



## CITY OF MOLALLA

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

### Staff Report

### Agenda Category: General Business

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**Date Presented: October 25, 2023**

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

**SUBJECT:** Development Agreement – 1000 W Main St

**FISCAL IMPACT:** None.

**RECOMMENDATION/RECOMMEND MOTION:** None.

#### **BACKGROUND:**

City Staff is asking for Council's approval or denial to allow full Occupancy of the development at 1000 W Main prior to completion of ODOT required improvements on OR-211. This is not request that staff would typically consider, much less elevate to the Council, but has chosen to in this case for a number of reasons:

1. The well known, and ongoing difficulties and delays with the ODOT development process;
2. The costs associated with ODOT delays visited upon Molalla developers;
3. The long-term neglect of OR-211 by ODOT, that has only been improved by Molalla developers for some time;
4. The substantial financial guarantees for improvements beyond the scope of those required in the land use process;
5. The desire to provide a fair and reasonable development process to those doing business in Molalla.

**If Approved:** Prior to occupancy of 1000 W Main, staff will obtain at least 110% bonding for the ODOT improvements required for both 1000 W Main and 105 S Ona Way, and a fairly substantial set of voluntary improvements on OR-211 that the developer has agreed to make (sidewalk along the north side of OR-211 from terminus near Hezzie Ln to halfway between Ona Way and Industrial Way; sidewalk infill in front of church next to Stone Place Apartments; all associated ADA Ramps and stormwater upgrades; and the North intersection of OR-211 and Ona Way).

So, if the developer does not complete the required improvements, or does not move forward with phase 2 at 105 S Ona Way, the developer – through their bond, would still pay for completion of all three sets of improvements along OR-211 (required for 1000 W Main, required for 105 S Ona Way, and voluntary).

**If Denied:** The developer will experience a \$100,000 per month penalty starting in November.