



**CITY OF MOLALLA
CITY COUNCIL REGULAR MEETING
AGENDA**

Civic Center | 315 Kennel Avenue
Wednesday, August 13, 2025 | 7:00 PM

NOTICE: City Council will hold this meeting in-person and through video Live-Streaming on the City's Facebook Page and YouTube Channel. 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 AND FLAG SALUTE

2. ROLL CALL

3. CONSENT AGENDA

- A. [Work Session Meeting Minutes - July 23, 2025](#)
- B. [City Council Meeting Minutes - July 23, 2025](#)
- C. [Personnel Policy Update - Food & Beverage as Compensation](#)
- D. [Letter of Support for DLCD Housing Planning Assistance Grant](#)

4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

5. PUBLIC COMMENT

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

- A. [Letter to City Council - James Bobst](#)
- B. [Letter to City Council - Paige Lantz](#)

6. PUBLIC HEARINGS

7. ORDINANCES AND RESOLUTIONS

- A. [Resolution No. 2025-21: Awarding a Contract for Project 24-12, N. Molalla Avenue ADA Crosswalk Construction](#)

8. GENERAL BUSINESS

- A. [Park Naming Discussion - "Cemetery" Park](#)
- B. [Farmstands & Cottage Kitchens - Ordinance Update](#)

9. STAFF COMMUNICATION

- A. [Molalla Public Library Report](#)

10. COUNCIL COMMUNICATION

11. ADJOURN

Agenda posted at City Hall, Library, and the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is

wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-829-6855.



CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, August 13, 2025

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Work Session Meeting Minutes - July 23, 2025

ATTACHMENTS:

[7.23.2025 WS Meeting Minutes.pdf](#)



City of Molalla
City Council – Work Session
Minutes – July 23, 2025
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Work Session of July 23, 2025 was called to order by Mayor Scott Keyser at 6:22pm.

COUNCIL ATTENDANCE

Mayor Scott Keyser, Council President Eric Vermillion, Councilor Leota Childress, Councilor Terry Shankle, Councilor Doug Gilmer, and Councilor Martin Bartholomew.

STAFF IN ATTENDANCE

Dan Huff, City Manager; Mac Corthell, Assistant City Manager; Christie Teets, City Recorder; Planning Manager, Dan Zinder; Seth Kelly, Water Quality Superintendent.

Guest in Attendance: Violet Brown, 3J Consulting.

DISCUSSION ITEMS

A. Urban Growth Boundary Business

Assistant City Manager Corthell opened the conversation informing Council City staff had a productive meeting was held that yielded very positive results with the Governor's office regarding the northern expansion of the Urban Growth Boundary (UGB).

The Council raised two important questions about the UGB process that staff investigated and reported back on. The first question concerned what enforcement actions the Department of Land Conservation and Development (DLCD) could take if the City goes through the UGB amendment process but ultimately fails to pass the amendment. After consulting with attorney staff, the response confirmed that while DLCD likely wouldn't want to pursue enforcement, they do have the authority to withhold funding from city projects and, as an ultimate measure, could take over the planning department to run it directly and attempt to get an amendment passed. However, this extreme action seems unlikely given the significant resources it would require from DLCD's end.

The second, more complex question arose from community members regarding the use of Portland State University's 2022 population forecasts in the Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA). Since those forecasts were completed, subsequent estimates have been revised downward across Oregon due to changes in immigration and fertility rates. While using more recent, lower population numbers would theoretically allow for a smaller UGB expansion and seems reasonable on its face, the mechanics of making such changes are quite forbidding. The city would not be able to simply amend the existing HNA but would have to restart the entire process from the beginning, since so much of the subsequent analysis is based on those original population forecasts. This would push the work timeline to at least 2027, likely cost around \$75,000 for consulting work, require updating the Housing Production Strategy, and potentially subject the City to different guidelines from Oregon's Housing Needs Analysis rules that are currently being revised. Given these significant obstacles and delays, staff does not recommend pursuing this course of action.

Violet of 3J Consulting explained that revising the Housing Needs Analysis (HNA) to reflect lower population forecasts would not be a simple adjustment, but would require completely restarting the entire process. New state rules taking effect in January 2026 will be much stricter, particularly for vulnerable populations and low-income housing requirements. Revising the current HNA would cost approximately \$75,000, require hundreds of additional staff hours, push completion to 2027, and essentially waste nearly two years of work and taxpayer investment. The Mayor emphasized this would be impractical for potentially minimal land reduction benefits. Additionally, population projections fluctuate regularly, and COVID-19 disrupted forecasting models, so numbers could increase again by the time a new analysis is completed.

Councilor Shankle feels like it would be fiscally irresponsible to start over. Council provided consensus to direct staff to move forward with the current HNA.

Mr. Zinder reported on Efficiency Measures to better utilize underutilized industrial lands within the existing Urban Growth Boundary by rezoning surplus industrial areas for housing, which would reduce the required UGB expansion size. Existing property uses would not be affected by Zoning Changes until owners choose to sell or develop differently. The main challenge is that industrial community members are concerned about complaints from new residential neighbors. Legal consultation found that restrictive covenants would likely be unconstitutional, but the City could implement Development Code requirements for residential developments next to industrial zones, including setbacks, noise cancellation, screening, and buffer areas. However, Senate Bill 974 prohibits most design standards for residential developments over 20 units for eight years.

[For the complete video account of the Work Session, please go to YouTube
“City of Molalla | Oregon – July 23, 2025 ”](#)

ADJOURN

Mayor Keyser adjourned the Work Session at 6:50pm.

Scott Keyser, Mayor

PREPARED BY:

ATTEST:

Crystal Robles, Deputy City Recorder

Christie Teets, CMC - City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, August 13, 2025

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: City Council Meeting Minutes - July 23, 2025

ATTACHMENTS:

[07.23.25 CC Meeting Minutes.pdf](#)

[R. Wolfson.RE_ Molalla Efficiency Measures, ORD 2025-07](#)

[R. Wolfson Testimony.pdf](#)

[J Gilbert.RE_ Testimony for July 25 Public Meeting](#)

[Resolution No. 2025-19 Adopting the Purchase and Sale Agreement for Fox Park and Hezzie Lane Right of Way.pdf](#)



City of Molalla
City Council - Regular Meeting
Minutes – July 23, 2025
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Meeting of July 23, 2025 was called to order by Mayor Scott Keyser at 7:15pm.

COUNCIL ATTENDANCE

Present: Mayor Scott Keyser, Council President Eric Vermillion, Councilor Leota Childress, Councilor Terry Shankle, Councilor Doug Gilmer, and Councilor Martin Bartholomew.

STAFF IN ATTENDANCE

Dan Huff, City Manager; Mac Corthell, Assistant City Manager; Christie Teets, City Recorder; Cindy Chauran; Finance Director; Dan Zinder, Planning Manager; and Seth Kelly, Water Quality Superintendent.

Guest

Gordon Munro, Tetra Tech.

APPROVAL OF AGENDA

Approved as presented.

CONSENT AGENDA

A. City Council Meeting Minutes - June 25, 2025

ACTION:

Council President Vermillion moved to approve the Consent Agenda; Councilor Gilmer seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

EXECUTIVE SESSION ANNOUNCEMENT

Mayor Keyser stated prior to the regular City Council meeting, Council met in Executive Session held pursuant to Oregon Public Record Law, ORS 192.660(2): (e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Assistant City Manager Corthell shared Executive Session was in regard to Resolution No. 2025-19 concerning a purchase and sale agreement for Fox Park property and Hezzie Lane Right-of-Way area. The fiscal impact is approximately \$40,000 per unit, with the School District splitting all transaction costs with the City. The arrangement is described as a straightforward property exchange between Fox Park property and the Hezzie Lane Right-of-Way property, including associated easements necessary to implement the agreement.

ACTION:

Council President Vermillion moved the City of Molalla approve Resolution No. 2025-19, a Resolution of the City of Molalla, Oregon, approving the Fox Park Property Acquisition Agreement and Authorizing the City Manager to sign the agreement; Councilor Shankle seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

Recorder Teets informed the Mayor that the approved documents would be available to the public on the City's website the following day.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

A. Water Intake Structure Pre-Design Presentation

B.

Assistant City Manager Corthell introduced the Water Intake Pre-design process, and Mr. Gordon Munro, an experienced engineer from Tetrattech who has helped educate City staff throughout the process. Mr. Munro presented findings on the City's water intake structure, explaining that the current 1997 temporary intake (built after a 1996 flood destroyed the original 1992

intake) faces three critical issues: annual rock and cobble accumulation requiring manual clearing, vulnerability to debris damage, and most critically, insufficient water access during low summer flows when screens are only partially submerged. The existing infrastructure has adequate capacity for the 20-year planning period requirement of 4 MGD, but the pump station lacks redundant capacity, requiring a third large pump to prevent service interruption if one pump fails. Munro's team evaluated seven alternatives through a structured decision-making process and unanimously recommended a \$5 million fixed slope screen system at the original 1992 location. This recommendation maintains the existing 1997 intake for redundancy, positions the new intake at a more stable river location with deeper water pools, and avoids mechanical parts in the river flow unlike the alternative T-screen option. The project timeline spans 5-7 years due to extensive permitting requirements (6-7 permits taking 1-2 years), and the City should begin investigating water rights limitations that may restrict flow to 3 MGD during July-October when 4 MGD will be needed. (00:58:27-01:25:02)

PUBLIC COMMENT

None.

PUBLIC HEARINGS

- A. Ordinance No. 2025-07: Repeals and Replaces Ordinance No. 2025-05, Efficiency Measures; Changing Accessory Dwelling Unit Approvals from a Type II to a Type I Process and Comprehensive Plan Map and Zoning Map Changes

Mayor Keyser stated Ordinance No. 2025-07 required a Public Hearing, with no Council conflict of interest stated. Mayor Keyser confirmed discussion is a continuation of the Public Hearing held June 25, 2025. Public Hearing was opened at 7:47pm.

Planning Manager Zinder presented the Efficiency Measures ordinance report sharing it implements Comprehensive Plan and Zoning Map changes while also changing ADUs from a Type II to Type I process. The ordinance addresses two key questions from the previous Hearing that led to continuance. First, regarding property owners in areas subject to zoning changes who don't want to change their property use, staff clarified that existing property owners can continue their current use without compulsion to change until they choose to develop the property and bring it into the City, with point of sale not serving as a trigger. Second, concerning protections for existing industrial users who will have residential uses closer to their operations due to potential use conflicts, staff explained that the Economic Opportunities Analysis and Housing Needs Analysis revealed a surplus of industrial lands and deficit of residential lands, making smaller industrial properties unlikely to develop within the 20-year planning period.

After consulting legal counsel and Oregon planning networks, staff determined that waiver of remonstrance or deed restrictions prohibiting neighboring complaints would likely be unconstitutional and fail to meet clear and objective standards required for residential ordinances. However, design standards affecting residential properties built next to industrial zones would be legally acceptable, including setbacks, screening, noise cancelling features, strategic access locations, and required parkland dedications to buffer between uses. Council provided direction in the preceding Work Session to pursue these buffer ordinances, and staff will research and craft ordinances to help buffer residential uses from industrial operations and mitigate potential conflicts.

Mr. Corthell emphasized a critical point about the Efficiency Measures ordinance that may not have been fully clear to everyone: for every piece of commercial or industrial land that gets rezoned to residential within the existing UGB, there is a one-to-one reduction in how much the UGB needs to expand. He provided a clear example that if five acres of industrial land already within the UGB is converted to residential use, that represents five fewer acres that must be added to the UGB to comply with state law requirements. This rezoning functions as a direct swap that allows the city to offset the UGB growth mandated by the state to meet the 20-year land supply requirements by adding that converted land to the residential inventory within the current UGB boundaries rather than expanding outward.

Mr. Corthell emphasized that property owners with existing legal uses can continue operating indefinitely regardless of Zoning Changes, with the City's Code even allowing up to 50% expansion of any pre-existing use whether it's industrial, residential, or commercial in a differently zoned area. No property owner would be forced to shut down their operations due to rezoning, as they have the right to continue their current use as a matter of right that the city cannot stop. Even property sales don't trigger use abandonment, as new owners can continue the same industrial or other operations. The zoning change only becomes relevant when property owners intentionally abandon their current use, typically when they decide to sell to developers who want to develop the property according to the new zoning designation. Using Mr. Vest's property as an example, he could continue operating his industrial businesses indefinitely and even expand them within code limits, with the zoning change only affecting future development if he chooses to abandon the industrial use and sell for residential development.

PUBLIC COMMENT

Jim Gilbert, a local farmer with over 40 years of experience, urged the council to use updated Portland State population forecasts showing 25% growth instead of the older 50% growth projections currently being used. Mr. Gilbert emphasized the importance of protecting the area's rural agricultural character.

Recorder Teets noted for the record a statement addressed to Mr. Zinder from Mr. Rob Wolfson, will be included in Meeting Minutes.

Mayor Keyser closed Public Hearing at 8:01pm.

ORDINANCES AND RESOLUTIONS

A. Ordinance No. 2025-07: Repeals and Replaces Ordinance No. 2025-05, Efficiency Measures; Changing Accessory Dwelling Unit Approvals from a Type II to a Type I Process and Comprehensive Plan Map and Zoning Map Changes

Staff had no further comment or report.

ACTION:

Council President Vermillion ammended motion to hold the First Reading of Ordinance No. 2025-07: Repeals and Replaces Ordinance No. 2025-05, Efficiency Measures; Changing Accessory Dwelling Unit Approvals from a Type II to a Type I Process and Comprehensive Plan Map and Zoning Map Changes; Councilor Shankle seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

ACTION:

Council President Vermillion moved to hold the Second Reading and Adoption of Ordinance No. 2025-07: Repeals and Replaces Ordinance No. 2025-05, Efficiency Measures; Changing Accessory Dwelling Unit Approvals from a Type II to a Type I Process and Comprehensive Plan Map and Zoning Map Changes; Councilor Gilmer seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

B. Resolution No. 2025-17: Declaring the City's Election to Receive State Revenue Sharing

Finance Director Chauran presented the annual formality to receive State Shared Revenues totaling \$1,360,200. Oregon revised statute requires cities to annually declare this amount to council, and the City wishes to receive the shared funds.

ACTION:

Council President Vermillion moved to approve Resolution No. 2025-17: Declaring the City's Election to Receive State Renenue Sharing; Councilor Childress seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

C. Resolution No. 2025-18: Certifying All Requirements to Receive State Shared Revenues Have Been Met

Finance Director Chauran certified all requirements to receive state shared revenues have been met. To be eligible for these funds, cities must provide four or more required services: police, fire, streets, sanitary sewer, storm water planning, and one or more utility services. The city is in compliance with all these service requirements.

ACTION:

Council President Vermillion moved to approve Resolution No. 2025-18: Certifying All Requirements to Receive State Shared Revenues Have Been Met; Councilor Shankle seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

D. Resolution No. 2025-20: Adopting the Water Intake Structure Pre-Design Report

Assistant City Manager Corthell reported that the water intake pre-design work began in July 2024 concludes with Council adoption of the pre-design report, allowing staff to proceed with design and funding phases over the next two fiscal years before

construction in approximately three years. The City has been moved forward for \$2 million in Federal Funding through Representative Bynum's office, which will go to committee with good approval chances before a full House vote. Additionally, the City has been invited to apply for the state's Clean Water Public Projects Fund.

ACTION:

Council President Vermillion moved to approve Resolution No. 2025-20: Adopting the Water Intake Structure Pre-Design Report Subject to the Amendments Provided Therein; Councilor Gilmer seconded. Motion passed 6-0.

AYES: Gilmer, Shankle, Childress, Vermillion, Bartholomew, Keyser.

NAYS: None.

ABSTENTIONS: None.

GENERAL BUSINESS

A. Future City Council Meetings

STAFF COMMUNICATION

- **City Manager Huff** reported attending another library task force meeting and noted that while many library districts countywide face significant controversy, Molalla's library operates well with good service, excellent staff, financial stability, and strong community support. He warned that the council may be asked in the future to weigh in on whether the library district should raise rates through a countywide vote to address inequities in funding distribution among cities. Huff expressed skepticism about asking people to pay more as a solution, believing issues need to be fixed first before raising rates. He also mentioned that Joshua Dodson will likely present a police facility report at the second August council meeting following a meeting scheduled for the next day.
- **Assistant City Manager Corthell** reflected on attending OCCMA meetings, noting how well Molalla's staff and Council work together compared to other jurisdictions. He commended Seth Kelly's advancement, emphasizing how Seth has transformed community trust and earned the third award in two and a half years. Other positive developments include Chief Yelkus Park opening at the end of August, successful Bolander Field upgrades, a new Clark Park Pavilion, and plans to clear the overgrown property for potential parkland.
- **Finance Director Chauran** had no report.
- **City Recorder Teets** reported receiving four applications for the current City Council vacancy. All applicants have been verified as registered voters and City residents through Clackamas County. Background check consent status will be provided at the August 13th Council Meeting and candidate interviews scheduled for the August 27th Work Session. Ms. Teets reflected on info received from OGEK regarding serial meetings guidelines, noting that while this is a cumbersome, Molalla doesn't have this problem.
- **Senior Planner Zinder** had no report.
- **Water Quality Superintendant Kelly** shared that he was the recipient of the 2025 Outstanding Member Agency Project Award for Community Engagement in Wastewater Treatment Plant Design and Construction from the Association of Clean Water Agencies (ACWA). Surprised by the honor and emphasized it reflects the entire City's collaborative efforts in building a state-of-the-art treatment plant while maintaining excellent community engagement. He extended invite to visit the Wastewater Treatment Plant.

COUNCIL COMMUNICATION

- **Councilor Bartholomew** shared he is active in sharing Library events.
- **Councilor Gilmer** had no report.
- **Councilor Shankle** shared she attended Music in the Park and urged more people to attend as it was a great event.
- **Councilor Childress** shared Celebrate Molalla will be on August 23rd and noted all the great things scheduled.
- **Council President Vermillion** shared an idea granddaughter of Member Sheaves, Leli, had to invite more youth to attend CPC meetings, while the youth attending could not vote, they may propose ideas.
- **Mayor Keyser** reported that the City successfully made it through Fourth of July celebrations without incident. He announced plans to put the continuation of the Parks CPC on the August 27th agenda for discussion, as there's limited work remaining with current park funding. Mayor then addressed the need for a City lobbyist representation in Salem, noting that during the recent legislative session, LOC supported ODOT funding that the majority of Molalla residents opposed, and Senate Bill 974 eroded City authority by removing Planning Commission hearing powers without support from LOC or OMA. Mayor proposed discussing shared lobbyist representation with similarly aligned cities like Canby, Estacada, and Sandy to have council-driven representation; further noting the City cannot depend on LOC or OMA to make appropriate decisions for their interests.

For the complete video account of the City Council Meeting, please go to YouTube
[“City of Molalla | Oregon -July 23, 2025”](#)

ADJOURN

Mayor Keyser adjourned the meeting at 8:40 PM.

Scott Keyser, Mayor

PREPARED BY:

ATTEST:

Crystal Robles, Deputy City Recorder

Christie Teets, CMC - City Recorder

Attachments:

- Public Comment – Rob Wolfson
- Public Comment – Jim Gilbert
- Resolution No. 2025-19: Adopting the Purchase and Sale Agreement for Fox Park and Hezzie Lane Right-of-Way

From: [Christie Teets](#)
To: [Robb Wolfson](#); [City Recorder](#); [Community Planner](#); [Dan Zinder](#)
Subject: RE: Molalla Efficiency Measures, ORD 2025-07
Date: Tuesday, July 22, 2025 12:55:41 PM
Attachments: [image002.png](#)

Hi Robb,

I am in receipt of your testimony and will share with City Council. This message will also become Public Record for the July 23rd City Council Meeting Minutes.

Kind Regards,

Christie Teets, CMC

City Recorder

City of Molalla | 117 N. Molalla Ave. | Molalla, OR 97038

Phone: 503.759.0285

www.cityofmolalla.com



DISCLOSURE NOTICE: This email is official business of the City of Molalla and is subject to Oregon Public Records Law.

From: Robb Wolfson <robb@friends.org>
Sent: Tuesday, July 22, 2025 10:07 AM
To: City Recorder <recorder@cityofmolalla.com>; Community Planner <communityplanner@cityofmolalla.com>; Dan Zinder <dzinder@cityofmolalla.com>
Subject: Fwd: Molalla Efficiency Measures, ORD 2025-07

To: Molalla City Council

c/o: City Recorder, Christie Teets
Planning Support Specialist, Jessica Wirth
Dan Zinder, Senior Planner

Attached please find the testimony of 1000 Friends of Oregon on the city of Molalla's proposed ORD 2025-07, regarding efficiency measures, which is scheduled to be before the Molalla City Council on July 23, 2025. Please include these in the record, and include 1000 Friends on the mailing list for this and related items. Thank you.

Robb Wolfson
1000 Friends of Oregon
Legal Apprentice
robb@friends.org
he/him/his





1000 Friends of Oregon
340 SE 6th Ave, Portland, OR 97214
www.friends.org
503-497-1000

July 23, 2025

To: Molalla City Council

From: 1000 Friends of Oregon

Mary Kyle McCurdy, Associate Director and Robb Wolfson, Legal Apprentice

Subject: Proposed Efficiency Measures Ordinance, ORD 2025-07

Following are the comments of 1000 Friends of Oregon on the city of Molalla's proposed efficiency measures to address needed housing capacity inside its urban growth boundary (UGB). While we support the proposed actions as good first steps, for the reasons stated below, we find they are not sufficient to meet the legal requirements under Goal 14 and related statutes and administrative rules.

As required by law, Molalla inventoried the land inside its UGB to determine whether adequate development capacity exists to accommodate its current and projected needs, including on vacant and redevelopable land. The City conducted a Housing Needs Analysis (HNA) and Housing Production Strategy (HPS), and proposes Ordinance 2025-07, with its accompanying Findings of Fact.

Prior to expanding its Urban Growth Boundary (UGB), the City is required by Goal 14 and related statutes, including ORS 197A.210(2), to meet the urban efficiency standards described in ORS 197A.100(3) and OAR 660-024-0050. These standards require the City to demonstrate that it has enacted efficiency measures reasonably likely to accommodate its residential housing needs over the next 20 years on land already inside its UGB. The City's proposed efficiency measures are not adequate to meet these legal requirements.

1. The City's proposed ordinance to make Alternative Dwelling Unit (ADU) approvals a Type I Review Process is a good first step, but the City must analyze how this proposed action will contribute to land efficiency and the city's housing needs over the next 20 years to comply with the state's urban efficiency requirements.

Under ORS 197A.425, Molalla is required to allow at least one ADU for each detached single-family dwelling, subject to reasonable local regulations relating to siting and design. The City's action to change ADU approvals to a ministerial Type I Review Process is consistent with state requirements already in place. 1000 Friends supports this change; it will make the City's ADU permitting process more efficient and less expensive for homeowners.

We have worked with Oregonians to enhance our quality of life by building livable urban and rural communities, protecting family farms and forests, and conserving natural areas since 1974.

Despite this positive change, the City has not met the urban efficiency standards outlined under ORS 197A.210(2), 197A.100(3), and OAR 660-024-0050. Importantly, it is questionable this meets the efficiency measure requirement, given that the City was already required by statute to allow ADUs on land zoned to allow single detached dwellings.

Assuming it could be an efficiency measure, the City must demonstrate how this action is reasonably likely to increase land efficiency and accommodate some part of the City's housing need on land already inside its UGB. The City must provide an analysis of the current amount of ADUs, the remaining amount of properties that are eligible to build ADUs, a reasonable estimate of the total amount of ADUs likely to be constructed over the next 20 years resulting from this proposed action, and the impact this would have on the City's housing needs (both in terms of the amount of people and income categories that might be served).

Neither the City's HNA¹ nor its HPS² provided this analysis. In the proposed ordinance the City noted that ADUs "could account for some of the gap in available housing for 80% of the AMI,"³ but provided no further information. Without this analysis, it isn't possible for the City to determine how the proposed action to make ADUs a Type I review process will increase residential land efficiency and contribute to meeting the City's housing needs within its UGB.

In addition, if the City plans to rely on increased construction of ADUs to demonstrate compliance with the land efficiency requirement and to meet some part of its housing need, it should adopt actions beyond this procedural change. We recommend these additional actions the City should take to increase the likelihood that additional ADUs will be constructed, and therefore contribute to the City complying with the urban efficiency standards and meeting some of its housing need:

- Accelerate its plan to reduce system development charges (SDCs) for ADUs. The HPS determined that reducing SDCs could have a moderate impact on ADU production.⁴ However, the City's implementation timeline shows it will evaluate SDCs for five years prior to implementation in 2032.⁵ Accelerating this would allow the City to experience this moderate impact much sooner.
- Create and distribute to homeowners a guide that includes pre-approved plan sets for ADUs. Molalla could easily adapt its guide from ones already publicly distributed, such as [Oregon City's guide](#) or the [AARP's model ordinance standards](#) for ADUs. Other detailed sources for information about ADUs include: [Innovative Ways to Develop ADUs that Intentionally Help Your Community](#) and [ADUs in Oregon: How to Increase Your Property's Value and Functionality](#).

2. The City's ordinance to upzone vacant and underdeveloped industrial properties for residential and commercial uses is a good first step. However, to comply with the state's

¹ City of Molalla 2022-2042 Housing Needs Analysis, Buildable Lands Inventory. Adopted by Ordinance 2023-07 on July 26, 2023.

² Molalla Housing Production Strategy. Adopted by Resolution 2025-05 on March 19, 2025.

³ Exhibit A: Findings of Fact for ORD 2025-05. March 26, 2025. p.4.

⁴ Molalla Housing Production Strategy. Adopted by Resolution 2025-05 on March 19, 2025. p.15.

⁵ Molalla HPS, p.31.

urban efficiency requirements, the City must analyze how the upzoning will impact its housing needs over the next 20 years, and consider zoning these lands for higher residential densities.

Under OAR 660-024-0050(1), the City must inventory land inside its UGB to determine whether there is adequate development capacity to accommodate its different needs over the 20 year planning period. The City did this and determined that almost 71 acres of vacant or underutilized industrial land could be re-zoned to the following classifications:⁶

- R-1 Low Density Residential Acres: 11.35 acres gained
- R-2 Medium Density Residential Acres: 27.07 acres gained
- R-3 Medium-High Density Residential Acres: 7.15 acres
- C-2 General Commercial Acres: 19.15 acres gained
- C-1 Central Commercial Acres: 2.95 acres gained

Rezoning underutilized land from one category to other more appropriate categories to meet a city's needs is an important land efficiency action. However, some of the City's proposed rezonings are insufficient to show that the city will be efficiently using land within the existing UGB prior to expanding it.

First, the City proposes to rezone over 22 acres of industrial land to commercial use. However, the City's Economic Opportunities Analysis shows it has a deficit of only 15 acres of commercial land.⁷ The City should explain why the seven additional acres are being rezoned to commercial rather than to residential use or a mixed commercial/residential zone.

Second, the City has not estimated to what degree its proposed upzonings are reasonably likely to result in more efficient land use by increasing residential development to meet some or all of the city's housing needs over the next 20 years.

Third, the City's HNA concludes that over the 2022-2042 planning period, "future demand anticipates a greater share of medium and high-density housing compared to the current inventory."⁸ Given this conclusion, the City's proposal to rezone some surplus industrial land for low density residential use does not represent an efficiency measure that will meet the city's housing needs.

Other evidence also demonstrates the City's need for high-density housing. The HNA projected a need for 1,098 low density units, 499 medium density units, and 399 high density units over the 20-year planning period.⁹ The City then noted that 287 multifamily units in the R-3 zone have already been completed since 2022.¹⁰ Rather than seeing this as an indicator of the demand for R-3 multifamily housing and designating more land accordingly, the City stated that since the multi-unit target was nearly complete, its future emphasis will be on zoning land R-1 and R-2 for lower density housing, including through a UGB expansion.¹¹

⁶ City of Molalla Staff Report, City File DCA01-2025/ORD2025-05 Efficiency Measures. March 26, 2025. p.3.

⁷ Exhibit A: Findings of Fact for ORD 2025-05. March 26, 2025. p.3.

⁸ Ibid.

⁹ Ibid., p.4

¹⁰ Ibid.

¹¹ Ibid.

The increasing need and desire for multifamily and duplex housing in the City has a longer trend, too. According to the HNA, between 2011-2017, “70% of the residential development permits proposed multifamily or duplex housing.”¹² These trends indicate that planning for only 45% of total housing for duplexes and multifamily housing¹³ is significantly lower than the actual need, and is insufficient to meet the requirement for adopting reasonable efficiency measures prior to a potential UGB expansion.

Similar to section 1, the City has not met the urban efficiency standards¹⁴ when evaluating the upzoning of its vacant and underutilized industrial land. The City must provide a reasonable estimate of the total amount of housing likely to be constructed on these lands over the next 20 years and analyze the impact on its housing needs (both in the amount of people and income categories that might be served). Without this, it isn’t possible for the City to determine how constructing housing on this land can more efficiently meet its residential needs within its UGB and minimize expansion.

3. The City’s parking requirement for duplex housing must be modified to comply with state law.

OAR 660-046-0120(5)(a) prohibits the City from requiring more than a total of two off-street parking spaces for a duplex. However, the City currently has a minimum requirement of three off-street parking spaces for a duplex.¹⁵ The City must conform its parking code to state law, and make an assessment of the degree to which this will result in a more efficient use of land and help meet the City’s housing needs. For example, requiring excess offstreet parking, especially for a duplex, can result in a lot being unable to accommodate the duplex at all.

4. High-impact efficiency measures the City should evaluate and adopt to comply with the urban efficiency standards required by statute and rule.

Based on the housing needs documented by the HNA¹⁶ and the evidence of strong demand for medium and higher density housing, the City should take additional measures to ensure that land inside the UGB is being used efficiently prior to a potential expansion. The following moderate to high impact measures, most of which are already proposed in the City’s HPS, should be implemented expeditiously:

- Upzone more residential land for R-3 development.
- Raise the minimum density standards in its R-3 and R-5 zones to more fully utilize their capacity. Currently, land zoned R-3 and R-5 can be developed at 8-24 units and 6-24

¹² City of Molalla 2022-2042 Housing Needs Analysis, p.19.

¹³ Ibid., p.21.

¹⁴ OAR 660-024-0050

¹⁵ City of Molalla, Title 17 Development Code, Molalla Development Code Title 17, [Table 17-3.5.030.A Automobile Parking Spaces by Use](#). p.100.

¹⁶ Molalla Housing Production Strategy. Adopted by Resolution 2025-05 on March 19, 2025. p.3-4.

units per acre, respectively. These are large spreads, and means properties within these classifications could be developed at only 25%-33% of their potential capacity. Similar cities have set higher minimum standards for their high-density or multi-family dwelling zoning classifications:

- o Stayton=13 units¹⁷
 - o McMinnville=14 units¹⁸
 - o Canby=14 units¹⁹
 - o Estacada=15 units²⁰
 - o Woodburn=19 units²¹
- Accelerate adopting cottage cluster standards sooner than 2030.
 - Update the development code to define a small dwelling unit as less than 2000 square feet and allow their construction on smaller lots than currently permitted.
 - Accelerate adopting a sliding SDC fee schedule based on dwelling size sooner than 2031.
 - Defer collecting residential SDCs until the certificate of occupancy is issued.
 - Implement a Construction Excise Tax to fund developer incentives and other programs that support the development of high-density housing within the City's Urban Renewal Area.

5. Molalla should base its housing, land, and UGB needs on the most accurate and recent population and housing projections.

Because the City began its HNA in 2022, it used the population forecast available at that time from the Portland State University Population Research Center (PSU). This forecast, from 2020, projected a population increase of 5,432 people by 2042. However, PSU's most recent forecast, from 2024, significantly revised that projection downward. This more accurate forecast projects population growth of approximately 3000 persons by 2042, a decrease of almost 50%.²²

The Oregon Housing Needs Analysis (OHNA) housing allocations came out in December 2024 and are based on PSU's 2024 population forecast.²³ The City concluded it has a 20-year housing deficit of 1,576 units, based on the outdated population forecast.²⁴ However, based on the

¹⁷ City of Stayton Chapter 17.16 Zoning. p.16-8.

¹⁸ City of McMinnville Title 17 Zoning, Section 17.22.005. p.145.

¹⁹ City of Canby, Zoning/Development Code, Section 16.20.030(A).

²⁰ City of Estacada Municipal Code, Chapters 16.24 and 16.60.70

²¹ Woodburn Development Ordinance, Section 2.02, Nodal Medium Density Residential p.61.

²² See, e.g., PSU's population projections for [UGBs in Clackamas County](#). PSU's reduced projection is understandable, given the challenges to conduct the census during Covid and the changes to population patterns post-Covid.

²³ Dept of Administrative Services, [Oregon Housing Needs Analysis Methodology](#), Dec. 2024.

²⁴ Exhibit A: Findings of Fact for ORD 2025-05. March 26, 2025. p.3.

OHNA report, the state's official projection of total housing need for Mollala over the next 20 years is 1,152 units,²⁵ a significant reduction.

The City can and should use the most recent PSU population forecast and OHNA housing need allocation, for the following reasons:

- Correlating the City's most updated and accurate population growth projection with its projected housing needs is the most important efficiency measure the City can and should take; it would result in a more efficient use of the City's existing land supply.
- The City is surrounded by some of the most productive farm land in the state, and consuming it needlessly would adversely impact the area's agricultural industry.
- Relying on more accurate population and housing projections does not mean the City needs to undo or significantly revise any of its work to date. The efficiency measures the City proposes in its HPS are still worthwhile to meet the diverse housing needs of its current and future residents.
- It is an inefficient use of land, infrastructure, and scarce public funds (e.g., for construction and maintenance of road, sewer, water systems) to expand the UGB to include land the city will not need to accommodate growth.

²⁵ [OHNA Methodology Report](#), p. 55.

From: [Christie Teets](#)
To: [Jim Gilbert](#); [City Recorder](#)
Cc: [Corwin DiMeo-Ediger](#)
Subject: RE: Testimony for July 25 Public Meeting
Date: Tuesday, July 22, 2025 12:53:20 PM

Hi Jim,

I am in receipt of your message. Time will be made available during the Public Hearing portion of the meeting to address City Council.

When you enter Council Chambers, please sign in, and complete a Public Comment form, listing Item 7A as the topic you wish to speak.

Council Chambers are located at the Civic Center, 315 Kennel Ave. Tomorrow's meeting is scheduled to begin at 7:15pm.

Kind Regards,

Christie Teets, CMC

City Recorder

City of Molalla | 117 N. Molalla Ave. | Molalla, OR 97038

Phone: 503.759.0285

www.cityofmolalla.com



DISCLOSURE NOTICE: This email is official business of the City of Molalla and is subject to Oregon Public Records Law.

From: Jim Gilbert <jgilbert@oregonsbest.com>
Sent: Monday, July 21, 2025 8:28 PM
To: City Recorder <recorder@cityofmolalla.com>
Cc: Corwin DiMeo-Ediger <corwinjde@gmail.com>
Subject: Testimony for July 25 Public Meeting

Hello, I submitted the written testimony below for the June 20, City Council meeting. I would like present it verbally at the upcoming meeting on July 23.

Thank you, Jim Gilbert

Date: June 20, 2025

To: Molalla City Council, Planning Commission and Interested Parties

Subject: Use the 2024 PSU Population Forecast to plan for future growth

You are currently using the PSU population forecast numbers from 2020 to plan for

an increase in population of 5,432 people by 2042. Those numbers were revised in the 2024 PSU population forecast, which reduced the projected population growth to 2,932 in that same time period, a decrease of 2,500 people or almost 50%. It is important that you use this revised forecast for the following reasons:

1. Reduced infrastructure cost: Using the more realistic 2024 population forecast will save taxpayers thousands of dollars in the cost of new sewers, roads, water lines and other infrastructure.

2. Lessen the impact on water supply: Water flow in the Molalla River, the sole source of water for the city, is already severely depleted in the fall, threatening city residents with water use restrictions and hurting wildlife and the environment. Using the 2024 figures will reduce the negative consequences of increased water use from the river.

3. Less highway congestion: As most Molalla residents drive elsewhere to work, our roads are already overcrowded and especially congested during rush hours. Using the revised forecast numbers and planning for more realistic population growth will help avoid even more difficult traffic conditions.

4. Protecting our fertile farmland and rural landscape: Using the 2024 population forecast numbers will eliminate the need to expand the Urban Growth Boundary and avoid the paving over of farmland, an important part of our local economy which feeds us all and contributes to our rural quality of life.

Thank you,

Jim Gilbert and Lorraine Gardner

Northwoods Nursery
28696 S. Cramer Rd.
Molalla, OR 97038
wk. 503-651-3737
cell 503-502-6925
www.northwoodsnursery.com

An Oregon Story - *Saving Our Beaches, Farmland & More*
Watch & Share the Film: <https://www.anoregonstory.com/oregon-story-film>

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RESOLUTION NO. 2025-19

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
ADOPTING THE PURCHASE AND SALE AGREEMENT FOR FOX PARK AND
THE HEZZIE LANE RIGHT-OF-WAY**

WHEREAS, The City of Molalla has occupied and used a portion of the property at 425 S Molalla Ave., known as Fox Park for over 20-years; and

WHEREAS, The property at 425 S Molalla Ave. is owned by the Molalla River School District; and

WHEREAS, The City of Molalla owns Right-of-Way bisecting the Elementary and Middle School Properties owned by Molalla River School District; and

WHEREAS, It is in the best interest of the Molalla Community to obtain fee simple ownership of the Fox Park Property; and

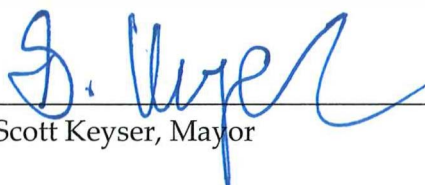
WHEREAS, Molalla River School District has agreed to trade the Fox Park property to the City of Molalla in exchange for the Hezzie Lane Right-of-Way.

Now, Therefore, the City of Molalla Resolves:

Section 1. The Molalla City Council agrees to the terms of the Purchase and Sale Agreement attached hereto as Exhibit A and incorporated herein by reference; and authorizes the City Manager to complete the processes and sign the necessary documents to perfect the agreement.

Section 2. Effective Date. This Resolution shall be effective upon adoption.

Signed this 23rd day of JULY 2024.



Scott Keyser, Mayor

ATTEST:



Christie Teets, CMC
City Recorder

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered into as of the last date of signature indicated below (the “Effective Date”), by and between MOLALLA RIVER SCHOOL DISTRICT, an Oregon public school district (“MRSD”), and the CITY OF MOLALLA, an Oregon municipal corporation (“City”), collectively referred to herein as the “Parties”.

RECITALS

WHEREAS, MRSD is the owner of approximately 5.60 acres of real property (the “Property”), a portion of which is commonly known as Fox Park (“Fox Park”), located on and within Assessor’s Parcel No. 01098680, in the City of Molalla, County of Clackamas, State of Oregon, and as described and generally depicted in the attached *Exhibit A*; and

WHEREAS, the City currently leases that portion of the Property known as Fox Park from MRSD pursuant to that certain Lease Agreement by and between MRSD and the City for a term beginning December 1, 2024 through December 1, 2074 (the “Lease”); and

WHEREAS, a portion of undeveloped right of way, which is a part of a roadway commonly known as Hezzie Lane, located from the north boundary of North Valley Drive, to the south boundary of Lynn Lane, in the City of Molalla, County of Clackamas, State of Oregon and dividing the properties utilized by MRSD for the Molalla Elementary School, Assessor’s Parcel No. 01091918 (the “Elementary Property”) and the Molalla River Middle School, Assessor’s Parcel No. 01091794 (the “Middle School Property”), is described in the attached *Exhibit B* (“Hezzie Lane”); and

WHEREAS, the City desires to purchase from MRSD, and MRSD desires to sell and convey to the City, all right, title and interest in that portion of the Property that constitutes Fox Park in exchange for the City’s vacation of Hezzie Lane in accordance with the terms of ORS 271; and

WHEREAS, the Parties wish to enter into this agreement to govern the terms and conditions of the Fox Park – Hezzie Lane transaction; and now, the Parties do hereby agree as follows:

TERMS

1. **Conveyance.** MRSD agrees to convey to the City all rights and title in that portion of the Property referred to herein as Fox Park upon completion of the obligations and conditions as set forth in this Agreement.

2. Closing.

2.1. Closing Date. This transaction shall close no later than the later to occur of: (a) thirty (30) days after the City has approved the creation of Fox Park as a separate legal lot from the remainder of the Property that can be legally conveyed under Oregon law, by partition or other land use action, (b) thirty (30) days after the City's notice stating that it is satisfied with the condition of Fox Park pursuant to Section 3.9 of this Agreement; and (c) thirty (30) days after the City's land use approval required by Section 3.3 of this Agreement ("Closing Date"). Each party may extend the Closing Date one time by up to fourteen (14) days if that extension is required by causes beyond the Party's reasonable control.

2.2. Manner and Place of Closing. This transaction will be closed by Chicago Title of Oregon 10151 SE Sunnyside Rd. #300, Clackamas, OR 97015, (the "Title Company"). Closing must take place in the manner and in accordance with the provisions set forth in this Agreement.

3. Conditions Precedent to Closing.

3.1. Approval. Prior to Closing but not later than thirty (30) days after the City's approval of the creation of Fox Park as a separate legal lot, conveyance of Fox Park must be approved by the Molalla City Council and the MRSD School Board as further described in their respective bylaws. After such date, a Party's termination of this Agreement for the sole reason that the Agreement has not been approved by such Party's governing body (the City Council or School Board, as applicable), shall not be a failure of a condition precedent that permits such Party to terminate this Agreement without subjecting the terminating Party to liability under Section 9.

3.2. Vacation. Prior to Closing, the City shall vacate the roadway herein referred to as Hezzie Lane in accordance with the procedures provided under ORS 271.

3.3. Land Use Approval. Prior to Closing, the City will have issued a land use approval for the District's project for a new middle school on or adjacent to the Middle School and Elementary School Properties, as set forth in Land Use File Number SDR02-2025, which does not require the dedication of real property, or require to be constructed streets, sidewalks, trails, or other infrastructure or improvements, that would materially separate the Elementary School Property and Middle School Property. In connection with the land use approval required by this Section 3.3, the City will state in a document, which can be recorded by the District in the official records of Clackamas County, that: (a) it is the intent of the present City Council that the City will not take any actions or impose any future requirements on the District that would materially separate the Elementary School Property and the Middle School Property so long as such properties are used as one or two (but not more than two) school sites, and (b) in connection with any future proposed development of the Elementary school and Middle School Properties by the District to a use other

than as described in clause (a), the City will negotiate in good faith with the District to avoid requiring any actions as a part of such development that would materially separate the Elementary School Property and Middle School Property.

3.4. Partition. Prior to Closing, MRSD shall partition Fox Park from the Property in substantially the configuration depicted in the attached *Exhibit C* in accordance with Title 17 of the Molalla Municipal Code. The City will provide the technical expertise of the City's staff or (at the Parties' shared expense) consultants to complete the partition process, including, without limitation, engaging all technical non-legal professionals (including without limitation, a surveyor). The legal description created by the surveyor as part of the partition process will be utilized by the parties for the purposes of closing and will supplement Exhibit C to this Agreement without further action by the Parties. The City shall coordinate review and input into the partition application with MRSD prior to MRSD's submission to the Molalla Community Development Department. Subject to MRSD's reasonable review and comment, MRSD will promptly review, comment upon, and, upon approval, execute, all documents required in connection with completing the partition, including, without limitation, those prepared by City staff and its retained professionals. To the extent allowed under state and local law, all governmental authorizations and land use approvals required in connection with the vacation, the partition, and any other land use action under contemplated by this Agreement shall be expedited to the best of the Parties' abilities.

3.5. Easement and Maintenance Agreement. Prior to Closing, the Parties shall enter into an easement and maintenance agreement over those portions of Tax Lot No. 01091918 that will best allow for shared access to the parking lot running adjacent to Fox Park, as depicted in the attached *Exhibit D*. The easement agreement shall: 1) include provisions for the shared ongoing maintenance of the parking lot; and 2) be recorded in the deed records of Clackamas County, Oregon, concurrent with Closing. The form of easement and maintenance agreement is set forth in the attached *Exhibit E*. In addition, the Parties agree to enter into additional easements, to made upon the partition plat for Fox Park, pursuant to a separate easement in substantially the same form as the utility easement portions of *Exhibit E*, or in a form otherwise mutually agreed between the Parties to accommodate existing utilities that currently serve the Property as generally set forth in *Exhibit F*, which will no longer exist on the property being served once the partition contemplated by Section 3.4 occurs. To the extent such utilities are shared by the Parties, such easements will include cost sharing mechanisms for maintenance, repair and replacement of the utilities.

3.6. Condition of Fox Park Through Closing. To the extent within the control of MRSD and subject to the Lease between the Parties, MRSD hereby agrees to: (a) allow the City to maintain Fox Park in substantially the same condition as it was on the Effective Date, reasonable wear and tear excepted; (b) keep all existing insurance policies affecting Fox Park in full force and effect; (c) make all regular payments of interest and principal on any existing financing; (d) comply with all

government regulations; and (e) keep the City timely advised of any repair or improvement required to keep Fox Park in substantially the same condition as it was on the Effective Date.

3.7. City's Title Review. Within fifteen (15) days after the Effective Date, the City shall order from the Title Company a preliminary title report on Fox Park, along with legible copies of all plats and exceptions documents referenced in such report (the "Title Report").

- 3.7.1. The City will have thirty (30) days following its receipt of the Title Report to review the Title Report and give MRSD written notice of the exceptions listed in the Title Report that are unacceptable (the "Unacceptable Exceptions") to the City (the "Title Notice"). If the City fails to provide the Title Notice within such 30-day period, all title exceptions are deemed approved, subject to the requirement to convey marketable title.
- 3.7.2. No later than fifteen (15) days after receipt of the Title Notice, MRSD shall give the City written notice (the "Title Response") specifying which Unacceptable Exceptions MRSD will remove, if any. If MRSD agrees to remove any Unacceptable Exceptions, MRSD shall be obligated to do so at its cost on or before the Closing. If MRSD fails to provide the Title Response within such 15-day period, MRSD is deemed not to have agreed to remove any of the Unacceptable Exceptions.
- 3.7.3. If MRSD declines to remove any of the Unacceptable Exceptions, then the City shall give MRSD written notice ("City's Election") of its election to either: (i) terminate this Agreement, or (ii) waive the City's objections to the Unacceptable Exceptions that MRSD has not agreed to remove and proceed with Closing. The City shall deliver City's Election no later than seven (7) days after receipt of the Title Response or the expiration of MRSD's response period. If the City fails to deliver City's Election within such 7-day period, the City is deemed to have elected to terminate the Agreement under subsection 3.6.3(i) above.
- 3.7.4. If MRSD fails to eliminate any Unacceptable Exception which it has agreed to remove before or at the Closing Date, then the City may, without limiting any of its otherwise available remedies, elect to either (a) accept title to Fox Park subject to such exceptions, (b) refuse to accept Fox Park and terminate this Agreement in accordance with Section 9 herein, or (c) extend the Closing Date for a period of forty-five (45) days to provide MRSD with additional time to remove such exceptions. If the City elects option (c) and at the end of the 45-day period such exceptions have not been removed, the City may then elect to proceed in accordance with either option (a) or (b) described above.
- 3.7.5. The City may terminate this Agreement if the Title Company revises the Title Report to add exceptions that are materially adverse to the City or modifies a title exception in a manner that is materially adverse to the City, if within ten (10) business days after the City's receipt of the revised Title Report, the City notifies MRSD that such additions or modifications are not acceptable to the City and MRSD fails to take such action to

cause such additions or modifications to not be shown on the Title Policy at the Closing.

- 3.7.6. For the avoidance of doubt, any exception to the Title Report created by or through the City on its own accord and not due to or in response to an action of another party shall not be an Unacceptable Exception.

3.8. MRSD's Delivery of Documents. Within fifteen (15) days after the Effective Date, MRSD shall deliver to the City the following, to the extent within MRSD's possession and control and created on or after July 1, 2005 (the "Due Diligence Documents"): copies of (a) all environmental data, studies, analyses, and reports relating to Fox Park or any neighboring property, including the remainder of the Property, (b) any existing survey of Fox Park or the Property, (c) any existing leases, other than the Lease, boundary agreements, road maintenance agreements, or other contracts relating to all or a portion of Fox Park or the Property that could reasonably materially affect Fox Park or the City's use or ownership thereof, (d) all topographical, geotechnical, wetlands, soils, and groundwater reports, or any other professional reports relating to Fox Park or the Property, (e) any well logs or water right certificates or permits relating to Fox Park or the Property, and (f) copies of any government permits, land use approvals or conditions, or zoning restrictions affecting Fox Park or the Property that could reasonably materially affect Fox Park or the City's use or ownership thereof. If MRSD knows of the existence of any material information and documentation pertaining to Fox Park or the Property that are not in MRSD's possession or control that could reasonably materially affect Fox Park or the City's use or ownership thereof, MRSD shall notify the City of the existence of such information within fifteen (15) days after the Effective Date or two (2) business days after learning of such information. Should MRSD fail to timely provide the City with the Due Diligence Documents, the Due Diligence Period shall be extended by one (1) day for each day of delay in delivering the Due Diligence Documents so that the City may have adequate time to review such additional documentation.

3.9. Property and Environmental Inspections. The City and its agents, including but not limited to consultants, surveyors, engineers, home inspectors, appraisers, and other professionals hired by the City, shall have the right to access Fox Park, which except as otherwise provided by this Agreement shall be at City's sole cost and expense, to conduct environmental studies (including but not limited to Phase I and Phase II Environmental Site Assessments), structural inspections, sewer and septic system sampling, asbestos and lead testing, and any other due diligence the City deems necessary, provided that the City shall not perform any drilling, coring, or other invasive testing without MRSD's prior written consent, not to be unreasonably, withheld, conditioned, or delayed. MRSD shall cooperate with the City in making such inspections, but shall not be obligated to incur any cost or expense for making Fox Park available. Any area disturbed by the City's inspections shall be restored by the City, at the City's sole cost and expense, to its pre-inspection condition. The City shall indemnify, hold harmless, and defend MRSD from all liens, liability, damages, costs, and expenses, including reasonable attorneys' fees and experts' fees, arising from or relating to the

City's or its agents', contractors' or consultants' entry on and inspection of Fox Park. This agreement to indemnify, hold harmless, and defend MRSD shall survive Closing or any termination of this Agreement. The City shall have ninety (90) days from the Effective Date (the "Due Diligence Period") in which to physically inspect Fox Park and to satisfy itself, in its sole and absolute discretion, with its review of the Due Diligence Documents and the results of the City's inspections of Fox Park conducted pursuant to this Section and Section 3.8 above. On or before the expiration of the Due Diligence Period, the City shall provide written notice to MRSD that either: (i) it is satisfied with the condition of the Fox Park and elects to proceed to Closing; or (ii) it is not satisfied with the condition of Fox Park. If the City notifies MRSD prior to end of the Due Diligence Period that the City is not satisfied with Fox Park due to the results of its due diligence and inspections, the Closing Date will be automatically extended for a period of forty-five (45) days so that MRSD and the City may address such results. If at the end of the 45-day period, the City and MRSD have not reached an agreement regarding the issues disclosed as a result of such due diligence and inspections, the City and MRSD may mutually agree to extend the Closing Date for an additional length of to address such results to the City's satisfaction, or the City may, in its discretion terminate this Agreement and require re-dedication of the Hezzie Lane right of way, if it has already been vacated. If the City fails to provide MRSD with written notice of the City's election on or before the expiration of the Due Diligence Period, the City shall be deemed to not be satisfied with the condition of Fox Park.

4. Deliveries to the Title Company.

4.1. By MRSD. On or before the Closing Date, MRSD shall deliver the following into escrow with the Title Company:

4.1.1. *Deed.* A Statutory Special Warranty Deed (the "Deed"), duly executed and acknowledged in recordable form by MRSD, conveying Fox Park to the City subject to only those exceptions accepted by the City pursuant to Section 3.7. The Title Company's usual, preprinted exceptions (typically listed as general exceptions 1-5 on the Title Report) shall not be listed as exceptions on the Deed.

4.1.2. *Proof of Authority.* Such proof of MRSD's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company and/or the City.

4.1.3. *Easement and Maintenance Agreement.* A fully executed Easement and Maintenance Agreement in substantially the same form as set forth in *Exhibit E*.

4.1.4. *Lease Termination.* A fully executed termination of the Lease (or amendment terminating the Lease as to Fox Park) in mutually agreeable form.

4.1.5. *Other Documents.* Such other fully executed documents and funds as are required of MRSD to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

4.2. By the City. On or before the Closing Date, the City shall deliver the following into escrow with the Title Company.

4.2.1. *Easement and Maintenance Agreement.* A fully executed Easement and Maintenance Agreement in substantially the same form as set forth in *Exhibit E*.

4.2.2. *Proof of Authority.* Such proof of the City's authority to enter into this Agreement and consummate the transaction contemplated hereunder, as may be reasonably required by the Title Company and/or MRSD.

4.2.3. *Lease Termination.* A fully executed termination of the Lease (or amendment terminating the Lease as to Fox Park) in mutually agreeable form.

4.2.4. *Other Documents.* Such other fully executed documents and funds as are required of the City to close the sale in accordance with this Agreement, including (without limitation) escrow instructions.

5. **Delivery at Closing.** At Closing, MRSD shall deliver to the City: (i) exclusive possession of Fox Park; and (ii) keys to any improvements and personal property located on Fox Park not already in the City's possession.

6. **Title Insurance.** At Closing, MRSD shall cause the Title Company to issue to the City a standard ALTA owner's title insurance policy in the amount of eight hundred and ten thousand dollars \$810,000.00, or in such lesser amount as the Title Company will insure, insuring fee simple title vested in the City or its nominees, subject only to those exceptions permitted under Section 3.7 of this Agreement (the "Title Policy"). For the avoidance of doubt, the cost of the Title Policy shall be shared by the City and MRSD.

7. **MRSD's Representations and Warranties.** MRSD hereby warrants and represents to the City the following matters and acknowledges that they are material inducements to the City to enter into this Agreement. These representations and warranties shall survive Closing for a period of two (2) years. Notwithstanding any of the provisions of this Agreement, or any rights which the City might otherwise have at law, equity or by statute, whether based on contract or some other claim, the City agrees that any liability of MRSD to the City will be limited to amount of out-of-pocket expenses that the City directly incurred in resolving the matter that arose due to MRSD's breach of the

following representations and warranties, provided (a) MRSD's obligation to reimburse the City shall under no circumstances whatsoever exceed Two-Hundred Fifty Thousand Dollars (\$250,000) (the "Liability Cap"); and (b) no claim by the City alleging a breach by MRSD of any representation or warranty of MRSD contained in this Section 7 may be made, and MRSD shall not be liable for any judgment in any action based upon any such claim, unless and until such claim, either alone or together with any other claims by the City alleging a breach by MRSD of any such representation or warranty is for an aggregate amount in excess of Ten Thousand Dollars (\$10,000) (the "Floor Amount"), in which event MRSD's liability respecting such claim or claims shall be for the entire amount thereof, subject to the limitation set forth in clause (a) above; provided, however, that if any such liability is for an amount that is less than or equal to the Floor Amount, then MRSD shall have no liability with respect thereto. Nothing in this Section 7 shall relieve MRSD from liability and neither the Liability Cap nor the Floor Amount shall apply in the event a court of competent jurisdiction determines that MRSD committed actual fraud hereunder. MRSD warrants and represents to the City that the following matters are true and correct, and will remain true and correct through Closing:

7.1. Authority. Subject to MRSD's receipt of School Board approval under Section 3.1 above, MRSD has full power and authority to enter into this Agreement (and the persons signing this Agreement for MRSD has full power and authority to sign for MRSD and to bind it to this Agreement) and, upon the creation of Fox Park as a separate legal lot that may be conveyed under Oregon law to sell, transfer, and convey all right, title, and interest in and to Fox Park in accordance with this Agreement. Except in connection with the creation of Fox Park as a separate legal lot that may be conveyed under Oregon law, no further consent of any partner, shareholder, creditor, investor, judicial, or administrative body, governmental authority, or other party is required.

7.2. Hazardous Substances. For purposes of this Agreement, the term "Hazardous Substances" has the meaning defined in and includes those substances set forth in ORS 465.200. Except as otherwise specifically affirmatively disclosed by MRSD in writing, to MRSD's knowledge:

7.2.1. MRSD has not brought onto, stored on, buried, used on, emitted or released from, or allowed to be brought onto, stored on, buried, used on, emitted, released from, or produced or disposed of, from, or on Fox Park, any Hazardous Substances in violation of any environmental laws of the federal or state government.

7.2.2. No underground storage tanks are located on Fox Park, including (without limitation) any storage tanks that may have at one time contained any Hazardous Substances.

7.2.3. Fox Park is materially in compliance with applicable state and federal environmental standards and requirements affecting it.

7.2.4. MRSD has not received any notices of violation or advisory action by regulatory agencies regarding environmental control matters or permit compliance with respect to Fox Park.

7.2.5. MRSD has not transferred, and no other person has transferred, Hazardous Substances from Fox Park to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements.

7.2.6. There are no proceedings, administrative actions, or judicial proceedings pending or, contemplated under any federal, state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment.

Notwithstanding the foregoing, the City acknowledges that under the Lease, and predecessor leases, beginning with a Lease between the City and MRSD dated September 23, 1998, the City has indemnification obligations relating to the environmental condition of the Property. Nothing in this Section 7.2 shall reduce the obligation of the City to indemnify, hold harmless, and defend MRSD to the fullest extent required under such leases.

7.3. Encroachments. Except as otherwise specifically affirmatively disclosed by MRSD in writing, to MRSD's knowledge: (a) all structures and improvements which are located on the portion of the Property intended to be partitioned as Fox Park including any driveways and accessory structures, are wholly within the lot lines of the Property, (b) no existing building, structure, or improvement of any kind encroaches upon the portion of the Property intended to be partitioned as Fox Park from any adjacent property other than the Property, and (c) there are no present or past discrepancies or disputes regarding the boundaries of the Property that would materially affect the proposed boundaries of the portion of the Property intended to be partitioned as Fox Park.

7.4. Rights and Contracts Affecting Property. Except for this Agreement, the Lease, and as otherwise disclosed in the Title Report, MRSD has not entered into any other contracts for the sale, lease or encumbrance of Fox Park, nor do there exist any rights of first refusal or options to purchase Fox Park granted by MRSD. Except for this Agreement, the Lease, and as otherwise disclosed in the Title Report, MRSD has not sold, transferred, conveyed, or entered into any agreement regarding timber rights, mineral rights, water rights, "air rights," or any other development or other rights or restrictions relating to Fox Park that would materially adversely affect the City's ownership and use of Fox Park, and except as otherwise specifically affirmatively disclosed by MRSD in writing, to MRSD's knowledge, no other such rights encumber Fox Park. There are no service contracts or other agreements pertaining to Fox Park that the City will be required to assume from MRSD at Closing.

7.5. No Legal Proceedings. Except as otherwise specifically affirmatively disclosed by MRSD in writing, to MRSD's knowledge, there is no suit, action, arbitration, judgment, legal, administrative, or other proceeding, claim, lien, or inquiry pending or threatened against Fox Park or against MRSD that could (a) affect MRSD's right or title to Fox Park, (b) affect the value of Fox Park, or (c) subject an owner of Fox Park to liability.

7.6. Changed Conditions. If before the Closing MRSD discovers any information or facts that would materially change the foregoing warranties and representations, MRSD shall immediately give notice in writing to the City of those facts and information. If any of the foregoing warranties and representations ceases to be true before Closing, MRSD may, at its option, remedy the problem, at its sole expense, before Closing. If the problem is not remedied by MRSD before Closing, the City may elect to either: (a) terminate this Agreement and require that MRSD re-dedicate the Hezzie Lane right-of-way to the City if it has been vacated, or (b) extend the Closing Date for a period not to exceed forty-five (45) days or until such problem has been remedied, whichever occurs first. Should the City extend the Closing Date and the problem is not remedied within the 45-day timeframe, the City may then elect to terminate this Agreement in accordance with Section 9 herein. For the avoidance of doubt MRSD's liability under this Section 7.6 for failing to remedy a problem shall be limited to the remedies in Section 9 and MRSD shall not be liable under this Section 7 for such failure. City shall have no rights under this Section 7.6 to the extent any change in MRSD's representations and warranties under this Section 7 arises directly out of the City's use or possession of Fox Park or any other action or inaction of the City.

7.7. Limitation of Liability. To the extent that prior to Closing the City has actual present knowledge of any information that is inconsistent with any representations or warranties or that renders the same inaccurate, but Buyer does not terminate this Agreement in accordance with Section 7.6 and Section 9, then, in any such case, such representations and warranties shall be deemed modified to conform to such information unless the District, after written notification required by 7.8 and upon request from the City fails to affirmatively disclose in writing any additional information to make the representation and warranty in question accurate.

7.8. Knowledge. As used in this Agreement, "MRSD's knowledge" and similar phrases mean the present current actual knowledge of Tony Tiano, Maintenance Supervisor and Tony Mann, Superintendent, without duty of inquiry. For purposes of this Agreement, "Except as otherwise specifically affirmatively disclosed by MRSD in writing" means the actual affirmative disclosure of information that would make any representation or warranty inaccurate, and not the mere presence of such information in the Due Diligence Materials. To the extent the City has or gains actual present knowledge of any information or facts that are materially inconsistent with any representations or warranties or that renders the same inaccurate, the City shall promptly give notice in writing to MRSD of those facts and information. For the avoidance of doubt, MRSD shall be not liable under this Section 7 for a breach of any representation or warranty merely on account of such

notice from the City, except to the extent that the representation or warranty was, to MRSD's knowledge, untrue when it was made or MRSD fails to disclose additional information of which MRSD has knowledge related to such representation and warranty as required by Section 7.7.

7.9. AS-IS. The City acknowledges that the City has conducted all investigations and inspections of Fox Park as it desires. The City hereby affirms that MRSD, its agents, employees and/or attorneys have not made, nor has the City relied upon any representation, warranty or promise with respect to Fox Park or any other subject matter of this Agreement except as expressly set forth in this Agreement, including, without limitation, any warranties or representations (except as provided in this Agreement), express or implied, as to (a) the quality, nature, adequacy and physical condition of Fox Park, including, but not limited to, appurtenances, access, landscaping, topography, square footage or acreage of Fox Park, (b) the quality, nature, adequacy and physical condition of soils, geology, and any groundwater, (c) the availability, existence, quality, nature, adequacy or physical condition of utilities serving Fox Park, (d) the development potential of Fox Park, or Fox Park's use, habitability, merchantability, or fitness, or the suitability, value or adequacy of Fox Park for any particular purpose, (e) the zoning or other legal status of Fox Park or any other public or private restrictions on use of Fox Park, (f) the compliance of Fox Park or its operation with any applicable land use and zoning laws and regulations, building codes, environmental laws, or other codes, laws, regulations, statutes, ordinances, covenants, conditions, and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (g) the presence of hazardous substances or materials on, under, or about Fox Park or the adjoining or neighboring properties, (h) the quality of any labor and materials used in any improvements included as part of Fox Park, (i) the condition of title to Fox Park, (j) the existence of encroachments on Fox Park, or encroachments from Fox Park onto adjacent properties, and other matters that would be disclosed by an ALTA survey of Fox Park, or (k) the economics or profitability of the operation or development of Fox Park.

8. The City's Representations and Warranties. In addition to any express agreements of the City contained herein, the following constitute representations and warranties of the City to MRSD:

8.1. Subject to the conditions stated herein, the City has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transactions contemplated herein.

8.2. Subject to the conditions stated herein, all requisite action has been taken by the City in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated herein.

8.3. Subject to the conditions stated herein, the persons executing this Agreement and the instruments referred to herein on behalf of the City have the legal power, right, and actual authority

to bind the City to the terms and conditions of this Agreement.

9. Legal and Equitable Enforcement of this Agreement.

9.1. Default by MRSD. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by MRSD, including but not limited to failure to perform any material obligation under this Agreement, the City may exercise any or all of the following remedies: (i) terminate this Agreement, in which event the City shall be entitled to reimbursement by MRSD for all its out-of-pocket expenses not to exceed \$40,000.00 incurred in connection with the transaction and MRSD shall re-dedicate the Hezzie Lane right-of-way to the City if it has been vacated, or (ii) have the right to pursue the remedy of specific performance of this Agreement. If the City has not filed an action for specific performance within sixty (60) days after the scheduled Closing Date, the City shall be deemed to have elected remedy (i) above.

9.2. Default by the City. In the event Closing and the consummation of the transaction herein contemplated do not occur by reason of any default by the City, including but not limited to failure to perform any material obligation under this Agreement, MRSD may exercise any or all of the following remedies: (i) terminate this Agreement, in which event MRSD shall be entitled to reimbursement by the City for all its out-of-pocket expenses not to exceed \$40,000.00 incurred in connection with the transaction and shall have the right to the vacated Hezzie Lane right of way, if already vacated, or if not already vacated, the City shall promptly vacate the Hezzie Lane right of way, or (ii) have the right to pursue the remedy of specific performance of this Agreement. If MRSD has not filed an action for specific performance within sixty (60) days after the scheduled Closing Date, MRSD shall be deemed to have elected remedy (i) above.

9.3. Notice Required. Neither Party shall be deemed in default under this Agreement unless the Party is given written notice of its failure to comply with this Agreement and such failure continues for a period of thirty (30) days following the date such notice is given. This section will not be construed as extending the time by which any notice or contingency waiver must be given.

9.4. Cancellation Fees and Expenses. In the event the escrow terminates because of the City's default, the City shall pay the cancellation charges (if any) required to be paid to the Title Company. In the event this escrow terminates because of MRSD's default, MRSD shall pay the cancellation charges (if any) required to be paid to the Title Company.

10. Expenses. The Parties agree to equally share the following expenses to be paid in accordance with this Section 10, including legal fees, incurred in connection with the performance of the conditions set forth herein, unless otherwise specified in writing:

- Drafting and execution of this Purchase & Sale Agreement
- Phase I Environmental Site Assessment

- Right of Way Vacation
 - Document Preparation
 - Recording/Map Updates
- Partition
 - Preliminary Plat Application
 - Survey and Exhibits
 - County Surveyor Preliminary Review
 - Final Plat Application
 - County Surveyor Final Review
 - Survey Revision(s)
 - Recording
- Drafting and Recording of Easement and Maintenance Agreement
 - Survey & Exhibit
 - Document Preparation
 - Review(s) and Revision(s)
 - Recording
- Closing Costs/Title Company

10.1. Payment of Expenses. By the 15th day of each month after the execution of this Agreement, each Party shall provide an invoice to the other Party setting forth the expenses the invoicing Party incurred during the previous 30 days. Expenses incurred shall include any and all expenses allowable above for which the invoicing party has received a bill or an invoice from a third party. The receiving Party shall pay all undisputed charges on the invoice within 25 days of receipt.

10.2. Disputed Expenses. A Party may dispute any charge for an expense set forth on an invoice provided under Section 10.1 by providing written notice to the invoicing Party within 10 days of receipt of the invoice. Such written notice must contain the amount of the disputed charge and the reason the receiving party believes the charge is not accurate or an allowable expense. The invoicing party shall reply to the written dispute in writing within 10 days either explain why the disputed charge is accurate or allowable or correcting the charge. If the disputed charges are resolved, any unpaid expenses shall be paid by the receiving Party within 5 days. The parties shall negotiate in good faith to resolve any remaining disputed expenses. If the parties are unable to resolve any disputed expense within fourteen (14) days, the parties are free to pursue any legal remedies that may be available.

10.3. Final Expenses. Prior to Closing each Party shall include an accounting to the Title Company of any expenses that have either not been paid by a receiving Party or have not been invoiced by the invoicing Party. Such expenses shall be paid at Closing, through escrow. Any dispute related to such outstanding expenses must be resolved by the Parties prior to Closing. If such dispute is not resolved within (14) days, the parties may either (1) extend Closing to a date after which such dispute is resolved or (2) declare a breach and terminate this Agreement pursuant to Section 9.

11. **Risk of Loss.** MRSD bears the risk of all loss or damage to Fox Park from all causes, through the Closing Date (subject to any relevant provisions of the Lease). If, before the Closing Date, all or any part of Fox Park is damaged, destroyed, or otherwise made unoccupiable, MRSD shall give the City written notice of such event. The City may terminate this Agreement by giving written notice to MRSD within fifteen (15) days following receipt by the City of written notice from MRSD of such casualty and this Agreement shall thereby be terminated.

12. **Notices.** All notices required or permitted to be given must be in writing to the address set forth below and will be deemed given upon: (a) personal service; (b) deposit in the United States Mail, certified mail, return receipt requested; (c) by overnight courier, or (d) if an e-mail address is shown below, sent by electronic mail: All such notices shall be deemed given either at the time of personal delivery or, in the case of overnight courier or certified mail, upon delivery or refusal of delivery as evidenced by such carrier's receipt, or, in the case of electronic mail, when sent.

To MRSD:

Ron Stewart, Capital Projects Manager
412 S. Swiegle Avenue
PO Box 188
Molalla, Oregon 97038
Email: ron.stewart@molallariv.k12.or.us

With a copy to:

Nathaniel Levy
Miller Nash LLP
1140 SW Washington Street, Suite 700
Portland, OR 97205
Email: nathaniel.levy@millernash.com

To the City:

Dan Huff, City Manager
City of Molalla
117 N. Molalla Avenue
Molalla, Oregon 97038
Email: dhuff@cityofmolalla.com

With a copy to:

Chad Jacobs, City Attorney
Beery, Elsner & Hammond, LLP
1804 NE 45th Ave.

Portland, OR 97213
Email: chad.jacobs@behlaw.com

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manners set forth above will be effective when received by the party for whom it is intended. Telephone and fax numbers, if any, are for information only.

13. Broker or Commission. Each party represents and warrants that it has not used the services of any brokers for this transaction. In the event any person or entity asserts a claim for a broker's commission or finder's fee against one of the parties to this Agreement, then MRSD shall indemnify, hold harmless, and defend the City from and against any such claim if based on any action, agreement, or representations made by MRSD; and the City shall indemnify, hold harmless, and defend MRSD from and against any such claim if based on any action, agreement, or representations made by the City.

14. Further Actions of the City and MRSD. Subject to the rights of the City and MRSD under this Agreement, the City and MRSD agree to execute all such instruments and documents reasonably and to take all actions reasonably required pursuant to the provisions of this Agreement in order to consummate the purchase and sale contemplated and both parties shall use commercially reasonable efforts to accomplish Closing in accordance with the provisions hereof.

15. Miscellaneous.

15.1. Recording. At the City's request, the City and MRSD will execute a mutually agreeable memorandum of this Agreement, which may be recorded against Tax Lot No. Tax Lot No. 01098680 at the shared cost and expense of the Parties. At the Closing or upon the termination of this Agreement, the City will execute a commercially reasonable termination of such memorandum, the cost of which shall be borne equally by the City and MRSD.

15.2. Partial Invalidity. If any term or provision of this Agreement or the application to any person or circumstance is, to any extent, found invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances, other than those to which it is held invalid or unenforceable, will not be affected thereby, and each such term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

15.3. Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

15.4. Survival of Representations. The covenants, agreements, representations, and warranties made herein shall survive Closing and will not merge into the Deed upon recordation in the official real property records.

15.5. Representation. This Agreement was prepared by the City. Each party represents that it has had an opportunity to consult with its own legal counsel prior to executing this Agreement. MRSD waives any claim that any term or condition herein should be construed against the drafter of the Agreement. This Agreement shall be construed as if it had been prepared by both parties.

15.6. Entire Agreement. This Agreement (including any and all exhibits attached to it) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein.

15.7. Time of Essence. MRSD and the City hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision contained in this Agreement. Unless otherwise specified herein, in computing any period of time described in this Agreement, whenever a date for an action required to be performed falls on a Saturday, Sunday, or a state or federal holiday, then such date shall be extended to the following business day.

15.8. Attorney Fees. If either party fails to perform any of its obligations under this Agreement or if any dispute arises between the parties concerning the meaning or interpretation of any provision of this Agreement or to enforce this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorney fees and disbursements, whether incurred in mediation or arbitration, at trial or on appeal, or in any bankruptcy proceeding; provided, however, the amount recoverable for attorney fees shall be calculated based on the lowest partner-level hourly rate charged by any attorney representing either of the Parties.

15.9. Recitals. The statements and information set forth in the Recitals are hereby incorporated as if fully set forth herein and shall be used for the purposes of interpreting this Agreement.

15.10. Captions. The captions of the sections and paragraphs in this Agreement are used solely for convenience and are not intended to limit or otherwise modify the provisions of this Agreement.

15.11. Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement is governed by and should be interpreted in accordance with the laws of the state of Oregon.

15.12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Execution of this Agreement by the parties hereto may be evidenced by the transmission of electronic copies (including copies executed by .PDF or DocuSign), which shall have the same effect as an original.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the last date of signature specified below.

CITY OF MOLALLA:

MOLALLA RIVER SCHOOL DISTRICT:

Signature

Print Name: _____

Title: _____

Date: _____

Signature

Print Name: _____

Title: _____

Date: _____

DRAFT

Exhibit A

Legal Description of the Property

Lots 4, 5, 6, 7, 8, and 9, Block 3, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, Block 4, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, Block 5, Lots 4, 5, 6, 7, 8, and 9, Block 6, in Gregory's First Addition to Molalla, in the County of Clackamas and State of Oregon.

Together with all public streets and alley ways bordering on/and running through said lots and blocks above described heretofore vacated by the Common Council of the City of Molalla, as shown by Ordinance No. 81, Recorded July 16, 1924.

Depiction of the Property



425 S Molalla Ave, TL52E09CC07200, Parcel 01098680

4926-9932-0657.13

Exhibit B

Depiction Hezzie Lane Vacation

That portion of the undeveloped Right of Way known as Hezzie Lane from the north boundary of North Valley Drive to the south boundary of Lynn Lane as depicted below.



Exhibit C

Depiction of Contemplated Fox Park Partition



425 S Molalla Ave Partition Boundary

Exhibit D

Depiction of Easement Area



EXHIBIT E

Form of Easement and Maintenance Agreement

Attached next page.

After recording return to:

Molalla River School District
Ron Stewart, Capital Projects Manager
412 S. Swiegle Avenue
PO Box 188
Molalla, Oregon 97038

RECIPROCAL ACCESS EASEMENT AGREEMENT AND MAINTENANCE AGREEMENT

THIS RECIPROCAL ACCESS EASEMENT AGREEMENT AND MAINTENANCE AGREEMENT (this “**Easement**”), is made as of _____, 2025, by and between the CITY OF MOLALLA, an Oregon municipal corporation (the “**City**”) and MOLALLA RIVER SCHOOL DISTRICT, an Oregon municipal corporation (the “**District**”). The City and the District are collectively referred to as “**Owners**,” and each individually referred to as an “**Owner**” in this Easement.

RECITALS

A. The City is the owner of real property commonly known as Fox Park located in Molalla, Clackamas County, Oregon, Assessor’s Parcel No. [] and further described in Exhibit 1 (the “**City Property**”).

B. The District is the owner of real property located in Molalla, Clackamas County, Oregon, Assessor’s Parcel No. [01098680], and further described in Exhibit 2 (the “**District Property**,” collectively, with the City Property, the “**Properties**”).

C. Immediately before entering this Easement, the City purchased the City Property from the District.

D. Prior to the sale of the City Property from the District to the City, the District accessed parking and other improvements on the District Property through the use of a driveway from E. 5th Street that is located on the southeastern portion of the City Property and across an existing parking lot located on the eastern portion of the City Property.

E. The District desires to have, and the City is willing to provide, access from 5th Street across the City Property as further described in this Easement and parking rights on that portion of the Easement Area located on the City Property. The City desires to have and the District is willing to provide access from 5th Street across the District Property as further described in this Easement and parking rights on that portion of the Easement Area located on the District Property. Both Owners further desire to have and grant to the other utility easement

rights across the Easement Area as necessary to keep, maintain and replace existing utilities serving either the District Property or the City Property.

F. The Owners wish to provide for the maintenance of the Easement Area among the Owners.

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, by the City and the District agree as follows:

1. Grant of Access Easement.

1.1 The City hereby declares and grants a nonexclusive and perpetual access and utility easement on, over, under, and across a portion of the City Property for the benefit of the District Property and for purposes of ingress and egress to and from the District Property by pedestrians and vehicles, for parking, and for utility purposes, the area of which is fully described on Exhibit A and depicted in Exhibit C (the “**City Easement Area**”). The easement rights granted in this Section are for the benefit of the District, and its officers, directors, employees, agents, contractors, permittees, and invitees (the “**Benefited Parties**”).

1.2 The District hereby declares and grants a nonexclusive and perpetual access and utility easement on, over, under and across a portion of the District Property for the benefit of the City Property and for purposes of ingress and egress to and from the City Property by pedestrians and vehicles, for parking, and for utility purposes, the area of which is fully described on Exhibit B and depicted in Exhibit C (the “**District Easement Area**” and together with the City Easement Area, the “**Easement Area**”). The easement rights granted in this Section are for the benefit of the City and its Benefited Parties, and its officers, directors, employees, agents, contractors, permittees, and invitees.

1.3 Except as otherwise provided in this Section ~~1.3~~^{1.2}, persons who use the Easement Area have the right to park automobiles and other passenger motor vehicles in the parking areas of the City’s Property and the District’s Property (the “**Parking Areas**”) while such persons are using the District’s Property or the City’s Property. Each of the City and the District has the right to adopt reasonable rules and regulations for parking in the portion of the Parking Areas located on such entity’s own Property, and the District shall comply with such rules and regulations adopted by the City for the City Easement Area, and the City shall comply with such rules and regulation adopted by the District for the District Easement Area.

2. Restrictions and Obligations.

2.1 The District shall:

2.1.1 Use the Easement Area in accordance with all applicable laws, ordinances, rules and regulations of all applicable governmental agencies or entities; and

2.1.2 Use the Easement Area (including, without limitation, the Parking Areas) at such time and in such a manner so as not to unreasonably interfere with the City’s use of the City Property or the Easement Area.

2.2 The City shall:

2.2.1 Use the Easement Area in accordance with all applicable laws, ordinances, rules, and regulations of all applicable governmental agencies or entities; and

2.2.2 Use the Easement Area (including, without limitation, the Parking Areas) at such time and in such a manner so as not to unreasonably interfere with the District's use of the District's Property or the Easement Area.

2.3 Each Owner shall:

2.3.1 Not construct any building, store any property, or take any other action that blocks, obstructs, or interferes with flow or passage of vehicular or pedestrian traffic throughout the Easement Area, except as is reasonably required for limited periods of time for repair, restoration, or reconstruction of the Easement Area or improvements thereto or in connection with the installation, maintenance, repair, or replacement of utilities in the Easement Area; and

2.3.2 Promptly repair, at such Owner's sole cost and expense, any damage (excluding normal wear and tear), including damage to landscaping, paving, or other improvements, caused by such Owner or its Benefited Parties, to the Easement Area or the property adjacent to the Easement Area.

3. Maintenance; Improvements; Utilities.

3.1 The City shall maintain the Easement Area in reasonably good condition and repair. The District shall, within thirty (30) days after the City's request (which shall be accompanied with reasonable evidence supporting such costs), reimburse the City for fifty percent (50%) of the costs incurred by the City in connection with the maintenance and/or repair of the Easement Area, including without limitation the costs incurred by the City in connection with striping or restriping the Parking Areas and/or with paving or repaving the Easement Area. The District shall, within thirty (30) days after the City's request (which shall be accompanied with reasonable evidence supporting such costs), reimburse the City for the entire cost of repairing any damage to the Easement Area or to any other portion of the City's Property (including, without limitation, the Parking Areas) that is caused by the negligence, intentional misconduct, or other acts of the District or its Benefited Parties in connection with the use of the Easement Area by the District or its Benefited Parties. The City shall, within thirty (30) days after the District's request (which shall be accompanied with reasonable evidence supporting such costs), reimburse the District for the entire cost of repairing any damage to any other portion of the District's Property that is caused by the negligence, intentional misconduct, or other acts of the City or its Benefited Parties in connection with the use of the Easement Area by the City or its Benefited Parties. The City shall not reduce, expand, or otherwise reconfigure the parking spaces in the District Easement Area without the District's prior written consent, which may be withheld in its sole discretion. Each Owner shall give the other Owner reasonable advance notice of any anticipated work in the Easement Area.

3.2 Maintenance of the Easement Area includes normal maintenance work to adequately permit all weather access. If the Easement Area is later resurfaced, then the

replacement of pavement in the Easement Area shall be performed using the same type of material originally installed or with a substitute material of equal or better quality and durability compared to the original surfacing material.

3.3 The right of either Owner to use the Easement Area for utilities under Section 1 of this Easement includes the right to repair, maintain and install existing and new utilities in the Easement Area at the expense of the Owner whose property is being served by the utilities in question. If the an Owner's use of the Easement Area for utilities damages any other improvements in the Easement Area or on the other Owner's Property, the Owner causing the damage shall be solely responsible for the expense of repairing those improvements to at least as good of a condition that existed prior to such damage. Each Owner shall give the other Owner reasonable advance notice of any anticipated work in the Easement Area relating to utilities. The Owners will work in good faith not to schedule utility work in the Easement Area on dates when the other Owner anticipates high levels of traffic or significant use of that Owner's Property. The City shall be solely responsible for the cost of all ordinary maintenance performed on utilities and associated improvements in the Easement Area that service the City Property exclusively. The District shall be solely responsible for the cost of all ordinary maintenance performed on utilities and associated improvements in the Easement Area that service the District Property exclusively.

4. Modification and Amendment. No amendment, modification, or termination of this Easement shall be effective until the written instrument setting forth its terms has been executed and acknowledged by all of the Owners.

5. Cross Indemnity.

5.1 Subject to the limitation of liability set forth in the Oregon Tort Claims Act and the Oregon Constitution, the District agrees to indemnify, defend, and hold harmless the City and the City's Benefited Parties from and against all liabilities, damages, claims, costs, losses, obligations, actions, suits, judgments, demands, fines, and expenses whatsoever, including reasonable attorney's fees and court costs, arising out of or in any way related to (a) use of the Easement Area by the District or any of the District's Benefited Parties, or (b) the acts or omissions of the District or any of the District's Benefited Parties related to the Easement Area.

5.2 Subject to the limitation of liability set forth in the Oregon Tort Claims Act and the Oregon Constitution, the City agrees to indemnify, defend, and hold harmless the District from and against all liabilities, damages, claims, costs, losses, obligations, actions, suits, judgments, demands, fines, and expenses whatsoever, including reasonable attorney's fees and court costs, arising out of or in any way related to (a) the use of the Easement Area by the City or any of the City's Benefited Parties or (b) the acts or omissions of the City or any of the City's Benefited Parties related to the Easement Area.

6. Perpetual Effect of Easement. The easements, benefits, burdens, obligations, and restrictions created in this Easement shall create covenants, benefits, and servitudes upon the City Property and the District Property as set forth herein, and they shall run with the land and bind and inure to the benefit of the District and the City as well as each Owner's respective

successors and assigns. There are no third-party beneficiaries to this Easement and only the Owners, and each of their successors and assigns, may enforce the terms of this Easement.

7. Specific Performance; Injunctive Relief. In the event either Owner shall fail to perform any of its obligations under this Easement, the other Owner shall be entitled to require such performance by suit for specific performance or, where appropriate, through injunctive relief. Such remedies shall be in addition to any other remedies afforded under Oregon law and under this Easement.

8. Severability. If any term or provision of this Easement is found invalid or unenforceable, the remainder of this Easement will be valid and be enforced to the fullest extent permitted by law.

9. Notices. Any notice required under this Easement must be in writing and may be given to the other Owner by certified or registered mail, email, hand delivery or by overnight courier and shall be deemed to be received: (a) if given by certified or registered mail, three (3) days after being deposited in the United States mail, postage prepaid, certified mail, return receipt requested; or (b) if given by hand delivery, when delivered to the address in question; or (c) if given by an overnight courier or delivery service, the next business day following deposit with such courier. Notices shall be sent to the Owners at the addresses indicated below. Each Owner shall have the right to change its address by giving five (5) days' written notice to the other Owner.

The City: Dan Huff, City Manager
 City of Molalla
 117 N. Molalla Avenue
 Molalla, Oregon 97038

The District: Molalla River School District
 Attn: Ron Stewart, Capital Projects Manager
 412 S. Swiegle Avenue
 PO Box 188
 Molalla, Oregon 97038

10. Governing Law. This Easement shall be governed by and construed in accordance with the laws of the state of Oregon.

11. Entire Agreement. This Easement is the final and complete expression of the rights between the Owners regarding this Easement and supersedes all prior agreements regarding easements between the Owners.

12. Attorney's Fees. In the event that any party brings an action to enforce its rights hereunder, including, but not limited to, at trial, on any appeal, or while enforcing its rights in any bankruptcy proceeding, the prevailing party in such action shall be entitled to receive all costs and reasonable attorney's fees in addition to any damages to which it is due by reason of such action.

13. Recording. This Easement may be recorded by any party in the real property records of Clackamas County, Oregon.

[Signatures on following pages]

IN WITNESS WHEREOF, the Owners hereto have entered into this Easement as of the day and year first above written.

The City:

CITY OF MOLALLA,
an Oregon municipal corporation

By: _____
Name: _____
Its: _____

ACKNOWLEDGEMENT

STATE OF OREGON)
) SS
COUNTY OF CLACKAMAS)

This instrument was acknowledged before me on _____, 2025, by _____, as the _____ of the City of Molalla, an Oregon municipal corporation, on its behalf.

Notary Public for the State of Oregon
My Commission Expires: _____

IN WITNESS WHEREOF, the Owners hereto have entered into this Easement as of the day and year first above written.

DISTRICT:

MOLALLA RIVER SCHOOL DISTRICT

By: _____

Name: _____

Its: _____

ACKNOWLEDGEMENT

STATE OF OREGON)
) SS
COUNTY OF CLACKAMAS)

This instrument was acknowledged before me on _____, 2025, by _____, as the _____ of Molalla River School District, an Oregon municipal corporation, on its behalf.

Notary Public for the State of Oregon
My Commission Expires: _____

EXHIBIT 1
City Property Legal Description

[to be inserted]

EXHIBIT 2
District Property Legal Description

[to be inserted]

EXHIBIT A
Description of the City Easement Area

[to be inserted]

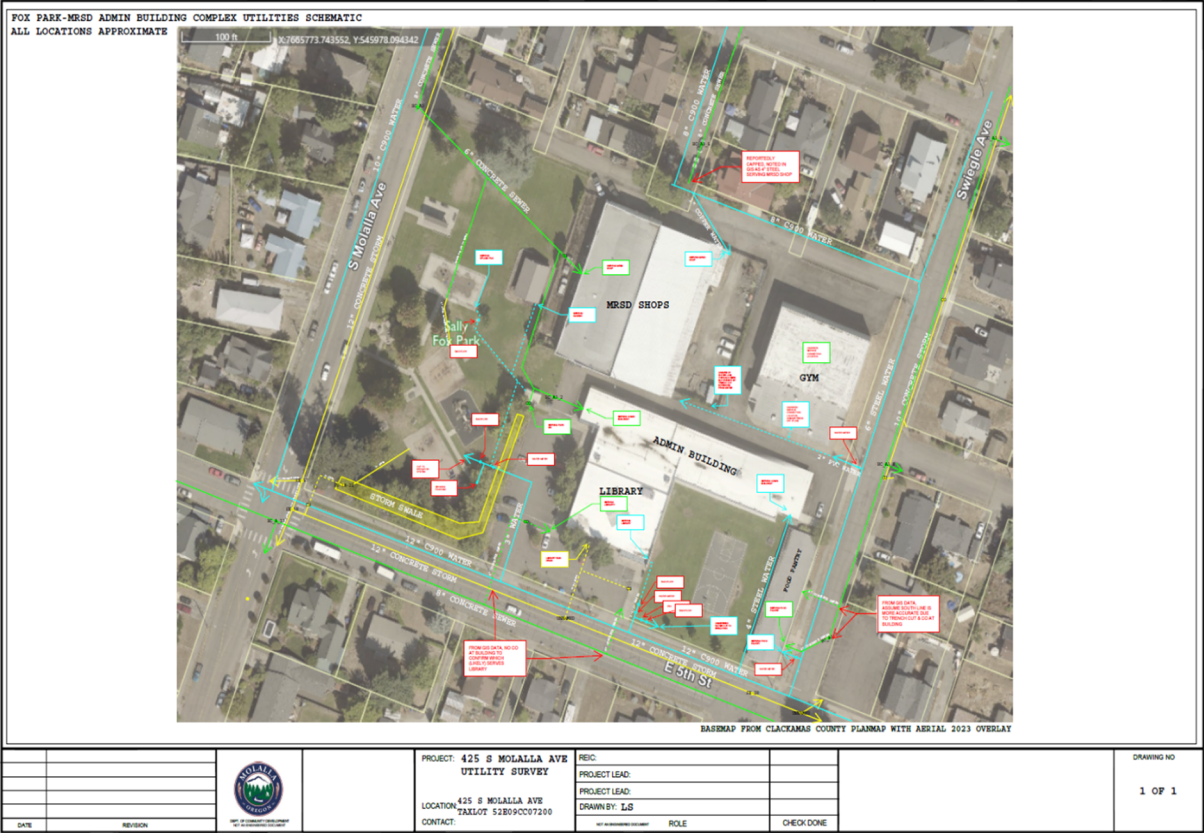
EXHIBIT B
Description of the District Easement Area

[to be inserted]

EXHIBIT C
Depiction of the Easement Area

[to be inserted]

Exhibit F Existing Utilities





CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, August 13, 2025

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Personnel Policy Update - Food & Beverage as Compensation

RECOMMENDATION/RECOMMENDED MOTION:

Approve policy as included with Consent Agenda items.

BACKGROUND:

To correct the OGEC ruling related to ORS 244.040, the City is advised to adopt a Food & Beverage Policy that acknowledge events like potlucks or an occasional employee meal as compensation. This policy also includes boards, commissions, and council members.

ATTACHMENTS:

[Food & Beverage Policy.pdf](#)

II. Classification and Compensation

N. Food and Beverage Policy

Food, beverages, activity fees and other related items provided by the City to employees, including council, commissions and committees, and any of their relatives or household members who are accompanying them during work-related events such as, but not limited to meetings, team building activities, and potlucks, are provided as part of the employee's official compensation package.



CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, August 13, 2025

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Letter of Support for DLCD Housing Planning Assistance Grant

FISCAL IMPACT: \$115,000 for UGB related planning, if awarded.

RECOMMENDATION/RECOMMENDED MOTION:

Approve with Consent Agenda.

BACKGROUND:

The attached letter is required to receive funding from the above mentioned grant.

The funds from this grant would be used to conduct a more thorough, engineered cost analysis of lands inside Molalla's UGB study area, most notably contrasting the cost to serve ideal lands to the north with the cost to serve exception lands to the south.

This effort comes in response to Council's direction to better investigate and potentially make a case for expansion to the land north of the City.

Staff has been able to work with DLCD and the Governor's Office to identify a potential misapplication of the "Impracticability of Service" standard found in Statewide Planning Goal 14. The work associated with this grant will provide an engineered analysis of the Impracticability Standard by comparing the cost of serving land in the north vs. the south and ultimately be appended to the City's Goal 14 analysis.

DLCD = Department of Land Conservation and Development

ATTACHMENTS:

[Letter of Support from Molalla City Council.pdf](#)



Molalla City Council

117 N Molalla Ave
PO Box 248
Molalla, OR 97038
Phone 503.759 .0205
www.cityofmolalla.com

August 13, 2025

Re: Letter of Support for Housing Planning Assistance Grants & Associated Projects

To Whom It May Concern:

The Molalla City Council would like to offer strong support for the City's 2025-2027 Housing Planning Assistance Grant application. The funds from this grant will support the final leg of Molalla's first UGB expansion in over 40 years. Additionally, this grant will support the State's housing production goals by allowing Molalla to better assess lands within the UGB study area for practicability of providing infrastructure and utility services.

It is notable that without this grant and the associated analyses, the true nature of the impracticability associated with lands in Molalla's study area cannot be measured, assessed, and accounted for with the level of certainty incumbent of an initiative this impactful to the City and Region.

The likely result of proceeding under the existing low-level of certainty where Goal 14 is concerned is the substantial limitation of Molalla's ability to continue meeting and exceeding its proportion of the housing production goals set by the Governor's Office.

Alternatively, this grant and the associated work products will help ensure Molalla grows in a direction that is both compliant with statewide planning goals, and best positions the city to meet its portion of housing demand in the region.

Finally, we would be remiss if we did not mention that the Governor's Office has shown a high level of support for this grant and the work associated with it. Thank you for your time and careful consideration.

Now, therefore, the Molalla City Council authorizes Mayor Scott Keyser to sign this letter of support on behalf of the Molalla City Council.

Sincerely,

Scott Keyser
Mayor of Molalla



CITY OF MOLALLA

Staff Report

Agenda Category: PUBLIC COMMENT

Agenda Date: Wednesday, August 13, 2025

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Letter to City Council - James Bobst

ATTACHMENTS:

[J. Bobst re: ORD2025-07 - Notice of Adoption.pdf](#)

[J. Bobst re: EXAMPLE - WAIVING RIGHT OF REMONSTRANCE AGAINST FARM-FORESTRY PRACTICES DOC 5-30-2014.pdf](#)

[J. Bobst re: MOLALLA CITY COUNCIL WORK SESSION STAFF REPORT 7-23-25.pdf](#)

From: [Dan Zinder](#)
To: [Mac Corthell](#); [Christie Teets](#)
Subject: FW: ORD2025-07 - Notice of Adoption
Date: Friday, August 1, 2025 1:00:49 PM
Attachments: [EXAMPLE - WAIVING RIGHT OF REMONSTRANCE AGAINST FARM-FORESTRY PRACTICES DOC 5-30-2014.pdf](#)
[MOLALLA CITY COUNCIL WORK SESSION STAFF REPORT 7-23-25.pdf](#)

Forwarding this on. Mac will respond/discuss Monday.

Best,
Dan Zinder
503.759.0226

From: James Bobst <jbobst@pacfibre.com>
Sent: Friday, August 1, 2025 12:33 PM
To: Dan Zinder <dzinder@cityofmolalla.com>
Cc: Scott Keyser <skeyser@cityofmolalla.com>; Eric Vermillion <evermillion@cityofmolalla.com>; Leota Childress <lchildress@cityofmolalla.com>; Terry Shankle <tshankle@cityofmolalla.com>; Doug Gilmer <dgilmer@cityofmolalla.com>; Martin Bartholomew <mbartholomew@cityofmolalla.com>; Dan Huff <dhuff@cityofmolalla.com>; James Bobst <jbobst@pacfibre.com>
Subject: RE: ORD2025-07 - Notice of Adoption

Hi Dan,

Thank you for your reply, below. While I appreciate the explanation provided, I remain deeply concerned about the long-term impacts that recent Urban Growth Boundary, (UGB), and zoning decisions may have on the heavy industrial operations of Pacific Fibre Products, Inc. and Lemmons Trucking.

I appreciate the Council's continued support of the current noise ordinance, particularly as it relates to industrial activity taking place on an industrially zoned property directly across from newly rezoned residential parcels. However, I would like to draw attention to a statement in the Staff Report, (attached), final paragraph of Section 1 – *Industrial/Residential Conflict Discussion* presented at the July 23, 2025, Work Session, which reads:

“Noise would have to be particularly egregious to bypass that standard into a violation.”

This language raises an important question: **How is "particularly egregious" defined, and what specific conditions would rise to the level of a violation under that standard?** Greater clarity on this point is essential for our operations to assess future risk and compliance expectations.

I also want to express appreciation for the support and understanding voiced by you and members of the City Council regarding the value of our industrial operations. However, as you are aware, positions and leadership change over time, and the voices that currently offer balance, support and protection may not always be in place. That is the moment when we become most vulnerable—particularly to complaints or legal action from adjacent residential property owners.

While I do not claim to be an attorney, I do question the current legal guidance provided to the

City, (yellow highlight in your August 1, 2025, email below). I believe it would be both practical and prudent to consider implementing a "**Waiver of Remonstrance**" that acknowledges the proximity of residential development to existing heavy industrial operations. City Planners could use such a document for future expansion, rezoning and changes to the UGB. This would be a required, formally recorded document modeled after the "*Waiver of Right to Remonstrate Against Customarily Accepted Farm or Forestry Practices*" required by Washington County, Oregon, (please see attached).

In 2014, when we constructed a 40' x 48' metal storage building on our industrial property in Cornelius—surrounded by farmland—we were required to sign such a waiver as a condition of permitting. Though the attached Document pertained to farm and forestry activities, a similar waiver could be crafted to apply to heavy industrial practices. This would ensure future landowners, developers and residential buyers / tenants are fully informed and that the City has documented evidence of such disclosure. It would also help prevent future claims of ignorance regarding proximity to industrial operations—something we know happens far too often in today's litigious environment. I respectfully request that this concept be investigated further with your legal counsel, as well as with relevant city, county, and state officials and planning authorities, to determine if such a measure is legally viable and practical for Molalla.

Additionally, since we have been granted standing for an appeal, (green highlight in your July 31, 2025 email), I would appreciate a clear explanation of the timeline and process for filing an appeal on the zoning change. Please also provide a copy of Ordinance "ORD2025-07" as I am unable to download a copy online. While I am not threatening legal action, it is critical that we fully understand our rights and the available procedural steps. We have invested millions of dollars in our industrial operations here in the City of Molalla, and we are committed to protecting our ability to operate and grow. Our continued presence contributes significantly to the local economy and provides substantial tax revenue to the City.

Please confirm receipt of this message and keep me informed on any outcomes of further discussions with City staff and the Council regarding these comments, especially if additional comments would be helpful and allowed.

Best personal regards,

James Bobst
Vice President - Corporate Relations
Pacific Fibre Products, Inc.
Lemmons Trucking, Inc.
PO Box 278 / 20 Fibre Way
Longview, WA 98632
O) 360-577-7112; D) 360-749-8042; C) 360-430-0749; F) 360-577-1362

NOTICE: This communication including any attachments may contain privileged or confidential information. If you are not the intended recipient, or believe that you received this communication in error, please advise the sender immediately and delete or destroy the communication you received without copying or disclosing the contents. Thank you.

From: Dan Zinder <dzinder@cityofmolalla.com>

Sent: Friday, August 1, 2025 9:41 AM

To: James Bobst <jbobst@pacfibre.com>

Subject: RE: ORD2025-07 - Notice of Adoption

Hi James,

Yes, your comments were included in meeting record report for the 6/25 meeting. We discussed the comments at the meeting and they were a large reason that we continued the hearing. Council advised Staff to research potential methods for mitigating residential/industrial conflicts before reaching a decision. After reaching out to our attorneys and other land use planners around Oregon, we held a work session prior to the regular session on 7/23 to discuss those findings.

Our attorneys advised that any mandated restrictions against recourse from abutting users was likely illegal but that adding clear design standards for abutting residential uses such as setbacks, parkland dedication, access points, screening, and noise canceling likely would be allowed. Council advised staff to write standards that would apply to new residential uses abutting industrial zones and we will be writing these in coming months.

Council was also advised about the current noise ordinance exception for noise generated from industrial activity in industrial zones and there was round support to maintain that.

The packet in the link below includes the draft ordinance, which was adopted.

<https://www.cityofmolalla.com/Government/Molalla-City-Council/Molalla-City-Council-Meetings/City-Council-Meeting-Agendas-Packets-Minutes/City-Council-Meeting-July-23-2025>

Best,
Dan Zinder
503.759.0226

From: James Bobst <jbobst@pacfibres.com>
Sent: Friday, August 1, 2025 8:33 AM
To: Dan Zinder <dzinder@cityofmolalla.com>
Cc: James Bobst <jbobst@pacfibres.com>
Subject: RE: ORD2025-07 - Notice of Adoption

Hi Dan,

Thank you for the update. Can you provide a copy of the newly adopted ORD2025-7? Please advise if my comments were included with regard to a deed restriction requirement and a requirement that all future owners, tenants or developers must sign a waiver, remonstrance, or some other document stating they acknowledge that an active heavy industrial operation exists and operates adjacent to their property and such an heavy industrial operation allowed and property zoned as Heavy Industrial?

Best regards,

James Bobst
VP - Corporate Relations

Pacific Fibre Products, Inc.
PO Box 278 / 20 Fibre Way
Longview, WA 98632
O) 360-577-7112; Direct) 360-749-8042; C) 360-430-0749; F) 360-577-1362

NOTICE: This communication including any attachments may contain privileged or confidential information. If you are not the intended recipient or believe that you received this communication in error, please advise the sender immediately and delete or destroy the communication you received without copying or disclosing the contents. Thank you.

From: Dan Zinder <dzinder@cityofmolalla.com>

Sent: Thursday, July 31, 2025 1:26 PM

Subject: ORD2025-07 - Notice of Adoption

Good afternoon,

As persons who provided oral or written testimony in the ORD2025-07 hearings you are granted appeals standing. Please find the notice of adoption for ORD2025-07 attached. This notice outlines the decision and appeal options. A similar notice is coming via mail.

Best,

Dan Zinder

Senior Planner, City of Molalla

117 N Molalla Ave | PO Box 248

Direct: 503.759.0226 | Office: 503.829.6855

WAIVING RIGHT OF REMONSTRANCE AGAINST CUSTOMARILY (commonly) ACCEPTED FARM OR FORESTRY PRACTICES

This Agreement and Waiver is entered into this 30th day of MAY, 20 14. This Agreement and Waiver is for the benefit of the parties hereto and Washington County, Oregon. The undersigned, being the legal owner(s) of real property hereinafter described, do hereby agree as follows:

This Agreement and Waiver shall be construed as a consent to those customarily (commonly) accepted farm or forestry practices within the vicinity of the hereinafter described property to the extent that the farm or forestry practice is allowed by County and State laws, including any applicable dimensional and use requirements.

Washington County, Oregon
06/04/2014 10:20:57 AM
D-WRF Cnt=1 Stn=21 RECORDS1
\$5.00 \$5.00 \$11.00 \$20.00 - Total = \$41.00

2014-033127

01944522201400331270010013
I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio County Clerk

FOR OFFICE USE ONLY

This Agreement and Waiver is in consideration of: C.F. 14-133-D in the R-IND District and is required by the Community Development Ordinance of Washington County relating to Land Use.

The property subject to this Waiver of Remonstrance is described as Map # IN3 20 Tax Lot # 1300, 0700, 0701 and is more particularly described as (metes and bounds):

For legal duxcription see - document 1997-120

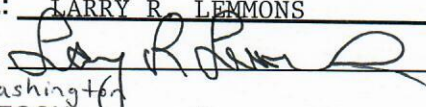
This Agreement and Waiver shall in no way limit, restrict or pre-empt the authority of Washington County to exercise any of its governmental authority as regards the subject site.

It is hereby intended that this Agreement and Waiver shall be binding on ourselves and all subsequent owners of the hereinabove described property as well as any of the aforesaid's heirs, successors, assignees or purchasers of the hereinabove described property and shall run with the title to the said property.

The Agreement and Waiver shall immediately be recorded in the Deed Records of Washington County of the above-described property and shall not be removed until this waiver is no longer required by Washington County's zoning laws.

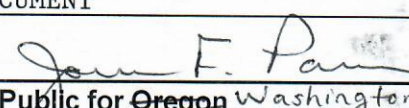
SIGNED AND DATED this 30th day of MAY, 20 14.

PRINT NAME: LARRY R. LEMMONS

SIGNATURE: 

STATE OF OREGON
County of Washington ss.

BE IT REMEMBERED that on this 30th day of May, 20 14, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Larry R. Lemmons, known to me to be the identical individual(s) described in and who executed this instrument and acknowledged to me that the same was executed freely and voluntarily with full knowledge of the facts and circumstances regarding the issuance of: THIS DOCUMENT


Notary Public for Oregon

My commission expires: 11/05/2017

Please return to the following address:

Name: JAMES ROBERT / PACIFIC FIRE PRODS

Address: P.O. BOX 278

Longview WA 98632



CITY OF MOLALLA

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

Staff Report

Agenda Category: City Council Work Session

Agenda Date: July 23, 2025

From: Dan Zinder, Planning Manager

Approved by: Mac Corthell, Assistant City Manager

SUBJECT: Urban Growth Boundary Discussion Items

FISCAL IMPACT: None

RECOMMENDATION/RECOMMEND MOTION: Direction from Council on how to proceed on items 1 and 3. Items 2 and 4 are primarily informational as we move forward with the UGB amendment workplan.

BACKGROUND:

Recent discussions regarding the Urban Growth Boundary and the Associated Efficiency Measures ordinance have raised questions some questions that Staff have since researched further to circle back on.

1. Industrial/Residential Conflict Discussion:

One of the comments submitted during the Efficiency Measures ordinance discussion raised concerns that changing zoning of parcels abutting industrial parcels to residential could potentially cause conflicts that could threaten the livelihood of some of Molalla's longstanding businesses. Staff researched some of the options including a correspondence with the City Attorney office, included in this staff report as Attachment A, to discuss what is possible. To summarize this inquiry:

- Applying any regulation to a specific industrial user would almost certainly not pass clear and objective standards for residential uses as set out in Oregon House Bill 3197.
- Instruments such as waiver of remonstrance and deed restrictions that would prohibit an entity from raising concerns about actions from their neighbors are

likely both unconstitutional and also would not pass the clear and objective threshold.

- Ordinances to the development code that address situations where new residential uses abut industrial uses are likely to beat the clear and objective bar. Such measures could include setbacks, requiring noise canceling features for abutting walls, access location, and requiring parkland dedications to buffer zones between the two uses, as applicable.

For this last option, notably, SB 974 has recently put a prohibition on requiring most design standards for an 8-year period following its enactment for residential developments over 20-units.

It is worth noting that the City's existing ordinance carves out an exception for *"Commercial/industrial operations located within commercial/industrial zones."* Noise would have to be particularly egregious to bypass that standard into a violation.

2. What occurs if the City does not pass an Urban Growth Boundary Amendment?

Attachment A from the City Attorney's office Staff includes correspondence from the City Attorney regarding this question. Effectively, we are required by statute to evaluate our land need for residential and employment lands, as we have done, and expand accordingly based on the results of those studies. Potential enforcement actions include loss of funding from DLCD and their taking over of the City's Planning Department. While these enforcement actions are unlikely, at least initially, and mitigating steps are likely to be taken in the interim, they remain an option.

3. Modifying our numbers in the Housing Needs Analysis

The City has received several comments on its UGB and Efficiency Measures process advising that the City update its HNA to utilize more recent population estimate numbers. PSU has generally adjusted population estimates downward across the board since the City's HNA study incorporated their estimates in 2022. Incorporating the new numbers would thereby reduce the land needs identified in the HNA and Economic Opportunities Analysis.

DLCD has advised that simply updating the population forecast numbers through an amendment would be remanded because all of the work that followed in our workplan is based on the number's projections. Effectively, adjusting the numbers would start the process over with the City completing a new Housing Needs Analysis. Compounding the issue, since this work would likely push our Urban Growth Boundary work into 2027, any new work would need to be completed under new OHNA guidelines that likely impact

subsequent phases of our workplan. DLCD has not yet provided conclusive comment on this matter as indicated in Attachment B. If DLCD has such guidance, it is updated by the time of the work session it will be added to the record.

Under the assumption that we would need to restart the HNA the City would need to:

- Apply for a grant of approximately \$75,000 for a new HNA with DLCD that we are not guaranteed to receive
- Once the HNA is finished, it is likely to face a requirement to update or redo our HPS to address new needed housing findings from the HNA
- Expend hundreds of hours of staff time on coordination, meetings, and data provision.

While the sentiment of not overextending our UGB beyond what is absolutely needed is commendable, the risks associated with expanding too far are minimal. The biggest consequence would be that lands in the expanded territories simply would not be annexed, nor developed similar to how existing industrial lands within the City's urban growth boundary did not annex/develop within the 40-year period from when they were designated. That slowed rate could then be factored into our next study period.

In contrast, there are substantial time and monetary expenditures that would go into revising the numbers and restarting the process. Further, if the UGB does not expand enough to accommodate growth, it could substantially throttle housing supply and put costs even further beyond the means of our residents.

4. Contact with the Governor's Office on the northern expansion of our UGB

Staff have been in contact with the Governor's Office about scheduling a second meeting to discuss our recently submitted memo regarding the option of expanding north. To the extent that there are updates, they will be provided.

Attachment A: Email Correspondence with Beery Elsner on Residential/Industrial Conflicts

Attachment B: Email Correspondence with DLCD on Modifying Numbers in the Housing Needs Analysis



CITY OF MOLALLA

Staff Report

Agenda Category: PUBLIC COMMENT

Agenda Date: Wednesday, August 13, 2025

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Letter to City Council - Paige Lantz

ATTACHMENTS:

[P. Lantz re: Camping Ordinance.pdf](#)

[City Manager response re: Camping Ordinance.pdf](#)

From: [Christie Teets](#)
To: [Mac Corthell](#); [Dan Huff](#)
Cc: [Christie Teets](#)
Subject: FW: Camping Ordinance
Date: Tuesday, August 5, 2025 12:21:21 PM

City Council,

Please see the email below for more information.

Council members have been blind copied as to not create serial communication.

Kind Regards,

Christie Teets, CMC

City Recorder

City of Molalla | 117 N. Molalla Ave. | Molalla, OR 97038

Phone: 503.759.0285

www.cityofmolalla.com



DISCLOSURE NOTICE: This email is official business of the City of Molalla and is subject to Oregon Public Records Law.

From: Paige Lantz <paige@lantz-construction.com>
Sent: Wednesday, July 30, 2025 10:03 AM
To: Mac Corthell <mcorthell@cityofmolalla.com>
Cc: Christie Teets <cteets@cityofmolalla.com>; Dan Huff <dhuff@cityofmolalla.com>
Subject: Re: Camping Ordinance

Thank you so much, we appreciate your time. Have a great day.

Paige Lantz
Lantz Construction - *Operations Manager*
32951 S Wilhoit Rd., Molalla, OR 97038
503.318.6228

On Wed, Jul 30, 2025 at 8:16 AM Mac Corthell <mcorthell@cityofmolalla.com> wrote:

Good Morning, Paige,

I just wanted to let you know that your message was received and has been forwarded to the City Council (via the City Recorder, Christie Teets) and Mr. Huff.

The Council will receive it in the packet for their next Council Meeting on 8/13/25, unless you hear otherwise from the Christie. Please note that both Mr. Huff and

Ms. Teets are out of the office this week. 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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-----Original Message-----

From: Paige Prendergast <paige@lantz-construction.com>
Sent: Tuesday, July 29, 2025 4:18 PM
To: Dan Huff <dhuff@cityofmolalla.com>
Cc: Scott Keyser <skeyser@cityofmolalla.com>; Lee Lantz <lee@lantz-construction.com>; Community Planner <communityplanner@cityofmolalla.com>
Subject: Camping Ordinance

Hello Mr. Huff, City Counselors, and Mayor,

My family and I are writing to you to express concerns and disappointment about the camping ordinance that allows homeless people to occupy Odd fellows Park in downtown Molalla. I do understand that it is a state mandated ordinance that every city provide a place for homeless to put their tents up. Even if our hands are tied as a city, I want to express that I believe small rural towns should not have to accommodate homeless camping in compliance with this ordinance as it attracts homeless people from larger cities into the smaller cities when this type of camping is allowed. Homelessness is typically a larger urban area issue, and the ordinance brings drug use and crime into smaller rural areas, such as Molalla, that usually would remain in larger cities.

The altercation that occurred between the police officer and the man in Oddfellows Park last week was very disturbing. I moved to Molalla 12 years ago from downtown Portland and chose to raise my family of three children here because it is a

safe town. The increase in homeless population in downtown Molalla has made me uncomfortable to bring my children downtown to frequent the local businesses there, and as a female I sometimes feel uncomfortable walking near that park by myself. If there's anything we can do to get an exemption from the ordinance, or potentially move locations of the camping area, I would encourage our local government to please do so.

I don't know much about how that location got chosen, but I'm aware there was discussion and it appeared to be the best location at that time. I wonder if it is time to reevaluate the camping location (if we must keep it) given that the homeless population has sadly now become quite a staple of downtown Molalla. I know out of sight might sound harsh, but the fabric of our little city is made up of largely our little downtown area and it's painful to see drug use, vagrancy, and crime happening in the open on our main business street on a regular basis. Allowing homeless to live in the heart of our city is not only an eyesore, but bad for small businesses, and dangerous. I urge you to please consider exploring a solution that would remove the homeless population from downtown Molalla.

I apologize if my comments sound like I lack compassion for homeless people. However, having grown up in downtown Portland, I witnessed firsthand what allowing and enabling a transient population to live in your city can do. I believe there is a difference between compassion and tolerance, and people get those two things confused. We can be compassionate, but not tolerate homelessness, drug use, violence, and crime in our small city.

Thank you for your time and service to our community, Paige and Lee Lantz

Paige Lantz
LANTZ CONSTRUCTION
Celebrating 5 Generations of Family Ownership Operations Manager
32951 S Wilhoit Rd.
Molalla, OR 97038
CCB# 36226
503-318-6228

From: [Dan Huff](#)
To: [Paige Prendergast](#)
Cc: [Scott Keyser](#); [Christie Teets](#)
Subject: RE: Camping Ordinance
Date: Monday, August 4, 2025 1:05:15 PM

Ms. Lantz - Thank you for your email and comments regarding Odd Fellows Park.

Unfortunately, the Oregon State Legislature passed that law that does require the City of Molalla and all incorporated cities in the State of Oregon to either allow public camping outright or regulate public camping to one area. The Molalla City Council wrestled with this requirement for a year before settling on Odd Fellows Park because they did not want to allow this activity in Molalla. Combined with the closure of a problematic Warming Shelter near the same time, Council focused on where certain problems should not be located such as, near schools, parks, residential neighborhoods, etc. Odd Fellows Park was the only city owned property that is not near any of those areas.

Since the park was established in July of 2023, the City has experienced very little negative activity from those choosing to use the park for camping. If they do not follow the rules, individuals are trespassed. The incident that occurred on July 25th would be considered a random incident that could have occurred anywhere in town. We have a Police non-emergency phone line (503-655-8211) that we encourage our residents to use when they see law enforcement issues in town that need addressing. Calls on Odd Fellows Park are very infrequent.

Molalla has an excellent Police Department, and our officers know the individuals who move in and through town by name and tendency. We try to treat all of them with decency and compassion, but we do enforce our local laws and do not turn the other way or act like a situation does not exist.

Happy to converse more on this issue in the future.

Dan Huff
City Manager
City of Molalla, Oregon
(503)829-6855

PUBLIC RECORDS LAW DISCLOSURE

This e-mail is a public record of the City of Molalla and is subject to public disclosure unless exempt from disclosure under Oregon Public Records Law. This e-mail is subject to State Retention Schedule.

-----Original Message-----

From: Paige Prendergast <paige@lantz-construction.com>
Sent: Tuesday, July 29, 2025 4:18 PM
To: Dan Huff <dhuff@cityofmolalla.com>
Cc: Scott Keyser <skeyser@cityofmolalla.com>; Lee Lantz <lee@lantz-construction.com>; Community Planner <communityplanner@cityofmolalla.com>
Subject: Camping Ordinance

Hello Mr. Huff, City Counselors, and Mayor,

My family and I are writing to you to express concerns and disappointment about the camping ordinance that allows

homeless people to occupy Odd fellows Park in downtown Molalla. I do understand that it is a state mandated ordinance that every city provide a place for homeless to put their tents up. Even if our hands are tied as a city, I want to express that I believe small rural towns should not have to accommodate homeless camping in compliance with this ordinance as it attracts homeless people from larger cities into the smaller cities when this type of camping is allowed. Homelessness is typically a larger urban area issue, and the ordinance brings drug use and crime into smaller rural areas, such as Molalla, that usually would remain in larger cities.

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Paige Lantz
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CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, August 13, 2025

Submitted by: Sam Miller, Engineering Section Manager

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2025-21: Awarding a Contract for Project 24-12, N. Molalla Avenue ADA Crosswalk Construction

FISCAL IMPACT:

\$239,990.00. This project is fully budgeted in the FY25-26 Annual Budget.

RECOMMENDATION/RECOMMENDED MOTION:

I move the City of Molalla to adopt resolution 2025-21, Awarding a Contract for Project 24-23, N. Molalla Ave ADA Crosswalk Construction

BACKGROUND:

The City recently completed resurfacing and restriping of N. Molalla Ave. At the conclusion of that project, a determination was made that the crosswalk could not be reinstalled at N. Molalla Ave. and Frances St. intersection at that time due to:

1. ADA non-compliance
2. Sidewalk is partially outside right of way (on private property)
3. The crosswalk is unsafe due to configuration

Based on these concerns and others from the community, as well as this crosswalk being heavily traveled by children en route to and from school, the determination was made that an enhanced pedestrian crossing was necessary and appropriate at this location.

Staff has obtained the necessary Right-of-Way and designed a crossing that is ADA compliant and configured for safety. This crossing will not be fully installed by the beginning of the new school year, but enhanced traffic control during construction will be a requirement.

The following bids were received for this project:

- \$239,990.00 by R&R General Contractors, Inc..
- \$254,037.00 by Western United Civil Group, LLC
- \$270,515.00 by Roy Houck Construction, LLC
- \$274,575.75 by Turney Excavating, Inc.
- \$280,007.00 by D&D Concrete and Utilities, Inc
- \$281,746.00 by Grade Werks Excavating, LLC
- \$323,888.00 by Brown Contracting, Inc.

ATTACHMENTS:

Dyer Partnership Recommendation Letter - Signed.pdf

Resolution No. 2025-21 Awarding Contract for Project 24-12 N Molalla ADA Crosswalk.pdf



THE DYER PARTNERSHIP
ENGINEERS & PLANNERS, INC.

August, 7, 2025

Macahan Corthell, Assistant City Manager
City of Molalla
117 N Molalla Avenue
Molalla, OR 97038

RE: City of Molalla
N Molalla AVE Pedestrian Crossing
City of Molalla Project No. 24-12 / The Dyer Partnership Project No. 198.54

Dear Mr. Corthell:

This letter is to recommend action by the City of Molalla in response to the bids received on August 7, 2025 at 2:00 PM for the above referenced project. Seven bids were received. There were minor bid irregularities on several bids. All bids were responsive and responsible. The bids were in the following amounts:

1. \$239,990.00 by R&R General Contractors, Inc.
2. \$254,037.00 by Western United Civil Group, LLC
3. \$270,515.00 by Roy Houck Construction, LLC
4. \$274,575.75 by Turney Excavating, Inc.
5. \$280,007.00 by D&D Concrete and Utilities, Inc.
6. \$281,746.00 by Grade Werks Excavating, LLC
7. \$323,888.00 by Brown Contracting, Inc.

Dyer recommends that the City of Molalla take the following action:

1. Accept the bids.
2. Award a contract to R&R General Contractors, Inc. in the amount of \$239,990.00.

It is our opinion that R&R General Contractors, Inc. has sufficient experience and qualifications to satisfactorily construct the project.

Assuming the City of Molalla and Council concurs with our recommendation; we have enclosed four copies of the Notice of Award. A representative for the City needs to sign all four copies after which they should be returned to our Coos Bay office. (***Please do not date the Notice of Award.***) We will date the Award following notification that the City of Molalla accepts the bid and is determined to award the project.

Pursuant to ORS279C.835, the Oregon Bureau of Labor and Industries requires that Form WH-81 be filled out by the contracting agency and sent to them with a copy of the first-tier subcontractor form, if applicable (ORS 279C.370), within 30 days of issuing the Notice of Award.

The Owner is also responsible for payment of a Public Works fee to the Bureau of Labor & Industries. This payment is accompanied by Form WH-39.

The WH-81 and WH-39 forms are available at:

[https://www.oregon.gov/boli/employers/Documents/WH-81_WH39_linked%20\(Rcv%203-24\).xlsx](https://www.oregon.gov/boli/employers/Documents/WH-81_WH39_linked%20(Rcv%203-24).xlsx)

Sincerely,

Ryan Quigley, PE
Principal Manager

Enclosure



RESOLUTION NO. 2025-21

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
AWARDING A CONTRACT FOR PROJECT 24-12, N MOLALLA ADA
CROSSWALK CONSTRUCTION**

WHEREAS, The City of Molalla is the roadway authority for all non-state highways inside the City limits; and

WHEREAS, The project location, N. Molalla Avenue and Francis Street intersection is wholly within the City limits and is not a State highway; and

WHEREAS, The City has obtained the necessary Right-of-Way to construct an enhanced pedestrian crossing at the above referenced intersection; and

WHEREAS, The project has been designed in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, This project supports a significant community interest in pedestrian safety, especially along common school routes.

Now, Therefore, the City of Molalla Resolves:

Section 1. The Contract for Project 24-12 N Molalla ADA Crosswalk is hereby awarded to R&R General Contractors, Inc.

Section 2. The City Manager is authorized to execute all contracts and other documents necessary to award the contract referenced in Section 1.

Section 3. Effective Date. This Resolution shall be effective upon adoption.

Signed this 13th day of August 2025.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, August 13, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Park Naming Discussion - "Cemetery" Park

RECOMMENDATION/RECOMMENDED MOTION:

Select a process for naming cemetery park.

BACKGROUND:

The City recently contracted with Antfarm Youth Services to clear the non-native vegetation from the park property located at 13235 S Lowe Rd, near the intersection of Lowe Rd and Molalla Forest Rd (see image below). Additionally, a new bench was installed by an Eagle Scout completing his Eagle Scout project.

The park area is currently overrun with blackberry bushes ranging from 5' – 10' tall. Clearing these bushes will provide the City with a new piece of parkland for future development. The site also contains a historic cemetery (the yellow outlined square in the NE corner of the property) that Antfarm will clear of limbs and non-native shrubbery, as well as perform maintenance on the vegetation that remains.

*Note – The cemetery is not part of the park naming.

Once the clearing portion of the project is complete the City can jump into the process of developing a conceptual design for park development.

In the interim, the City can complete the naming process for this unnamed park so it can be signed properly and represented on the City's parks literature.

In that vein, staff is asking the Council to determine how they would like to go about selecting a name. To aid in this process, staff is providing a set of process options to select from or reject. Notably, the City does not have a current Park Naming Policy.

Options:

1. Surveys: Use online platforms to reach a broader audience and collect input.
2. Naming Contests: Encourage creativity by organizing a contest where community members can submit names.
3. Council Provides Options (polling): Councilors could each select a potential name or abstain, and staff would take those forwards for a poll.
4. Council Selection: Council selects a name unilaterally.

Criteria: If options 1 or 2 above are selected, it's recommended to provide naming criteria to the

community, so they have a target or targets to shoot for. These criteria could include one or more of the following, or some other alternative(s):

1. Historical Significance: Names that honor local history or notable figures from the area.
2. Geographical Relevance: Names reflecting the geography and/or natural features of the park.
3. Cultural Representation: Names that represent the culture of Molalla past and/or present.

ATTACHMENTS:

[Cemetery Park Map.pdf](#)

Un-Named Park and Pioneer Cemetery Property





CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, August 13, 2025

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Farmstands & Cottage Kitchens - Ordinance Update

RECOMMENDATION/RECOMMENDED MOTION:

For discussion only. No action required at this time.



CITY OF MOLALLA

Staff Report

Agenda Category: STAFF COMMUNICATION

Agenda Date: Wednesday, August 13, 2025

Submitted by: Diana Hadley, Library Director

Approved by: Dan Huff, City Manager

SUBJECT: Molalla Public Library Report

BACKGROUND:

The following report was shared with the Library Board at the end of July.

- We are seeing record numbers for many of our programs since we started the summer.
 - Reptile Man, at Clark Park, brought in close to 800 people!
 - The teen programs on Wednesdays have had up to 60 in attendance.
 - All of the other children's programs are doing well.
 - On August 1, we will have the end of Summer Reading Party complete with goats and Kona Ice. It will be at Fox Park from 11:00am-12:00pm
- Tabby and Madeline drove the Bookmobile in the 4th of July parade and they had enough candy to make it to the end (the first time in three years!).
- We are looking at adding a Bookmobile stop based on interest at the new Bear Creek Apartments. The stops at The Greens at Ridings and Love One Laundry are doing well. We also have some regulars at the Adult Center and Plaza Los Robles.
- Staff are planning fall and winter programs already.
- Our budget passed and has been adopted. It is [online](#) if you'd like to take a look at it. We are healthy right now and making good use of the funds we have. The library's section starts on page 93.
- Our City Manager, Dan Huff, is on a Library District Task Force which is a first step to taking a close look at the district as a whole and how to improve services and finances for all libraries across the county. Opportunities to provide your feedback and ideas will be coming in the future during the next phase of this process.

Wishing you a lovely rest of the summer. Programs are happening throughout August, so please make sure you're getting our e-newsletter or watching social media for our posts (which are almost daily!).