

Q1 2026

COMMUNITY DEVELOPMENT QUARTERLY REPORT

CITY OF MOLALLA



315 Kennel Street
PO BOX 248
Molalla Oregon 97038
503-759-0205
www.cityofmolalla.com

e



COMMUNITY DEVELOPMENT DEPARTMENT

315 Kennel Avenue, PO Box 248, Molalla, Oregon 97038

Table of Contents

PLANNING- LAND USE & PERMITTING	3
PLANNING LONG RANGE PLANNING AND CODE & POLICY AMENDMENTS.....	4
ENGINEERING-PUBLIC & PRIVATE PROJECTS.....	5
PUBLIC WORKS MAINTENANCE	8
WATER QUALITY REPORT.....	12
WASTEWATER TREATMENT PLANT PROJECT PROGRESS Q1 2026	13



PLANNING- LAND USE AND PERMITTING

PLANNING DEPARTMENT HIGHLIGHTS - Q1 2026

As is common for first quarters, first quarter planning applications were relatively quiet and included:

- Approvals for 3 new commercial businesses and 3 new home businesses.
- Building Permits for 2 new homes.
- 13 Miscellaneous Approvals:
Including solar placements, tree removals, and sign permits
- 5 Pre App Conferences Held

Current application submissions and the high interest in pre-app conferences in late 2025 and early 2026 suggest that development in Molalla may soon be back on the rise.

For projects that have already received approvals:

- The City finalized a land use action partitioning an industrially zoned property on the east side of Hwy 213 that deeded the southern portion to the City. This property will be rezoned as Public-Semi Public in either Q2 or early Q3 of 2026 and is part of the City's Parks Master Plan for trails development.
- The City attended a neighborhood meeting with the Molalla River School District to discuss the scope of public improvements for the new Middle School build. The Middle School received building permits from Clackamas County in Q1, and construction has commenced. Completion is anticipated in the summer of 2027.

PLANNING CODE & POLICY AMENDMENTS - Q1 2026



- City Council passed new Mobile Food Unit standards that better facilitate adding mobile food units to existing developments as accessory uses and better define the process of developing parcels with Mobile Food Units.
- City Council passed a resolution officially acknowledging legacy SDC rates for existing properties at the highest known trip generation rate for that property. This will help existing developments redevelop and/or bring in new business without incurring overwhelming transportation SDC costs.
- City Council passed a resolution to lower transportation SDC costs for new day care facilities to be consistent with 10th Edition of the ITE manual for trip generation. This action reduced transportation SDC costs for new day care facilities to roughly a third of the previous costs, making development of these facilities more feasible.



PLANNING- LONG RANGE PLANNING HIGHLIGHTS - Q1 2026

- City Council re-adopted its Housing Production Strategies document in late February and now awaits DLCD comment for approval. The document outlines regulatory, coordination, and funding strategies that the City will undertake in the following 8-year planning period to meet needed housing targets outlined in its Housing Needs analysis.

The document can be viewed on the Molalla Current at: <https://current.cityofmolalla.com/urban-growth-boundary>.

- In March of 2026, the City finalized its grant agreement with DLCD and kicked off its Goal 14 update project. This project will do a deeper cost analysis for lands within the Goal 14 study area for the City's forthcoming UGB expansion. The project will also encompass the expansion amendment itself and Clackamas County concurrence.



ENGINEERING DEPARTMENT- PUBLIC AND PRIVATE PROJECTS Q1 2026

COMPLETED PUBLIC PROJECTS

24-12 – N Molalla ADA Crosswalks
24-11 – Industrial Park Waterline Improvements
25-13 – Foothills Community Church Site Improvements
25-15 – 204 E Main / Site & Frontage Improvements
25-24 – S Ona Way Street Improvements



ENGINEERING - ACTIVE PUBLIC PROJECTS - Q1 2026

- **21-09-** Chief Yelkus Park Road Improvement- Provide access off Toliver Rd. and eliminate within Bear Creek Subdivision
- **22-14-** Molalla / ODOT Curb Ramps ADA PH 1 & 2- Coordination with ODOT to replace and enhance the ADA Ramp along Hwy 211 & 213.
- **22-19-** Molalla Forest Road Resurfacing & Opening- Survey work was completed in 25/26, Currently in the feasibility study and design phase.
- **22-22-** 5 Year Paving Contract & CAPS -Overlay 26-27
- **25/26-** Overlay streets to be completed by June 30th E 5th & E 2nd Street.
- **26/27-** Overlay Streets Project- MFR to Yelkus Park, Alleyway behind City Hall, Engle Ave., Swiegle Ave., E 3rd St., Toliver Dr., and E 6th St.
- **22-24-**Water Distribution System Pressure Zoning / PRV Installation

Phase I facility improvement project to reduce system pressures into three pressure zones. The City recently completed its Water Management, Conservation, and Water System Master Plan, which identified the installation of a PRV system as a Phase I facility improvement project to reduce water system pressures into three pressure zones.

- **22-28 - Wellhead Aquifer Storage and Recovery (ASR) Feasibility Study**

City intake system is vulnerable to low-flow conditions, algal blooms, seismic events, wildfires, and flooding. A secondary water source would be beneficial to the City if its primary water source becomes temporarily unavailable for use.

- **22-29 – Water Intake Structure Reconstruction**

The current water intake on the Molalla River was installed shortly after the 1996 floods that wiped out the existing intake and pump station. As this was a temporary installation, the City is moving forward with a final intake. Currently, we are in the design phase of this project.

- **22-31 – Stormwater Master Plan**

City has contracted with Keller Associates to update the Stormwater Master Plan. The project is outlined with a 3-phase approach.

- ❖ *Ph.1: Integration of Inverted Elevations into GIS Main Layer*
- ❖ *Ph.2: Assessment of Record Drawings and Further Integration*
- ❖ *Ph.3: QA/QC Report and Final Deliverables.*

- **22-33 – Clark Park Sports Fields**
- **25-01 – S Molalla Lift Station Upgrade and Bear Culvert Replacement**

The wastewater pump station replacement will be included as part of a larger Clackamas County project covering roadway and stormwater improvements in the vicinity of the existing pump station.

25-02 Bolander Improvements

Improve the overall function of the Bolander Field, which includes safety enhancements for parking and circulation of the parking lot that will help reduce the traffic issues during park events.

- **25-03- PFAS Study**
- **25-06 - New Library**

City is looking to expand the current Civic Center to add an addition to the building for a New Library.

- **25-12- City Hall Remodel Ph. 5**

We are currently designing the East portion of the building, where the old police station used to be located. Additionally, we are converting the old evidence room to expand our current records. We are also in the process of replacing the windows throughout the building.

- **25-19 – CTGE Manhole Covers**
- **26-03 – N Ona Lane Development**

Currently in design for developing N Ona Lane, which will connect Hwy 211 and Bear Creek Subdivision. Creating a second access meeting fire code.

ENGINEERING - ACTIVE PRIVATE PROJECTS - Q1 2026

- 24-01 – Leza Estates Subdivision
- 25-04- 721 W Main / Superior Pool Covers
- 25-07 – 535 W Main / Industrial Subdivision
- 25-09 – Dean Leasing LLC, Site Improvements
- 25-17 – Molalla Senior Center
- 25-18 - Molalla River Middle School
- 25-22 – Storm & Park SDCs, and Storm Rates
- 25-24 – S Ona Way Street Improvements

ACTIVE ROW PERMITS - Q1 2026

81 Active ROW Permits

47 Closed out ROW Permits



PUBLIC WORKS MAINTENANCE- Q1 2026

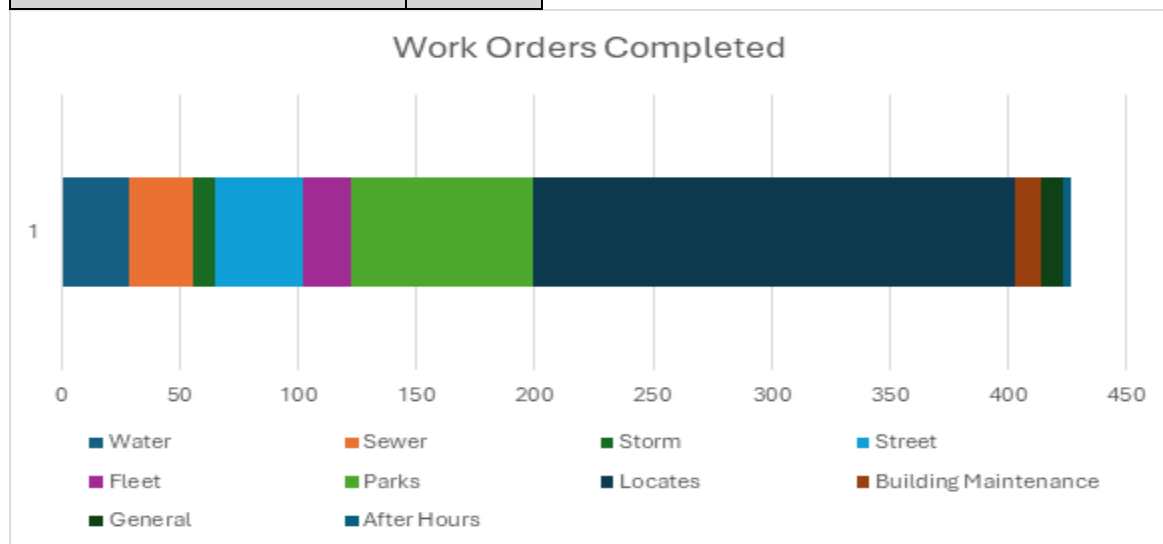
PUBLIC WORKS REPORT Q1 2026

Water	29
Sewer	27
Storm	9
Street	37
Fleet	20
Parks	77
Locates	204
Building Maintenance	11
General	9
After Hours	4
TOTAL	427



STREET SWEEPING Q1 2026

Miles Swept	468
Loads	35



PUBLIC WORKS MAINTENANCE HIGHLIGHTS- Q1 2026



S Molalla Ditch Clearing



Catch Basin Cleaning



Tree Well- After Cleaning

Ivor Davies Dike Repair



E Heintz Sewer Cleaning



Tree Grate Repairs



WATER QUALITY REPORT Q1 2026



Over the past quarter, the Water Treatment Plant produced approximately eighty million gallons of drinking water.

A roof leak in a critical area of the facility was identified and successfully repaired. Additionally, a new air compressor was installed and placed into operation, replacing an obsolete unit that required frequent maintenance. The new intake pump has been approved and ordered. Upon arrival of all the parts, the contractor will complete the Intake Pump Station upgrade, resulting in full system redundancy.

The Aquaphor Storage Reservoir (ASR) feasibility study is moving along with some surrounding well and water quality data collection being conducted over the past quarter. This study explores whether the city can store treated drinking water in underground aquifers during the winter to ensure a reliable supply during peak summer months.

Project Overview

- **Budget & Funding:** The study costs roughly \$407,854 and is supported by state grants from Business Oregon and the Oregon Water Resources Department.
- **Technical Partner:** The city has partnered with Summit Water Resources to lead the evaluation.
- **Core Goals:**
 - ❖ Evaluate the hydrogeologic suitability of local ground layers for water storage.
 - ❖ Pinpoint the best sites for injecting and retrieving water.
 - ❖ Address environmental concerns in the Glad Tidings Groundwater Limited Area, where water levels are currently dropping.
 - ❖ Estimate the total construction and operational costs for a permanent ASR system.

Why This Matters

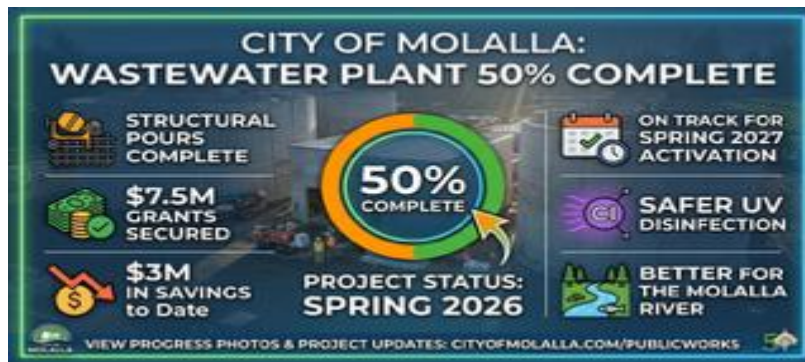
Molalla currently relies on a single river intake that is vulnerable to droughts, floods, and wildfires. To improve stability, the city is studying the ASR system as a vital backup while simultaneously upgrading its aging emergency intake structure.

WASTE WATER TREATMENT PLANT PROJECT PROGRESS



🚀 **We're Halfway There!!!** 🚀

Construction on Molalla's new Wastewater Treatment Plant has reached the **50% milestone!** We have finished the heavy lifting on the structural foundations and are moving full steam ahead toward our **Spring 2027 startup**.



Why this matters for Molalla

- 🏗️ **Built for Growth:** Secured infrastructure for 15,000+ residents.
- 🌿 **Cleaner River:** New SBR technology & UV disinfection (no more chlorine!).
- ♻️ **Recycling Water:** Old lagoons will soon store clean water for local irrigation.
- 💰 **Fiscal Responsibility:** \$7.5M in grants and \$3M in project savings identified.
-

Over the past quarter, the Wastewater Treatment Plant received 120 million gallons of wastewater and discharged 136 million gallons of cleaned effluent water to the Molalla River.

Construction on the new Wastewater Treatment Plant continues to make great progress. As the city's largest-ever infrastructure investment, this project represents a major step forward for Molalla's future. The new treatment system is now standing tall at the west entrance to town along Highway 211, creating a noticeable gateway feature.

Concrete work is nearing completion, with all major structural walls now poured. Remaining concrete items include the sequencing batch reactor catwalks and headworks, stairs at the EQ Basin, and the slab for the filters and UV channel—all expected to be completed within the next couple of months.

As structural crews begin to wrap up, mechanical installation is ramping up and gaining momentum. Biosolids removal is scheduled to begin in July.

This facility replaces our 50-year-old lagoon system with modern Sequencing Batch Reactor (SBR) technology, ensuring we meet all environmental standards while supporting the city's growth for the next 30 years.

- **Accomplished:** All major concrete structures, including the SBR tanks and aerated digesters, are finished.
- **Current Work:** Construction of the main operations control building is underway.
- **Coming Soon:** Bulk sludge removal from the existing lagoons begins **Summer 2026**.
- **Go-Live:** The new system is on track to be fully operational by **Spring 2027**.

TOP OF SBR (SEQUENCING BATCH REACTOR)



TOP OF AEROBIC DIGESTER

EQ BASIN



Arial View -February 2026



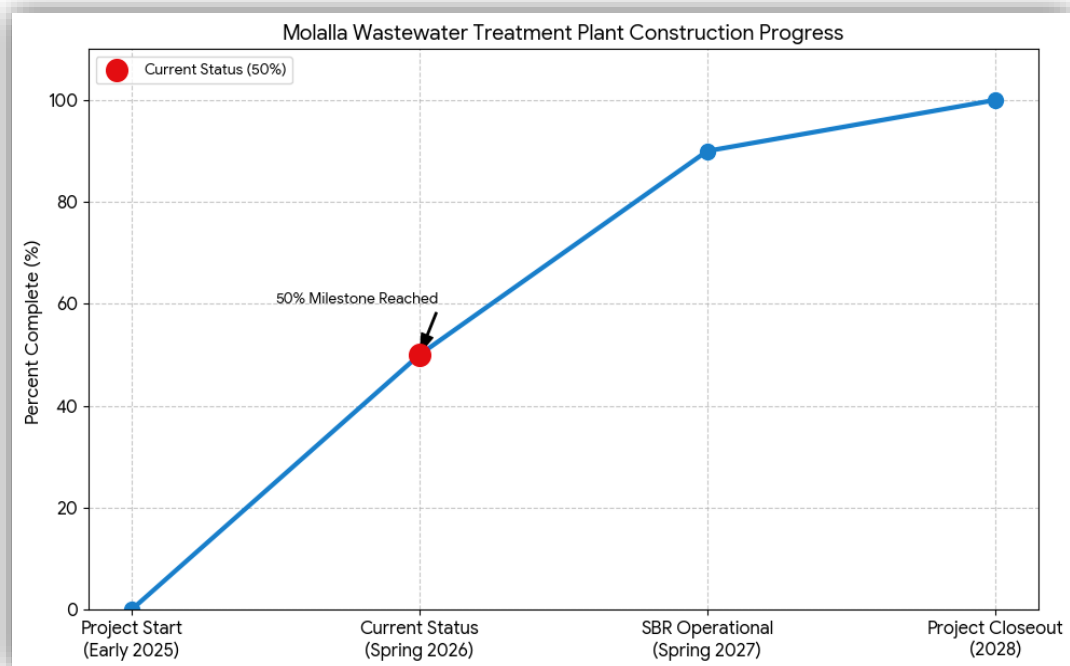
The Molalla Wastewater Treatment Plant upgrade project represents a major step forward for our local environment and the Molalla River. The project is a collaborative effort managed by the Molalla Public Works Department. This strategic investment ensures the city meets stringent Department of Environmental Quality (DEQ) standards while providing the necessary capacity to support community growth for the next 20 to 30 years.

A Greener, Cleaner Future

- **Chemical-Free:** We are replacing chlorine disinfection with Ultraviolet (UV) Light, making the plant safer for workers and the ecosystem.
- **Superior Water Quality:** The new SBR process produces significantly cleaner treated water than the old lagoons.
- **Water Recycling:** Once the new plant is live, we will repurpose the old lagoons to store clean recycled water, which can be reused for local irrigation during dry summer months.

Major Milestones


- **2024–2025:** Design, Funding, and Foundations (**COMPLETED**)
- **Spring 2026:** 50% Construction Milestone (**CURRENT**)
- **Summer 2026 (July):** Lagoon Sludge Removal Phase
- **Spring 2027:** New SBR System Becomes Operational
- **2028:** Final Site Completion & Lagoon Conversion



For more information and project updates, please visit:



 <https://current.cityofmolalla.com>

 **Project Location:** 12424 OR-211, Molalla, OR 97038