



**CITY OF MOLALLA
MOLALLA URBAN RENEWAL AGENCY
AGENDA**

Molalla Civic Center | 315 Kennel Ave., Molalla, OR 97038
Wednesday, June 10, 2026 | 5:00 PM

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

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1. CALL TO ORDER & FLAG SALUTE

2. ROLL CALL

3. CONSENT AGENDA

4. 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 support staff. The Planning Commission does not generally engage in dialog with those making comments but may refer the issue to the Community Development Director. Complaints shall first be addressed at the department level prior to addressing the Planning Commission.

5. ORDINANCES & RESOLUTIONS

- a. [MURA Resolution No. 2026-01: Amending the Urban Renewal District Boundary](#)

6. GENERAL BUSINESS

7. ADJOURN

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



CITY OF MOLALLA

Staff Report

Agenda Category: ORDINANCES & RESOLUTIONS

Agenda Date: Wednesday, June 10, 2026

Submitted by: Christie Teets, City Recorder

Approved by: Dan Huff, City Manager

SUBJECT:

MURA Resolution No. 2026-01: Amending the Urban Renewal District Boundary

FISCAL IMPACT: None.

RECOMMENDATION/RECOMMENDED MOTION:

I move to approve MURA Resolution No. 2026-01: Amending the Urban Renewal District Boundary

BACKGROUND:

Request - The Molalla Fire District has requested that the Molalla Urban Renewal Agency expand its district boundary to include two tax lots, owned by the Fire District, equaling a 0.198% increase of the current District. Because this request is under a 1% threshold, this request is considered a Minor Amendment pursuant to Section 1100, item C (2), within the adopted Molalla Urban Renewal Plan (attached). Minor Amendments may be approved by the Urban Renewal Agency in resolution form.

The Molalla Urban Renewal District and Urban Renewal Plan was established in 2008. Section 700 Description of Projects to be Undertaken, F. Public Buildings and Facilities (attached) of the Urban Renewal Plan, included language describing improvements to the fire station and public safety training facility. Projects must be identified within the Plan in order to use funding for that project. In this case the Fire Station and Training Facility and the request comply with plan language.

In 2009 the City signed an IGA with the Fire District to provide the District with foregone revenue due to the creation of the Urban Renewal District (attached). District obligations include Fire Station renovations, including a training facility, and property purchase. This request identifies two properties for annexation into the Urban Renewal District Boundary and fulfills two obligations of the 2009 IGA.

If the Urban Renewal Agency agrees with this proposal, the Agency is then required to adopt a resolution as attached.

ATTACHMENTS:

[5a1 MURA Resolution 2026 - Amending the MURD Boundary.pdf](#)

[5b MURA - Section 1100 - Minor Amendment.pdf](#)

[5c MURA Section 700 - Project Description.pdf](#)

[5d Fire District IGA - MURA 2009.pdf](#)

[5e Station 82 Pole Barn pre app exhibit.pdf](#)



MURA RESOLUTION NO. 2026-01

A RESOLUTION OF THE MOLALLA URBAN RENEWAL AGENCY, OREGON, AMENDING THE URBAN RENEWAL DISTRICT BOUNDARY

WHEREAS, the Molalla Urban Renewal Agency ("Agency") is an urban renewal agency formed under ORS Chapter 457; and

WHEREAS, the Molalla City Council ("City Council") adopted the Molalla Urban Renewal Plan ("Plan") on July 24, 2003; and

WHEREAS, the Agency desires to amend the District Boundary to include Fire District properties 52E09CB09300 and 52E09CB08600 as described in the Urban Renewal Plan Section 700 (F); and

WHEREAS, the Urban Renewal Plan Section 1100 allows increases in the Urban Renewal Area Boundary that are less than 1% of the existing boundary; and

WHEREAS, this Urban Renewal Boundary expansion is shown in Exhibit A.

Now, Therefore, Molalla Urban Renewal Agency Resolves as follows:

- Section 1.** Findings. The above-stated findings contained in this Resolution are hereby adopted.
- Section 2.** Purpose. The purpose of this Resolution is to expand the Urban Renewal District Boundary by .69 acres with the addition of Molalla Fire District properties.
- Section 3.** Adoption. In accordance with the amendment section of the Molalla Urban Renewal Plan, this is a minor amendment to be adopted by resolution of the Molalla Urban Renewal Agency.
- Section 4.** Effective Date. This resolution becomes effective immediately upon passage of the Molalla Urban Renewal Agency Members.

Adopted this 10th day of June 2026.

Scott Keyser, Chair

ATTEST:

Christie Teets, City Recorder



and will be given assistance in moving. All relocation activities will be undertaken and payments made, in accordance with the requirements of Chapter 35 of the Oregon Revised Statutes, and any other applicable laws or regulations. The Renewal Agency may contract with Oregon Department of Transportation (ODOT), or other appropriate agencies or parties for assistance in administering its relocation program.

1100. PLAN AMENDMENTS

It is anticipated that this renewal plan will be reviewed periodically during the execution of the Project. The plan may be changed, modified, or amended as future conditions warrant. Types of plan amendments are:

A. Substantial Amendments per ORS Chapter 457

1. Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.
2. Adding land to the urban renewal area that is in excess of one percent of the existing area of the Plan.

Substantial Amendments shall require the same notice, hearing and approval procedure required of the original Plan, including public involvement, consultation with taxing districts, presentation to the Planning Commission and adoption by the City Council by non-emergency ordinance after a hearing requiring “special notice” per ORS 457.120.

B. Other Amendments Requiring Approval by Ordinance of City Council

The following types of amendments will require adoption by a non-emergency Ordinance of the City Council, and require consultation with taxing districts, and presentation to the Planning Commission, but will not require the special notice prescribed in ORS 457.120.

1. The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, and which cost more than \$750,000. The \$750,000 amount will be adjusted annually from the year 2008 according to the “Engineering News Record” construction cost index for the Northwest area.

C. Minor Amendments.

Minor amendments may be approved by the Renewal Agency in resolution form. Such amendments are defined as:

1. Amendments to clarify language, add graphic exhibits, make minor modifications in the scope or location of improvements authorized by this Plan, or other such modifications which do not change the basic planning or engineering principles of the Plan.
2. Addition of a project substantially different from those identified in Sections 700 of the Plan or substantial modification of a project identified in Section 700 if the addition or modification of the project costs less than \$750,000. The \$750,000

amount will be adjusted annually from the year 2008 according to the “Engineering News Record” construction cost index for the Northwest area.

2. Increases in the Urban Renewal Area boundary that are less than one percent of the existing area of the Plan.
3. Acquisition of property for purposes specified in Section 800A1 and 800A2 of this Plan. **Note** – Minor amendments to the plan to acquire properties specified in Sections 800A1 and A2 must be ratified by the City Council. The City Council approval may be in the form of a resolution.
4. Acquisition of properties for purposes specified in Section 800B of this plan. These acquisitions do not require approval by the City Council.

1200. MAXIMUM INDEBTEDNESS

The maximum indebtedness authorized under this plan is Twenty-Six million, one hundred and seventy-five thousand dollars (\$26,175,000). This amount is the principal of indebtedness and does not include interest on indebtedness.

1300. FINANCING METHODS

A. General

The Urban Renewal Agency may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of undertaking and carrying out this Plan. In addition, the Agency may borrow money from, or lend money to a public agency in conjunction with a joint undertaking of a project authorized by this Plan. If such funds are loaned, the Agency may promulgate rules and procedures for the methods and conditions of payment of such loans. The funds obtained by the Agency shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

B. Tax Increment Financing

This urban renewal plan will be financed in whole, or in part, by tax increment revenues. The ad valorem taxes levied by all taxing districts in which all or a portion of the Molalla is located shall be divided as provided in section 1c, Article IX of the Oregon Constitution and ORS 457.420 to 457.460.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Urban Renewal Agency or the City in connection with preplanning for this Urban renewal plan shall be repaid from tax increment proceeds generated pursuant to this section.

1400. DEFINITIONS

The following definitions will govern the construction of this Plan unless the context otherwise requires:

B. Plan and Design Review

The Urban Renewal Agency shall be notified of any Comprehensive Plan/Zoning amendment application, building permit, conditional use or other development permits requested within the Area.

600. OUTLINE OF DEVELOPMENT

The Urban Renewal project consists of activities and actions which treat the causes of blight and deterioration in the Molalla Urban Renewal Area. Project activities further are intended to implement the goals in Section 400 of this plan. Project activities to treat blighting conditions and to implement community and comprehensive plan goals include:

- Making improvements to streets, sidewalks, and crossings in the renewal area
- Making improvements to deficient water, sewer and storm drainage in the area
- Contributing to funding improvements to public facilities and in the renewal area
- Improving the physical appearance of the renewal area
- Improving parking availability in the renewal area.
- Providing incentives for the repair and rehabilitation of substandard structures in the project area.
- Providing incentives to new public and private building investments in the renewal area.
- Section 700 of this plan provides further description of each urban renewal project to be undertaken within the Urban Renewal Area.

700. DESCRIPTION OF PROJECTS TO BE UNDERTAKEN

To achieve the objectives of this Urban Renewal Plan, the following activities will be undertaken by the Urban Renewal Agency in accordance with applicable federal, state, county, and county laws, policies, and procedures, and will be coordinated with the Downtown Master Plan. Renewal Agency may fund these activities in full, in part, or it may seek other sources of funding for them. The Renewal Agency may prepare a Design Plan which will better define project locations. **The listing of projects is not an order of priority.** Priorities will be decided as funds become available, and opportunities arise.

1. PUBLIC IMPROVEMENTS

Definition - Public improvements include the construction, repair, or replacement of curbs, sidewalks, streets, parking, parks and open spaces, pedestrian and bicycle amenities, water, sanitary sewer and storm sewer facilities, utilities, and other public facilities necessary to carry out the goals and objectives of this Plan.

A. Public Parks and Open Spaces

The Renewal Agency may participate in funding the design, acquisition, construction or rehabilitation of public spaces, parks or public recreation facilities within the Urban Renewal Area. Projects that may be undertaken include:

- Develop a pedestrian/bicycle trail along abandoned railroad line.

B. Street, Curb, and Sidewalk Improvements

The Renewal Agency may participate in funding sidewalk and roadway improvements including design, redesign, construction, resurfacing, repair and acquisition of right-of-way for frontage improvements including but not limited to curbs, streets, and sidewalks.

Street, curb, and sidewalk improvements may include:

- Make streetscape improvements identified in the Downtown Master Plan.
- Install, and repair deficiencies in sidewalks in downtown Molalla.
- Install crosswalks and curb extensions in downtown Molalla.
- Participate in widening of Oregon Highways 211 and 213.
- Commercial Parkway extension to South Road and OR Highway 213.
- Molalla Forest Road improvements, including
 - ❖ Improve Molalla Forest Road from Mathias to OR Highway 213.
 - ❖ Improve Mathias Road/Main Street Connection.
 - ❖ Widen Mathias Road.
- Toliver Road (Sawyer Trucking)
- Industrial Way
- OR 213 Sidewalk
- Various other public utility improvements as designated by the Agency.

C. Public Utilities

The Renewal Agency is authorized to participate in funding improvements to water, storm, and sanitary sewer facilities in the area. Utility improvements that may include:

- Place utilities underground throughout project area as funds permit.
- Provide water, sewer, and storm services as necessary to treat blighting conditions in renewal area, and to meet future development needs in renewal area.
- Improve W Ross Street (Molalla Ave to Kennel Avenue) and Kennel Avenue (W Ross to OR 211)
- Various other public utility improvements as designated by the Agency

D. Streetscape and Neighborhood Beautification Projects

The Renewal Agency is authorized to participate in activities improving the visual appearance of the project area. These improvements may include frontage improvements, street furniture, special lighting fixtures, landscaping, street trees, irrigation, decorative pavers, signs, and other fixtures and improvements. Areas for streetscape improvements include:

- Streetscape improvements along Highway 211.
- Streetscape improvements in downtown Molalla.
- Center Avenue (Main Street to Ross Street)
- Center Avenue (E Ross to Robbins Street)
- Center Avenue (Robbins Street to Heintz Street)
- E. Ross Street (Molalla Avenue to Center Street)
- Ross/Center Alleys Improve W Ross Street (Molalla Avenue to Kennel Avenue) and Kennel Avenue (W Ross to OR 211)

E. Public Safety Improvements

The Renewal Agency may participate in funding improvements needed for public safety purposes. Public safety improvements may include:

- Participate in funding traffic signals and signage at
 - ❖ The intersection of Main and Molalla.
 - ❖ Molalla Avenue - OR211 Signal
 - ❖ OR 211 – Leroy Avenue Signal

F. Public Buildings and Facilities

The Renewal Agency may participate in development of public facilities in the Renewal Area. The extent of the Renewal Agency's participation in funding public facilities will be based upon a Renewal Agency finding on the proportional benefit of that project to the Urban Renewal Area, and the importance of the project in carrying out Plan objectives.

Potential public facilities to be funded may include:

- Assist in improvements to fire station and public safety training facility
- Develop new public parking facilities.
- Assist in improvements to, or construction of public facilities, including city hall, police facility, and a conference/community center.
- Acquisition of property for a Police Station and frontage improvements for the Police Station.
 - ❖ The Police Station will serve and benefit the urban renewal area by providing improved facilities for the police and establishing a public safety presence in the urban renewal area.

In 2023 the Agency authorized the allocation of funds to partially fund a Police Facility by contributing to demolition/environmental expenses, construction expenses and gap funding in addition to the frontage improvements and land acquisition that were identified in the 2020 amendment to the urban renewal plan.

INTERGOVERNMENTAL AGREEMENT

This Agreement is made and entered into between Molalla Rural Fire Protection District, a special service district organized under ORS Chapter 478 (District), and the Molalla Urban Renewal Agency (MURA)

RECITALS:

- A. Both entities (parties) are units of government, organized and operating under the laws of the state of Oregon. Oregon Revised Statutes, Chapter 190 specifically, authorizes agreements between units of local government for any and all functions and activities that any party to the agreement may perform.
- B. Both parties acknowledge that the District provides critical response services to the City of Molalla's Urban Renewal Area. Such services are necessary to the public's health, safety and welfare and integral to the success of the Urban Renewal Area.
- C. Both parties recognize that the District will suffer a loss of revenue due to the establishment and implementation of the Urban Renewal Area. The intent of this Agreement is to financially support District infrastructure and capital projects which serve to directly benefit the Urban Renewal Area.

AGREEMENT:

1. District Obligations.
 - A. District agrees to renovate the fire station at 320 N Molalla Ave. which serves the Urban Renewal Area. Such renovation may include constructing an addition to the fire station which would house a joint emergency operations center and training facility. Such renovations and construction projects are integral to the success of the urban renewal area and necessary to the health, safety and welfare of the citizens within the Urban Renewal Area.
 - B. District agrees to purchase up to four properties located to the north of Molalla Fire District's main station. Such properties will be purchased with the intent to support and serve the Urban Renewal Area.
 - C. District agrees to carry out such other improvements or acquisitions as may be agreed to from time to time by the parties, provided that such improvements or acquisitions are within the scope of the Molalla Urban Renewal Plan and authorized under Oregon Revised Statutes 457.170 through 457.180, Oregon's urban renewal statutes, now or as amended in the future.

- D. District shall provide annual statements to MURA that account for all City funds given to the District under this Agreement. Furthermore, District agrees that such City funds will only be used for the purposes outlined in Section 1 of this Agreement

2. MURA Obligations.

- A. MURA acknowledges the District's critical role in ensuring the success of the Urban Renewal Area and securing the public's health, safety and welfare within the Urban Renewal Area. MURA shall pay District a sum equal to the revenue foregone by the District over the lifespan of the Urban Renewal Plan but not to exceed 1.585 million dollars for improvements and acquisitions as provided for in Section 1 of this Agreement. This sum shall be payable from time to time in installments over the lifespan of the Urban Renewal District as approved by the Urban Renewal Agency, as opportunities arise and as funds accrue to the Urban Renewal Agency.

3. Term of Agreement. This Agreement shall be in effect for the lifespan of the Urban Renewal District, beginning on the date of execution of this Agreement, unless terminated earlier as provided herein.
4. Termination. This Agreement may be terminated by mutual written agreement of the parties at any time.
5. Indemnification. Both parties to this Agreement hereto mutually agree to indemnify, defend, and hold each other, their employees, officers, directors, and agents, harmless against any and all claims, demands, liabilities, and costs incurred by the other party, including reasonable attorneys' fees, arising out of or in connection with the performance or failure to perform any service pursuant to this contract or any other act or omission of the indemnifying party in performance of this contract. This limitation of liability is subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260 through 300, and the Oregon Constitution Article XII, Section 7.
6. Notice. Any notice or invoice required under this Agreement shall be considered delivered if sent by first class mail or personally served on the following persons at the following addresses:

Chief Vince Stafford
Molalla Rural Fire Protection District
P.O. Box 655
Molalla, OR 97038

John Atkins, Jr.
City Manager
City of Molalla
PO Box 248
Molalla, OR 97038

7. Arbitration. Any dispute arising under this Agreement, save and except for acquisition of property subject to eminent domain, may be decided by binding arbitration in District's sole discretion to be exercised within thirty (30) days of the filing of any complaint and conducted in Clackamas County, Oregon before a single arbitrator selected by mutual agreement of the parties. Arbitration shall be conducted under ORS Chapter 36. If the parties are unable to mutually select an arbitrator within twenty (20) days following District's decision to pursue arbitration, then each party shall select an arbitrator, and the two arbitrators shall select a single arbitrator. The arbitrator(s) shall have substantial experience in construction disputes. The parties agree that any award rendered by the arbitrator(s) will be final, and judgment may be entered upon the award in any court having jurisdiction thereof, and will not be subject to modification or appeal except to the extent permitted by Oregon law.
8. Severability. If any part, term or clause of this Agreement is held by a court or arbitrator to be unenforceable, or of no effect or in conflict with any law, the validity of the remaining provisions and clauses shall not be affected and the rights and obligations of the parties shall be construed and in force as if the Agreement did not contain the particular part, term or clause held to be unenforceable.
9. Amendments. The terms of this Agreement may be waived, modified, supplemented or amended only upon written agreement of both parties.
10. Effective Date. This Agreement shall be effective once signed by a representative of each party.

MOLALLA RURAL FIRE
PROTECTION DISTRICT

By: [Signature]
Title: Board chair
Date: 12-16-2009

ATTEST:

By: _____
Title: _____
Date: _____

CITY OF MOLALLA

By: [Signature]
Title: City Manager
Date: 6/25/09

ATTEST:

By: _____
Title: _____
Date: _____

INTERGOVERNMENTAL AGREEMENT

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**Molalla Urban Renewal Plan
Review of Historic Estimates of
Revenue Foregone by Fire Dist 73**

Year	Original Plan 2008 Table 3	Amendment 2020 Table 2	Actual + Projection	Increase over prior year***
	2008 est*	2020 est**	4/23/2026	
2009	\$2,700		2,330	
2010	\$10,270		7,402	218%
2011	\$18,049		11,670	58%
2012	\$28,550		13,367	15%
2013	\$34,322		15,040	13%
2014	\$41,083		15,863	5%
2015	\$49,511		16,599	5%
2016	\$56,725		19,427	17%
2017	\$65,945		28,053	44%
2018	\$78,588		29,084	4%
2019	\$91,579		32,373	11%
2020	\$99,950	31,269	35,876	11%
2021	\$106,742	33,125	39,536	10%
2022	\$113,721	35,522	48,303	22%
2023	\$118,506	37,778	51,047	6%
2024	\$123,422	49,930	58,379	14%
2025	\$128,474	64,088	63,668	9%
2026	\$133,664	67,150	73,194	9%
2027	\$138,997	70,132	76,444	9%
2028	\$144,476	73,203	79,791	9%
2029		76,366	83,239	9%
2030		79,624	86,790	9%
2031		82,980	90,448	9%
2032		86,436	94,215	9%
2033		89,996	98,096	9%
2034		93,664	102,094	9%
	* \$1,585,274	** \$971,263	\$1,272,328	***

*The 2008 estimate did not include 2029-2034

**The 2020 report total did not include previous years 2009-2019

***Current projection uses a factor of 9% annual increase.

BUILDING ELEMENT	TYPE I		TYPE II		TYPE III		TYPE IV				TYPE V	
	A	B	A	B	A	B	A	B	C	HT	A	B
Primary structural frame ^{a,1} (See Section 202)	3h, 1h	2h, 1h, c	1h, c	0 ^c	1h, c	0	3h	2h	2h	HT	1h, c	0
Bearing walls												
Exterior ^{a, f}	3	2	1	0	2	2	3	2	2	2	1	0
Interior	3h	2h	1	0	1	0	3	2	2	1/HT ^g	1	0
Nonbearing walls and partitions Exterior	See Table 705.5											
Nonbearing walls and partitions Interior ^d	0	0	0	0	0	0	0	0	0	See Section 2304.11.2	0	0
Floor construction and associated secondary structural members (see Section 202)	2	2	1	0	1	0	2	2	2	HT	1	0
Roof construction and associated secondary structural members (see Section 202)	1 1/2 ^b	1h, c	1h, c	0 ^c	1h, c	0	1 1/2	1	1	HT	1h, c	0

FIRE SEPARATION DISTANCE = X (feet)	TYPE OF CONSTRUCTION	OCCUPANCY GROUP H ^e	OCCUPANCY GROUP F-1, M, S-1 ^f	OCCUPANCY GROUP A, B, E, F-2, I, R ¹ , S-2, U ¹
X < 5 ^b	All	3	2	
5 ≤ X < 10	IA, IVA	3	2	1
	Others	2	1	1
10 ≤ X < 30	IA, IB, IVA, IVB	2		1 ^c
	IIB, VB	1	0	0
	Others	1	1	1 ^c
X ≥ 30	All	0	0	0

