2022-04

METER SIZE	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMINISTRATIVE SDC	TOTAL SDC
5/8" or 3 / 4"	\$7,011	\$326	\$147	\$7,484
1"	\$11,708	\$434	\$243	\$12,385
1 ½"	\$23,347	\$1,086	\$489	\$24,922
2"	\$37,369	\$1,738	\$782	\$39,889
3"	\$74,737	\$3,475	\$1,564	\$79,776
4"	\$116,803	\$5,431	\$2,445	\$124,679

3. STORM DRAINAGE SYSTEM SDC'S - Resolution 2022-04

EDU FACTOR	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMINISTRATIVE SDC	TOTAL SDC
Equiv. Dwelling Unit*	\$924	\$41	\$19	\$984

*EDU are total square feet impervious divided by 2,640 sf. Single Family homes count as 1 EDU.

4. TRANSPORTATION SYSTEM SDC'S - Resolution 2022-04

Trips	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMINISTRATIVE SDC	TOTAL SDC
1 Primary Trip End*	\$7,782	\$769	\$171	\$8,722

*Primary Trip Ends shall be determined in accordance with Table 14 of the City of Molalla 2019 Transportation SDC Methodology attached hereto as Exhibit B.

5. PARKS SYSTEM SDC'S - Resolution 2022-04

USER TYPE	IMPROVEMENT SDC	REIMBURSEMENT SDC	ADMINISTRATIVE SDC	TOTAL SDC
Per Living Unit*	\$2,591	\$0	\$52	\$2,643

*Only residential uses pay Parks SDC's.

Table 14 - Proposed Transportation SDCs by ITE Code

ITE Code	Land Use	Total Trip Ends	Diverted/Linked Trips	Pass-by Trips	Diverted/Linked and pass-by Trip Adjustment	Primary Trip Ends	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Port and Terminal (Land Uses 000-099)											
010	Waterport/Marine Terminal*	17.15	0.00%	0.00%	-	17.15					Berth
021	Commercial Airport	5.75	0.00%	0.00%	-	5.75					Average flights per day
022	General Aviation Airport	1.46	0.00%	0.00%	-	1.46					Employee
030	Intermodal Truck Terminal	6.55	0.00%	0.00%	-	6.55					Acre
090	Park-an-Ride Lot with Bus Service	0.62	0.00%	0.00%	-	0.62					Parking space
093	Light Rail Transit Station with Parking	1.24	0.00%	0.00%	-	1.24					Parking space
Industrial (Land Uses 100-199)											
110	General light industrial	0.97	0.00%	0.00%	-	0.97					1,000 square feet of gross floor area
120	General heavy industrial	0.68	0.00%	0.00%	-	0.68					1,000 square feet of gross floor area
130	Industrial park	0.85	0.00%	0.00%	-	0.85					1,000 square feet of gross floor area
140	Manufacturing	0.73	0.00%	0.00%	-	0.73					1,000 square feet of gross floor area
150	Warehousing	0.32	0.00%	0.00%	-	0.32					1,000 square feet of gross floor area
151	Mini-warehouse	0.26	0.00%	0.00%	-	0.26					1,000 square feet of gross floor area
152	High-Cube Warehouse/Distribution Center	0.12	0.00%	0.00%	-	0.12					1,000 square feet of gross floor area
160	Data center	0.09	0.00%	0.00%	-	0.09					1,000 square feet of gross floor area
170	Utilities	0.76	0.00%	0.00%	-	0.76					1,000 square feet of gross floor area
Residential (Land Uses 200-299)											
210	Single family detached housing	1.00	0.00%	0.00%	-	1.00					Dwelling unit
220	Apartment	0.62	0.00%	0.00%	-	0.62					Dwelling unit
221	Low-Rise Apartment	0.58	0.00%	0.00%	-	0.58					Occupied dwelling unit
222	High-Rise Apartment	0.35	0.00%	0.00%	-	0.35					Dwelling unit
223	Mid-Rise Apartment	0.39	0.00%	0.00%	-	0.39					Dwelling unit
224	Rental Townhouse	0.72	0.00%	0.00%	-	0.72					Dwelling unit
230	Residential condominium/townhouse	0.52	0.00%	0.00%	-	0.52					Dwelling unit
231	Low-Rise Residential Condominium/Townhouse	0.78	0.00%	0.00%	-	0.78					Dwelling unit
232	High-Rise Residential Condominium/Townhouse	0.38	0.00%	0.00%	-	0.38					Dwelling unit
233	Luxury Condominium/Townhouse	0.55	0.00%	0.00%	-	0.55					Occupied dwelling unit
240	Mobile home park	0.59	0.00%	0.00%	-	0.59					Occupied dwelling unit
251	Senior Adult Housing - Detached	0.27	0.00%	0.00%	-	0.27					Dwelling unit
252	Senior Adult Housing - Attached	0.25	0.00%	0.00%	-	0.25					Dwelling unit
253	Congregate Care Facility	0.17	0.00%	0.00%	-	0.17					Dwelling unit
254	Assisted living	0.22	0.00%	0.00%	-	0.22					Bed
255	Continuing Care Retirement Community	0.16	0.00%	0.00%	-	0.16					Unit
260	Recreational Homes	0.26	0.00%	0.00%	-	0.26					Dwelling unit
265	Timeshare	0.75	0.00%	0.00%	-	0.75					Dwelling unit
270	Residential Planned Unit Development	0.62	0.00%	0.00%	-	0.62					Dwelling unit
Lodging (Land Uses 300-399)											
310	Hotel	0.60	0.00%	0.00%	-	0.60					Room
311	All Suites Hotel	0.40	0.00%	0.00%	-	0.40					Room
312	Business Hotel	0.62	0.00%	0.00%	-	0.62					Occupied Room
320	Motel	0.47	0.00%	0.00%	-	0.47					Room
330	Resort Hotel	0.42	0.00%	0.00%	-	0.42					Room

Table 14 – Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Total Trip Ends	Diverted/Linked Trips	Pass-by Trips	Diverted/Linked and pass-by Trip Adjustment	Primary Trip Ends	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Recreational (Land Uses 400-499)											
411	City Park*	0.19	0.00%	0.00%	-	0.19					Acre
412	County Park	0.09	0.00%	0.00%	-	0.09					Acre
413	State Park*	0.07	0.00%	0.00%	-	0.07					Acre
414	Water Slide Park	1.92	0.00%	0.00%	-	1.92					1,000 square feet of gross floor area
415	Beach Park	1.30	0.00%	0.00%	-	1.30					Acre
416	Campground/Recreational Vehicle Park	0.27	0.00%	0.00%	-	0.27					Occupied camp site
417	Regional park	0.20	0.00%	0.00%	-	0.20					Acre
418	National Monument	0.42	0.00%	0.00%	-	0.42					Acre
420	Marina	0.19	0.00%	0.00%	-	0.19					Berth
430	Golf course	0.30	0.00%	0.00%	-	0.30					Acre
431	Miniature Golf Course	0.33	0.00%	0.00%	-	0.33					Hole
432	Golf Driving Range	1.25	0.00%	0.00%	-	1.25					Tees/Driving Position
433	Batting Cages	2.22	0.00%	0.00%	-	2.22					Cage
435	Multipurpose Recreational Facility	3.58	0.00%	0.00%	-	3.58					1,000 square feet of gross floor area
437	Bowling Alley	1.71	0.00%	0.00%	-	1.71					1,000 square feet of gross floor area
440	Adult Cabaret	38.67	0.00%	0.00%	-	38.67					1,000 square feet of gross floor area
441	Live Theater	0.02	0.00%	0.00%	-	0.02					Seat
443	Movie Theater without Matinee	24.00	0.00%	0.00%	-	24.00					Movie Screen
444	Movie Theater with Matinee - Friday pm peak hour	45.91	0.00%	0.00%	-	45.91					Movie screen
445	Multiplex Movie Theater - Friday pm peak hour	22.76	0.00%	0.00%	-	22.76					Movie screen
452	Horse Racetrack	0.06	0.00%	0.00%	-	0.06					Seat
453	Automobile Racetrack - Saturday peak hour	0.28	0.00%	0.00%	-	0.28					Attendee
454	Dog Racetrack	0.15	0.00%	0.00%	-	0.15					Attendee
460	Arena*	3.33	0.00%	0.00%	-	3.33					Acre
465	Ice Skating Rink	2.36	0.00%	0.00%	-	2.36					1,000 square feet of gross floor area
466	Snow Ski Area	26.00	0.00%	0.00%	-	26.00					Lift
473	Casino/Video Lottery Establishment	13.43	0.00%	0.00%	-	13.43					1,000 square feet of gross floor area
480	Amusement Park	3.95	0.00%	0.00%	-	3.95					Acre
481	Zoo*	11.49	0.00%	0.00%	-	11.49					Acre
488	Soccer Complex	17.17	0.00%	0.00%	-	17.17					Field
490	Tennis Courts	3.88	0.00%	0.00%	-	3.88					Court
491	Racquet/Tennis Club	3.35	0.00%	0.00%	-	3.35					Court
492	Health/Fitness Club	3.53	0.00%	0.00%	-	3.53					1,000 square feet of gross floor area
493	Athletic Club	5.96	0.00%	0.00%	-	5.96					1,000 square feet of gross floor area
495	Recreational Community Center	2.74	0.00%	0.00%	-	2.74					1,000 square feet of gross floor area

Table 14 – Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Total Trip Ends	Diverted/Linked Trips	Pass-by Trips	Diverted/Linked and pass-by Trip Adjustment	Primary Trip Ends	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Institutional (Land Uses 500-599)											
501	Military Base	0.39	0.00%	0.00%	-	0.39					Employee
520	Elementary School	1.21	0.00%	0.00%	-	1.21					1,000 square feet of gross floor area
522	Middle School/Junior High School	1.19	0.00%	0.00%	-	1.19					1,000 square feet of gross floor area
530	High School	0.97	0.00%	0.00%	-	0.97					1,000 square feet of gross floor area
534	Private School (K-8) - pm peak hour generator	6.53	0.00%	0.00%	-	6.53					1,000 square feet of gross floor area
536	Private School (K-12) - pm peak hour generator	5.50	0.00%	0.00%	-	5.50					1,000 square feet of gross floor area
540	Junior/Community College	2.54	0.00%	0.00%	-	2.54					1,000 square feet of gross floor area
550	University/College	0.79	0.00%	0.00%	-	0.79					Employee
560	Church	0.55	0.00%	0.00%	-	0.55					1,000 square feet of gross floor area
561	Synagogue	1.69	0.00%	0.00%	-	1.69					1,000 square feet of gross floor area
562	Mosque - pm peak hour generator	11.02	0.00%	0.00%	-	11.02					1,000 square feet of gross floor area
565	Day Care Center	12.34	0.00%	0.00%	-	12.34					1,000 square feet of gross floor area
566	Cemetery	0.84	0.00%	0.00%	-	0.84					Acre
571	Prison	2.91	0.00%	0.00%	-	2.91					1,000 square feet of gross floor area
580	Museum	0.18	0.00%	0.00%	-	0.18					1,000 square feet of gross floor area
590	Library	7.30	0.00%	0.00%	-	7.30					1,000 square feet of gross floor area
591	Lodge/Fraternal Organization	0.03	0.00%	0.00%	-	0.03					Member
Medical (Land Uses 600-699)											
610	Hospital	0.93	0.00%	0.00%	-	0.93					1,000 square feet of gross floor area
620	Nursing Home	0.74	0.00%	0.00%	-	0.74					1,000 square feet of gross floor area
630	Clinic	5.18	0.00%	0.00%	-	5.18					1,000 square feet of gross floor area
640	Animal Hospital/Veterinary Clinic	4.72	0.00%	0.00%	-	4.72					1,000 square feet of gross floor area
Office (Land Uses 700-799)											
710	General office building	1.49	0.00%	0.00%	-	1.49					1,000 square feet of gross floor area
714	Corporate Headquarters Building	1.41	0.00%	0.00%	-	1.41					1,000 square feet of gross floor area
715	Single Tenant Office Building	1.74	0.00%	0.00%	-	1.74					1,000 square feet of gross floor area
720	Medical-dental office building	3.57	0.00%	0.00%	-	3.57					1,000 square feet of gross floor area
730	Government Office Building	1.21	0.00%	0.00%	-	1.21					1,000 square feet of gross floor area
731	State Motor Vehicles Department	17.09	0.00%	0.00%	-	17.09					1,000 square feet of gross floor area
732	United States Post Office	11.22	0.00%	0.00%	-	11.22					1,000 square feet of gross floor area
733	Government Office Complex	2.85	0.00%	0.00%	-	2.85					1,000 square feet of gross floor area
750	Office park - pm peak hour	1.48	0.00%	0.00%	-	1.48					1,000 square feet of gross floor area
760	Research and development center - pm peak hour	1.07	0.00%	0.00%	-	1.07					1,000 square feet of gross floor area
770	Business park - pm peak hour	1.26	0.00%	0.00%	-	1.26					1,000 square feet of gross floor area

Table 14 – Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Total Trip Ends	Diverted/Linked Trips	Pass-by Trips	Diverted/Linked and pass-by Trip		Primary Trip Ends	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
					Adjustment							
Retail (Land Uses 800-899)												
810	Tractor Supply Store	1.40	0.00%	0.00%	-		1.40					1,000 square feet of gross floor area
811	Construction Equipment Rental Store	0.99	0.00%	0.00%	-		0.99					1,000 square feet of gross floor area
812	Building Materials and Lumber Store	4.49	0.00%	0.00%	-		4.49					1,000 square feet of gross floor area
813	Free Standing Discount Super Store	4.35	0.00%	28.00%	1.22		3.13					1,000 square feet of gross floor area
814		6.82	0.00%	0.00%	-		6.82					1,000 square feet of gross floor area
815	Free Standing Discount Store	4.98	35.25%	17.00%	2.60		2.38					1,000 square feet of gross floor area
816	Hardware/Paint Store	4.84	29.50%	26.00%	2.69		2.15					1,000 square feet of gross floor area
817	Nursery (Garden Center)	6.94	0.00%	0.00%	-		6.94					1,000 square feet of gross floor area
818	Nursery (Wholesale)	5.17	0.00%	0.00%	-		5.17					1,000 square feet of gross floor area
820	Shopping Center	3.71	15.86%	34.00%	1.85		1.86					1,000 square feet of gross leasable area
823	Factory Outlet Center	2.29	0.00%	0.00%	-		2.29					1,000 square feet of gross floor area
826	Specialty Retail Center	2.71	0.00%	0.00%	-		2.71					1,000 square feet of gross leasable area
841	Automobile Sales	2.62	0.00%	0.00%	-		2.62					1,000 square feet of gross floor area
842	Recreational Vehicle Sales	2.54	0.00%	0.00%	-		2.54					1,000 square feet of gross floor area
843	Automobile Parts Sales	5.98	13.00%	43.00%	3.35		2.63					1,000 square feet of gross floor area
848	Tire Store	4.15	3.33%	28.00%	1.30		2.85					1,000 square feet of gross floor area
849	Tire Superstore	2.11	0.00%	0.00%	-		2.11					1,000 square feet of gross floor area
850	Supermarket	9.48	25.25%	36.00%	5.81		3.67					1,000 square feet of gross floor area
851	Convenience Market (Open 24 Hours)	52.41	6.47%	61.00%	35.36		17.05					1,000 square feet of gross floor area
852	Convenience Market (Open 15-16 Hours)	34.57	12.14%	63.50%	26.15		8.42					1,000 square feet of gross floor area
853	Convenience Market with Gasoline Pumps	50.92	17.80%	66.00%	42.67		8.25					1,000 square feet of gross floor area
854	Discount Supermarket	8.34	23.20%	23.00%	3.85		4.49					1,000 square feet of gross floor area
857	Discount Club	4.18	0.00%	0.00%	-		4.18					1,000 square feet of gross floor area
860	Wholesale Market	0.88	0.00%	0.00%	-		0.88					1,000 square feet of gross floor area
861	Sporting Goods Superstore	1.84	0.00%	0.00%	-		1.84					1,000 square feet of gross floor area
862	Home Improvement Superstore	2.33	8.00%	48.00%	1.30		1.03					1,000 square feet of gross floor area
863	Electronics Superstore	4.50	33.00%	40.00%	3.29		1.22					1,000 square feet of gross floor area
864	Toy/Children's Superstore	4.99	0.00%	0.00%	-		4.99					1,000 square feet of gross floor area
865	Baby Superstore	1.82	0.00%	0.00%	-		1.82					1,000 square feet of gross floor area
866	Pet Supply Superstore	3.38	0.00%	0.00%	-		3.38					1,000 square feet of gross floor area
867	Office Supply Superstore	3.40	0.00%	0.00%	-		3.40					1,000 square feet of gross floor area
868	Book Superstore	15.82	0.00%	0.00%	-		15.82					1,000 square feet of gross floor area
869	Discount Home Furnishing Superstore	1.57	0.00%	0.00%	-		1.57					1,000 square feet of gross floor area
872	Bed and Linen Superstore	2.22	0.00%	0.00%	-		2.22					1,000 square feet of gross floor area
875	Department Store	1.87	0.00%	0.00%	-		1.87					1,000 square feet of gross floor area
876	Apparel Store	3.83	0.00%	0.00%	-		3.83					1,000 square feet of gross floor area
879	Arts and Crafts Store	6.21	0.00%	0.00%	-		6.21					1,000 square feet of gross floor area
880	Pharmacy/Drugstore without Drive-Through	8.40	4.67%	53.00%	4.84		3.56					1,000 square feet of gross floor area
881	Pharmacy/Drugstore with Drive-Through	9.91	13.00%	49.00%	6.14		3.77					1,000 square feet of gross floor area
890	Furniture Store	0.45	10.33%	53.00%	0.29		0.17					1,000 square feet of gross floor area
896	DVD/Video Store	13.60	0.00%	0.00%	-		13.60					1,000 square feet of gross floor area
897	Medical Equipment Store	1.24	0.00%	0.00%	-		1.24					1,000 square feet of gross floor area

Table 14 – Proposed Transportation SDCs by ITE Code (Continued)

ITE Code	Land Use	Total Trip Ends	Diverted/Linked Trips	Pass-by Trips	Diverted/Linked and pass-by Trip Adjustment	Primary Trip Ends	Improve.	Reimb.	Compliance	Total SDC	Basis for Calculating a Customer's SDC
Services (Land Uses 900-999)											
911	Walk-in Bank	12.13	0.00%	0.00%	-	12.13					1,000 square feet of gross floor area
912	Drive-in Bank	24.30	25.67%	47.00%	17.66	6.64					1,000 square feet of gross floor area
918	Hair Salon	1.45	0.00%	0.00%	-	1.45					1,000 square feet of gross floor area
920	Copy, Print and Express Ship Store	7.41	0.00%	0.00%	-	7.41					1,000 square feet of gross floor area
925	Drinking Place	11.34	0.00%	0.00%	-	11.34					1,000 square feet of gross floor area
931	Quality Restaurant	7.49	13.50%	44.00%	4.31	3.18					1,000 square feet of gross floor area
932	High-Turnover (Sit Down) Restaurant	9.85	17.25%	43.00%	5.93	3.92					1,000 square feet of gross floor area
933	Fast-food restaurant without drive-through	26.15	17.25%	43.00%	15.76	10.39					1,000 square feet of gross floor area
934	Fast-food restaurant with drive-through	32.65	9.06%	50.00%	19.28	13.37					1,000 square feet of gross floor area
935	Fast-food restaurant with drive-through and no indoor seating	44.99	0.00%	89.00%	40.04	4.95					1,000 square feet of gross floor area
936	Coffee/donut shop without drive-through	40.75	17.25%	43.00%	24.55	16.20					1,000 square feet of gross floor area
937	Coffee/donut shop with drive-through	42.80	9.06%	50.00%	25.28	17.52					1,000 square feet of gross floor area
938	Coffee/donut kiosk	75.00	9.06%	50.00%	44.29	30.71					1,000 square feet of gross floor area
939	Bread/Donut/Bagel Shop without Drive-Through Window	28.00	0.00%	0.00%	-	28.00					1,000 square feet of gross floor area
940	Bread/Donut/Bagel Shop with Drive-Through Window	18.99	0.00%	0.00%	-	18.99					1,000 square feet of gross floor area
941	Quick Lubrication Vehicle Shop	5.19	0.00%	0.00%	-	5.19					Service Position
942	Automobile Care Center	3.11	0.00%	0.00%	-	3.11					1,000 sq. ft. of occupied gross leasable area
943	Automobile Parts and Service Center	4.46	0.00%	0.00%	-	4.46					1,000 square feet of gross floor area
944	Gasoline/service station	13.87	23.00%	42.00%	9.02	4.85					Vehicle fueling position
945	Gasoline/service station with convenience market	13.51	31.22%	56.00%	11.78	1.73					Vehicle fueling position
946	Gasoline/service station with convenience market and car wash	13.86	27.11%	49.00%	10.55	3.31					Vehicle fueling position
947	Self-Service Car Wash	5.54	0.00%	0.00%	-	5.54					Wash stall
948	Automated Car Wash	14.12	0.00%	0.00%	-	14.12					1,000 square feet of gross floor area
950	Truck Stop	13.63	0.00%	0.00%	-	13.63					1,000 square feet of gross floor area

* No ITE PM peak hour trip generation for this code/category, the trip generation shown is ITE weekday average divided by ten.

Source: ITE, Trip Generation Manual, 9th edition

PM peak vehicle trips expressed in trip ends on a weekday, peak hour of adjacent street traffic, one hour, between 4:00 pm and 6:00 pm unless otherwise noted



CITY OF MOLALLA

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

Staff Report

Agenda Category: General Discussion

Agenda Date: April 27, 2022

From: Dan Huff, City Manager

SUBJECT: Commercial Lease Agreement – 209 Kennel Avenue

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: Move to authorize the City Manager to sign the Lease Agreement as presented or amended for use of 209 Kennel Avenue by Molalla HOPE, Inc.

BACKGROUND:

The City of Molalla has allowed the use of a city structure located at 209 Kennel Avenue (formerly the PAL Building) as a Warming Center since 2017. The City has used this structure off and on for storage and most recently Municipal Court. With the current use of the Civic Center for City Council, Planning Commission and Court purposes, we do not see a specific need to use this structure. Short of selling the structure, we believe it is valuable to maintain the structure under City ownership but with variable community benefits or needs in mind.

Molalla HOPE, Inc. has approached the City and requested a long-term commercial lease (attached) to use the structure as a warming/cooling center for 10 years. This non-profit has also added proposals to use the structure for various community-based activities such as periodic bazaars. Obtaining a long-term lease will allow Molalla HOPE, Inc. to obtain additional grant funds to operate the facility and potentially provide additional services to the Molalla community.

This lease is written to remove the City of Molalla from future costs due to the use of the structure. If approved, Council would need to authorize the City Manager to sign the Lease Agreement.

Staff expects Molalla HOPE, Inc. to make a presentation to Council. Staff is also available for additional questions and clarification.

CITY OF MOLALLA



COMMERCIAL LEASE AGREEMENT

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

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

1. The Premises

Except as set forth below, Landlord does hereby lease to the Tenant and the Tenant does hereby lease and take from Landlord the Premises located in Molalla, Oregon, identified as 209 Kennel Ave., Molalla, Oregon, 97038, which is located on a portion of Tax Lot 52E09CB07705 as set forth in the property report in Exhibit A, which is attached hereto and incorporated herein. The Premises are comprised of the building, parking spaces in front of the building and a fenced back yard behind the building. This Lease does not grant any rights of access to light or air over any part of the Premises.

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

2. Lease Term

The lease agreement shall commence on MONTH DAY, 2022, and shall terminate on MONTH DAY, 2032.

3. Lease Extension

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

4. Purpose

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

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

Premises for any purpose which would adversely affect the value or character of the Premises, or which would constitute strip or waste. Tenant shall comply, at Tenant's own expense, with all laws and regulations of any municipal, county, state, federal or other public authority respecting Tenant's particular use of the Premises.

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

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

5. Hazardous Materials

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

- a) "hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "hazardous substance", "hazardous material", or "waste" under any federal, state, or local law,
- b) petroleum, and asbestos.
- c)

The provisions of this Section 16(b) will survive any termination of this Lease.

6. Rent, Late Fees. Security Deposit and Taxes

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

It is the parties' understanding that no property or personal taxes are owing on this Property. However, if the County determines that property or personal taxes are owed for any reason, including but not limited to Tenant's loss of its tax exemption status, then Tenant shall be responsible for and pay as additional rent before delinquent any and all applicable assessments and real and personal property taxes assessed to the Premises during the Term of this Lease. All applicable real property taxes and assessments payable for a period, part of which shall be within the Term of this Lease and part of which shall

be either before or after the Term of this Lease, shall be prorated, and Tenant shall pay the portion allocated to the Lease term. Landlord shall give Tenant not less than sixty (60) days written notice of the amount and due date of any such assessment and/or property tax. In the event Tenant is unable to pay the amount within the sixty-day notice period, Tenant may enter into a separate promissory note payable to Landlord over a period not to exceed six (6) months or the Term of this Lease, whichever is less, to reimburse Landlord for the cost of such taxes, assessments, and interest thereon.

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

7. Utilities

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

8. Assignment and Subleasing

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

9. Repairs and Maintenance

During the Lease term, Tenant shall,

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

10. Landlord's Interference with Tenant

Any repairs, maintenance, other work performed on or around the Premises by Landlord, or other use of the Premises by Landlord shall be done in such a way as to interfere as little as reasonably possible with use of the Premises by Tenant. Landlord shall respect Tenant's professional needs and responsibilities while exercising rights under this Agreement. If Landlord's activities materially interfere or disturb Tenant's business, Tenant's rent will be abated proportionately for the period of substantial interference and/or substantial disturbance.

11. Changes, Alterations, and Additions by Tenant

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

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

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

12. Removal Of Tenant's Trade Fixtures

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

13. Signage

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

14. Insurance

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

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

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

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

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

(i) Additional Insureds Endorsement. The following specific "additional insureds" language shall be included: "The City of Molalla, its elected and appointed officials, officers, agents, employees and volunteers."

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

15. Damage And Destruction Of The Premises

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

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

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

16. Indemnification

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

17. Condemnation

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

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

18. Landlord's Warranty

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

19. Subordination to Mortgages & Estoppel Certificates

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

20. Force Majeure

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

21. Quiet Enjoyment

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

22. Relationship To Parties

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

24. Default

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

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

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

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

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

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

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

25. Time is of the Essence

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

26. Surrender at Expiration

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

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

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

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

27. Termination

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

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

Notification shall be sent to the parties as follows:

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

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

28. Liens

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

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

29. Construction

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

30. Governing Law

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

31. Successors

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

32. Entire Agreement

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

33. Remedies Cumulative

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

34. Bankruptcy

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

35. Costs and Attorney Fees

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

36. Execution in Counterparts

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

Executed this ____ day of MONTH 2022.

FOR LANDLORD

FOR TENANT

Dan Huff
City Manager, City of Molalla

Molalla HOPE, LLC., Representative

Date: _____



CITY OF MOLALLA

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

Staff Report

Agenda Category: General Discussion

Agenda Date: April 27, 2022

From: Dan Huff, City Manager

SUBJECT: ARPA Funding Request – Molalla Buckeroo Association

FISCAL IMPACT: \$50,000 in ARPA Funding

RECOMMENDATION/RECOMMEND MOTION: Move to approve providing the Buckeroo Association \$50,000 in ARPA funding to help offset financial strain due to COVID mandates.

BACKGROUND:

At their meeting of April 13, 2022, the City Council moved to table the request for ARPA funding from the Molalla Buckeroo Association until April 27, 2022. This action was undertaken to afford Buckeroo President, Tim Anderson and opportunity to be present and answer specific questions.

Staff has had an opportunity to discuss certain Council questions and/or concerns with Mr. Anderson and he has provided Council with the attached information.

As we stated during the last Council meeting, ARPA funding is available and providing COVID-19 relief to the Buckeroo will not keep the City from completing other planned projects on our list. Mr. Anderson has indicated that he is available and will be present during the April 27, 2022, Council meeting.

Staff is available for additional questions and clarification.

Dear Mayor & Council Members,

It was brought to our attention not long ago that there may be ARPA funding still available through the city, and the Molalla Buckeroo Association (MBA) would like to express our interest in being considered for the available funds. The previously mentioned amount (\$50,000) was the amount suggested by the City Manager, as well as the two phases of that possible award. At this point any amount available pre-rodeo would be our focus. We did receive a copy of, what I believe to be, the original applications used by the city for businesses applying for ARPA funding. That application seems to be set up with day-to-day businesses in mind. I am not sure it translates for an association such as ours, but if this form is something the council requires be filled out, we will do so to the best of our ability.

We would like to take this opportunity to tell you a little more about our association, and what led us to express our interest in available ARPA funding at this time.

The Molalla Buckeroo Association is a non-profit organization made up of a 7-member volunteer executive board who are responsible for the planning, protection & execution of a major annual community event. Over the last 8 years or so the MBA has made many changes to spend wisely, cut unnecessary costs, streamline our operations, and focus on the future of the Molalla Buckeroo. It definitely wasn't easier, but it was necessary. Through those changes & hard work we have created better experiences for our spectators, to the point of selling out for the first time ever in 2017 & continuing to do so for multiple performances each year since, all the while being able to finally start saving for much overdue improvements to our event space.

Then Covid hit.

For the last 2 years we have had to make the extremely difficult decision to cancel the Molalla Buckeroo. That means everything pauses, and the Executive Board gets some time off, right? Wrong! Many people don't necessarily understand, because they don't have firsthand knowledge, the amount of work that goes into planning this event & how early this work has to be done. Each cancellation got the same amount of work put into it that every other Buckeroo did, hoping we would be able to Rodeo & get the payoff we work so hard for; Seeing the crowds of smiling faces and feeling the amazing energy at each Rodeo performance, while we get to celebrate our Nation's Birthday with 10's of thousands of people just as excited as we are. We were honestly more disappointed each year than anyone.

All the work that goes into planning & prepping is just a drop in the bucket. It costs over \$500K to put on the Molalla Buckeroo each year, and the contracts for specialty acts, announcers, stock, entertainment, ticket sales, promotions, etc..... are all signed years in advance. Most of those people make their income & support their families by doing that job at rodeos all over the nation. It's not their weekend gig. So, by all rights the MBA could have been held to the terms of those contracts & had to pay full price whether we were able to have a Rodeo or not. Thankfully, the work we've done and the relationships we've formed over these last years afforded us some grace & a middle ground was found with all of our contract personnel. When the original 'Covid relief grants' were being offered by the City/County/State, they were discussed at our Board Meetings. The consensus of the MBA was that, even though we knew our income was hugely impacted (right before our event season), we also knew that we could stay afloat. There were SO many local businesses having to completely shut down their day-to-day operations, lay off employees, have zero income, and especially in the beginning of the

pandemic, no one knew when that would change. We knew, as a board, that we were not going to apply and possibly take away from the businesses/people that truly needed the funds at that moment. We just floated, then year 2 came, and we kept floating.

The Molalla Buckeroo being a 4th of July Rodeo is extremely important to us. Our Nation's birthday is to be celebrated & each, and every board member feels very personally the need to honor all service members, past & present, and their sacrifices to keep our country the Land of the Free. We did have to cancel the Annual Molalla Buckeroo for 2 years, but we were honored to still present our community a spectacular (socially distanced) fireworks show each of those years. The cost of these fireworks shows wasn't discounted, but extremely important to the MBA & our community. They had to be kept highly under wraps, which wasn't easy, but very much worth it.

2 years of cancellations however did not change the fact that bills keep coming each month. Power, insurance, phone, water/sewer (which costs almost \$400 each & every month, with no water usage, due to storm drain fees. Fees for the storm drains installed at the road, which happens to also be the very highest point on our entire property), etc. With no income the improvement funds that we worked so hard for years to build, have been slowly eaten away. No one could have predicted Covid, before this we honestly couldn't even fathom a situation that would cause us to cancel the Buckeroo. Thankfully, we had already made smart changes and had been saving for improvements. Unfortunately, the last 2 years of cancellations & loss of other event rental income has taken away most of that progress we'd made towards being able to make necessary improvements.

The Molalla Buckeroo Association is "ok". We've made good enough business decisions, in the not-so-distant past, that the 2022 Buckeroo is 1000% a go! We were immensely set back in the potential facility improvement sector but thank goodness for small blessings. We are also people who will dig deep, press on & together with our sponsors & volunteers, put on the Annual Molalla Buckeroo everyone knows & loves.

When the currently available ARPA funds were brought to our attention, we did express interest. We do apologize that the letter presented didn't tell the whole story. Truth is we've weathered 2 years of the storm. Those 2 years have eaten away at improvement funds, in addition to that, costs have changed considerably in that time. The 2022 Molalla Buckeroo will cost, at minimum, 20% more to produce.

With no changes security alone will cost \$20K more in 2022 than it did in 2019.

Everyone is dealing with increases; we understand that & do want to keep the Molalla Buckeroo at a family friendly price-point. The potential ARPA funds awarded to the Molalla Buckeroo Association will not make up for the savings we have used to stay afloat these past 2 years. They will, however, aid in the production of an amazing community event and help lessen the blow of rising costs while we do all we can as an Association to try to recover & get back to where we were pre-pandemic.

We thank you for your consideration in this matter and are available to speak with you further should that need arise.

-Molalla Buckeroo Association