



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

Civic Center | 315 Kennel Avenue
Wednesday, September 9, 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. Resolution No. 2026-25: Providing Support for a Regional Infrastructure Fund Grant Application and Authorizing the Assistant City Manager to Sign All Documents Necessary for the Grant

4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

- A. Internship Commendation - Brandon Roberson

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. 2026-08: Amending Molalla Municipal Code, Chapter 17, Adopting Farmstands, Cottage Kitchens, and Domestic Kitchens
- B. Ordinance No. 2026-11: Vacating a Portion of the Lynn Lane and Hezzie Lane Right-of-Way

7. ORDINANCES AND RESOLUTIONS

- A. [Ordinance No. 2026-08: Amending Molalla Municipal Code, Chapter 17, Adopting Farmstands, Cottage Kitchens, and Domestic Kitchens](#)
- B. [Ordinance No. 2026-11: Vacating a Portion of the Lynn Lane and Hezzie Lane Right-of-Way](#)

8. GENERAL BUSINESS

- A. [Proposed November 2026 Meeting Calendar](#)
- B. [League of Oregon Cities Legislative Priorities Ballot \(2027-2028\)](#)

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

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

Staff Report

Agenda Category: Ordinances & Resolutions

Agenda Date: September 9, 2026

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

SUBJECT: Resolution No.2026-25, Providing Council Support for Regional Infrastructure Grant Application and providing the Assistant City Manager with Signature Authority.

FISCAL IMPACT: \$110,000 in revenue possible

RECOMMENDATION/RECOMMEND MOTION: Adopt.

I move the Molalla City Council to adopt Resolution 2026-25, A RESOLUTION OF THE CITY OF MOLALLA, OREGON PROVIDING SUPPORT FOR A REGIONAL INFRASTRUCTURE FUND GRANT APPLICATION AND AUTHORIZING THE ASSISTANT CITY MANAGER TO SIGN ALL DOCUMENTS NECESSARY FOR THE GRANT

BACKGROUND: When the City completes its ongoing Urban Growth Boundary (UGB) process in December of 2026, a series of studies/plans will need to be completed in order to properly plan for any new lands added to the UGB.

City staff applied for a Housing Accountability and Production Office (HAPO) grant to complete the required local wetland inventory (LWI) on new lands once they are brought into the UGB, but the application was denied.

Now city staff has prepared an application to Business Oregon for a Regional Infrastructure Fund Grant to complete the LWI and is seeking Council's approval and support to submit the application.

Additionally, this resolution would name the Assistant City Manager as the authorized signer, as needed, for the grant application and potential award.



RESOLUTION NO. 2026-25

**A RESOLUTION OF THE CITY OF MOLALLA, OREGON
PROVIDING SUPPORT FOR A REGIONAL INFRASTRUCTURE FUND GRANT
APPLICATION AND AUTHORIZING THE ASSISTANT CITY MANAGER TO SIGN
ALL DOCUMENTS NECESSARY FOR THE GRANT**

WHEREAS, the City of Molalla's existing Local Wetlands Inventory was completed in 2001 and does not provide sufficient information to support planning for newly added Urban Growth Boundary lands; and

WHEREAS, completion of an updated Local Wetlands Inventory will assist the City in identifying wetlands and other natural resource constraints, determining developable acreage, planning future housing and infrastructure, and protecting important watershed functions and habitat; and

WHEREAS, Business Oregon provides funding through the Regional Infrastructure Fund to support projects that advance regional economic development, infrastructure, housing, and community needs; and

WHEREAS, the City Council finds that pursuing such grant funding is in the public interest and supports the City's long-range planning, housing, infrastructure, economic development, and natural resource objectives.

Now, Therefore, the City of Molalla Resolves:

Section 1. The Molalla City Council supports the City's application to Business Oregon for Regional Infrastructure Fund grant funding for completion of a Local Wetlands Inventory

Section 2. The Assistant City Manager is authorized to execute and submit the grant application and to sign such agreements, certifications, reports, amendments, and other documents as may be necessary to apply for, accept, administer, and complete the grant, consistent with the approved project and City budget authority.

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

Signed this 9th day of September 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder



CITY OF MOLALLA

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

Staff Report

Agenda Category: Presentations

Agenda Date: September 9, 2026

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

SUBJECT: Brandon Roberson Internship Commendation

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: Requesting the Mayor to sign and present the attached letter of commendation.

BACKGROUND: Brandon Roberson served as an intern with the City of Molalla Community Development Department from June 22 through September 9, 2026. Brandon worked approximately 24 hours per week, completing approximately 280 hours of service during the internship.

The internship was structured to provide Brandon with both practical work experience and broad exposure to local government. Community Development includes the City's planning, public works, and engineering functions, which provided Brandon an opportunity to participate in a variety of municipal projects and programs.

During the internship, Brandon assisted staff with several significant projects and initiatives, including:

- Digitization of backlogged planning documents;
- Development of the City's stormwater maintenance program;
- Work associated with the City's five-year Capital Improvement Program;
- Wage monitoring associated with construction of the new Wastewater Treatment Plant; and
- Other Community Development projects and assignments as needed.

Brandon also participated in multiple job-shadowing opportunities to gain exposure to other functions of City government and attended a weekly Local Government class addressing various aspects of municipal operations and public service.

In addition to providing Brandon with practical experience in municipal government, the internship provided meaningful assistance to the Community Development Department. His contributions helped advance ongoing projects and address work that may otherwise have competed with other departmental priorities.

Staff believes Brandon's service and performance warrant formal recognition by the City Council. A Letter of Commendation has therefore been prepared for presentation to Brandon and signature by Mayor Keyser on behalf of the City of Molalla.



CITY OF MOLALLA

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

Staff Report Agenda Category: Ordinances

Agenda Date: September 9, 2026

From: Claressa Davis, Associate Planner
Approved by: Dan Zinder, Planning Manager

SUBJECT: Ordinance 2026-08, Proposed Code Language for Farm Stands, Cottage Kitchens, and Domestic Kitchens

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: Adopt the proposed Farm Stands, Cottage Kitchens, and Domestic Kitchens regulations or provide feedback to staff.

BACKGROUND: Currently, Farm Stands are not allowed in Molalla and City Council is interested in the adoption of Farm Stands, Cottage Kitchens, and Domestic Kitchens regulations. This item was brought to Planning Commission in April 2026, City Council Work Session in April 2026, and City Council Work Session in July 2026. Council requested the following changes to the proposed Code:

- No locational limits on where products come from
- Allowance of Farm Stand products from different Cottage/ Domestic Kitchens
- Farm Stand Operators shall keep a record of all product producers

Staff is now presenting the Ordinance to City Council for discussion and adoption.

Proposed Code Summary:

The proposed Code would allow Farm Stands, Cottage Kitchens, and Domestic Kitchens under the Home Occupation permit, so long as they comply with state laws and City standards. The proposed Code establishes operating, design, and maintenance requirements for these uses, including limits on the products that may be sold, prohibiting on-site consumption, and requiring all applicable health and licensing approvals. The amendments provide clear standards that support small-scale home-based food businesses while protecting neighborhood compatibility and public health.

Staff is seeking:

1. City Councils adoption of ORD 2026-08 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



ORDINANCE NO. 2026-08

**AN ORDINANCE OF THE CITY OF MOLALLA, OREGON
AMENDING MOLALLA MUNICIPAL CODE, CHAPTER 17
AND ADOPTING FARM STANDS, COTTAGE KITCHENS,
AND DOMESTIC KITCHENS**

WHEREAS, the City of Molalla amends the Home Occupation standards, as provided in Exhibit A, to allow Farm Stands, Cottage Kitchens, and Domestic Kitchens; and

WHEREAS, the proposed code aligns with Oregon law and requires compliance with all applicable state food safety, licensing, sanitation, and inspection requirements; and

WHEREAS, the proposed code establishes standards for the operation, design, and maintenance to ensure compatibility with surrounding residential uses; and

WHEREAS, the City Council finds that these amendments provide a clear regulatory framework that supports local entrepreneurs while protecting the public health and safety.

Now, Therefore, the City of Molalla ordains:

Section 1. Molalla Municipal Code Title 17 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. This Ordinance shall take effect 30 days after adoption and signature by the Mayor.

The First Reading was held on September 9, 2026, and moved to a Second Reading by _____ vote of the City Council.

The Second Reading was held on September 9, 2026, and adopted by the City Council on September 9, 2026.

Signed this 9th day of September 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

Exhibit A: Proposed Farm Stands, Cottage Kitchens, and Domestic Kitchens Code Language

Key:

Unchanged Text	Unchanged text is black	Unchanged text is black
Added Text	Added text is blue	Added text is blue
Deleted Text	Deleted text is struck through	Deleted text is struck through

17-2.3.120. Home Occupations.

- A. Purpose. The purpose of this section is to encourage those who are engaged in small commercial ventures that could not necessarily be sustained if it were necessary to lease commercial quarters, or which by the nature of the venture are appropriate in scale and impact to be operated within a residence.
- B. Applicability. This section applies to home occupation uses in residential zones. A home-based business in a commercial zone is considered a commercial use and is not subject to the standards of this section.
- C. Home Occupation in Residential Zones. Home occupations of less than 1,000 square feet of lot area are permitted, provided the owner completes a Zoning Checklist and obtains a City of Molalla business license. Home occupations greater than 1,000 square feet of lot area are allowed, subject to approval of a Conditional Use Permit. For the purpose of this section, "lot area" includes building floor area, areas within accessory structures, and all other portions of a lot.
- ~~D. Home Occupation Standards. Home occupations shall conform to all of the standards below, except the City may approve adjustments to the standards through the Conditional Use Permit approval, provided all uses and structures on the subject property conform to applicable City regulations, including, but not limited to, building codes and nuisance regulations.~~
- D. All Home Occupations are required to hold a valid and correct Business License subject to MMC 5.24.
- E. Enforcement. The City's designated Code Enforcement Officer may visit a home occupation site to inspect the site and enforce the provisions of this Code.
- F. A Home Occupation Permit may not be granted to an applicant who is in violation of any provision of the Molalla Municipal Code.
- G. Home Occupation Standards. Home occupations shall conform to all of the standards below, except the City may approve adjustments to the standards through the Conditional Use Permit approval, provided all uses and structures on the subject property conform to applicable City regulations, including, but not limited to, building codes and nuisance regulations.
 - 1. Appearance of Residence.
 - a. The home occupation shall be restricted to lawfully built enclosed structures and be conducted in such a manner as not to give an outward appearance of a business.

- b. The home occupation shall not result in any structural alterations or additions to a structure that will change its primary use or building code occupancy classification.
 - c. The home occupation shall not violate any conditions of development approval (i.e., prior land use development permit or approval).
 - d. No products or equipment produced or used by the home occupation may be displayed to be visible from outside any structure.
- 2. Storage.
 - a. Outside storage visible from the public right-of-way or adjacent properties that exceeds what is customary for a single-family residence in the vicinity is prohibited.
 - b. On-site storage of hazardous materials (including toxic, explosive, noxious, combustible, or flammable material) beyond those normally incidental to residential use is prohibited.
 - c. Storage of inventory or products and all other equipment, fixtures, and activities associated with the home occupation shall be enclosed in a structure or otherwise screened from view from adjacent properties and public right-of-way.
- 3. Employees.
 - a. Other than people residing within the dwelling located on the home occupation site, there shall be no more than two employees at the home occupation site at any given time. As used in this chapter, the term "home occupation site" means the legal lot on which the home occupation is conducted.
 - b. Additional individuals may be employed by or associated with the home occupation, so long as they do not report to work, pick up, or deliver at the home occupation site.
 - c. The home occupation site shall not be used as a headquarters for the assembly of employees for instruction or other purposes, including dispatch of employees to other locations.
- 4. Advertising and Signs. Signs shall not exceed a total of four square feet of surface area on each side of one or two faces.
- 5. Vehicles, Parking, and Traffic.
 - a. Not more than one commercially licensed vehicle associated with the home occupation is allowed at the home occupation site in the same 24-hour period. Vehicles shall be of a size that would not overhang into the public right-of-way when parked.
 - b. There shall be no commercial vehicle deliveries between 9:00 p.m. and 7:00 a.m.
- 6. Business Hours. There shall be no restriction on business hours, except that clients or customers are permitted at the home occupation only from 7:00 a.m. to 9:00 p.m., ~~Monday through Friday.~~
- 7. Prohibited Home Occupation Uses.
 - a. Any activity that produces radio, TV, or other electronic interference; noise, glare,

- vibration, smoke, or odor beyond allowable levels as determined by local, state, or federal standards, or that can be detected beyond the property line, is prohibited.
- ~~b. Any activity involving on-site retail sales, including garage sales exceeding the thresholds of a temporary use, is prohibited, except that the sale of items that are incidental to a permitted home occupation is allowed. For example, the sale of lesson books or sheet music from music teachers, art or craft supplies from arts or crafts instructors, computer software from computer consultants, and similar incidental items for sale by the home business is allowed.~~
- b. Any activity involving on-site retail sales, including garage sales exceeding the thresholds of a temporary use, is prohibited with the following exceptions:
1. The sale of items that are incidental to a permitted home occupation on the same site is allowed. For example, the sale of lesson books or sheet music from music teachers, art or craft supplies from arts or crafts instructors, computer software from computer consultants, and similar incidental items for sale by the home business is allowed.
 2. The sale of items produced on the same site by a fully licensed and legally compliant Cottage Kitchen or Domestic Kitchen, limited to a maximum of 2 retail customers at any one time.
 3. The sale of items from a fully licensed and legally compliant Farm Stand.
- c. The following uses, and uses with similar objectionable impacts because of motor vehicle traffic, noise, glare, odor, dust, smoke, or vibration, are prohibited:
1. Ambulance service.
 2. Animal hospital, veterinary services, kennels, or animal boarding.
 3. Auto and other vehicle repair, including auto painting.
 4. Repair, reconditioning, or storage of motorized vehicles, boats, recreational vehicles, airplanes, or large equipment on-site.
- d. Production, processing, storage, sale, and transfer of marijuana or marijuana products is prohibited.
8. Cottage Kitchens and Domestic Kitchens. Cottage Kitchens and Domestic Kitchens are a permitted Home Occupation subject to all relevant standards of MMC 17-2.3.120 and the following:
- a. Cottage Kitchens and Domestic Kitchens shall follow all applicable Oregon Revised Statutes and Oregon Administrative Rules.
 - b. Cottage Kitchens and Domestic Kitchens shall meet all sanitation, food handling, labeling, licensure, and inspection requirements of Cottage Kitchens or Domestic Kitchens as applicable.
 - c. On-site consumption of food and beverages is prohibited.
9. Farm Stands. Small scale accessory Farm Stands are a permitted home occupation subject to all

relevant standards of MMC 17-2.3.120 and the following:

- a. Farm Stands shall be maintained in good condition, with no chipping or peeling paint, rust, or similar inadequacies.
- b. All required permits shall be obtained from Clackamas County, Oregon Department of Agriculture, and Oregon Health Authority, as required.
- c. Farm Stands shall be compliant with all Oregon Fire Code and Oregon Building Code regulations.
- d. Farm stands that cease operations for more than 24 consecutive hours shall be removed and stored out of public view until operations recommence.
- e. The Farm Stand shall be temporary and readily movable.
- f. The Farm Stand shall be under 100 square feet and shall not be designed or used for human occupancy.
- g. The Farm Stand may be placed between the front façade of a residence and the right-of-way, but are not permitted to encroach on the right-of-way.
- h. The Farm Stand shall not be placed in a parking space that is needed to meet the required parking standards of the site.
- i. Signs are permitted consistent with Home Occupation standards.
- j. Notwithstanding the other provisions of this Chapter, the limited display of goods within the Farm Stand is permitted.
- k. On-site consumption of food and beverages is prohibited.
- l. Farm Stands shall only sell:
 1. Fruits and vegetables.
 2. Any food product allowed to be sold by a Cottage Kitchen or Domestic Kitchen as applicable under state laws and rules, so long as the food product was processed or prepared by a fully licensed and legally compliant Cottage Kitchen or Domestic Kitchen in Oregon.
 - i. The Farm Stand Operator shall maintain records identifying the name and address of the producer of each food product offered for sale. Records shall be retained for one year post sale date and made available to the City upon request.
 - ii. The Farm Stand Operator shall not offer a product for sale when the Operator knows or reasonably should know that the product does not comply with this section or applicable state requirements.
 3. Branding items that are secondary to the items referenced in paragraphs 1 and 2 of this section that promote or advertise the Farm Stand.

~~10. Enforcement. With cause, the City's designated Code Enforcement Officer may visit a home occupation site to inspect the site and enforce the provisions of this Code.~~

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 7/27/2026, 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. Farm Stands are currently not permitted within the City of Molalla, and this ordinance would instead establish a framework to allow 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 (7/23/2026), Interested Parties (7/31/2026), Posted on Bulletins (7/23/2026), and impacted governmental agencies (DLCD) (7/27/2026).

3. 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 8/5/2026. 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: The proposed ordinance directly implements three policies from the Comprehensive Plan for Small Scale Commercial and Mixed Use Development:

1. The City shall incorporate minor commercial activities to reduce energy and enhance Molalla's

quality of life.

2. Minor commercial activities, which are compatible with residential uses, shall be allowed throughout the City to serve residents.
3. Minor commercial activities shall be reviewed by the Planning Department to ensure Development Code requirements are met.

The proposed ordinance will allow residents to create farmstands and thus increases economic opportunity for community members. It additionally provides for careful consideration of potential impacts on neighboring properties to preserve neighborhood character. The ordinance is found to be in the public interest as it responds to changing conditions within the community. Community members are trying to have farm stands. Farm stands are currently not allowed, even though the Comprehensive Plan supports them. 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

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

Staff Report

Agenda Category: Ordinances & Resolutions

Agenda Date: September 9, 2026

From: Claressa Davis, Associate Planner

Approved by: Dan Zinder, Planning Manager

SUBJECT: Ordinance No. 2026-11, The Vacation of a Portion of Lynn & Hezzie Lane Rights-of-Way

FISCAL IMPACT: Reduced maintenance costs associated with up-keeping unnecessary public property.

RECOMMENDATION/RECOMMEND MOTION: Pass an Ordinance to vacate a portion of Lynn Lane and a portion of Hezzie Lane.

I move the Molalla City Council to conduct the first reading of Ordinance 2026-11 AN ORDINANCE OF THE CITY OF MOALLA OREGON VACATING A PORTION OF LYNN LANE & A PORTION OF HEZZIE LANE by title only.

If Unanimous, Conduct Second Reading and Adoption

I move the Molalla City Council to conduct the second reading and adoption of Ordinance 2026-11 AN ORDINANCE OF THE CITY OF MOALLA OREGON VACATING A PORTION OF LYNN LANE & A PORTION OF HEZZIE LANE by title only.

BACKGROUND: On August 12, 2026, the Molalla City Council initiated street vacation proceedings via Resolution 2026-22 for a portion of Lynn Lane and a portion of Hezzie Lane, as described in Exhibits A and B. Lynn Lane and Hezzie Lane each have a 60-foot right-of-way. However, the adopted Molalla Transportation System Plan identifies a 50-foot right-of-way as the appropriate standard for these streets. Vacating the excess right-of-way will right-size the streets to match the adopted plan, reduce long-term maintenance obligations for unnecessary public property, and correct a previous dedication that exceeds the City's transportation needs. The street vacation will correct this over exaction.

This proposed vacation follows the procedural requirements set forth in ORS Chapter 271, as described herein under Approval Criteria and Findings.

PUBLIC COMMENTS: All public comments received to date have been provided to the City Council.

Attachments

Ordinance No. 2026-11

Exhibit A – Lynn Lane Legal Description

Exhibit B – Hezzie Lane Legal Description

Exhibit C – Findings of Fact



ORDINANCE NO. 2026-11

AN ORDINANCE OF THE CITY OF MOLALLA, OREGON VACATING A PORTION OF LYNN LANE & A PORTION OF HEZZIE LANE

WHEREAS, the Molalla City Council, on August 12, 2026, initiated a street vacation by action of Resolution No. 2026-22 pursuant to ORS 271.130, to vacate a portion of Lynn Lane and a portion of Hezzie Lane as described and shown in Exhibit A and B attached to this Ordinance; and

WHEREAS, the City Recorder endorses that all city liens and taxes have been paid on the abutting properties, parcels 01091801, 01091810, and 01091829, in accordance with ORS 271.080(3); and

WHEREAS, the City published notice of the public hearing on the proposal in the Herald-Independent on 8/26/2026 and 9/2/2026, and posted 2 copies of the notice at the site on 8/27/2026, in accordance with ORS 271.110; and

WHEREAS, the public interest will not be prejudiced by the street vacation.

Now, Therefore, the City of Molalla ordains:

Section 1. a. Those portions of Lynn Lane & Hezzie Lane described & shown on Exhibits A & B, both of which are incorporated herein by reference, are hereby vacated by the City Council in accordance with the procedures and requirements of ORS 271.130.

Section 1. b. Title to the vacated portions of Hezzie Lane shall devolve to the property owner whose lands border the vacated area pursuant to ORS 271.140.

Section 1. c. The findings of fact in Exhibit C are hereby adopted and incorporated herein by reference.

Section 2. This Ordinance shall take effect 30 days after adoption and signature by the Mayor.

The First Reading was held on September 9, 2026 and moved to a Second Reading by _____ vote of the City Council.

The Second Reading was held on September 9, 2026 and adopted by the City Council on September 9, 2026.

Signed this 9th day of September 2026.

Scott Keyser, Mayor

ATTEST:

Christie Teets, CMC
City Recorder

EXHIBIT A

RIGHT-OF-WAY ACQUISITION

THAT REAL PROPERTY, BEING PORTIONS OF THE LYNN LANE RIGHT-OF-WAY, SITUATED IN THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, CITY OF MOLALLA, CLACKAMAS COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 3, PARTITION PLAT 1998-101, CLACKAMAS COUNTY SURVEY RECORDS, MARKED WITH A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP SCRIBED "MULTI/TECH ENG."; THENCE ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF LYNN LANE, NORTH 81°45'39" WEST 114.57 FEET; THENCE LEAVING SAID RIGHT-OF-WAY LINE, 11.80 FEET ALONG A 13.00 FOOT RADIUS, NON-TANGENT, CURVE TO THE LEFT WITH A RADIAL BEARING-IN OF SOUTH 60°15'34" WEST (THE CHORD OF WHICH BEARS SOUTH 55°45'02" EAST 11.40 FEET); THENCE SOUTH 81°45'39" EAST 104.28 FEET; THENCE NORTH 08°42'20" EAST 5.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 557 SQUARE FEET, MORE OR LESS.

ALSO: BEGINNING AT THE SOUTHWEST CORNER OF THE LAND IDENTIFIED AS PARCEL III, DOCUMENT NUMBER 2024-015042, CLACKAMAS COUNTY DEED RECORDS, MARKED WITH A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP SCRIBED "MULTI/TECH ENG."; THENCE SOUTH 53°28'21" WEST 1.64 FEET; THENCE 10.26 FEET ALONG A 13.00 FOOT RADIUS, NON-TANGENT CURVE TO THE LEFT, WITH A RADIAL BEARING-IN OF SOUTH 53°28'21" WEST (THE CHORD OF WHICH BEARS SOUTH 59°08'39" EAST 10.00 FEET; THENCE SOUTH 81°45'39" EAST 90.90 FEET; THENCE 11.80 FEET ALONG A 13.00 FOOT RADIUS, NON-TANGENT CURVE TO THE LEFT, WITH A RADIAL BEARING-OUT OF NORTH 43°46'51" WEST (THE CHORD OF WHICH BEARS NORTH 72°13'45" EAST 11.40 FEET) TO A POINT ON THE SOUTH LINE OF THE LAND IDENTIFIED AS PARCEL II OF THE AFOREMENTIONED DOCUMENT; THENCE ALONG SAID SOUTH LINE AND ITS EXTENSION, BEING ALSO THE NORTHERLY RIGHT-OF-WAY OF LYNN LANE, NORTH 81°45'39" WEST 109.21 FEET TO THE POINT OF BEGINNING AND CONTAINING 525 SQUARE FEET, MORE OR LESS.

REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
JULY 13, 2004
ROBERT D. HAMMAN
64202LS

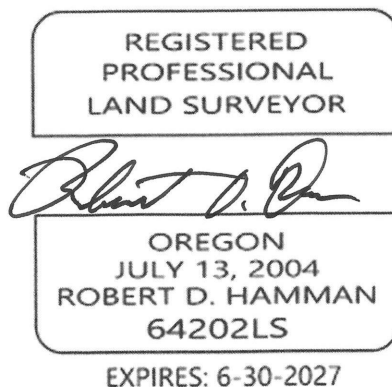
EXPIRES: 6-30-2027

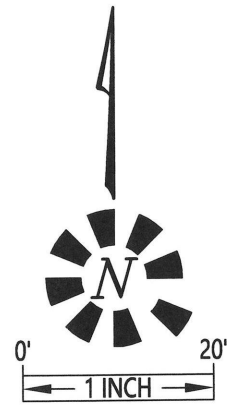
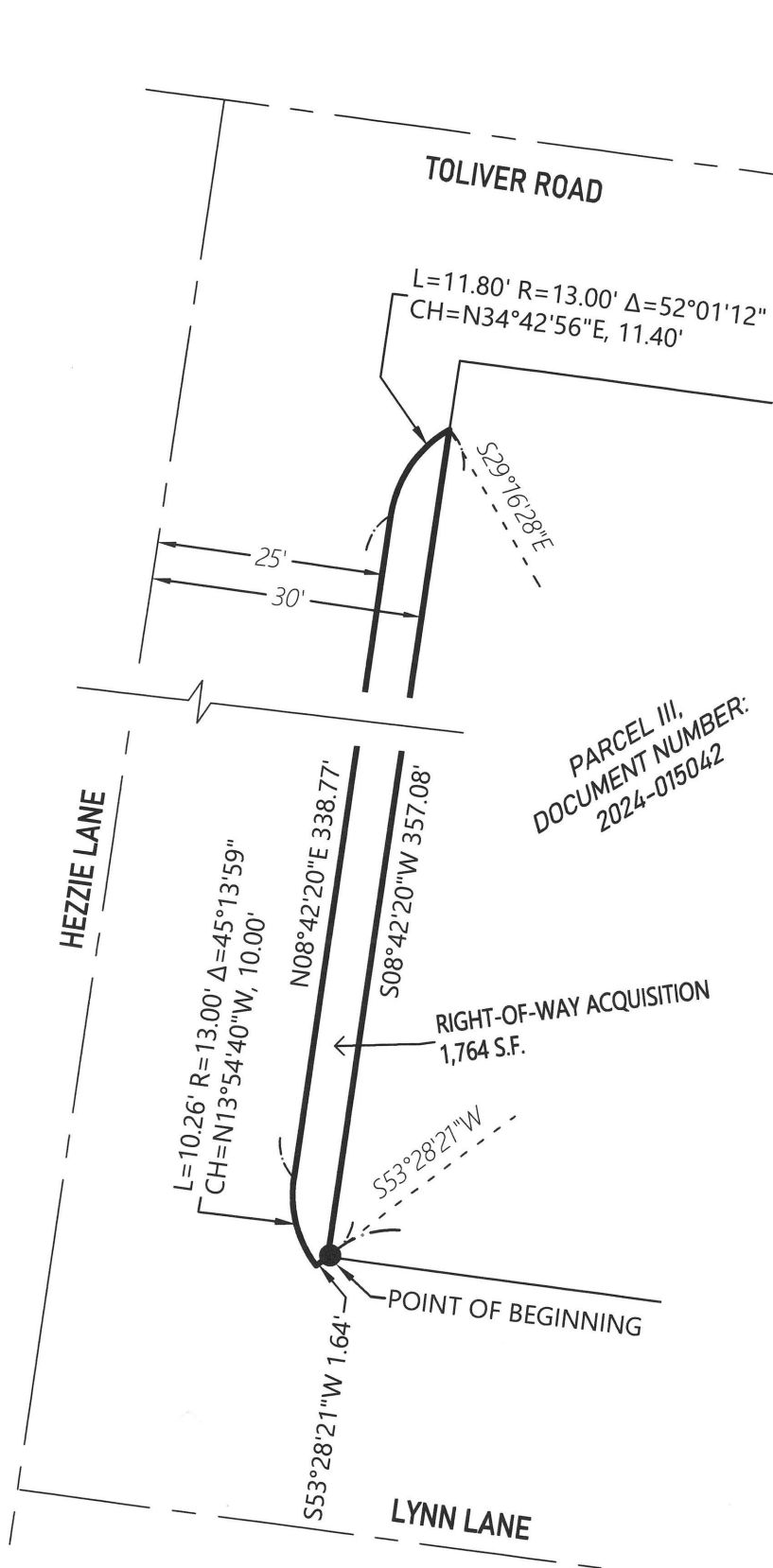
Exhibit B

RIGHT-OF-WAY ACQUISITION

THAT REAL PROPERTY, BEING A PORTION OF THE HEZZIE LANE RIGHT-OF-WAY, SITUATED IN THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, CITY OF MOLALLA, CLACKAMAS COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LAND IDENTIFIED AS PARCEL III IN DOCUMENT NUMBER 2024-015042, CLACKAMAS COUNTY DEED RECORDS, MARKED WITH A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP SCRIBED "MULTI/TECH ENG." THENCE SOUTH 53°28'21" WEST 1.64 FEET; THENCE 10.26 FEET ALONG A 13.00 FOOT RADIUS, NON-TANGENT CURVE TO THE RIGHT, WITH A RADIAL BEARING-IN OF SOUTH 53°28'21" WEST (THE CHORD OF WHICH BEARS NORTH 18°54'40" WEST 10.00 FEET); THENCE NORTH 08°42'20" EAST 338.77 FEET; THENCE 11.80 FEET ALONG A 13.00 FOOT RADIUS, NON-TANGENT CURVE TO THE RIGHT, WITH A RADIAL BEARING-OUT OF SOUTH 29°16'28" EAST (THE CHORD OF WHICH BEARS NORTH 34°42'56" EAST 11.40 FEET) TO A POINT ON THE WEST LINE OF THE AFOREMENTIONED PARCEL III, BEING ALSO THE EASTERLY RIGHT-OF-WAY LINE OF HEZZIE LANE; THENCE ALONG SAID RIGHT-OF-WAY LINE, SOUTH 08°42'20" WEST 357.08 FEET TO THE POINT OF BEGINNING AND CONTAINING 1,764 SQUARE FEET, MORE OR LESS.





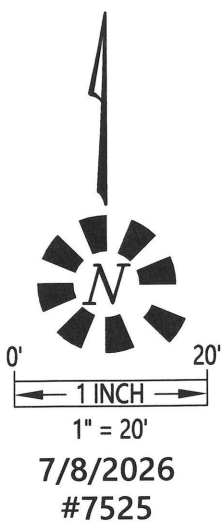
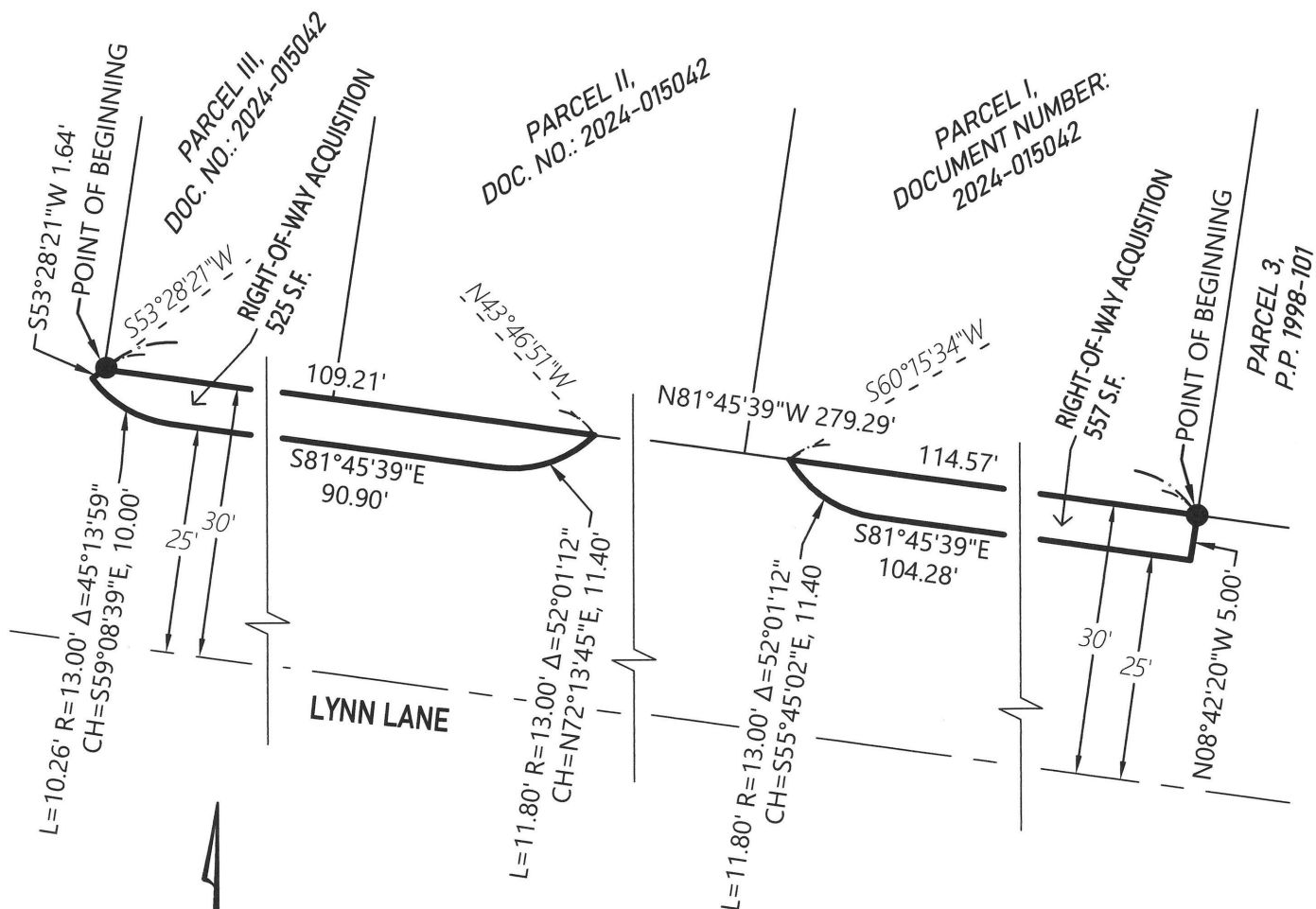
7/8/2026
#7525

BY:
MULTI/TECH ENGINEERING SERVICES, INC.
1155 13TH ST. S.E. SALEM, OREGON 97302
503-363-9227

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JULY 13, 2004
ROBERT D. HAMMAN
64202LS

EXPIRES: 6-30-2027



REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

Robert D. Hamman

OREGON
 JULY 13, 2004
 ROBERT D. HAMMAN
 64202LS

EXPIRES: 6-30-2027

BY:
 MULTI/TECH ENGINEERING SERVICES, INC.
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 503-363-9227

APPROVAL CRITERIA AND FINDINGS OF FACT

ORS 271.110 Notice of Hearing

(1) The city recorder or other recording officer of the city shall give notice of the petition and hearing by publishing a notice in the city official newspaper once each week for two consecutive weeks prior to the hearing. If no newspaper is published in such city, written notice of the petition and hearing shall be posted in three of the most public places in the city. The notices shall describe the ground covered by the petition, give the date it was filed, the name of at least one of the petitioners and the date when the petition, and any objection or remonstrance, which may be made in writing and filed with the recording officer of the city prior to the time of hearing, will be heard and considered.

(2) Within five days after the first day of publication of the notice, the city recording officer shall cause to be posted at or near each end of the proposed vacation a copy of the notice, which shall be headed, "Notice of Street Vacation," "Notice of Plat Vacation" or "Notice of Plat and Street Vacation," as the case may be. The notice shall be posted in at least two conspicuous places in the proposed vacation area. The posting and first day of publication of such notice shall be at least 14 days before the hearing.

STAFF FINDING: Notice of a public hearing on the proposed street vacation was published in the Herald-Independent on August 26, 2026, and September 2, 2026. Two copies of the notice were posted on the site on August 27, 2026. This standard is met.

ORS 271.120 Hearing

At the time fixed by the governing body for hearing the petition and any objections filed thereto or at any postponement or continuance of such matter, the governing body shall hear the petition and objections and shall determine whether the consent of the owners of the requisite area has been obtained, whether notice has been duly given and whether the public interest will be prejudiced by the vacation of such plat or street or parts thereof. If such matters are determined in favor of the petition the governing body shall by ordinance make such determination a matter of record and vacate such plat or street; otherwise it shall deny the petition. The governing body may, upon hearing, grant the petition in part and deny it in part, and make such reservations, or either, as appear to be for the public interest.

STAFF FINDING: The hearing was properly noticed and held on September 9, 2026. All public objections brought forward on the petition were heard by the governing body. Double I Construction LLC is the rightful owner of all property abutting the right of way to be vacated. They have submitted a final plat to the City that incorporates the area proposed for vacation into their development. This is considered evidence of the owner's consent to the right-of-way vacation. Finally, the public interest is not prejudiced by this vacation as the right of way is not needed for current or future transportation purposes or public utilities, will not impair access to property, and will reduce city maintenance costs. This standard is met.

ORS 271.130 Vacation on city governing body's own motion; appeal.

(1) The city governing body may initiate vacation proceedings authorized by ORS 271.080 and make such vacation without a petition or consent of property owners. Notice shall be given as provided by ORS 271.110, but such vacation shall not be made before the date set for hearing, nor if the owners of a majority of the area affected, computed on the basis provided in ORS 271.080, object in writing thereto,

nor shall any street area be vacated without the consent of the owners of the abutting property if the vacation will substantially affect the market value of such property, unless the city governing body provides for paying damages. Provision for paying such damages may be made by a local assessment, or in such other manner as the city charter may provide.

STAFF FINDING: On August 12, 2026, the Molalla City Council approved Resolution 2026-22 initiating street vacation proceedings for a portion of Lynn Lane & a portion of Hezzie Lane as authorized by ORS 271.130. Neither a petition nor consent of affected property owners was required. Additionally, Double I Construction LLC, the owner of the three properties abutting the right of way to be vacated, has submitted a final plat to the City that incorporates the area proposed for vacation into their development. This is considered evidence of the owner's consent to the right-of-way vacation.

(2) Two or more streets, alleys, avenues and boulevards, or parts thereof, may be joined in one proceeding, provided they intersect or are adjacent and parallel to each other.

STAFF FINDING: The proposed right of way to be vacated is portion of Lynn Lane and a portion of Hezzie Lane. These rights-of-way intersect, and this standard is met.

(3) No ordinance for the vacation of all or part of a plat shall be passed by the governing body until the city recording officer has filed in the office of the city recording officer or indorsed on the petition for such vacation a certificate showing that all city liens and all taxes have been paid on the lands covered by the plat or portion thereof to be vacated.

STAFF FINDING: The City Recorder shall endorse that all city liens and all taxes have been paid on the abutting properties, parcels 01091801, 01091810, and 01091829, in accordance with the requirements of ORS 271.080(3) prior to September 9, 2026. This standard will be met.

(4) Any property owner affected by the order of vacation or the order awarding damages or benefits in such vacation proceedings may appeal to the circuit court of the county where such city is situated in the manner provided by the city charter. If the charter does not provide for such appeal, the appeal shall be taken within the time and in substantially the manner provided for taking an appeal from justice court in civil cases.

STAFF FINDING: The Molalla City Charter does not provide for appeal. Any appeal shall be completed in compliance with ORS 271.130. This standard is informational.

271.140 Title to vacated areas.

The title to the street or other public area vacated shall attach to the lands bordering on such area in equal portions; except that where the area has been originally dedicated by different persons and the fee title to such area has not been otherwise disposed of, original boundary lines shall be adhered to and the street area which lies on each side of such boundary line shall attach to the abutting property on such side. If a public square is vacated the title thereto shall vest in the city.

STAFF FINDING: Abutting Parcels 01091801, 01091810, and 01091829, are owned by Double I Construction LLC. The title to the vacated area shall attach each of these parcels where they abut the properties. This standard is met.

Molalla Municipal Code

Section 17-4.3.110 Re-Platting and Vacation of Plats.

Any plat or portion thereof may be re-platted or vacated upon receiving an application signed by all of the owners as appearing on the deed. Except as required for street vacations, the same procedure and standards that apply to the creation of a plat (preliminary plat followed by final plat) shall be used to re-plat or vacate a plat. Street vacations are subject to ORS Chapter 271. A re-plat or vacation application may be denied if it abridges or destroys any public right in any of its public uses, improvements, streets or alleys; or if it fails to meet any applicable City standards.

STAFF FINDING: The proposed right of way vacation has been evaluated and found to be in compliance with ORS 271 and applicable City standards. This standard is met.

Section 12.28.010 Adoption of official maps of thoroughfares.

The City Council may adopt official maps of planned thoroughfares. Before an official map may be adopted or an adopted map may be revised, the Planning Commission shall hold a hearing upon the proposed plan of thoroughfares and then transmit a report and recommendations on the plan and the proposed official map to the Council. Upon receiving the report and recommendations of the Planning Commission and after tentatively approving the plan of thoroughfares, the Council shall provide notice and hold a hearing on the proposal. Notice of the hearing shall be by publication once in the Molalla Pioneer not less than seven nor more than 15 days before the scheduled hearing. Following the hearing, the Council may adopt or revise an official map by ordinance.

STAFF FINDING: The Planning Commission heard the right of way vacation proposal for Lynn Lane & Hezzie Lane on August 5, 2026, and voted in favor of recommending vacation to the City Council. Planning Commission also transmitted a report and recommendations to Council. On August 12, 2026, City Council voted to initiate street vacation proceedings, which included notice of the public hearing to be held on September 9, 2026. Notice of the hearing was also published in the Herald-Independent on August 26, 2026, and September 2, 2026. This standard is met.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, September 9, 2026

Submitted by: Claressa Davis, Associate Planner

Approved by: Mac Corthell, Assistant City Manager

SUBJECT: Ordinance No. 2026-08: Amending Molalla Municipal Code, Chapter 17, Adopting Farmstands, Cottage Kitchens, and Domestic Kitchens

RECOMMENDATION/RECOMMENDED MOTION:

I move to hold the First Reading of Ordinance No. 2026-08: Amending Molalla Municipal Code, Chapter 17, Adopting Farmstands, Cottage Kitchens, and Domestic Kitchens by title only

IF UNANIMOUS:

I move to hold the Second Reading and Adoption of Ordinance No. 2026-08: Amending Molalla Municipal Code, Chapter 17, Adopting Farmstands, Cottage Kitchens, and Domestic Kitchens by title only.



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES AND RESOLUTIONS

Agenda Date: Wednesday, September 9, 2026

Submitted by: Claressa Davis, Associate Planner

Approved by: Mac Corthell, Assistant City Manager

SUBJECT: Ordinance No. 2026-11: Vacating a Portion of the Lynn Lane and Hezzie Lane Right-of-Way

RECOMMENDATION/RECOMMENDED MOTION:

I move to hold the First Reading of Ordinance No. 2026-11: Vacating a Portion of the Lynn Lane and Hezzie Lane Right-of-Way, by title only.

IF UNANIMOUS:

I move to hold the Second Reading and Adoption of Ordinance No. 2026-11: Vacating a Portion of the Lynn Lane and Hezzie Lane Right-of-Way, by title only.



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, September 9, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: Proposed November 2026 Meeting Calendar

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve the November 2026 calendar as presented by staff.

BACKGROUND:

Monthly meetings generally follow the guidelines of Planning Commission on the 1st Wednesday of each month, with City Council meetings on the 2nd and 4th Wednesday's. In November, a Joint City Council and Planning Commission is typically held. In addition, City Council does not meet the Wednesday prior to Thanksgiving.

Due to Veteran's Day holiday falling on Wednesday, November 11th, staff is recommending the following adjustments for the month:

- Wednesday, November 4th - 6:30pm Planning Commission Meeting
- Tuesday, November 10th - 6:00pm City Council Meeting
- Wednesday, November 18th - 6:00pm Joint City Council and Planning Commission Meeting.

ATTACHMENTS:

[Proposed November 2026 Calendar.pdf](#)

November 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 6:30pm Planning Commission	5	6	7
8	9	10 6:00pm City Council	11 VETERANS DAY CITY HALL CLOSED	12 (Christie - Out of Office)	13	14
15	16	17	18 6:00pm Joint City Council & Planning Commission	19	20	21
22	23	24	25 City Council CXL'd Due to Holiday	26 THANKSGIVING HOLIDAY CITY HALL CLOSED	27	28
29	30					
						27



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, September 9, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT: League of Oregon Cities Legislative Priorities Ballot (2027-2028)

BACKGROUND:

The League of Oregon Cities (LOC) is seeking input from cities in Oregon regarding topics for the 2027-2028 Legislative Session. A survey has been sent to all City Managers and City Recorders regarding the voting process.

Attached to this memo are the email from the City Manager inviting Council to provide input, the priorities list, and voting guide. Responses will be provided as Public Record and included as part of the Meeting Minutes at an upcoming October meeting.

ATTACHMENTS:

[Email from CM.LOC Priorities - for review.pdf](#)

[LOC Priorities.pdf](#)

[2026_Legislative_Voter_Guide_FINAL.pdf](#)

From: [Dan Huff](#)
To: [Scott Keyser](#)
Cc: [Christie Teets](#)
Subject: LOC Priorities - for review
Date: Thursday, September 3, 2026 11:17:15 AM
Attachments: [LOC Priorities.pdf](#)
[2026 Legislative Voter Guide FINAL.pdf](#)

Mayor and Council,

The League of Oregon Cities is providing each city with the opportunity to vote for 2027-2028 legislative cycle topic recommendations.

Attached you will find the LOC Voter Guide and a list of priority topics. We invite you to submit your five topics of interest, ***no later than Tuesday, September 8th at 4:00pm***. Each item correlates to a number. Please print the document, circle the number, and scan it to me. If that is not an option for you, please send an email with your topic choices. (i.e. 2, 8, 10, 21, 25) Emails and ballots will be included in the meeting packet, as this constitutes as serial communication.

As a well placed hint, Staff would vote for two items:

1. State Agency overreach
2. OGEK Reform

Ballots will be reviewed and submitted to LOC by the City Manager no later than September 25th. In your response, please include the City Manager and City Recorder. Thank you.

If you have any questions, please call or email me.

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



PUBLIC RECORDS LAW DISCLOSURE

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

LOC 2026 Legislative Priorities Ballot

Please mark 5 boxes that reflect the top 5 issues your city recommends be added to the priorities for the League's 2027-2028 legislative cycle. Each city gets five total votes. *(required)*

1. Promote the Equitable Development of Sustainable Telecom Infrastructure (Broadband, Cybersecurity, AI, and Telecommunications Committee)
2. Maintain Local Control of a Safe, Modern Right of Way (Broadband, Cybersecurity, AI, and Telecommunications Committee)
3. Support Equitable Access to Technology (Broadband, Cybersecurity, AI, and Telecommunications Committee)
4. Support Responsible Municipal Use of Technology (Broadband, Cybersecurity, AI, and Telecommunications Committee)
5. Support Municipal Cybersecurity Proficiency (Broadband, Cybersecurity, AI, and Telecommunications Committee)
6. Administrative Procedures Act Reform (General Government Committee)
7. Public Meetings Law Clarity (General Government Committee)
8. Funding and Coordination for Shelter and Homeless Response (Housing, Land Use, and Community Development Committee)
9. Full Funding And Streamlining For Housing Production (Housing, Land Use, and Community Development Committee)
10. Land Availability And Land Use Streamlining (Housing, Land Use, and Community Development Committee)
11. Invest In Community Energy Resilience/Disaster Planning (Energy and Environment Committee)
12. Support Expedited Local Renewable Energy Generation (Energy and Environment Committee)

LOC 2026 Legislative Priorities Ballot

13. Support Increased Energy Transmission Capacity (Energy and Environment Committee)
14. Maintain Affordable Energy While Supporting Grid Hardening and Modernization (Energy and Environment Committee)
15. Resource Programs For Energy Efficiency Planning and Project Development (Energy and Environment Committee)
16. Support Administrative Capacity (Energy and Environment Committee)
17. Targeted Prevailing Wage Changes (Finance, Taxation, and Economic Development Committee)
18. Alcohol Revenue Modernization (Finance, Taxation, and Economic Development Committee)
19. Emergency Communication System Resources (Finance, Taxation, and Economic Development Committee)
20. Strengthening Economic and Workforce Development (Finance, Taxation, and Economic Development Committee)
21. 2027 Transportation Package (Transportation Committee)
22. Cautious Adoption of Autonomous Vehicles (Transportation Committee)
23. City Supported Street Sign Traditions (Transportation Committee)
24. Infrastructure Funding (Water and Wastewater Committee)
25. Water Reuse (Water and Wastewater Committee)
26. Ratepayer Assistance (Water and Wastewater Committee)
27. Water Workforce Development (Water and Wastewater Committee)



League of Oregon Cities

2026 Member Voter Guide
2027-28 LOC Legislative Priorities

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2026 Member Voter Guide

Background: The LOC [policy committees](#) are the foundation of the League's policy development process. Each even-numbered year, the LOC appoints city officials to serve on these committees. They receive informational briefings, analyze policy and technical issues, and ultimately recommend positions and strategies for the upcoming two-year legislative cycle. We want to acknowledge officials that dedicated their time and expertise to develop the priorities – *thank you* for supporting the LOC in crafting a strong agenda to support our legislative work.

This year, seven committees identified 27 legislative policy priorities to advance to the full membership and LOC Board of Directors. It's important to understand that the issues that do not rise to the top based on member ranking are not diminished with respect to their value to the policy committee or the LOC's advocacy. These issues will still be key components of the LOC's legislative portfolio for the next two years.

Ballot/Voting Process: Each city is asked to review the recommendations from the each of the policy committees and provide input to the LOC Board of Directors, which will formally adopt the LOC's 2027-28 legislative agenda. While each city may have a different process when evaluating the issues, it's important for cities to engage with their mayor and entire council to ensure the issues are evaluated and become a shared set of priorities. During its October meeting, the LOC Board will formally adopt a set of priorities based on the ranking process through the survey and their evaluation.

Each city is permitted **one** ballot submission. **Once your city has reviewed the proposed legislative priorities, please complete the electronic ballot to indicate the top five (5) issues that your city would like the LOC to focus on during the 2027-28 legislative cycle.** The lead administrative staff member (city manager, city recorder, etc.) will be provided with a link to the electronic ballot. If your city did not receive a ballot link or needs an alternative way to vote, please reach out to Meghyn Fahndrich at mfahndrich@orcities.org and Nicole Stingh at nstingh@orcities.org.

Important Deadline: The deadline for submitting your city's vote is **5 p.m. on Friday, September 25, 2026.**

Broadband, Cybersecurity, Artificial Intelligence (AI), and Telecommunications Committee

LOC Contact: Greg Miller, gmliller@orcities.org

PROMOTE THE EQUITABLE DEVELOPMENT OF SUSTAINABLE TELECOM INFRASTRUCTURE

RECOMMENDATION: The LOC recognizes and has prioritized broadband access, and telecom infrastructure more broadly, as an “essential service” and will advocate for affordable, safe, reliable, high-speed infrastructure development and access in every city. This includes but is not limited to: supporting expansion of service options for municipalities; increasing rural cellular infrastructure; and maintaining open access to networks that provide choice to community members.

Background: Advancements in telecommunications technology have ushered in unprecedented investments in infrastructure development aimed at providing broadband access and other communication modalities to all. Deploying infrastructure in Oregon must be done equitably across the state’s diverse landscape and focus on addressing current coverage gaps as well as statewide infrastructure that serves all.

MAINTAIN LOCAL CONTROL OF A SAFE, MODERN RIGHT OF WAY

RECOMMENDATION: The LOC will oppose any legislation seeking to preempt local control of municipal rights-of-way (ROW). The LOC will also support legislation aimed at codifying home rule management of the local ROW and the revenue derived from use of the ROW, while encouraging ROW users to timely upgrade and replace their infrastructure lost to natural disaster.

Background: Home rule authority and local ROW management allow local governments to safely manage ROW issues that arise after work is complete, and when the ROW work-related permit may no longer be in effect. It ensures that utilities installing facilities in the ROW have financial protections like insurance in place, which help protect the public using the ROW and other entities whose infrastructure may be damaged during utility work. It ensures that local taxpayers will not have to pay costs associated with utilities’ use of the ROW. It also ensures accountability through a variety of enforcement mechanisms.

SUPPORT EQUITABLE ACCESS TO TECHNOLOGY

RECOMMENDATION: The LOC will support policies such as the Oregon Lifeline Program to ensure digital inclusion. The LOC will also continue to monitor implementation of the

U.S. Department of Justice’s website accessibility rule implementation and support municipal resource opportunities for accessibility. Finally, the LOC will support funding for programs that increase digital skills, equity, and adoption.

Background: All individuals regardless of physical, financial, or any other barrier have a right to access advancements in telecom technology.

SUPPORT RESPONSIBLE MUNICIPAL USE OF TECHNOLOGY

RECOMMENDATION: The LOC will support legislation that acknowledges forward-thinking regulations, taking into account the rapid evolution of telecom systems. The LOC may also support agency policy options that include municipal telecom resilience and concepts such as municipal AI assessments, and an “AI Sandbox” to further understanding of AI risks and other technological advancements in a controlled environment. In this work, the LOC will work to prevent unfunded mandates.

Background: Advancements in technology, including but not limited to AI, have demonstrated operational efficiencies, yet those come with risks if not implemented correctly and used safely. The LOC is cautiously optimistic about the use of AI and other tools that increase service and operational efficiency, but recognizes that some regulation may be necessary to define appropriate municipal uses and foster an atmosphere of responsibility and data safety.

SUPPORT MUNICIPAL CYBERSECURITY PROFICIENCY

RECOMMENDATION: The LOC opposes unfunded mandates and will advocate for technical support and funding to give all cities access to innovative technology, enhanced state programs, cybersecurity notification resources and assistance protecting critical infrastructure and data during cyber-attacks.

Background: Cybercriminals target municipalities as vulnerable systems holding valuable personal data and financial records. Historical underfunding of cybersecurity, antiquated system architecture, and lack of cybersecurity training contribute to the increasing trend in municipal cyberattacks. Cyberattacks can impact services with dire consequences for residents. Hackers typically look for the easiest entry path, and local governments often lack the resources to respond.

General Government Committee

LOC Contact: Charlie Conrad, cconrad@orcities.org

ADMINISTRATIVE PROCEDURES ACT REFORM

RECOMMENDATION: The LOC will advocate for the comprehensive modernization of the Oregon Administrative Procedures Act (APA) to restore regulatory transparency, strict alignment with legislative intent, and meaningful public accountability across all state agencies. This advocacy should include:

- Standardizing the rulemaking process across all state agencies to eliminate regulatory fragmentation;
- Strengthening public and expert participation in all rulemaking and workgroup processes;
- Establishing independent oversight and auditing of fiscal impact statements;
- Limiting and restricting the use of emergency rulemaking to actual crises; and
- Reforming judicial deference standards to ensure state agencies remain answerable to elected leaders and voters.

Background: Established in 1971, the Oregon APA is the legal framework that dictates how state agencies create regulations. However, the system has not seen a major update in decades, resulting in an unpredictable regulatory environment. Because there is no single standard for all agencies, different departments often pass conflicting rules that make compliance incredibly difficult for organizations on the ground. Furthermore, many key agencies report to independent boards rather than the governor, which creates an accountability vacuum. Recent state court decisions have compounded the issue by granting agencies broad leeway, ruling that their regulations do not strictly have to align with the original legislative intent.

This regulatory breakdown directly impacts local governments. When uncoordinated state agencies issue overlapping or conflicting rules, cities are left trapped in the middle—forced to navigate a maze of contradictory mandates that drain municipal staff time and stretch city budgets. Furthermore, because recent court rulings have stripped away traditional checks on administrative reach, cities have lost the ability to challenge flawed, 'one-size-fits-all' state regulations that ignore local realities. This loss of local control and financial stability necessitates reform. Protecting municipal home rule, ensuring local voices are actually heard during the rulemaking process, and restoring a sense of predictability and fairness to how state policies are implemented on the ground is necessary.

PUBLIC MEETINGS LAW CLARITY

RECOMMENDATION: The LOC will advocate for a comprehensive statutory reset of the Oregon Public Meetings Law to restore operational functionality and practicality for local governments while protecting public transparency. This priority includes the following provisions:

- Establishing an Intentionality Requirement: Limit serial meeting violations strictly to actions taken "knowingly and intentionally" to protect volunteer elected officials from penalties for good-faith, inadvertent errors.
- Streamlining Complaint Enforcement: Authorize the Oregon Government Ethics Commission (OGE) to immediately dismiss incomplete, trivial, or bad-faith complaints.
- Holding the Right Entity Accountable: Shift personal liability for purely administrative errors—such as delayed meeting notices—away from individual elected officials and onto the public body as an institution.
- Expanding the "Cure" Process: Provide flexible, accessible avenues for local governments to address and correct procedural complaints, including decision rescission or public acknowledgement with a corrective action plan.
- Right-Sizing Training Requirements: Reform mandatory compliance training to occur once per elected term rather than annually, while allowing incoming officials to complete the requirement prior to being sworn in.

Background: Oregon's Public Meetings Law prohibits local elected officials from deliberating in private, a rule that includes a ban on "serial meetings," where separate, smaller discussions are held over time that may add up to a quorum. Recent Oregon Government Ethics Commission (OGE) rules and training on this topic have created widespread confusion, leaving public officials deeply uncertain about how they can communicate with each other, their residents, or the media. A diverse work group of local leaders and legislators spent months negotiating a bipartisan fix during the 2026 legislative session, but Governor Kotek ultimately vetoed the bill, calling for stakeholders to return to the drawing board for the 2027 session. Today, the interpretation of this law remains highly contentious, and ongoing discrepancies create massive structural ambiguities and political tensions, making it incredibly difficult for local leaders to effectively govern.

To make the public meetings law workable, several practical fixes are urgently needed to save taxpayer resources and provide clarity to local officials. The current system: forces volunteer leaders to face personal liability for minor staff mistakes like late meeting notices; offers no clear way for cities to self-correct simple procedural errors; and requires repetitive annual training. To keep local governments functioning, the state

must shield individual officials from administrative liability, allow the OGEC's staff to quickly dismiss trivial or bad-faith complaints, create a clear path for cities to self-correct honest mistakes, and right-size compliance training to once per elected term.

Housing, Land Use, and Community Development Committee

LOC Contact: Alexandra Ring, aring@orcities.org

FUNDING AND COORDINATION FOR SHELTER AND HOMELESS RESPONSE

RECOMMENDATION: The LOC opposes cuts to the state shelter system funding and supports continued state investments in a comprehensive homeless response system to fund eviction prevention, shelter, and rehousing. These investments should include:

- Strengthening our coordinated regional homeless response;
- Funding a range of shelter types in cities across the state, including alternative shelter models, safe parking programs; and
- Funding eviction prevention, rapid rehousing, outreach, case management, staffing and administrative support, and other related services.

Background: The LOC recognizes that to end homelessness, a cross-sector coordinated approach to delivering services, housing, and programs is needed. Cities are not social service providers and largely do not have the additional revenue sources to fund new services outside their core services, amid ongoing budget cuts. Despite historic legislative investments in recent years, communities continue to struggle to support and rehouse Oregonians experiencing homelessness. In 2025, the Legislature passed HB 3644, which created the Statewide Shelter Program, a comprehensive funding program for state supported local shelters based in regional coordination. In addition to the statutory framework, the Legislature passed a funding package of \$204 million to support sheltering efforts in the 2025-2027 biennium, with \$102 million as the new baseline level of funding for all biennium through 2034. In a tight budget environment, the Legislature's ability and interest in continuing these investments is unclear.

As Oregon continues to face increasing rates of unsheltered homelessness, the LOC is committed to strengthening a regionally based, state-supported homeless response system to ensure all Oregonians can equitably access stable housing and maintain secure, thriving communities. Regional coordination is key to the system's success, and the state, cities, and counties must be part of the solution together.

FULL FUNDING AND STREAMLINING FOR HOUSING PRODUCTION

RECOMMENDATION: The LOC will seek opportunities to address structural barriers to

production of different housing options at the regional and state level. This includes:

- Streamlining state agency programs, directives, funding metrics, and grant timelines that impact development;
- Accurate tracking of units produced on the ground, rather than units unlocked;
- Aligning state programs with local capital improvement and budget timelines; and
- Increasing connections between affordable housing resources at Oregon Housing and Community Services (OHCS) with the land use directives in the Oregon Housing Needs Analysis (OHNA) and Climate Friendly and Equitable Communities (CFEC) programs at the Oregon Department of Land Conservation and Development (DLCD).

Additionally, the LOC will advocate maintaining and increasing state investments to support the development and preservation of a range of needed housing types and affordability, including:

- Publicly supported affordable housing and related services;
- Affordable homeownership;
- Permanent supportive housing;
- Affordable modular and manufactured housing;
- Middle housing types; and
- Moderate-income workforce housing development.

Background: Recent legislation and executive orders have made significant changes to the state's land use planning process, including new housing production directives for cities and counties. And yet, housing production levels remain below our state's current needs. The state should prioritize implementation, funding, and coordination of existing programs in the 2027-2028 legislative sessions before considering any new policies, including direct funding for housing production to address the underlying economic challenges that prevent production.

LAND AVAILABILITY AND LAND USE STREAMLINING

RECOMMENDATION: The LOC supports updates and streamlining statutes to better support good land use planning and land availability for all needs. This includes:

- Refining land use statutes to provide more clarity and legal certainty for cities;
- Clarifying wetland statutes and inventories to allow efficient and orderly urbanization of land within urban growth boundaries (UGBs);
- Streamlining UGB expansion and swap processes for residential, commercial, and

industrial land;

- Improving urban reserves process and land prioritization; and
- Funding for technical assistance for code audits and updates to comply with new state statutes.

Background: Oregon's land use system has undergone substantial change over the past decade, without revisions to the underlying structure. Years of layering legislation with different requirements and new interpretations of existing law have increased regulatory complexity that cities must navigate to be compliant within Oregon's land use system. Complying with state land use laws has become expensive, time-consuming and confusing, and prevents cities from having sufficient land for all needs (housing, industrial, and commercial). This has created challenges for ensuring that communities have sufficient supplies of land for all types of development, impacting other the housing and economic development priorities of the state.

Energy and Environment Committee

LOC Contact: Greg Miller, gmliller@orcities.org

INVEST IN COMMUNITY ENERGY RESILIENCE/DISASTER PLANNING

RECOMMENDATION: The LOC will engage in efforts to provide planning resources, technical assistance and funding to cities preparing to withstand, maintain and recover their energy needs in the event of a disaster. This includes resources for energy efficiency and/or local energy generation like biomass, solar, hydro, biogas, and generators. It also includes virtual power plants, microgrids, energy storage, and other solutions that help cities and their communities increase energy resilience.

Background: Frequency and severity of natural disasters and growing regional energy shortages have demonstrated the potential to cripple Oregon communities during an emergency. Intentional disaster planning and community energy resource development can be costly, but will contribute to Oregon cities' resilience and ongoing viability during floods, seismic events, drought, wildfires, and energy brown/blackouts.

SUPPORT EXPEDITED LOCAL RENEWABLE ENERGY GENERATION

RECOMMENDATION: The LOC will continue to support traditional large renewable energy development and transmission projects while mitigating impacts on local control. To support Oregon clean/renewable energy targets and increased capacity, the LOC also supports local initiatives to develop alternative/renewable energy sources that fit the needs of each city.

Background: Recent studies of projected Pacific Northwest energy load growth in the next five years show a projected shortfall of 3GW (3,000,000kw) by 2030. That shortfall compounds by 2035. Viability of Oregon cities depends upon increased reliable energy generation.

SUPPORT INCREASED ENERGY TRANSMISSION CAPACITY

RECOMMENDATION: The LOC will explore and support initiatives that increase renewable energy transmission while mitigating impacts on local control.

Background: Large scale renewable energy is largely produced east of the Cascade divide. Maximizing current transmission and developing new capacity to make renewable energy available to all regions is an important factor in achieving equitable community energy resilience while meeting Oregon decarbonization and climate goals.

MAINTAIN AFFORDABLE ENERGY WHILE SUPPORTING GRID HARDENING AND MODERNIZATION

RECOMMENDATION: The LOC will support initiatives that balance necessary grid modernization against manageable rate increases for cities and residents.

Background: Growing and modernizing Oregon's aging electric grid is necessary. However, upgrades and increased capacity are challenging. Utilities are not insulated from recent inflation and face unprecedented increases in equipment and infrastructure costs. Customers are also seeing increased rates due to rising utility infrastructure costs and spending on wildfire mitigation.

RESOURCE PROGRAMS FOR ENERGY EFFICIENCY PLANNING AND PROJECT DEVELOPMENT

RECOMMENDATION: The LOC will support legislation that further supports Community Renewable Energy Programs, Green Bank Concepts, Home Energy Rebates, Solar and Storage Rebates, Electrification Incentives.

Background: Oregon's 241 incorporated cities are at the forefront of delivering on Oregon's climate and energy goals: building decarbonization, energy efficiency and renewable energy generation. These mandates, while important, fall largely upon local governments that are perpetually constrained financially. Continued legislative allocations to support climate/energy programs and local governments will be paramount to continue taking the incremental steps necessary to achieve the state's 2030 greenhouse gas reduction targets and 2040 emissions elimination goals.

SUPPORT ADMINISTRATIVE CAPACITY

RECOMMENDATION: The LOC will support state budgets that increase targeted agency capacity needed to adequately and efficiently provide technical assistance, permitting and resources to municipalities related to state and federal energy and climate goals. This includes fully funded and staffed local programs dedicated to implementation of state climate and decarbonization initiatives, especially those related to guidance derived from federal agencies.

Background: Looming large in the Pacific Northwest are concerns about federal energy policies and utility capabilities to meet Oregon’s clean energy targets. Additional capacity at the state level will support communities that are navigating changing guidance and requirements.

Finance, Taxation, and Economic Development Committee

LOC Contact: Colette Tipper, ctipper@orcities.org

TARGETED PREVAILING WAGE CHANGES

RECOMMENDATION: The LOC will advocate for targeted changes to prevailing wage requirements that: recognize urgent needs for Oregon communities; consider the impact of inflation; and maintain the original intent of Oregon’s prevailing wage law. This includes supporting reoccurring legislation to exempt publicly financed facilities aimed at addressing the housing crisis (affordable housing, shelters, day centers) and the lack of childcare, as well as efforts to address mounting infrastructure needs impacting housing and economic development. The LOC will support additional clarity around split determination issues that are impacting growth, ensuring cities can proactively prepare for growth without impacting future, private developments.

Background: Prevailing wage rates are minimum hourly rates a contractor must pay its employees under public works contracts; and while there are federal and state prevailing wage rates, the recommendation above impacts state prevailing wage laws. The wage rates vary by occupation and region, with the rates being set by the Oregon Bureau of Labor & Industries (BOLI). Oregon law requires prevailing wages to be paid on a project if it hits one of two specific triggers: the public agency trigger or the public funding trigger:

1. Public Agency Trigger - If a project meets the definition of a “public works” under ORS 2798C.800(6)(a) and the total cost of the project is \$50,000 or more. Examples of qualifying projects include roads, buildings, and improvements – whether it’s new construction, renovation, painting, demolition, or the removal of hazardous waste. The \$50,000 threshold was set in 2005. If adjusted for inflation, the threshold would be roughly \$86,000.
2. Public Funding Trigger - A project might be private, but it uses \$750,000 or more of

taxpayer money. The same types of projects qualify for the public funding trigger. Note: there are very specific exceptions of public money being used that do not trigger prevailing wages (see ORS 279C.810(1)(a) and OAR 839-025-0004(11)(b)). The \$750,000 threshold was set in 2007. If adjusted for inflation, the threshold would be roughly \$1.2 million.

Additionally, Oregon law states that in the case of public-private partnerships, BOLI shall divide the project to separate the private and public aspects of the project. The public aspects of the project will be subject to prevailing wage, while the private aspects will not. [This recently impacted developments in the Willamette Valley](#). Developable lots with publicly funded infrastructure should not mean that private projects automatically prevail.

ALCOHOL REVENUE MODERNIZATION

RECOMMENDATION: The LOC will advocate for alcohol tax revenue modernization that generates increased shared revenues for cities. This includes support for recommendations from the HB 3610 Task Force on Alcohol Pricing to increase beer and wine taxes while preserving the existing 34% revenue-sharing distribution to cities. This may also include legislation removing the preemption on local alcohol taxes.

Background: Cities have significant public safety costs related to alcohol consumption and must receive revenue commensurate to the cost of providing services related to alcohol. In considering an increase, the LOC will balance the economic and consumer pressures impacting breweries across the state.

Oregon is a control state and the Oregon Liquor and Cannabis Commission (OLCC, formerly known as the Oregon Liquor Control Commission) acts as the sole importer and distributor of liquor. Cities and other local governments are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% share of net state alcohol revenues. The OLCC has also imposed a 50-cent surcharge per bottle of liquor since the 2009-2011 biennium, which is directed towards the state's general fund. Oregon's beer tax has not increased since 1978 and is \$2.60 per barrel, which equates to about 8.4 cents per gallon, or less than 5 cents on a six-pack. Oregon's wine tax is 67 cents per gallon and 77 cents per gallon on dessert wines. Oregon has one of the lowest beer taxes in the country ([source](#)) and the wine tax is closer to national average ([source](#)).

EMERGENCY COMMUNICATION SYSTEM RESOURCES

RECOMMENDATION: The LOC will support legislation enhancing the effectiveness of the state's emergency communications system through an increase in the 9-1-1 tax. Inflationary factors have lessened the impact of the [emergency communications tax](#). State estimates indicate that this revenue covered 40% of dispatch center costs, but that

figure is inaccurate, with some communities receiving as little as 20-25%.

Background: Oregon's 9-1-1 tax was increased to \$1.00 per line or prepaid transaction effective January 1, 2020, and further increased to \$1.25 effective January 1, 2021. Before this change from 2019's HB 2449, the rate had been 75 cents since 1995. The new tax increase on 9-1-1 expires January 1, 2030. Most cities will not receive this state shared revenue directly, as the city share is directed to the public safety answering point (PSAP) provider connected to the statewide network, and most of these are managed by counties or a regional entity, rather than a city. The PSAPs are only partially funded through the state's Emergency Communications Tax, with the balance of operating costs coming primarily from property taxes. Local governments receive approximately 60% of 9-1-1 taxes, but the taxes generally covered less than 25% of the costs of total PSAP operations before the recent rate increases. Ratios of individual PSAP costs to taxes received vary. The local government share of the state tax is distributed 1% to each county, with the remainder distributed per capita.

STRENGTHENING ECONOMIC AND WORKFORCE DEVELOPMENT

RECOMMENDATION: The LOC will support efforts to modernize and strengthen Oregon's existing economic development programs while advocating to maintain local flexibility and autonomy over local revenues. The LOC's advocacy includes strengthening and increasing funding for current state programs like Enterprise Zones (EZ), Long Term Rural Enterprise Zone (LTREZ), the Strategic Investment Program (SIP), the Industrial Site Loan Fund, Brownfield programs, and infrastructure programs, as well as new efforts to support a healthy economy.

The LOC will also support efforts to strengthen Oregon's workforce development initiatives that help to meet critical workforce shortages experienced by public and private employers throughout the state. The LOC will advocate for policies and investments that strengthen local talent pipelines, expand access to workforce education and training, and help communities recruit and retain the skilled workforce needed to support and grow a healthy economy.

Background: Communities across the state have leveraged local economic development incentive programs (Enterprise Zones (EZ), Long Term Rural Enterprise Zone (LTREZ), Strategic Investment Program (SIP), etc.) to support strong local economies, community investment, and long-term economic growth. These programs are intentionally designed to provide local governments with flexibility to attract and retain industries that align with local economic priorities, infrastructure capacity, and workforce needs. The EZ and LTREZ programs provide local governments the option to offer a temporary full exemption from property taxes for qualified new business investment, while the SIP program allows local governments to offer a 15-year partial exemption on the value of new property exceeding a specified investment threshold.

These incentive programs are critical tools for maintaining Oregon’s national competitiveness and generating substantial long-term benefits through job creation, enhanced economic activity, infrastructure investment, and increased tax revenues. Local governments absorb the primary impact of temporary property tax exemptions and provide the infrastructure and public services necessary to support development, while the state realizes significant revenue gains through increased income tax collections and broader economic activity generated by these investments. As the state increasingly benefits from local economic development efforts, it should also be a stronger financial partner in supporting and sustaining these programs. Preserving local discretion, predictability, and flexibility within economic development programs remains essential to ensuring communities can effectively compete for and support major economic development opportunities.

Public and private employers across the state are having trouble filling critical workforce needs. As an example, Oregon respondents to the [2025 Associated General Contractors of America Workforce Survey](#) indicate that 56% expect to hire new employees and 54% have increased headcount in the last year. However, 52% of respondents report trouble hiring due to a lack of qualified and credentialed candidates. This challenge rings true for cities. Cities have reported trouble filling wastewater treatment positions due to lack of qualified candidates, while community colleges are neglecting to start programs because of the high cost of running them.

Transportation Committee

LOC Contact: Nicole Stingham, nstingham@orcities.org

2027 TRANSPORTATION PACKAGE

RECOMMENDATION: The LOC supports a robust transportation package that supports Oregon's multi-jurisdictional, multi-modal, and safety-oriented transportation system. Recognizing that Oregonians don't always know who owns what route they rely on, any revenue should support our shared transportation system. The LOC believes this is most effective through a statewide revenue source rather than more administratively burdensome and inequitable local revenue methods that are unable to ensure that all users pay their fair share (including through user fees).

Cities and locally owned transportation systems rely on a strong state partner to meet our shared goals of a system that moves people from “point a to point b” safely and effectively. In addition, the conditions of state and county routes impact cities by both directing additional traffic on city streets and affecting how residents get to where they need to go safely. This requires system expansion to be secondary to restoring funds in grant programs and transit services, protecting existing programs, and an overall focus on operation and maintenance.

Background: After a failed package in 2025, efforts are underway on a 2027 package to address the known need for state, county, and city infrastructure. The State Highway Fund (SHF) is the primary revenue source for the state's transportation infrastructure, and comes from various sources, including gas and diesel tax, weight mile tax, vehicle registration fees, vehicle title fees, and driver's license fees. These funds are distributed using a 50-30-20 formula, with 50% going to the state, 30% to counties, and 20% to cities. Continued investment in transportation infrastructure is critical for public safety objectives such as the Safe Routes to Schools and the Great Streets programs. In addition to those grant programs, local communities rely on the Statewide Transportation Improvement Fund and Oregon Community Paths resources. These programs are essential in cities to support efficient, convenient, safe, cost-effective transportation systems that are open to all members of our communities.

CAUTIOUS ADOPTION OF AUTONOMOUS VEHICLES

RECOMMENDATION: The LOC will advocate for necessary tools to support communities as autonomous vehicles (AVs) come to Oregon, particularly for private for-hire AVs. Cities are proactively and cautiously preparing for new technology, like autonomous vehicles, and it's crucial to get the regulations right to ensure proper coordination, alignment between all stakeholders, and flexibility as the technology is evolving rapidly.

AVs will impact city goals and requirements, ultimately impacting their transportation system plans. Cities must not be preempted in their ability to permit (as it relates to private for-hire AVs) and regulate the use of this new technology on city infrastructure. Cities should have the ability to:

- Ensure AVs follow the rules of the road and can receive traffic violations like human drivers, and that law enforcement officials are trained on ways to disengage an AV;
- Require geofenced areas to have operational standards based on the local needs or goals (like limiting 0 passenger trips), to accommodate special events, or to address infrastructure challenges that prevent safe deployment of technology;
- Allow revenue generation to offset costs for training law enforcement and first responders; and
- Limit the number of AVs that are allowed to operate in a city, potentially scaling up as predetermined performance benchmarks are reached.

At the same time, the LOC supports federal authority to determine if and when an AV is street ready. In addition, the state should determine cyber safety standards, insurance requirements, vehicle registration, and other activities.

Background: With new technologies comes new and unforeseen challenges and opportunities. AVs offer the ability to improve traffic safety by limiting human error, as

industry data shows. AVs could also promote other economic activity and create access to our transportation system. At the same time, there are key risks to mitigate as we learn lessons from cities across the nation that have operated with AVs. One lesson – a slow rollout will help companies identify and address issues as they arise. From navigating weather to power outages, San Francisco transportation officials have learned a lot and shared that with the LOC’s Transportation Policy Committee. Despite AVs being in operation for years, the California Department of Motor Vehicles recently created rules around traffic citations for AVs nearly two years after their state legislature passed authorizing legislation. Oregon would benefit from waiting until the technology has advanced, being a fast follower rather than an early adapter. In addition, Oregon should balance support for industry and competition with public trust and public good.

In addition, for more than 40 years, the state of Oregon has recognized that for-hire services like taxis and other vehicles for-hire are a necessary part of the transportation system and has left regulation to local authorities (see ORS 221.485, ORS 221.495). Private for-hire AVs should have higher standards for city regulation versus privately owned vehicles.

CITY SUPPORTED STREET SIGN TRADITIONS

RECOMMENDATION: The LOC will advocate to allow cities to support community activities and fundraisers through signs on light poles. Many cities hang signs on street light poles to recognize holidays, and in some cases these signs are sold as a fundraiser to support chambers, downtown organizations, or other community causes (examples include Mother’s Day flowers and Christmas ornaments). State statute prevents this if the sign is visible from a state highway. The LOC will work to create flexibility for cities to support these fundraisers even if they are visible from a state highway.

Background: State statute prevents “advertising signs” within view of state highways, even if they are not on state right-of-way. The state considers advertising to be any exchange of compensation, regardless of its intended purpose. While this is a long-standing statute that is not actively consistently enforced, it has recently prevented one community from supporting a fundraiser for their downtown association. The LOC Transportation Policy Committee is flexible on the solutions and has directed staff to work with the Oregon Department of Transportation on bill language to address this in the least administratively burdensome manner, which will likely include a waiver for fundraising efforts that are endorsed by a city.

Water and Wastewater Committee

LOC Contact: Michael Martin, mmartin@orcities.org

INFRASTRUCTURE FUNDING

RECOMMENDATION: The LOC will advocate for increased and sustained investments in drinking water, wastewater, stormwater, and water reuse infrastructure needed to support housing production, economic development, public health, and environmental protection. This includes: expanding flexible, low-cost financing tools that reduce ratepayer burden; supporting infrastructure capacity needed for housing and economic development; investing in aquifer storage and recovery projects; protecting system development charge authority; and sustaining infrastructure financing programs, including the Special Public Works Fund, which help communities address critical infrastructure needs. The LOC will advocate for policies that recognize the increasing costs associated with regulatory compliance, environmental protection, and workforce needs.

Background: Water infrastructure (drinking water, wastewater, stormwater, and reuse) is essential to supporting housing production, economic development, public health, and environmental protection in communities across Oregon. Cities own and operate drinking water, wastewater, stormwater, and water reuse systems that require ongoing investment to maintain reliability, comply with state and federal regulations, and serve existing and future residents.

The 2024 LOC Infrastructure Survey identified approximately \$6.4 billion in water infrastructure needs statewide. Cities continue to face increasing costs associated with aging infrastructure, regulatory compliance, environmental requirements, workforce challenges, and inflationary factors.

Without adequate infrastructure capacity, communities may struggle to accommodate needed housing development and economic growth. State investments should support direct infrastructure projects and proven financing programs that help communities plan, construct, and upgrade critical facilities. State programs like the Special Public Works Fund play an important role in helping communities address critical infrastructure needs.

WATER REUSE

RECOMMENDATION: The LOC will advocate for policies and investments that support the development and expansion of water reuse projects throughout Oregon. This includes: funding for planning, design, and construction; clear and predictable regulatory pathways; and technical assistance for local governments. The LOC will support

maintaining local flexibility to implement community-specific reuse solutions that protect public health and environmental quality.

Background: The Legislature has recognized the value of water reuse through [House Bill 2169 \(2025\)](#). Despite growing interest in water reuse, many communities face financial, technical, and regulatory barriers that limit the development of water reuse. Cities need funding, technical assistance, and regulatory certainty to evaluate and implement reuse projects that meet local needs. As Oregon continues to invest in water infrastructure and community resilience, water reuse should be recognized as an important tool that complements existing water management strategies and helps communities achieve long-term sustainability goals.

RATEPAYER ASSISTANCE

RECOMMENDATION: The LOC will advocate for improved affordability for drinking water and wastewater customers while maintaining the financial stability necessary to operate, maintain, and improve local utility systems. This includes state-supported water and wastewater ratepayer assistance programs, and policies that consider affordability impacts on residents.

Background: Cities face the challenge of balancing affordability for residents with the investments necessary to maintain safe and reliable utility systems. State-supported ratepayer assistance programs and increased participating in infrastructure funding can help reduce financial burdens on households while preserving the financial sustainability of local utilities and ensuring continued access to essential water services. In 2025, the Legislature introduced [House Bill 3527](#), which requested \$11 million to continue funding the program, but the bill did not advance out of the budget committee.

WATER WORKFORCE DEVELOPMENT

RECOMMENDATION: The LOC will advocate for investments in workforce development programs that support the recruitment, training, certification, and retention of drinking water and wastewater professionals. This includes: support for operator-in-training and apprenticeship programs; certification and reciprocity improvements; regional training opportunities; and funding that helps communities develop and maintain a qualified water workforce.

Background: Oregon cities depend on certified operators and other utility professionals to provide safe drinking water, protect water quality, maintain regulatory compliance, and operate increasingly complex infrastructure systems. Water utilities across the state face growing challenges of recruiting, training, and retaining qualified personnel.

Investments in workforce development, training infrastructure, and career pathways will

help ensure communities have the skilled workforce necessary to operate and maintain critical water infrastructure systems. The Legislature recently recognized the importance of this workforce with [House Bill 4007 \(2026\)](#), which established a “Water Professionals Appreciation Week” annually in October.