



**CITY OF MOLALLA
PLANNING COMMISSION MEETING PLANNING COMMISSION
AGENDA**

Molalla Civic Center 315 Kennel Ave Molalla, OR 97038
Wednesday, February 4, 2026 | 6:30 PM

NOTICE: Planning Commission Meeting will hold this meeting in-person and through Live-Streaming on the City's YouTube channel, City of Molalla | Oregon. Written comments may be delivered to City Hall or emailed to recorder@cityofmolalla.com. Submissions must be received by 12:00 p.m. the day of the meeting.

This institution is an equal opportunity employer.

- 1. CALL TO ORDER & FLAG SALUTE**
- 2. ROLL CALL**
- 3. PRESENTATIONS, PROCLAMATIONS & CEREMONIES**
- 4. CONSENT AGENDA**
 - a. Planning Commission Meeting minutes – January 7, 2026
- 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 support staff. The Planning Commission does not generally engage in dialog with those making comments but may refer the issue to the Community Development Director. Complaints shall first be addressed at the department level prior to addressing the Planning Commission.

- 6. PUBLIC HEARINGS**
- 7. GENERAL BUSINESS**
 - a. Hearing for Hezzie Lane Vacation
 - b. UGB Update (Dan/Mac)
 - c. Discussion of out of town resident for open Planning Commission seat (Wirth)
- 8. STAFF COMMUNICATION**
- 9. COMMISSION COMMUNICATION**
- 10. ADJOURN**

Agenda posted on the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the Community Development Office at 503-759-0243.



City of Molalla
Planning Commission - Regular Meeting Minutes
January 7, 2026
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla Planning Commission Meeting of January 7, 2026 was called to order by Chairman Doug Eaglebear at 6:30 pm.

COMMISSIONER ATTENDANCE

Present: Commission Chair Doug Eaglebear, Commissioner Connie Sharp, Commissioner Clint Ancell, Commissioner Martin Ornelas, Commissioner David Potts, Commissioner Brady Rickey.

Absent: None.

STAFF IN ATTENDANCE

Present: Community Development Technician, Jessica Wirth, Planning Manager, Dan Zinder, and Assistant City Manager, Mac Corthell, Engineering Section Manager, Sam Miller, Associate Planner, Claressa Davis.

Absent: None.

CONSENT AGENDA

A. Planning Commission Meeting Minutes – October 15, 2025

ACTION:

Commissioner Ancell moved to approve the Consent Agenda for October 15, 2025 Meeting Minutes; Commissioner Rickey seconded.

AYES: Sharp, Ancell, Ornelas, Potts, Eaglebear, Rickey. **Motion passed 6-0-0.**

NAYS: None.

ABSENTIONS: None.

PUBLIC COMMENT

Robert Hepner, 578 West Lane, addressed the Commission regarding development activity in his neighborhood. Mr. Hepner expressed concerns related to traffic impacts, street conditions, and overall neighborhood compatibility. He encouraged the Commission to consider resident impacts when reviewing future development proposals.

PUBLIC HEARING

SDR02-2024 Site Design Review – Commercial Use Expansion

Applicant: Private Developer

Location: 220 W Main St

Commission Chairman Eaglebear reviewed the quasi-judicial hearing procedures, applicable criteria, and Oregon land use requirements.

No conflicts of interest or ex parte contacts were disclosed.

No challenges from the audience.

STAFF REPORT – Claressa Davis, Associate Planner presented the staff report and entered all materials into the record. Staff summarized the proposal, site layout, access, landscaping, parking, and applicable development standards. Staff reviewed the approval criteria and recommended **approval with conditions**.

APPLICANT TESTIMONY:

None.

PUBLIC TESTIMONY:

In Support: None

Opposed: None.

Neutral: None

APPLICANT REBUTTAL

None.

Public Hearing was closed at 6:55pm.

COMMISSION DELIBERATION:

The Commission discussed project design, access, and consistency with the Molalla Municipal Code. Commissioners expressed support for the project and confirmed that the application met all applicable criteria.

ACTION:

Commissioner Ancell moved to approve SDR02-2024; Commissioner Potts seconded.

AYES: Sharp, Ancell, Ornelas, Potts, Eaglebear, Rickey. **Motion passed 6-0-0.**

NAYS: None.

ABSENTIONS: None.

PUBLIC HEARING

CUP01-2025 – New Auto Sales Use

Applicant: William Wyland, Represented by Frank Walker & Associates.

Location: 709 W Main St

Commission Chairman Eaglebear reviewed the quasi-judicial hearing procedures, applicable criteria, and Oregon land use requirements.

No conflicts of interest or ex parte contacts were disclosed.

No challenges from the audience.

STAFF REPORT – Dan Zinder, Planning Manager presented the staff report and entered all materials into the record. Staff summarized the Conditional Use Permit request, site characteristics, applicable Molalla Municipal Code criteria, and findings. Staff recommended **approval with conditions**.

APPLICANT TESTIMONY:

The applicant presented the proposal and described the intended use, site operations, and compliance with applicable standards. The applicant addressed staff conditions and confirmed agreement with the recommended conditions of approval.

PUBLIC TESTIMONY:

In Support: None

Opposed: None.

Neutral: None

APPLICANT REBUTTAL

None.

COMMISSION DELIBERATION:

The Commission discussed the Conditional Use Permit request, reviewed the applicable approval criteria, and found the proposal consistent with the Molalla Municipal Code.

Public Hearing was closed at 7:31pm.

ACTION:

Commissioner Ancell moved to approve CUP01-2025; Commissioner Rickey seconded.

AYES: Sharp, Ancell, Ornelas, Potts, Eaglebear, Rickey. **Motion passed 6-0-0.**

NAYS: None.

ABSENTIONS: None.

GENERAL BUSINESS:

- A. New Planning Commission Appointment for Chairman & Vice-Chairman (Wirth)

Staff announced the appointment of a new Planning Commission Chairman & Vice-Chair and provided an overview of the appointment process and term information. The Commission welcomed the new appointee.

ACTION:

Commissioner Sharp motioned to keep the Chairman & Vice-Chair the same; Commissioner Ornelas seconded.

AYES: Sharp, Ancell, Ornelas, Potts, Eaglebear, Rickey. **Motion passed 6-0-0.**

NAYS: None.

ABSENTIONS: None.

STAFF COMMUNICATION

Staff provided updates on current planning projects, upcoming applications, and City initiatives.

- Jessica Wirth, Community Development Technician notated the new City Logo for the 2026 year, comemorating the 250th year of America's independence, called the Semiquinsentennial.
- Sam Miller, Engineering Manager provided updates on the flashing beacon being installed on the crosswalk on Frances.
- Mac Corthell, Assistant City Manager provided a Staff Report which is included in these meeting minutes and provided several project updates and informational items for the Commission.

- **Water Intake Design**

The City has held a kickoff meeting for the water intake design project, which is moving forward following prior funding approval.

Recent storm events provided valuable data to inform a more resilient design to reduce future washout risks.

- **Wastewater Treatment Plant**

Construction is approximately 35% complete and progressing without major issues.

Staff reported a potential opportunity to accelerate sludge removal from both lagoons within approximately 1.5 years instead of over five years.

This approach would extend Phase 1, allow the City to retain the same contractor, reduce unit costs, and result in overall cost savings.

Funding is available, and completing this work would position the facility well for the long term.

- **Urban Growth Boundary (UGB) & DLCD Communications**

Staff summarized recent, unanticipated communications with the Department of Land Conservation and Development (DLCD) regarding updated population forecasts released after the UGB process began.

The revised forecasts reduce projected population by approximately 2,000 residents, which could significantly reduce land need and UGB expansion size.

DLCD indicated the City could choose to restart the UGB analysis using the updated forecasts and potentially convert existing Goal 14 grant funding to support that work, or apply for new grant funding in the next biennium. No formal funding commitment has yet been confirmed.

Restarting the process would trigger new UGB and Housing Production Strategy (HPS) rules, reduce projected housing production targets, and potentially shift the City into a simpler land use process depending on final acreage.

Some previously completed work and public engagement may be reusable, though DLCD provided inconsistent guidance on what would qualify.

Restarting the process would require additional staff time and could result in the need to reapply for competitive grant funding to pursue a northern UGB expansion.

Staff emphasized that answers from DLCD remain unclear on several implementation details and that further clarification is needed.

- **Commission Discussion & Direction**

Commissioners discussed the potential benefits of using updated population numbers, including reduced land need and simplified analysis, as well as the risks of restarting the process late in the timeline.

Concerns were raised about unclear regulatory guidance, funding uncertainty, and the potential loss of progress already made.

Staff recommended allowing time to gather additional information and clarification before making a formal recommendation.

ACTION:

Commissioner Ornelas moved to recommend staff continue researching the feasibility and implications of using the updated population estimates and report back with additional information before a consideration is forwarded to City Council.;

Commissioner Potts seconded.

AYES: Sharp, Ancell, Ornelas, Potts, Eaglebear, Rickey. **Motion passed 6-0-0.**

NAYS: None.

ABSENTIONS: None.

COMMISSION COMMUNICATION

Commissioners provided general comments and thanked staff for their work.

Commissioner Rickey asked about the requirements for the open seat for Planning Commission, and what can be done to allow citizens outside of the city limits to fill the position.

ADJOURNMENT

Chair Eaglebear adjourned the meeting at 8:07pm.

**PLANNING COMMISSION MEETINGS CAN BE VIEWED IN ITS ENTIRETY ON YOUTUBE
“MOLALLA PLANNING COMMISSION – JANUARY 7, 2026”**

Doug Eaglebear, Planning Commission Chair

Date

Submitted by: _____
Jessica Wirth, Community Development Technician

Date

Attest: _____
Mac Corthell, Assistant City Manager

Date

New Auto Sales Use, 709 W Main ST: CUP01-2025 Public Hearing

Planning Commission

January 7, 2026



Introduction

Staff submits the written City Staff Report and exhibits into the meeting record.



Application Overview

Conditional Use Permitting for Outlaw Saloon

The Applicant Frank Walker on behalf of William Wyland seeks to establish land use approvals for a new auto sales use on an existing development on a parcel located at 709 W Main ST in Molalla. CUP is triggered by use designation “Automotive Sales and Rental; includes motorcycles, boats, recreational vehicles, and trucks (No junking, salvage operations)”



Site Location



Completeness

Application was submitted on 11/10/2025 and deemed complete on 11/18/2025 in accordance with Section 17-4.4.030.



Public Notice and Comment

- Mailed on 11/26/2025 meeting 20-day requirement of MMC 17-4.1.040
- Posted on the property on 12/8/2025 meeting 14-day requirement of MMC 17-4.1.040
- Posted in the Pioneer on 12/3/2025 meeting 14-day requirement of MMC 17-4.1.040

The City received no written public comment on this application



Approval Criteria

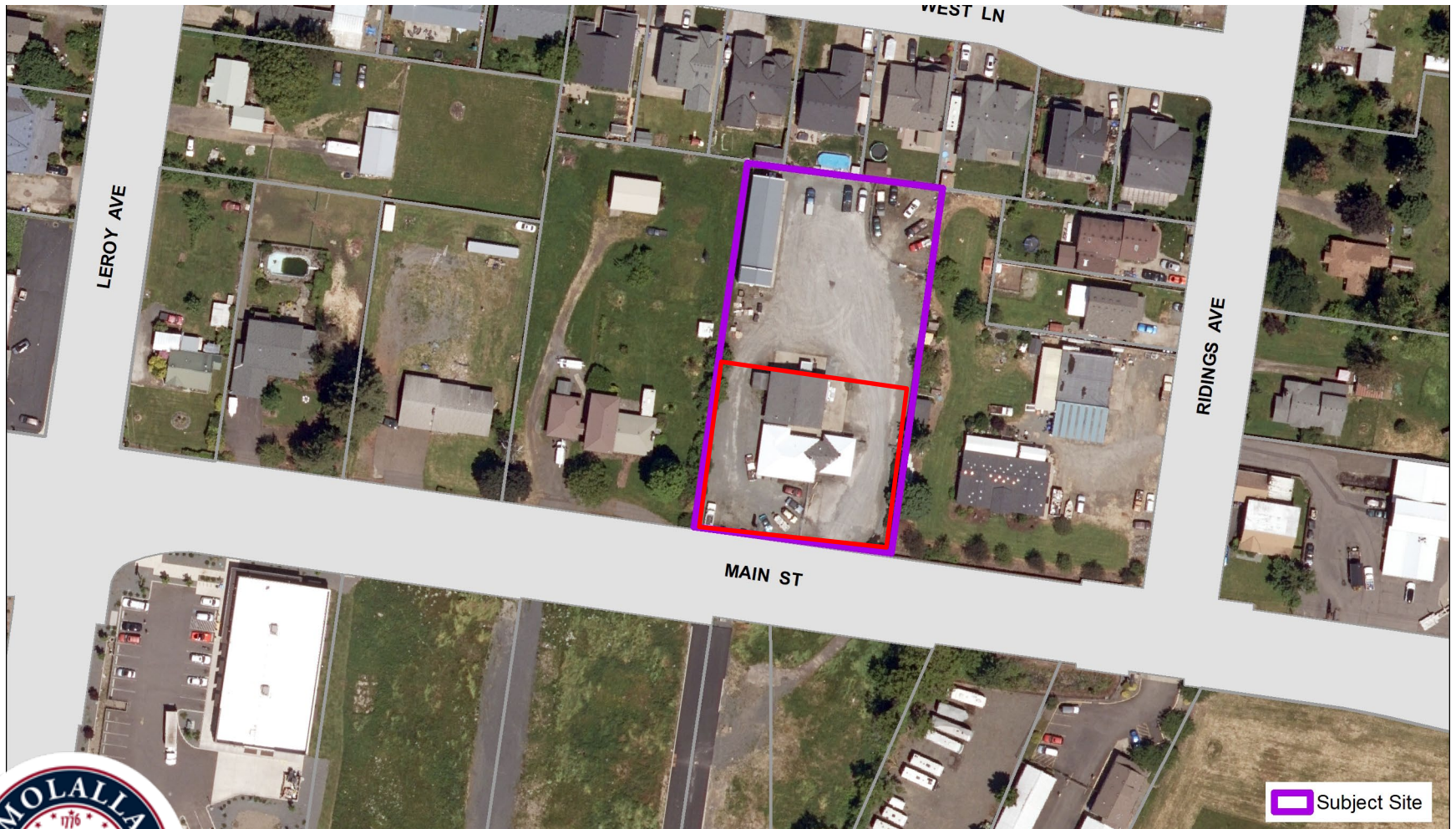
Conditional Use Permitting Review

17-4.4.040 - Criteria, Standards, and Conditions of Approval

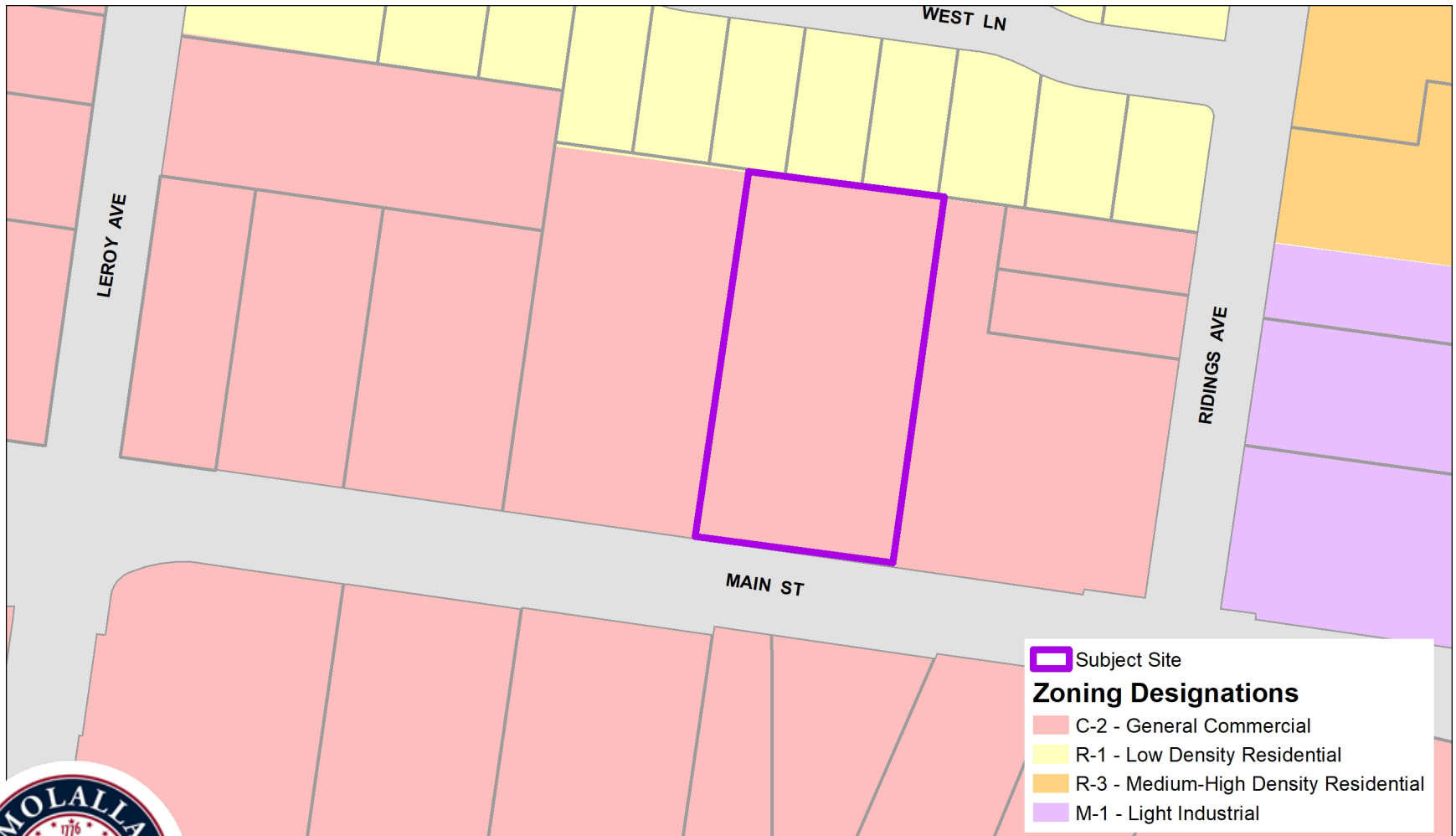
17-4.1.040, 2 - Submittal Information Criteria;



Surrounding Land Use



Surrounding Zoning



Pre-Existing Non-Conforming Status

Nonconforming Developments are developments built prior to current standards that would not be allowed under current development code standards. This development is a non-conforming development for reasons that include building design, landscaping, lighting, and parking lot design.

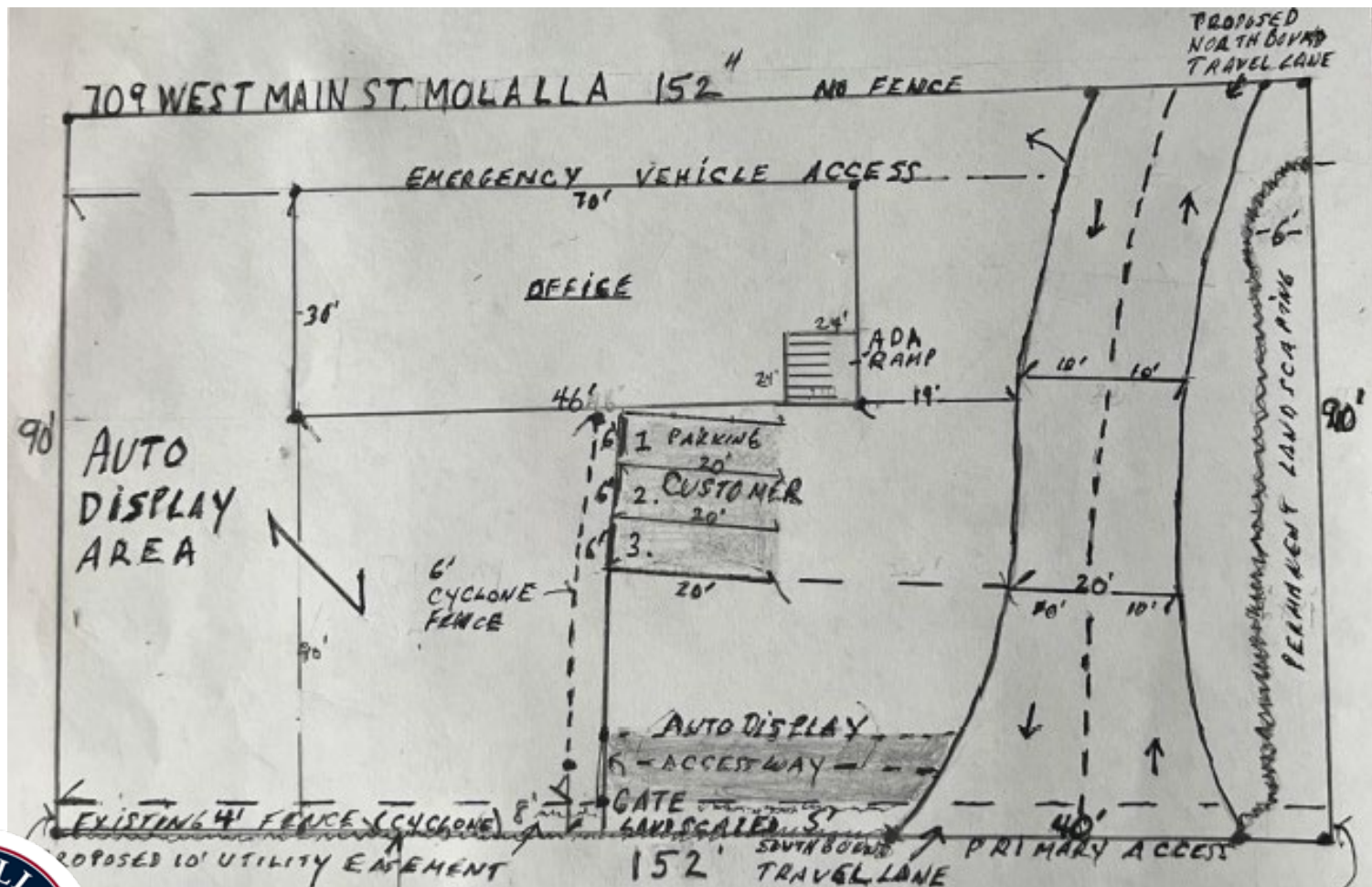
Per MMC 17-1.4:

A nonconforming development shall not be enlarged or altered in a way that increases its nonconformity by more than 50 percent.

Improvements must move property towards conformance/not increase nonconforming status.



Site Plan



Site Plan Notes

- Existing conforming* access from OR-211/W Main ST
- Applicant proposes moving fence back to accommodate parking need
- Applicant to use existing lot area for display, existing building for office space. No new building area proposed.
- Existing landscaping shown



Highlights from Conditions of Approval



Staff Report Conditions

- Remove gravel surfacing. If appropriate surfacing exists underneath no further action need be taken. If not, paving of drive aisles and parking areas is required.
- Fill in landscaping and remove invasive elements to provide screening to ROW
- Lighting to meet dark skies and code if installed
- ROW dedication to ODOT to meet TSP cross section
- PUE along resultant property frontage
- Acquire building permits, as applicable and occupancy through Clackamas County



CUP Conditions Options

B. Conditions of Approval. The City may impose conditions that are found necessary to ensure that the use is compatible with other uses in the vicinity, and that the negative impact of the proposed use on the surrounding uses and public facilities is minimized. These conditions include, but are not limited to, one or more of the following:

1. Limiting the hours, days, place, and/or manner of operation.
2. Requiring site or architectural design features which minimize environmental impacts such as noise, vibration, exhaust/emissions, light, glare, erosion, odor, and/or dust;
3. Requiring larger setback areas, lot area, and/or lot depth or width;
4. Limiting the building or structure height, size, lot coverage, and/or location on the site;
5. Designating the size, number, location, and/or design of vehicle access points or parking and loading areas;
6. Requiring street right-of-way to be dedicated and street improvements made, or the installation of pathways or sidewalks, as applicable;
7. Requiring landscaping, screening, drainage, water quality facilities, and/or improvement of parking and loading areas;
- 8.



CUP Conditions Options

8. Limiting the number, size, location, height, and/or lighting of signs;
9. Limiting or setting standards for the location, type, design, and/or intensity of outdoor lighting;
10. Requiring berms, screening, or landscaping and the establishment of standards for their installation and maintenance;
11. Requiring and designating the size, height, location, and/or materials for fences;
12. Requiring the protection and preservation of existing trees, soils, vegetation, watercourses, habitat areas, drainage areas, historic resources, cultural resources, and/or sensitive lands;
13. Requiring improvements to water, sanitary sewer, or storm drainage systems, in conformance with City standards; and



CUP Conditions Options

14. The Planning Commission may require review and renewal of conditional use permits annually or in accordance with another timetable. Where applicable, the timetable shall provide for periodic review and renewal, or expiration, of the conditional use permit to ensure compliance with conditions of approval; such period review may occur through a Type III review process, except where the Planning Commission delegates authority to the Planning Official to issue renewals, who shall do so through a Type I or Type II procedure (see Chapter [17-4.1](#) for review procedures). (Ord. 2017-08 §1)



Recommendation

Based on the Findings and Conclusions in Exhibit A, City staff hereby recommends that the Planning Commission **APPROVE** the Applicant's proposed Preliminary Plat (City File #CUP01-2025) subject to the conditions of approval found in the staff report submitted to Planning Commission.



220 W Main Street: SDR02-2024; Commercial Renovation

Planning Commission
January 7, 2026



Introduction

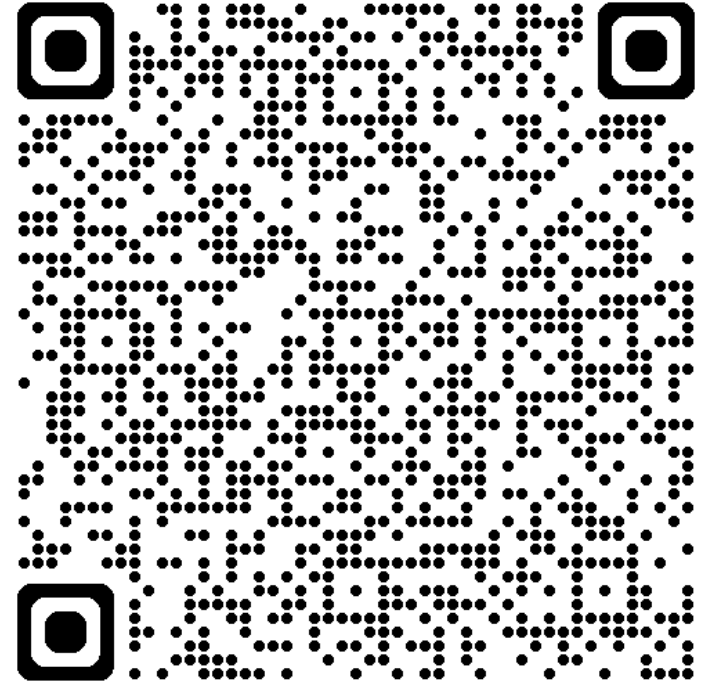
Staff submits the written City Staff Report and exhibits into the meeting record.



Access the Staff Report

Access online by:

- Going to www.cityofmolalla.com
- Click on today's meeting
- Open the packet document



Application Overview

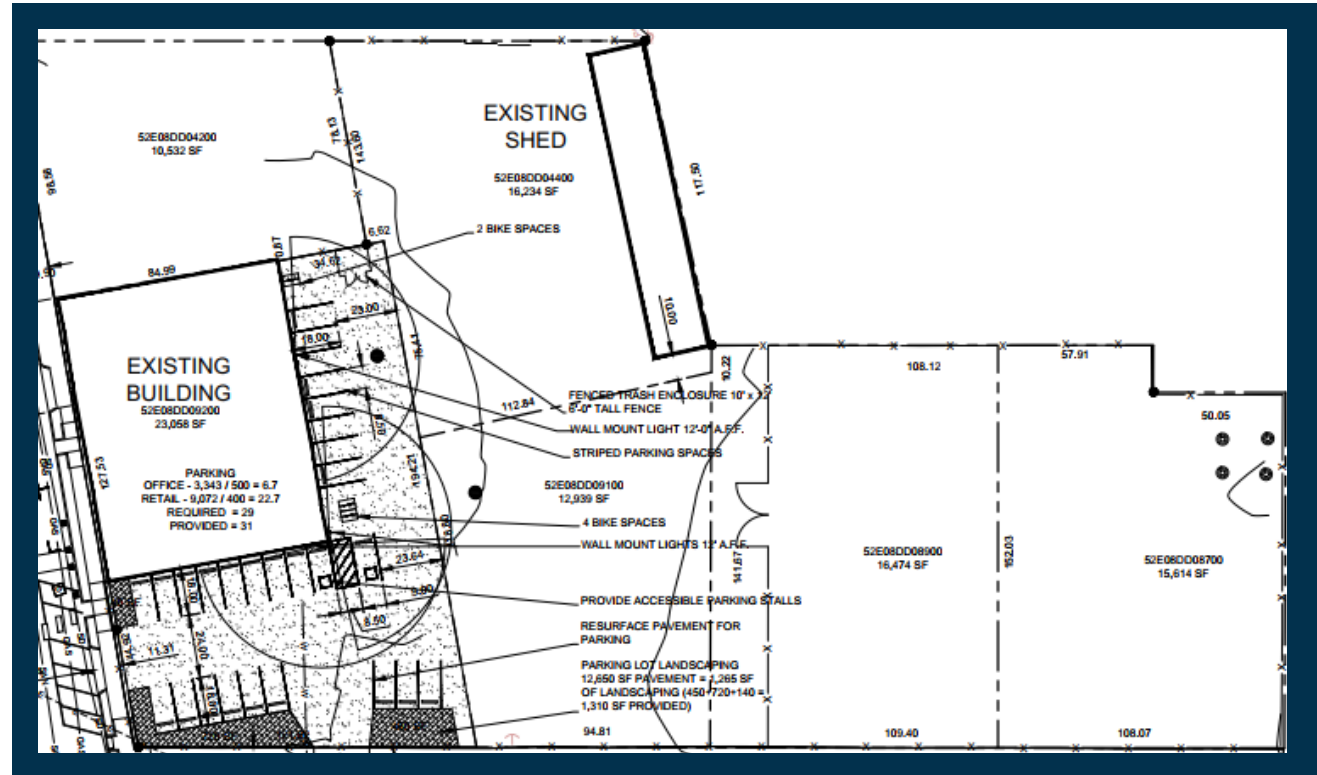
Site Design Review for 220 West Main

The applicant/owners seek to establish land use approvals for the renovation of an existing commercial building adding commercial suites.



PLA03-2024

This application is sited on a lot created by PLA03-2024.



The applicant is required to complete the full recording of PLA03-2024 prior to building permit submittals.



Completeness

SDR02-2024 was submitted on 12/18/24, and deemed incomplete on 1/6/25, in accordance with Section 17-4.2.040.

Application was deemed complete on 6/16/2025.



120-Day Clock Extension

City and Applicant agreed to extended the 120-Day review period to the maximum length allowed by ORS 227.178 245 days after completeness to allow time for the Applicant to submit supplemental materials (TAL Letter) that would allow Staff to recommend approval. 245-Day period officially ends on February 16, 2026.



Public Notice and Comment

Web	12/1/25
Mailed on	12/2/25
Pioneer Newspaper	12/10/25
Property	12/17/25

Public Notice done accordance with MMC 17-4.1.040 Type III Procedure.

The City received no written public comments on this application.



Approval Criteria

Site Design Review

17-4.2.050 Approval Criteria;

Division III Community Design Standards

Chapter 17-3.1 DESIGN STANDARDS ADMINISTRATION

Chapter 17-3.2 BUILDING ORIENTATION AND DESIGN

Chapter 17-3.3 ACCESS AND CIRCULATION

Chapter 17-3.4 LANDSCAPING, FENCES AND WALLS, OUTDOOR LIGHTING

Chapter 17-3.5 PARKING AND LOADING

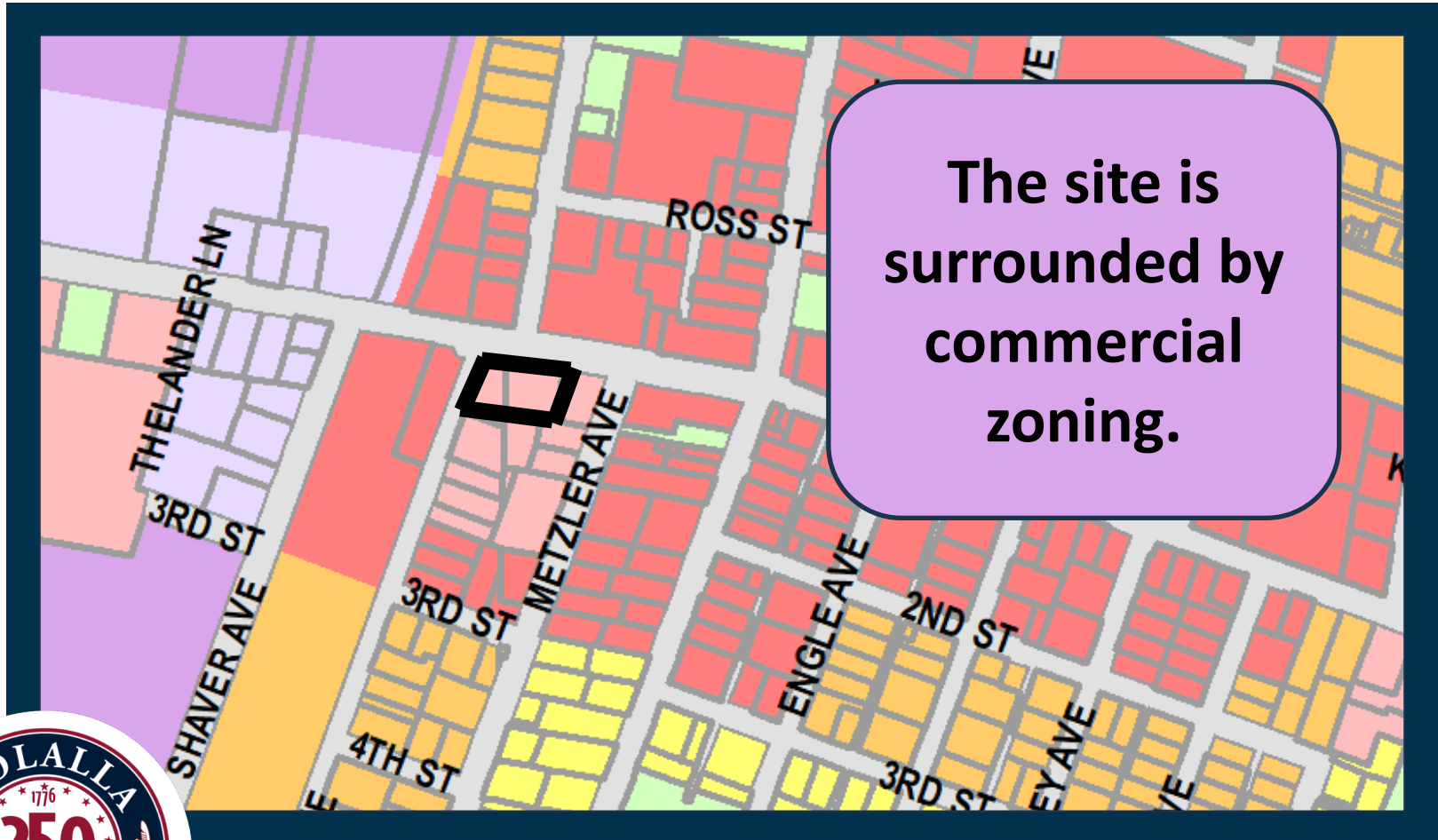
Chapter 17-3.6 PUBLIC FACILITIES



Site Location



Surrounding Zoning



Nonconforming Development

Nonconforming Developments are developments built prior to current standards that would not be allowed to be built under current development code standards.

“A nonconforming development shall not be enlarged or altered in a way that increases its nonconformity by more than 50 percent.”

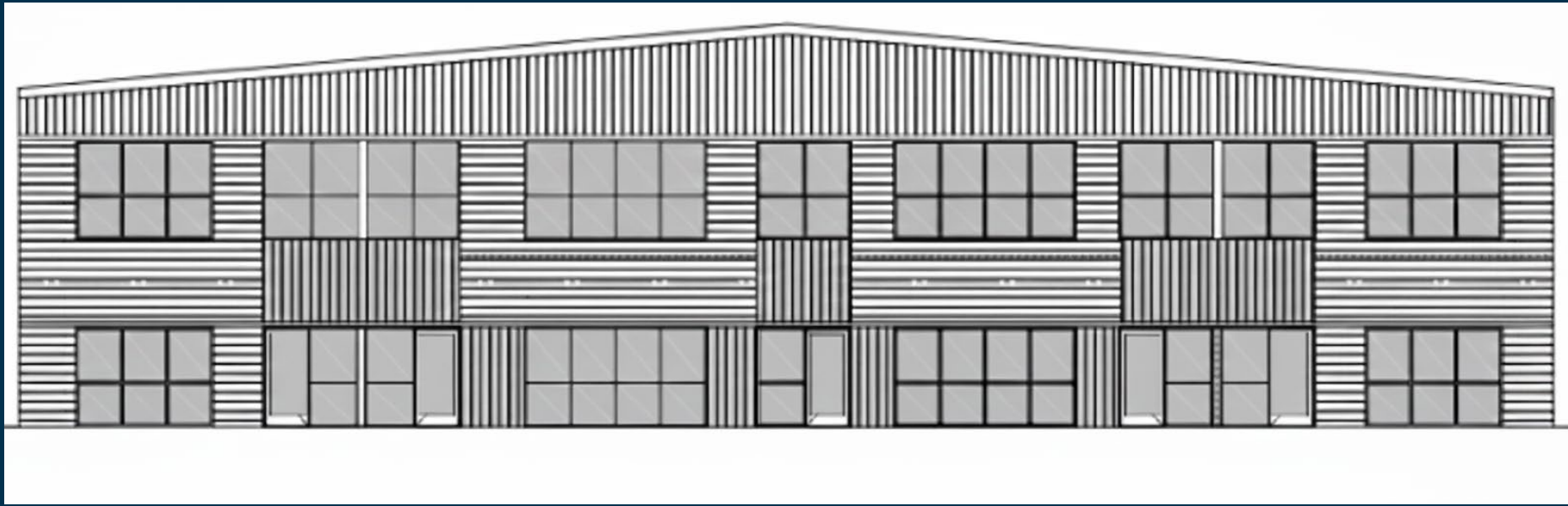
- MMC



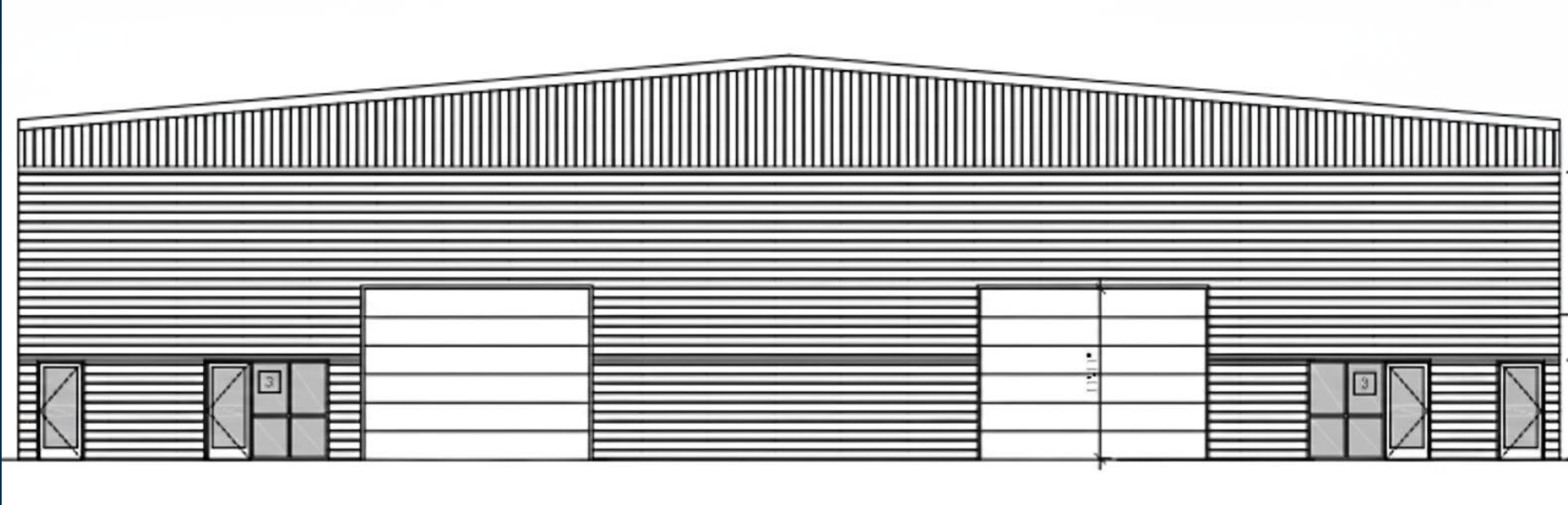
Existing Conditions



Proposed Elevation - Front

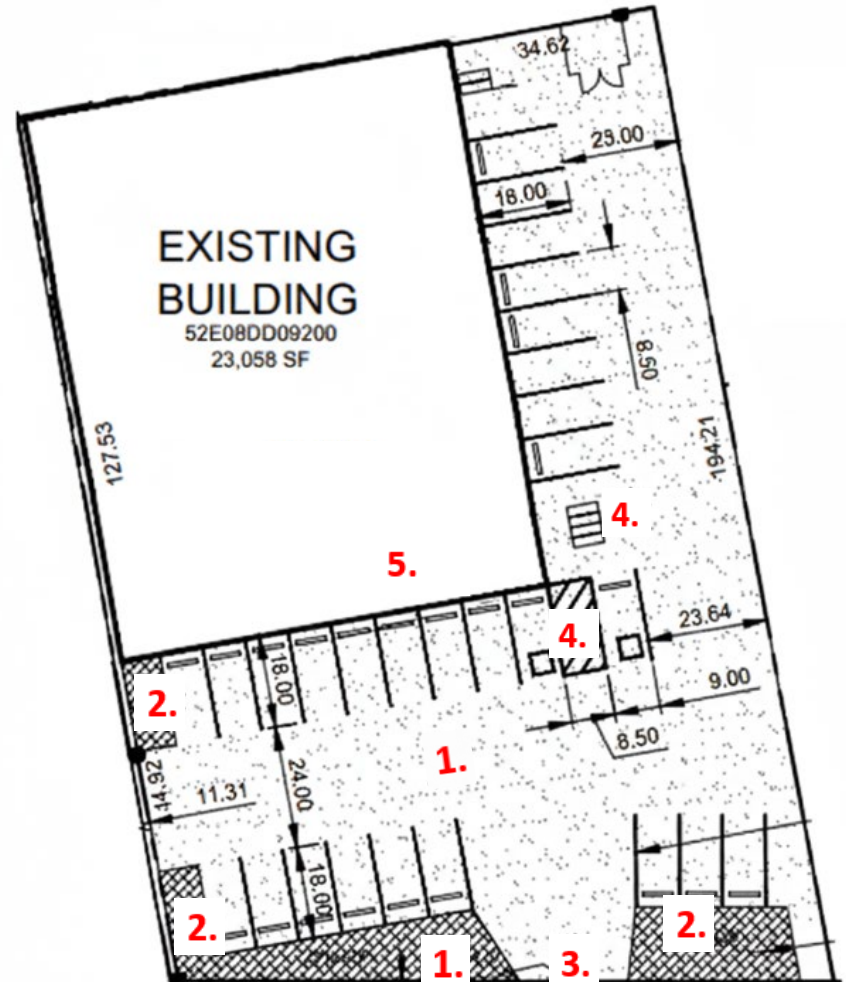


Proposed Elevation - Rear



Site Plan

1. Resurfacing and striping of parking lot
2. New landscaping to be installed in parking lot
3. Access from Hart Avenue to remain
4. ADA Parking Spots and bike parking added
5. Modifications to elevations bringing closer to conformity



Supplemental Transportation Analysis

The applicant submitted a Transportation Analysis Letter, as the project did not meet the threshold to require a full Transportation Impact Analysis.



“May reduce the off-street parking standards... by one parking space for every two on-street parking spaces located adjacent to the subject site.”

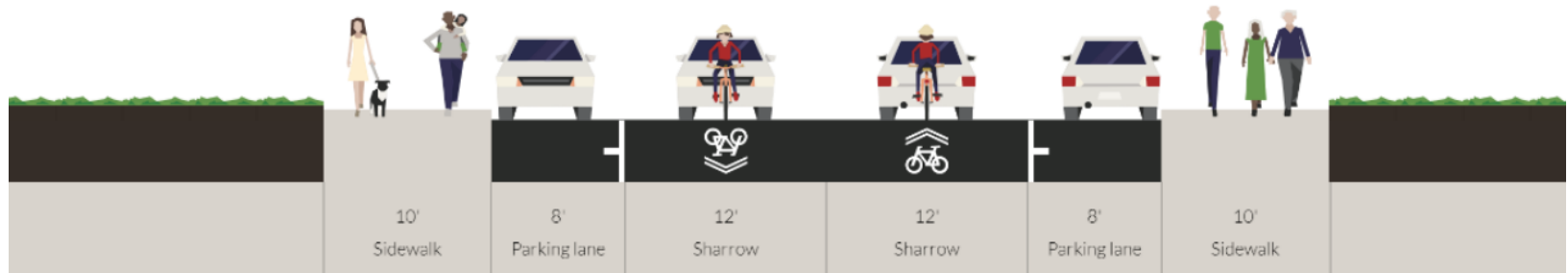
The site plan shows an existing building with a footprint of 23,058 SF and a parcel identifier of 52E08DD09200. The building is surrounded by a parking lot with several parking spaces. Dimensions for the building and parking lot are provided. The building's overall dimensions are 84.99' by 127.93'. The parking lot dimensions include 34.62', 23.00', 18.00', 08'8", 194'21", 16.80', 23.64', 9.00', 8.50', 24.00', 18.00', 11.31', and 44.82'. The plan also shows a street with a sidewalk and a crosswalk. Red car icons are placed along the street to indicate traffic flow.



Highlights from Conditions of Approval



Frontage Improvements: OR-211/Main Street

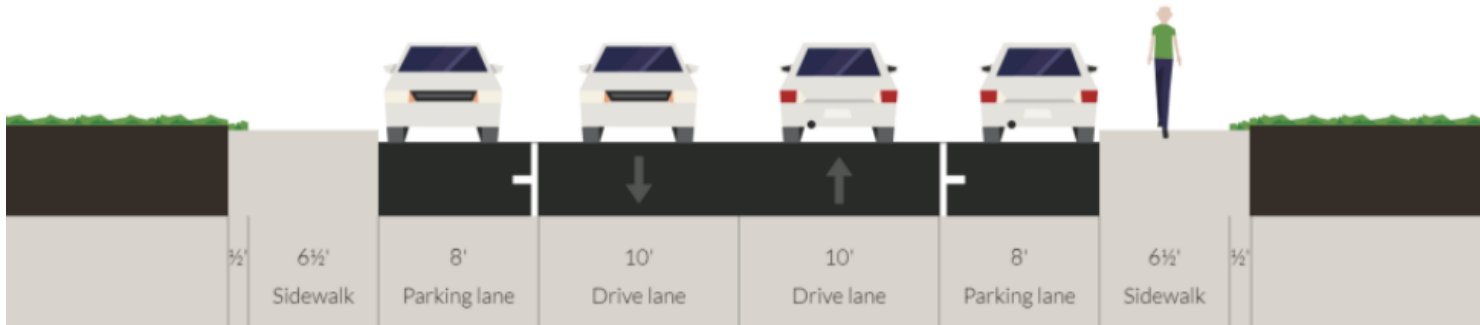


Arterial with On-Street Parking (60-foot ROW, 40-foot Paved Width)

- Required to build out Transportation Systems Plan cross section (sidewalks and convert turn lane into on-street parking)
- Required to close existing unused accesses from OR-211/Main Street



Frontage Improvements: Hart Avenue



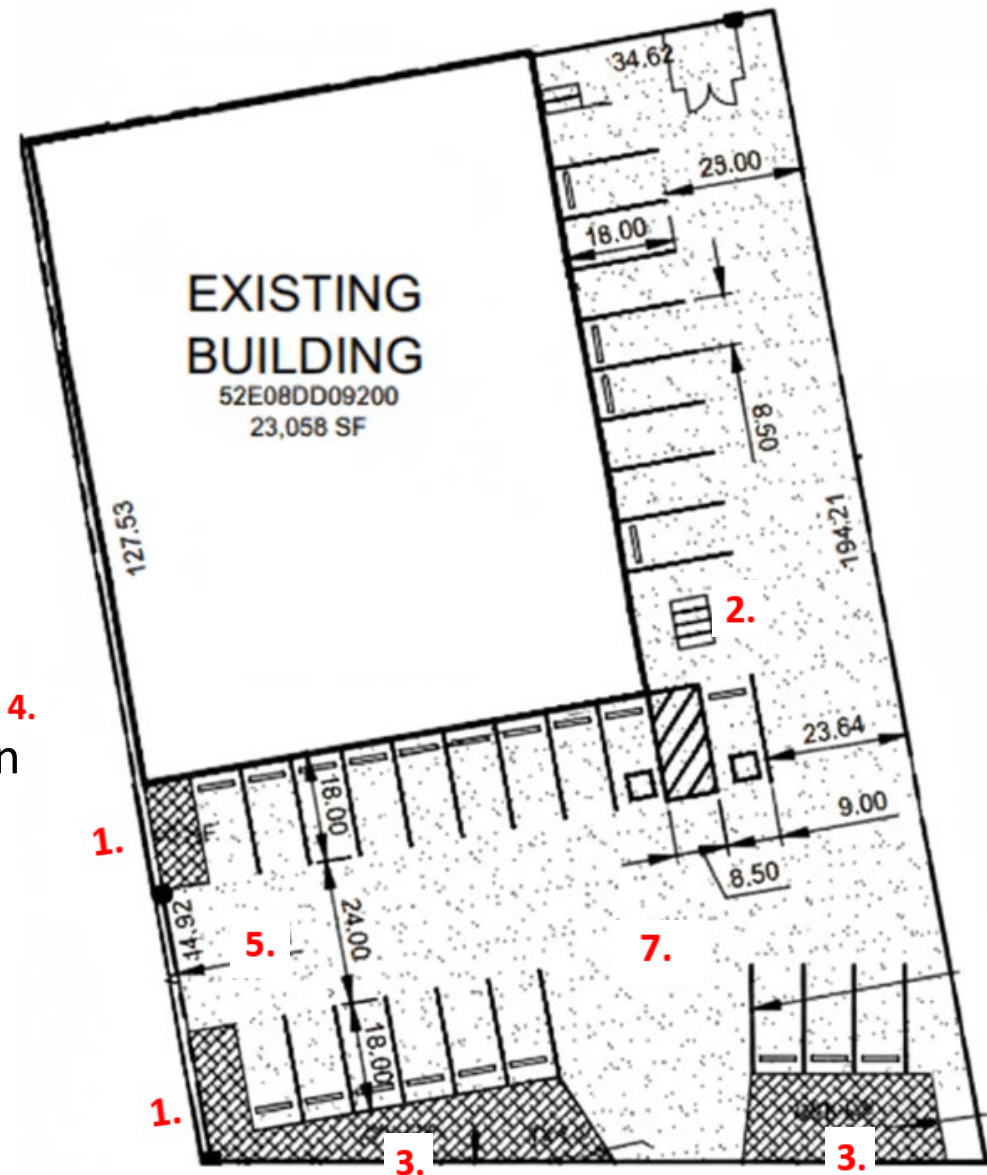
Local Street (50-foot ROW, 34-foot Paved Width)

- Required to dedicate 5 feet of right-of-way
- Build out Transportation System Plan from center line to curb
- Bring SE corner of intersection up to ADA standards



Conditions of Approval

1. Fence removal
2. Pedestrian demarcation
3. Screening along Hart Ave
4. Option for bike racks in ROW
5. Public Utility Easement dedication
6. Civic Space Exemption
7. Onsite storm detention



Recommendation

Based on the Findings and Conclusions in Exhibits A and B of the submitted staff report, City staff hereby recommend that the Planning Commission **APPROVE** the Applicant's proposed Site Design Review (City File #SDR02-2024) subject to the conditions of approval found in Title III of the staff report.





CITY OF MOLALLA

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

Staff Report

Agenda Category: Staff Reports

January 14, 2026

From: Mac Corthell, Assistant City Manager
Approved by: Dan Huff, City Manager

SUBJECT: UGB Expansion Update

FISCAL IMPACT: Unknown

RECOMMENDATION/RECOMMEND MOTION: None

BACKGROUND: On 1/5/26, City Staff was included in an email chain that started between the Regional DLCD Rep, Kelly Reid and Jim Gilbert/Corwin DeMeo-Ediger who were speaking on behalf of the Molalla Community Planning Organization that is basically a quasi-planning commission type of organization for properties outside the City limits, but still within Clackamas County. Mayor Keyser was later added to the chain and included City staff so we were aware of the correspondence.

The email chain is attached to this staff report.

In summary, Mr. Gilbert and Mr. DeMeo-Ediger are advocating for the City to re-do the City's UGB studies based on updated population numbers and contacted Ms. Reid to that end. Ms. Reid responded with the statement that:

"DLCD would absolutely be supportive of the city using the newer forecasts and housing allocations. And that [DLCD] would offer funding for them to make that switch. I think everyone understands this clearly, and it is really in the city's hands now to decide what they want to do."

Staff responded to Ms. Reid and pointed out that no offer to pay for redoing studies had been made and asking for specifics on this newly offered funding. Ms. Reid responded, in summary, that the city would have to apply for grant funding in the new biennium, or the city could convert it's current Goal 14 grant funding (go north studies) to redo the UGB studies.

City staff then held a meeting with Ms. Reid and other members of the DLCD staff on 1/6/26 and pressed them for more information to provide the Council. The following is a summary of the salient points of that conversation:

1. The only guaranteed funding to redo UGB studies would be to convert the current Goal 14 study funding, which would result in the city having to reapply for that funding if the updated UGB studies still produced a significant land need.
 - a. The City may not be awarded additional funding as it is a competitive process based on budgetary restraints at the state level.
2. If the City did choose to redo the studies:
 - a. We would have to adopt the current HPS, redo the UGB studies while implementing the existing HPS, then update the HPS based on the new OHNA rules and land need from the studies.
 - b. The amount of land to come into the UGB would be greatly reduced and may fall under the 50 or less acres exception which puts us in the Post Acknowledgement plan amendment procedures that are far less onerous than the standard UGB process.
 - i. Staff's take is if this happens the likelihood of receiving grant funds for Goal 14 would likely be diminished, which would also reduce the chances of going north.
 - c. Regardless of whether or how much the land need is reduced by redoing the UGB studies, the City would have to abandon the sequential UGB process and use the newest UGB rules.
 - d. The City's new HPS would be subject to the new OHNA rules, which would reduce the target for housing production from approximately 1,996 over the next 20-years to 1,145 over the next 20-years, but would allocate those units by Average Median Income (AMI) levels.
 - e. Some of the public outreach from our HPS and UGB process would apply, but some parts of it would need to be redone in accordance with new rules.
3. Most of the salient points discussed were subject to some disagreement between DLCD staff, and direct questions about impacts of using the new processes could not be answered with certainty.

Staff's take based on all of the information provided is that if the Council determines to use the new numbers, there would be more work, less land coming into the UGB and a smaller but more prescriptive housing production requirement. The current Goal 14 (go North) grant could be repurposed for that work, the amount of land coming into the UGB would be reduced, and may result in a simpler process, but the probability of expanding North would be diminished as

would the probability of obtaining funding to conduct the studies to make the case to go North. The HPS would also need to be redone to a great degree based on the new numbers from the UGB study, the number of housing units required under the new HPS would also be reduced, but is far more prescriptive using income thresholds instead of housing types. It is unclear how much of the work would need to be redone as some parts may be acceptable, while others may not meet the new standards.

If the Council determines to stay the course, there would be less work, more land coming into the UGB, and a larger but less prescriptive housing production requirement. The Goal 14 grant can still be used to try and go North to the extent there is available land (any excess need would go south either way), and this latest rendition of the HPS, once adopted, would be the final HPS for this planning cycle.

Mac Corthell

From: REID Kelly * DLCD <Kelly.Reid@dlcd.oregon.gov>
Sent: Monday, January 5, 2026 3:02 PM
To: Mac Corthell; jgilbert@oregonsbest.com; corwinjde@gmail.com
Cc: Dan Huff; Christie Teets; Dan Zinder; STUCKMAYER Ethan * DLCD
Subject: RE: Please Help Keep Molalla Livable!

Follow Up Flag: Follow up
Flag Status: Completed

Hi Mac,

Our housing planning assistance grant program would be the source of funding – the same funds that the city has accessed for the Housing Needs Analysis, Housing Production Strategy, and UGB work.

This work would entail replacing the old HNA with a new Housing Capacity Analysis and Contextualized Housing Need that uses the most recent housing allocation for Molalla. And based on that, you would revise the total land need for the UGB analysis. Depending on the outcome, your process may change a bit - a UGB expansion of less than 50 acres goes through a different review process than one more than 50 acres – explained in the italic text at the end of my email.

The newly updated OHNA rules would apply to all this work. Also, the Housing Production Strategy would have to be updated to reflect the new HCA.

There are a couple of options here:

- 1) Repurpose some or all of your existing housing grant funds (\$110,000) towards this work. Note that \$110,000 may not cover everything you need – the overall cost would have to be determined with a consultant.
- 2) Wait for the 2027-2029 biennium to apply for a new housing grant once more funds are appropriated from the Legislature. I can't guarantee that you would get everything you asked for, but I can say that so far, we've been able to fund almost all the grant requests that have come in through the housing grants program.

Review process note:

If the expansion is smaller than 50 acres, then the UGB amendment is subject to the post-acknowledgment plan amendment procedures in ORS 197.610–197.625 and OAR 660, Division 18. The procedural requirements include written notice (with copies of all draft documents) to DLCD at least 35 days prior to the first evidentiary hearing (usually before the planning commission). The county provides this notice, too, if it holds separate hearings. DLCD does not have a direct role in approving the UGB expansion in this case but has the right to participate in local proceedings. An appeal of a post-acknowledgment plan amendment by any party would go to the Land Use Board of Appeals.



Kelly Reid
 Portland Metro Area Regional Representative
 Pronouns: She/Her
 Oregon Department of Land Conservation and Development
 Cell: 971-345-1987
kelly.reid@dlcd.oregon.gov | www.oregon.gov/LCD

Regional Representative for Clackamas County and Multnomah County communities

From: Mac Corthell <mcorthell@cityofmolalla.com>
Sent: Monday, January 5, 2026 12:40 PM
To: REID Kelly * DLCD <Kelly.Reid@dlcd.oregon.gov>; jgilbert@oregonsbest.com; corwinjde@gmail.com
Cc: Dan Huff <dhuff@cityofmolalla.com>; Christie Teets <cteets@cityofmolalla.com>; Dan Zinder <dzinder@cityofmolalla.com>
Subject: RE: Please Help Keep Molalla Livable!

Hello Kelly, Jim and Corwin,

I'm glad I was included in this exchange as it appears DLCD has taken a position that is brand new from past discussions. The City has been aware that DLCD would be supportive of using either the updated population estimates or the ones that began our study. This is a given based on the fact there are always updated population estimates during the lifespan of a UGB expansion since the estimates come out yearly.

What we did not know until right now is that DLCD is willing to fund the various UGB studies as this has never been shared with the City. Given this new information we will need to share this option with the City Council anew, but before I do, I want to ensure I'm understanding what is being said.

Kelly, I'm verifying for presentation to the City Council that you are offering funding on behalf of DLCD to pay the cost for Molalla to redo the UGB expansion process based on the newer population estimates? If so, where would that come from and how much?

Our Planning Commission meeting is on 1/7, so if you can respond by then we'll go ahead and share that information with them prior to the City Council meeting on 1/14. Thank you.

Sincerely,

Macahan "Mac" Corthell, J.D.

Assistant City Manager

City of Molalla

315 Kennel Ave. | PO Box 248 | Molalla, OR 97038

Phone – 503.759.0243

Email – mcorthell@cityofmolalla.com

Website – <http://www.cityofmolalla.com>

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From: Jim Gilbert <jgilbert@oregonsbest.com>
Sent: Monday, January 5, 2026 11:57:40 AM
To: Scott Keyser
Cc: Corwin DiMeo-Ediger
Subject: Please Help Keep Molalla Livable!

Dear Mayor Keyser,

The Molalla Community Planning Organization (CPO) provides a voice in planning decisions for the residents and businesses of our region who live outside the City of Molalla.

We are very concerned about the city's current expansion plans, which are based on an outdated population growth forecast. That forecast was conducted in 2020 and, due to the disruptions of COVID-19, utilized inaccurate population figures. The forecast was significantly revised in 2024, reflecting a substantial decrease in projected growth. It is important to note that population forecasts for UGB expansions have an exceptional record of reliability; their estimates are typically less than 0.5% off from actual Census counts. The 2020 cycle was the only period in their history where external factors created a variance of this size.

Utilizing the updated population forecast will mitigate the negative effects of the current unnecessary expansion plans. Specifically, it will reduce traffic congestion, lower the infrastructure costs borne by taxpayers for sewers and roads, decrease the demand on the already overtaxed Molalla River, and greatly reduce or eliminate the need to pave over our fertile and productive farmland. There is also an important goal of providing affordable housing, but research also proves that even when housing inventory is increased from a UGB change, a lopsided expansion in a single city will actually cause home prices to rise, not fall. Instead of helping locals with housing affordability, an oversized boundary acts as a magnet for demand from higher-priced neighboring cities.

The DLCD is ready to help! The Department of Land Conservation and Development—the state agency with oversight of municipal planning—supports Molalla's use of these updated population figures. As shown in the email below from Kelly Reid, the DLCD representative working with Molalla, the department is offering grant funding to assist the City in revising its expansion plans.

There are many important reasons for smart planning. Our rural community deserves your good judgment and wisdom to keep our region healthy and livable. Please direct your planning department to take advantage of the DLCD's offer and pursue more realistic and sustainable planning for our community.

Please let us know if you have any questions or if we can assist you in any way.

Thank you,

Jim Gilbert
President, Molalla CPO

Corwin DiMeo-Ediger
Secretary, Molalla CPO

w.anoregonstory.com/oregon-story-film

Begin forwarded message:

From: REID Kelly * DLCD <Kelly.REID@dlcd.oregon.gov>
Subject: RE: Molalla CPO & Population Forecast
Date: December 30, 2025 at 3:39:05 PM PST
To: Jim Gilbert <jgilbert@oregonsbest.com>
Cc: Corwin DiMeo-Ediger <corwinjde@gmail.com>

Hi Jim,

I spoke with Dan last week to make sure he understands that DLCD would absolutely be supportive of the city using the newer forecasts and housing allocations. And that we would offer funding for them to make that switch. I think everyone understands this clearly, and it is really in the city's hands now to decide what they want to do.

We were travelling a similar route to you this week – driving back from Surrey, BC. The train is a nice way to make that trip. Enjoy your family time!



Kelly Reid
Portland Metro Area Regional Representative
Pronouns: She/Her
Oregon Department of Land Conservation and Development
Cell: 971-345-1987
kelly.reid@dlcd.oregon.gov | www.oregon.gov/LCD

Regional Representative for Clackamas County and Multnomah County communities

Jim Gilbert

Northwoods Nursery
28696 S. Cramer Rd.

Mac Corthell

From: Jim Gilbert <jgilbert@oregonsbest.com>
Sent: Tuesday, January 6, 2026 5:54 PM
To: Community Planner
Cc: Corwin DiMeo-Ediger; Mac Corthell
Subject: Please Help Keep Molalla Livable!

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Molalla Planning Commission members,

The Molalla Community Planning Organization (CPO) provides a voice in planning decisions for the residents and businesses of our region who live outside the City of Molalla.

We are very concerned about the city's current expansion plans, which are based on an outdated population growth forecast. That forecast was conducted in 2020 and, due to the disruptions of COVID-19, utilized inaccurate population figures. The forecast was significantly revised in 2024, reflecting a substantial decrease in projected growth. It is important to note that population forecasts for UGB expansions have an exceptional record of reliability; their estimates are typically less than 0.5% off from actual Census counts. The 2020 cycle was the only period in their history where external factors created a variance of this size.

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There are many important reasons for smart planning. Our rural community deserves your good judgment and wisdom to keep our region healthy and livable. Please advise the Planning Division and City Council to take advantage of the DLCD's offer and pursue more realistic and sustainable planning for our community.

Please let us know if you have any questions or if we can assist you in any way.

Thank you,

Jim Gilbert
President, Molalla CPO

Corwin DiMeo-Ediger
Secretary, Molalla CPO

w.anoregonstory.com/oregon-story-film

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Regional Representative for Clackamas County and Multnomah County communities

Jim Gilbert

Northwoods Nursery

Jessica Wirth

From: Ruen, Cameron <CRuen@clackamas.us>
Sent: Tuesday, January 6, 2026 3:29 PM
To: moran@cityofestacada.org; Elaina Turpin; kratz@ci.gladstone.or.us; ahagg@happyvalleyor.gov; mthesing@lakeoswego.city; imlahj@milwaukieoregon.gov; Suzanne Baughman; Jessica Wirth; Jarrod Lyman; japrati@ci.sandy.or.us; george@tualatin.gov; george@tualatin.gov; evans@ci.wilsonville.or.us
Cc: Owen, Jeff; De Simone, Anthony
Subject: support request: Clackamas County Transportation System Plan update
Attachments: GetInvolved_Factsheet.pdf; socialClackamasTSP.docx; 824_Social-Media_Transportation-Graphic_v1_FB-1200x1200.png; 824_Social-Media_Transportation-Graphic_v1_ND-1920x1080.png

Good morning Clackamas County partners,

I'm reaching out today to ask you to share the following Transportation System Plan engagement opportunities with your community. Clackamas County is in the process of updating our Transportation System Plan. People who live, work and visit Clackamas County are invited to share feedback about the goals for the transportation system and what transportation improvements are needed. This information helps the county consider the transportation changes that might be possible in areas outside cities by 2045, and ways to coordinate with our neighboring cities.

Public participation will help shape the future of the county's transportation system, including our: roads, intersections, bike lanes, sidewalks, transit, and more.

We are hosting six regional meetings virtually later in January. Additionally, a virtual open house is available through Feb. 16 for people to participate online at their convenience. See links below.

We are promoting through the event feature on Nextdoor and Facebook and through posts on Nextdoor, Facebook and Instagram. Our Public Advisory Committee and our active Community Planning Organizations are informing their networks. We also are coordinating several focus groups with priority populations.

Attached is a flyer, graphics, and social media content if you would like to use (feel free to make your own). A short promo video is available at <https://www.youtube.com/watch?v=U9n6g0wj2cc> to plug into email newsletters if it fits your format.

If you have questions, you are welcome to respond to this email. Thanks so much for your help in spreading the word about this opportunity!

Virtual meetings

Meetings will be held from 6-7:30 p.m. Participants can expect a presentation, an explanation for how to provide feedback online, and time for questions with transportation experts. More information at <https://www.clackamas.us/transportation/tsp-update>.

1. January 8, 2026 - East County (Near Sandy and Estacada)
<https://www.facebook.com/share/1BmhooXdnY/>

2. January 13, 2026 - Southwest County (Near Molalla, Canby, and Oregon City)
<https://www.facebook.com/share/1JUHAw61G3/>
3. January 14, 2026 - Northwest County (Near Wilsonville, Lake Oswego, and West Linn)
<https://www.facebook.com/share/17AV6JBst4/>
4. January 20, 2026 - Greater McLoughlin Area (Near Gladstone and Clackamas)
<https://www.facebook.com/share/14NSzxxgjh1/>
5. January 21, 2026 - West Greater Clackamas Regional Center/Industrial Area (Near City of Milwaukie) <https://www.facebook.com/share/1Knh2tK587/>
6. January 22, 2026 - East Greater Clackamas Regional Center/Industrial Area (Near City of Happy Valley) <https://www.facebook.com/share/18AAUFsegR/>

Virtual open house link open through Feb. 16:

<https://experience.arcgis.com/experience/130a05d943ef476bb13fec420c99915c>

Instagram post: <https://www.instagram.com/p/DtIpicYDhO3/>

Facebook post for Jan. 8 virtual event:

<https://www.facebook.com/ClackamasCounty/posts/pfbid02TsMZLmws4WQrJME9zaKqWdsV96WniAtxLMfz9NTcAkfKNpdCJY8HsLxPB2Fbrpsbl>



Clackamas County, Oregon ✓

Published by Gabe Storm · December 29 at 10:04 AM · 🌐

🚗 🚲 🚶 We are updating the Transportation System Plan for Clackamas County in areas outside cities. Feedback about how you get around and what you think our transportation system needs is important! 🚗 🚲 🚶



Thu, Jan 8, 2026 at 6 PM

Transportation System Plan Update: East County Virtual Meeting #1

4 Going · 17 Interested

Thanks for doing what you do every day,

Cameron Ruen, Community Relations Specialist

Pronouns: she/her/hers

Clackamas County Department of Transportation & Development

150 Beavercreek Road, Oregon City, OR 97045

503-742-4335

Cell: 503-278-6711

Hours of Operation: Mon – Fri, 8:30 a.m. - 5:00 p.m.

www.clackamas.us

Follow Clackamas County: [Facebook](#) | [Twitter](#) | [Nextdoor](#) | [YouTube](#)

We are building a safe Clackamas County where all people thrive, are celebrated for their diverse identities, and know they belong.

The Clackamas County Department of Transportation & Development is dedicated to providing excellent customer service. Please help us to serve you better by giving us your [feedback](#). We appreciate your comments and will use them to evaluate and improve the quality of our public service.

Mac Corthell

From: Corwin DiMeo-Ediger <corwinjde@gmail.com>
Sent: Wednesday, January 7, 2026 11:42 AM
To: Mac Corthell
Cc: Jim Gilbert
Subject: Re: Please Help Keep Molalla Livable!

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Mac,

Thanks so much for engaging with us on this.

Just wanted to make a quick clarification that the forecast accuracy margin Jim and I referenced was for the formal, forward-looking Population Research Center forecasts released every four years and not the yearly snapshots. The proven long term accuracy of the forecasts with the exception of the single flawed estimate really speaks to the importance in deferring to the updated numbers.

Thanks again

- Corwin

On Wed, Jan 7, 2026, 08:09 Mac Corthell <mcorthell@cityofmolalla.com> wrote:

Thanks, Jim, we will share with the Planning Commission.

Sincerely,



CITY OF MOLALLA

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

Staff Report

Agenda Category: General Business

February 4, 2026

From: Mac Corthell, Assistant City Manager
Approved by: Dan Huff, City Manager

SUBJECT: Hearing on Hezzie Lane Right-of-Way Vacation

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: Provide a report and recommendation to City Council regarding the proposed Hezzie Lane Right of Way vacation/ *"I move to recommend that the Molalla City Council approve the proposed vacation of Hezzie Lane."*

BACKGROUND: Under MMC 12.28.010, Adoption of official maps and throughfares, "the Planning Commission shall hold a hearing upon the proposed plan of thoroughfares and then transmit a report and recommendations on the plan and the proposed official map to the Council."

Attachments:

Exhibit A: Legal Description

Exhibit B: Right of Way Vacation Survey

Exhibit C: Area map of Hezzie Lane right of way to be vacated

EXHIBIT A
RIGHT-OF-WAY VACATION

REAL PROPERTY LOCATED IN THE NW 1/4 OF SECTION 8 OF TOWNSHIP 5 SOUTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN, CITY OF MOLALLA, CLACKAMAS COUNTY, OREGON, BEING A PORTION OF N HEZZIE LANE AS DEDICATED PER BOOK 449 PAGE 292, CLACKAMAS COUNTY DEED RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP INSCRIBED "KLS SURVEYING INC", MARKING THE NORTHEAST CORNER OF THE PLAT OF "BEAR CREEK NO. 2", CLACKAMAS COUNTY PLAT RECORDS, SAID POINT ALSO BEING THE INTERSECTING POINT ON THE NORTH RIGHT-OF-WAY LINE OF BEAR CREEK DRIVE AND THE WEST RIGHT-OF-WAY LINE OF HEZZIE LANE; THENCE ALONG THE EASTERLY EXTENSION OF THE NORTHERLY LINE OF SAID PLAT OF "BEAR CREEK NO. 2", SOUTH 80°14'16" EAST 60.00 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF N HEZZIE LANE (BEING 30.00' FROM CENTERLINE THEREOF, WHEN MEASURED PERPENDICULAR THERETO); THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE, NORTH 10°11'11" EAST 538.83 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF LYNN LANE (BEING 30.00' FROM CENTERLINE THEREOF, WHEN MEASURED PERPENDICULAR THERETO); THENCE ALONG THE WESTERLY EXTENSION OF SAID SOUTHERLY RIGHT-OF-WAY LINE, NORTH 80°17'04" WEST 60.00 FEET THE TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID N HEZZIE LANE (BEING 30.00' FROM CENTERLINE THEREOF, WHEN MEASURED PERPENDICULAR THERETO); THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE, SOUTH 10°11'11" WEST 538.78 FEET TO THE **POINT OF BEGINNING**.

CONTAINS 32,328 SQUARE FEET OR 0.742 ACRES, MORE OR LESS.

BEARINGS BASED ON OREGON STATE PLANE COORDINATE SYSTEM NORTH ZONE.

SEE ATTACHED EXHIBIT B HEREIN

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
MAY 11, 2023
ARRIN C. OISHI
74733PLS

RENEWES: 12/31/26

EXHIBIT "B"
RIGHT-OF-WAY VACATION

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Arrin C. Oishi

OREGON
MAY 11, 2023
ARRIN C. OISHI
74733PLS

RENEWS: 12/31/26

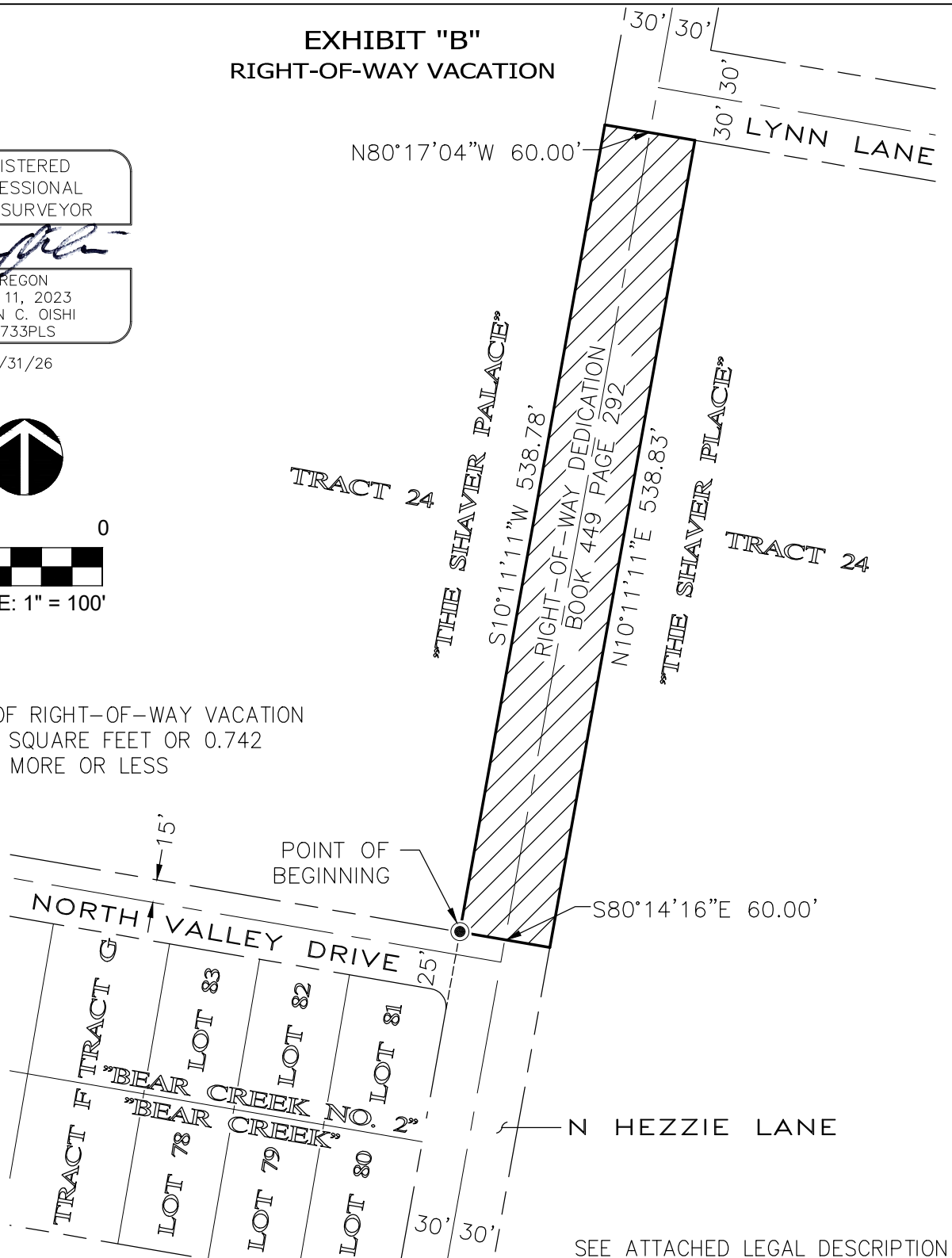


100' 0
SCALE: 1" = 100'

LEGEND:



AREA OF RIGHT-OF-WAY VACATION
32,328 SQUARE FEET OR 0.742
ACRES, MORE OR LESS



SEE ATTACHED LEGAL DESCRIPTION

S&F Land Services

Your Proven Geospatial Partner

4905 SW SCHOLLS FERRY RD.

PORTLAND, OR 97225

(503) 345-0328

DATE: 8/18/2025

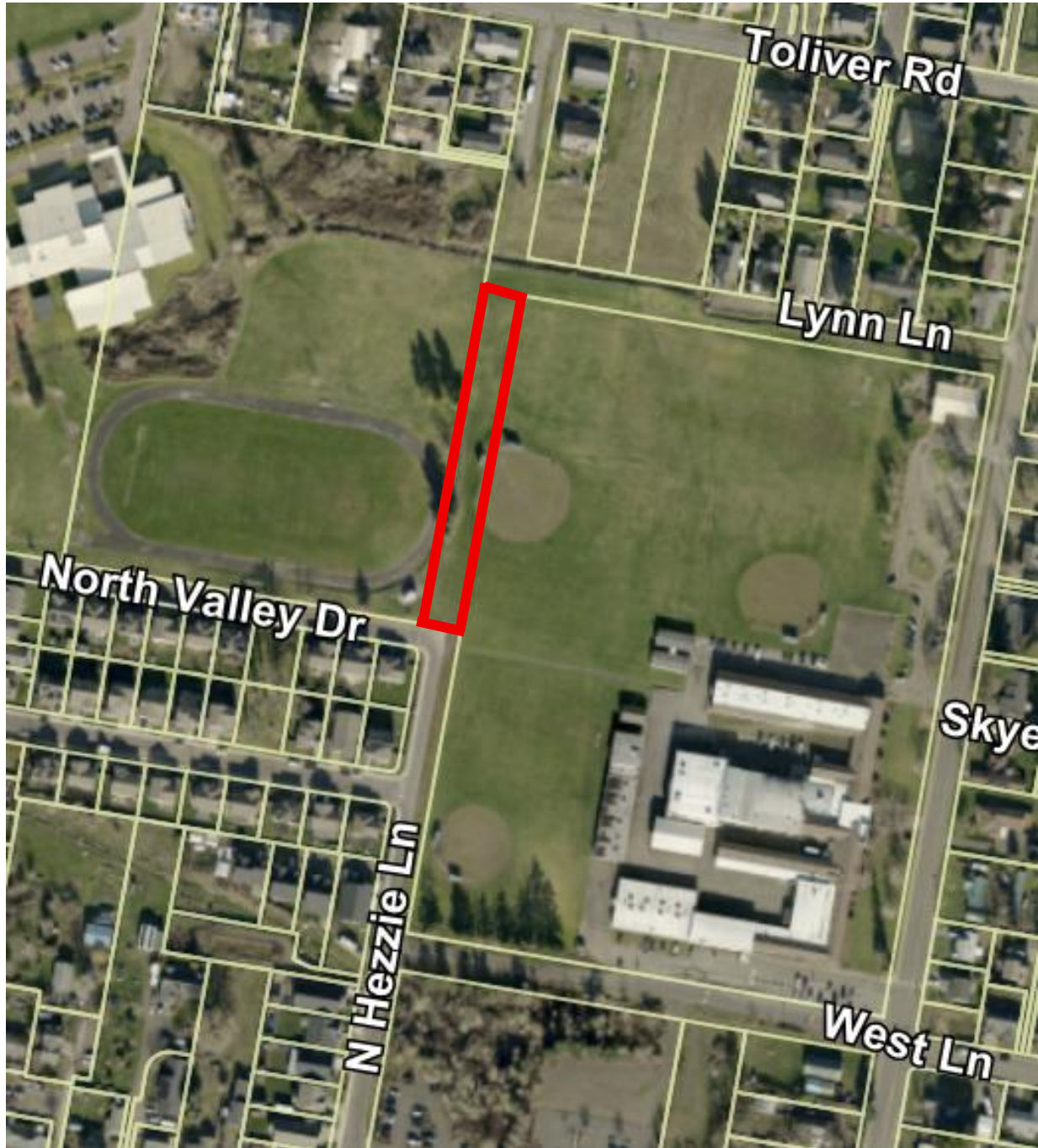
PROJ. NO: 2577802

WWW.SFLANDS.COM

EMAIL: INFO@SFLANDS.COM

Exhibit C

Area map of Hezzie Lane right-of-way to be vacated.





CITY OF MOLALLA

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

Staff Report

Agenda Category: General Business

Agenda Date: February 4, 2026

From: Dan Zinder, Planning Manager

Approved by: Mac Corthell, Assistant City Manager

SUBJECT: UGB Expansion Update

FISCAL IMPACT: Unknown

RECOMMENDATION/RECOMMEND MOTION: None

BACKGROUND: Since the January 7 Planning Commission meeting Staff has addressed City Council twice regarding the question of whether to produce a new Housing Needs Analysis/HNA (now Housing Capacity Analysis/HCA) to update population forecast numbers from 2022 to a later date. Below, Staff provides an updated summary of the process with and without an updated HNA.

PROCESS IF THE CITY CONTINUES WITH THE ADOPTED HNA:

- Re-adopt HPS document in February 2026
- Use granted \$115,000 monies from DLCD to update Goal 14 analysis on practicability of a southern expansion vs norther expansion and UGB amendment adoption.
 - Timeline of completion: End of calendar year, 2026
- Apply for TGM grant with ODOT to update the Molalla TSP to account for and update UGB expansion zoning
 - Project kickoff in 2026, likely to be completed in 2027

PROCESS IF THE CITY COMPLETES A NEW HCA WITH UPDATED NUMBERS:

- Re-adopt HPS document in February 2026
- Use granted \$115,000 monies from DLCD to produce a new HCA and residential land BLI and then update

- New documents to be completed in compliance with new OHNA rules. The new rules require a more robust BLI, more granular breakdowns of needed housing, and outreach with local tribes. Additional outreach may be required.
- Approximate timeline for completion of HCA/BLI/New HPS in late 2026/early 2027
- Apply for a new, competitive DLCD grant in the 2027 biennium for additional Goal 14 work
 - Goal 14 work would also be completed under new OHNA rules.
 - The delay would likely not jeopardize City attempts to go north as new OHNA rules define “impracticability” in a concrete way
 - If received, UGB expansion would likely occur in late 2028/early 2029
- Apply for TGM grant with ODOT to update the Molalla TSP to account for and update UGB expansion zoning
 - Project kickoff in late 2028/early 2029, likely to be completed in late 2029

At the January 14th Council Meeting, Council requested time to deliberate between the two meetings. Staff to provide Planning Commission with an update on Council’s deliberations at the time of the February 4th meeting.

Additionally, Council was briefed on the revised Housing Production Strategies document and Staff is scheduled to bring a final draft back for adoption at the February 25th Council meeting.



CITY OF MOLALLA

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

Staff Report

Agenda Category: General Business

Agenda Date: 2/4/2026

From: Jessica Wirth, Comm. Dev. Tech.
Approved by: Mac Corthell, Assistant City Manager

SUBJECT: Discussion of out of town resident for open Planning Commission seat (Wirth)

FISCAL IMPACT: None

RECOMMENDATION/RECOMMEND MOTION: Discuss the requirements for Planning Commissioners and if it's plausible to open it up to citizens from outside City limits.

BACKGROUND: Currently the charter states only 1 Planning Commission seat may be filled with a resident from outside of City limits.