



**CITY OF MOLALLA
CITY COUNCIL - REGULAR
AGENDA**

Civic Center | 315 Kennel Avenue
Wednesday, July 22, 2026 | 6:00 PM

NOTICE: City Council will hold this meeting in-person and through video live-streaming on the City's [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.

1. CALL TO ORDER AND FLAG SALUTE

2. ROLL CALL

3. CONSENT AGENDA

- A. [City Council Meeting Minutes - June 24, 2026](#)

4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

- A. [Timateo De La Cruz Memorial Skate Park Discussion - Salena De La Cruz-Forsythe](#)

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.)

6. PUBLIC HEARINGS

- A. [Ordinance No. 2026-03: Adopting Molalla Municipal Code, Chapter 18.01 Murals](#)
- B. [Ordinance No. 2026-06: Amending Molalla Municipal Code, Chapter 5.24 General Business Licensing](#)
- C. [Ordinance No. 2026-07: Amending Molalla Municipal Code, Chapter 3.09 Disposal of Surplus Property](#)

7. ORDINANCES AND RESOLUTIONS

- A. [Ordinance No. 2026-03: Adopting Molalla Municipal Code, Chapter 18.01 Murals](#)
- B. [Ordinance No. 2026-06: Amending Molalla Municipal Code, Chapter 5.24 General Business Licensing](#)
- C. [Ordinance No. 2026-07: Amending Molalla Municipal Code Chapter 3.09 Disposal of Surplus Property](#)
- D. [Resolution No. 2026-20: Certifying All Requirements to Receive State Shared Revenues Have Been Met](#)
- E. [Resolution No. 2026-21: Declaring the City's Election to Receive State Revenue Sharing](#)

8. GENERAL BUSINESS

- A. [Waste Water Treatment Plant Facility Update](#)
- B. [Astound Broadband Franchise Agreement Update](#)

9. STAFF COMMUNICATION

10. COUNCIL COMMUNICATION

11. ADJOURN

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



CITY OF MOLALLA

Staff Report

Agenda Category: CONSENT AGENDA

Agenda Date: Wednesday, July 22, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: City Council Meeting Minutes - June 24, 2026

ATTACHMENTS:

[6-24-26 CC Meeting Minutes.pdf](#)



City of Molalla
City Council – Regular Meeting
Minutes – June 24, 2026
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla City Council Regular Meeting for June 24, 2026 was called to order by Mayor Scott Keyser at 6:00 pm.

COUNCIL ATTENDANCE

Present: Mayor Scott Keyser, Council President Eric Vermillion, Councilor Terry Shankle, Councilor Doug Gilmer, and Councilor Martin Bartholomew. Via Phone: Councilor K.C. Bisenius
Absent: Councilor Leota Childress

STAFF IN ATTENDANCE

Dan Huff, City Manager; Cindy Chauran, Finance Director; Christie Teets, City Recorder.

APPROVAL OF AGENDA

As presented.

CONSENT AGENDA

A. City Council Meeting Minutes - June 10, 2026

ACTION:

Councilor Shankle made a motion to approve Consent Agenda as presented; Council President Vermillion seconded. Motion passed 6-0.

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

NAYS: None.

ABSTENTIONS: None.

PRESENTATIONS, PROCLAMATIONS, CEREMONIES

None.

PUBLIC COMMENT

Brian Rearick, Molalla, OR: provided update on his proposed housing development, property purchased and noted positive feedback from the Department of Land Conservation and Development (DLCD) regarding the project.

Peggy Smith, Molalla, OR: expressed concerns regarding increased noise from trucks using exhaust brakes on Section Street, and requested the City consider larger or more visible signage noting exhaust brakes are unlawful within City limits.

PUBLIC HEARING

A. **Resolution No. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2026-2027 Fiscal Year**

Mayor Keyser confirmed no conflicts of interest by Council. Public Hearing for Resolution No. 2026-19 was opened at 6:08pm

Finance Director, Chauran, shared final budget as previously approved by the Budget Committee on May 20, 2026 with no changes presented; and recommended adoption of the fiscal year budget totaling \$73,949,535.

With no Public Comment, Mayor Keyser closed the Public Hearing for Resolution No. 2026-19 at 6:09pm

ORDINANCES AND RESOLUTIONS

A. **Resolution No. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2026-2027 Fiscal Year**

Finance Director Chauran had no further comments to share.

ACTION:

Council President Vermillion moved to adopt Resolution No. 2026-19: Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for 2026-2027 Fiscal Year by title only; Councilor Shankle seconded. Motion passed 6-0.

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

NAYS: None.

ABSTENTIONS: None.

B. Resolution No. 2026-18: Authorizing a Contingency Transfer in the General Fund

Finance Director Chauran, explained a year-end contingency transfer was requested to address potential unanticipated expenses before the fiscal year closed. The proposed \$165,000 transfer would provide budget authority for increased administrative, Police, City Council, and Municipal Court expenses, including costs related to service contracts, the School Resource Officer agreement, public records requests, and legal services.

ACTION:

Council President Vermillion moved to adopt Resolution No. 2026-18: A Resolution of the City of Molalla Authorizing a Contingency Transfer in the General Fund by title only; Councilor Shankle seconded. Motion passed 6-0.

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

NAYS: None.

ABSTENTIONS: None.

GENERAL BUSINESS:

A. Water Rate Adjustment Announcement

City Manager Huff announced the annual utility rate adjustment, reflecting a 2.5% Consumer Price Index (CPI) increase to water, sewer, and storm drainage rates, as previously authorized by Council resolution. He explained that applying annual CPI adjustments helps prevent the City from falling behind on utility rate increases and avoids the need for larger adjustments in the future. He confirmed notices were distributed to utility customers and shared through the City's Newsletter. He also noted for a typical single-family residential customer with a ¾-inch meter, the increase amounts to modest changes in monthly charges and reminded residents that water conservation can help reduce overall utility costs.

B. July 8th City Council Meeting

City Manager Huff advised Council that both he and Assistant City Manager Corthell would be out of the office at a City Managers Conference during the July 8th Council meeting and requested Council direction regarding whether the meeting should be canceled.

ACTION:

Council President Vermillion moved to cancel July 8, 2026 Council Meeting; Councilor Gilmer seconded. Motion passed 6-0.

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

NAYS: None.

ABSTENTIONS: None.

STAFF COMMUNICATION

- **City Recorder Teets:** reported interviews were underway to fill the Administrative Specialist position and expressed hope the vacancy would be filled soon. An update was provided on the new records center, reminded the community of a vacancy on the Planning Commission and encouraged interested residents to consider running for City Council.
- **Finance Director Chauran:** reported interviews for an additional position were ongoing, with several qualified candidates and noted the City's annual audit was underway following the audit client meeting.
- **City Manager Huff:** noted City Hall continues to manage staffing transitions due to retirements. City Manager briefly detailed the waterline break at City Hall, explaining that an old four-inch waterline from the building's former use as a fire station failed inside the building. The break caused significant water damage, primarily affecting the restroom area and an office space.

COUNCIL COMMUNICATION

- **Councilor Bisenius:** thanked Council and Staff for their patience with his remote presence for the evening.
- **Councilor Bartholomew:** emphasized the importance of taking a thoughtful and deliberate approach to hiring.
- **Councilor Gilmer:** wished everyone a safe and happy 4th of July with family, celebrating America's 250 years.
- **Councilor Shankle:** reminded everyone streets on the 4th of July would close at 9am.
- **Council President Vermillion:** The Kiddie's Parade on July 1st and summer school would begin soon.
- **Mayor Keyser:** provided brief update on some 4th of July week events around town.

For the complete video account of the City Council Meeting, please go to YouTube
[City of Molalla | Oregon – June 24, 2026](#)

ADJOURN

Mayor Keyser adjourned the meeting at 6:36 PM.

Scott Keyser, Mayor

PREPARED BY:

ATTEST:

Crystal Robles, Deputy City Recorder

Christie Teets, CMC - City Recorder

DRAFT



CITY OF MOLALLA

Staff Report

Agenda Category: PRESENTATIONS, PROCLAMATIONS, CEREMONIES

Agenda Date: Wednesday, July 22, 2026

Submitted by: Dan Huff, City Manager

Approved by: Dan Huff, City Manager

SUBJECT:

Timateo De La Cruz Memorial Skate Park Discussion - Salena De La Cruz-Forsythe

ATTACHMENTS:

[Timateo Visual.pdf](#)

[Molalla CC Skate Park Presentation 7-22-26.pdf](#)



HONORING A LEGACY. BUILDING FOR OUR FUTURE.

The Timateo De La Cruz Memorial Skate Park Foundation is dedicated to rebuilding Molalla's skate park and honoring the legacy of Timateo De La Cruz, one of the young leaders whose vision and passion helped make the original park possible. This project is about more than concrete—it's about community, history, and creating opportunities for future generations.



HONOR THE PAST

Recognize Timateo's leadership and the community that built our original park.



SERVE TODAY

Create a safe, inclusive, modern skate park for skateboarders and rollerbladers of all ages.



INSPIRE TOMORROW

Leave a lasting legacy that will inspire future generations of Molalla youth.



BUILT TOGETHER

Developed through partnership, community engagement, and shared pride.

OUR STORY: A COMMUNITY EFFORT



BEFORE THE PARK

Local skate competitions were held in the parking lot of a Molalla church to raise awareness and funds for a skate park.



MAY 2000

The Molalla Skate Park officially opened—a dream made real through the dedication of our youth and community.



2000 AND BEYOND

Competitions continued for more than a decade, bringing our community together and keeping the spirit of the park alive.



TODAY

After 25+ years of use, the park has reached the end of its useful life. It's time to rebuild for the future—while honoring the past.



COMMUNITY COMPETITIONS

In the parking lot of a local church to raise funds and build support.



MAY 2000

Molalla Skate Park opens—a dream becomes reality.



COMPETITIONS CONTINUED

For more than a decade after the park opened.

★ HONORING TIMATEO DE LA CRUZ ★

Timateo's passion, leadership, and commitment were at the heart of the movement that created Molalla's first skate park. We respectfully ask the City Council to consider one of the following options:



PREFERRED OPTION

Officially name the rebuilt facility the Timateo De La Cruz Memorial Skate Park.



ALTERNATIVE OPTION

Install a permanent memorial plaque, monument, or interpretive display recognizing Timateo's contributions and the community effort that made the original park possible.



Either option ensures his legacy will inspire generations to come.

OUR VISION



SAFE & INCLUSIVE

Designed for skateboarders and rollerbladers of all ages and skill levels.



COMMUNITY DESTINATION

A welcoming place for families, events, and positive connection.



ECONOMIC IMPACT

Brings visitors, supports local businesses, and builds community pride.



BUILT TO LAST

Professionally designed for durability, safety, and long-term community use.

FUNDING STRATEGY

The Foundation will lead fundraising through:

- State and federal grants
- Private foundation grants
- Corporate sponsorships
- Community donations & events
- In-kind contributions
- Volunteer support

At this stage, we are not requesting construction funding from the City.

COMMUNITY ENGAGEMENT: CONTINUING A TRADITION



PUBLIC INPUT

Community meetings, surveys, and design workshops.



PARTNERSHIPS

Working with schools, churches, businesses, and local organizations.



FUNDRAISING & EVENTS

Grants, donations, sponsorships, volunteer opportunities, and skate competitions.



SKATE COMPETITIONS

Reviving the competitions that once united Molalla—celebrating our history and inspiring the next.



ONGOING COMMUNICATION

Regular updates and transparency every step of the way.



We will revive the tradition of community skate competitions that once united Molalla—celebrating our history while inspiring the next generation.

OUR REQUEST TO THE MOLALLA CITY COUNCIL

- ✓ Recognize the Foundation as a community partner.
- ✓ Authorize collaboration with City staff to explore redevelopment opportunities.
- ✓ Support community engagement throughout the planning and design process.
- ✓ Allow the Foundation to pursue grants and fundraising in partnership with the City.
- ✓ Consider naming the rebuilt facility the Timateo De La Cruz Memorial Skate Park, or alternatively, approve a permanent memorial recognizing his contributions.
- ✓ Work together to create a modern skate park that reflects Molalla's values, history, and future.

“A DREAM THAT STARTED IN A CHURCH PARKING LOT CAN INSPIRE GENERATIONS IN A PLACE WE BUILD TOGETHER.”

**TOGETHER, WE CAN HONOR THE PAST.
BUILD FOR TODAY. INSPIRE TOMORROW.**

Thank you for your time, consideration, and commitment to Molalla's youth and future.



TIMATEO DE LA CRUZ MEMORIAL SKATE PARK FOUNDATION

REBUILDING MOLALLA'S SKATE PARK.
HONORING A LEGACY.
INSPIRING THE FUTURE.

Presented to:

MOLALLA CITY COUNCIL

July 22, 2026



WHY WE'RE **HERE**

TONIGHT'S REQUEST

Seeking City Council approval to:

- ✓ Partner with the City
- ✓ Begin planning the rebuild
- ✓ Form a collaborative working group
- ✓ Pursue grants and fundraising
- ✓ Honor Timateo De La Cruz through the future park



WHO WAS **TIMATEO**?



***“This project isn’t about replacing a skate park.
It’s about continuing a legacy.”***



1997

Helped lead the effort to
build Molalla’s first skate park



Inspired countless young
skaters and rollerbladers



2022

Passed away in 2022



His legacy continues
through this project



THE ORIGINAL PARK

1997

Youth begin
advocating



ORIGINAL VISION

A place for youth to skate,
connect, and build community.

2000

Original park
built



TODAY'S NEEDS

A safe, modern, and inclusive
skate park for future generations.

TODAY

The park has reached
the end of its useful life.



WHY REBUILD?



SAFETY

- ★ Aging features
- ★ Outdated layout
- ★ Maintenance concerns



COMMUNITY

- ★ More riders
- ★ More families
- ★ More events



ECONOMIC IMPACT

- ★ Visitors
- ★ Local business support
- ★ Community pride



OUR VISION

A DESTINATION SKATE PARK **DESIGNED FOR EVERYONE.**



SKATEBOARDING

A space for all skill levels to skate and grow.



ROLLERBLADING

Smooth terrains and features for every rider.



BMX

Flowing lines and transitions built for BMX.



SCOOTERS

Fun, safe features for scooter riders of all ages.



INCLUSIVE DESIGN

Accessible for everyone in our community.



GATHERING SPACE

A welcoming place to connect, relax, and belong.



WHY THIS MATTERS



HEALTHY KIDS

Promoting physical activity and healthy lifestyles.



POSITIVE RECREATION

Providing safe, fun spaces for kids and teens to thrive.



COMMUNITY CONNECTION

Bringing people together and building stronger communities.



DOWNTOWN ACTIVITY

Supporting local businesses and energizing our downtown.



FUTURE GENERATIONS

Investing in a better tomorrow for future skaters and families.



HONORING TIMATEO



ENTRANCE MONUMENT



MEMORIAL PLAZA



INTERPRETIVE SIGN



LEGACY WALL



HISTORY DISPLAY



FOUNDATION LOGO



***“Every rider who drops in
becomes part of his story.”***



PROJECT ROADMAP



**CITY
APPROVAL**



**STAKEHOLDER
GROUP**



**COMMUNITY
MEETINGS**



**PROFESSIONAL
DESIGN**



**GRANT
APPLICATIONS**



FUNDRAISING



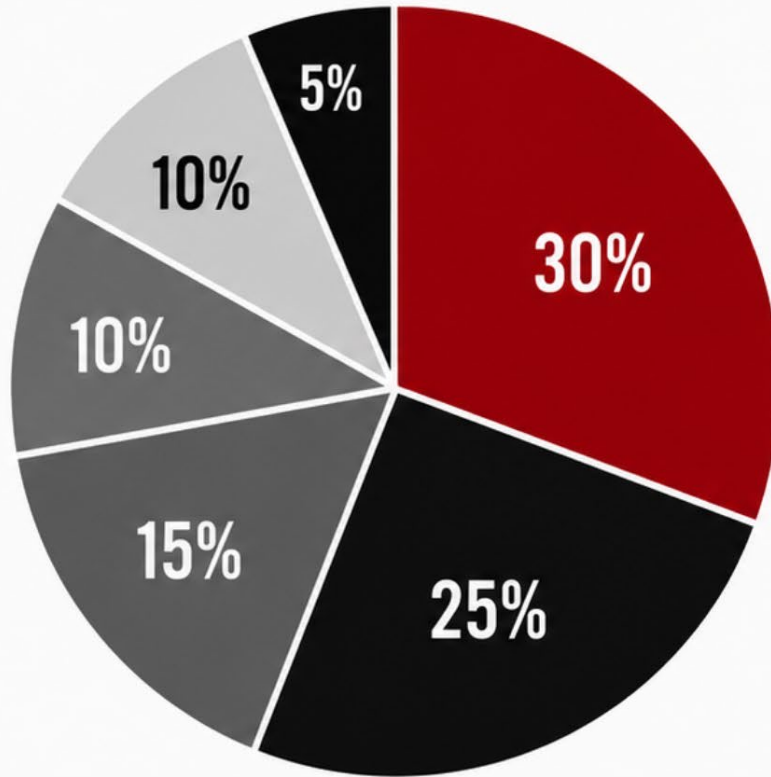
**FINAL
DESIGN**



CONSTRUCTION



FUNDING STRATEGY



- FOUNDATION GRANTS
- CORPORATE SPONSORS
- COMMUNITY DONATIONS
- BOTTLEDROP
- FUNDRAISERS
- PRIVATE GIFTS
- IN-KIND DONATIONS

NO IMMEDIATE REQUEST FOR CITY CONSTRUCTION FUNDING.



COMMUNITY SUPPORT



SCHOOLS



BUSINESSES



FAMILIES



SKATERS



PARENTS



COMMUNITY
ORGANIZATIONS

TOGETHER, WE CAN BUILD
SOMETHING EXTRAORDINARY.



WHY PROFESSIONAL DESIGN?

BEFORE



AFTER



✓ MODERN FLOW

✓ ACCESSIBILITY

✓ SAFETY

✓ DURABILITY

✓ FUTURE EXPANSION



THE FOUNDATION

- ★ MISSION DRIVEN
- ★ 501(C)(3) NONPROFIT
- ★ VOLUNTEER DRIVEN
- ★ TRANSPARENT FINANCES
- ★ COMMUNITY PARTNERSHIPS



WHAT WE'RE ASKING FOR



- ✓ APPROVE MOVING FORWARD
- ✓ PARTNER WITH THE FOUNDATION
- ✓ SUPPORT COMMUNITY ENGAGEMENT
- ✓ SUPPORT FUNDRAISING EFFORTS
- ✓ WORK COLLABORATIVELY TOWARD
REBUILDING MOLALLA'S SKATE PARK



**“ A COMMUNITY IS
REMEMBERED BY
WHAT IT BUILDS
FOR ITS FUTURE.”**

★
QUESTIONS?



CITY OF
MOLALLA
SKATEBOARD PARK



SKATE. ★ REMEMBER. ★ INSPIRE.

THANK YOU

FOR YOUR SUPPORT.



SKATE. ★ REMEMBER. ★ INSPIRE.

timateodelacruzmemorialsp@gmail.com



CITY OF MOLALLA

Staff Report

Agenda Category: PUBLIC HEARINGS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Claressa Davis, Associate Planner

Approved by: Mac Corthell, Assistant City Manager

SUBJECT: Ordinance No. 2026-03: Adopting Molalla Municipal Code, Chapter 18.01 Murals

FISCAL IMPACT:

Applicants would be required to pay a mural application fee, as established by the City Council. This fee would help offset staff costs associated with reviewing and evaluating the application.

RECOMMENDATION/RECOMMENDED MOTION:

Conduct the Public Hearing

BACKGROUND:

City Council is considering adoption of a mural code. Planning Commission, City Council, and the Beautification and Culture CPC Committee have all provided feedback to staff on what to include in the Mural Code (feedback was provided in that order). The Beautification and Culture CPC Committee then provided feedback on the proposed code language. The draft language was also reviewed by Legal Counsel, who provided feedback to ensure the regulations are consistent with applicable legal requirements and best practices. Staff is now presenting the Ordinance to City Council for discussion and adoption._

Proposed Code Summary:

The proposed code would allow murals in commercial, industrial, and public areas of Molalla when approved by the City. The code establishes standards for mural location, design, content, maintenance, and removal to ensure murals contribute positively to the community and do not function as advertising signs. It also creates an application and review process, including requirements for public ownership or easements, approval criteria, and an appeal process for applicants.

Staff is seeking:

City Councils adoption of ORD 2026-03 or feedback on the proposed language attached hereto in Exhibit A – Proposed Ordinance Language.

Relevant Documents

- Proposed Ordinance
- Exhibit A – Proposed Ordinance Language
- Exhibit B – Findings of Fact

ATTACHMENTS:



ORDINANCE NO. 2026-03

AN ORDINANCE OF THE CITY OF MOLALLA, OREGON. ADOPTING MOLALLA MUNICIPAL CODE, CHAPTER 18.01 MURALS

WHEREAS, the City of Molalla proposes adopting Chapter 18.01 Murals, as provided in Exhibit A, to permit the creation of murals that enhance the visual character of the city; and

WHEREAS, the proposed code establishes clear design and content standards for murals, including standards related to location, construction, maintenance, and public safety; and

WHEREAS, the proposed code creates a consistent approval and review process for murals, including application requirements, approval criteria, and appeal procedures; and

WHEREAS, the City Council finds that adoption of Chapter 18.01 Murals will encourage public art and provide a clear regulatory framework while continuing to protect safety and welfare.

Now, Therefore, the City of Molalla ordains:

Section 1. Molalla Municipal Code Title 18 is hereby amended consistent with Exhibit A, which is incorporated herein and adopted by reference.

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

Section 3. Effective Date. This Ordinance shall take effect 30 days after adoption.

The First Reading was held on July 22, 2026, and moved to a Second Reading by _____ vote of the City Council.

The Second Reading was held on _____ and adopted by the City Council on _____.

Signed this ____ day of _____ 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

Exhibit A: Proposed Mural Code Language

Title 18 Murals and Signs.

Chapter 18.01 Murals.

- A. Mural Program Purpose and Applicability. The intent and purpose of this section is to encourage and permit the production of murals within the city that contribute positively to the City of Molalla (the “City”).
 - a. Murals may be permitted only through this section.
 - b. No person shall commence the creation of any mural without first obtaining approval from the City.
 - c. Approved murals are not subject to Title 18.02 Signs. However, to the extent that any mural is created without City approval, such mural is considered a sign subject to Title 18.02 Signs.
- B. Eligibility and Location.
 - a. Murals shall only be permitted in the Commercial, Industrial, and Public Semi-Public Zones.
 - b. Murals may only be permitted on a building or a structure with appropriate City approvals.
 - c. No compensation shall be given or received for the display of murals or for the right to place the mural on another's property. However, artists may be compensated appropriately for their work.
- C. Public Ownership or Easement.
 - a. The mural must be sited on a surface of a building or structure that is either owned by the City or for which a mural easement to the City has been granted.
 - b. The approval and acceptance of any mural not sited on a surface of a building or structure owned by the City shall be contingent upon the conveyance of a mural easement to the City from the owner of the building or structure upon which the mural will be located, in a form approved by the City Manager or designee.
 - c. The terms of each mural easement shall grant the right to create the mural on the wall of the building or structure and provide that the person granting the easement will maintain the mural in its original condition for the period of the easement, and state that upon termination of the easement, the mural shall be removed, and the building restored to its prior condition.

D. Alteration.

- a. Murals shall not be altered without approval from the City.
- b. "Alterations" includes any changes to a permitted mural, including but not limited to, any change to the images, materials, colors, or size of the mural. "Alterations" do not include naturally occurring changes to the mural caused by exposure to the elements or passage of time.
- c. Minor changes to the mural that result from the maintenance or repair of the mural shall not constitute "Alteration." Such minor changes may include slight and unintended deviations from the original image, colors, or materials that occur when the permitted mural is repaired due to the passage of time or in order to address vandalism.

E. Duration and Removal.

- a. The mural shall remain in place for a minimum period of 3 years, but may be removed earlier than 3 years after the date of installation if any of the following circumstances occur:
 - i. The property on which the mural is located is sold.
 - ii. The structure or property is substantially remodeled or altered in a way that precludes the continuance of a mural.
 - iii. The property undergoes a change of use as authorized by the Planning Department.
- b. Upon removal, the Property Owner will notify the City's Community Development Department, and the mural easement will be terminated.
- c. Should the City invest public funds in the mural creation, the City may require via contract that the mural remain in place for a longer period of time.

F. Design and Construction Standards.

- a. Murals may be constructed with the following materials: paint, painted wood affixed to a building or structure, mosaics of ceramic tile and/or glass, or similar materials. The City Manager, or designee, may consider other materials in their review of a proposed public art mural.
- b. The mural shall be constructed in a way that mitigates the impacts of weather and vandalism. Applicants should consider use of an anti-graffiti coating. Should the mural be constructed with mosaic techniques, applicants should consider covering the art with an awning/canopy/overhang.
- c. Murals that are affixed to a building shall require structural permit approval as deemed necessary by the City Manager, or designee. No part of any mural shall protrude more than 6 inches off the surface.

- d. No part of the mural shall be placed over the exterior surface of any opening of a building, including but not limited windows, doors, and vents, in a manner that prohibits use of the opening.
- e. Murals shall not contain electrical components and shall not employ electrical lights, moving structural elements, flashing or sequential lighting, interior lighting elements, any automated method that causes movement, or any method that causes periodic changes in the appearance, image or message of the mural.
- f. External illumination is subject to City of Molalla lighting standards, as provided in Chapter 17-3.4.050 Outdoor Lighting.
- g. The mural shall be an original work. The mural shall not be a reproduction of an already-existing image.
- h. A mural may wrap around a wall edge or corner of a building.

G. Content Standards.

- a. Murals shall not include logos, slogans, or explicit business references.
- b. Murals shall not include obscenities or sexual, pornographic, or violent content.
- c. Murals shall not include material prohibited by other law.
- d. Murals shall not include any Native American iconography, unless the artist gains approval for such iconography from the Confederated Tribes of the Grand Ronde prior to mural application.

H. Application Process.

- a. Application. An applicant shall initiate a proposal to place a mural by filing the appropriate application with the City.
- b. Applicant shall agree to transfer legal ownership of the image produced to the City.
- c. The application shall be made on forms provided by the City and shall include the application fee for review and any accompanying materials deemed necessary by the City, including but not limited to:
 - i. Site plan
 - ii. Color rendering of proposed mural
 - iii. Description of materials and installation method
 - iv. Property owner authorization, if the property is owned by other than the City
 - v. Timeline for completion
 - vi. Artist information
 - vii. Certification that the property owner will comply with the duration and removal requirements enumerated herein.

- I. Review and Approval Process. Mural applications shall be reviewed by a publicly appointed body, as determined by the City Council. The publicly appointed body shall have discretion to approve mural applications, bearing in mind the purpose of this Section. However, all approved murals must satisfy the Eligibility and Location, Public Ownership or Easement, Design and Construction Standards, and Content Standards herein.
- J. Appeal. An applicant whose mural application is denied may appeal to City Council. Notice of the appeal shall be received in writing by the Community Development Department within twelve calendar days from the date the challenged decision is provided to the applicant. Late-filed appeals will be rejected. City Council's decision on any appeal is final.

Exhibit B – Findings of Fact**17-4.6.010 Purpose.**

The purpose of this chapter is to provide standards and procedures for legislative and Quasi-Judicial amendments to this Code and Zoning Map. Amendments may be necessary from time to time to reflect changing community conditions, to correct mistakes, or to address changes in the law.

17-4.1.050 Type IV (Legislative Decisions)

C. Procedure. Hearings on Legislative Land Use requests are conducted similar to City Council hearings on other legislative proposals, except the notification procedure for Legislative Land Use requests must conform to state land use laws (ORS 227.175), as follows:

STAFF FINDINGS: The proposed ordinance is an amendment to Development Code Text and as such follows a Legislative Type IV planning process.

1. The Planning Official shall notify in writing the Oregon Department of Land Conservation and Development (DLCD) of legislative amendments (zone change, rezoning with annexation, or comprehensive plan amendment) at least 35 days before the first public hearing at which public testimony or new evidence will be received. The notice shall include a DLCD Certificate of Mailing.

STAFF FINDINGS: DLCD notice was provided on 5/20/2026, exceeding the 35-day requirement.

2. At least 20 days, but not more than 40 days, before the date of the first hearing on an ordinance that proposes to amend the comprehensive plan or any element thereof, or to adopt an ordinance for any zone change, a notice shall be prepared in conformance with ORS 227.175 and mailed to:
 - a. Each owner whose property would be directly affected by the proposal (e.g., rezoning or a change from one Comprehensive Plan land use designation to another), see ORS 227.186 for instructions;
 - b. Any affected governmental agency;
 - c. Any person who requests notice in writing; and
 - d. For a zone change affecting a manufactured dwelling park, all mailing addresses within the park, in accordance with ORS 227.175.

STAFF FINDINGS: The proposed ordinance does not remove property rights. Murals are currently not permitted within the City of Molalla, and this ordinance would instead establish a framework that allows them. As such, ORS 227.186 (Measure 56) noticing is not required. The proposal is not for a zone change. Staff conducted the following notices in accordance with this standard: Website (6/22/2026), Interested Parties (6/22/2026), Posted on Bulletins (6/22/2026), and impacted governmental agencies (DLCD) (5/20/2026).

2. At least 10 days before the scheduled City Council public hearing date, public notice shall be published in a newspaper of general circulation in the city and the City's Website.
4. For each mailing and publication of notice, the Planning Official shall keep an affidavit of mailing/publication in the record.

STAFF FINDINGS: A hearing notice was published in the Herald-Independent on 6/24/2026. Staff have kept an affidavit of all actions taken.

17-4.6.020 Procedure.

- A. Except for corrections, amendments to Development Code text are Legislative (Type IV).
- B. Amendments to the Zoning Map that affect more than one parcel, or more than one-half of an acre, whichever is greater, are Legislative (Type IV) actions.
- C. Amendments to the Zoning Map that require an amendment to the Comprehensive Plan are Legislative (Type IV) actions.
- D. Amendments that do not meet the criteria under subsection A, B, or C may be processed as Quasi-Judicial amendments, pursuant to the Type III procedure.

STAFF FINDINGS: The proposed amendment qualifies as a Legislative Amendment under (A), and the legislative process has been followed as discussed under Section 17-4.1.050. This standard is met.

17-4.6.030 Criteria.

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

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

STAFF FINDINGS: The proposed amendment modifies the Development Code and not the Comprehensive Plan. This standard does not apply.

- B. The proposal must be consistent with the Comprehensive Plan (the Comprehensive Plan may be amended concurrently with proposed changes in zoning);
- C. The City Council must find the proposal to be in the public interest with regard to community conditions; the proposal either responds to changes in the community, or it corrects a mistake or inconsistency in the subject plan or code; and

STAFF FINDINGS: While the proposed amendment does not directly implement a specific Comprehensive Plan policy, it supports several of the Plan's broader goals and is found to be in the public interest. Allowing murals can help foster community pride, strengthen the City's unique identity,

and create a more welcoming and attractive environment. The amendment also helps clarify the distinction between murals and signage. This standard is met.

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

STAFF FINDINGS: This standard is addressed below.

17-4.6.040 Record of Amendments.

The Planning Official shall maintain a record of amendments to the text of this Code and the Zoning Map in a format convenient for public use. In the case of a map amendment, the map shall be made part of the ordinance.

STAFF FINDINGS: This section is informational.

17-4.6.050 Transportation Planning Rule Compliance.

Proposals to amend the Comprehensive Plan or Zoning Map shall be reviewed to determine whether they significantly affect a transportation facility pursuant to Oregon Administrative Rule (OAR) 660-012-0060 (Transportation Planning Rule - TPR). Where the City, in consultation with the applicable roadway authority, finds that a proposed amendment would have a significant affect on a transportation facility, the City shall work with the roadway authority and applicant to modify the request or mitigate the impacts in accordance with the TPR and applicable law.

STAFF FINDINGS: The proposed amendment does not amend the Comprehensive Plan or Zone Map, thus, TPR compliance is not required to be evaluated. This standard does not apply.



CITY OF MOLALLA

Staff Report

Agenda Category: PUBLIC HEARINGS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Ordinance No. 2026-06: Amending Molalla Municipal Code, Chapter 5.24 General Business Licensing

RECOMMENDATION/RECOMMENDED MOTION:

Conduct the Public Hearing.

BACKGROUND:

Molalla's current business licensing ordinance was adopted in 1999 and has since been amended seven times; in 2008, 2010, 2013, 2018, 2021, 2022, 2024. Some of these amendments were fairly comprehensive and others were piece meal, but none were all inclusive.

Due to the many amendments over the years, the current state of the code does not adhere to modern tenets of statutory construction which renders it confusing to the average reader and legally deficient in terms of enforcement.

Staff has utilized the Model Business License Code from the League of Oregon Cities, combined with some important provisions from the City's current Business License Code to provide an overhaul of the City's Business Licensing Code and Procedures.

Attached to this report is a summary of proposed changes.

ATTACHMENTS:

[Ordinance No. 2026-06 Proposed Changes.pdf](#)

[Ordinance No. 2026-06 Amending MMC Chapter 5.24 Business Licensing.pdf](#)

Ordinance No. 2026-06 Amending Chapter 5.24 General Business Licensing

Summary of Proposed Changes:

Proposed Amendment	Effect
Reorganized several sections	Following best practices of statutory construction, make the code easier to read and follow
Added definitions	Provides greater clarity in the ordinance, properly shifts responsibility to the City Manager, expands meanings to better capture all situations
Removed definitions	Substantially a housekeeping measure to get rid of unused or unnecessary definitions.
Amended Exemptions Section	Added exemptions for kids under 18 operating a lemon-aid stand or the like, non-profits, and businesses that gross less than \$7,500 annually. Removed the exemption for locally grown goods.
Amended Application Requirements	Ensures businesses are using appropriate naming conventions and are not creating a daisy chain of businesses for the City to try and regulate.
Added a Denial, Revocation, Suspension section	Ensures the city has appropriate recourse in the case of individuals failing or refusing to comply with the licensing requirement.
Amended Fee Section	Made home occupation BL fee 50% of the regular permit cost



ORDINANCE NO. 2026-06

**AN ORDINANCE OF THE CITY OF MOLALLA, OREGON
AMENDING MOLALLA MUNICIPAL CODE
CHAPTER 5.24 GENERAL BUSINESS LICENSING**

WHEREAS, the City of Molalla is an Oregon municipal corporation with authority under its Charter and Oregon law to regulate matters of local concern; and

WHEREAS, ORS 221.410 provides that, except as limited by express provision or necessary implication of general law, a city may take all action necessary or convenient for the government of its local affairs; and

WHEREAS, the City has adopted business license regulations to identify businesses operating within the City, support administration of City services, protect the public health, safety, and welfare, and ensure compliance with applicable state and local requirements; and

WHEREAS, the City Council desires to update and clarify the City's business license requirements so that the licensing program remains fair, administratively efficient, and appropriately tailored to businesses operating within the City; and

WHEREAS, the City Council finds that certain very small businesses operated from a residence under a valid home occupation permit may have limited impacts on City services, traffic, parking, utilities, and neighborhood character; and

WHEREAS, the City Council finds that requiring a City business license for a home occupation with annual gross receipts of less than Seven Thousand Five Hundred Dollars (\$7,500) may impose an administrative burden disproportionate to the scale of the business activity; and

WHEREAS, the City Council finds that the amendments adopted by this Ordinance promote efficient administration, reduce unnecessary regulatory burden on very small home-based businesses, and preserve the City's ability to enforce its business licensing and land use regulations.

Now, Therefore, the City of Molalla ordains:

Section 1. The proposed amendment of Molalla Municipal Code Chapter 5.24 attached hereto is incorporated herein by reference and adopted.

Section 2. Effective Date. This Ordinance shall take effect 30 days after enactment.

The First Reading was held on July 22, 2026, and moved to a Second Reading by _____ vote of the City Council.

The Second Reading was held on _____ and adopted by the City Council on _____.

Signed this ____ day of _____ 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

Normal Text – No Change

~~Strikethrough Text~~ – Delete from Ordinance

Italic Text – New Text

§ 5.24.010 *Purpose*

This ordinance is enacted, except as otherwise specified, to:

A. Ensure that each business is conducted in compliance with applicable federal, state, and local laws, regulations, and ordinances and in a manner comporting with the public health, safety, and general welfare;

B. Secure revenue to assist in defraying the City's cost of administering and enforcing its laws and ordinances and the City's provision of certain municipal services; and

C. Obtain valuable information for emergency responders, planning and building personnel, and economic development.

~~§ 5.24.010~~ § 5.24.020 *Definitions.*

As used in this ordinance: ~~chapter of the Molalla Municipal Code, the following words and phrases mean:~~

"Applicant" means the person applying for a license to conduct a particular business within the City.

"Business" means an activity, trade, profession, occupation, or pursuit operated, engaged, conducted, or carried on by a person predominately for economic profit, gain, or livelihood, or any other purpose, regardless of the form under which the activity, trade, profession, occupation, or pursuit is operated, engaged, conducted or carried on within the city. in the city including professions, trades, occupations, and shops. Any person who advertises or otherwise represents themselves to the public as engaged in business is presumed to be so engaged.

"City Manager" means the City of Molalla City Manager or their designee.

"Day" means a calendar day unless otherwise noted.

"Doing business" means to engage in any activity in pursuit of profit, gain, livelihood or any other purpose.

"Garage/yard/estate sale" means a commercial activity, open to the public, conducted at a private residence where personal property is sold, or auctioned to others, provided the number of sale days at a particular residence does not exceed three days, and no more than four occurrences per calendar year.

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~~"Home occupation" means a business carried on within a dwelling, and which business is incidental to the use of the dwelling for dwelling purposes.~~ *means a business required to obtain, or carried on subject to, a Home Occupation license approval issued under MMC 17-2.3.120.*

~~"License" means the permission granted by the city under this ordinance to operate, engage, conduct, or carry on in a business or activity regulated by this chapter within the city.~~

~~"Licensee" means a person who has a an applicant who has received a business license. valid license issued pursuant to this chapter.~~

"Non-profit organization" means any business or organization which is exempt from taxation under Section 501(c) of the United States Internal Revenue Code and produces a determination letter of proof thereof.

~~"Peddler" means any person who goes from house to house or from place to place in the city, selling or taking orders for, or offering to sell or take orders for goods, wares, merchandise, or any other article for future delivery, for services to be performed in the future, or the making, manufacturing, or repairing of any article or thing whatsoever for future delivery, excepting interstate commerce.~~

~~"Person" means an individual, partnership, corporation, limited company, joint venture, cooperative or any other entity in law or in fact. includes all natural and legal persons, including, but not limited to, individuals, corporations, associations, partnerships and societies, whether or not engaged in a profit-making endeavor.~~

"Special event" means any special event receiving the prior approval of the City to be exempt from the license requirements under this ordinance.

~~"Valid license" means a license issued pursuant to this chapter, and which license's effective period has not expired.~~

(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)

~~§ 5.24.015 Purpose of business license fee.~~

~~A. The ordinance codified in the chapter is enacted, except as otherwise specified in this section, to provide revenue for municipal purposes including police protection, marketing, tourism promotion, economic development and to provide revenue to pay for the necessary expenses required to issue the license.~~

~~B. The fee required by this code shall be in addition to general ad valorem taxes now or hereafter levied pursuant to law, and shall be in addition to license fees prescribed in other parts of this code.~~

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~~C. The levy or collection of a business license fee upon any business shall not be construed to be a license or permit of the City to the person to engage therein in the event such business shall be unlawful, illegal, or prohibited by the laws of the State of Oregon, the United States, or other provisions of this code.~~

~~(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1; Ord. 2021-11 §1)~~

~~§ 5.24.017 Application procedures and approval of business license.~~

~~A. An application for a license required under this chapter will be made to the City Recorder or designee, on forms that are maintained by the City.~~

~~B. The City Recorder or designee may issue or renew a license only if: (1) the business activity of the applicant is consistent with any applicable requirements of this code, including, but not limited to, zoning and development requirements; (2) the business activity of the applicant will not constitute a nuisance under the provisions of this code; (3) the applicant has not provided any false or misleading information or has not omitted disclosure of a material fact on the business license application or related materials; (4) the business to be licensed or any person with more than a 25% ownership interest in the business does not owe the City any monies, including, but not limited to, unpaid utility bills or fines or has any outstanding liens in favor of the City; and (5) the applicant has paid the appropriate license fee due under this chapter.~~

~~(Ord. 2024-04, 9/11/2024)~~

~~§ 5.24.019 Contractors' and subcontractors' responsibility.~~

~~It shall be the responsibility of all general contractors, utility companies and subcontractors working in the City to obtain a business license. It shall further be the responsibility of all general contractors and utility companies working in the City to provide a list of all names and addresses of subcontractors under their direction. Failure of any subcontractor to obtain a license may result in a stop work order on any project within the City's jurisdiction.~~

~~(Ord. 2013-07 §1; Ord. 2018-04 §1)~~

~~§ 5.24.020 Business license fee required—Fee imposed.~~

~~A. Except as provided in this chapter, any person operating or carrying on business in the City must obtain a license and pay the required fee on an annual basis. Any person who does not have a business license, or has had their license suspended or revoked, must immediately cease conducting business within the city.~~

~~B. A business license fee is hereby imposed upon the business trades, shops, professions, callings, and occupations specified in Section 5.24.010 of this code. The fee for business licenses~~

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~~shall be due and payable by the 15th day of January of each year for the calendar year following and shall be delinquent on or after the 16th of January.~~

~~Any new business which is not in operation on or before the first day of the license year and which desires to conduct business within the City shall make application for the license required by this chapter to the City before starting a business. As a new business, other processes and fees may apply to determine if business is applicable to the zone. If the application is received on or before June 30, the full license fee is required. An application received on or after July 1, will be charged half the fee amount.~~

~~C. Each branch establishment of business or location of a business conducted by any person shall, for the purposes hereof, be a separate business and subject to the license requirements provided in this code; but warehouses used solely incidental in connection with a business licensed pursuant to the provisions of this code and operated by the person conducting such business shall not be separate places of business or branch establishments.~~

~~D. The agent or agents of a nonresident proprietor engaged in any business for which a license is required by this code shall be liable for the payment of the fee, and for the penalties for failure to pay the same as provided in Sections 5.24.035 and 5.24.040 of this code, or to otherwise comply with the provisions of this code to the extent and with like effect as if such agent or agents were themselves proprietors.~~

~~(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1; Ord. 2022-02 §1; Ord. 2024-04, 9/11/2024)~~

~~§ 5.24.021 Temporary business license.~~

~~Any person conducting a business within the City which is not domiciled nor otherwise permanently located in the City but is conducting business within the City for a period 30 days or less annually shall apply for and receive a temporary business license and shall pay the license fee for such temporary business as may be established by Council.~~

~~(Ord. 2013-07 §1; Ord. 2018-04 §1)~~

~~§ 5.24.025 Exemptions.~~

~~A. The provisions of this chapter shall not apply to:~~

- ~~1. Any person transacting and carrying on any business within the City which is exempt from taxation or regulation by the City by virtue of the Constitution of the United States, the State of Oregon, or applicable statutes of the United States or the State of Oregon.~~

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- ~~2. Any person whose income is based solely on an hourly, daily, weekly, monthly, or annual wage or salary, and it is the intention that all registration, taxes and fees will be borne by the employer.~~
 - ~~3. Any business paying a franchise fee under City ordinances.~~
 - ~~4. Any business which does not maintain any offices, storage facilities or other facilities, or inventory in the City, and whose sole business involves delivering merchandise or goods to persons or businesses in the City.~~
 - ~~5. A person whose primary activity consists of delivering goods inside the City for a business located outside the City.~~
 - ~~6. Nonprofit organizations, civic organizations and clubs wishing to canvass for funds or sell door-to-door to raise funds or conduct fundraising, federally tax-exempt organizations and non-profit religious organizations.~~
 - ~~7. Persons whose gross receipts from business conducted both within and without the City amount to less than \$2,500.00 per calendar year; provided that any such person provide written notice to the City by January 15, that they are exempt and upon demand by the City provide proof verifying the amount. This exemption does not supersede the applicability of the exemption for garage sales as defined in this chapter.~~
 - ~~8. Any person operating a business, display or sales space at any special event with a duration of three days or less. A "special event," as used in this chapter, is deemed to be a City-endorsed activity for the benefit of the community.~~
 - ~~9. Any person engaged in a garage, yard or estate sale as defined in this chapter.~~
 - ~~10. Any producer of farm products raised in Oregon, produced by themselves or their immediate families, who sell, vend, or dispose of such products within the City.~~
 - ~~11. Any business which is under public contract with the City to design or construct publicly funded projects and who does not do other non-City work within the City limits.~~
- ~~B. Any person not subject to the business license fee as set forth under subsection A who receives a notice of business license renewal or application must contact the City in writing to~~

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~~claim an exemption. If no exemption is claimed, an individual or business will be subject to the late fees as set forth under Section 5.24.040(B).
(Ord. 2019-10 §1; Ord. 2021-11 §2)~~

§ 5.24.030 License Required

A. Except as exempt under Section 5.24.040 below, it shall be unlawful for any person to conduct business within the City without first having obtained a license for the current year as provided under this ordinance.

B. A person engaged in business in more than one location in the City of Molalla, or in more than one business name in the City of Molalla shall make a separate application and pay a separate license fee for each business or location, except as otherwise provided in this ordinance. Only one license under this ordinance is required for mobile businesses such as housekeeping services, food trucks, and other related businesses that travel throughout the city.

C. If more than one business is conducted on the same premises, each business must obtain a separate license.

D. A person representing him or herself, or exhibiting any sign or advertisement that he or she is engaged in a business within the City of which a business license fee is levied by this ordinance shall be deemed to be actually engaged in such business and shall be liable for the payment of such license fee and subject to the penalties for failure to comply with the requirements of this ordinance.

E. The City may require proof of state registration. An applicant shall possess any state or county licenses required or shall be awaiting final approval by the county or state, if City approval is a prerequisite, before a City license will be issued.

F. No person shall do business within the City as the employee, agent or representative of another person unless either the principal or the employee, agent or representative has a current, valid City business license for the business, no matter where the principal offices of that business are situated.

~~§ 5.24.030 Amount of business license fee.~~

~~A. The license fee shall be set by the City Council by resolution.~~

~~B. All fees are on an annual basis. Each business trade, shop, calling or occupation that has multiple departments may apply for a business license under the classification of "general shopkeeper."~~

~~C. If any person be engaged in operating or carrying on in the city more than one trade, shop, profession, occupation, business or calling then such person shall obtain licenses prescribed in this chapter for as many of the trades, shops, professions, occupations, businesses or callings as are carried on by such person.~~

~~(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

~~§ 5.24.035 Business license certificate.~~

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~~All licenses issued in accordance with this chapter shall be openly displayed in a place of business or kept on the person or on the vehicle of the person licensed and shall be immediately produced and delivered for inspection to the Chief of Police and their agents or subordinates when requested by the individuals to do so. Failure to carry the license or produce the same on request shall be deemed a violation of this chapter.~~

~~A. A business license certificate shall be issued by the City Recorder or designee upon written application therefor.~~

~~B. The application for such certificate shall contain the following information:~~

~~1. A description of the trade, shop, business, profession, occupation, or calling to be carried on within the city;~~

~~2. The name of the applicant, with a statement of all persons having an interest in said business either as proprietors or owners of the business;~~

~~3. The location of the place where the business is carried on;~~

~~4. Date of application;~~

~~5. Amount of money tendered with application;~~

~~6. Signature of applicant.~~

~~(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

§ 5.24.040 Exemptions

The following are exempt from the licensing requirement:

A. A service business operated by a person under the age of 18, such as a lawn mowing business, a newspaper delivery business, a lemonade stand, and the like.

B. Individuals who work only on the premises of, and as part of, a licensed business that includes the activity of the individual. Examples include barbers, beauticians, medical care providers, attorneys, accountants, relators and others who perform services as part of the overall licensed business. This exemption does not apply if the overall business operation has not obtained a business license.

C. Any business which does not maintain any offices, storage facilities or other facilities, or inventory in the City, and whose sole business in the City involves delivering merchandise or goods to persons or businesses in the City.

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D. Any business paying a franchise fee under City ordinances.

E. Garage sales, yard sales, and other similar activity conducted, carried on, or operated by an individual; provided, however, such exemption will not apply if either of the following conditions are met:

- 1. The individual conducts, carries on, or operates more than four (4) such sales within any calendar year; or*
- 2. Any one such sale has a duration of more than 72 consecutive hours.*

F. An organizer or participant in a special event, but only with respect to that particular special event.

G. Activities that qualify as hobbies or passive holding of property for investment purposes under the United States Internal Revenue Code.

H. Any home occupation business whose gross receipts from business conducted both inside the City limits and outside the City limits amounts to less than \$7,500.00 per calendar year; provided however that the owner provides written notice that this exemption applies to their business upon request by the City.

- 1. The written notice required shall provide the name, address, nature, and organizational structure of the business, and a profit and loss sheet or tax return for the businesses' most recently completed fiscal year and the current fiscal year to date, illustrating that this exception applies.*
- 2. Failure to provide the written notice of exception within 30-days of request by the City shall constitute a violation of this chapter.*

H. The following must obtain a business license but are exempt from payment of the license fee:

- 1. Any business exempt from paying local business license fees or taxes by Federal or State constitution or law.*
- 2. Any business exempt from paying property tax.*
- 3. Any entity registered with the Oregon Secretary of State as a non-profit corporation.*

~~§ 5.24.040 Misleading statements—Nonpayment.~~

~~A. No person may willfully make any false or misleading statement to the City Recorder for the purpose of securing a business license certificate; or to fail or refuse to pay before that payment becomes delinquent any business license fee or penalty hereby required to be paid by any such person.~~

~~B. In the event any person required to renew a business license fails to pay the license fee, a late fee, as set by resolution, shall be added to the license fee until paid. This same late fee will apply to those persons receiving notice of a failure to renew a business license who have not notified the City of any applicable exemptions as listed in Section 5.24.025 above. If after March 1st the business license and/or including late fees (unless a payment arrangement has been~~

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~~made in writing) the business shall be cited into Molalla Municipal Court and prosecuted under the general penalty of Molalla Municipal Code as stated in Chapter 1.04. (Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

~~§ 5.24.045 Additional remedies:~~

~~A. The conviction of any person for violation of any of the provisions of this chapter shall not operate to relieve such person from paying any fee or penalty thereupon for which such person may be liable nor shall the payment of any fee be a bar or prevent any prosecution in the Municipal Court of any complaint for the violation of the provisions of this chapter.~~

~~B. Any violation of this chapter shall, in addition to any other remedy prescribed by this chapter, be punishable under the general penalty clause of the Molalla Municipal Code. Each day, which a business is operated in violation of this chapter, shall be deemed a separate offense and may be punishable by a separate fine for each day the license is not paid in an amount to be determined by the City and as authorized under Section 1.04.010(B) of the Molalla Municipal Code. (Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

§ 5.24.050 Business License Application Requirements

Each person desiring to engage in doing business must apply for a license to operate, engage, conduct or carry on the business on such forms and in such manner as the City Manager may prescribe. The application must be accompanied by the applicable license fee provided for in Section 5.24.070 below.

The application must be filed with the City Manager, must contain all of the information requested on the form, and must conform to the following naming conventions:

A. Assumed business name / DBA. When a business is carried on, conducted, advertised, or transacted under an assumed business name, trade name, franchise name, or "doing business as" name, the applicant shall provide that name on the City business license application. The City may require proof that the assumed business name has been registered with the Oregon Secretary of State when such registration is required by state law.

B. Legal Owner Required. If the name under which the business is actually transacted differs from the applicant's legal name, corporate name, limited liability company name, partnership name, or other real and true name, the applicant shall also disclose the legal name and mailing address of each person or entity that owns, operates, or controls the business.

C. Parent or holding company not sufficient. Registration under the name of a parent company, holding company, management company, franchisee entity, or other legal owner does not satisfy this section unless that is the name under which the business is actually carried on, advertised, held out to the public, or transacted at the licensed location.

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~~§ 5.24.050 Period of license.~~

~~Business licenses shall be issued on a calendar year basis and shall expire on December 31st of the year in which they are issued.~~

~~(Ord. 1999-15 §2; Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

~~§ 5.24.055 Renewal of licenses.~~

~~At least 30 days prior to the expiration of any license issued under this section, and upon any change in the ownership of a business licensed under this section, the licensee shall apply for renewal by application containing the same information as required for an initial application, or, in the alternative, a statement of the particulars in which the information furnished with the initial application is changed. On such investigation as the City deems proper, the license shall be renewed.~~

~~(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

5.24.60 Business License Certificate; Posting and Display of Certificate

A. A business license certificate shall be issued by the City Manager upon application approval in accordance with Section 5.24.090.

B. Licensee shall post the license in a conspicuous place upon the business premises, available for inspection by the public and any employees and prospective employees of the business. When the licensee has no office, business premises or other established place of business within the City, the license must be in the possession of the agent or representative of the business who is present in the City at all times during which business is being transacted by the agent or representative in the City. If a licensed business is based in a motor vehicle, a photocopy of the license must be carried in the motor vehicle.

~~§ 5.24.060 License — Grounds for revocation or suspension.~~

~~A. The City Recorder determines that a licensee is conducting or has conducted an activity, which would provide grounds for denial of an application for a license, and the City Recorder shall notify the licensee in writing that the City is revoking/suspending the license.~~

~~B. If the City Recorder determines that a licensee or any activity of the licensee presents an immediate danger to persons or property, the City Recorder may suspend/ revoke such license by issuing written notice.~~

~~(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

~~§ 5.24.065 Appeal.~~

~~An applicant whose application has been conditioned, denied, suspended or revoked may file a written notice of appeal with the City Administrator. The notice of appeal must be filed within~~

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~~10 calendar days after the notice of conditioned, denied, suspended or revoked is mailed or delivered, whichever is earlier. The notice of appeal shall include:~~

~~A. The name and address of the appellant, and the business owner if different than the appellant;~~

~~B. The nature of the determination from which an appeal is taken and a copy of the determination;~~

~~C. The reason or reasons why the determination is alleged to be incorrect; and~~

~~D. What the correct determination should be.~~

~~When a license has been revoked and the licensee or principal of the licensee reapplies for a license, a bond in the penalty sum deemed necessary under the circumstances, but not to exceed \$10,000.00, shall be filed with the City Recorder. This bond shall be required for the term of the license and shall be forfeited to the City if the licensee is convicted of any violation of federal, state or city laws or ordinances for which such license may be revoked.~~

~~(Ord. 2008-03 §1; Ord. 2010-13 §1; Ord. 2013-07 §1; Ord. 2018-04 §1)~~

5.24.070 Fees Imposed

A. An annual business license fee will be set by resolution of the City Council from time to time and is imposed on the act of doing business within the City.

1. The fee imposed herein shall be set at 50% of the applicable business license fee for a standard commercial or industrial business operation if the Business is operated exclusively under a valid Home Occupation permit.

B. Fees are due at the time of the application approval, prior to receiving a Business License Certificate. Renewal fees are due annually by January 1 of the respective year.

C. A person doing business in the City, for whom payment of a business license fee is delinquent, shall pay as a penalty for delinquency the additional sum of \$100.00 for each calendar month or fraction thereof for which payment remains delinquent.

D. Nothing contained in this ordinance shall vest any right in a license as a contract obligation on the part of the city as the amount of the fee. The fees provided for in this ordinance may be increased or decreased, additional fees may be imposed, and classifications may be changed.

E. A person operating more than one business shall pay the fee prescribed for each of the businesses, except as specifically provided by ordinance.

5.24.080 Transfers, Relocations, and Terms of License

A. Transfer of License. In the event of the transfer of ownership of a business, the applicable business

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license may be transferred by application to the City Manager. The City Manager may approve the transfer upon finding that the new applicant meets the requirements of this ordinance.

B. Relocation of an Existing Business. In the event a business is relocated, the licensee shall reapply to the City Manager to transfer the business license. The City Manager may issue the license upon finding that the new location meets the requirements of this ordinance and other applicable federal, state, and local regulations.

C. License Term. A business license issued under this ordinance shall be valid from the date of issuance until the following January 1.

5.24.090 Approval, Denial, Revocation and Suspension

A. Approval of Application.

- 1. The City Manager shall issue a decision on an application for a new business license within 30 days of the submission of a complete application.*
- 2. The City Manager shall issue a business license upon a finding that the applicant has met all requirements of federal, state and local laws, and payment of the business license fee.*
- 3. If an application for a new license is approved, the City Manager shall notify the applicant in writing. The notice shall state any condition or limitation placed on the license as a condition of maintaining the license which the city Council deems necessary to protect the public health, safety, or welfare which is required by federal, state, or local law.*
- 4. The City Manager shall issue a license renewal upon receipt of the renewal fee and a finding that the applicant has met all requirements of federal, state, and local law.*

B. Denial, Suspension, Revocation of Application or License.

The City Manager may deny a business license application, revoke or suspend a business license upon a finding that:

- 1. The licensee fails to meet the requirements of, or is doing business in violation of federal, state, or local laws; or*
- 2. The applicant has provided false or misleading material information, or has omitted disclosure of a material fact on the applications, related materials, or license; or*
- 3. The applicant's past or present violation of law presents a reasonable doubt about his or her ability to perform the licensed activity without endangering property or the public health or safety; or*
- 4. The information supplied for the review does not indicate that the applicant has the special knowledge or skill required to perform the licensed activity; or*
- 5. The licensed activity would endanger property or the public health or safety.*

C. Notice. The City Manager shall provide written notice to the applicant or licensee of the denial, suspension or revocation. The notice shall state the reason for the action taken and shall inform the application or licensee of the right to appeal under Section 5.24.100 of this ordinance. The notice shall be given at least 15 days before the suspension or revocation becomes effective. If the violation ends within

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the 15 days, the City Manager may discontinue the suspension or revocation proceedings.

D. Reapplication. A person whose application for a business license that has been suspended or revoked, may, after 90 days from the date of the denial, suspension or revocation, apply for a license or reinstatement upon payment of the application fee and submission of an application form and related documents.

E. Disqualification. A person whose application for any business license that has been denied or whose license has been revoked for a total of two times within one year, or who has a total of four denials, suspensions or revocations, shall be disqualified from applying for a license or reinstatement for a period of two years from the date of the denial, suspension or revocation.

F. Summary Suspension. Upon determining that a licensed activity presents an immediate danger to person or property, the City Manager may summarily suspend the license for the activity. The suspension takes effect immediately upon notice of the suspension being received by the licensee or being delivered to the licensee's business address as stated on the licensee's application for the license being suspended. Such a notice shall state the reason for the suspension and inform the licensee of the provisions for appeal under Section 5.24.100 of this ordinance.

5.24.100 Appeal

In the event an application for a license under this ordinance is denied, or in the event a license is suspended or revoked, the applicant or licensee shall have the right to appeal.

A. The written notice of appeal to the City Manager shall be filed with the City Manager within 15 days after the license denial, suspension or revocation.

B. The notice of appeal shall include:

- 1. The name and address of the appellant, and the business owner if different than the appellant;*
- 2. The nature of the determination from which an appeal is taken and a copy of the determination;*
- 3. The reason or reasons why the determination is alleged to be incorrect; and*
- 4. What the correct determination should be.*

C. The City Manager (not their designee) shall review the information provided, make a determination regarding the appeal, and provide a written decision to the appellant within 15-days of receipt of the appeal.

5.24.110 Violations and Penalties

A. Any person convicted of violating any of the provisions of this ordinance shall be punished by a fine not to exceed \$500.00 for any one offense, each day constituting a separate offense.

B. Inspection and Right of Entry. Whenever they shall have cause to suspect a violation of any provisions of this ordinance, or when necessary to investigate an application to, or revocation of, a license under any of the procedures prescribed in this ordinance, officials for the enforcement or administration of this ordinance, or their duly authorized representatives, may enter on any site, or into any structure, for the purpose of investigation providing they do so in a reasonable manner.

[Type here]

1. If an owner or occupant denies access for an inspection, the city may revoke the business license, and/or may seek a warrant. No secured building shall be entered without the consent of the owner or occupant unless under authority of a lawful warrant.

C. Abatement. Any business which is established, operated, moved, altered, enlarged or maintained contrary to the licensing requirements shall be, and is hereby declared to be, unlawful and a public nuisance, and may be abated as such.

D. Legal Proceedings by City Attorney. In addition to the enforcement provisions of this ordinance, upon request by the City Manager, the City Attorney may institute any additional proceedings, including, but not limited to, seeking injunctive relief to enforce the provisions of this ordinance.

5.24.120 Severability Clause and Savings Clause

A. Severability Clause. A determination of invalidity or unconstitutionality by a court of competent jurisdiction of any clause, sentence, paragraph, section or part of this ordinance shall not affect the validity of the remaining parts to this ordinance.

B. Savings Clause. A prosecution that is pending on the effective date of this ordinance and arose from a violation of an ordinance repealed by this ordinance, or a prosecution started within one year after the effective date of this ordinance arising from a violation of an ordinance repealed by this ordinance, shall be tried and determine exactly as if the ordinance had not been repealed.



CITY OF MOLALLA

Staff Report

Agenda Category: PUBLIC HEARINGS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Ordinance No. 2026-07: Amending Molalla Municipal Code, Chapter 3.09 Disposal of Surplus Property

RECOMMENDATION/RECOMMENDED MOTION:

Conduct the Public Hearing.

BACKGROUND:

The proposed amendment of the City's surplus property ordinance will:

1. Simplify the City's code;
2. Make surplus property procedures easier for staff to understand and apply;
3. Reduce staff time spent on low-value items;
4. **Increase net returns** by allowing the most efficient disposal method;
5. Improve consistency through standardized internal forms and procedures;
6. Better align the code with the Council-Manager form of government;
7. **Preserve Council oversight** for major or sensitive property decisions;
8. Allow procedures to **adapt as technology and market conditions change**;
9. Improve storage and asset management by allowing timely removal of unused property;
10. **Maintain transparency, documentation, and accountability.**

The City periodically identifies vehicles, equipment, materials, supplies, technology, furniture, tools, and other personal property that are obsolete, worn out, inefficient, no longer needed, or otherwise unsuitable for continued City use. These items must be managed responsibly because City property is public property and should be disposed of in a manner that protects the public interest, maintains accountability, and returns the greatest reasonable value to the City.

The City's current surplus property ordinance is large, cumbersome, and overly prescriptive. While the existing ordinance was likely intended to promote accountability, its level of procedural detail can make routine surplus property disposition unnecessarily difficult, time-consuming, and inefficient. In practice, a highly prescriptive code can cause staff to spend disproportionate time processing low-value, obsolete, or unusable items where the administrative cost of compliance may exceed the value of the property itself.

The proposed amendment would replace the existing surplus property provisions with a shorter, clearer, and more flexible framework. The amendment would retain the essential safeguards: property must be determined to be surplus, disposition must serve the City's interest, records must be maintained, and disposal must occur through appropriate methods.

However, the amended code would avoid placing every administrative step directly in the municipal code. Instead, it would establish Council's policy direction in code and allow implementation through

administrative procedures, forms, and internal controls.

1. The current ordinance is more detailed than necessary for routine surplus property management.

Surplus property administration is a recurring operational function. The majority of surplus items are not major policy decisions; they are routine administrative matters involving property that has reached the end of its useful life, is no longer compatible with City operations, or has little remaining market value.

2.A shorter code is consistent with best practices.

Best practice is to place broad policy direction in the municipal code and place detailed implementation procedures in administrative rules, purchasing rules, or internal procedures. This allows Council to establish the required safeguards while giving staff enough flexibility to use the most effective method for each type of property.

3. Flexibility can improve net returns to the City.

The goal of surplus property disposition is not simply to generate the highest gross sale price. The more practical goal is to achieve the best net return or public value after considering staff time, advertising cost, storage cost, transportation cost, repair cost, auction fees, and administrative burden.

4. The proposed amendment supports accountability without unnecessary process.

A shorter ordinance does not mean less accountability. In fact, it can improve accountability by making the process easier to understand and consistently apply.

5. Other cities use more concise and flexible surplus property provisions.

Many cities do not place every operational step for surplus property disposal directly in the municipal code. Instead, they use shorter code provisions that establish the policy and authorize implementation through administrative procedures, purchasing rules, or Council-adopted rules.

ATTACHMENTS:

[Ordinance No. 2026-07 Amending MMC Chapter 3.09 Disposal of Surplus Property.exh.pdf](#)



ORDINANCE NO. 2026-07

**AN ORDINANCE OF THE CITY OF MOLALLA, OREGON
AMENDING MOLALLA MUNICIPAL CODE
CHAPTER 3.09 DISPOSAL OF SURPLUS PROPERTY**

WHEREAS, the City of Molalla owns and maintains real property, personal property, equipment, materials, supplies, and other assets used to provide public services; and

WHEREAS, from time to time, City property becomes obsolete, worn out, damaged, inefficient, unsuitable for continued use, or no longer necessary for City operations; and

WHEREAS, Oregon public contracting law recognizes the authority of local contracting agencies to adopt rules governing public contracting activities, including activities related to the disposition of public property; and

WHEREAS, the City Council finds that a surplus property program should provide flexibility to pursue cost-effective disposal methods that seek to obtain the most beneficial return on investment; and

WHEREAS, the City desires to ensure that surplus property is not disposed of for private advantage, favoritism, or personal benefit, and that all surplus property dispositions are conducted in a manner consistent with applicable ethics, public contracting, and financial accountability requirements.

Now, Therefore, the City of Molalla ordains:

Section 1. The proposed amendment of Molalla Municipal Code Chapter 3.09 attached hereto as Exhibit A is incorporated herein by reference and adopted.

Section 2. Effective Date. This Ordinance shall take effect 30 days after enactment.

The First Reading was held on July 22, 2026, and moved to a Second Reading by _____ vote of the City Council.

The Second Reading was held on _____ and adopted by the City Council on _____.

Signed this ____ day of _____ 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

DRAFT

Normal Text – No Change

~~Strikethrough Text~~ – Delete from Ordinance

Italic Text – New Text

§ 3.09.010 Introduction.

~~City employees are expected to be responsible for and care for any City equipment or property in their possession. When the equipment or property has reached the end of its useful life the City shall properly dispose of the asset and attempt to obtain any residual value the asset may have.~~

~~It is the policy of the City of Molalla to dispose of surplus property in the manner determined to provide the greatest net benefit to the City or when a net benefit is not reasonably achievable to minimize the City's net loss;~~
(Ord. 2008-06)

§ 3.09.020 ~~Real property versus personal property:~~ Declaration of City Owned Personal Property as Surplus;

~~A. Personal property is generally moveable and real property generally is not moveable. For example: Land, buildings and other structures are real property, while personal property consists of office equipment, vehicles, large mobile equipment, supplies and scrap.~~

~~B. State law governs the disposal of real property owned by the City. The City Manager shall be consulted prior to the listing, sale, disposal or transfer of any property or property rights—real or personal—owned by the City of Molalla.~~

- 7j ~~For Personal Property owned by the city with an estimated value of \$8,066 or less per item and \$76,666 or less in the aggregate;~~
 - a_j ~~The City Manager shall make an estimated valuation and declare the property surplus prior to disposition;~~
- 8j ~~For Personal Property owned by the city with an estimated value of \$8,067 or more per item or \$76,667 or more in the aggregate;~~
 - a_j ~~The City Council shall declare the property surplus via resolution prior to disposition;~~

(Ord. 2008-06)

§ 3.09.030 ~~Identification process:~~ Disposition of City Owned Personal Property;

~~A. The identification of City property as surplus is the responsibility of each department. The City Manager or his/her designee will coordinate the disposal of surplus property.~~

~~B. Generally, all revenues generated from the sale of surplus property will be receipted into the fund that the asset was purchased from.~~

~~C. Exceptions may be:~~

~~1. Assets purchased with grant funds in which the grant provided for the asset's future disposition.~~

~~2. A sale of assets that have been court ordered and the proceeds are required to go toward a specific purpose.~~

~~3. The Library Board's policy will govern the disposal of all "unused or underused" books and similar materials in accordance with library policy.~~

~~D. The Finance Director will ensure a proper accounting of funds as mandated by federal and state statutes, as applicable.~~

~~7j Upon declaration of the personal property as surplus in accordance with MMC. 9j69686?the City Manager or their designee shall dispose of the surplus property in any lawful manner determined by the City Manager most likely to provide the City with the highest net financial return;~~

~~a) Personal property deemed unlikely to produce a net financial return by the City Manager shall be disposed of in any lawful manner determined by the City Manager most likely to reduce potential net financial losses;~~

(Ord. 2008-06)

~~§ 3.09.040 Disposal process. Disposition of City Owned Real Property;~~

~~A. Each department director will identify when there is no longer a need for specific City property, i.e., vehicles, office furniture, and/or other office related equipment. Exceptions are computers, telecommunications equipment and vehicles.~~

~~B. For all items, excluding computer, telecommunication equipment and vehicles, the department will complete a Surplus Property Disposition Form and submit it to the City Manager or designee with the items listed.~~

~~1. The City Manager or designee will identify the surplus property that may have some use in other City departments and circulate a list detailing the available property.~~

2. The notice will state that the items will be declared surplus by a specific date allowing when possible a minimum of 10 working days after notice has been sent.

3. If no claims have been made by other City departments within the time frame established, the items will be declared surplus and disposed of by one of the methods outlined below:

C. When computer and telecommunications equipment is identified as no longer being needed within the department the City Manager shall be informed:

1. The City Manager will then make the determination of whether or not the equipment has reached the end of its useful life, or should be placed in service in another work area within the city:

2. When the City Manager determines that the equipment should be declared surplus, he or she will so declare it and have it disposed of in one of the methods outlined below:

3. Routine replacement of computer and telecommunications equipment is determined by the City Manager:

4. Any computers determined to be surplus will have hard drives electronically wiped so as to prevent retrieval of data, or removed and destroyed prior to disposal:

D. The department director will decide based on the established replacement schedule for vehicles and in consultation with the person responsible for fleet management within the department which vehicles may be redistributed within the city or sold as surplus:

1. The individual responsible for fleet management within each department will obtain their department director's approval and then send a list of surplus vehicles to the City Manager which will indicate which vehicles are to be surplus and which vehicles may be used by other departments:

2. The City Manager will then distribute a list of the vehicles available for use by other departments. All remaining vehicles will be declared surplus by the City Council and disposed of by one of the methods outlined below:

3. The City Manager and/or City Recorder is authorized to sign the titles and/or powers of attorney whenever motor vehicles, mobile equipment or other personal property requiring a title are being sold or disposed of:

E. Upon declaration of an item as surplus, departments may be responsible for providing a holding place for the items until the proper disposal can be made and/or a storage area

becomes available for use. The object will be to move the items through the disposition process as quickly as possible so that storage will not be an issue.

~~F. For surplus property deemed by the City Manager to have a value of \$1,000.00 per item or less, the City Manager may authorize the property to be disposed of in accordance with the options listed in this policy. For surplus property deemed by the City Manager to have a value of more than \$1,000.00 per item or more than \$5,000.00 in the aggregate, the City Council may authorize the property disposed of in accordance with the options listed in this policy.~~

~~G. The City Manager has the discretion to advertise the sale of surplus property in a newspaper of city-wide circulation. The following disposal options are to be used with the goals of maximizing the value to be received for the item while achieving the greatest efficiency in disposing of the item, while protecting the public interest.~~

~~1. State Surplus Program.~~

~~2. Sell at public auction or sealed bid sale.~~

~~3. Trade-in (applicable if buying like property, e.g., a road grader traded in on another road grader. NOTE: trade-ins are expected to have gone through the surplus property process).~~

~~4. General sale, subject to public notice being given in a newspaper of city-wide circulation.~~

~~5. Offer for sale on the city's website or an established website.~~

~~6. Sell or donate to a non-profit organization or another government agency.~~

~~7. Scrap, salvage or items to be recycled do not need to be declared surplus by the Council.~~

~~7j State law governs the disposal of real property owned by the City. The City Manager shall be consulted and provide the City Council with a lawful disposition process prior to the surplus declaration?listing?sale?disposal or transfer of any real property or real property rights owned by the City of Molalla;~~

(Ord. 2008-06)

~~§ 3.09.050 Police evidence—Found and abandoned property. Donation of City Owned Surplus Property~~

~~Police evidence, found and abandoned property that has come into custody of the Police Department is to be disposed of in accordance with state law and the Police Department's policy and procedures relating to evidence.~~

~~7j Donations.of.City.Owned.Surplus.Property.may.only.be.donated.by.resolution.or.direction.of.the.City.Councilj..~~

~~8j Donations.of.City.Owned.Surplus.Property.may.only.be.made.to.a.governmental.entity.or.non_profit.entity?unless.otherwise.agreed.to.by.the.City.Council.in.a.valid.and.lawful.contractual.agreementj....~~

(Ord. 2008-06)

~~§ 3.09.060 Employee responsibilities. Police.evidence– Found.and.abandoned.propertyj~~

~~A. City employees shall not appropriate any city equipment, property, materials or scrap. If city property is determined to have no value, it is to be properly disposed of according to this policy.~~

~~B. Employees may attend public sales and/or auctions and purchase surplus city property. Employees may not submit bids or purchase items at public auction in which they participated in the decision to surplus such property.~~

~~Police.evidence?found.and.abandoned.property.that.has.come.into.custody.of.the.Police.Department.is.to.be.disposed.of.in.accordance.with.state.law.and.the.Police.Department's policy.and.procedures.relatng.to.evidencej~~

(Ord. 2008-06)

~~§ 3.09.070 Records retention. Limitations.on.Surplus.Property.Acquisitionj.~~

~~7j City.officials?including.elected.officials?appointed.officials?employees?and.volunteers?may.not.purchase.or.receive.city.surplus.property.unlessj~~

~~aj It.is.purchased.at.a.public.sale.or.auction.and.~~

~~bj The.individual.purchasing.the.property.did.not.participate.in.the.decision.to.surplus.such.propertyj~~

~~A. In accordance with Oregon Administrative Rules (OAR) 166-200-0050(15) all records documenting the disposition of city-owned personal property has a minimum retention of three years after the disposal of the property.~~

~~B. Real property transaction records documenting acquisitions, dispositions, and relocations of real property and rights-of-way by the city are to be retained for a minimum retention of 10 years (OAR 166-200-0050(20)).~~



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Ordinance No. 2026-03: Adopting Molalla Municipal Code, Chapter 18.01 Murals

RECOMMENDATION/RECOMMENDED MOTION:

If Council approves of language in proposed Ordinance, move to First Reading.

MOTION FOR FIRST READING: I move to hold the First Reading of Ordinance No. 2026-03: Adopting Molalla Municipal Code, Chapter 18.01 Murals, by title only.

MOTION FOR SECOND READING AND ADOPTION: I move to hold the Second Reading and Adoption of Ordinance No. 2026-03: Adopting Molalla Municipal Code, Chapter 18.01 Murals, by title only.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Ordinance No. 2026-06: Amending Molalla Municipal Code, Chapter 5.24 General Business Licensing

RECOMMENDATION/RECOMMENDED MOTION:

MOTION FOR FIRST READING: I move to hold the First Reading of Ordinance No. 2026-06: Amending Molalla Municipal Code, Chapter 5.24 General Business Licensing, by title only.

MOTION FOR SECOND READING AND ADOPTION: I move to hold the Second Reading and Adoption of Ordinance No. 2026-06: Amending Molalla Municipal Code, Chapter 5.24 General Business Licensing, by title only.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Ordinance No. 2026-07: Amending Molalla Municipal Code Chapter 3.09 Disposal of Surplus Property

RECOMMENDATION/RECOMMENDED MOTION:

MOTION FOR FIRST READING: I move to hold the First Reading of Ordinance No. 2026-07: Amending Molalla Municipal Code Chapter 3.09 Disposal of Surplus Property, by title only.

MOTION FOR SECOND READING AND ADOPTION: I move to hold the Second Reading and Adoption of Ordinance No. 2026-07: Amending Molalla Municipal Code Chapter 3.09 Disposal of Surplus Property, by title only.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-20: Certifying All Requirements to Receive State Shared Revenues Have Been Met

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve Resolution No. 2026-20: Certifying All Requirements to Receive State Shared Revenues Have Been Met, by title only.

BACKGROUND:

In order to receive State shared revenues, Oregon Revised Statutes require cities to annually declare eligibility and formally elect to participate.

1. The City of Molalla provides sufficient services to meet this standard.
2. The City of Molalla provides four or more municipal services.

The City is in compliance with the requirements.

ATTACHMENTS:

[Resolution No. 2026-20 Shared Revenue Resolution certifying requirements FY 2026-27.pdf](#)



RESOLUTION NUMBER 2026-20

A RESOLUTION OF THE CITY OF MOLALLA, OREGON, CERTIFYING ALL REQUIREMENTS TO RECEIVE STATE SHARED REVENUES HAVE BEEN MET

WHEREAS, ORS 221.760 provides as follows:

Section 1. The officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820, and 471.805 shall, in the case of a city located within a county having more than 100,000 inhabitants according to the most recent federal decennial census, disburse such funds only if the city provides four or more of the following services:

- 1) Police protection
- 2) Street construction, maintenance, and lighting
- 3) Sanitary sewer
- 4) Storm sewer
- 5) Planning, zoning, and subdivision control
- 6) One or more utility services; and

WHEREAS, City officials recognize the desirability of assisting the state officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760.

Now Therefore, the City of Molalla resolves as follows:

Section 1. Hereby certifies that it provides the following four or more municipal services enumerated in Section 1, ORS 221.760:

- 1) Police protection
- 2) Street construction, maintenance, and lighting
- 3) Sanitary sewer
- 4) Storm sewer
- 5) Planning, zoning, and subdivision control
- 6) One or more utility services

Section 2. This Resolution shall become effective immediately upon passage by Molalla City Council.

Adopted this 22nd day of July 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Cindy Chauran, Finance Director

Approved by: Dan Huff, City Manager

SUBJECT: Resolution No. 2026-21: Declaring the City's Election to Receive State Revenue Sharing

FISCAL IMPACT:

\$1,146,500

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve Resolution No. 2026-21: Declaring the City's Election to Receive State Revenue Sharing, by title only.

BACKGROUND:

In order to receive State shared revenues, Oregon Revised Statutes require cities to annually declare eligibility and formally elect to participate.

The City wishes to receive shared funds and has provided an opportunity for the public to comment on the use of said funds.

The City is in compliance with the requirements.

ATTACHMENTS:

[Resolution No. 2026-21 Resolution Declaring election for Receive SRS FY 2026-27.pdf](#)



RESOLUTION NUMBER 2026-21

A RESOLUTION OF THE CITY OF MOLALLA, OREGON, DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE SHARING

WHEREAS, the Legislature of the State of Oregon has provided for the apportionment of certain revenues to the cities of the State of Oregon; and

WHEREAS, such legislation provides that a city, in order to participate in the sharing of those certain revenues, must express an election to receive such funds, which election must be made prior to July 31 of the fiscal year; and

WHEREAS, Pursuant to ORS 221.770 the City must elect to receive the State Revenue Sharing Program; and

WHEREAS, the City of Molalla desires to receive portion of such funds; and

WHEREAS, the City certifies that it published notice and held a public hearing before the Budget Committee on May 20, 2026, giving citizen's opportunity to comment on use of State Revenue Sharing; and

WHEREAS, the City published notice and held a public hearing before the City Council on June 24, 2026, giving citizens the opportunity to comment on use of State Revenue Sharing.

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

Section 1: Pursuant to ORS 221.770 does hereby elect to receive its proportionate share of the revenues to be apportioned to the cities by the State of Oregon for the Fiscal Year 2026-2027.

Section 2. This Resolution shall become effective immediately upon passage by Molalla City Council.

Adopted this 22nd day of July 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Seth Kelly, Water Quality Superintendent

Approved by: Dan Huff, City Manager

SUBJECT: Waste Water Treatment Plant Facility Update



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, July 22, 2026

Submitted by: Dan Huff, City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Astound Broadband Franchise Agreement Update

ATTACHMENTS:

[6-26-26 Astound Broadband Notification.pdf](#)



Michael R. Dover

Kelley Drye & Warren LLP
333 West Wacker Drive
Suite 2600
Chicago, IL 60606

Tel: 312-857-7087

Fax: 312-857-7095

June 26, 2026

City of Molalla
Dan Huff, City Manager
117 N. Molalla Avenue , P.O. Box 248
Molalla, OR 97038

via FedEx

Re: Notice of Proposed *Pro Forma* Change of Control of WaveDivision VII, LLC, Holder of a Franchise Agreement to Provide Video Services in the City of Molalla

To Dan Huff, City Manager:

WaveDivision VII, LLC, doing business under the Astound brand and other trade names (the "Franchisee"), provides video services in the City of Molalla pursuant to a Franchise Agreement by and between the Franchisee and the City of Molalla (the "Franchise Agreement"). The Franchisee hereby provides notice about a transaction that will result in a *pro forma* change of the Franchisee's indirect parents—the transaction will not change the operations of the Franchisee, nor will it change the Franchisee's obligations associated with its authorization to provide video services in Molalla. Pursuant to the Franchise Agreement, no action on the part of the City of Molalla is required in the event of an indirect transfer of a non-controlling minority interest of the Franchisee ("Proposed Transaction").

On March 11, 2026, investment entities affiliated with Stonepeak Associates IV LLC ("Stonepeak"),⁶⁹ and Google Fiber Inc. ("GFiber") announced that they reached an agreement to combine at a holding-company level the GFiber Companies⁷⁰ and the Astound Companies⁷¹ under the indirect majority-equity ownership and control of Stonepeak. The transaction contemplates the creation of a new entity that will be: (1) a direct subsidiary of GFiber Holdings Inc. (which will be wholly owned and controlled by Alphabet); (2) a direct subsidiary of a Stonepeak-affiliated limited partnership; and (3) an indirect subsidiary of Radiate Holdings (which is controlled by Stonepeak). Upon consummation of the transaction, the Franchisee, along with the Astound Companies, will be transferred to a newly-created subsidiary of the new entity—but Stonepeak and its affiliates will continue to hold a majority of

⁶⁹ Stonepeak is affiliated with private equity funds managed by Stonepeak Partners LP and its affiliates, which invest in infrastructure assets within the communications, energy, power, water, renewables, and transportation sectors.

⁷⁰ The "GFiber Companies" are GFiber and its subsidiaries. The GFiber Companies are currently indirect subsidiaries of Alphabet Inc. ("Alphabet").

⁷¹ The "Astound Companies" (including the Franchisee) are all the subsidiaries of Radiate HoldCo, LLC, which is an indirect subsidiary of Radiate Holdings, L.P. ("Radiate Holdings") and Stonepeak.

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the equity ownership and voting control in the Franchisee, indirectly through Radiate Holdings and the Stonepeak-affiliated limited partnership.⁷²

The transaction poses no adverse competitive impacts but will deliver meaningful public interest benefits to consumers and businesses in Oregon, including in Molalla. The proposed combination will create opportunities to enhance the financial and operational resources and expertise of the Franchisee, lead to more efficient operations, and will attract financing on more favorable terms. Oregon consumers, in turn, will benefit through increased competition with established service providers.

Under the terms of the transaction, the Astound Companies, including the Franchisee, will remain intact and will continue to hold their operating tangible and intangible assets. Thus, while intermediate ownership and control of the Franchisee will change, the Franchisee will continue to hold, and operate pursuant to, the authorization granted by the City in the Franchise Agreement. Consummation of the transaction, anticipated to take place by the end of 2026, will enhance the Franchisee's services and will not adversely affect the Franchisee's day-to-day operations, and the Franchisee's commitment to provide customers with services will continue.

Except as set forth in this notice, none of the information submitted by the Franchisee with respect to its service authorization will change as a result of the transaction. By way of example, and without limitation, the transaction will not affect: (1) the Franchisee's obligation to comply with all Oregon and Federal statutes, rules and regulations; (2) the obligation to comply with all lawful municipal and county regulations regarding time, place and manner of accessing the public rights-of-way including, but not limited to, payment of applicable encroachment, permit and inspection fees; or (3) the terms of any collective bargaining agreements. In addition, the transaction does not affect the legal name or any assumed name of the Franchisee.

If you have any questions or inquiries regarding this matter, please contact David von Moritz, Corporate Counsel & Vice President, Government Relations at (575) 779-0489 or at david.vonmoritz@astound.com, or contact the undersigned.

Sincerely,



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⁷² Following consummation of the transaction, Alphabet will indirectly hold a significant non-controlling minority interest in the Companies.

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