



**CITY OF MOLALLA  
CITY COUNCIL REGULAR MEETING  
AGENDA**

Civic Center | 315 Kennel Avenue  
Wednesday, March 19, 2025 | 6:00 PM

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*NOTICE: City Council will hold this meeting in-person and through video Live-Streaming on the City's Facebook Page and YouTube Channel. Written comments may be delivered to City Hall or emailed to [recorder@cityofmolalla.com](mailto:recorder@cityofmolalla.com). Submissions must be received by 12:00 p.m. the day of the meeting.*

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**\*\*THIS IS A SPECIAL MEETING OF THE MOLALLA CITY COUNCIL\*\***

**1. CALL TO ORDER AND FLAG SALUTE**

**2. ROLL CALL**

**3. CONSENT AGENDA**

**4. PRESENTATIONS, PROCLAMATIONS, CEREMONIES**

**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. 2025-02: Amending and Updating the City of Molalla Comprehensive Plan to Adopt the 2025 Economic Opportunity Analysis and Buildable Lands Inventory](#)

**7. ORDINANCES AND RESOLUTIONS**

**8. GENERAL BUSINESS**

- A. [Parkland Dedication or Fee in Lieu for Subdivisions and Master Planning Areas](#)
- B. [Bohlander Field Pedestrian & Traffic Safety Improvements](#)
- C. [T-Mobile Hometown Grant Project and Project Approval](#)

**9. STAFF COMMUNICATION**

**10. COUNCIL COMMUNICATION**

**11. RECESS INTO EXECUTIVE SESSION**

Held pursuant to Oregon Public Record Law, ORS 192.660(2): a. To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

**12. RECONVENE REGULAR SESSION**

**13. 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: PUBLIC HEARINGS

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**Agenda Date: Wednesday, March 19, 2025**

**Submitted by: Mac Corthell, Assistant City Manager**

**Approved by: Dan Huff, City Manager**

**SUBJECT:** Ordinance No. 2025-02: Amending and Updating the City of Molalla Comprehensive Plan to Adopt the 2025 Economic Opportunity Analysis and Buildable Lands Inventory

**RECOMMENDATION/RECOMMENDED MOTION:**

Hold the Public Hearing for Ordinance No. 2025-02, then continue with first reading of Ordinance.

**ATTACHMENTS:**

[20250319 - ORD2025-02 - Staff Report V3.ct.pdf](#)

[ATTACHMENT A - Development Code Concepts.pdf](#)

[ATTACHMENT B - Statewide Planning Goal Findings.pdf](#)

[ATTACHMENT C - 20250312 - ORD2025-02 - Ordinance.ct.pdf](#)

[ORD2025-02 EXHIBIT A - 20250310 - Molalla EOA.pdf](#)

[ORD2025-02 - EXHIBIT B - 20250310 - EMPLOYMENT BLI.pdf](#)

[ORD2025-02 - EXHIBIT C - 20250221 - Comp Plan Updates.pdf](#)



## CITY OF MOLALLA

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

### Staff Report

### Agenda Category: Ordinances

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**Agenda Date:** 3/19/2025

**From:** Dan Zinder, Senior Planner

**Approved by:** Mac Corthell, Assistant City Manager

**SUBJECT:** City File 21-16/ORD2025-02 - AMENDING AND UPDATING THE CITY OF MOLALLA COMPREHENSIVE PLAN TO ADOPT THE 2025 ECONOMIC OPPORTUNITIES ANALYSIS AND BUILDABLE LANDS INVENTORY

**FISCAL IMPACT:** None.

**RECOMMENDATION/RECOMMEND MOTION:** Adopt

1. I move the City Council conduct the first reading of ordinance 2025-02, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2025 ECONOMIC OPPORTUNITIES ANALYSIS, BUILDABLE LANDS INVENTORY, AND PROPOSED COMPREHENSIVE PLAN UPDATES**, by title only.
2. I move the City Council adopt ordinance 2025-02, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2025 ECONOMIC OPPORTUNITIES ANALYSIS, BUILDABLE LANDS INVENTORY, AND PROPOSED COMPREHENSIVE PLAN UPDATES**, by title only.

**If approved by unanimous vote of the City Council:**

1. I move the City Council conduct the second reading of ordinance 2025-02, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2025 ECONOMIC OPPORTUNITIES ANALYSIS, BUILDABLE LANDS INVENTORY, AND PROPOSED COMPREHENSIVE PLAN UPDATES**, by title only.
2. I move the City Council adopt ordinance 2025-02, **AN ORDINANCE OF THE CITY OF MOLALLA, OREGON CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND**



**POLICY OBJECTIVES OF THE 2025 ECONOMIC OPPORTUNITIES ANALYSIS, BUILDABLE LANDS INVENTORY, AND PROPOSED COMPREHENSIVE PLAN UPDATES, by title only.**

**BACKGROUND:**

Oregon Statewide Planning Goal 9, administrated through ORS 660-009, Oregon cities and Counties requires that jurisdictions adopt an economic opportunities analysis (EOA) to determine the City's 20-year employment lands needs, determine site specific needs, and Identify target industries for the City. EOA plans and amendments are adopted as part of the comprehensive plan under the Goal 9 section. Molalla does not have an adopted economic opportunities analysis on file and included completion of an EOA as part of its sequential review plan for its urban growth boundary in the spring of 2023. Notably, as the City begins work towards its first expansion of its Urban Growth Boundary in nearly forty years, the EOA will serve as the core economic development component of the City's workplan informing the expansion of the Urban Growth Boundary and zoning changes.

Under a grant funded by DLCD, the City hired Johnson Economics to write its economic opportunities analysis. In addition to the EOA, the grant also funded the consultant to conduct a buildable lands inventory (BLI), update the City's Goal 9 Comprehensive Plan section, and recommend changes to the City's development code. The BLI identifies unbuilt and partially unbuilt lands within the existing UGB and constraints to developing those lands. In Molalla, the main constraint we have are wetlands. These available lands are then contrasted with projected industry growth to determine whether the 20-year land supply is adequate. In addition to these projections, at the recommendation of Planning Commission and City Council, our consultant team considered the need to include large sites for potential larger industrial users as the current Urban Growth Boundary does not contain contiguously owned vacant parcels over 20 acres, which substantially hinders the potential industries the City can attract.

With EOA adoption, the City will have completed both its residential and economic development studies for its Urban Growth Boundary Sequential Review Workplan. Additional forthcoming workplan components include completion of the Housing Production Strategies document, passing efficiency measures, and determining the Urban Growth Boundary study area and potential expansion areas. Efficiency measures may include efforts such as rezoning existing land and development code ordinances.

**Attachment A:** Development Code Concept Memo

**Attachment B:** Statewide Planning Goal Findings

**Attachment C:** ORD2025-02

## Review of Development Code

### City of Molalla Economic Opportunities Analysis

DATE February 5, 2025

TO City of Molalla

FROM Andrew Parish, AICP

CC Brendan Buckley, Johnson Economics

## INTRODUCTION

This document is intended to provide recommendations related to the City of Molalla's development code to implement the findings and recommendations of the 2024 Economic Opportunities Analysis (EOA). This draft contains high-level comments and code recommendations, in some cases including specific code examples. Adoption of development code changes is expected to occur at a later date.

Comments are provided in-line below in blue boxes.

## Title 17: Development Code

### 17-2.1 Establishment of Zoning Districts

#### A. Residential Districts...

No changes to this section are recommended as part of the EOA, however recommended policies in the EOA include supporting availability and affordability of housing, as well as siting of daycare facilities in residential districts, as workforce development priorities.

- B. Commercial Districts (C-1 and C-2). Commercial zoning districts accommodate a mix of commercial services, retail, and civic uses, with existing residences permitted to continue, and some new residential uses permitted. Two commercial zoning districts, one for the central commercial/traditional downtown area (C-1, Central Commercial) and one for the general commercial (C-2, General Commercial) area, provide for the full range of commercial land uses within the City. The zoning district regulations are intended to promote the orderly development and improvement of walkable commercial areas; facilitate compatibility between dissimilar land uses; provide employment opportunities in proximity, and with direct connections, to housing; and to ensure efficient use of land and public facilities.

No changes recommended.

- C. Industrial Districts (M-1 and M-2). Industrial zoning districts accommodate a mix of intensive and less intensive uses engaged in manufacturing, processing, warehousing, distribution, and similar activities. Two industrial zoning districts, one for Light Industry (M-1, Light Industrial) and one for Heavy Industry (M-2, Heavy Industrial) provide for the full range of planned

industrial land uses within the City. Both districts are intended to provide for efficient use of land and public services, provide a high quality environment for business, offer a range of parcel sizes and locations for industrial site selection, avoid encroachment by incompatible uses, provide transportation options for employees and customers, and facilitate compatibility between dissimilar uses. The Heavy Industrial district additionally provides suitable locations for intensive industrial uses, such as those with processing, manufacturing, assembly, packaging, distribution, or other activities.

No changes recommended.

- D. Public Facilities, Semi-Public District (PSP). See also Chapter [17-2.2](#) Zoning District Regulations and Chapter [17-2.3](#) Special Use Standards. The Public Facilities, Semi-Public (PSP) district provides for public and semi-public uses, including, but not limited to, schools, government offices, fire stations, police stations, libraries, public works yards, reservoirs, and other public facilities, consistent with adopted public facility master plans.

No changes recommended.

Table 17.2.2.030 Uses Allowed by Zoning District

Overall minor edits suggested. Target industries from EOA appear to be appropriately reflected in use table.

#### B. Public and Institutional Uses

Uses	Residential Zones				Commercial Zones and Industrial Zones				Public Use	Special Use Standards
	R-1	R-2	R-3	R-5	C-1	C-2	M-1	M-2	PSP	
Child Daycare Center	CU	CU	CU	CU	P	P	CU	CU	N	

Child Daycare Center – consider allowing as a permitted use in more than just the C-1 and C-2 zones. Home childcare centers (which are typically smaller and are regulated differently by the State of Oregon) are currently allowed as home occupations in residential zones. Childcare is increasingly being seen as a workforce and economic development issue, and limitations on siting is an often-cited barrier.

#### C. Commercial Uses

Uses	Residential Zones				Commercial Zones and Industrial Zones				Public Use	Special Use Standards
	R-1	R-2	R-3	R-5	C-1	C-2	M-1	M-2	PSP	
Automotive Repair and Service, includes fueling station, car wash, tire sales and repair or replacement, painting, and other repair for automobiles, motorcycles, aircraft, boats, RVs, trucks, etc. (No junking, salvage operations)	N	N	N	N	N	P	P	P	N	

Fueling Station – consider allowing fueling stations as a permitted or conditional use in the C-1 zone. Investigate options and present to Council for further consideration. Fueling stations may be considered as a use to be permitted outright or under certain conditions, in conjunction with another use or alone.



## D. Industrial and Employment Uses

Uses	Residential Zones				Commercial Zones and Industrial Zones				Public Use	Special Use Standards
	R-1	R-2	R-3	R-5	C-1	C-2	M-1	M-2	PSP	
Machine Shop, and Sales, Service and Repair of Machinery; except as allowed for Artisanal and Light Manufacture Uses. Must be wholly enclosed in buildings.	N	N	N	N	C-1	CU	CU	P	N	

Likely typo – change “C-1” to “CU”

Table 17-2.2.040.E Lot and Development Standards for Non-Residential Zones

Lists industrial zones as "I" rather than "M". Consider updating.

No substantive edits to table.

## 17.2-3 Special Use Standards

### 17.2.3.040 Artisanal and Light Manufacture Uses

No changes recommended.

### 17.2.3.120 Home Occupations

No changes recommended.

### 17-2.4.010 Support Commercial (SC) Overlay.

A. Purpose. The purpose of the Support Commercial (SC) Overlay District allows support commercial uses in designated transitional industrial areas. This zone is applied over the base M-2 Industrial District in those areas where small parcels are unlikely to be used for heavy industrial purposes.

B. Use and Dimensional Standards. The list of permitted and conditional uses, as well as the lot size and dimensional standards of the M-2 District shall apply to land within the SC Overlay District. This zone should allow for support type commercial uses which serve the industrial zone.

C. Minimum Lot Sizes. No lot shall be reduced to less than one-half acre in size.

This overlay is not applied currently, but the City wishes to keep it available in case rezoning of certain small industrial properties is infeasible.

## 17.3.1 Community Design Standards

### 17-3.1.020 Applicability

Division III's applicability is based on permit type, rather than use type. So provisions within Division III should be updated to reflect the desired standards for different types of employment land.

## 17.3.2 Building Orientation and Design

Staff has noted that as written, this section does not exempt Industrial developments, though most of the standards appear to be geared toward commercial and mixed use (commercial/residential) development. A separate section on industrial design standards is recommended.

### 17.3.2.040 ~~Non-Residential Buildings~~ Commercial, Mixed-Use, and Institutional Developments

Change title from "Non-Residential" to "Commercial, Mixed Use, and Institutional" to match contents. A separate Industrial section is recommended.

A. Purpose and Applicability. The following requirements apply to non-residential development, including individual buildings and developments with multiple buildings such as shopping centers, office complexes, mixed-use developments, and institutional campuses. The standards are intended to create and maintain a built environment that is conducive to pedestrian accessibility, reducing dependency on the automobile for short trips, while providing civic space for employees and customers, supporting natural surveillance of public spaces, and creating human-scale design. The standards require buildings placed close to streets, with storefront windows (where applicable), with large building walls divided into smaller planes, and with architectural detailing.

The following design standards should be considered for industrial uses:

- Purpose: The purpose of industrial design standards is to provide for flexibility in site planning for industrial uses while maintaining standards that improve the appearance of the City and protects neighboring properties from potential impacts.
- Height Step Downs: Transition height allowances from industrial areas to neighboring residential areas by requiring additional setbacks or "step-downs" in height for industrial uses in cases where the height of adjacent allowed industrial uses exceeds allowed residential district heights by more than one story.
- Outdoor Storage and Parking Location: Limit the amount of outdoor storage and parking between the right-of-way and buildings where industrial uses are adjacent to residential zones. Consider allowing more storage if appropriate screening is provided.
- Connectivity and Pedestrian Orientation: Require breaks in building façade, orientation toward sidewalks, pedestrian circulation through parking areas, lighting for walkways, and direct pedestrian access to

abutting transit facilities, parks, or other activity centers. Some of these requirements may overlap with or encompass similar standards applied to commercial and institutional uses.

- Incorporate basic landscaping requirements, including percent of site to be landscaped, location of landscaping, specified species, irrigation, etc. Use basic requirements applied in other land use districts.
- If non-industrial uses are allowed in residential zones, corresponding design standards for those uses applied in other zones also should be applied those uses if located in industrial zones.

**Examples of Similar Standards:**

City of Gresham 7.0320 Industrial Developments

City of Stayton: 17.2.230 Industrial Design Standards

## 17-3.5 Parking and Loading

Table 17-3.5.030.A Automobile Parking Spaces by Use

No changes recommended.

Table 17-3.5.040.A Minimum Required Bicycle Parking Spaces

No changes recommended.

## 17-5.1 Definitions

Industrial. Land use predominantly involving the manufacturing, storing, processing, and distribution of goods.

Consider adding “Industrial” as a definition. The above is worded similarly to the existing “Commercial” definition.

## ATTACHMENT B

### Exhibit E: Statewide Planning Goal Findings:

Applicable Statewide Planning Goals include Goals 1, 2, 9, and 14. Goals 3-8, 10-13, and 15-19 do not apply.

**Goal 1 – Citizen Involvement:** Citizen involvement efforts thus met the Goal 1 requirements of being widespread, two-way, held throughout the process, easy to understand and respond to, and supported financially via the DLCD grant. Efforts included:

- A public project page on the Molalla Current (<https://current.cityofmolalla.com/>) that provided timely updates on project status, key dates, public access to EOA documents, and opportunity for public comment and Staff response.
- Stakeholder interviews, including representatives from priority populations
- Three Technical Advisory Committee (TAC) meetings discussing draft documents, featuring decision makers and business representatives from the community.
- Discussions at six public meetings with Council and Planning Commission, including this one. Public meetings were publicized in accordance with the City's Type IV procedures, as outlined in MMC 17-4.1.050 Type IV and State Law. Three public hearings were held, two prior to the adoption hearing, as an opportunity to gather public comment.

#### TECHNICAL ADVISORY COMMITTEE MEETINGS:

Date of Meeting	Description
2/21/2024	TAC Kickoff Meeting
6/19/2024	BLI Discussion
9/4/2024	TAC Meeting #3 – 2 <sup>nd</sup> Drafts Discussion

#### PUBLIC MEETINGS\*:

Date of Meeting	Presiding Body	Description
4/4/2024	Joint Meeting - Planning Commission/City Council	Project Overview Discussion
7/24/2024	City Council	Work Session – BLI and EOA Draft Results – Target Industries Discussion
12/4/2024	Planning Commission	Public Hearing – Final Draft
1/7/2025	Planning Commission	Discussion of Large Site Needs

## ATTACHMENT B

1/22/2025	City Council	Public Hearing Opened – Final Draft and Large Site Needs
2/12/2025	City Council	Hearing Continuance - Adoption of EOA, BLI, Goal 9 Comprehensive Plan Amendments

### Goal 2 – Land Use Planning

Goal 2 requires each local government in Oregon to establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions. Per OAR 660 0015 660-009-0015 an Economic Opportunities Analysis acts as the framework for economic policy and land use decisions.

Molalla last updated its Economic Opportunities Analysis in 2004. This document updates the City's land need, target industries, and policy objectives based on a current, data driven 20-year forecast of job growth. This document was prepared by a professional economic consulting group and, as noted in the Goal 1 findings above, was vetted through Planning Commission, City Council, and a technical advisory committee comprised of applicable agency representatives and local industry leaders.

The requirements of Goal 2 have been met.

**Goal 9 – Economic Development:** Oregon Statewide Planning Goal 9, as administered through OAR 660-009-0015 requires that cities adopt and update an Economic Opportunities analysis as part of their comprehensive plan. The proposed Economic Opportunities Analysis (EOA) meets the requirements of 660-009-0015 as follows:

*1. Review of National, State, Regional, County and Local Trends.*

Section II of the proposed EOA reviews national, county, and local employment trends. County and local analysis gets more granular into identifying population and workforce trends. This section provides a broader context for employment and land projections contained later in the document.

This criterion is met.

*2. Identification of Required Site Types.*



## ATTACHMENT B

Sections VI of the EOA provides a forecast for commercial and industrial land needs. These needs are broken down to the industry cluster level. Section VII then condenses that information to identify needed employment land for commercial and industrial uses by site size. A surplus of industrial lands were identified but with a shortage of larger sites and a deficit of commercial land was determined with a similar shortage of large sites.

This criterion is met.

### *3. Inventory of Industrial and Other Employment Lands.*

Appendix B of the proposed EOA is a buildable lands inventory (BLI) of existing employment lands, including commercial and industrial lands. This section inventories and provides site characteristics for existing employment lands and identifies potential constraints, namely wetlands and riparian areas within the context of Molalla, for each property. Abutting properties with contiguous ownership are considered as one site and acreage and ownership are provided for each site.

This criterion is met.

### *4. Assessment of Community Economic Development Potential.*

Sections III – V of the EOA identify economic opportunities specific to Molalla. Section III considers advantages and disadvantages of locating in Molalla, section IV provides a cluster breakdown of current industry employment in Molalla and Clackamas County and growth trends specific to each of these industry clusters, and Section V builds off of the analysis in Section IV to identify target industries for Molalla.

Findings in the EOA are based on a 20-year forecast of job growth.

This criterion is met.

In addition to the EOA and BLI, the City is adopting updated comprehensive policies in accordance with OAR 660-009-0020. The City has an existing, compliant section of its comprehensive plan devoted to Goal 9 and these updates primarily serve to clarify language, consolidate duplicative information in the plan, and remove outdated, duplicative, or irrelevant goals and policies.

**Goal 14:** The Economic Opportunities Analysis is the core component evaluating employment lands towards the City's efforts to maintain the urban growth boundary (UGB) to meet its 20-year land supply. The City has been long overdue for an update having last addressed the UGB and these associated plans over forty years ago. Once complete, the City will have both residential and employment lands studies complete on its way through the sequential UGB

## **ATTACHMENT B**

adoption process. The City is currently working with 3J Consulting to complete background UGB studies and will be passing efficiency measures and working towards adoption through early 2026.



ORDINANCE NO. 2025-02

**AN ORDINANCE OF THE CITY OF MOLALLA, OREGON  
AMENDING AND UPDATING THE CITY OF MOLALLA COMPREHENSIVE PLAN  
TO ADOPT THE 2023 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY.**

**WHEREAS**, Oregon Statewide Planning Goal 9, administrated through ORS 660-009, Oregon cities and Counties requires that jurisdictions adopt an economic opportunities analysis (EOA) to determine the City's 20-year employment lands needs, determine site specific needs, and Identify target industries for the City;

**WHEREAS**, The City does not have a current adopted economic opportunities analysis that is responsive to the city's current economic conditions;

**WHEREAS**, The City adopted a workplan for sequential review of its urban growth boundary, including an economic opportunities analysis and corresponding employment lands buildable land inventory; and

**WHEREAS**, The City secured grant funding through DLCD and hired consultant "Johnson Economics" to complete its economic opportunities analysis and employment lands buildable lands inventory, and Goal 9 Comprehensive Plan updates;

**Now, therefore, the City of Molalla does ordain as follows:**

**Section 1.** Findings related to the Economic Opportunities Analysis and Buildable Lands Inventory are attached as Exhibits A and B, are incorporated herein by reference, and adopted.

**Section 2.** To amend and replace. The sections of the Comprehensive Plan identified in Exhibit C are hereby amended as set forth in Exhibit C.

**Section 3.** Effective Date. This ordinance shall be effective 30 days after adoption by the City Council and approved by the Mayor.

The first reading of this ordinance was held on \_\_\_\_\_ and was passed by vote of \_\_\_aye and \_\_\_Nay votes.

The second reading of this ordinance was held on \_\_\_\_\_ and was adopted by vote of \_\_\_Aye and \_\_\_Nay votes; **OR**

This ordinance was made available to the public at least 7 days prior to the first reading and was adopted at the first reading by unanimous approval of the City Council; the second reading is waived.

Ordinance No. 2025-02 A RESOLUTION OF THE CITY OF MOLALLA, OREGON

CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2022 HOUSING NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY WITH METHODOLOGY APPENDIX

Ordinance is hereby adopted this \_\_\_\_ day of \_\_\_\_\_ 2025.

\_\_\_\_\_  
Scott Keyser, Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Christie Teets, City Recorder

DRAFT

Ordinance No. 2025-02 A RESOLUTION OF THE CITY OF MOLALLA, OREGON

CHANGING THE COMPREHENSIVE PLAN TO REFLECT THE GOALS AND POLICY OBJECTIVES OF THE 2022 HOUSING  
NEEDS ANALYSIS AND BUILDABLE LANDS INVENTORY WITH METHODOLOGY APPENDIX



## **CITY OF MOLALLA, OREGON ECONOMIC OPPORTUNITIES ANALYSIS**

Prepared For:  
City of Molalla, Oregon

March 2025



# Acknowledgments

Johnson Economics prepared this report for the City of Molalla. Johnson Economics and the City of Molalla thank the many people who helped to develop this document.

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***This report was prepared in accordance with the requirements of OAR 660 Division 9: Economic Development. This project is funded by State of Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.***

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# I. INTRODUCTION

This report presents an Economic Opportunities Analysis (EOA) for the City of Molalla, Oregon.

Cities are required to reconcile estimates of future employment land demand with existing inventories of vacant and redevelopable employment land within their Urban Growth Boundary (UGB). The principal purpose of the analysis is to provide an adequate land supply for economic development and employment growth. This is intended to be conducted through a linkage of planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state.

To this end, this report is organized into seven primary sections:

- **Economic Trends:** Provides an overview of national, state, and local economic trends affecting Clackamas County and the City of Molalla, including population projections, employment growth and a demographic profile.
- **Economic Development Potential:** A discussion of the comparative advantages of the local community and work force.
- **Target Industries:** Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.
- **Employment Land Needs:** Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.
- **Capacity:** Summarizes the City's inventory of vacant and redevelopable industrial and commercial land (employment land) within City of Molalla's UGB.
- **Reconciliation:** Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.
- **Conclusions and Recommendations:** Summary of findings and policy implications.



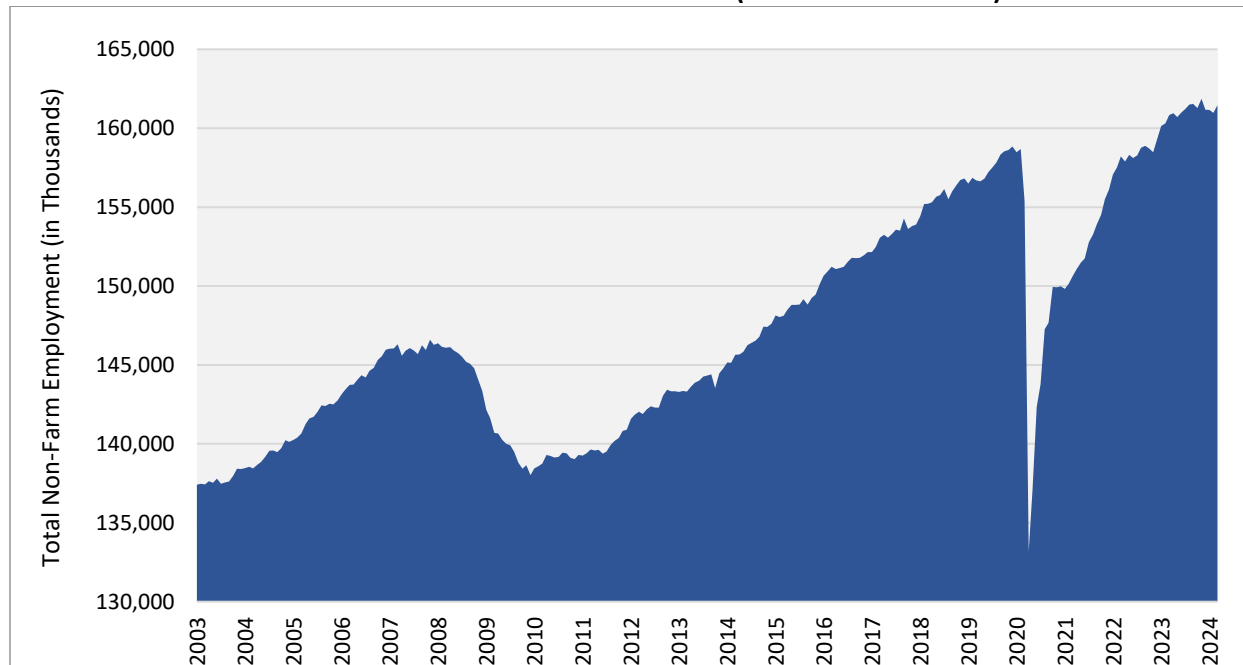
## II. ECONOMIC TRENDS

This section summarizes employment and workforce trends at the national, state, and local level that will influence economic conditions in the City of Molalla over the 20-year planning period. This section is intended to provide the economic context for growth projections and establish a socioeconomic profile of the community.

### A. NATIONAL TRENDS

**Employment:** In the first months of the pandemic, the nation lost nearly 22 million jobs, or 14% of total employment. However, the economy recovered quickly, displaying exponential growth as early as February 2021. As of late 2022, national employment had largely returned to pre-pandemic levels, eventually going on to reach a new peak in 2023 with roughly 162 million non-farm jobs in the economy (Figure 2.1).

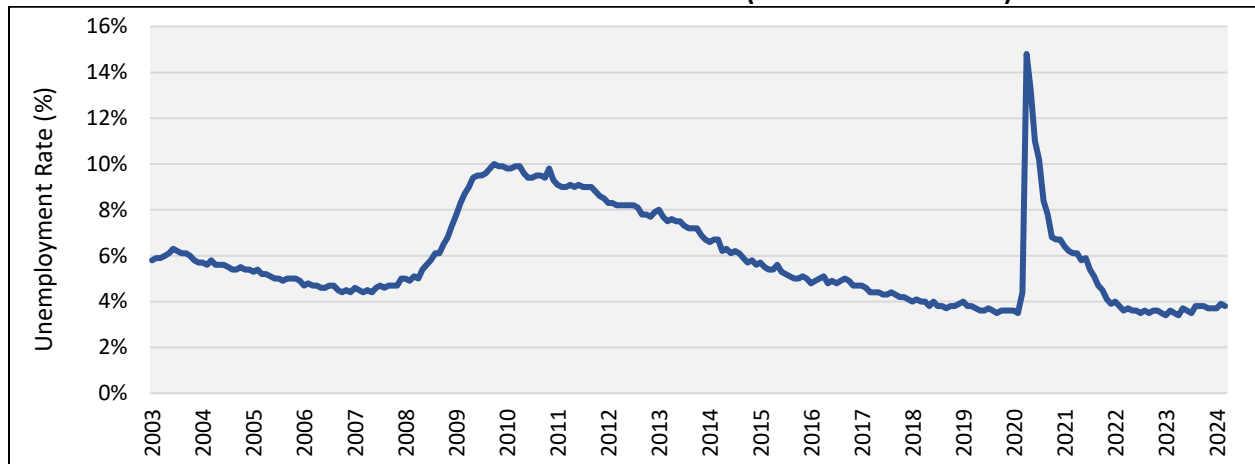
FIGURE 2.1: NATIONAL EMPLOYMENT LEVELS (JAN 2003 – MAR 2023)



Source: U.S Federal Reserve Bank of St. Louis

**Unemployment Rate:** The national unemployment rate spiked to nearly 15% in 2020 as many businesses paused operations or closed permanently in the first months of the pandemic. However, the unemployment rate began to decline almost immediately, and by mid-2022 had fallen back to a low 3.5%. There has been a slight uptick in the unemployment rate following the summer 2023, but it has remained low by historical standards, hovering around 3.9% as of March 2024 (Figure 2.2).

**FIGURE 2.2: NATIONAL UNEMPLOYMENT RATE (JAN 2003 – MAR 2024)**

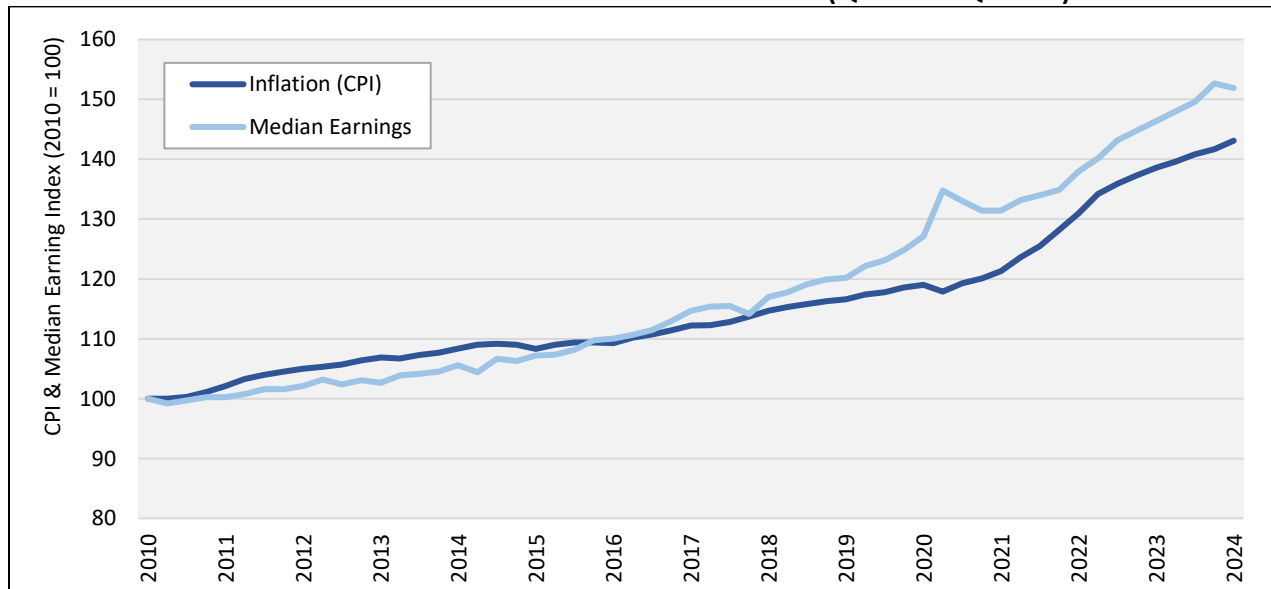


Source: U.S Federal Reserve Bank of St. Louis

**Inflation:** The counter story to this strong positive rebound in employment has been a rising rate of inflation coming out of the pandemic. Various stimulus measures, combined with supply shortages, led to rising prices for many consumer products, energy, and food. The rate of inflation accelerated in 2021 and began moderating towards the end of 2022, though the rate remains elevated (Figure 2.3). The Federal Reserve has maintained higher interest rates to curb price increases, however recent inflation has been at least partially driven by global macroeconomic forces beyond the Fed’s control.

**Wages:** On a positive note, average household earning levels have also enjoyed growth coming out of the recession and have largely kept pace with, or exceeded, inflation in recent years. Earnings also spiked in 2020 when government stimulus payments were added to earned wages. However, this growth has started to decelerate as of Q1 2024, decreasing from the quarter before (Figure 2.3).

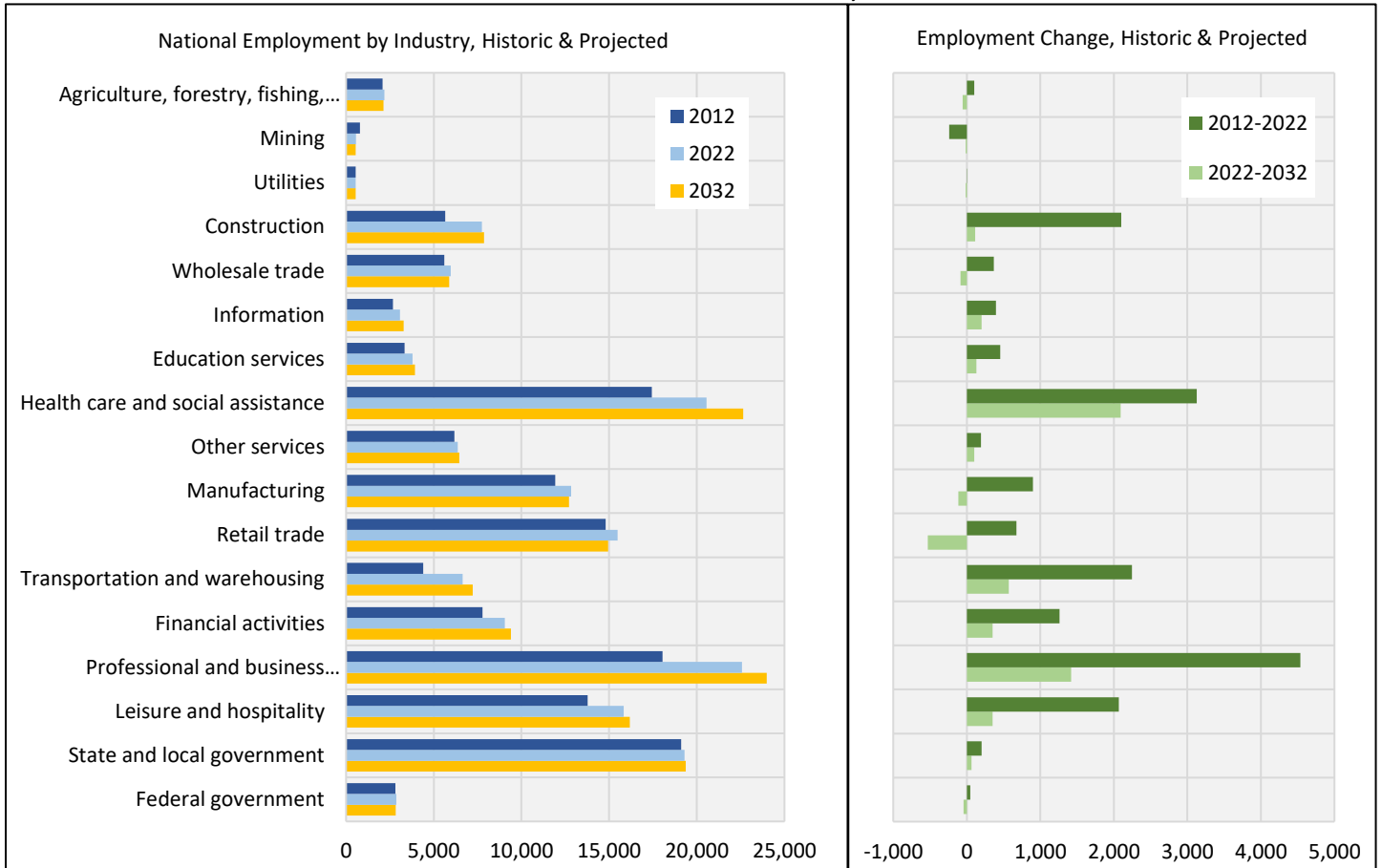
**FIGURE 2.3: INFLATION INDEX VS. MEDIAN EARNINGS INDEX (Q1 2010 – Q1 2024)**



Source: U.S. Federal Reserve Bank of St. Louis; Consumer Price Index for Urban Consumers (US); Median Earnings for Full-Time Employees, Seasonally Adjusted

**Industry Sector Employment:** At a national level healthcare & social assistance is projected to account for the largest share of new employment growth, followed by professional & business services, and leisure & hospitality. The aging of the population is expected to drive the healthcare sector over the next few decades.

**FIGURE 2.4: NATIONAL EMPLOYMENT GROWTH BY SECTOR, HISTORIC AND PROJECTED**

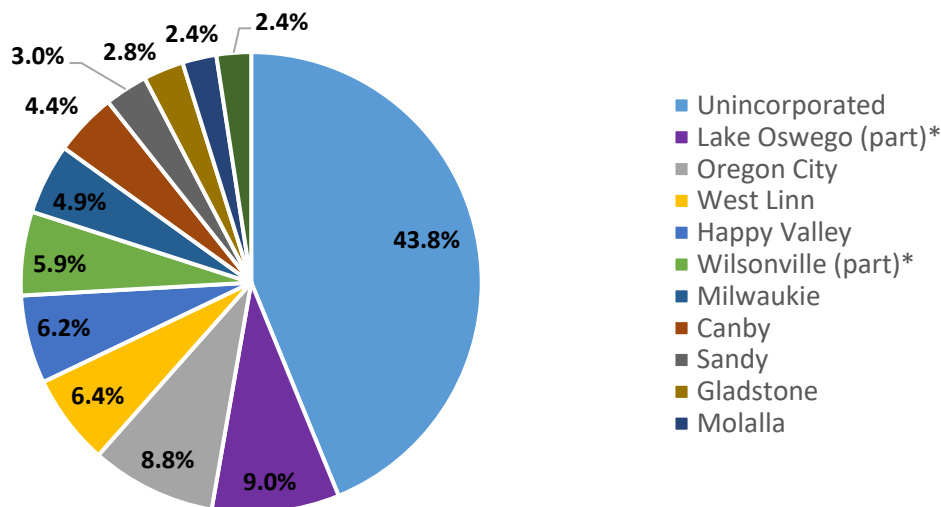


SOURCE: US Bureau of Labor Statistics

## B. COUNTY AND LOCAL POPULATION AND WORKFORCE TRENDS

**Population:** Molalla makes up roughly 2.4% of Clackamas county’s population, with an estimated population of 10,335 people as of 2023 (the latest estimate available). The city has grown by an estimated 2,225 residents since 2010, at an estimated rate of 1.9% per year. This growth rate has outpaced the growth rates of the county (0.9%) and state (0.9%) in the same period.

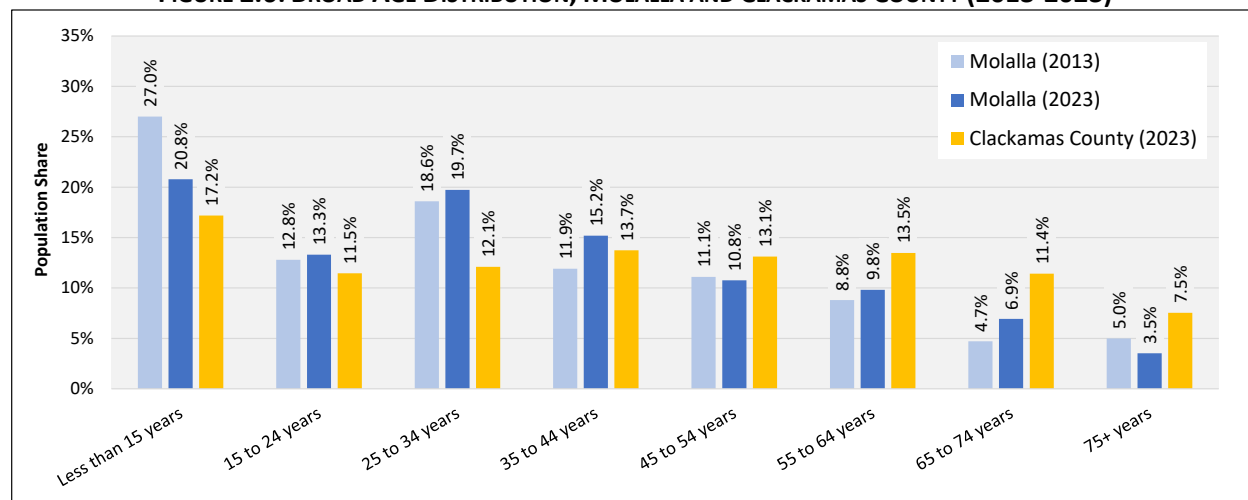
**FIGURE 2.5: SHARE OF TOTAL POPULATION IN CLACKAMAS COUNTY (2023)**



SOURCE: Population Research Center, Portland State University

Clackamas County’s population age distribution is fairly evenly distributed with no one age group far outnumbering the rest. Comparatively, Molalla’s age distribution is considerably more skewed towards the younger groups, with roughly 21% of the city’s population being under 15 years of age. While this remains the largest age segment, its share has fallen over the last ten years from an estimated 27%. An additional third (roughly 33%) of the city are between 15 and 34 years old.

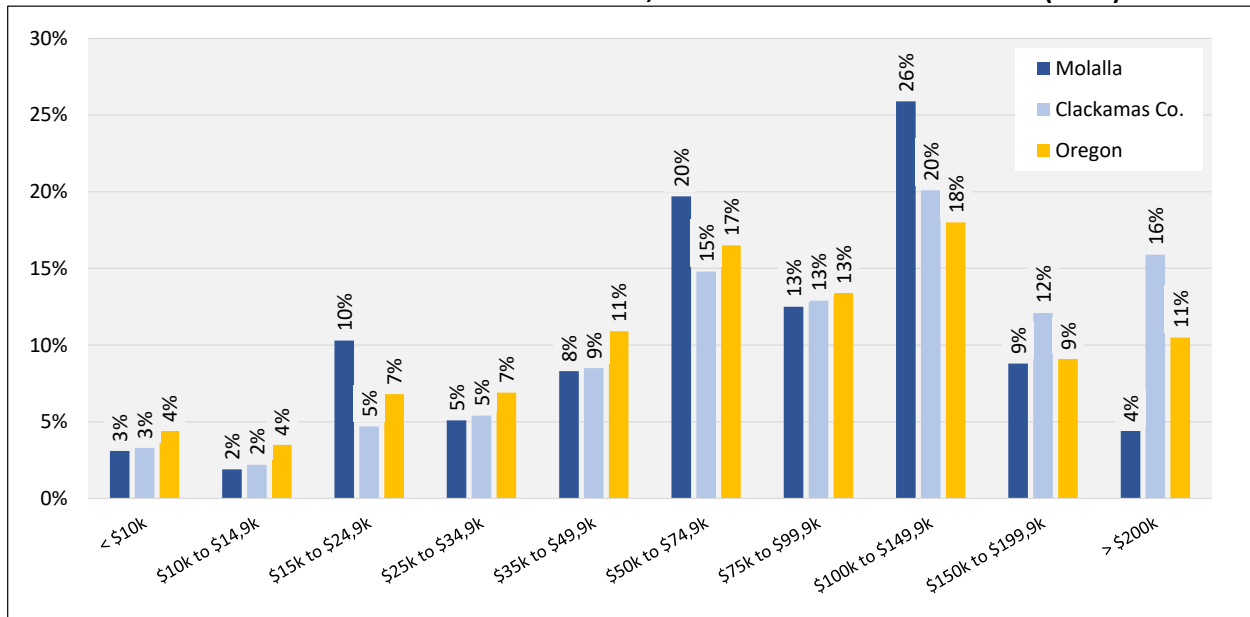
**FIGURE 2.6: BROAD AGE DISTRIBUTION, MOLALLA AND CLACKAMAS COUNTY (2013-2023)**



SOURCE: Population Research Center, Portland State University

Since 2013, the 35- to 44-year-old age cohort grew the most in share of total population in Molalla, while the 15 and younger group faced the biggest decrease. These trends reflect the aging of the Millennial and Baby Boom generations, increasing the share of population approaching middle age, and those aged 60 and older. A secular trend of falling fertility rates leads to fewer average children per family.

**FIGURE 2.7: HOUSEHOLD INCOME DISTRIBUTION, MOLALLA AND CLACKAMAS COUNTY (2023)**



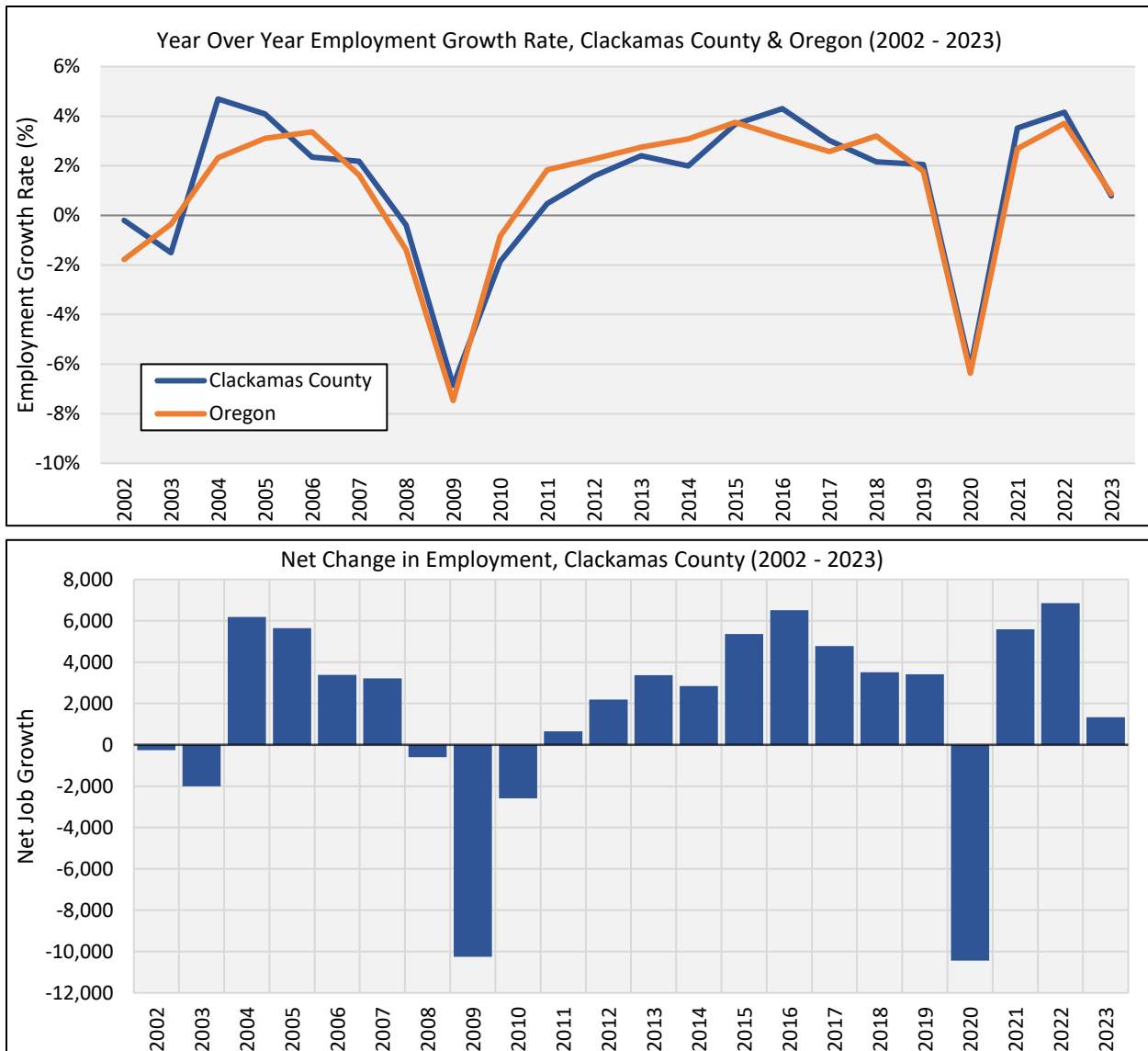
SOURCE: Census Bureau, ACS 5 Year Estimates

Figure 2.7 presents the estimated income distribution. Roughly 26% of Molalla's and 20% of Clackamas County's households earn between \$100k to \$149k, the largest share in both geographies, and greater than the statewide share. However, the city has a lower share of households earning more than \$150k.

**Employment Growth:** Clackamas County experienced slower employment growth relative to the state for most of the 2010's. Following the '08 – '09 recession, the county did not return to positive growth until 2011 while the state saw positive employment growth in 2010. During this decade, Clackamas' annual employment growth peaked at 4.3% in 2016 before decelerating up until the COVID-19 downturn. During the COVID-19 downturn, Clackamas County experienced a negative shock nearly identical with the state, losing about 6% of its employment base between 2019 and 2020. (Figure 2.8)

Since 2010, Clackamas County has added a net of roughly 30,000 jobs. The job growth peaked in 2015 with over 6,500 jobs added. In 2020, the county lost roughly 10,400 jobs, but recovered that employment over the next two years. (Figure 2.8)

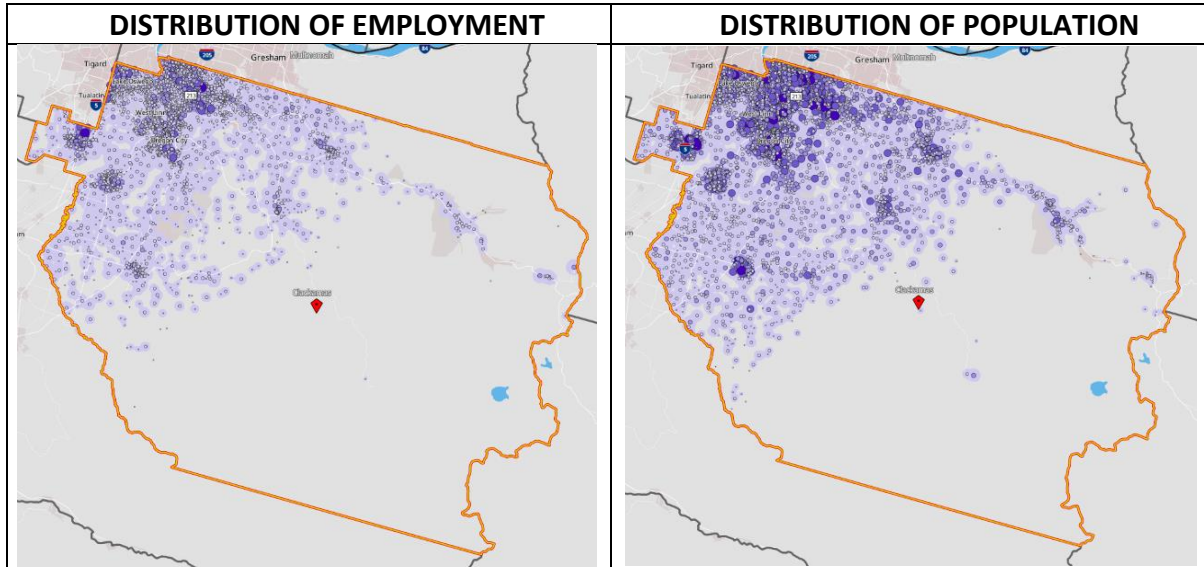
**FIGURE 2.8: EMPLOYMENT GROWTH TRENDS, CLACKAMAS COUNTY & OREGON (2002 – 2023)**



SOURCE: Oregon Employment Department, JOHNSON ECONOMICS

**Employment and Population Concentrations:** The distribution of employment in Clackamas County is concentrated in and around the Portland Metro area, as the largest regional hub of employment and economic activity (Figure 2.9). While population follows a similar pattern, there is a greater dispersion of residents outside of the Metro boundary than employment, indicating that many households live in more dispersed areas, and commute to employment centers.

**FIGURE 2.9: DISTRIBUTION OF EMPLOYMENT AND WORKFORCE, CLACKAMAS COUNTY, 2021**

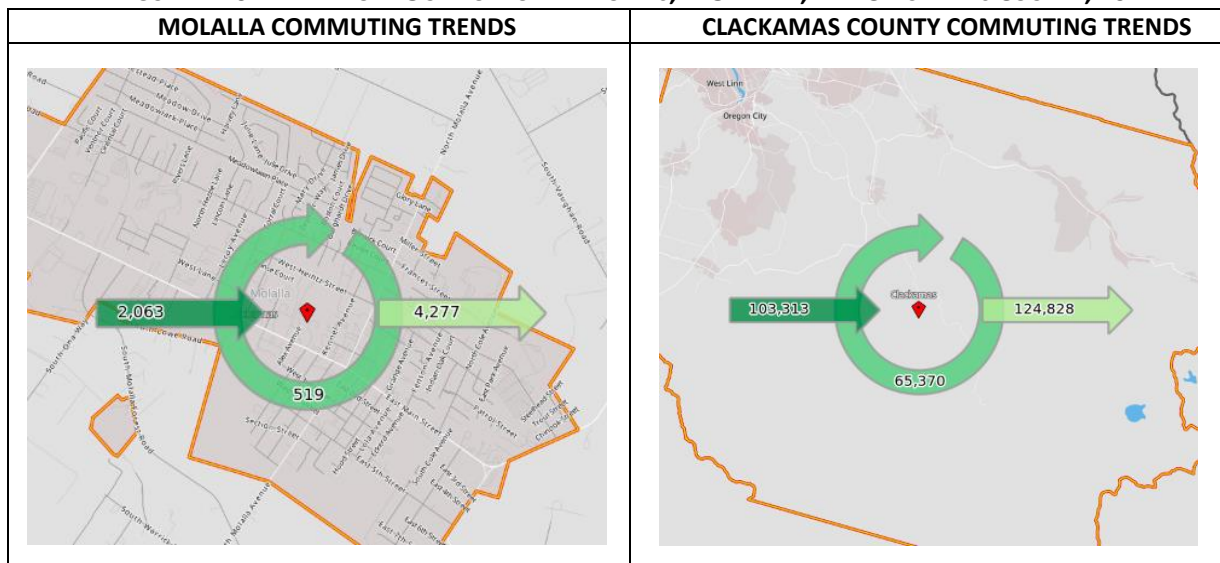


SOURCE: Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) Data

**Commuting Trends:** In 2021 (the most recent data available), the city of Molalla was estimated to have roughly 2,060 people commuting in for work, 4,275 people commuting out and 520 residents both living and working in the city. This indicates that nearly 90% of working Molalla residents commute elsewhere for employment. These figures reflect “covered employment” as of 2021, the most recent year available. Covered employment refers to those jobs where the employee is covered by federal unemployment insurance. This category does not include many contract employees and the self-employed and therefore is not a complete picture of local employment. *The figure discussed here is best understood as indicators of the general pattern of commuting and not exact figures.*

Of those residents who work outside of the city, the most common commute destinations are Portland, Oregon City, Canby, and Salem. For local employees who commute in from outside of Molalla, most live in Salem, Portland, and Oregon City.

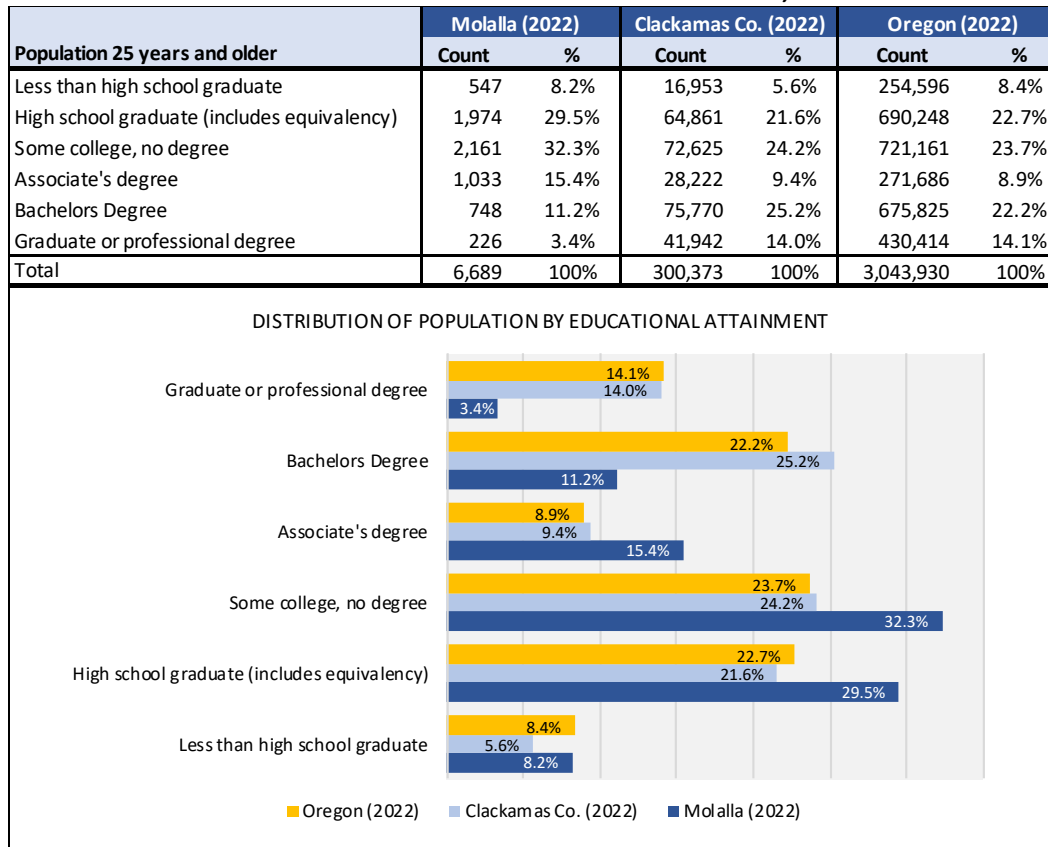
**FIGURE 2.10: NET INFLOW-OUTFLOW OF EMPLOYEES, MOLALLA, AND CLACKAMAS COUNTY, 2021**



SOURCE: Census Bureau, LEHD Data

**Workforce Characteristics:** Molalla has a greater share of less educated adults than the county or state (Figure 2.11).

**FIGURE 2.11: EDUCATIONAL ATTAINMENT PROFILE, 2022**

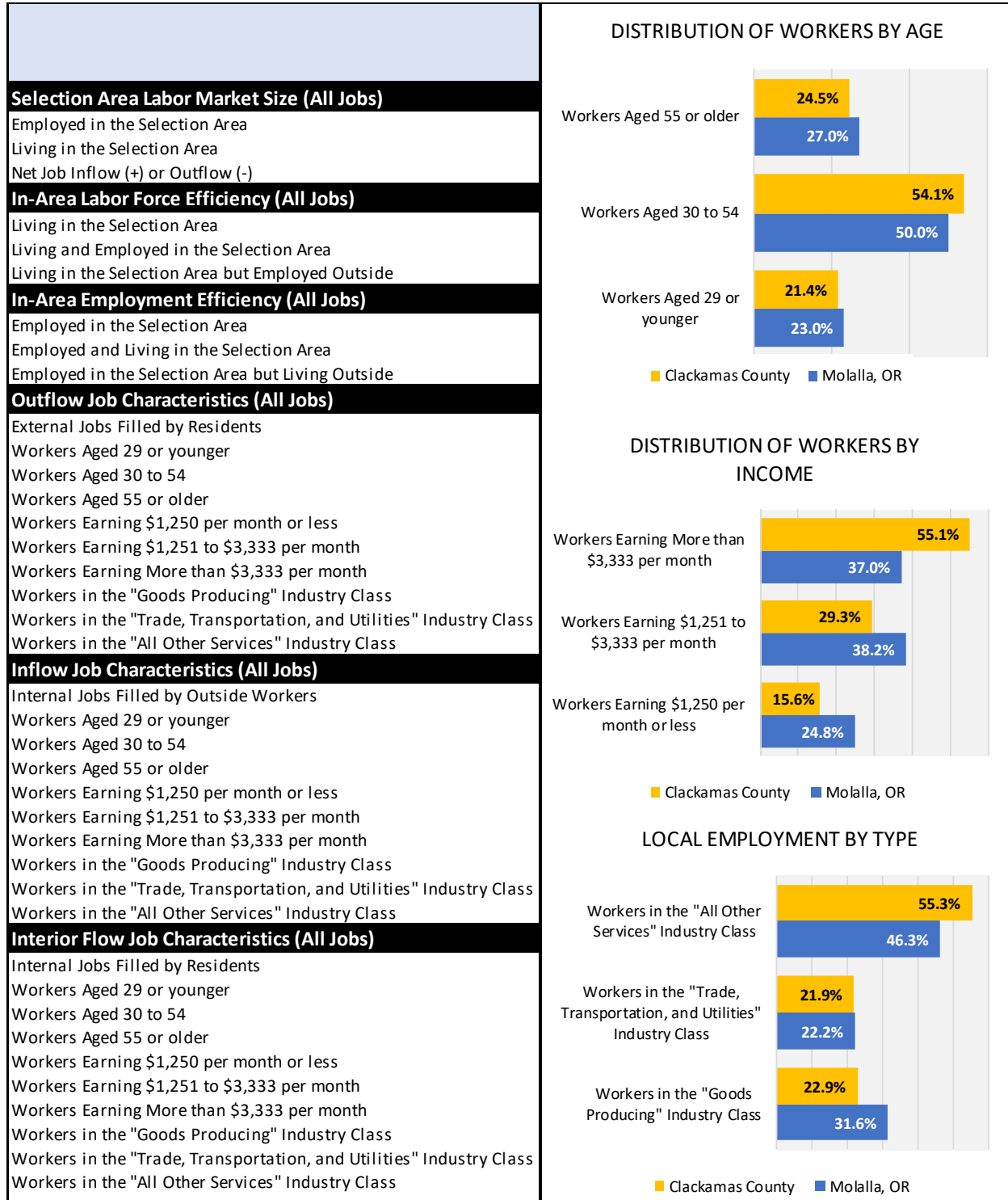


SOURCE: U.S. Census Bureau, 2017 - 2022 ACS 5-Year Estimates

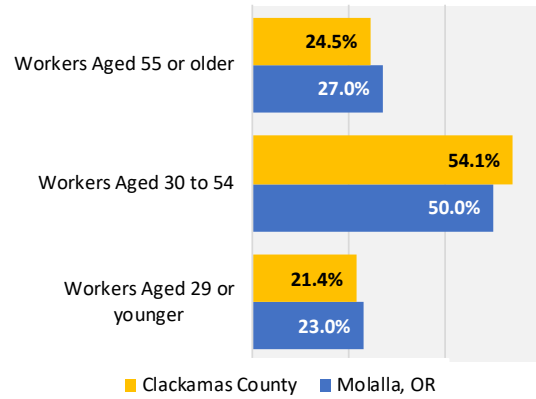
- Molalla's adult population (aged 25 years and older) has relatively lower average education levels than the county or state. 62% of the population have a high school diploma, or some college with no degree, compared to 46% of the county and state.
- 30% of Molalla's adult population have a degree, compared to 49% of the county and 45% of the state.
- Molalla has a higher share working in trade, transportation, and utilities (22.2%) and goods producing industries (31.6%) than the county (Figure 2.9). This includes retail, wholesale, warehousing, and shipping industries. (Figure 2.12)
- Molalla has a larger proportion of younger and near-retirement workers than the county, with 23% of its workers less than 30 years of age and 27% of its workers aged 55 or older.
- Working residents of Molalla are more likely to be in middle- and lower-income groups than the county. Roughly 24.8% of working Molalla residents earn over \$1,250 or less per month, and 38.2% earn between \$1,251 to \$3,333 per month.



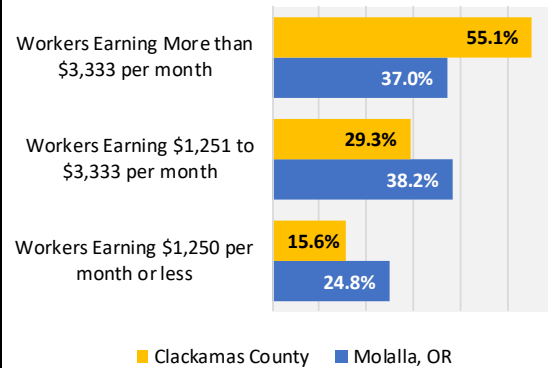
**FIGURE 2.12: CHARACTERISTICS OF LOCAL WORKFORCE, CITY OF MOLALLA AND CLACKAMAS COUNTY, 2021**



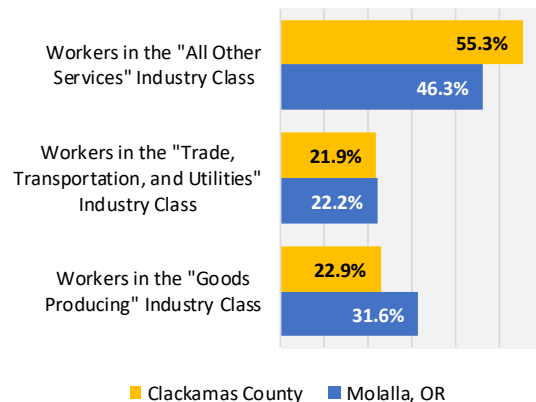
#### DISTRIBUTION OF WORKERS BY AGE



#### DISTRIBUTION OF WORKERS BY INCOME



#### LOCAL EMPLOYMENT BY TYPE



## C. MOLALLA EMPLOYMENT & SECTOR SUMMARY

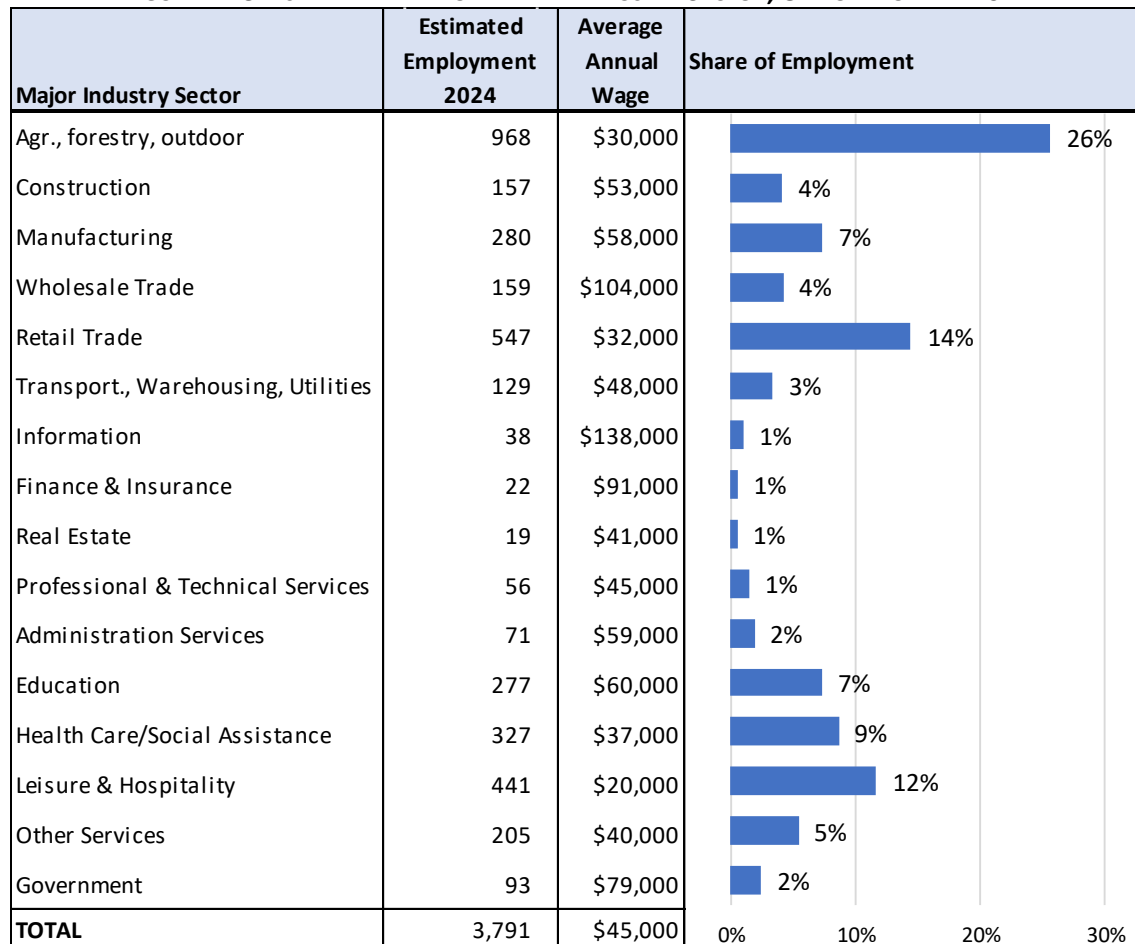
As of 2024, the City of Molalla is home to roughly 290 businesses with roughly 3,050 employees. There are an additional roughly 750 self-employed or sole-proprietor workers in the city, for a total of nearly 3,800 locally employed, or self-employed persons.

The largest industries by employment are “agriculture, forestry, fishing, and hunting”, retail trade, and leisure and hospitality (including dining). The manufacturing, health care & social assistance, and educational services sectors also have a notable employment base in the city. Molalla has the lowest employment representation in finance & insurance and real estate sectors, and no reported employment in the mining or utilities subsectors.

As for average annual wages, the highest paying sectors in 2024 are information, wholesale trade, and finance & insurance. The lowest paying sectors are “arts, entertainment, & recreation”, accommodation & food services, “agriculture, forestry, fishing, & hunting”, and retail trade.

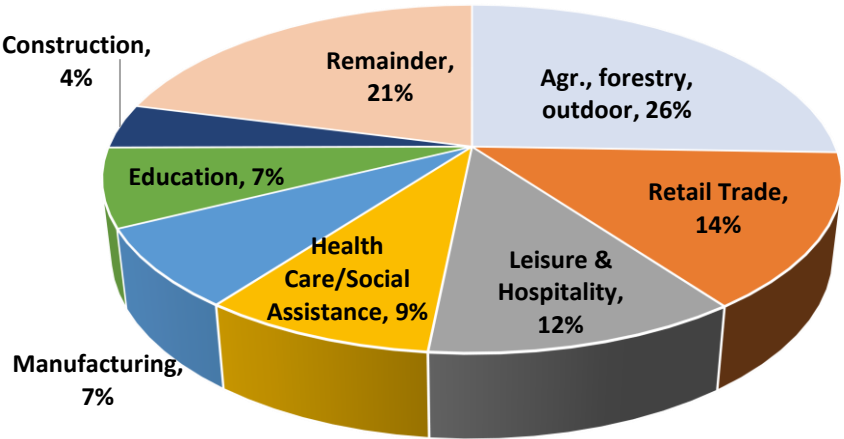
(Industry sectors are discussed in more detail in Section IV of this report.)

**FIGURE 2.13: ESTIMATED EMPLOYMENT BY INDUSTRY SECTOR, CITY OF MOLALLA 2024**



SOURCE: Oregon Employment Department, Bureau of Economic Analysis, Johnson Economics

FIGURE 2.14: ESTIMATED SHARE OF EMPLOYMENT BY INDUSTRY SECTOR, CITY OF MOLALLA 2024

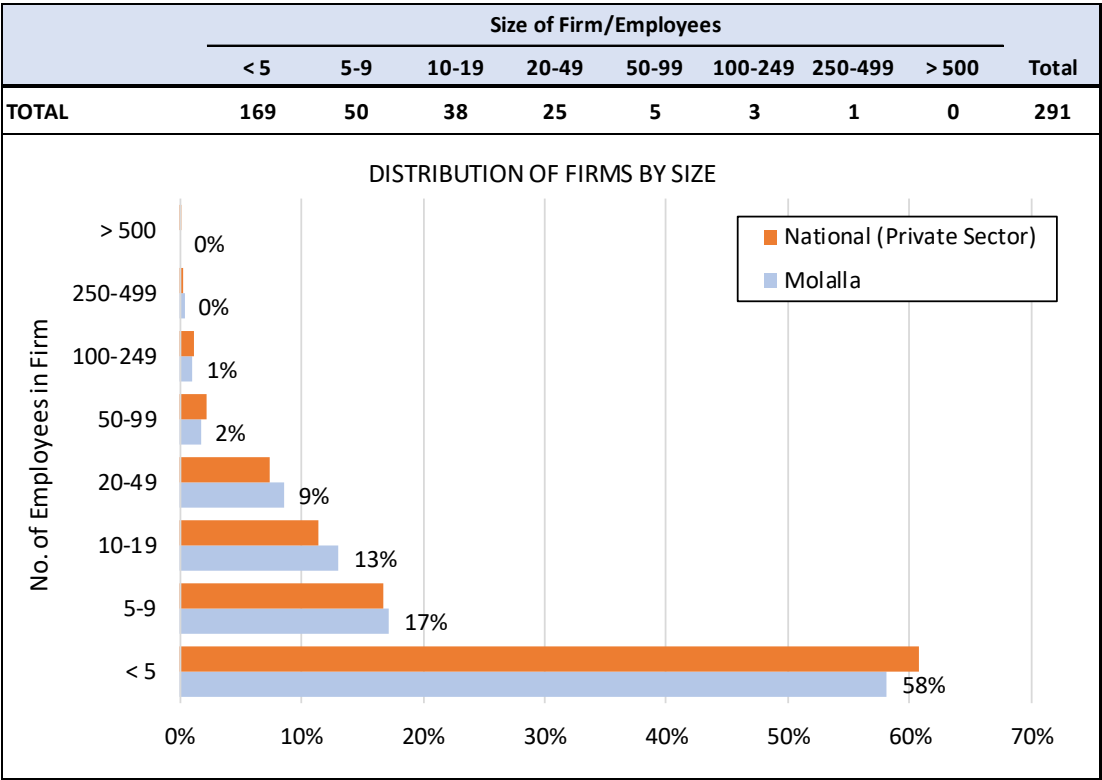


SOURCE: Oregon Employment Department, Bureau of Economic Analysis, Johnson Economics

The local employment base is dominated by relatively small firms, with nearly 90% of businesses having fewer than 20 employees (Figure 2.15). However, this trend is in keeping with the national average. Most businesses are small businesses. (This is based on the most recent 2022 QCEW data for unemployment-insurance covered employment, and therefore doesn’t include all self-employment or owner/operator businesses.) Just 1% of firms have more than 100 employees. This is again, in keeping with national trends.

As of 2022, there were an estimated 291 firms in Molalla with covered employees (not including sole-proprietorships/self-employed).

FIGURE 2.15: DISTRIBUTION OF FIRMS BY SIZE, CITY OF MOLALLA - 2024



SOURCE: Oregon Employment Department, Johnson Economics

### III. COMMUNITY ECONOMIC DEVELOPMENT POTENTIAL

The economic climate of a community helps foster growth of existing firms and industry clusters and make the area attractive for new businesses. The City of Molalla has several advantages that boost its potential as a location for current and future business.

**Location:** Molalla enjoys a location between agricultural and forest lands, and near the Portland Metro area. The community has grown as a center for housing, employment, commerce, and services for the central Clackamas County subregion. The community is served by state highway access in the north/south and east/west directions. It is roughly 15 miles from I-5 freeway access via Woodburn to the west, and 15 miles from the Portland Metro region, via Oregon City to the north. Molalla is within commuting distance to Salem, the Metro region, and other Willamette Valley communities.

The location puts the city's businesses in the middle of a subregional market area and available labor force. While the city provides many shopping, dining, and service options, there are others that are lacking in the community, and necessitate a trip to neighboring communities. At the same time, the location separate from the major metro areas has allowed the city to maintain a small town identity and establish a strong base of agricultural and wood products industries based in the surrounding natural resources.

**Transportation Connectivity:** Molalla has good highway access, at the crossroads of state highways 213 and 211. These provide access to the surrounding agricultural and forestry lands in central Clackamas County, as well as broader access to the I-5 corridor, and the eastern Metro area. Highway 211 also provides a route to Estacada, Sandy, and US Highway 26 to the northeast. These routes can suffer from congestion that extends driving times, especially during commuting hours.

Portland International Airport is located approximately forty-five minutes to the north providing global air connections. The Salem Municipal Airport has recently been in discussions to provide some commercial service to a limited number of southwest states, which would provide nearer access to residents and businesses in Molalla.

**Labor Market:** The availability of ample and skilled labor is a key factor in economic development potential. It is estimated that nearly 90% of working Molalla residents commute elsewhere for their primary employment. This means that the community is likely home to a broader range of skills and specialties than just those found among local employers. This represents a diverse talent pool and skillset from which new businesses locating and growing in the city could draw.

Beyond the talent pool of Molalla residents, the city's highway access gives local businesses the ability to draw on a larger labor pool from the region. An estimated 80% of the local workforce commutes into Molalla, with the greatest numbers coming from Salem, Portland, Woodburn, Oregon City, and Canby. While ideally these workers may eventually choose to relocate to the community, in the meantime businesses know they can attract workers with a full range of skills and experience from a broader area if necessary.

The "Mid-Willamette Valley Supply and Target Industry Growth Recommendations for Clackamas, Polk and Yamhill Counties" (2014) report identified workforce issues in Clackamas, Polk, and Yamhill counties. These issues included finding qualified workers with the proper basic and technical skills, training entry-level workers effectively, and successfully employing contractors from staffing agencies. These issues remain a challenge in many regions across Oregon and call for broader solutions with the city's economic development partners.

**Quality of Life:** Molalla offers a high quality of life and suburban amenities to attract new workers and businesses to the city. The city offers a mixture of small-town lifestyle, diverse cultural activities, with access to nature and rural amenities, while also being a quick trip away from larger metro areas with additional urban amenities. The community features relatively affordable housing in comparison to other parts of the region, good schools, parks, and shopping and local services for most daily needs.

Molalla's location in the Willamette Valley offers ready access to a full range of mountain recreation to the east, and Oregon's wine country to the west.

**Economic Development Partnerships:** Molalla has several partners in economic development, including the local Chamber of Commerce, SEDCOR, Clackamas County, and Business Oregon. Molalla is within roughly 15 miles of outposts of both Clackamas and Chemeketa Community College to offer ongoing education and training to the local workforce.

Local and regional employers are also key partners in promoting and growing their industries. Molalla works with these and other regional partners to provide the infrastructure and services needed to retain and attract businesses to the city.

**Economic Development Tools:** Molalla features an Enterprise Zone which allows for tax abatements to incentivize new business development across major commercial and industrial sections of the city, including the downtown. Molalla also maintains an Urban Renewal area that covers the downtown area, and much of the Highway 211 corridor, extending to highway 213, among other corridors. The urban renewal agency can offer incentives for development, secure key economic development sites, among other projects.

## IV. INDUSTRY DIFFERENTIATION ANALYSIS

This element of the Economic Opportunities Analysis utilizes analytical tools to assess the economic landscape in Clackamas County and the City of Molalla. The objective of this process is to identify a range of industry types that can be considered targeted economic opportunities over the planning period.

A range of analytical tools to assess the local and regional economic landscape are used to determine the industry typologies the city should consider targeting over the planning period. Where possible, we look to identify the sectors that are likely to drive growth in current and subsequent cycles.

### ECONOMIC SPECIALIZATION (CLACKAMAS COUNTY)

A common analytical tool to evaluate economic specialization is location quotient analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. All industry categories are assumed to have a quotient of 1.0 on the national level, and a locality's quotient indicates if the local share of employment in each industry is greater or less than the share seen nationwide. For instance, a quotient of 2.0 indicates that locally, that industry represents twice the share of total employment as seen nationwide. A quotient of 0.5 indicates that the local industry has half the expected employment.

A location quotient analysis was completed for Clackamas County, which evaluated the distribution of local employment relative to national averages, as well as average annual wage levels by industry (Figure 4.1). The industries that are well-represented countywide are good candidates for growth in localities such as Molalla as the city has the ability to tap into regional advantages to grow locally.



**FIGURE 4.1: INDUSTRY SECTOR SPECIALIZATION BY MAJOR INDUSTRY, CLACKAMAS COUNTY, 2022**

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
102 Service-providing	14407	117,463	\$7,620,027,186	\$64,872	0.96
101 Goods-producing	3,179	37,686	\$2,640,181,944	\$70,057	1.48
1011 Natural resources and mining	389	4,673	\$202,637,060	\$43,365	2.25
1012 Construction	2,057	15,192	\$1,106,928,565	\$72,865	1.72
1013 Manufacturing	733	17,822	\$1,330,616,319	\$74,661	1.22
1021 Trade, transportation, and utilities	2,590	33,948	\$2,083,407,387	\$61,370	1.04
1022 Information	480	2,643	\$294,869,919	\$111,587	0.76
1023 Financial activities	1,611	7,918	\$771,058,869	\$97,383	0.8
1024 Professional and business services	3158	24,425	\$2,084,308,856	\$85,334	0.95
1025 Education and health services	2,642	24,553	\$1,592,778,916	\$64,872	0.92
1026 Leisure and hospitality	1208	16,740	\$471,365,906	\$28,159	0.93
1027 Other services	1,622	6,735	\$280,288,847	\$41,619	1.34
1029 Unclassified	1097	502	\$41,948,486	\$83,535	1.49
Total	17,587	155,151	\$10,260,209,130	\$66,130	

SOURCE: U.S. Bureau of Labor Statistics

In general, the County has stronger representation among goods-producing sectors than service-producing sectors, relative to nationally. Among major industries, the natural resources & mining industry was the most strongly represented, with the construction industry being the next. Construction, Manufacturing and other types of services each have representation somewhat higher than the national average. The information and financial activities industries were the most under-represented major industries. The information sector provided the highest average wages among these industries (\$112k/year), while the other services industry has the lowest average wages (\$42k/year).

A more detailed industry analysis shows that the industries with the highest LQ in the county are “agriculture, forestry, fishing, and hunting”, construction, wholesale trade, and unclassified workers. Health care & social assistance, retail trade, and manufacturing employ the most people out of all the industries, employing a little over a third of the county’s entire employment base. The most under-represented industries are utilities, federal and state government, and mining. (Figure 4.2 includes government employment as well.)

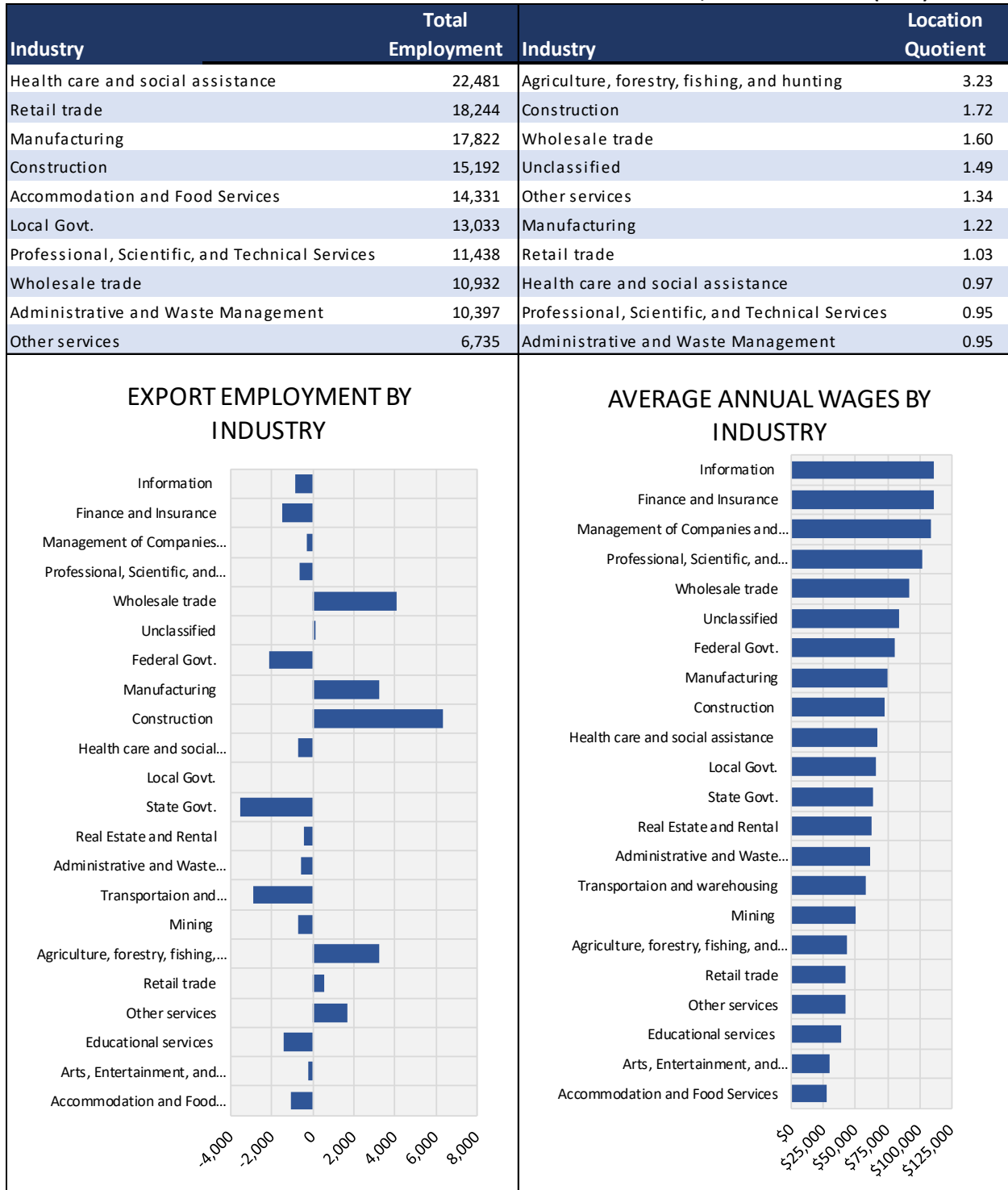
**FIGURE 4.2: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, CLACKAMAS COUNTY, 2022**

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
Agriculture, forestry, fishing, and hunting	384	4,645	\$201,222,408	\$43,320	3.23
Mining	5	28	\$1,414,652	\$50,523	0.04
Utilities	16	298	\$36,920,679	\$123,895	0.47
Construction	2,057	15,192	\$1,106,928,565	\$72,863	1.72
Manufacturing	733	17,822	\$1,330,616,319	\$74,661	1.22
Wholesale trade	1,102	10,932	\$1,011,208,904	\$92,500	1.6
Retail trade	1,125	18,244	\$777,672,778	\$42,626	1.03
Transportation and warehousing	347	4,475	\$257,605,026	\$57,565	0.61
Information	480	2,643	\$294,869,919	\$111,566	0.76
Finance and Insurance	905	5,666	\$630,017,931	\$111,193	0.79
Real Estate and Rental	706	2,252	\$141,040,938	\$62,629	0.84
Professional, Scientific, and Technical Services	2,127	11,438	\$1,169,298,119	\$102,229	0.95
Management of Companies and Enterprises	141	2,590	\$281,333,541	\$108,623	0.9
Administrative and Waste Management	890	10,397	\$633,677,196	\$60,948	0.95
Educational services	238	2,072	\$80,957,209	\$39,072	0.6
Health care and social assistance	2,405	22,481	\$1,511,821,707	\$67,249	0.97
Arts, Entertainment, and Recreation	215	2,409	\$71,302,136	\$29,598	0.91
Accommodation and Food Services	994	14,331	\$400,063,770	\$27,916	0.93
Other services	1,622	6,735	\$280,288,847	\$41,617	1.34
Unclassified	1,097	502	\$41,948,486	\$83,563	1.49
Federal Govt.	50	1,141	\$91,420,549	\$80,123	0.35
State Govt.	31	1,641	\$104,538,207	\$63,704	0.32
Local Govt.	198	13,033	\$866,580,255	\$66,491	0.82
Total	17,868	170,967	\$11,322,748,141	\$66,228	

SOURCE: U.S. Bureau of Labor Statistics

The level of indicated export employment is estimated by sector by combining the location quotients and overall employment levels. Export industries are important in that they grow the overall size of the local economy by bringing in dollars from outside the community, rather than recirculating internal spending. Clackamas County only has seven industries that had positive export employment in 2022: construction, wholesale trade, agriculture, other services, retail trade, and unclassified workers (in order from highest to lowest positive export employment).

**FIGURE 4.3: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT, CLACKAMAS COUNTY (2022)**



SOURCE: U.S. Bureau of Labor Statistics



## ECONOMIC SPECIALIZATION (CITY OF MOLALLA)

The same analysis applied to the City of Molalla reveals high levels of employment concentration in industries such as agriculture, educational services, wood manufacturing, other services, and retail trade. In terms of employment concentration, agriculture far outperforms any other industries in the city with a location quotient (LQ) of 28.5, with the next highest employment concentration in the city being education services with a LQ of 3.4, and wood manufacturing with a LQ of 2.6. [Figure 4.2 presents data based on *covered employment* from 2022 (the most recent year available), not including self-employment.]

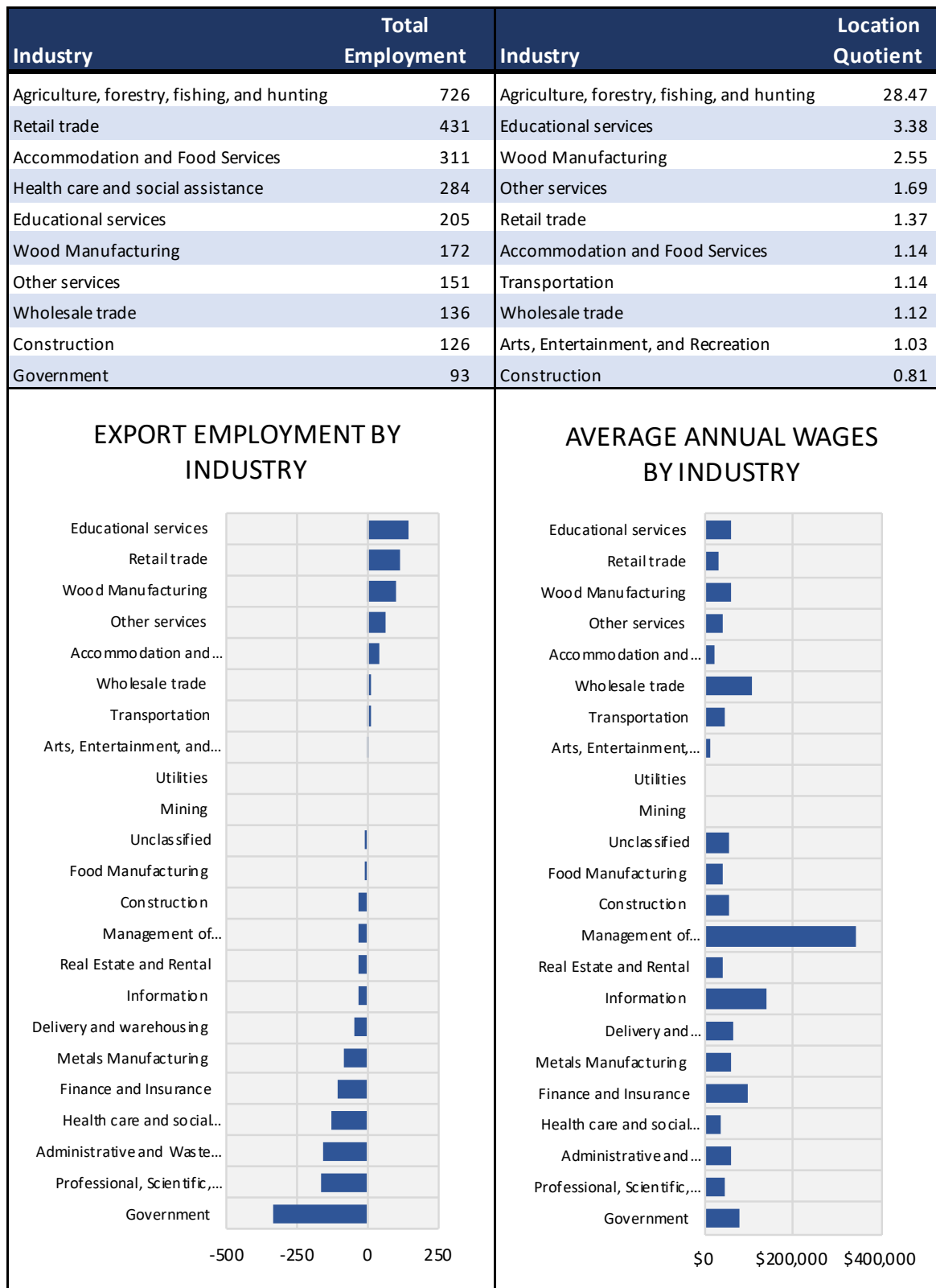
**FIGURE 4.4: INDUSTRY SECTOR SPECIALIZATION BY DETAILED INDUSTRY, CITY OF MOLALLA, 2022**

Industry	Annual Establishments	Average Employment	Total Annual Wages	Average Annual Wages	Employment LQ
Agriculture, forestry, fishing, and hunting	14	726	\$21,470,928	\$29,574	28.47
Mining	0	0	\$0	\$0	0.00
Construction	37	126	\$6,763,733	\$53,680	0.81
Food Manufacturing	3	35	\$1,411,010	\$40,315	0.74
Wood Manufacturing	3	172	\$10,524,733	\$61,190	2.55
Metals Manufacturing	6	61	\$3,554,808	\$58,276	0.42
Utilities	0	0	\$0	\$0	0.00
Wholesale trade	11	136	\$14,192,868	\$104,359	1.12
Retail trade	27	431	\$13,801,890	\$32,023	1.37
Transportation	13	79	\$3,554,413	\$44,993	1.14
Delivery and warehousing	1	17	\$1,085,718	\$63,866	0.28
Information	3	27	\$3,731,841	\$138,216	0.44
Finance and Insurance	8	20	\$1,914,161	\$95,708	0.16
Real Estate and Rental	9	15	\$607,949	\$40,530	0.32
Professional, Scientific, and Technical Service	15	46	\$2,116,179	\$46,004	0.22
Management of Companies and Enterprises	2	19	\$6,504,641	\$342,350	0.37
Administrative and Waste Management	10	35	\$2,080,197	\$59,434	0.18
Educational services	5	205	\$12,264,813	\$59,828	3.38
Health care and social assistance	41	284	\$10,533,807	\$37,091	0.69
Arts, Entertainment, and Recreation	4	48	\$613,208	\$12,775	1.03
Accommodation and Food Services	30	311	\$6,341,262	\$20,390	1.14
Other services	39	151	\$6,057,328	\$40,115	1.69
Government	3	93	\$7,371,629	\$79,265	0.22
Unclassified	0	2	\$109,064	\$54,532	0.33
Total	284	3,039	\$136,606,180	\$44,951	

SOURCE: Oregon Employment Department

The top industries in terms of overall employment in 2022 were agriculture, retail trade, accommodation & food services, health care & social services, and educational services. The city were eight industries with positive export employment, the largest being educational services, retail trade, and wood manufacturing. As for the industries with the highest average annual wages, three industries stood out in particular. These were the management of company & enterprises, information, and wholesale trade industries. All three of these industries paid an annual average wage of above \$100k a year. (The management of company & enterprises sector was estimated to pay a very high average salary, but this is likely distorted due to small sample size.)

**FIGURE 4.5: TOP TEN INDUSTRIES IN TERMS OF TOTAL AND EXPORT EMPLOYMENT, CITY OF MOLALLA (2022)**



SOURCE: Oregon Employment Department and Bureau of Labor Statistic

## ECONOMIC DRIVERS

### Shift Share Analysis

The identification of the economic drivers of a local or regional economy is critical in informing the character and nature of future employment, and by extension land demand over a planning cycle. To this end, we employ a shift-share analysis of the local economy emerging out of the latter half of the recent expansion cycle<sup>1</sup>.

A shift-share analysis measures the local effect of economic performance within a particular industry or occupation. The process considers local economic performance in the context of national economic trends—indicating the extent to which local growth can be attributed to unique regional competitiveness or simply growth in line with broader trends. For example, consider that Widget Manufacturing is growing at a 1.5% rate locally, about the same rate as the local economy. On the surface we would consider the Widget Manufacturing industry to be healthy and contributing soundly to local economic expansion. However, consider also that Widget Manufacturing is booming across the country, growing at a robust 4% annually. In this context, local widget manufacturers are struggling, and some local or regional conditions are stifling economic opportunities.

We can generally classify industries, groups of industries, or clusters into four groups:

**Growing, Outperforming:** Industries that are growing locally at a rate faster than the national average. These industries have characteristics locally leading them to be particularly competitive.

**Growing, Underperforming:** Industries that are growing locally but slower than the national average. These industries generally have a sound foundation, but some local factors are limiting growth.

**Contracting, Outperforming:** Industries that are declining locally but slower than the national average. These industries have structural issues that are impacting growth industry wide. However, local firms are leveraging some local or regional factor that is making them more competitive than other firms on average.

**Contracting, Underperforming:** Industries that are declining locally at a rate faster than the national average. These industries have structural issues that are impacting growth industry wide. However, some local or regional factors are making it increasingly tough on local firms.

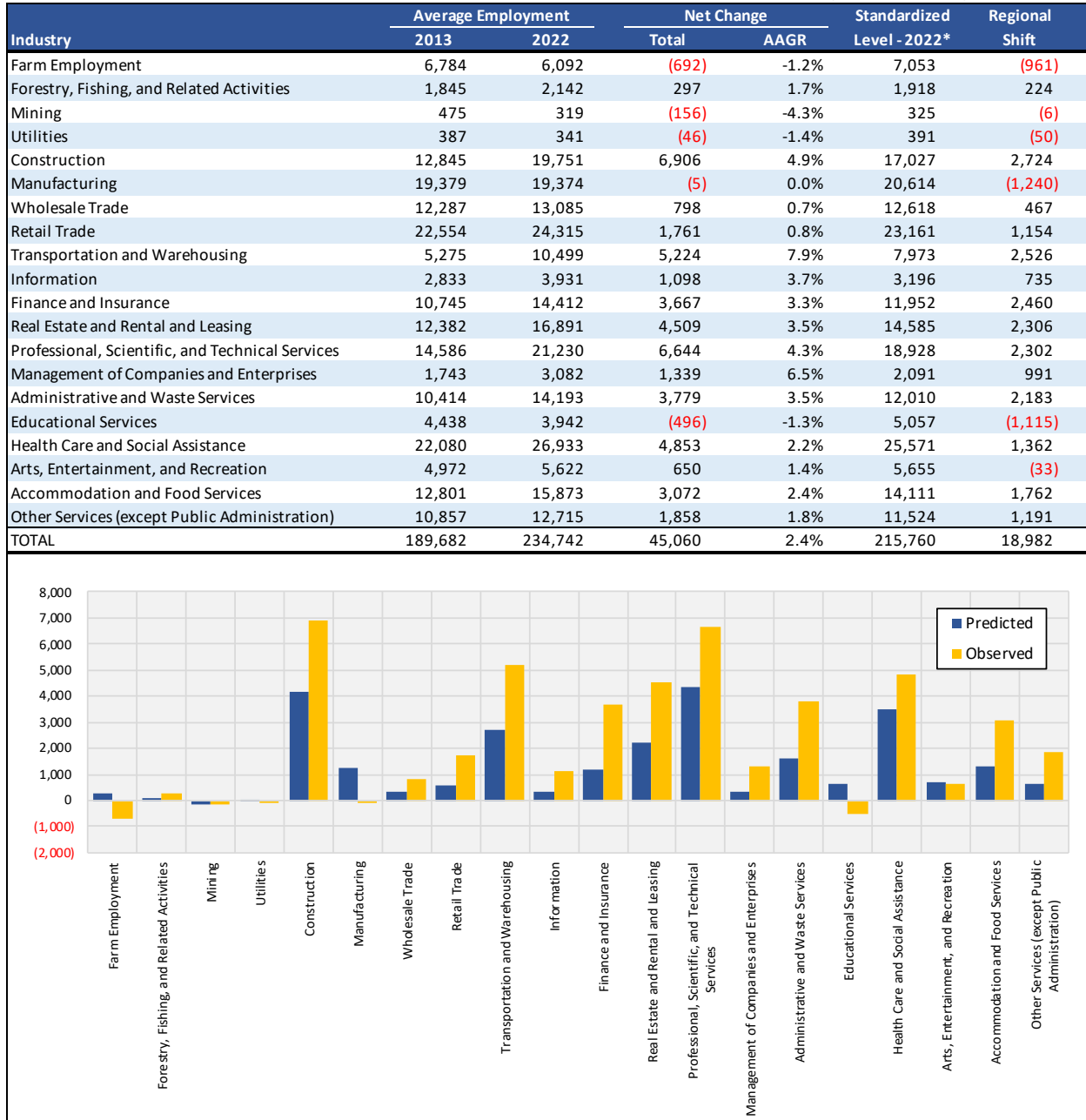
The average annual growth rate by industry from 2013 to 2022 (the latest available data) in Clackamas County was compared to the national rate. The observed local change was compared to a standardized level reflecting what would be expected if the local industry grew at a rate consistent with national rates for that industry.

As shown in Figure 4.6, more county industries grew at a faster rate than the rest of the country than those that grew at a slower rate. Sectors that experienced the most notable positive regional shift in employment during this period were construction, transportation & warehousing, finance & insurance, real estate & rental leasing, and professional services, and accommodation & food services. Only five county sectors experienced a negative regional shift in employment, these being manufacturing, educational services, farm employment, utilities, “arts, entertainment, & recreation” and mining.

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<sup>1</sup> Measured from 2013 through 2022

**FIGURE 4.6: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, CLACKAMAS COUNTY (2013 – 2022)**



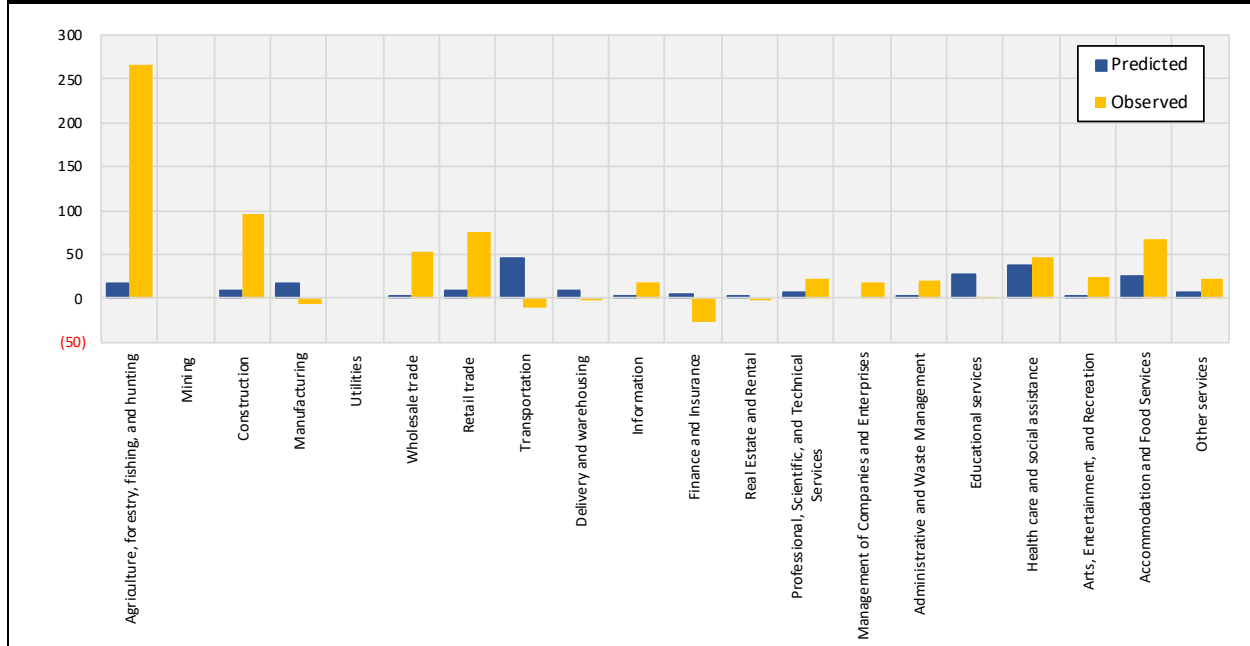
\* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Bureau of Labor Statics, Oregon Employment Department

When the same analysis is applied to the city of Molalla (Figure 4.7), most of the city's industries also displayed faster growth than the rest of the country. The most notable sector on this measure in the local economy was the agriculture and forestry sectors followed by construction, retail trade, and wholesale trade. These sectors grew faster than expected based on the national pace.

**FIGURE 4.7: INDUSTRY SECTOR SHIFT SHARE ANALYSIS, CITY OF MOLALLA (2013 – 2022)**

Industry	Average Employment		Net Change		Standardized Level - 2022*	Regional Shift
	2013	2022	Total	AAGR		
Agriculture, forestry, fishing, and hunting	460	726	266	5.2%	478	248
Mining	0	0	0	0.0%	0	0
Construction	29	126	97	17.7%	38	88
Manufacturing	274	268	(6)	-0.2%	291	(23)
Utilities	0	0	0	0.0%	0	0
Wholesale trade	82	136	54	5.8%	85	51
Retail trade	356	431	75	2.1%	366	65
Transportation	89	79	(10)	-1.3%	135	(56)
Delivery and warehousing	18	17	(1)	-0.6%	27	(10)
Information	9	27	18	13.0%	10	17
Finance and Insurance	46	20	(26)	-8.8%	51	(31)
Real Estate and Rental	17	15	(2)	-1.4%	20	(5)
Professional, Scientific, and Technical Services	24	46	22	7.5%	31	15
Management of Companies and Enterprises	0	19	19	38.7%	0	19
Administrative and Waste Management	14	35	21	10.7%	16	19
Educational services	204	205	1	0.1%	232	(27)
Health care and social assistance	237	284	47	2.0%	274	10
Arts, Entertainment, and Recreation	23	48	25	8.5%	26	22
Accommodation and Food Services	243	311	68	2.8%	268	43
Other services	128	151	23	1.9%	136	15
<b>TOTAL</b>	<b>2,253</b>	<b>2,944</b>	<b>691</b>	<b>3.0%</b>	<b>2,486</b>	<b>458</b>



\* Employment level in each industry had it grown at the same rate as its counterparts at the national level over the same period.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, Bureau of Labor Statistics

## Growth and Current Strength Analysis

This analysis takes a look at the relationship between the location quotient of an industry and its employment growth (shift share) over the years to give useful insight into an industry's competitive performance. As mentioned above, location quotients are a metric that compares a local industry's employment concentration to the nation's employment concentration of the same industry. A quotient above 1 indicates that an industry has more local representation compared to what is expected nationally while a quotient less than 1 indicates that the local industry has less than the expected employment. When an industry's LQ is compared alongside its employment growth one can identify which industries in the region have been highly competitive, showing signs of growth, decreasing in competitiveness, or underperforming.

Much like the shift share analysis, this analysis separates industries/clusters into 4 categories<sup>2</sup> :

**Growth Clusters:** Industries that show strong concentration locally ( $LQ > 1.0$ ) and have had positive employment growth in recent history. These industries are a focal point of the regional economy, displaying strong competitive advantage and potential growth.

**Mature Clusters:** Industries that have a strong local concentration ( $LQ > 1.0$ ), but negative employment growth during the period of analysis. These industries have been an important factor in the local economy but may need resources to ensure growth into the future and continued competitiveness.

**Emerging Clusters:** Industries that have a smaller local concentration ( $LQ < 1.0$ ), but have seen positive employment growth recently. Although these industries may not have been as important in the regional economy, there is strong potential for growth and could be main drivers of the regional economy in the foreseeable future.

**Declining Clusters:** Industries that have a smaller local concentration ( $LQ < 1.0$ ) as well as negative employment growth. These industries are shrinking and have little competitive advantage in the region.

The figure 4.8 below depicts this relationship in the city of Molalla during the 2013 – 2022 period. A majority of industries showed positive employment growth in the last decade, placing them in the growth and emerging clusters. However, more industries have an LQ lower than 1, indicating that industries within Molalla are less concentrated than what is expected on the national level.

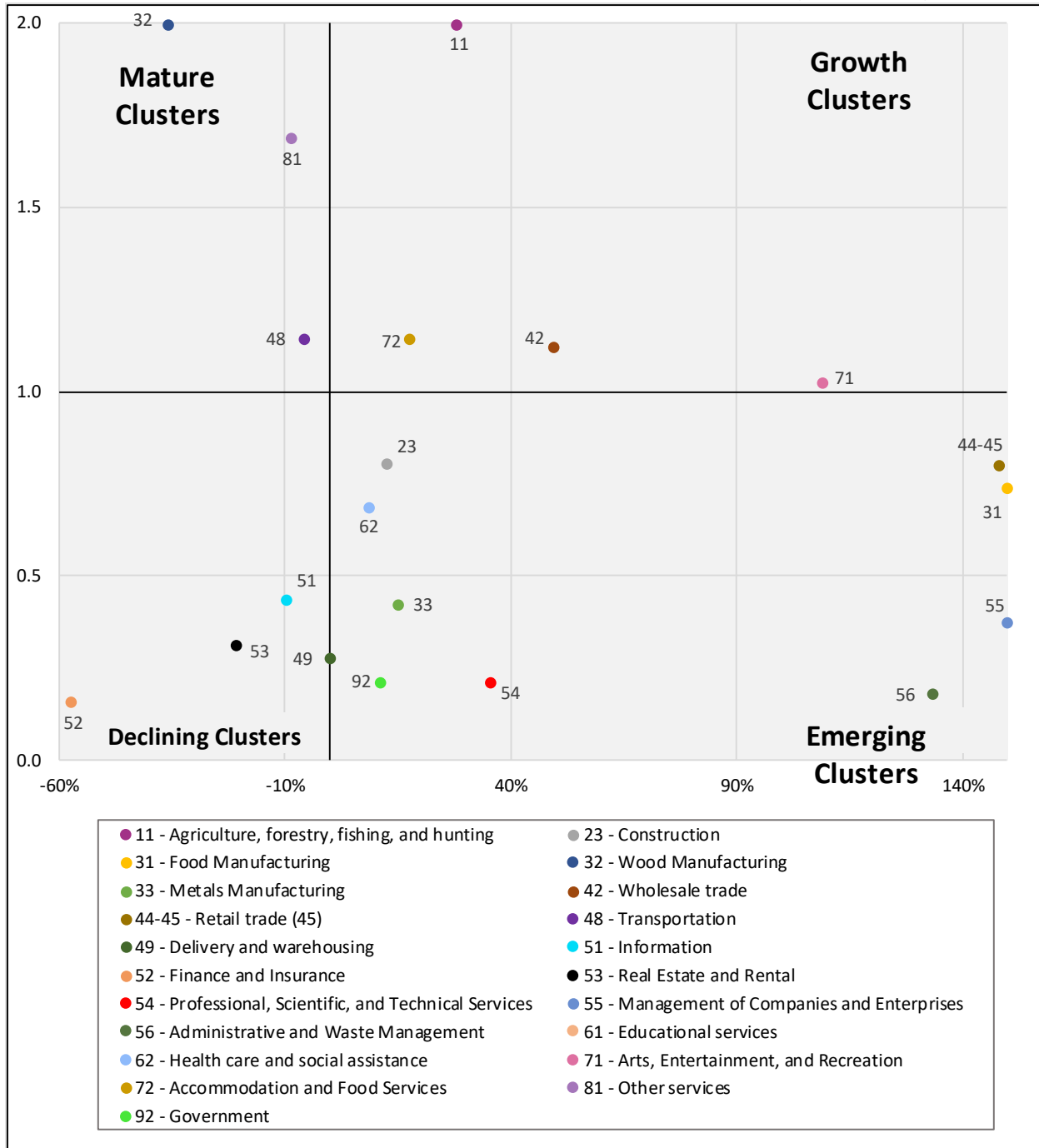
The construction, retail trade (NAICS 45), and food manufacturing industries are notably the closest to crossing the threshold from being an “emerging” industry into becoming a “growth” industry as they have displayed healthy employment growth with LQ's close to 1 as of 2022. The industries with the highest local concentrations are wood manufacturing and retail trade (NAICS 44) in the mature cluster, and agriculture in the growth sector.

The industries found to be in decline are information, real estate, warehousing, and finance and insurance.

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<sup>2</sup> Kaliba, Aloyce. (2014). Industry Cluster Analyses for Capital Region Planning and Development District and the North Delta Regional Planning & Development District, Louisiana, USA. 10.13140/RG.2.1.2639.5282.

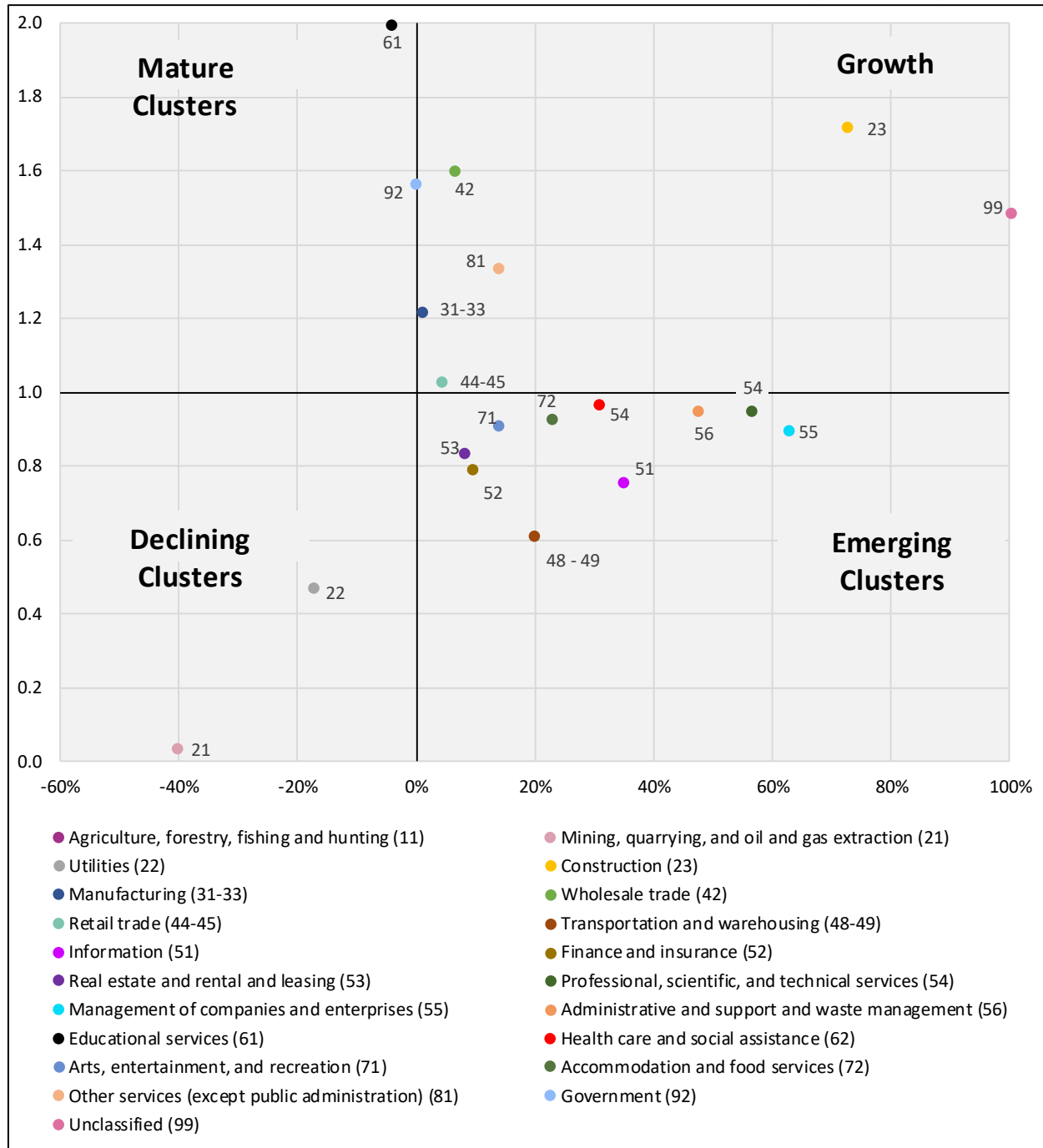
**FIGURE 4.8: LQ AND EMPLOYMENT GROWTH RELATIONSHIP, CITY OF MOLALLA (2013 – 2022) \***



\*Note: NAICS 11 and 32 had an LQ of 28.47 and 2.55 respectively, while NAICS 31 and 55 had a growth rate of 290%, and 1800% from '17 – '22  
Source: Oregon Employment Department, Bureau of Labor Statistics, JOHNSON ECONOMICS

Figure 4.9 below depicts the location quotient analysis done for Clackamas County during the 2013 – 2022 period. Similar to Molalla, a majority of Clackamas County's industries fall under the emerging cluster. The industries that are closest to crossing into the "growth" quadrant are the "healthcare & social assistance", "professional, scientific, & technical services", and "administrative & waste services" industries. The county's strongest industries in the last decade include construction, wholesale trade, and educational services. Only two of Clackamas County's industries fall under the declining clusters, these being the mining and utilities industries.

FIGURE 4.9: LQ AND EMPLOYMENT GROWTH RELATIONSHIP, CLACKAMAS COUNTY (2013 – 2022) \*



\* NAICS 61 had an LQ of 3.23, while NAICS 99 had a growth rate of 1421% in 2022

Source: 2013-2022 QCEW Data, Bureau of Labor Statistics, JOHNSON ECONOMICS

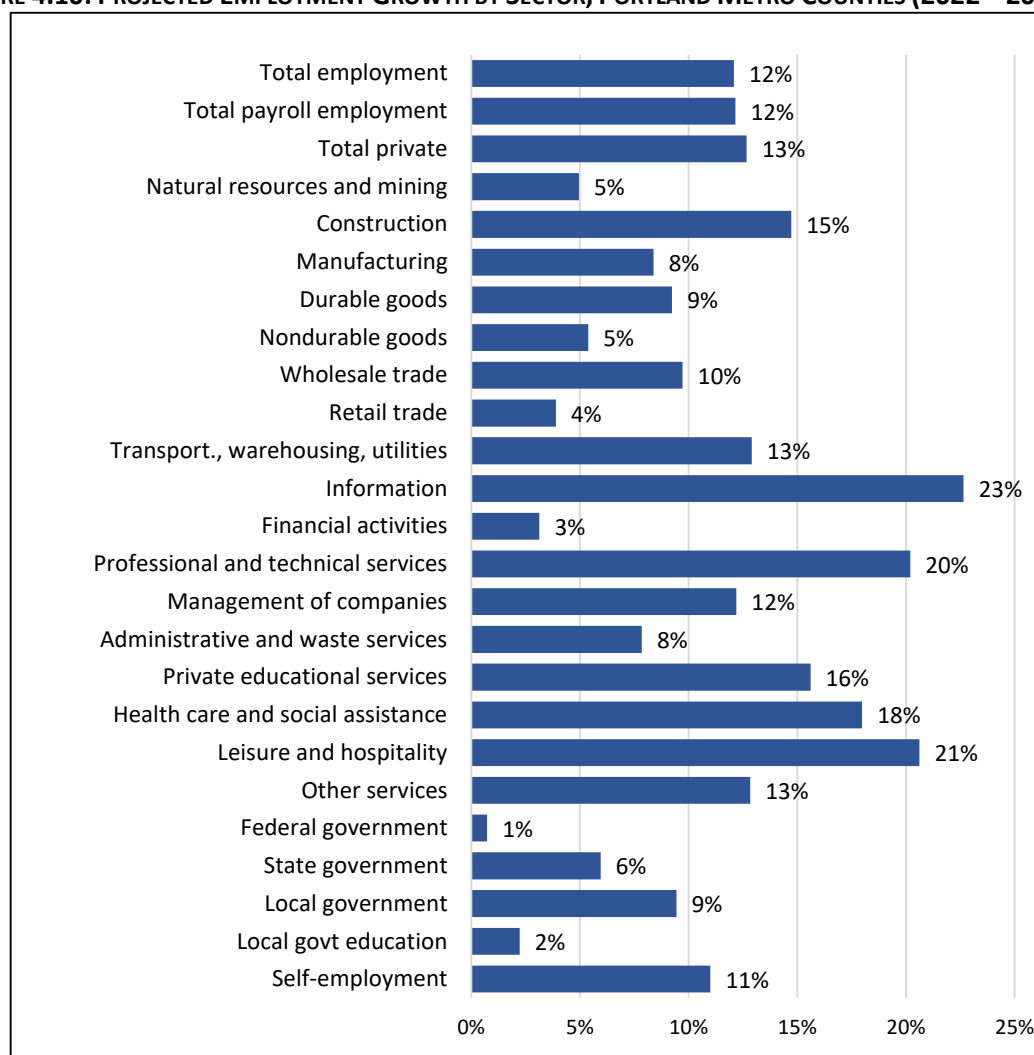


## PROJECTED EMPLOYMENT GROWTH (OED)

The State of Oregon produces employment forecasts by sector at the broader regional level, which groups Clackamas, Multnomah, and Washington Counties together into one Portland Tri-County region. The most recent forecast anticipates a gain of 127,500 jobs from 2022 through 2032, reflecting growth of 12%, or an average annual rate of about 1.1% during the period. This region has historically seen strong growth, and recovery from the COVID pandemic has been promising.

In this region, the industries with the fastest growth rates are projected to be information, leisure and hospitality (tourism related), professional services, and health care. Furthermore, none of the industries are projected to experience decline in the coming years.

**FIGURE 4.10: PROJECTED EMPLOYMENT GROWTH BY SECTOR, PORTLAND METRO COUNTIES (2022 – 2032)**



SOURCE: Oregon Employment Department, Workforce and Economic Research Division

## V. MOLALLA TARGET INDUSTRIES ANALYSIS

The preceding analysis provides a basis for narrowing of target industries for the City of Molalla. These indicators point to sectors of past and potential growth, as well as locally expressed economic development vision for the community. The following is a summary of targeted sectors and indicators for Molalla, and the broader region.

### Molalla Targets and Indicators

CITY OF MOLALLA Industry Clusters Analysis (2020)	CITY OF MOLALLA Current Largest Employers
Manufacturing	Agriculture/Forestry/Outdoors
Agriculture/Forestry/Outdoors	Retail Trade
Education	Tourism
Health Care	Health Care
Retail and Wholesale Trade	Manufacturing
Tourism-Related (Dining, Lodging, Recreation)	Education
Construction	Construction

STRONG LOCATION QUOTIENT	STRONG SHIFT SHARE INDICATOR
Agriculture/Forestry/Outdoors	Agriculture/Forestry/Outdoors
Education	Construction
Wood Manufacturing	Retail and Wholesale Trade
Retail Trade	Accommodation and Food Service
Accommodation and Food Services	
Transportation	

### Regional and Statewide Targets

BUSINESS OREGON - Statewide Targets	County and Regional
Outdoor Gear and Apparel	Traded sector industries
Forestry & Wood Products	Suppliers to existing companies
Advanced Manufacturing	Self-sufficiency-wage jobs
Business Services	Food & Beverage
Food & Beverage	Manufacturing
High Technology	High Technology

These broader analyses arrived at similar conclusions of the advantageous industries for Molalla and the central Clackamas County region in general, including wood product, food product and other manufacturing, and support industries including health care, education, and construction. Through the EOA planning process, the advisory group and community stakeholders focused on the desire for a greater diversity of shopping and dining options, and a greater tourism-related industry including lodging and recreation amenities, and agritourism.

### TARGET INDUSTRY CLUSTERS

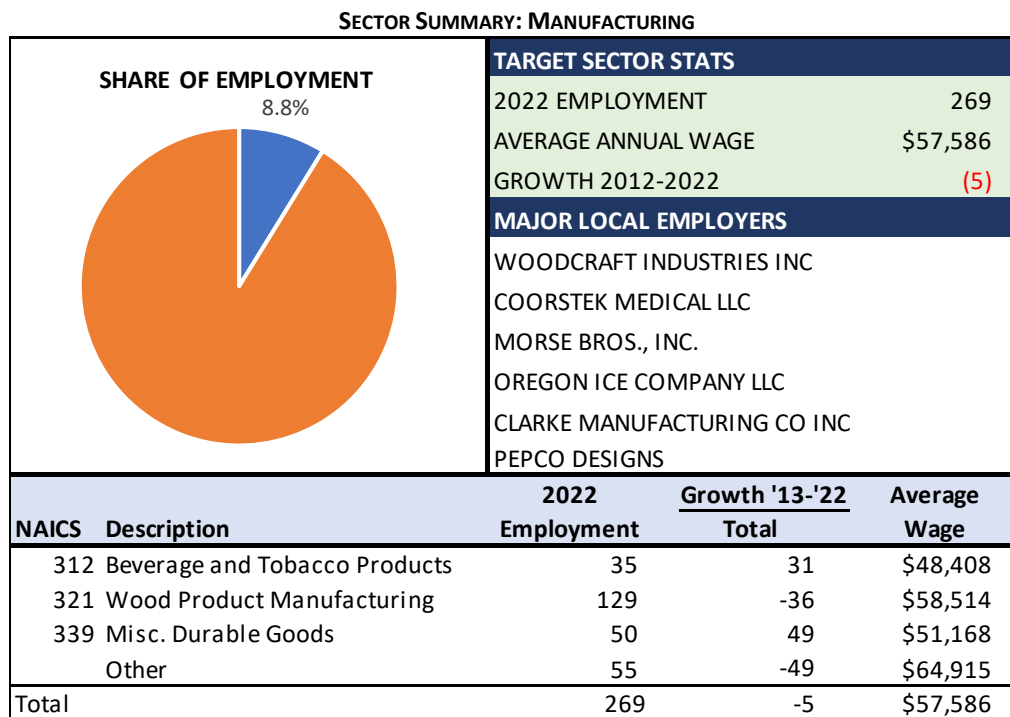
The selected priority industries reflect the community's historical strengths and advantages, regional trends, and local goals and objectives. These are discussed in more detail in the following pages:

- Manufacturing
- Health Care & Social Assistance
- Retail Trade
- Accommodation & Food Services
- Construction
- Arts, Entertainment & Recreation

Note: The following discussion of target sectors relies on the most recent QCEW (covered) employment data from the Oregon Employment Department, dating to 2022. Total employment figures are updated to an estimate for 2024 in the following section of this report.

### MANUFACTURING

Manufacturing is identified as a target industry due to the high wages it offers, ability to build technical skills, and grow the community's economy as a traded sector with external customers. Manufacturing includes a wide range of potential product types including wood products, food processing and value-add products, metals, machinery, and high-tech manufacturing. While manufacturing has experienced secular decline nationwide over many decades, there are still many opportunities for producers that benefit from proximity to inputs and the intended market



Source: Oregon Employment Department

As of 2022, the manufacturing sector employed around 270 people which translates to 9% of the local employment base. The average annual wage was approximately \$57,500 per year in 2022. Employment base in the sector decreased slightly (2%) from 2012 through 2022.

#### Cluster Strengths

- Foundation of existing manufacturing businesses.
- Location near agricultural and forestry inputs.
- Solid wages, blue collar opportunities.

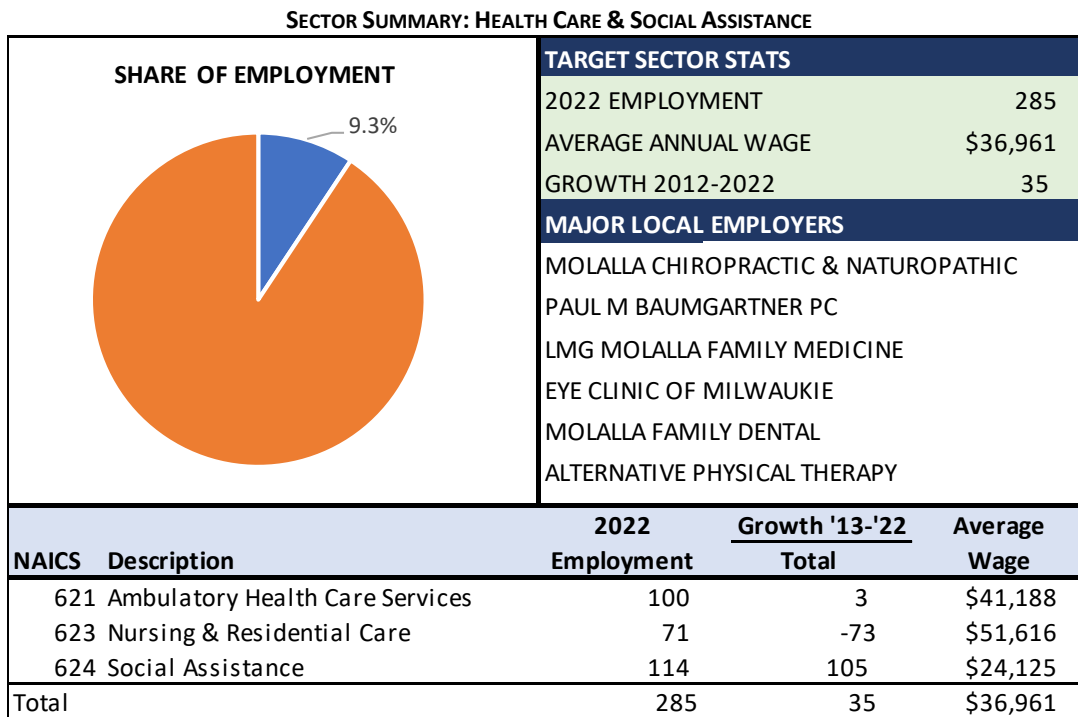
#### Cluster Challenges

- Limited available labor workforce, particularly for skilled manufacturing.
- Increasing shortage of appropriate industrial sites.

## HEALTH CARE & SOCIAL ASSISTANCE

The Health Care and Social Services sector is one of the largest employers in Molalla, representing nearly 10% of employment. Like most communities, Molalla will increasingly face growing health care needs from a growing and aging population. The health care needs of the Baby Boom generation, the oldest of which are approaching 80 years old and the youngest approaching 60, are expected to increase the need for health care facilities and workforce over the next 20 years. The need for more local services such as medical specialists and expanded urgent care were identified as on-going needs in the community.

The health care & social assistance sector employed 285 people in 2022, which is over 9% of the city's employment base. The average annual wage in the industry was \$37,000 in 2022. The sector's employment base grew by 14% from 2012 to 2022, with the social assistance subsector seeing the strongest growth.



Source: Oregon Employment Department

### Cluster Strengths

- Strong forecasted growth for health care.
- Growing population and number of households generating new demand.
- Attractive location for retirees and assisted living.

### Cluster Challenges

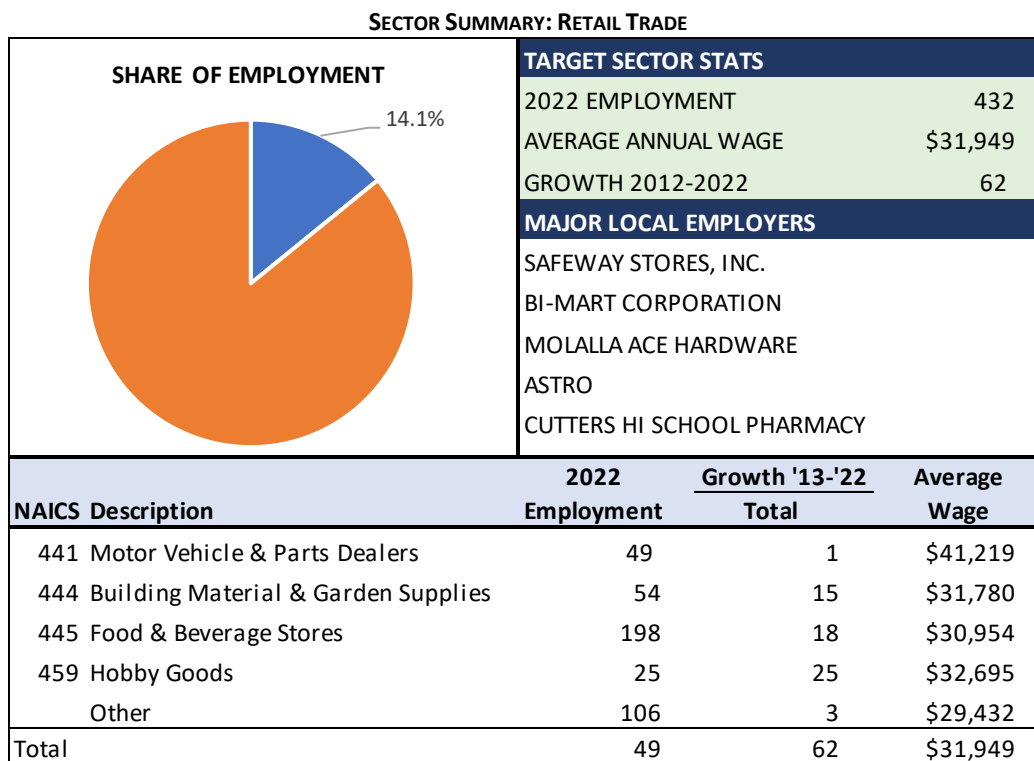
- Distance to full-service hospital.
- Recruitment of skilled workforce.



## RETAIL TRADE

Despite its somewhat distant location from the I-5 corridor and Portland Metro area, Molalla serves as a commercial hub for the surrounding parts of Clackamas County, offering necessities such as groceries, gas, hardware, as well as general merchandise. The community requires more retail options and categories to serve the daily needs of residents, so that fewer trips outside of the area are necessitated to meet these needs.

Retail trade in Molalla employed roughly 14.1% of the county's employment base, with 432 covered employment jobs in 2022. The average annual wage in this sector was \$32,000 in 2022. Employment levels grew by 2% from 2012 to 2022, or a gain of about 62 workers during this time.



Source: Oregon Employment Department

Molalla is likely to keep its advantages as a sub-regional hub of shopping, dining and services in this part of the central valley. Continued growth in the community and surrounding area will support continued addition of retail options.

### Cluster Strengths

- Established sub-regional market area and customer base.
- Continuing growth in population and households.

### Cluster Challenges

- National challenges to brick-and-mortar retail from on-line shopping.
- Affordable housing for lower-wage workforce.

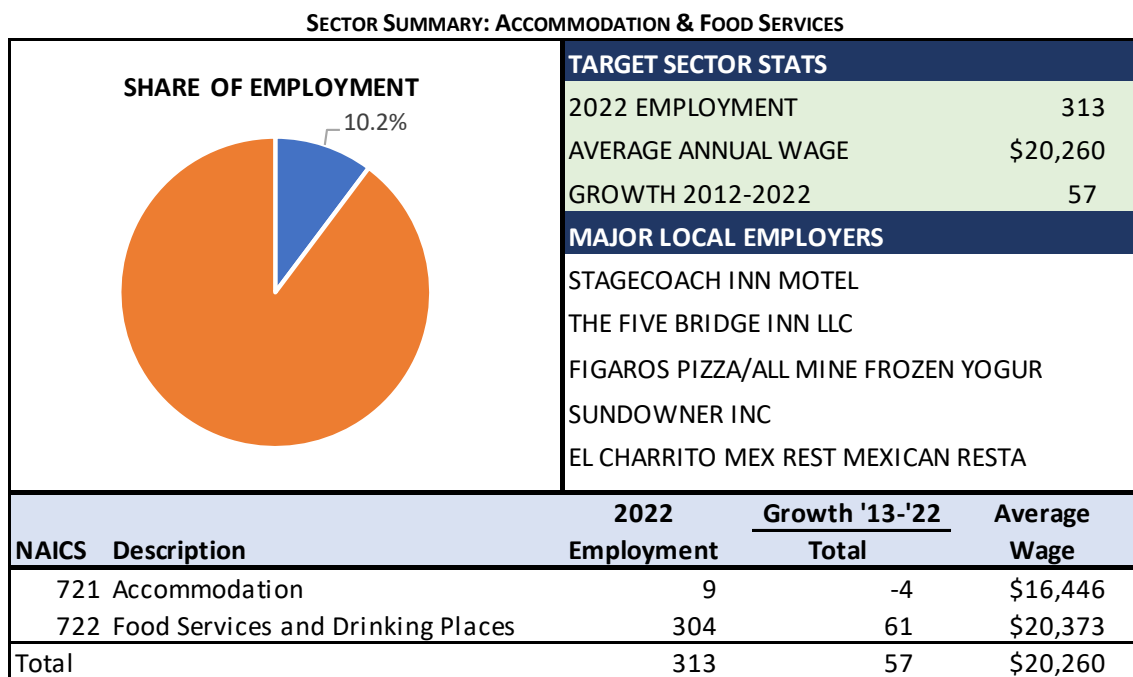


## ACCOMMODATION & FOOD SERVICES

Molalla and the surrounding area has physical and locational attributes that make recreation and hospitality an attractive target sector. The city is a gateway to the Cascades, including Jefferson Park Wilderness, Detroit Lake area, and national forest lands. Regional outdoor recreation includes camping, hiking, hunting, fishing, skiing and biking. The accommodation and food services sector is key to supporting tourism through offering lodging and dining to visitors and local residents. The community identified a desire to increase recreational offerings to attract visitors (see more below) and offer lodging for them to stay.

The dining and bar sector is a significant part of the employment base and an amenity for local residents. While the sector provides generally low-wage employment, these businesses offer options for outside dining and entertainment that allow local spending to remain in the community and prevent long drives to other communities. The community expressed interest in more options in this sector and greater variety.

This sector employed about 313 in 2022, representing roughly 10% of the local employment base. The average annual wage is on the lower side compared to the other target industries with workers making an average of \$20,260 per year in 2022. The sector grew by roughly 22.3% in the last decade, adding around 57 jobs.



Source: Oregon Employment Department

### Cluster Strengths

- Great location and access to farm, mountain, and forest amenities.
- Opportunity to raise profile as “basecamp”, with related dining/hospitality.

### Cluster Challenges

- Marketing, awareness as destination.
- Need for more recreation activities and events (i.e. sports or festivals).
- Relatively low wages in tourism-related industries.

## CONSTRUCTION

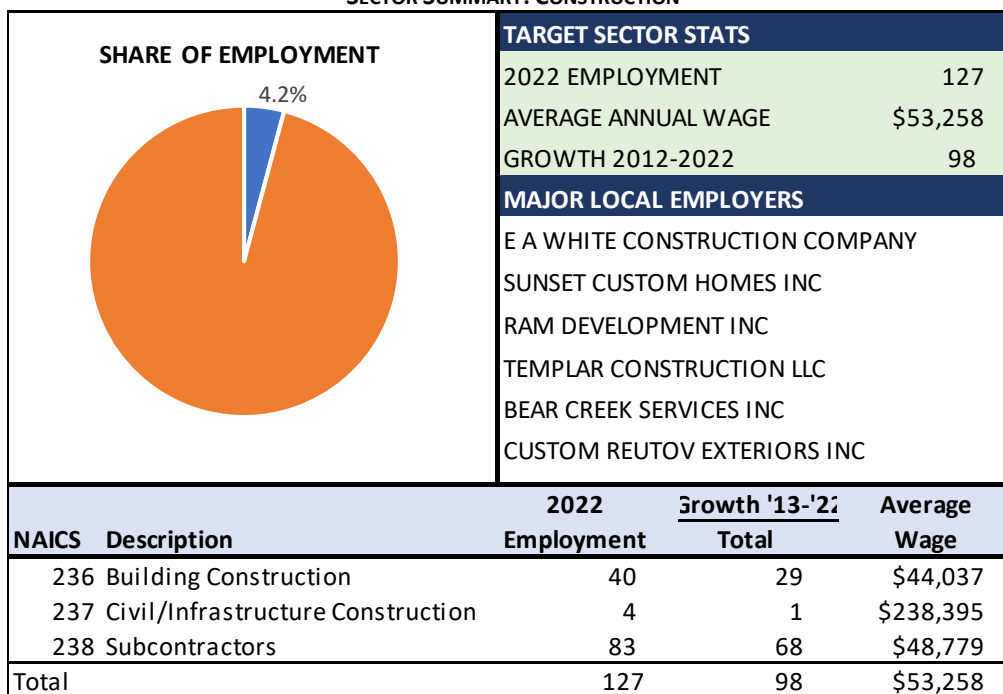
The strength of the construction sector typically trails growth in population and employment, as new households and businesses drive new real estate development. Construction is a desirable sector that provides both lower skilled and highly skilled positions and supports solid wages. Having construction capacity also allows the local economy to respond quickly and competently to new demand, while keeping costs down relative to importing construction workers and expertise from outside the area.



Construction is generally a resilient sector in areas that continue to experience organic growth in population and jobs such as Oregon. Even as broader economic trends may depress some aspects of real estate development, other sectors are often healthy or growing, and specialties such as public infrastructure development are resistant to economic cycles. This sector is a good industry for a relatively young, diverse, and less educated workforce.

The construction sector accounted for roughly 130 jobs in 2022, representing roughly 4.2% of the county's employment base. The average annual wage was approximately \$53,000 per year in 2022. The sector showed strong growth from 2012 to 2022, growing by 338%.

### SECTOR SUMMARY: CONSTRUCTION



Source: Oregon Employment Department

#### Cluster Strengths

- On-going demand for construction in a growing community.
- Responds to both residential and employment growth.

#### Cluster Challenges

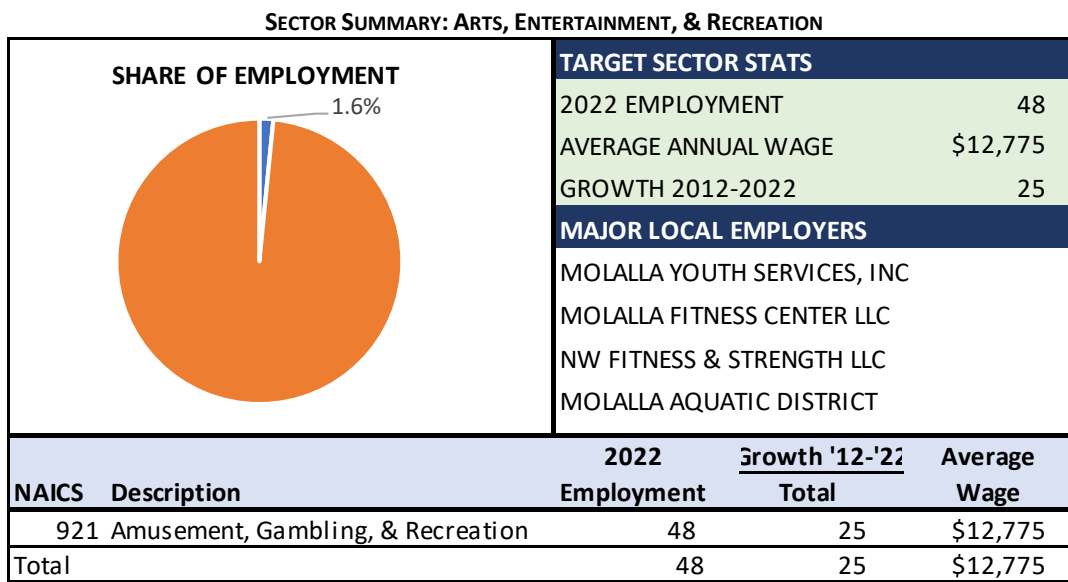
- This sector tends to be dependent on other growth factors.
- Skilled construction workforce is in short supply.
- Current headwinds in development industry including interest rates, land, labor and material costs.



### ARTS, ENTERTAINMENT, & RECREATION

In relation to the need for accommodations and dining to serve desired tourism, the community seeks to grow the arts, entertainment, and recreation sector to help attract and keep visitors in Molalla. Potential amenities might include regional sports tournaments or venues, indoor or outdoor music venues, farm/wine/beer related agritourism events, wedding venues, community festivals and other public events.

Overall, the arts, entertainment, & recreation sector is currently small, representing roughly 2% of all employment in the city of Molalla. This translates to 48 jobs in 2022 with an average annual wage of \$12,257. Employment in the cluster grew by 109% from 2012 through 2022, adding around 25 jobs in total.



Source: Oregon Employment Department

#### Cluster Strengths

- Great location and access to farm, mountain, and forest amenities.
- Opportunity to raise profile as “basecamp”, with related dining/hospitality.

#### Cluster Challenges

- Marketing, awareness as destination.
- Need for more recreation activities and events (i.e. sports or festivals).
- Relatively low wages in tourism-related industries.





## VI. FORECAST OF EMPLOYMENT AND LAND NEED

### CITY OF MOLALLA EMPLOYMENT FORECAST

Goal 9 requires that jurisdictions plan for a 20-year supply of commercial and industrial capacity. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment need forecasts typically begin with a forecast of employment growth in the community. The previous analysis of economic trends and targeted industries set the context for these estimates. This analysis translates those trends into estimates of employment growth by broad industry. Forecasts are produced at the sector or subsector level (depending on available information), and subsequently aggregated into two-digit North American Industry Classification System (NAICS) sectors. Estimates in this analysis are intended for long-range land planning purposes and are not designed to predict or respond to business cycle fluctuation.

The projections in this analysis are built on an estimate of employment in 2024, the commencement year for the planning period. Employment growth will come as the result of net-expansion of existing businesses in the community, new business formation, or the relocation/recruitment of new firms. Forecast scenarios consider a range of factors influencing growth. Long-range forecasts typically rely on a macroeconomic context for growth. The forecast does not consider the impact of a significant exogenous shift in employment such as recruitment of an unforeseen major employer.

### OVERVIEW OF EMPLOYMENT FORECAST METHODOLOGY

Our methodology starts with employment forecasts for major commercial and industrial sectors. Forecasted employment is allocated to building type, and a space demand is a function of the assumed square footage per employee ratio multiplied by projected change. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

**FIGURE 6.1: UPDATE TO BASELINE YEAR AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT**



The first analytical step of the analysis is to update covered employment to the 2024 base year. The Quarterly Census of Employment and Wages (QCEW) data was used to determine the City of Molalla’s covered employment by industry through 2022, the latest year available. To update these estimates, we use observed industry specific growth rates for Clackamas County between 2022 and 2023.

The second step in the analysis is to convert “covered”<sup>3</sup> employment to “total” employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors or commissioned workers. Covered employment was converted to total employment based on observed ratios at

<sup>3</sup> The Department of Labor’s Quarterly Census of Employment and Wages (QCEW) tracks employment data through state employment departments. Employment in the QCEW survey is limited to firms with employees that are “covered” by unemployment insurance.

the national level derived from the Bureau of Economic Analysis from 2014 through 2022. The adjusted 2024 total employment base for the city of Molalla is nearly 3,800 jobs.

**FIGURE 6.2: UPDATE TO 2024 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT, CITY OF MOLALLA**

Major Industry Sector	QCEW Employment			Total Emp. Conversion <sup>2</sup>	2024 Estimate
	2022 Employment	'22-'24 County Δ <sup>1</sup>	2024 Estimate		
Agriculture, forestry, outdoor	726	0.0%	726	75%	968
Construction	127	0.7%	128	81%	157
Manufacturing	269	-0.6%	267	96%	280
Wholesale Trade	137	1.9%	140	88%	159
Retail Trade	432	3.3%	446	82%	547
Transport, Warehousing, Utilities	98	-2.1%	96	75%	129
Information	27	3.8%	28	73%	38
Finance & Insurance	21	-7.0%	20	89%	22
Real Estate	15	-5.0%	14	74%	19
Professional & Technical Services	47	0.8%	47	84%	56
Administration Services	54	0.8%	54	76%	71
Education	205	6.5%	218	79%	277
Health Care/Social Assistance	285	6.5%	304	93%	327
Leisure & Hospitality	361	1.8%	367	83%	441
Other Services	153	0.0%	153	75%	205
Government	93	0.0%	93	100%	93
<b>TOTAL</b>	<b>3,050</b>	<b>1.7%</b>	<b>3,102</b>	<b>82%</b>	<b>3,791</b>

1/Growth rate calculated using CES data for Clackamas County

2/ Bureau of Economic Analysis (2022 County Averages)

SOURCE: Oregon Employment Department, Bureau of Economic Analysis, Johnson Economics

### **SCENARIO 1: “SAFE HARBOR” FORECAST (EMPLOYMENT GROWTH)**

The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide jurisdictions a methodological approach that will not be challenged. The recommended approach for the City of Molalla is based on 660-024-0040(9)(a)(B), which allows using the most recently forecasted population growth rate for the City from the PSU Population Research Center (adopted 2020). The employment growth rate may be assumed to match the population growth rate.

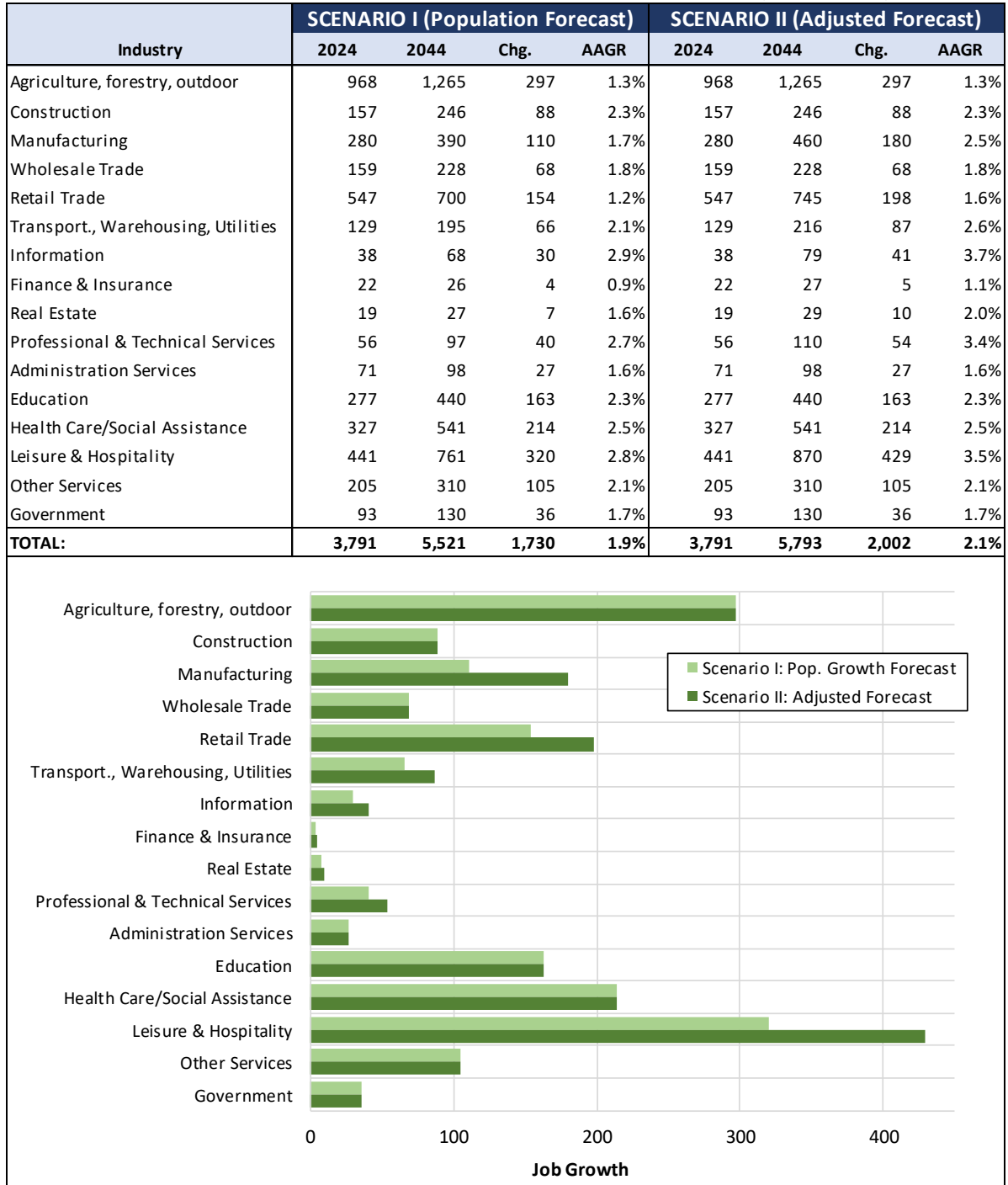
This method results in an average annual growth rate of 1.9%, with a total growth of 1,730 jobs over the forecast period. This approach is taken to form the base forecast of the adjusted forecast described below.

### **SCENARIO 2: ADJUSTED EMPLOYMENT FORECAST**

A second adjusted forecast scenario was influenced by the research and analysis conducted in the EOA. This scenario formulates an employment growth trajectory based on identified trends, an increased growth outlook for targeted industries, and input from the project advisory group. Further, the alternative scenario recognizes that economic development efforts and public policy can influence realized growth in targeted sectors.

The adjusted forecast results in an average annual growth rate of 2.1%, with a total growth of over 2,000 jobs over the forecast period.

**FIGURE 6.3: COMPARISON OF ALTERNATE FORECASTS, CITY OF MOLALLA (2024 - 2044)**



Source: Oregon Employment Department, Johnson Economics

#### **SUMMARY OF EMPLOYMENT FORECAST SCENARIOS**

The two forecast scenarios in this analysis range from 1.9% to 2.1% average annual growth. Job growth estimates range from 1,730 to 2,000 jobs over the 20-year period. Forecasts grounded in broad based economic variables cannot account for all the realities of local businesses and trends among evolving industries. Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information. This is particularly true in a smaller jurisdiction such as Molalla, in which a single large firm's location and/or operational decision may substantively impact the rate of growth.

**FIGURE 6.4: SUMMARY OF PROJECTION SCENARIOS, CITY OF MOLALLA**

Industry	Overall Employment					Net Change by Period				Total 24-44
	2024	2029	2034	2039	2044	24-29	29-34	34-39	39-44	
SCENARIO 1 (Population Growth)										
Agriculture, forestry, outdoor	968	1,035	1,107	1,183	1,265	67	72	77	82	297
Construction	157	176	197	220	246	19	21	23	26	88
Manufacturing	280	304	330	359	390	24	26	29	31	110
Wholesale Trade	159	174	190	208	228	15	16	18	19	68
Retail Trade	547	582	619	658	700	35	37	40	42	154
Transport., Warehousing, Utilities	129	143	158	176	195	14	16	17	19	66
Information	38	44	51	59	68	6	7	8	9	30
Finance & Insurance	22	23	24	25	26	1	1	1	1	4
Real Estate	19	21	23	25	27	2	2	2	2	7
Professional & Technical Services	56	65	74	85	97	8	9	11	12	40
Administration Services	71	77	84	91	98	6	6	7	8	27
Education	277	311	349	392	440	34	38	43	48	163
Health Care/Social Assistance	327	371	421	477	541	44	50	56	64	214
Leisure & Hospitality	441	505	579	664	761	64	74	85	97	320
Other Services	205	228	252	280	310	22	25	27	30	105
Government	93	101	110	119	130	8	9	9	10	36
TOTAL:	3,791	4,159	4,568	5,020	5,521	369	408	452	501	1,730
SCENARIO 2 (Adjusted)										
Agriculture, forestry, outdoor	968	1,035	1,107	1,183	1,265	67	72	77	82	297
Construction	157	176	197	220	246	19	21	23	26	88
Manufacturing	280	317	359	406	460	37	42	47	54	180
Wholesale Trade	159	174	190	208	228	15	16	18	19	68
Retail Trade	547	591	638	689	745	44	47	51	55	198
Transport., Warehousing, Utilities	129	146	167	189	216	18	20	23	26	87
Information	38	46	55	66	79	8	9	11	13	41
Finance & Insurance	22	23	24	26	27	1	1	1	1	5
Real Estate	19	21	24	26	29	2	2	3	3	10
Professional & Technical Services	56	67	79	93	110	10	12	14	17	54
Administration Services	71	77	84	91	98	6	6	7	8	27
Education	277	311	349	392	440	34	38	43	48	163
Health Care/Social Assistance	327	371	421	477	541	44	50	56	64	214
Leisure & Hospitality	441	522	619	734	870	82	97	115	136	429
Other Services	205	228	252	280	310	22	25	27	30	105
Government	93	101	110	119	130	8	9	9	10	36
TOTAL:	3,791	4,207	4,674	5,200	5,793	416	467	526	593	2,002

Source: Oregon Employment Department, Johnson Economics

The forecasts were further broken down into four five-year increments, assuming a consistent rate of growth over the period. We would expect that a twenty-year forecast will include multiple business cycles, and that growth will be variable.

## EMPLOYMENT LAND FORECAST

The next analytical step in our analysis is to convert projections of employment into forecasts of land demand over the planning period. The generally accepted methodology for this conversion begins by allocating employment by sector into a distribution of building typologies those economic activities typically use. As an example, insurance agents typically locate in traditional office space, often along commercial corridors. However, a percentage of these firms are also located in commercial retail space adjacent to retail anchors. Cross tabulating this distribution provides an estimate of employment in each typology.

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for market average vacancy we arrive at an estimate of total space demand for each building type.

Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a “floor area ratio” or FAR. For example, assume a 25,000-square foot general industrial building requires roughly a site of roughly 100k square feet to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.25. Demand for space is then converted to net acres using a standard floor area ratio FAR for each development form.

#### **LAND DEMAND ANALYSIS – ADJUSTED FORECAST SCENARIO**

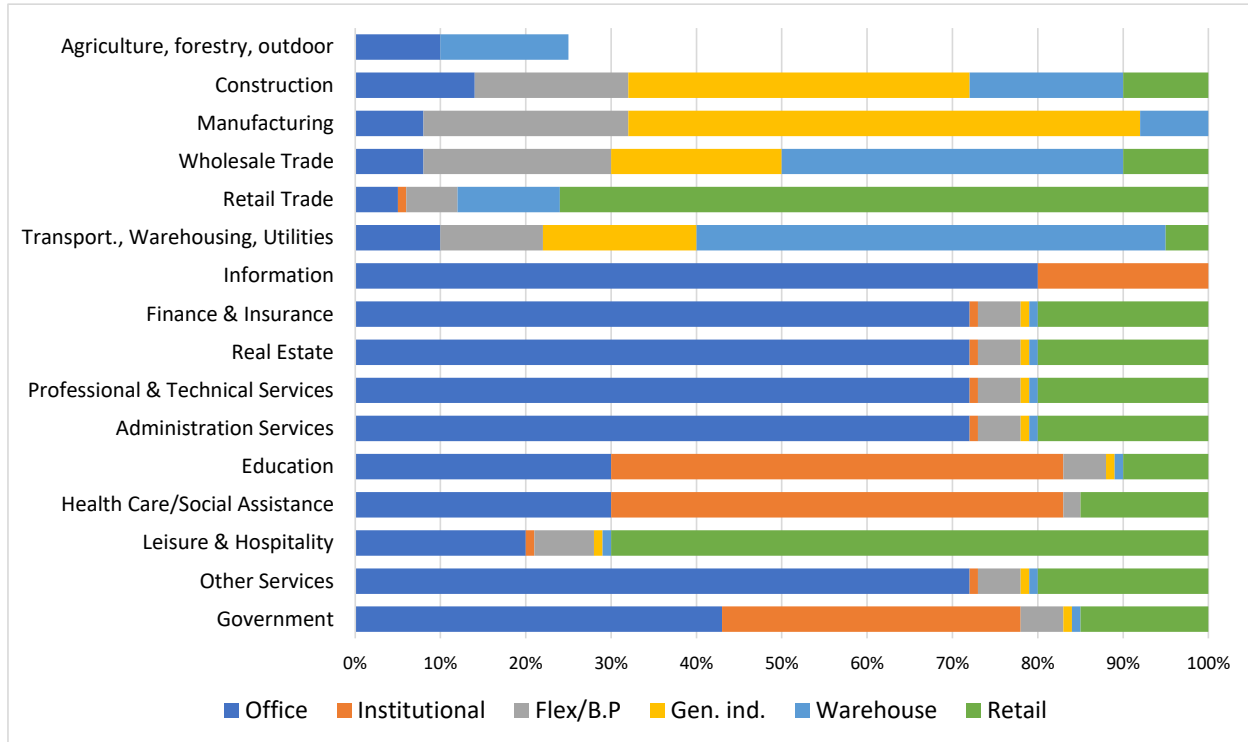
In this analytical step we allocate employment growth to the standard building typologies. The building typology matrix represents the share of sectoral employment that is located across various building types. (Note that only a fraction of employment in the agricultural sector is assumed to need urban real estate, as many of these companies operate in unincorporated areas in the region around the city. Food processing operations are captured under “manufacturing.”)

**FIGURE 6.5: DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE, CITY OF MOLALLA**

Industry Sector	20-year Job Forecast		BUILDING TYPE MATRIX					
	Number	AAGR	Office	Institutional	Flex/B.P	Gen. ind.	Warehouse	Retail
Agriculture, forestry, outdoor	297	1.3%	10%	0%	0%	0%	15%	0%
Construction	88	2.3%	14%	0%	18%	40%	18%	10%
Manufacturing	180	2.5%	8%	0%	24%	60%	8%	0%
Wholesale Trade	68	1.8%	8%	0%	22%	20%	40%	10%
Retail Trade	198	1.6%	5%	1%	6%	0%	12%	76%
Transport., Warehousing, Utilities	87	2.6%	10%	0%	12%	18%	55%	5%
Information	41	3.7%	80%	20%	0%	0%	0%	0%
Finance & Insurance	5	1.1%	72%	1%	5%	1%	1%	20%
Real Estate	10	2.0%	72%	1%	5%	1%	1%	20%
Professional & Technical Services	54	3.4%	72%	1%	5%	1%	1%	20%
Administration Services	27	1.6%	72%	1%	5%	1%	1%	20%
Education	163	2.3%	30%	53%	5%	1%	1%	10%
Health Care/Social Assistance	214	2.5%	30%	53%	2%	0%	0%	15%
Leisure & Hospitality	429	3.5%	20%	1%	7%	1%	1%	70%
Other Services	105	2.1%	72%	1%	5%	1%	1%	20%
Government	36	1.7%	43%	35%	5%	1%	1%	15%
<b>TOTAL</b>	<b>2,002</b>	<b>2.1%</b>	<b>24%</b>	<b>11%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>28%</b>

Source: Johnson Economics

**FIGURE 6.6: ASSUMED DISTRIBUTION OF SPACE BY TYPE AND INDUSTRY SECTOR, CITY OF MOLALLA**



Source: Johnson Economics

**FIGURE 6.7: NET GROWTH IN EMPLOYMENT BY BUILDING TYPE, CITY OF MOLALLA (SCENARIO 2) 2024-2044**

Industry Sector	NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2022-2042						Total
	Office	Institutional	Flex/B.P.	Gen. Ind.	Warehouse	Retail	
Agriculture, forestry, outdoor	30	0	0	0	45	0	74
Construction	12	0	16	35	16	9	88
Manufacturing	14	0	43	108	14	0	180
Wholesale Trade	5	0	15	14	27	7	68
Retail Trade	10	2	12	0	24	150	198
Transport., Warehousing, Utilities	9	0	10	16	48	4	87
Information	32	8	0	0	0	0	41
Finance & Insurance	4	0	0	0	0	1	5
Real Estate	7	0	0	0	0	2	10
Professional & Technical Services	39	1	3	1	1	11	54
Administration Services	20	0	1	0	0	5	27
Education	49	86	8	2	2	16	163
Health Care/Social Assistance	64	113	4	0	0	32	214
Leisure & Hospitality	86	4	30	4	4	301	429
Other Services	75	1	5	1	1	21	105
Government	16	13	2	0	0	5	36
<b>TOTAL</b>	<b>472</b>	<b>228</b>	<b>151</b>	<b>181</b>	<b>182</b>	<b>565</b>	<b>1,779</b>

Source: Johnson Economics

Under the employment forecast scenario, employment housed in retail space accounts for the greatest share of growth, followed by employment housed in office space. The combined employment forecast in commercially zoned space (~1,250 jobs) is somewhat greater than that forecast for industrially zoned space (~515 jobs). Note that the

1,779 total jobs shown here is less than the total employment in the adjusted forecast (2,002 jobs) because not all agricultural jobs require commercial real estate space.

Employment growth estimates by building type are then converted to demand for physical space. This conversion assumes the typical space needed per employee on average. This step also assumes a market average vacancy rate, acknowledging that equilibrium in real estate markets is not 0% vacancy. The analysis assumes a 10% vacancy rate for office, retail, and flex uses, as these forms have high rates of speculative multi-tenant usage. A 5% rate is used for general industrial and warehouse—these uses have higher rates of owner occupancy that lead to lower overall vacancy. Institutional uses are assumed to have no vacancy, as they are typically purpose-built for healthcare, nonprofit, government, or related users.

The demand for space is converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR), based upon the observed FAR in existing Molalla commercial and industrial properties. The combined space and FAR assumptions further provide estimates indicated of job densities, determined on a per net-developable acre basis.

**FIGURE 6.8: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CITY OF MOLALLA  
(ADJUSTED GROWTH FORECAST) – 20-YEAR**

	DEMAND BY GENERAL USE TYPOLOGY, 2020-2040						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
<b>Employment Growth</b>	472	228	151	181	182	565	1,779
<b>Avg. SF Per Employee</b>	350	600	990	600	1,850	500	663
<b>Demand for Space (SF)</b>	165,100	137,000	149,200	108,600	336,900	282,400	1,179,200
<b>Floor Area Ratio (FAR)</b>	0.25	0.30	0.25	0.25	0.20	0.25	0.24
<b>Market Vacancy</b>	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.9%
<b>Implied Density (Jobs/Acre)</b>	28.0	21.8	9.9	17.2	4.5	19.6	14.5
<b>Net Acres Required</b>	16.8	10.5	15.2	10.5	40.7	28.8	122.6
Share for infrastructure (Net-to-Gross)	20%	20%	15%	15%	15%	20%	17%
<b>Gross Acres Required</b>	21.1	13.1	17.9	12.3	47.9	36.0	148.3

Source: Johnson Economics

Commercial office and retail densities are 28 and 20 jobs per acre, respectively. Industrial uses range from 17 for general industrial to less than 5 jobs per acre for warehouse/distribution. The overall weighted employment density is 15 jobs per acre, with the projected 2,000-job expansion in the local employment base through 2044 requiring an estimated 123 net acres, and 148 gross acres of employment land. An estimated 53% of this forecasted need is industrial land, and 47% commercial land. A major reason for this is the lower average employment density typically seen in industrial land use.

## VII. RECONCILIATION OF EMPLOYMENT LAND NEED AND INVENTORY

The inventory of buildable employment land provides a snapshot of the current local capacity to accommodate more businesses and jobs over the planning period. This current available land is compared to the forecasted need for new land over the 20-year planning period, presented in Section VI.

### SUMMARY OF LAND DEMAND (ACRES)

The estimate of future land need is re-presented below. A total need for 148 gross acres was identified across a range of land use and building types, based on the adjusted growth forecast.

**FIGURE 7.1: SUMMARY OF FORECASTED 20-YEAR LAND NEED BY BUILDING TYPOLOGY (MOLALLA)**

	DEMAND BY GENERAL USE TYPOLOGY, 2020-2040						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	472	228	151	181	182	565	1,779
Avg. SF Per Employee	350	600	990	600	1,850	500	663
Demand for Space (SF)	165,100	137,000	149,200	108,600	336,900	282,400	1,179,200
Floor Area Ratio (FAR)	0.25	0.30	0.25	0.25	0.20	0.25	0.24
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	6.9%
Implied Density (Jobs/Acre)	28.0	21.8	9.9	17.2	4.5	19.6	14.5
Net Acres Required	16.8	10.5	15.2	10.5	40.7	28.8	122.6
Share for infrastructure (Net-to-Gross)	20%	20%	15%	15%	15%	20%	17%
Gross Acres Required	21.1	13.1	17.9	12.3	47.9	36.0	148.3

Source: Oregon Employment Department, City of Molalla, Johnson Economics LLC

An estimated 53% of this forecasted need is industrial land (business park, general industrial, warehouse), and 43% commercial land (office, retail, institutional). There is a forecasted need for a total of 66 net (78 gross) acres of industrial land, and 56 net (70 gross) acres of commercial land.

### SUMMARY OF LAND SUPPLY (ACRES)

To assess the remaining supply of buildable employment land suitable to accommodate the 20-year land need, an inventory of land with the proper zoning was conducted. The following is a summary of the results on that inventory. A more detailed explanation of the methodology and findings of the Buildable Land Inventory (BLI) is presented as Appendix A of this report.

The BLI filtered all of the zoned employment land in Molalla by Commercial or Industrial zoning category, environmental constraints that will limit development, and whether the parcel is already developed, vacant, or partially vacant (see Appendix A for more detail). The inventory was vetted to address development projects in the pipeline and known limitations on specific sites that will prevent development on all or a portion of the site.

The following figure presents the estimated net developable acres of land by zone. There are an estimated 55 net acres of buildable Commercial land and an estimated 166 net acres of buildable Industrial land.

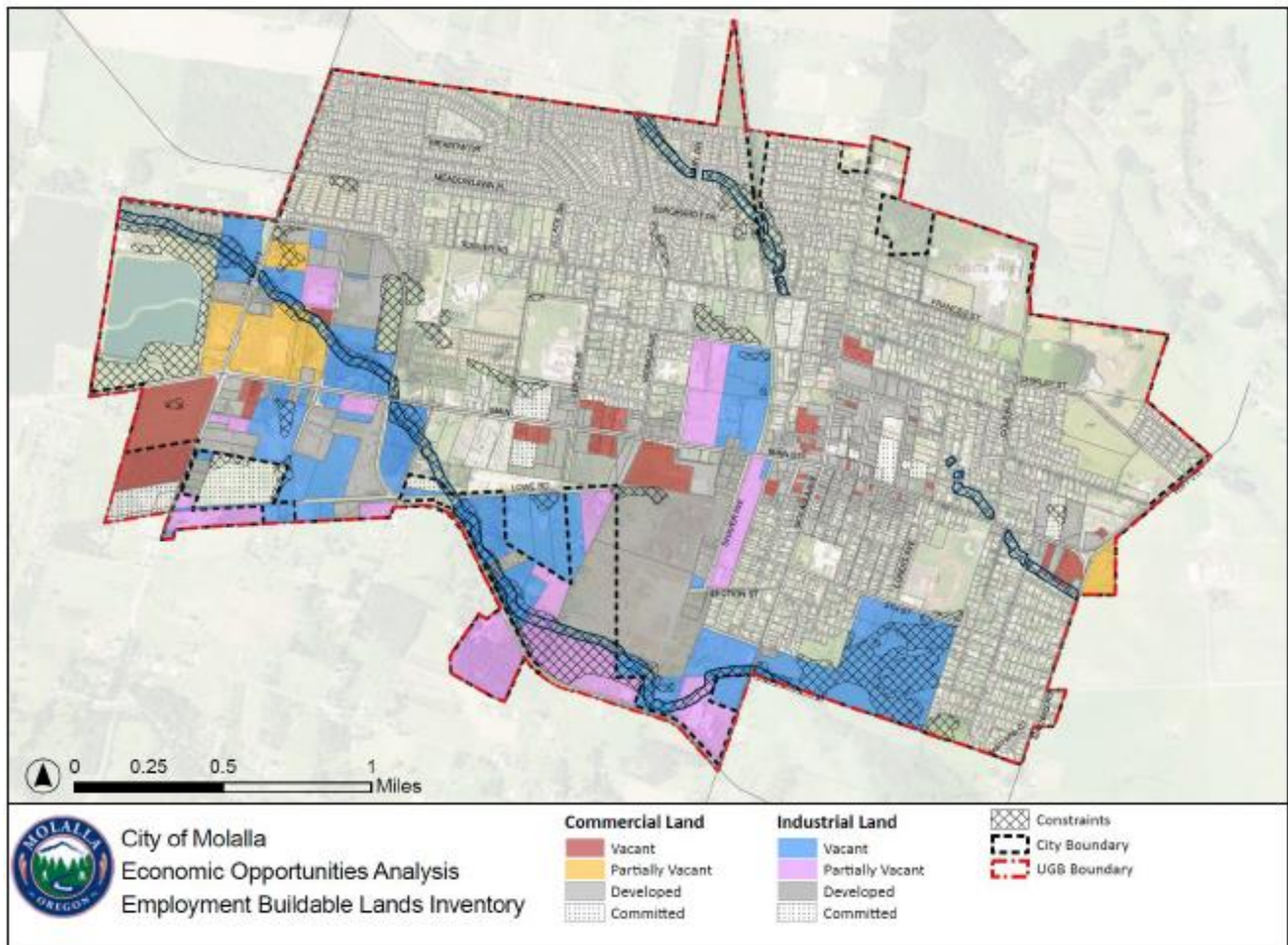


**FIGURE 7.2: BUILDABLE LAND INVENTORY, NET DEVELOPABLE ACRES BY ZONE (MOLALLA)**

	Net Developable Acres on Vacant Parcels	Net Developable Acres on Partially Vacant Parcels	Total Net Developable Acres
General Commercial (C-1)	5.3	0	5.3
Central Commercial (C-2)	38.7	10.7	49.4
<b>Commercial Subtotal</b>	<b>44.0</b>	<b>10.7</b>	<b>54.7</b>
Light Industrial (M-1)	19.5	12.7	32.3
Heavy Industrial (M-2)	109.6	29.8	139.3
Rural Industrial (RI)	2.8	-	2.8
<b>Industrial Subtotal</b>	<b>132.0</b>	<b>42.6</b>	<b>174.6</b>
<b>Total</b>	<b>176.1</b>	<b>53.3</b>	<b>229.4</b>

Source: City of Molalla, MIG

**FIGURE 7.3: BUILDABLE LAND INVENTORY, EMPLOYMENT LAND BY DEVELOPMENT STATUS (MOLALLA)**



Source: City of Molalla, MIG

### COMPARING RECONCILIATION OF 20-YEAR LAND SUPPLY AND DEMAND

Comparing the Buildable Land Inventory to the 20-year forecast of employment land need indicates that the City of Molalla faces a deficit of employment land over the planning period of Commercial land and a surplus of Industrial land. A summary of the comparison of land supply and demand is presented below.

**FIGURE 7.4: RECONCILIATION OF LAND SUPPLY AND 20-YEAR DEMAND (MOLALLA)**

EMPLOYMENT ZONING DESIGNATION	20 YR. DEMAND (Gross Acres)	BUILDABLE LAND (Acres)	SURPLUS OR (DEFICIT) (Gross Acres)
Commercial (Office, Institutional, Retail)	70.2	54.7	(15.4)
Industrial (Gen. Ind., Warehouse, Flex)	78.1	174.6	96.5
<b>TOTAL:</b>	<b>148.3</b>	<b>229.4</b>	<b>81.1</b>

Source: Johnson Economics, MIG

- This analysis indicates that Molalla faces a deficit of 15.5 gross Commercial acres, and a surplus of 96 gross Industrial acres, for a **total employment land surplus of 81 gross acres**.
- It is important to note that some of the forecasted growth will include employers who may have specific site needs and preferences that are not reflected in the available buildable inventory. (See Appendix A for more details on site preferences for certain key industries.) In particular, there is forecasted demand for more suitable medium- and large-lot commercial and industrial sites while relatively few of these sites were found to remain in the inventory that are unconstrained. This is discussed in greater detail below.

### SITE SUPPLY VS. SITE DEMAND (NUMBER AND SIZE OF SITES)

This section compares the more specific site requirements of projected future commercial and industrial users with the specific inventory of prospective employment sites identified within the UGB. Oregon Administrative Rules requires a determination of 20-year employment land need, as well as a determination of need for suitable, readily serviceable land to meet short-term demand.

The following definitions from OAR 660-009-005 are relevant to this discussion:

(2) "Development Constraints" means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas....

(10) "Short-term Supply of Land" means suitable land that is ready for construction within one year of an application for a building permit or request for service extension. Engineering feasibility is sufficient to qualify land for the short-term supply of land. Funding availability is not required. "Competitive Short-term Supply" means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses.

(11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

(12) "Suitable" means serviceable land designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed

As noted in the prior section, the Buildable Land Inventory was screened for major constraints, including current development, floodways, wetlands, steep slopes, and federal ownership. The remaining parcels in the inventory may be buildable but may not meet the specific site requirements of certain users. Others may be part of the long-term supply, but not be well-suited for the short-term supply.

#### **ESTIMATED 20-YEAR SITE NEEDS VS. CURRENT SUPPLY**

The following figures represent the findings of estimated need (Section VI) and current supply (Section VII) of sites by size. Note that the estimate of future needs is approximate, as economic growth is dynamic and difficult to predict. Communities should maintain flexibility and ensure a supply of a variety of site types with short-term availability, as allowed through the Goal 9 EOA process.

Figure 7.5 presents the estimated supply of sites by zoning and site size as found in the BLI. As shown, there are few remaining sites over 10 acres in size in the inventory. In total, there are 61 commercial sites remaining, and 68 industrial sites, most being small sites of under one acre.

Over 91% of sites are under five acres in size, while over 6% are between five and ten acres. Only 2% of sites are greater than ten acres in size. This implies that Molalla needs a greater variety of medium and large sites.

**FIGURE 7.5: SUMMARY OF SITE SUPPLY VS. FORECASTED 20-YEAR NEED  
BY LAND USE AND SITE SIZE (ACRES), MOLALLA**

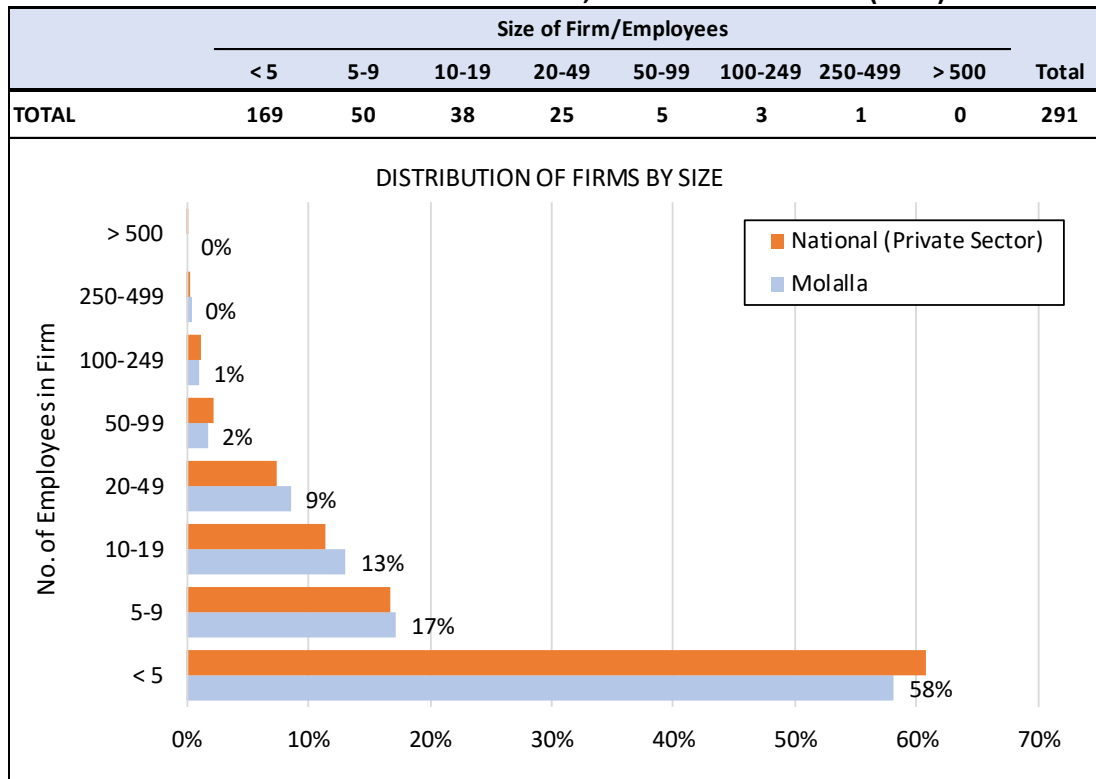
	Number of lots	Net Acres
<b>Commercial</b>		
0 – 1 acres	51	15.6
1-5 acres	7	12.2
5 – 10 acres	2	14.3
>10 acres	1	12.6
<b>Commercial Subtotal</b>	<b>61</b>	<b>54.7</b>
<b>Industrial</b>		
0 – 1 acres	27	11.6
1-5 acres	35	94.3
5 – 10 acres	4	26.5
>10 acres	2	42.1
<b>Industrial Subtotal</b>	<b>68</b>	<b>174.5</b>
<b>Total</b>	<b>129</b>	<b>229.2</b>

Source: City of Molalla, MIG

\* Estimated net developable acres after reductions for right-of-way and infrastructure. Therefore, a site listed as >10 acres might have less than 10 \*net acres\* developable after this assumption is applied.

As is the trend nationwide, most firms in Molalla are small businesses. The number of firms under five employees is 61% nationally, and 58% in Molalla. Those with fewer than 10 employees are 77% of businesses nationwide and 75% locally. However, while large firms of at least 100 employees make up a small percentage of businesses, their high employment means they still represent a significant share of overall employment.

**FIGURE 7.6: NUMBER OF FIRMS BY SIZE, MOLALLA AND NATIONAL (2024)**



Source: Oregon Employment Department, Bureau of Economic Analysis

By applying assumptions of the amount of space and land firms require based on size, we come to an estimate of the number of sites needed for commercial and industrial users from the 20-year growth forecast. Note that many of the smallest firms of one to four people will likely include home businesses, those sharing space in multi-tenant commercial centers, and other arrangements than strictly needing their own sites. Most of the larger firms likely will need their own sites, particularly industrial businesses with externalities that make it difficult to operate in shared space.

While need is weighted towards smaller sites for most businesses that have five or fewer employees, there is also a need for some sites at larger sizes to provide opportunities for new businesses to locate and allow existing businesses to expand.

**Need for medium and large sites:** The comparison of forecasted land demand to the remaining inventory found that there is a deficit of commercial land, and a surplus of industrial land. Through the EOA process, and discussion of interim findings, the advisory committee and local officials expressed the community's desire to have additional medium (5+ acres) and larger sites (20+ acres) available for commercial and industrial users, so that the city could competitively recruit larger businesses.

So while there is surplus of industrial land measured in gross acres, this land is mostly found in fragmented smaller sites. This means that there is a finding of need for additional industrial land and sites to meet the identified community goals.

There is a need for additional sites of 5+, 10+ and 20+ acres for commercial users, and 10+, 20+ and 30+ acres for industrial users (Figures 7.7 and 7.8).

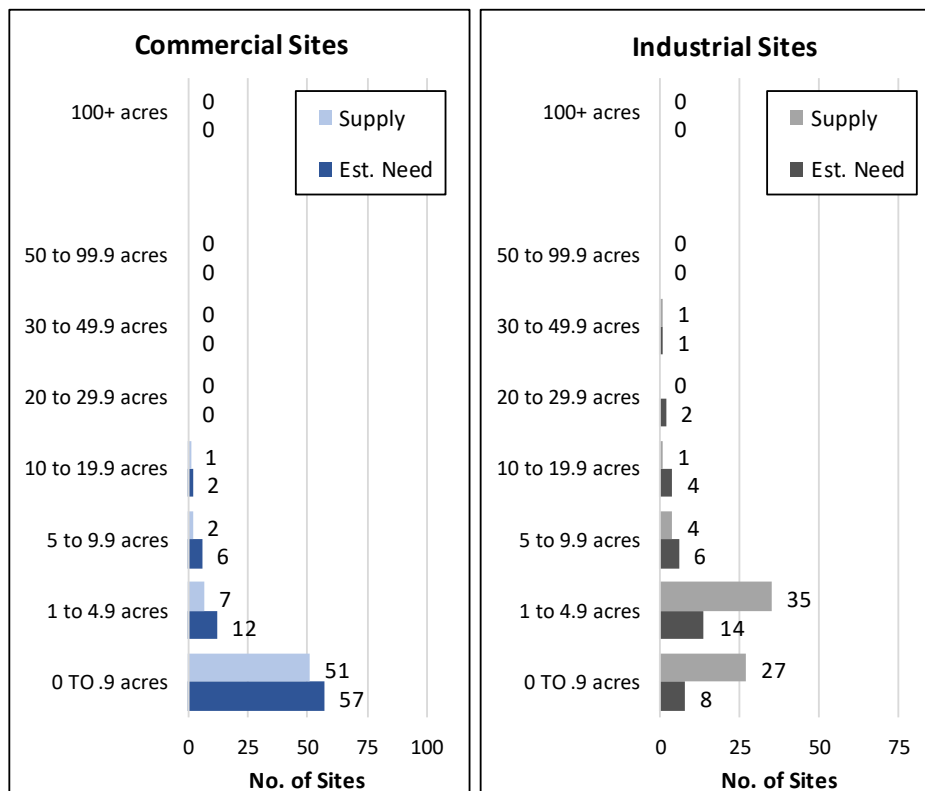
**FIGURE 7.7: ESTIMATE OF FORECASTED 20-YEAR SITE NEED  
BY LAND USE AND SITE SIZE (ACRES)**

LAND USE	0 TO .9 acres	1 to 4.9 acres	5 to 9.9 acres	10 to 19.9 acres	20 to 29.9 acres	30 to 49.9 acres	50+ acres	TOTAL (sites)
Office	22	5	2	1	0	0	0	30
Institutional	4	3	2	0	0	0	0	9
Retail	31	4	2	1	0	0	0	38
<b>Commercial Total:</b>	<b>57</b>	<b>12</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77</b>
Flex/B.P	1	5	2	1	0	0	0	9
Gen. Ind.	5	4	2	1	1	0	0	13
Warehouse	2	5	2	2	1	1	0	13
<b>Industrial Total:</b>	<b>8</b>	<b>14</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>35</b>
Center	0	0	0	0	0	0	0	0
<b>TOTAL:</b>	<b>65</b>	<b>26</b>	<b>12</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>112</b>

Source: Oregon Employment Department, BEA, Johnson Economics LLC

Figure 7.8 presents a side-by-side comparison of forecasted need and current supply (inventory) by site size.

**FIGURE 7.8: SUMMARY OF FORECASTED 20-YEAR SITE NEED VS. SITE SUPPLY  
BY LAND USE AND SITE SIZE (ACRES), MOLALLA**



Source: Oregon Employment Department, Molalla, Johnson Economics LLC

The forecasted need for sites of different sizes does not match exactly with the current supply. The demand for commercial sites (retail/office/institutional) and industrial (general industrial, warehousing, multi-tenant flex park) exceeds the current supply.

It is estimated that commercial site need exceeds supply for most site sizes. There is one identified commercial site of 12.5 acres.

For industrial users, the number of smaller sites is estimated to be sufficient, while sites over 10 acres are undersupplied. There is one remaining site of under 12 acres, and one remaining consolidated site of over 35 acres.

#### **FINDINGS OF NEW SITE NEEDS – COMMERCIAL AND INDUSTRIAL**

Figure 7.9 summarizes the findings of the number and size of sites that are estimated to be needed over the 20-year planning period, *in addition* to the current remaining inventory of buildable land.

**FIGURE 7.9: SUMMARY OF FORECASTED \*NEW\* SITE NEED & ESTIMATED ACREAGE**

Site Size	Commercial		Industrial		Total	
	# of Needed Sites	Total acres (=/-)	# of Needed Sites	Total acres (=/-)	# of Needed Sites	Total acres (=/-)
< 5 acres	11	11	0	0	11	11
5 acres (+/-)	4	20	2	10	6	30
10 acres (+/-)	1	10	3	30	4	40
20 acres (+/-)	0	0	2	40	2	40
30 acres (+/-)	0	0	0	0	0	0
<b>TOTAL:</b>	<b>16 Sites</b>	<b>41 Acres (+/-)</b>	<b>7 Sites</b>	<b>80 Acres (+/-)</b>	<b>23 Sites</b>	<b>121 Acres (+/-)</b>

Source: Oregon Employment Department, Molalla, Johnson Economics LLC

## VIII. FINDINGS AND RECOMMENDATIONS

### SUMMARY OF FINDINGS

The EOA report points to several key conclusions regarding economic development goals and target industries in Molalla over the next 20 years. It also quantifies projected employment growth and land need within the UGB, and the adequacy of the current supply of employment land to meet that need.

#### **Employment Growth**

Molalla is home to an estimated 3,800 jobs as of 2024. The largest sectors by number of jobs are agriculture, forestry supportive firms, retail trade, food service and health care.

Based on a forecasted annual growth rate of 2.1%, the city is expected to add roughly 2,000 jobs by 2044. The greatest growth in number of jobs is projected to be in many of the same strong sectors, along with education and manufacturing. The forecasted 20-year employment growth would improve the balance of locally available jobs to the number of workers in Molalla. It would also emphasize higher wage industries to support these local households.

Broken down into broad categories of employment that tends to use commercial office/retail space, or that tends to use industrial space, the analysis forecasts that the 20-year demand for new employment land will be somewhat more weighted towards industrial land (53%) than commercial land (47%).

#### **Expanding & Target Industries**

The city has current advantages in several key industries including retail, forestry and wood manufacturing. However, in keeping with the identified economic objectives, a range of potential target industries for growth were identified through this process.

The target industries reflect industries where the area has shown historic strength, as well as sectors with robust growth potential and consistency with the locally expressed vision for the community:

- 1) Manufacturing
- 2) Health Care and Social Assistance
- 3) Retail Trade
- 4) Accommodation & Food Services
- 5) Construction
- 6) Arts, Entertainment & Recreation

Supporting growth in a range of industries will help the community build a more diverse and sustainable employment and tax base for the future and be more resilient to economic impacts on the traditional local industries.

#### **Employment Land Need**

The EOA analysis finds that the forecasted 20-year job growth by industry will translate to a need for 123 total net acres (148 gross acres) of land zoned for employment uses. The distribution of land demand between commercial uses (Office, Institutional, Retail) and industrial uses (Industrial, Warehouse, Business Park) leans towards industrial (53% vs. 47%).

A range of site sizes will be needed ranging from small to large to accommodate the projected business expansion. Different commercial and industrial users have different site requirements driven by the specific nature of their business operations, firm size, location and infrastructure requirements, and other factors.

### **Adequacy of Employment Land Supply**

The Buildable Land Inventory (BLI) of employment lands completed in conjunction with the EOA found a total of 221 net buildable acres in Commercial and Industrial zones.

- The projected 20-year need for Commercial land trails the supply, with an estimated 55 acres of commercial land remaining to meet a projected need for 70 acres. This indicates a deficit of 15 acres of Commercial land.
- There is a projected supply of 175 acres of Industrial land to meet the forecasted need of 78 acres. This indicates a surplus of 97 acres of Industrial land.
- The total estimated surplus of employment land is 81 gross acres.
- 91% of the remaining contiguous development sites in Molalla are under five acres in size, with most being one acre or less. Only three contiguous sites of more than 10 acres remain, including one industrial site of over 35 acres. Molalla is without land to meet the needs of many medium to large employers.
- The following table summarizes the estimated need for new sites, in addition to the remaining buildable land inventory, to address the finding of a deficit of commercial lands and meet the identified community goals towards economic development on industrial land.

**FIGURE 8.1: SUMMARY OF FORECASTED \*NEW\* SITE NEED & ESTIMATED ACREAGE**

Site Size	Commercial		Industrial		Total	
	# of Needed Sites	Total acres (=/-)	# of Needed Sites	Total acres (=/-)	# of Needed Sites	Total acres (=/-)
< 5 acres	11	11	0	0	11	11
5 acres (+/-)	4	20	2	10	6	30
10 acres (+/-)	1	10	3	30	4	40
20 acres (+/-)	0	0	2	40	2	40
30 acres (+/-)	0	0	0	0	0	0
<b>TOTAL:</b>	<b>16 Sites</b>	<b>41 Acres (+/-)</b>	<b>7 Sites</b>	<b>80 Acres (+/-)</b>	<b>23 Sites</b>	<b>121 Acres (+/-)</b>

Source: Oregon Employment Department, Molalla, Johnson Economics LLC



## EOA IMPLEMENTATION RECOMMENDATIONS

This section discusses a range of strategies and/or action items that the city may consider that are consistent with the findings of this report. (Adoption of this report does not imply official commitment to any of these steps although some of these strategies may be incorporated in Comprehensive Plan policies in some form.)

PROVIDE AN ADEQUATE SUPPLY OF EMPLOYMENT LAND & SITES		
CORE INITIATIVE		
	Actions	Notes
MEET INDUSTRIAL AND COMMERCIAL LAND NEEDS		
1	Establish and maintain a competitive short-term and long-term supply of employment land, in readily developable sites.	The City should maintain an inventory of available employment land to meet the 20-year economic development needs of the community, including identifying sites of varying sizes that can be readily served with new infrastructure in the short-term. <u>Options:</u> UGB swap or expansion to increase the land supply; rezoning of other land categories to employment categories; public effort to prioritize and serve key employment areas.
2	Prioritize serving key industrial subareas and sites in the TSP and Capital Improvement Plan	Given limited public resources, ensure that all planning efforts reflect the prioritization and sequencing of infrastructure projects to serve key sites and areas.
3	Encourage infill, redevelopment and/or adaptive reuse of obsolete or underused properties in current employment zones.	Some existing commercial and retail space in the Downtown area and along commercial corridors might be more intensively used, accommodating more job growth in existing employment areas. More intensive development and mixed-use construction often encounter a feasibility gap between costs and end value. Common approaches to bridging this gap include TIF funding, tax credit programs, tax incentives, and public/private partnerships.
4	Inventory properties that might be good opportunity sites for potential public/private catalyst projects.	Public control of a property by the City, TIF agency, or other public agency provides the public with a valuable incentive with which to forge a public/private deal that provides public benefits that a private development might not. Examples include incentivizing the developer to build at greater density, mixed uses, design elements, transit-oriented or other design elements, and other public goods.
5	Evaluate assisting in wetland mitigation to increase developable land inventory, including creating or partnering in a wetland mitigation bank	Costs of mitigating can be prohibitive for industrial users while on-site mitigation reduces usable site area and can be difficult for a business operator to maintain over time. Mitigation banks allow for off-site mitigation. Credits at existing banks can be difficult or expensive to obtain. A local bank would provide more certainty for mitigation; however, an extensive interagency process is involved.

6	Facilitate clean up and utilization of identified brownfield sites	Work with the appropriate agencies to identify requirements, as well as potential funding sources, to bring environmentally contaminated sites to productive use. Possible incentives include local and state tax abatement programs, and surcharge-based clean up funds.
<b>POLICY AND CODE STRATEGIES</b>		
7	Continue to improve and streamline development regulations and review processes where possible, to reduce cost and time, and provide predictability.	The community and city work to be development and employer friendly.
8	Ensure that applicable Comp Plan designations and zoning allow the mix of uses sought in employment areas, and if necessary, limit those uses that don't contribute to goals.	Ensure that the desired zones are in place and permit the uses that are foreseen in the City's existing and future employment areas. Where current zoning does not match the vision, consider rezoning, or amending zone standards.
9	Review and update Development Code language to support the desired development types and streetscape initiatives.	A review of code standards can reveal where the adopted standards for elements like building height, setbacks, floor-area-ratio, parking, etc. may be posing difficulties in achieving feasible development in the target industries. Some large-lot commercial businesses and industrial users may benefit from more flexibility in site and building design to allow for creative design solutions and make projects more feasible.

<b>TARGET INDUSTRIES AND BUSINESS DEVELOPMENT</b>		
<b>CORE INITIATIVE</b>		
	<b>Actions</b>	<b>Notes</b>
<b>SUPPORT AND EXPAND EMPLOYMENT IN TARGETED INDUSTRIES</b>		
10	Adopt and regularly update target industry profiles.	Industry patterns can change significantly over time, and target industries should be assessed regularly for progress on metrics like job creation and new firms.
11	Maintain and enhance business outreach and communication.	Coordinate business cluster and employment district networking opportunities. Participate in efforts of major regional economic development partners. Potential actions in support of this strategy include developing and updating marketing materials, attending industry tradeshows, following up on referrals by partner organizations, publicizing the success of local businesses, and highlighting competitive advantages of the area for proposals.
12	Develop a marketing plan to attract businesses within the identified target industry business sectors.	Assemble and distribute materials of specific interest to targeted industries and identify key industry groups.

13	Support and engage regional and statewide partners.	Regularly meet and coordinate with groups such as the Chamber of Commerce, SEDCOR, Clackamas County, and Business Oregon. Promote available employment space and land.
14	Regularly update Oregon Prospector to promote available employment space and land to site selectors.	Business Oregon provides the Oregon Prospector tool which provides open, free data on available employment lands across the state, including both industrial and commercial properties. Ensure that all key sites are listed, and information is accurate and up to date.
15	Promote locally available tools: Enterprise Zone and Urban Renewal Grant Programs.	In all site listings and marketing materials, ensure that the benefits of the existing zones are mentioned where applicable.
<b>SUPPORT SMALL BUSINESS DEVELOPMENT</b>		
16	Develop and/or market programs to assist emerging and under-capitalized firms	Technical assistance, micro loans, storefront improvement programs, master leases, and credit enhancement. Refer businesses to partner agencies providing grants, training, and other programs.
17	Evaluate development of incubator space, or shared or collective space.	<p>A shared work or incubator space, often affiliated with a college, economic development agency, or other agency, to provide space for small but promising companies to work and collaborate in a subsidized environment while they grow.</p> <p>Or repurpose existing space to support multi-tenant maker space. These provide small spaces for craftsmen and artisans to work and share tools and knowledge, to incubate new businesses.</p>
18	Connect small business opportunities with property owners.	The City can serve as a clearinghouse or matchmaker, matching business needs with local property owners. This could include food carts, which can serve as an incubator for future food service tenants. Consider using public land for food carts, artisan fair, or similar small businesses.
<b>WORKFORCE INITIATIVES</b>		
19	Support connections between local industry, K-12, CCC, and state education and training courses.	Help match training programs to employers, potentially coordinating internships, or regular interaction with local businesses. Ensure that these programs address target industries in particular and stay up to speed on rapidly evolving industry norms and technology.
20	Promote workforce training resources.	Increase knowledge of existing resources for job seekers.
21	Ensure the housing policies allow for an appropriate mix of housing for the local workforce.	The community should strive to provide the full range of housing types and price points to meet the needs to the full workforce and encourage residents to both live and work in Molalla.

22	Support local affordable housing developers	Some low-wage positions are a foundational component of any local economy, and most industries rely on this workforce either primarily, or through their supporting firms. Subsidized affordable housing is one key segment of the workforce housing puzzle.
23	Prioritize childcare as a workforce readiness issue.	Childcare is a commonly identified need for working households if all adults are working, or working unusual hours, etc. This topic is increasingly raised as an important part of attracting and maintaining an available workforce. Home-based childcare businesses are also usually a category of self-employment.

## **APPENDIX A: INDUSTRIAL COMPETITIVE SITE NEEDS**

**STATE OF OREGON - Infrastructure Finance Authority**  
**Industrial Development Competitiveness Matrix**



PROFILE   CRITERIA			Production Manufacturing		Value-Added Manufacturing and Assembly		Light / Flex Industrial			Warehousing & Distribuiton		Specialized		
			A	B	C	D	E	F	G	I	H	J	K	L
			Heavy Industrial / Manufacturing	High-Tech / Clean-Tech Manufacturing	Food Processing	Advanced Manufacturing & Assembly	General Manufacturing	Industrial Business Park and R&D Campus	Business / Admin Services	Regional Warehouse / Distribution	Local Warehouse / Distribution	UVA Manufacturing / Research	Data Center	Rural Industrial
1	GENERAL REQUIREMENTS		Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.											
2	PHYSICAL SITE	Competitive Acreage*												
	TOTAL SITE SIZE**		10 - 100+	5 - 100+	5 - 25+	5 - 25+	5 - 15+	20 - 100+	5 - 15+	20 - 100+	10 - 25+	10 - 25+	20 - 100+	5 - 25+
3	COMPETITIVE SLOPE:	Maximum Slope	0 to 5%	0 to 5%	0 to 5%	0 to 7%	0 to 5%	0 to 7%	0 to 12%	0 to 5%	0 to 5%	0 to 7%	0 to 7%	0 to 5%
4	WORKFORCE	People												
	AVAILABLE WORKFORCE POPULATION IN 50 MILE RADIUS:		30,000	150,000	20,000	60,000	30,000	750,000	25,000	75,000	20,000	60,000	10,000 - 25,000	1,000
5	TRANSPORTATION	Average Daily Trips per Acre												
	TRIP GENERATION:		40 to 60 (ADT / acre)	40 to 60 (ADT / acre)	50 to 60 (ADT / acre)	40 to 60 (ADT / acre)	40 to 50 (ADT / acre)	60 to 150 (ADT / acre)	170 to 180 (ADT / acre)	40 to 80 (ADT / acre)	40 to 80 (ADT / acre)	40 to 80 (ADT / acre)	20 to 30 (ADT / acre)	40 to 50 (ADT / acre)
6	MILES TO INTERSTATE OR OTHER PRINCIPAL ARTERIAL:	Miles	w/ in 10	w/ in 10	w/ in 30	w/ in 15	w/ in 20	N/A	N/A	w/ in 5 (only interstate or equivalent)	w/ in 5 (only interstate or equivalent)	N/A	w/ in 30	N/A
7	RAILROAD ACCESS:	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Avoid	N/A
8	PROXIMITY TO MARINE PORT:	Dependency	Preferred	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Preferred	Preferred	Not Required	Not Required	N/A
9	PROXIMITY TO REGIONAL COMMERCIAL AIRPORT:	Dependency	Preferred	Competitive	Preferred	Competitive	Preferred	Required	Preferred	Preferred	Preferred	Preferred	Competitive	N/A
		Distance (Miles)	w/ in 60	w/ in 60	w/ in 60	w/ in 30	w/ in 60	w/ in 30	w/ in 60	w/ in 60	w/ in 60	w/ in 30	w/ in 60	N/A
10	PROXIMITY TO INTERNATIONAL AIRPORT:	Dependency	Preferred	Competitive	Preferred	Competitive	Preferred	Competitive	Preferred	Preferred	Preferred	Competitive	Preferred	N/A
		Distance (Miles)	w/ in 300	w/ in 300	w/ in 300	w/ in 100	w/ in 300	w/ in 100	w/ in 300	w/ in 300	w/ in 300	w/ in 100	w/ in 300	N/A

**STATE OF OREGON - Infrastructure Finance Authority**  
**Industrial Development Competitiveness Matrix**



<div> <div></div> <div>PROFILE</div> <div>CRITERIA</div> </div>			Production Manufacturing		Value-Added Manufacturing and Assembly		Light / Flex Industrial			Warehousing & Distribution		Specialized		
			A	B	C	D	E	F	G	I	H	J	K	L
			Heavy Industrial / Manufacturing	High-Tech / Clean-Tech Manufacturing	Food Processing	Advanced Manufacturing & Assembly	General Manufacturing	Industrial Business Park and R&D Campus	Business / Admin Services	Regional Warehouse / Distribution	Local Warehouse / Distribution	UVA Manufacturing / Research	Data Center	Rural Industrial
11	WATER:	UTILITIES												
		Min. Line Size (Inches/Dmtr)	8" - 12"	12" - 16"	12" - 16"	8" - 12"	6" - 10"	8" - 12"	4" - 6"	4" - 8"	4" - 6"	4" - 8"	16"	4" - 8"
		Min. Fire Line Size (Inches/Dmtr)	10" - 12"	12" - 18"	10" - 12"	10" - 12"	8" - 10"	8" - 12"	6" - 10"	10" - 12"	6" - 8"	6" - 10"	10"-12"	6" (or alternate source)
		High Pressure Water Dependency	Preferred	Required	Required	Preferred	Not Required	Preferred	Not Required	Not Required	Not Required	Not Required	Required	Not Required
12	SEWER:	Flow Gallons per Day per Acre	1600 (GPD / Acre)	5200 (GPD / Acre)	3150 (GPD / Acre)	2700 (GPD / Acre)	1850 (GPD / Acre)	2450 (GPD / Acre)	1600 (GPD / Acre)	500 (GPD / Acre)	500 (GPD / Acre)	1600 (GPD / Acre)	50-200 (Gallons per MWh) †	1200 (GPD / Acre)
		Min. Service Line Size (Inches/Dmtr)	6" - 8"	12" - 18"	10" - 12"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	4"	4"	6"	8"-10"	4" - 6" (or on-site source)
		Flow (Gallons per Day per Acre)	1500 (GPD / Acre)	4700 (GPD / Acre)	2600 (GPD / Acre)	2500 (GPD / Acre)	1700 (GPD / Acre)	2000 (GPD / Acre)	1600 (GPD / Acre)	500 (GPD / Acre)	500 (GPD / Acre)	1300 (GPD / Acre)	1000 (GPD / Acre) ‡	1000 (GPD / Acre)
		Preferred Min. Service Line Size (Inches/Dmtr)	4" - 6"	6"	4"	6"	4"	6"	2"	2"	2"	2"	4"	N/A
13	NATURAL GAS:	On Site	Competitive	Competitive	Preferred	Competitive	Competitive	Competitive	Preferred	Preferred	Preferred	Preferred	Preferred	Preferred
		Minimum Service Demand	2 MW	4-6 MW	2-6 MW	1 MW	0.5 MW	0.5 MW	0.5 MW	1 MW	1 MW	0.5 MW	5-25 MW	1 MW
		Close Proximity to Substation	Competitive	Competitive	Not Required	Competitive	Preferred	Competitive	Preferred	Not Required	Not Required	Not Required	Required, could be on site	Not Required
		Secondary System Dependency	Required	Preferred	Not Required	Required	Not Required	Competitive	Required	Not Required	Not Required	Not Required	Required	Not Required
14	ELECTRICITY:	Major Communications Dependency	Preferred	Required	Preferred	Required	Required	Required	Required	Preferred	Preferred	Required	Required	Preferred
		Route Diversity Dependency	Not Required	Required	Not Required	Required	Not Required	Preferred	Required	Not Required	Not Required	Not Required	Required	Not Required
		Fiber Optic Dependency	Preferred	Required	Preferred	Required	Preferred	Required	Required	Preferred	Preferred	Required	Required	Not Required
15	TELECOMMUNICATIONS:													

STATE OF OREGON - Infrastructure Finance Authority  
Industrial Development Competitiveness Matrix



<div> <div></div> <div>PROFILE</div> </div> <div>CRITERIA</div>		Production Manufacturing		Value-Added Manufacturing and Assembly		Light / Flex Industrial			Warehousing & Distribution		Specialized		
		A	B	C	D	E	F	G	I	H	J	K	L
		Heavy Industrial / Manufacturing	High-Tech / Clean-Tech Manufacturing	Food Processing	Advanced Manufacturing & Assembly	General Manufacturing	Industrial Business Park and R&D Campus	Business / Admin Services	Regional Warehouse / Distribution	Local Warehouse / Distribution	UVA Manufacturing / Research	Data Center	Rural Industrial
16	<b>SPECIAL CONSIDERATIONS:</b>  	Adequate distance from sensitive land uses (residential, parks, large retail centers) necessary. High throughput of materials. Large yard spaces and/or buffering required. Often transportation related requiring marine/rail links.	Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.	May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.	Surrounding environment of great concern (vibration, noise, air quality, etc.). Increased setbacks may be required. Onsite utility service areas. Avoid sites close to wastewater treatment plants, landfills, sewage lagoons, and similar land uses. Lower demands for water and sewer treatment than High-Tech Manufacturing.	Adequate distance from sensitive land uses (residential, parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.	High diversity of facilities within business parks. R&D facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.	Relatively higher parking ratios may be necessary. Will be very sensitive to labor force and the location of other similar centers in the region. High reliance on telecom infrastructure.	Transportation routing and proximity to/from major highways is crucial. Expansion options required. Truck staging requirements mandatory. Minimal route obstructions between the site and interstate highway such as rail crossings, drawbridges, school zones, or similar obstacles.	Transportation infrastructure such as roads and bridges to/from major highways is most competitive factor.	Must be located within or near FAA-regulated UAV testing sites. Moderate utility demands. Low reliance on transportation infrastructure.	Larger sites may be needed. The 25 acre site requirement represents the more typical site. Power capacity, water supply, and security are critical. Surrounding environment (vibration, noise, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.	Located in more remote locations in the state. Usually without direct access (within 50 miles) of Interstate or City of more than 50,000 people.

Mackenzie; Business Oregon

Terms:

<div> <div>More Critical</div> <div>↑</div> <div>Less Critical</div> </div>	'Required' factors are seen as mandatory in a vast majority of cases and have become industry standards
	'Competitive' significantly increases marketability and is <u>highly recommended by Business Oregon</u> . May also be linked to financing in order to enhance the potential reuse of the asset in case of default.
	'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.
* Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.	
**Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space	
† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).	
‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.	



## **APPENDIX B: BUILDABLE LAND INVENTORY**

### **METHODOLOGY AND FINDINGS**

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# Employment Buildable Lands Inventory

## City of Molalla Economic Opportunities Analysis

Date March 10, 2025  
To City of Molalla  
From Andrew Parish and Sun-Gyo Lee, MIG  
CC Brendan Buckley, Johnson Economics

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### INTRODUCTION

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This memorandum describes the methodology and results of the Buildable Lands Inventory (BLI) for the City of Molalla's Economic Opportunities Analysis (EOA). This analysis supports the broader EOA by identifying the amount and types of land available for employment uses in the City's Urban Growth Boundary (UGB). The findings of the BLI will be compared to the forecast of needed employment land in order to quantify the surplus or deficiency of land in any or all of the City's commercial and industrial land categories.

### REGULATORY BASIS

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This BLI is consistent with the following requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009) as they pertain to BLIs. The BLI supports an Economic Opportunities Analysis that is currently underway.

1. **Economic Opportunities Analysis (OAR 660-009-0015).** The Economic Opportunities Analysis (EOA) requires communities to:
  - Identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends;
  - Identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on site characteristics typical of expected uses;
  - Include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and

- Estimate the types and amounts of industrial and other employment uses likely to occur in the planning area.
2. **Industrial and commercial development policies (OAR 660-009-0020).** Cities with a population over 2,500 are required to enact commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

## METHODOLOGY

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Consistent with OAR 660-009-0015, the BLI is conducted in several steps as follows.

- **Step 1: Identify Land Type** – This step identifies all land within the UGB as either “Residential,” “Employment,” or “Other,” based on zoning and additional characteristics. Employment lands are the focus of this BLI.
- **Step 2: Identify and Calculate Constraints** – This step identifies development constraints and removes constrained land from the inventory to measure the amount of developable land more accurately within the UGB.
- **Step 3: Classify Land by Development Status** – This step classifies land into categories of “Vacant,” “Partially Vacant,” “Developed,” and “Committed,” based on a series of filters using available data.
- **Step 4: Inventory Results** – This step reports the results of the analysis in various ways, and accounts for land needed for right-of-way and other public uses to arrive at total developable net acreage within the UGB.

The remainder of this memorandum addresses each of the above steps in turn.

### Input Data

The following data sources were utilized in this analysis.

- City limits and Urban Growth Boundary, provided by City of Molalla
- Zoning districts, provided by City of Molalla
- Tax lot data, provided by City of Molalla
- Riparian Corridor, provided by City of Molalla
- Local Wetland Inventory, provided by City of Molalla

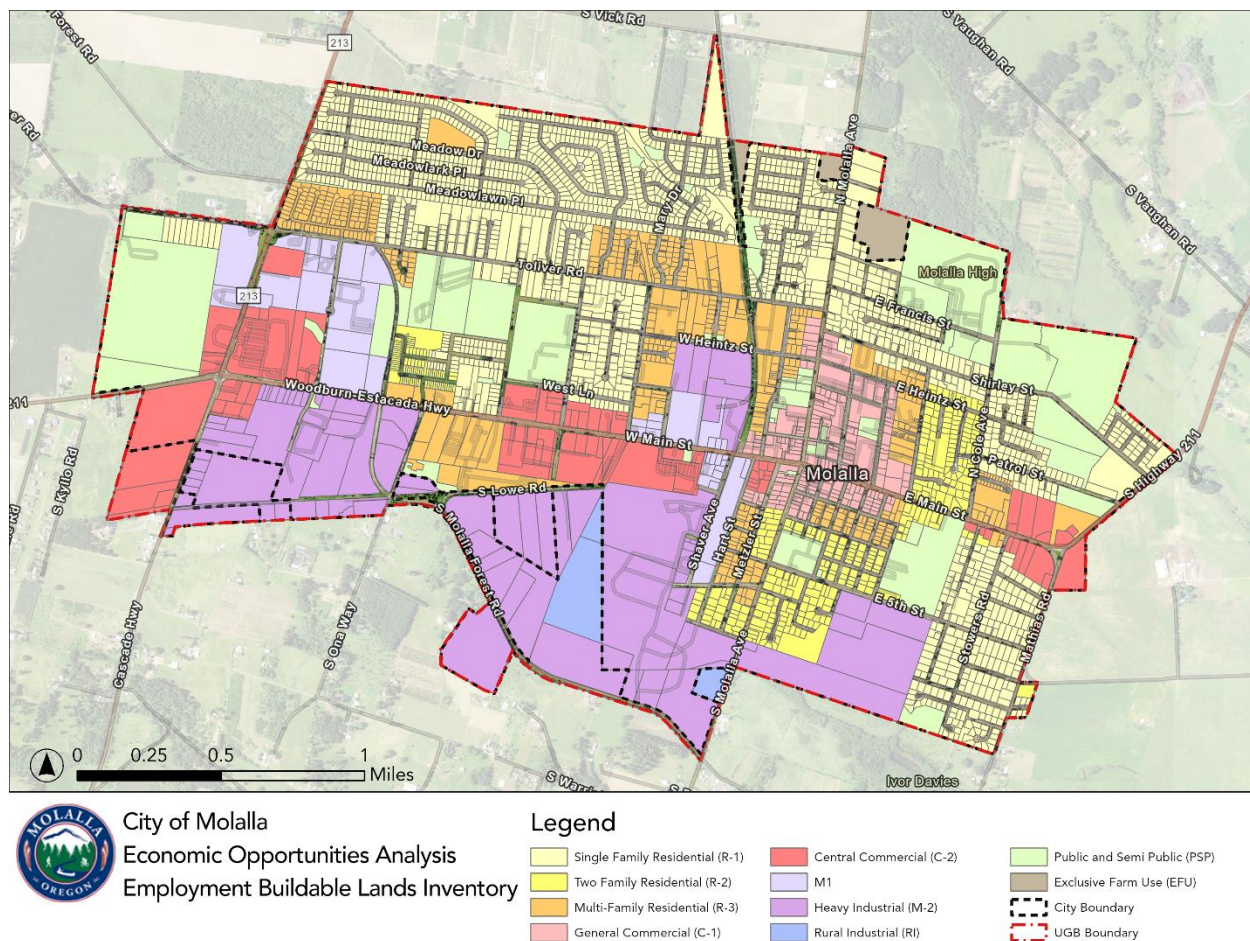
- Aerial Imagery, provided by Oregon Spatial Data Library

## Step 1: Identify Land Type

Land in the City of Molalla is categorized as Residential, Employment, or Other based on zoning designation and other factors. Zoning designations in the City of Molalla are shown in Figure 1. Table 1 describes the zoning designations that make up each land category. Additional reclassifications may be made based on site ownership and other characteristics.

Figure 2 shows the classification of land within the City of Molalla.

Figure 1: Molalla Zoning Designations





Category	Zones
Residential	Single Family Residential, Two Family Residential, Multi-Family Residential
Employment	General Commercial, Central Commercial, Light Industrial, Heavy Industrial, Rural Industrial (Clackamas County)
Other	Public and Semi Public, Exclusive Farm Use (Clackamas County)

**City of Molalla**  
Economic Opportunities Analysis  
Employment Buildable Lands Inventory

**Legend**

- Residential
- Employment
- Other
- City Boundary
- UGB Boundary

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Table 2: Land Type

Category	Number of Tax lots	Gross Acres <sup>1</sup>	Percent of Area
Employment	413	629.2	41.1%
Residential	2,734	633.1	41.4%
Other	61	268.3	17.5%
<b>Total</b>	<b>3,208</b>	<b>1,530.6</b>	<b>100.0%</b>

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<sup>1</sup> Gross acreage includes a limited number of tax lots that are partially located inside the Molalla UGB.

## Step 2: Calculate Constraints

OAR 660-009-005 states:

*“Development Constraints” means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.*

The constraints used for this analysis include:

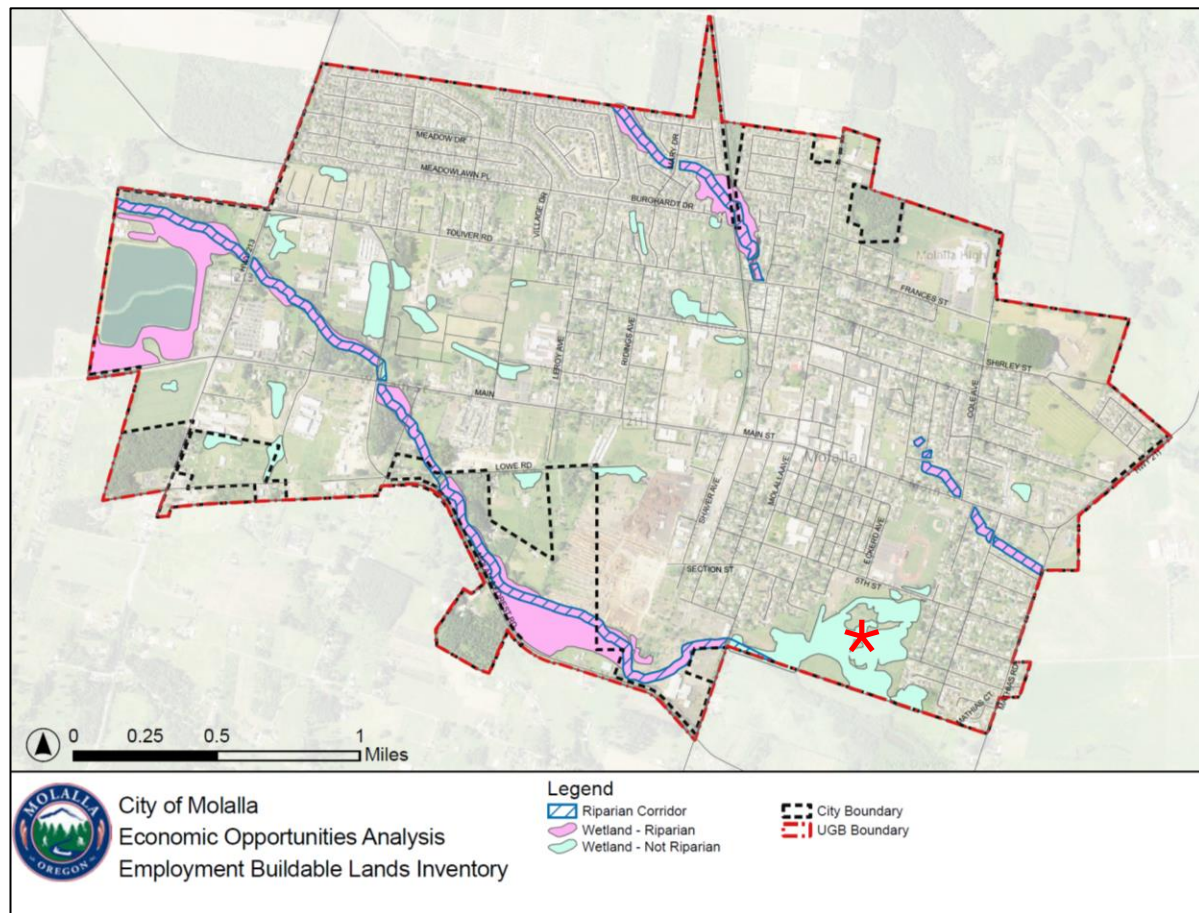
- Local Wetland Inventory
- Riparian Corridor

Based on feedback from the City of Molalla, wetlands have been grouped into two categories: (1) wetlands associated with riparian features, which are assumed to be undevelopable; and (2) isolated wetlands, a portion of which are assumed to be developable through the wetland modification process described in the City’s development code.<sup>2</sup> Figure shows the location of these constraints.

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<sup>2</sup> Molalla Development Code 17-2.4.030

Figure 3. Molalla Development Constraints



\* Note: Former Avison Mill Site – property owner submitted a construction management plan identifying restructured wetland areas totaling 17 acres, roughly 12 acres of which lie within the Molalla UGB. Those specific assumptions have been used for this property.



Table 3 provides a summary of the overall amount of constrained land present within the UGB. Approximately 66 acres of employment land is constrained by wetlands or Riparian corridor.

*Table 3: Development Constraints*

<b>Category</b>	<b>Constrained Acres</b>	<b>Unconstrained Acres</b>	<b>Total</b>
Employment Land	66.9	562.3	629.2
Residential Land	24.0	609.1	633.1
Other Land	35.2	233.1	268.3
<b>Total</b>	<b>155.5</b>	<b>1,375.1</b>	<b>1,530.6</b>

### Step 3: Classify Employment Land by Development Status

Employment land within the study area was classified by development status, as follows. These classifications are based on safe harbors provided in OAR 660-024 or professional judgement and standard planning practice. Additional input from property owners and City of Molalla planning was utilized to determine development status, notably for businesses that operate with few permanent structures on site.

- **“Vacant”** land meets one or more of the following criteria:
  - Equal to or larger than ½ acre and not currently containing permanent improvements.<sup>3</sup>
  - Equal to or larger than 5 acres where less than ½ acre is occupied by permanent buildings or improvements.<sup>4</sup>
  - Improvement value is less than \$5,000 or less than 5% of the property’s land value.
- **“Partially Vacant”** land has an improvement value of between 5% and 40% of the land value, or is greater than one acre in size with at least ½ acre not improved (based on aerial photos). Each Partially Vacant parcel is assigned a vacant area based on review of aerial photos with the assumption that existing uses will remain on site.
- **“Developed”** land does not meet the definition of vacant or partially vacant.
- **“Committed”** land with special uses such as religious facility, charitable property, veteran service facility, public property, etc. is considered not developable.

Table 4 presents a summary of the land development status organized by zoning inside City limits and by general commercial/industrial designation outside of City limits. Development status was assigned based on available information and City of Molalla input.

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<sup>3</sup> Safe harbor pursuant to OAR 660-024-0050(3)(a)

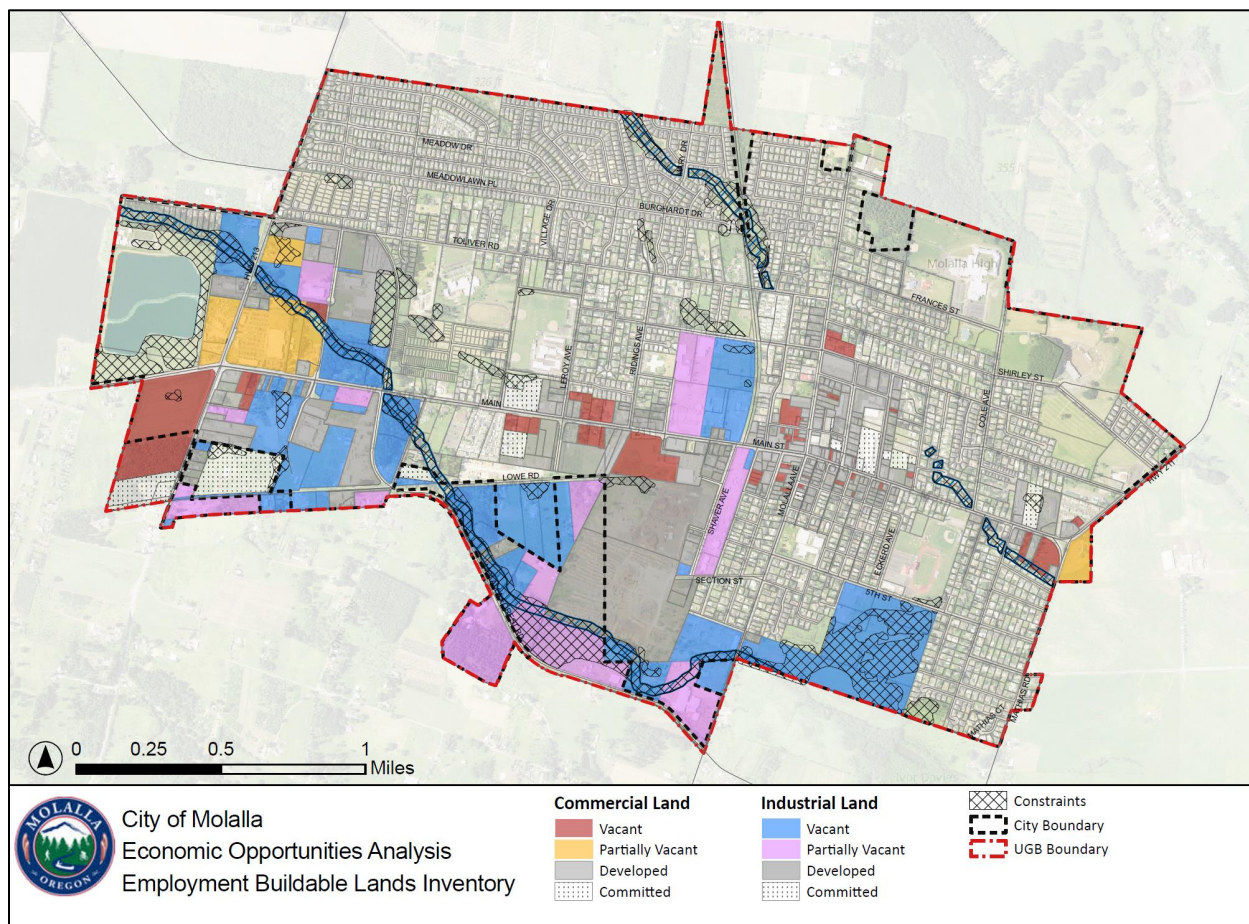
<sup>4</sup> Safe harbor pursuant to OAR 660-024-0050(3)(b)

Table 4: Unconstrained Employment Land Acreage by Development Status

Zone	Vacant		Partially Vacant		Developed		Committed		Total	
	Lots	Acres	Lots	Acres	Lots	Acres	Lots	Acres	Lots	Acres
General Commercial (C-1)	28	6.6	-	-	153	39.4	10	5.9	191	51.9
Central Commercial (C-2)	25	48.4	8	32.7	52	40.4	7	14.8	92	136.3
<b>Commercial Subtotal</b>	53	55.0	8	32.7	205	79.8	17	20.8	283	188.3
Light Industrial (M-1)	10	23.0	4	20.4	26	28.3	-	-	40	71.7
Heavy Industrial (M-2)	45	129.0	13	55.6	27	84.8	2	12.8	87	282.2
Rural Industrial (RI)	1	3.3	-	-	2	16.9	-	-	3	20.2
<b>Industrial Subtotal</b>	56	155.2	17	76.0	55	130	2	12.8	130	374.1
<b>Total</b>	<b>109</b>	<b>210.3</b>	<b>25</b>	<b>108.7</b>	<b>260</b>	<b>209.8</b>	<b>19</b>	<b>33.5</b>	<b>413</b>	<b>562.3</b>

Figure illustrates the development status of employment land types within the City's UGB.

Figure 4: Employment Land by Development Status



## Step 4: Inventory Results

A portion of unconstrained land is assumed to be used for infrastructure improvements, such as rights-of-way and stormwater treatment facilities, or otherwise unavailable for future employment uses. This analysis uses the following takeouts:

- 15% of vacant industrial employment land (Light Industrial, Heavy Industrial, Rural Industrial zones).
- 20% of vacant commercial employment land (General Commercial, Central Commercial).

The 15% and 20% deductions for vacant industrial and commercial employment lands are to account for potential infrastructure improvements on vacant land. Typically, infrastructure improvements include right-of-way dedications for street improvements.<sup>5</sup>

Table 5 summarizes net developable acreage by development type and zoning designation.

*Table 5: Net Developable Acres of Employment Land by Zone*

	Net Developable Acres on Vacant Parcels	Net Developable Acres on Partially Vacant Parcels	Total Net Developable Acres
General Commercial (C-1)	5.3	0	5.3
Central Commercial (C-2)	38.7	10.7	49.4
<b>Commercial Subtotal</b>	<b>44.0</b>	<b>10.7</b>	<b>54.7</b>
Light Industrial (M-1)	19.5	12.7	32.3
Heavy Industrial (M-2)	109.6	29.8	139.3
Rural Industrial (RI)	2.8	-	2.8
<b>Industrial Subtotal</b>	<b>132.0</b>	<b>42.6</b>	<b>174.6</b>
<b>Total</b>	<b>176.1</b>	<b>53.3</b>	<b>229.4</b>

Table 6 classifies the developable lands by site size. Note that Table 6 shows the estimated net developable acres remaining after reductions for right of way and infrastructure are removed as discussed above. For example, a tax lot listed as >10 acres might have less than 10 \*net acres\* developable after this assumption is applied.

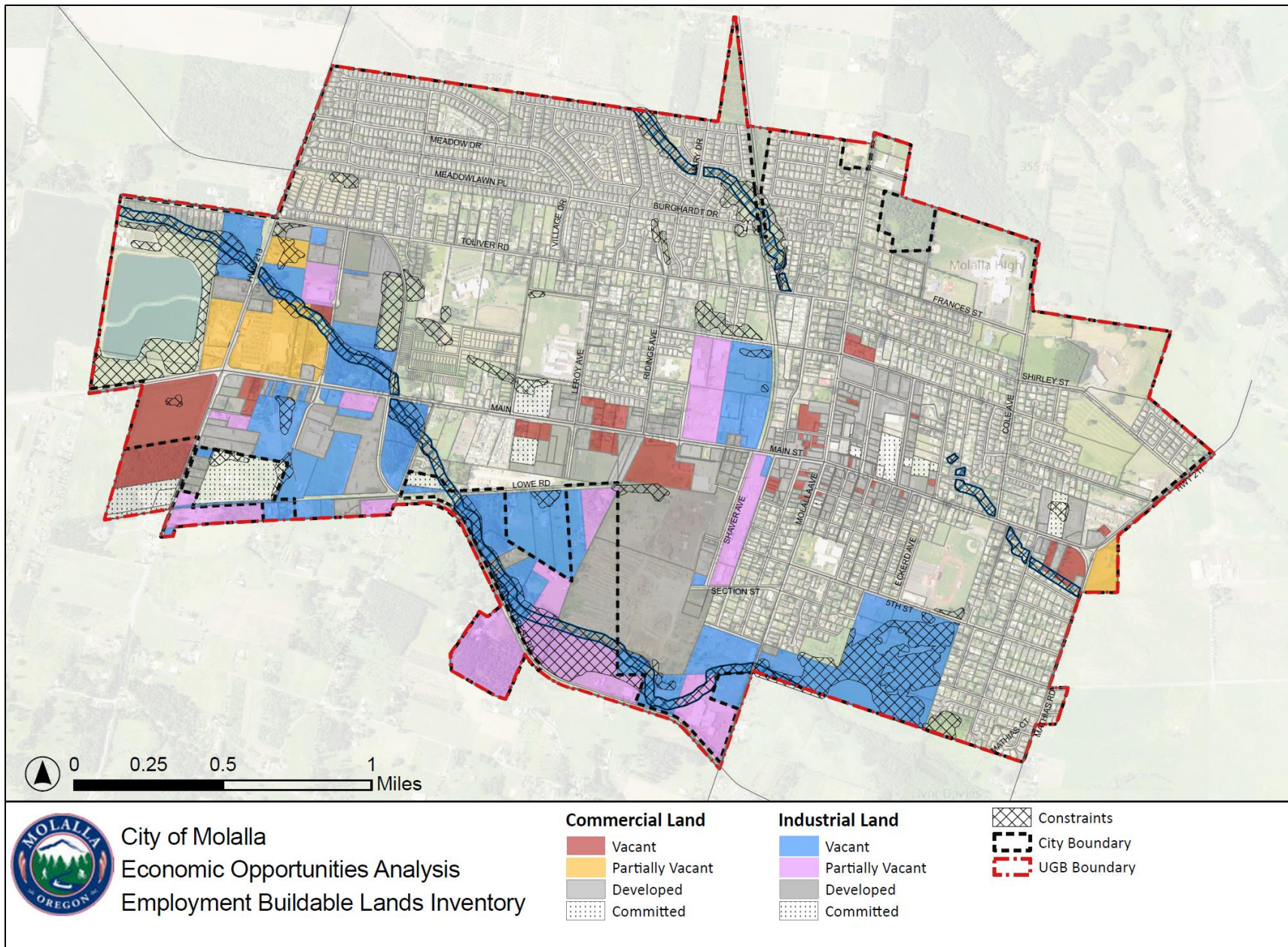
<sup>5</sup> Note, OAR 660-024-0040(10) allows a safe harbor deduction of 25% for a residential buildable land inventory to account for streets and roads, parks, and school facilities. There is no equivalent rule in the OAR for an employment buildable land inventory. A lesser set-aside is used for this employment BLI due to the lower intersection density typical of employment land, as seen in many communities throughout the state.

Table 6. Net Developable Acres of Employment Land by Zone Category and Lot Size (Net Developable Acres)

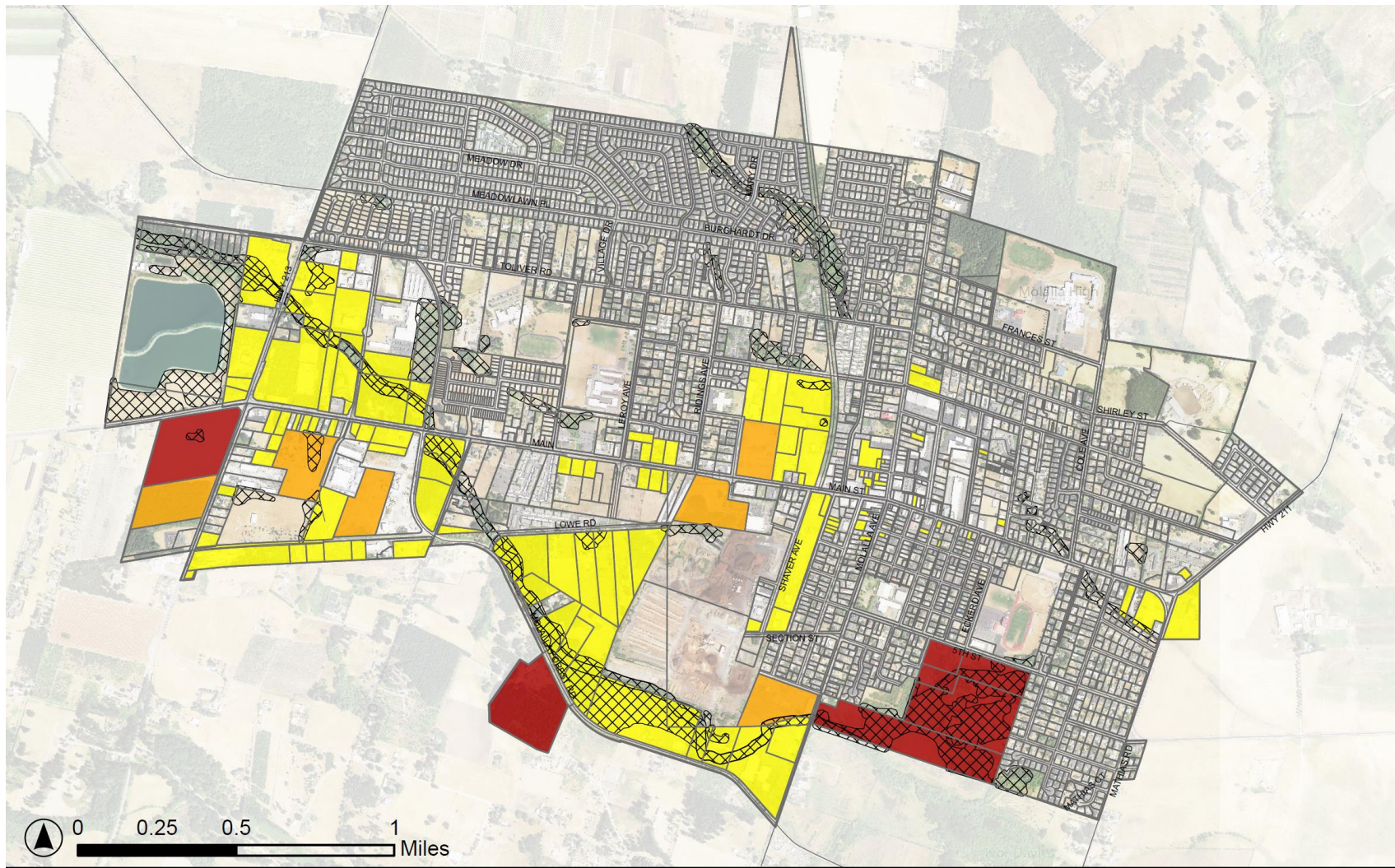
	Number of lots	Net Acres
<b>Commercial</b>		
0 – 1 acres	51	15.6
1-5 acres	7	12.2
5 – 10 acres	2	14.3
>10 acres	1	12.6
<b>Commercial Subtotal</b>	<b>61</b>	<b>54.7</b>
<b>Industrial</b>		
0 – 1 acres	27	11.6
1-5 acres	35	94.3
5 – 10 acres	4	26.5
>10 acres	2	42.1
<b>Industrial Subtotal</b>	<b>68</b>	<b>174.5</b>
<b>Total</b>	<b>129</b>	<b>229.2</b>

Note: Avison Mill Site categorized as 1 lot greater than 10 acres in size









City of Molalla  
Economic Opportunities Analysis  
Employment Buildable Lands Inventory

Legend

- Constraints
- City Boundary
- UGB Boundary

Lot Size (Contiguous Ownership)

- >10 Acres
- 5-10 Acres
- <5 Acres





Parcels under the same ownership

<b>PROPERTY OWNER</b>	<b>Number of Lots</b>	<b>Gross Acres</b>	<b>Unconstrained Acres</b>
800 LLC	2	0.8	0.8
AVISION LUMBER CO (Other Sites)	5	19.0	16.6
AVISION LUMBER CO (Mill Site)	4	47.6	35.6
B&I CONSTRUCTION INC	9	1.5	1.5
BRINKMAN JEFFREY & LAURI	2	3.1	3.1
BY DESIGN INVESTMENTS LLC	3	4.3	4.3
CARTER FROST LLC	3	0.7	0.7
CASCADE CENTER MOLALLA LLC	7	5.9	5.9
CASCADE PLACE LLC	3	6.9	6.9
COLE ERIC	2	16.9	3.8
COLIMA PROPERTY HOLDINGS LLC	2	1.1	1.1
COLUMBIA STATE BANK	2	0.6	0.6
DANSKIN RODNEY E & ROBIN L BONNIE	3	0.9	0.9
DEARDORFF 3-D LLC	4	0.7	0.7
EJK ASSOCIATES LLC	4	0.7	0.7
ERICKSON GALE	2	1.9	1.9
ESCOBAR JOAB ANTONIO	2	0.9	0.9
FORRISTALL FAMILY INVESTMENTS LLC	4	10.7	9.2
GREER CORY & LESLEIGH A	2	6.1	3.4
HELMIG	2	4.2	4.2
KERLEY PROPERTIES LLC	6	2.0	2.0
KNIFE RIVER CORPORATION NORTHWEST	2	16.8	16.8
KRAXBERGER JASON M TRUSTEE	2	0.2	0.2
MARSON TRUCKING INC	2	11.7	11.2
MOLALLA PROPERTIES LLC	3	2.7	2.7
MOORHOUSE ERIK	3	9.4	6.5

<i><b>PROPERTY OWNER</b></i>	<i><b>Number of Lots</b></i>	<i><b>Gross Acres</b></i>	<i><b>Unconstrained Acres</b></i>
MORALES-HERRERA JUAN & J R SANTOS	2	0.1	0.1
NATIONAL STORAGE AFFILIATES	3	2.7	2.7
PACIFIC FIBRE PRODUCTS INC	6	75.9	72.0
PARVAS ALI & KELLY S	2	0.2	0.2
PORTLAND GEN ELEC CO	2	5.8	5.8
POWELL DISTRIBUTING CO INC	2	0.6	0.6
PRICE AUTOMOTIVE REFINISHING LLC	4	0.7	0.7
RAAD INC	2	1.7	1.7
SEELEY-WADA FAMILY LLC	1	1.0	1.0
SHARABARIN MARINA M	3	0.7	0.7
STEINER RUTH ANN	1	1.2	1.2
STEINER RUTHANN	1	0.5	0.5
STOW-AWAY SELF STORAGE LLC	2	1.9	1.8
TALLC LLC	6	21.6	20.7
THOMAS-MCCLOUD CORINNE & KURT THOMAS	2	0.2	0.2
VALOV WILLIAM	2	1.2	1.2
VEST PROPERTIES & VEST, TROY	3	9.4	9.4
W MAIN STREET LLC	3	1.3	1.3
WADA RITSUKO	2	2.4	2.3
WELLTOWER LANDLORD GROUP LLC	2	3.1	3.0
WHITE ROCK LLC	2	0.5	0.5
WSCO PETROLEUM CORP	2	1.2	1.2
<b>Total</b>	<b>140</b>	<b>311.3</b>	<b>271.04</b>





# Comprehensive Plan Amendments

## City of Molalla Economic Opportunities Analysis

DATE February 21, 2025

TO City of Molalla

FROM Andrew Parish, AICP

CC Brendan Buckley, Johnson Economics

## INTRODUCTION

This document provides recommended updates to City of Molalla's Comprehensive Plan in order to implement the findings and recommendations of the 2024 Economic Opportunities Analysis (EOA). Updates are provided on underline for new text and ~~strikeout~~ for deletions. Additional commentary is provided in blue boxes.

## PART III: COMMUNITY DEVELOPMENT & LIVABILITY

Part III addresses community employment, housing and livability needs – consistent with Molalla's vision of a recreation-focused community with a diversity of shopping and dining options, lodging and recreation amenities, and agritourism.

Updated to include the items detailed in the EOA.

- ~~Industrial development is a primary concern in Molalla's growth. Industrial development provides the City its economic base. Economic trends have fluctuated significantly, perhaps cyclically, since Molalla was incorporated in 1913. As with much of Oregon, the local economy hit a low point in the early 1980s but boomed throughout the 1990s.~~
- Molalla's economic base has historically been industrial, while commercial development provides secondary employment and provides retail outlets for manufactured goods. The commercial sector also provides support services for industry as well as goods and services for local residents and workers.

Narrative about the City's current and former economy updated with text from the EOA, as well as the main themes for this section.

- ~~Commercial development is also important in that it creates secondary employment and provides retail outlets for manufactured goods. The commercial sector also provides support services for industry and personal goods and services (doctors, lawyers, food, clothing) for local residents and workers. Providing commercial services in proximity to homes and other businesses reduces the need for travel and helps to meet state and regional goals for energy, air quality and traffic congestion.~~
- ~~While commercial and industrial developments are generally associated with economic~~

growth, housing is an important element of the local economy. Housing development provides employment in engineering, architecture, construction and real estate. More important, however, is the relationship of the availability of affordable housing to the local labor market and business operators. Availability of also housing plays an important role in the local labor market and the City's economy.

- Land use compatibility, protection of natural and historic resources, and good urban design are critical to the community's livability and Molalla's recreational concept.

Molalla is home to an estimated 3,800 jobs as of 2024. Its largest sectors by number of jobs are agriculture, forestry supportive firms, retail trade, food service, and health care.

The city is expected to add roughly 2,000 jobs by 2044. The greatest growth in number of jobs is projected to be in many of the same strong sectors, along with education and manufacturing. The forecasted 20-year employment growth would improve the balance of locally available jobs to the number of workers in Molalla. It would also emphasize higher wage industries to support these local households.

Broken down into broad categories of employment that tends to use commercial office/retail space, or that tends to use industrial space, the analysis forecasts that the 20-year demand for new employment land will be somewhat more weighted towards industrial land (53%) than commercial land (47%).

### **Expanding & Target Industries**

The City has current advantages in several key industries including retail, forestry and wood manufacturing. However, in keeping with the identified economic objectives, a range of potential target industries for growth were identified through this process.

The target industries reflect industries where the area has shown historic strength, as well as sectors with robust growth potential and consistency with the locally expressed vision for the community:

- 1) Manufacturing
- 2) Health Care and Social Assistance
- 3) Retail Trade
- 4) Accommodation & Food Services
- 5) Construction
- 6) Arts, Entertainment & Recreation

Supporting growth in a range of industries will help the community build a more diverse and sustainable employment and tax base for the future and be more resilient to economic impacts on the traditional local industries.

## **GOAL 9: ECONOMIC DEVELOPMENT**

The purpose of Statewide Planning Goal 9 is:

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

## Background

The present industrial pattern in Molalla was established when the City was heavily involved in the timber industry. Molalla has changed from a town relying solely on the timber industry. Nearly all of the industrial development outside of the City limits but within the Urban Growth Boundary lies to the west along Highway 211 and 213.

## Economic Opportunities Analysis and Employment Land Needs

This section was updated with information from the EOA.

The following section describes the key takeaways of the City of Molalla's most recent Economic Opportunities Analysis, adopted **ADOPTION DATE**.

### **Employment Growth**

Molalla is home to an estimated 3,800 jobs as of 2024. The largest sectors by number of jobs are agriculture, forestry supportive firms, retail trade, food service, and health care.

Based on a forecasted annual growth rate of 2.1%, the city is expected to add roughly 2,000 jobs by 2044. The greatest growth in number of jobs is projected to be in many of the sectors noted above, along with education and manufacturing. The forecasted 20-year employment growth is expected to improve the balance of locally available jobs to the number of workers in Molalla. It is expected to also emphasize higher wage industries to support these local households.

### **Expanding & Target Industries**

The city has current advantages in several key industries including retail, forestry, and wood manufacturing. However, other target industries for growth were identified through in the EOA. These target industries include sectors where that have shown historic strength, as well as sectors with robust growth potential and consistency with the locally expressed vision for the community:

- 1) Manufacturing
- 2) Health Care and Social Assistance
- 3) Retail Trade
- 4) Accommodation & Food Services
- 5) Construction
- 6) Arts, Entertainment & Recreation

Supporting growth in a range of industries will help the community build a more diverse and sustainable employment and tax base for the future and be more resilient to economic impacts on the traditional local industries.

### **Employment Land Need**

The EOA analysis finds that the forecasted 20-year job growth by industry will translate to a need for



123 total net acres (148 gross acres) of land zoned for employment uses. The distribution of land demand between commercial uses (Office, Institutional, Retail) and industrial uses (Industrial, Warehouse, Business Park) leans towards industrial (53% vs. 47%).

A range of site sizes will be needed, ranging from small to large to accommodate the projected business expansion. Different commercial and industrial users have different site requirements driven by the specific nature of their business operations, firm size, location and infrastructure requirements, and other factors.

### **Adequacy of Employment Land Supply**

The Buildable Land Inventory (BLI) of employment lands completed in conjunction with the EOA found a total of 229 net buildable acres in Commercial and Industrial zones.

- The projected 20-year need for Commercial land trails the supply, with an estimated 55 acres of commercial land remaining to meet a projected need for 70 acres. This indicates a deficit of 16 acres of Commercial land.
- There is a projected supply of 174 acres of Industrial land to meet the forecasted need of 78 acres. This indicates a surplus of 96 acres of Industrial land.
- The total estimated surplus of employment land is 83 gross acres.
- 93% of the remaining contiguous development sites in Molalla are under five acres in size, with most being one acre or less. Only two contiguous sites of slightly more than 10 acres remain. As a result, Molalla does not have sufficient land in the sizes or configurations needed to meet the needs of many medium to large employers.

In 2004, the City of Molalla contracted E.D. Hovee and Company (Hovee) to prepare an economic analysis and strategic plan in order to meet Statewide Planning Goal 9 (Employment) requirements, and for use in determining 20-year employment (industrial and commercial) land needs. The *Molalla Economic Profile* (Hovee, 2004) provides 20-year population and employment projections, an assessment of employment trends, and a commercial and industrial land demand analysis. The Economic Profile notes:

*“The approach taken in this analysis to Molalla’s future employment is based upon the city’s policy objective to improve its jobs-housing balance and regain its status as a somewhat independent economic region rather than a bedroom community serving employers elsewhere in the region. This employment projection is therefore appropriately termed as a policy projection rather than a market-based forecast. It is recognized that this policy projection is more aggressive than Metro’s preliminary jobs forecast for the Molalla area. Molalla’s employment policy projection is based upon a 2025 jobs-housing target of 1.6 jobs per housing unit, equivalent to the jobs-housing balance of the entire metropolitan region as of 2002. This recommended jobs-housing target represents a significant increase from Molalla’s current jobs-housing balance, but would be roughly half of the community’s peak jobs-to-housing ratio*



*experienced in the mid 90s.” (Pages 11-12)*

The Goal 9 (Economy) administrative rule provides guidance to local governments regarding the preparation of economic plans (OAR Chapter 660, Division 009). OAR 660-009-0025(1) states that:

“...the plan must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies.”

Molalla’s long-term objectives, as expressed in its Comprehensive Plan, are to continue to increase its employment/population ratio while fostering a strong traded-sector “industrial” job base. The *2009 Employment Land Needs Analysis*:

- builds on the analysis provided in the *Molalla Economic Profile (2004)*;
- extends the 20-year planning period from 2025 to 2030;
- adjusts projected population to reflect “safe harbor” population growth through 2030; and
- identifies and projects site requirements of firms that are likely to locate in Molalla over the next 20 years.

However, because the *2009 Employment Land Needs Analysis* relies on the simple “policy objective” employment forecast and to facilitate this planning process by providing Molalla with as much security as possible, this analysis uses the 660-024-0040(9) “safe harbors” for determining employment needs until such a time as the Economic Opportunities Analysis can be updated to reflect current conditions

The “safe harbor” provided by OAR 660-024-0040(9)(a) allows that:

“A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

- (A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or
- (B) The population growth rate for the urban area in the adopted 20-year coordinated population forecast specified in OAR 660-024-0030.”

Utilizing option (B), projecting employment growth at the same rate as the rate found in the 20-year population forecast (2.0%), yields the results shown in Table 9-1. Given the findings of the earlier economic reports that Molalla currently lacks employment and the city desires to and is making efforts to improve the job/housing ratio above its current low levels, the city will likely need to complete a new Economic Opportunities Analysis prior to any assessment of the UGB to understand if there is a way to create more employment for city residents or if the “site needs” methodology is more appropriate.

*Table 9-1: 2014-2034 Safe Harbor Employment Forecast*

2014 Employment (Est)	2,876
2034 Employment	4,299

Projected 2014-2035 Employment Growth	1,423
---------------------------------------	-------

Source: Clackamas County and City of Molalla

As shown in Table 9-1, applying the employee/acre ratios used in the *2009 Employment Land Needs Analysis* to the safe harbor 2034 employment forecast results in a year 2034 employment land need of 123 *net* developable acres for the projected 1,423 new employees.

Table 9-2: 2014-2034 Net Employment Land Needs

Factors	
Projected “safe harbor” 2014-2034 Employment Growth	1,423
2034 Commercial %	68%
2034 Industrial %	32%
2034 Commercial Employment/Acre	15
2034 Industrial Employment/Acre	8
2014-2034 Commercial Employees	968
2014-2034 Industrial Employees	455
2014-2034 Commercial Land Need	65
2014-2034 Industrial Land Need	57

Source: Hovee, Clackamas County and City of Molalla

## Economic Development Goals and Policies

This section states Molalla’s overall economic development objectives, and is followed by more specific goals and policies related to Commercial Development, the Central Business District, and Industrial Development. The Central Business District and Community Planning Areas;

- Commercial Development; and
- Industrial Development.

Rephrased and reordered.

## Economic Development Goal:

**To expand the economic base to increase the economic independence of the area – through expansion and retention of existing businesses and recruitment of new businesses.**

It appears that all goals in the Comprehensive Plan are structured like this “To...” which is typical of many cities’ Comprehensive Plans.

## Economic Development Policies:

The following general policies are related to all types of existing and planned employment in Molalla:

Introductory sentence not necessary.

Overall note on policies – some are phrased “The City Shall...” while others have different formulations. Some policies use “should.” Binding policy language is clear, directs City actions, and uses words like “will,” and “shall.” In general, we recommend using a consistent structure for all policy statements and we have taken that approach in these amendments.

1. The City shall encourage infill, redevelopment and/or adaptive reuse of obsolete or underused properties in current employment zones.

New policy from EOA

2. The City shall encourage Encourage the siting and growth of employers which pay high wages and allow for Molalla residents to work locally, rather than having to travel elsewhere for work. family wages as identified in Molalla Economic Opportunities Analysis (EOA).

Specific references in each policy to the EOA are not necessary.  
Reworded and combined with other policies about attracting well-paying businesses.

3. The City shall designate Designate adequate suitable land with site size and locational characteristics required by targeted industries employment as set forth in the Economic Opportunities Analysis (EOA).

Reference to EOA not necessary. Combined with several other policies below related to allocating sufficient land with the right site characteristics.

4. The City shall regularly identify “shovel ready” sites and request Oregon Economic and Community Development Department (OECDD) certification for those sites. Identify industrial sites that are immediately available and serviceable for industrial development consistent with the Goal 9 rule. Request Oregon Economic and Community Development Department (OECDD) certification for “shovel ready” industrial sites pursuant to Executive Order 03-02.

Rephrased to simplify and make an ongoing action.

5. Ensure Molalla’s planning area contains adequate amounts of industrial and commercial lands for projected growth.

Removed to combine with several other policies related to allocating sufficient land with the right site characteristics.

6. Land use designations within the Molalla Planning Area shall be designed to accommodate projected commercial and industrial growth and population densities through the year 2034.

Removed to combine with several other policies related to allocating sufficient land with the right site characteristics.

7. ~~The UGB may need to be expanded to ensure adequate lands for commercial and industrial development through 2034.~~

Removed, unnecessary.

8. ~~Coordinate with property owners to retain large commercial and industrial sites identified in the EOA for their intended commercial and industrial uses through zoning and master planning.~~

9. Removed, unnecessary.

10. The City shall ~~Actively~~ actively support redevelopment efforts for under-utilized commercial and industrial sites within Molalla UGB.

Use "Molalla UGB" instead of "Planning Area."

11. ~~Protect large redevelopment sites for their intended uses as identified in the EOA.~~

Combined with other similar policies. Removed reference to EOA.

12. ~~Commercial and service uses in the City's industrial zones should be limited to small-scale uses that cater primarily to local area employees and customers.~~

Combined with other similar policies.

13. ~~The City of Molalla shall encourage commercial and industrial development. More jobs can be created causing less reliance on the automobile for travel away from the City.~~

Replaced this and others with a policy about supporting local job growth, particularly for higher paying positions and industries, and enabling residents to work locally.

14. The City shall strive to reduce the home to work distance by encouraging industrial and commercial development thus reducing the dependency on the auto and saving energy.

15. ~~The city shall establish and maintain an inventory of industrial and commercial land of a quantity and quality to attract industry to the City of Molalla. The City of Molalla shall maintain a five-year supply of vacant and serviced industrial land to comply with the Goal 9 Administrative Rule.~~

The City does not have/maintain such an inventory. Policy is generally duplicative of others.

16. ~~The City shall Continue~~ continue to work with the Oregon Department of Economic Development in seeking new commercial and industrial development.

17. ~~The City shall work with the Port of Portland to assist in industrial development strategies. The City shall work with Business Oregon and others to support industrial development.~~

Port of Portland reference no longer relevant; updated accordingly.

18. ~~The City shall ensure adequate amounts of suitable lands for the business community to thrive.~~

Duplicative of other policies; deleted.

19. ~~The City shall make every effort possible to work with interested businesses to draw them to the community.~~

Combined with other goals about attracting business.

20. ~~The City shall monitor and update land use process to reduce or eliminate unnecessary obstacles to economic development for developers, employers, and businesses. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development to improve the economic base of the community.~~

Reworded to be more straightforward.

21. The City shall encourage businesses that support the recreation concept and encourage all businesses to provide a choice of goods and services to the community.

22. ~~The City shall encourage business to locate or relocate to Molalla to provide for the needs of the community.~~

Duplicate of other policies; deleted.

23. ~~The City shall provide a safe convenient and attractive place to live to draw small business to the community.~~

Duplicate of other policies; deleted.

24. ~~The City shall encourage and support diversification of employment in the City. Diversify and improve industry in the City of Molalla in order to ensure insure the lack of dependence upon any single industry.~~

Combined with other policies related to diversification of job base.

25. ~~Expand, improve and diversify the economy of the Molalla Urban Growth Boundary area by encouraging home occupations while maintaining Molalla's quality of life.~~

- 25.1. ~~The City shall work with existing businesses and encourage businesses to come to Molalla to provide family wage jobs thus creating a diverse economy and reduce energy consequences.~~

- 25.2. ~~The City shall work with these businesses to draw them to the community thus reducing the number of people leaving the community for such jobs by travel.~~

- 25.3. ~~The City shall work to retain and pursue opportunities to draw businesses to the City and ensure businesses remain in the City and shall work with interested businesses to encourage moving to Molalla.~~

Removed and combined with other similar policies.

26. ~~Move~~ The City shall focus industrial lands away from Molalla's Central Business District and focus them in areas where Highway access is appropriate.

"Focus" broadens the policy somewhat.

27. ~~The City should give a high priority to extending and improving the infrastructure needed for economic development. The City shall prioritize serving key industrial areas in the Transportation System Plan and Capital Improvement Plan.~~

Replace with Action 2 in the EOA. "Prioritize serving key industrial areas in the Transportation System Plan and Capital Improvement Plan."

28. ~~The City and County~~ shall continue to work cooperatively with County, as well as the State and Federal government and economic development agencies to implement economic development within the Molalla Urban Growth Boundary.

This policy directs the County to act – limit to just the City and include cooperation with the County.

- 28.1. The City of Molalla shall ~~regularly~~ review and revise, as necessary, the ~~existing~~ Urban Growth Management Agreement (UGMA) with Clackamas County clearly stating the respective roles of the City and Clackamas County within the Molalla UGB Planning Area.

Updated language to indicate a continuing process.

- 28.2. ~~The UGMA should address the concept of a recreation community in that the City should have input on decisions that may affect this concept, such as: camping facilities, river rafting facilities, fishing and hunting lodges, resorts or any facility that will have an impact on the safety and livability of the City.~~

Deleted per council direction.

29. The City shall work with partners to evaluate and enact workforce initiatives, including: supporting connections between local industry, K-12, CCC, and state education and training courses; promoting workforce training resources; ensuring housing policies allow for an appropriate mix of housing for the local workforce; supporting local affordable housing developers; and prioritize childcare as a workforce readiness issue.

New policy from EOA.

## Commercial Development

Move this section to come before the CBD section – CBD goals and policies will be a subset of Commercial Development.

The Comprehensive Plan Map indicates where commercial development will be encouraged. Commercial areas are planned to allow for the optimum utilization of the land to provide retail and service business to the community. A variety of commercial establishments serving the City's growing population, as well as visitors and the traveling public, are an important component of the City's economy.

~~Population projections for the study area indicate an increase of approximately 4,340 residents by the year 2034. In order to meet the demands created by this increase in population, the City may need to designate additional land for commercial use. A number of businesses have recently developed in the City, adding to the economic base. This commercial base has enough capacity to serve some of the~~

increase in population.

The variety of commercial establishments and services which serve the community should be expanded to provide a wider range of facilities for the convenience of the residents and the benefit of the community at large. The Molalla business district at the junction of Molalla Avenue and Main Street is becoming a traffic-congested area. With additional truck traffic this intersection will only get worse in the future, negatively impacting commercial businesses in the downtown area. The Transportation System Plan identifies the Molalla Forest Road as a by-pass road for truck traffic travelling to the industrial areas of the City. Additional suitable commercial land may also need to be provided to allow for commercial expansion.

Removed outdated narrative.

### Potential Commercial Districts

The Downtown Plan looked at the different sections of town outside the CBD and potential Community Planning Areas (CPAs) to create ways to provide auto-oriented commercial services to the community including:

- **Highway Commercial Overlay:** Commercial development in this section should be anchored by a few major department and grocery stores.
- **General Commercial District:** This commercial section should offer a variety of uses filling the gap between Highway Commercial and the Central Business District (CBD).

Duplicative of later section. Removed.

### Commercial Comprehensive Plan and Zoning Designations

The Comprehensive Plan Map indicates where commercial development will be encouraged. Commercial designations are implemented with the Central Commercial (C-1) and General Commercial (C-2) zones:

- **Central Commercial (C-1):** Central Commercial (C-1) areas are designated to provide principle shopping, business and transportation to the community and its trade area. This district allows for a broad range of uses in keeping with Molalla's historic commercial area.
- **General Commercial (C-2):** General Commercial (C-2) areas are designated to provide those types of retail, wholesale, transportation and service uses which, because of traffic, size and other requirements, depend upon particular locations to serve the needs of the community and its trade area.

## Commercial Development Goals and Policies

### Commercial Development Goal:

**Develop an attractive and economically sound community. To support and grow commercial development in the City which supports the local economy and contributes to the community's desired character.**

Revised goal to address commercial development. Revised to match

phrasing of other goals.

### Commercial Development Policies:

Molalla must provide commercial land to serve its growing population, without taking business away from the CBD or planned CPAs. Thus, the location and design of commercial areas should be given very careful consideration. Commercial developments occur at points of maximum traffic movement and directly affect the visual quality of the community. If Molalla is to retain its image of a thriving recreational community and desirable place to live, its commercial areas must be well-designed and inviting.

Removed introductory text.

1. ~~The City shall designate and adequate supply of suitable sites for commercial use within the Molalla UGB. The Molalla planning area shall contain adequate suitable sites for commercial use.~~ This shall include ~~Sufficient~~ sufficient vacant commercial lands with a diversity of sizes, types, and service levels for future commercial uses shall be designated on the comprehensive plan/zoning map.
2. The City shall develop and apply design standards relating to appearance and neighborhood compatibility ~~of commercial development~~.

Specified that this is for commercial development.

3. ~~Large retail development shall comply with design standards relating to appearance, functionality, and neighborhood compatibility.~~

Removed – not needed if standards are in place.

4. The City ~~shall~~ will continue to support a cooperative and active working relationship with the business community through the Chamber of Commerce as well as those businesses that are not members of the Chamber of Commerce and will seek their input when making decisions having economic impacts on the business community.
5. As existing businesses are renovated and new ones are constructed, the City ~~shall~~ will require high standards of compatibility with surrounding development, landscaping, architecture and signage. The ability of a site to function properly in relation to the surrounding area will be emphasized.
6. ~~The City shall assure efficient development of land consistent and compatible with the community's needs and resources.~~

Removed – vague and likely challenging to implement.

7. ~~The City is designating itself a recreational community and shall ensure adequate parks and opportunity for a host of recreational activities to encourage business supporting the recreational activities. This shall be in addition to the City supporting a wide range of other business opportunities which will provide for the needs of the citizenry.~~

Unclear language, not necessary in the Commercial section of the Comprehensive plan.



8. ~~The City shall work cooperatively with commercial development to ensure that City park needs are met, either through land dedication or payment of system development charges (SDCs).~~

This is more appropriate for inclusion under the City's Park and Recreation Goals; removed here.

9. Major commercial activities shall be concentrated in areas receiving a high volume of traffic in order to minimize auto use ~~and conserve energy resources~~. Commercial land shall be designated in a manner which locates high volume trade activities near major roads, groups a variety of medical facilities and services together, preferably near hospitals, and groups professional and governmental facilities near the downtown area and other major commercial locations.

10. ~~Inefficient strip development patterns that increase congestion and therefore waste energy resources shall be avoided.~~

Removed – duplicative of policy 9.

11. ~~Provide for additional land needed for commercial expansion to serve the projected population growth and to ensure choice in the market place while also encouraging private revitalization of existing commercial structures.~~

Removed – duplicative of Policy 1

12. ~~Encourage a rate of commercial development consistent with serving the needs of residents of the City and adjacent rural and agricultural lands.~~

Removed – duplicative of other policies.

13. ~~The City shall~~ Provide provide an atmosphere that is inviting to potential businesses while maintaining the City's feel and desire to maintain a rural community feeling.

- 13.1. ~~Through the code incorporate language that invites development yet protects the City's character.~~

Vague policy, removed.

14. ~~Provide buffers between industrial uses and residential uses for the benefit of all concerned.~~

Removed – addressed industrial buffers in industrial section.

15. ~~Commercial development adjacent to arterial streets and highways may be subject to access restrictions.~~

Removed – not needed as policy statement.

16. Commercial development shall be encouraged to provide service access roads, which feed into arterial and collector streets at designated points, consistent with the adopted Transportation System Plan.

Added language to ensure consistency with TSP.

17. Sign standards shall be designed to enhance the appearance of the City and provide for the advertising needs of the business community, while limiting the visual impacts and predominance of signage in the City.

~~17.1. Signs shall serve as a marker for businesses.~~

~~17.2. Signs shall not become the focal point of the City.~~

~~17.3. Signs shall not occupy any portion of the right-of-way.~~

Updated language to remove specific clauses while retaining intent.

18. ~~Shopping centers~~ Commercial Development shall be attractive and pedestrian oriented, as required in the development code.

~~18.1. Retail shopping centers should be safe, comfortable and attractive environments, with convenient access, and designed for the safe and convenient movement of pedestrians and other non-auto transportation.~~

~~18.2. The Molalla Municipal Code shall provide standards for planting trees and other landscaping for all commercial development.~~

~~18.3. The City shall adopt a bicycle, pedestrian, and equestrian plan, which provides safe, convenient, and recreational activities throughout the City.~~

~~18.4. Shopping centers shall have pedestrian ways with attractive landscaping.~~

~~18.5. Lighting in the shopping area shall be attractive and allow for safe ingress and egress from the shopping area into the parking lot.~~

Replaced with reference to the development code, which has detailed requirements.

- ~~19. A sufficient number of locations should be made available for shopping centers and other commercial activities as the urban area population increases.~~

~~19.1. Provide adequate lands along major arterials.~~

Removed; land availability addressed elsewhere.

- ~~20. Commercial establishments shall be landscaped and maintained and provide off-street parking for employees, customers and access of delivery of goods.~~

Removed; design addressed elsewhere.

- ~~21. Shopping areas should be pleasant environments to live near and to do business within.~~

~~a. They should not be designed in a manner only to attract attention. Buildings need not be painted in an offensive manner or have obtrusive signs to secure their share of the shopping public. In fact, the reverse trend tends to be the case, with centers providing a pleasant shopping environment often being more prosperous.~~

~~b. Commercial development demands special consideration in terms of traffic. The City must balance the needs of both the commercial and non-commercial sectors of the community in reviewing proposed development and considering the traffic impacts that~~

will result.

Duplicative of earlier policy about commercial areas.

- c. ~~All commercial districts are planned in the form of centers or complexes rather than as a strip development along major streets.~~

Removed, design addressed elsewhere. Vague language.

## Central Business District Goals and Policies & Community Planning Areas

Removed references to “Community Planning Areas” but kept section related to the CBD. Introductory information is updated below. This section has been moved to be a subset of Commercial Development

The Central Business District (CBD) ~~and potential Community Planning Areas (CPA)~~ provides for mixed retail, service and residential uses with a strong pedestrian orientation and respect for Molalla’s history.

The Central Business District (downtown area) is located in an approximately twelve-square-block area divided by state Highway 211 running east and west, and by Molalla Avenue running north and south. The area is bound on the east, north and south by residences, and to the west by a large industrial complex. For this reason the City has developed with this Comprehensive Plan the tools to provide the necessary elements to help the CBD to thrive. The CBD consists of small shops offering a variety of merchandise and unique shopping experiences. ~~The CBD can accommodate uses such as office, theatres, restaurants, bicycle sales and repair, sports related activities and stores, fly tying shops, gun shops, boat sales, and repair activities. These shops should enhance the City’s concept as a “Recreational Community”.~~

~~Many of the older buildings have undergone an exterior and interior upgrading which has done much in improving the overall appearance of the core area. Much of the “facelift” of the older commercial structures as well as the new construction has been voluntarily done in theme lending itself to the recreational concept. There is broad community support for the continuation of remodeling and new construction as indicated by letters from various community organizations and the City’s desire to become a recreational center.~~

~~Many new stores and buildings have been placed in the CBD and a great deal of redevelopment and remodeling has occurred, while maintaining the historic feel of older buildings.~~

~~Parking is a big concern for the CBD. As the vacancy rate goes down a need for additional parking becomes evident. The City is working on new ways to increase the amount of signage showing additional downtown parking as well as searching for ways to provide additional parking areas. The City is currently seeking funding for a downtown revitalization plan. This plan will give the City the ability to identify potential downtown parking areas. The goal and policy framework for the CBD and potential future CPAs are outlined below.~~

Outdated text, not necessary in Comprehensive Plan

### Downtown Development Central Business District Goal:

**To protect and ~~insure~~ ensure the permanency of the Central Business District (CBD) as a vital economic base and to maximize customer access and exposure, and convenience.**

Rephrased, use “ensure.”

### Downtown Development Central Business District Policies:

Selective updates applied to this section.

The *Molalla Downtown Plan* (Cogan Owens Cogan, 2007) includes detailed policies and implementation measures to revitalize the Central Business District (CBD). The following policies apply in conjunction with Downtown Plan policies when making land use decisions in the CBD.

1. Within the CBD alleyways ~~should~~ shall be maintained and used as pedestrian walkways, for rear entrance delivery and/or customer access.
2. Downtown commercial development shall be encouraged through the reduction of truck traffic through the downtown core area.
3. Bicycle and pedestrian access to the CBD from the surrounding areas should be improved.
  - 3.1. Secure and safe bike storage areas should be considered.
  - 3.2. Sidewalk and street activity that will stimulate pedestrian traffic should be encouraged.
4. The City shall consider incentives to preserve historically significant buildings in the Downtown Core.
5. Commercial development should be based on the following goals, guidelines and principles:
  - 5.1. Separation of pedestrian and through motor vehicle traffic.
  - 5.2. Grouping of retail opportunities conducive to pedestrian shopping movement.
  - 5.3. Convenient, identifiable and accessible parking.
  - 5.4. By-pass industrial traffic around commercial areas, particularly the CBD.
  - 5.5. Improve CBD shopping environment and amenities.
  - 5.6. Provide for CBD growth needs.
- ~~6. The look and feel of the CBD commercial area shall be protected and maintained by encouraging CBD compatible businesses as defined below to locate or expand within or adjacent to that area identified as the CBD.~~

Duplicative

- ~~7. A concerted effort should be made to revitalize the central business district through rehabilitation or redevelopment of existing areas. The City shall encourage and identify new businesses to occupy the CBD in order to create an active and vibrant district. Encourage and identify new businesses that enhance the Central Business District.~~

Reworded for clarity and emphasis on the end-state.

8. The central business district shall provide a variety of services; cultural, recreational, social, professional and governmental activities.

Separated unrelated policies, renumbered.

9. The history of Molalla ~~should~~ shall be a consideration in a redevelopment opportunities as well as event promotion.

Correction of typo

- ~~10. The City shall encourage new businesses to promote the City's recreational theme, services of all types, medical and dental offices, federal, state, and city offices to enhance the CBD of Molalla.~~

Unnecessary.

11. Through the Molalla Municipal Code the City shall place specific criteria upon new development and redevelopment in the CBD, which matches the style found in the early 1900s.
12. The CBD shall have adequate parking that is well lit and visually attractive. ~~The City shall encourage unique shops and restaurants in the CBD.~~
13. The City shall encourage unique shops and restaurants in the CBD.

Broke previous Policy 11 into two policies. Renumbered.

14. Kiosks should be encouraged in the downtown area to increase shopping convenience and public awareness of downtown facilities and services.

#### ~~Community Planning Area Goal:~~

#### ~~Provide for higher density mixed-use development within designated community planning areas:~~

Staff notes that "Community Planning Areas" are not specifically designated; likely a recommendation from a prior planning effort that were not fully adopted. Removed.

#### ~~Community Planning Area Policies:~~

- ~~1. The Community Planning Area (CPA) designation may be applied to create pedestrian-oriented, mixed use centers near the Central Business District.~~
- ~~2. CPA plan designations shall be implemented through the establishment of a zoning district that includes the following:~~
  - ~~2.1. Provisions that reduce off-street parking requirements;~~
  - ~~2.2. Development and design standards for buildings, streets and public spaces that are oriented toward the pedestrian not excluding the automobile;~~
  - ~~2.3. Concentration of housing near the downtown where all sorts of services are available;~~

- ~~2.4.—Provisions for public and private amenities (including parks, plazas, and other facilities to support the higher densities and mixed-use development);~~
- ~~2.5.—A multi-modal circulation system that links uses of bus, bicycle, carpool/vanpool, and shuttle services with pedestrians; design review standards.~~
- ~~3.—A wide range of housing types shall be authorized within CPA, including but not limited to small lot single-family residential detached, attached single-family residential, townhouses or row houses, ancillary dwelling units, garden apartments, mid-rise apartments, high density apartments, student housing, senior housing, and housing above retail and office space~~
- ~~4.—Those areas included in a CPA shall transition the type and density of new housing to be compatible with the established area at such time one is developed.~~
- ~~5.—Future population expansions shall include additional community planning area zones to maximize densities while providing the public with unique concepts.~~
- ~~6.—CPAs are intended to preserve and enhance the historic, open space, and architecture qualities of the historic nature of the area. In addition to general standards in the zoning ordinance, all development within CPA shall comply with specific design standards aimed at preserving the historic and architectural character and qualities of the area.~~
- ~~7.—The development of housing shall allow for the retention of lands for open space and recreation within the planning area, encourage the preservation of trees within developments where possible, and be consistent with goals and policies of this Plan.~~
- ~~8.—Industrial uses shall be moved, when feasible, from this area to the southwest section of the City.~~

### Small Scale Commercial and Mixed Use Development

- ~~1. In addition to larger-scale CPAs, 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 dispersed allowed throughout the planning area City to serve residents the public and conserve energy resources.~~
- ~~3. Minor commercial activities shall be reviewed by the Planning Department to ensure the integrity of the residential zone is not impaired Development Code requirements are met.~~

Removed references to “Community Planning Areas” and updated language.

## Industrial Development

Industrial employment is an important component of the City's economy and accounts for roughly half of Molalla's projected economic growth over the next 20 years. Sites for future industrial growth have specific needs which may include:

- Site sizes ranging from small (less than 1 acre) to large (greater than 10 acres)
- Flat sites with little topography

- Access to highways and rail facilities
- Availability of City and private utilities

When discussing the attraction of new industry, it should be pointed out that industry has several criteria on which it bases selection of location. Among these are:

- ~~adequate site size;~~
- ~~relatively flat topography;~~
- ~~good access to highways or railroads to facilitate the transporting of raw materials and finished products;~~
- ~~compatibility with adjacent or nearby residential and commercial development;~~
- ~~the availability of housing for managers and workers;~~
- ~~the availability of water and sewer service;~~
- ~~the availability of utilities such as storm drainage and gas, electricity and telephone; and~~
- ~~the availability of advanced technology communications infrastructure.~~

Replaced narrative with text from EOA.

## Industrial Comprehensive Plan Designations and Zoning

The Comprehensive Plan Map indicates where industrial development will be ~~encouraged-permitted~~. Industrial areas are planned for the economic benefit of the City and located so as to minimize impacts to residential development. The City shall continue to provide sufficient ~~enough~~ industrial land to support future growth to optimize its chances for industrial development. Providing land for light industrial development, as a buffer between heavy industrial and commercial or multi-family development is priority. The City, by providing a healthy amount of industrial lands, is proving its support to bring industrial development to the City of Molalla.

To meet the needs of the present and future residents of Molalla and the surrounding area for industry and to comply with state and local goals and the policies established to implement those goals, the following are established to provide a suitable quantity and quality of land in the most beneficial locations for each industrial development in the City of Molalla.

Updated narrative for clarity

- **Light Industrial District (M-1):** Light industrial (M-1) areas are designated for non-polluting industries, which are generally compatible with residential and commercial activities. ~~The light industrial concept for future development is envisioned in areas primarily west of the current City limits. Larger parcels have been designated in this location to attract industries that require greater land areas for the operation, or for several industries to cooperatively design an industrial park. The location of the land designated for light industrial use is based on existing industrial uses, proximity to public services, highway access and the goals and policies of the plan to utilize land for industrial use which meets the needs of those industries most likely to locate in Molalla.~~

Unnecessary detail, specifics may change over time.

- **Heavy Industrial District (M-2):** Heavy Industrial (M-2) uses include manufacturing, fabrication and processing, bulk handling, storage, warehousing and heavy trucking. Most heavy industrial uses are incompatible with residential and commercial uses.

## Industrial Development Goals and Policies

### Industrial Development Goal:

**To develop a diverse industrial base offering ~~an increasing number~~ a range of employment opportunities.**

Replaced “increasing.”

### Industrial Development Policies:

1. The City shall establish and maintain a competitive short-term and long-term supply of employment land, in readily developable sites. ~~The City shall provide suitable industrial sites to maintain and attract a diversified industrial base.~~

Replaced with wording from EOA recommendation.

2. The City shall prioritize serving key industrial areas and sites in the Transportation System Plan and Capital Improvement Plan.
3. The City shall inventory properties that might be good opportunity sites for potential public/private catalyst projects.
4. The City shall evaluate assisting in wetland mitigation to increase developable land inventory, including creating or partnering in a wetland mitigation bank
5. The City shall support clean up and utilization of identified brownfield sites

New policies from EOA.

6. The City shall provide ~~Provide~~ for developments that, ~~whenever possible,~~ will allow residents of the City of Molalla to work in Molalla and not have to seek employment in other areas.

Removed “whenever possible.” Combined with other goals about travel for employment.

7. The City shall locate industrial ~~Industrial land should be located~~ to take advantage of Highway access or rail transportation that is available where such sites exist.
8. ~~To minimize impacts on Clackamas County’s agricultural land base, Class I agricultural soils shall be preserved outside the UGB. At the same time, it is important that industrial lands be located in relatively flat areas, which have suitable soils and that are free from flooding dangers.~~

UGB policies are a better fit for another part of the comprehensive plan.

9. The City shall protect industrial lands from being converted to commercial uses by prohibiting or significantly limiting commercial uses in industrial land in the M-1 (Light Industrial) and M-2 (Heavy Industrial) zones. Commercial and service uses in the City’s industrial zones shall be



limited to small-scale uses that cater primarily to local area employees and customers.

Combined with other goal about commercial uses.

10. The City shall designate industrial land on the Comprehensive Plan map limiting the impacts to citizens in the community and the Molalla Municipal Code shall establish standards to reduce impacts on other areas.
11. ~~All industries shall meet federal, state and local environmental quality standards.~~

Not needed as a policy in this chapter. If retained, it would be more appropriately included under the Air, Land and Water Quality goal.

12. ~~The City shall attract and accommodate both labor intensive and land intensive industrial activities.~~

- 12.1. ~~The City shall establish an industrial area that has limited impact on citizens of the community.~~

Removed.

13. ~~Ensure Molalla's planning area contains adequate amounts of industrial lands for projected growth.~~

Removed, duplicated elsewhere.

14. ~~Land use designations within the Molalla Planning Area shall be designed to accommodate projected industrial growth and population densities through at least the year 2030.~~

Removed, duplicated elsewhere.

15. ~~The UGB may be expanded to ensure adequate lands for industrial development through 2034.~~

Removed, duplicated elsewhere. UGB expansion a better fit for other comprehensive plan sections.

16. ~~Encourage "non-polluting industry" development.~~

Removed, vague term better suited for Goal 5 section.

17. ~~Designate large areas of land together for several industries to cooperatively design an industrial park.~~

Removed per council direction - redundant of other policies about meeting industrial land need.

18. ~~Maintain a light industrial zone, which eliminates excessive noise, smoke, odor, dust, and gas.~~

Not needed.

19. ~~The City shall work with existing employers to move industrial development to the southwest section of Molalla. By placing all industrial development in the southwest corner of the City the citizens will have a reduced possibility of odor since the southwest wind blows away from the~~

City:

Removed per City Council direction.

20. ~~The City's development code shall require buffers and mitigation of impacts where industrial land abuts residential land. Both residential and industrial development shall be responsible for minimizing impacts in areas where residential uses border industrial.~~

Reworded and combined with a design and buffer policy.

21. ~~Sufficient vacant industrial lands with a diversity of sizes, types, and service levels for future industrial development shall be designated on the comprehensive plan/zoning map.~~

Removed; duplicated elsewhere.

22. Publicly owned lands shall not be given a competitive advantage over private ownership through governmental land use regulations.

23. ~~Industrial areas should be set aside primarily for industrial activities. Other supporting uses, including some retail uses, may be allowed if limited to sizes and locations intended to serve the primary uses and the needs of people working or living in the immediate industrial areas~~

Removed; duplicated elsewhere.

24. Industrial developments are subject to development standards relating to setbacks, landscaping, signs, exterior lighting, parking, building height, massing and visual impacts, and architectural styles and outside storage.

25. Molalla shall provide a suitable site within its UGB to allow large scale agricultural or nursery processing industries to locate within the City.

26. ~~Industrial areas that are located adjacent to arterial streets or to residential areas should be controlled through site plan review and buffer zones so as to minimize the impact of industrial uses.~~

Combined with other residential buffer policies.



## CITY OF MOLALLA

### Staff Report

**Agenda Category: GENERAL BUSINESS**

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**Agenda Date: Wednesday, March 19, 2025**

**Submitted by: Mac Corthell, Assistant City Manager**

**Approved by: Dan Huff, City Manager**

**SUBJECT:** Parkland Dedication or Fee in Lieu for Subdivisions and Master Planning Areas

**ATTACHMENTS:**

[Parkland Dedication or Fee in Lieu Discussion.pdf](#)

# **PARKLAND DEDICATION OR FEE IN LIEU DISCUSSION**

March 19, 2025 City Council Special Session



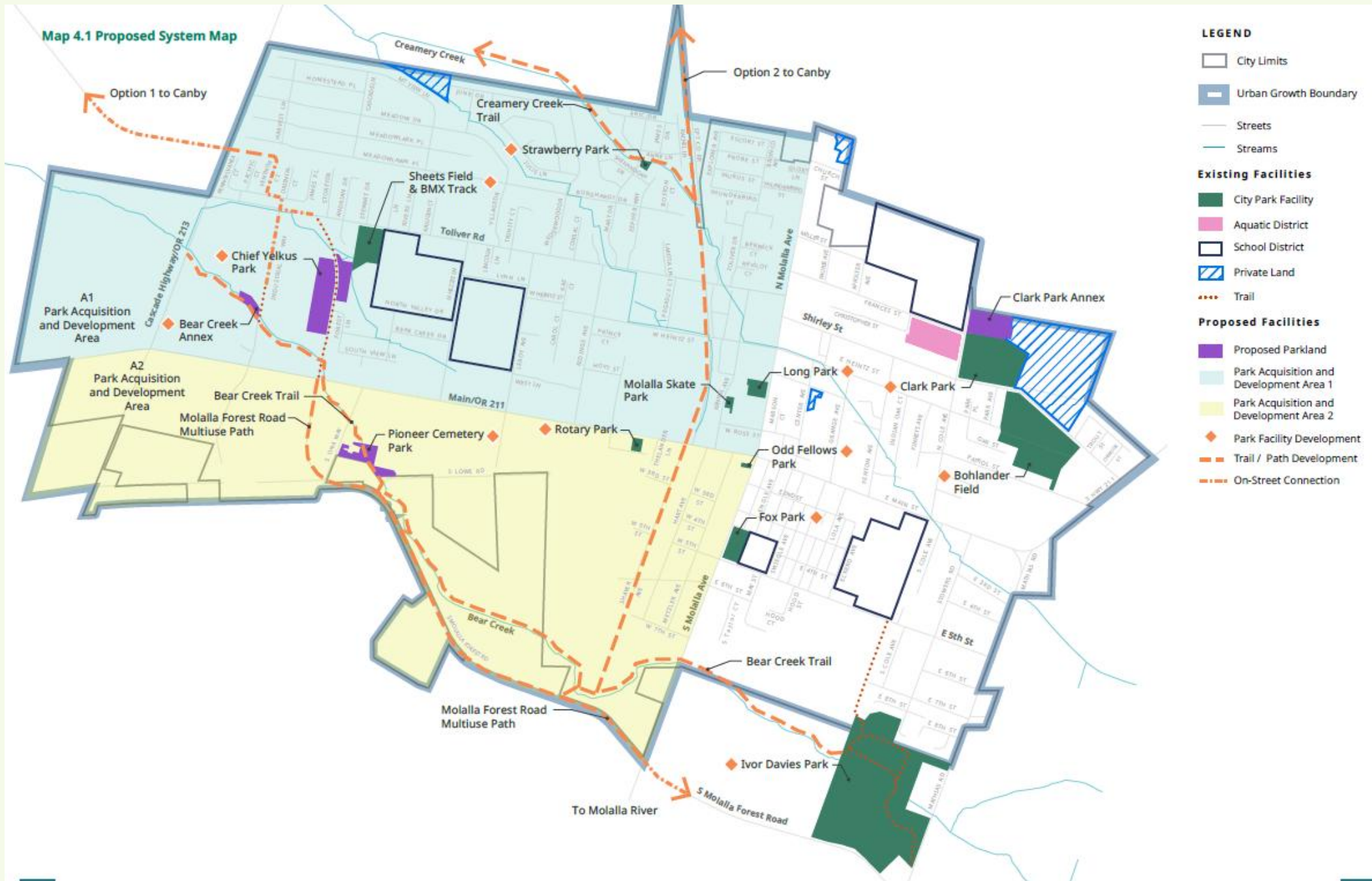


# Introduction

- 2014 Molalla Comprehensive Plan Park and Recreation Policy 2.2
  - Developers shall be required to provide park space or a fee in lieu to ensure parks are available to citizens and/or funds for improvements of existing parks are available.
- The Parks, Recreation, and Trails System Plan was adopted by City Council on February 12, 2025
- Established a new standard in the City's Comprehensive Plan for providing 7 acres of park land per 1,000 residents that developers must meet
- Reiterated parkland dedication or fee in lieu as a funding strategy



### Map 4.1 Proposed System Map





# MMC §17-3.6.030 Public Use Areas

- Dedication of Public Use Areas.
  - Where a proposed park, playground, or other public use shown in a plan adopted by the City is located in whole or in part in a subdivision, the City **may** require the dedication or reservation of this area on the final plat for the subdivision
- System Development Charge Credit.
  - Dedication of land to the City for public use areas, voluntary or otherwise, may be eligible as a credit toward any required system development charge for parks
- This section needs to be updated to:
  - Establish parameters for required parkland dedication; and
  - Provide for a fee in lieu of dedication







# Proposed Parkland Dedication Requirements

- This will apply to the following types of new development:
  - Residential Land Divisions that could legally result in a future subdivision of 4 lots or more
  - Master Planned Developments
  - Multi-Family Developments
- Land will be required to be dedicated on the final plat, or by recording a deed, easement or other appropriate document prior to building permit issuance
- Separate from common open space that is required





# Existing Open Space Requirements

MMC § 17-2.3.080 Multifamily Development.

- Requires a minimum of 15% of the site area to be designated as common area or open space

MMC § 17-4.8.060 Concept Plan Approval Criteria (Master Planned Developments).

- Requires a minimum of 20% open space, which may be public, private, or a combination of both
- Common open space will still be required and can be deducted from the parkland dedication acreage



# Calculation of Parkland Dedication

The required parkland acreage to be dedicated shall be based on the following formula:

- Single-Family Land Divisions:  
Required parkland dedication (acres) =  
 $(\text{Proposed \# of dwelling units}) \times (\text{Persons/dwelling unit}) \times 0.007$  (Per person parkland dedication factor)
- Multi-Family Developments:  
Required parkland dedication (acres) =  
 $(\text{Proposed \# of dwelling units} \times \text{Persons/dwelling unit} \times 0.007) - (0.15 * \text{buildable acres})$
- Persons/dwelling unit to be calculated at:
  - Density of 0-12 DU/acre – 2.7 persons/dwelling unit
  - Density of 13-24 DU/acre – 2.0 persons/dwelling unit







# Parkland Dedication Additional Requirements

- Developers will be required to clear, fill, and/or grade the dedicated parkland, install sidewalks on the parkland adjacent to any street, and seed the parkland prior to dedication
- For phased developments, the required parkland for the entire development shall be dedicated on the final plat for the first phase
- Dedicated parkland shall not be subject to any other easements or encumbrances



# Fee in Lieu of Dedication

- There are certain instances where the developer may not meet the minimum standards or it may not be suitable to dedicate parkland, so developers will be required to pay a fee in lieu of dedication
- The dedicated parkland must be a minimum of 0.25 acres
  - Standard minimum size of a mini park
- The dedicated parkland must be in an area designated as Proposed Parkland or within the Park Acquisition and Development Area on the Proposed System Map
- Certain characteristics may be unsuitable for proposed parkland dedication area:
  - Steep slopes
  - Natural features (such as wetlands)







## Fee in Lieu of Dedication (cont.)

- Amount in dollars per acre based on what would have been required for dedication
- Separate from park SDCs and is not eligible for a credit of park SDCs
- To be established by Resolution adopted by City Council
- Rate can be based on tax assessed or market value of land and updated annually or biannually, etc.
- Dedication or fee in lieu will be determined by Staff at the pre-app

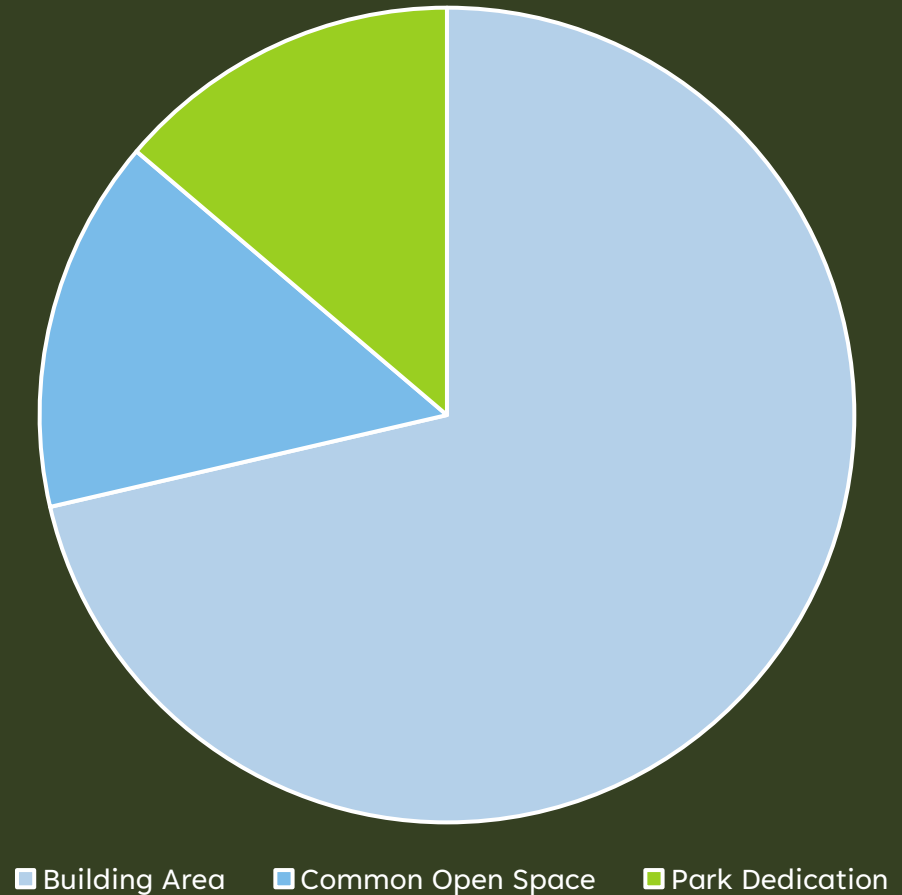
### EXAMPLE 1: BEAR CREEK APTS. PHASE 1 (R-3)

- 60 Units Multi-Family (21 UPA)
- Buildable site area – 2.90 acres
- Common open space required – 0.43 acres

Required parkland dedication (acres) =  
 $(60 \times 2.0 \times 0.007) - (0.15 * 2.90) =$   
0.40 acres

- Meets the minimum dedication size of 0.25 acres; and
- Is located within Park Acquisition and Development Area 2 on the map

Park dedication of 0.40 acres would be required.





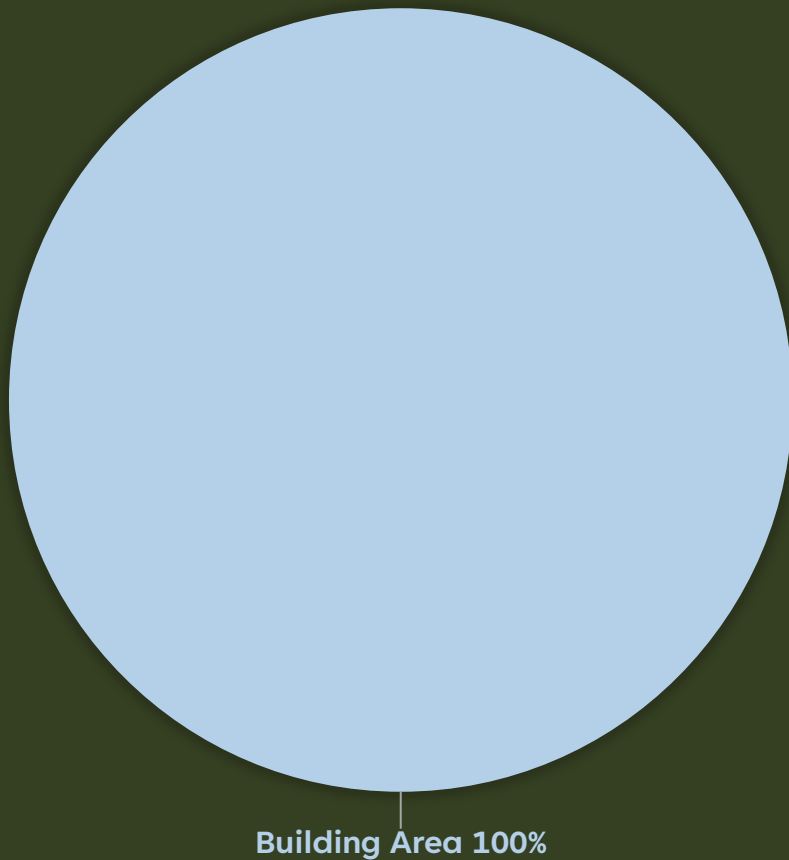
## EXAMPLE 2: NEW SINGLE-FAMILY SUBDIVISION (R-2)

- 12 Single-Family Lots (12 UPA)
- Buildable site area – 1.0 acre
- Common open space required – None

Required parkland dedication (acres) =  
 $12 \times 2.7 \times 0.007 =$   
0.22 acres

- May be located in the Park Acquisition and Development Area; BUT
- Does not meet the minimum dedication size of 0.25 acres

Fee in lieu of dedication would be required for 0.22 acres.





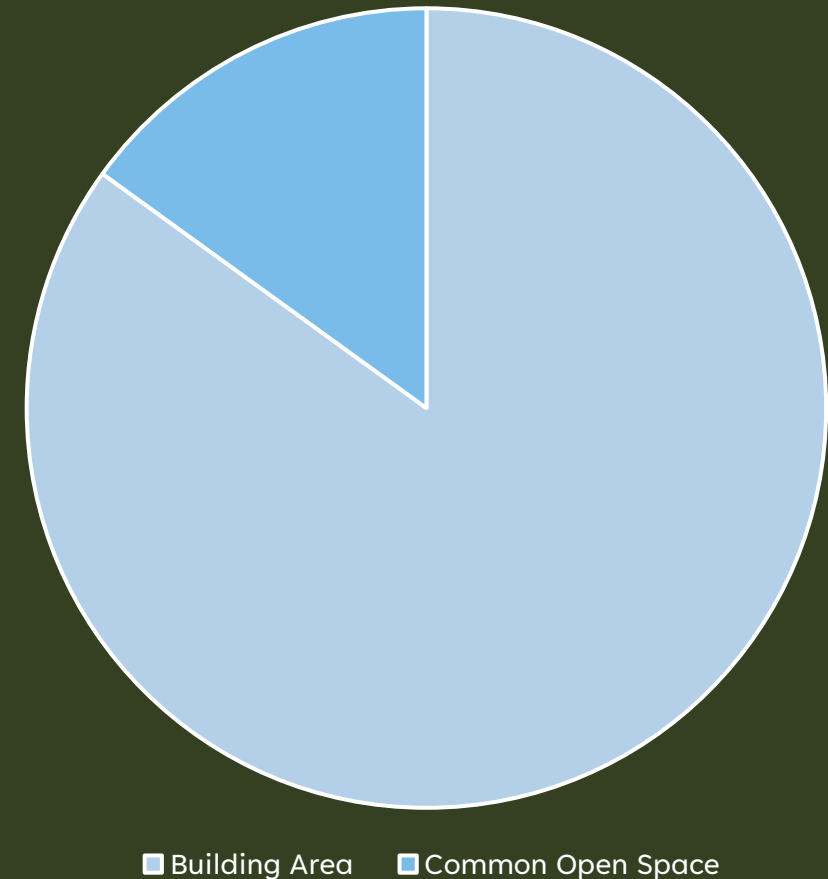
### EXAMPLE 3: REDEVELOP 615 W HEINTZ ST (R-3)

- 50 Units Multi-Family (19 UPA)
- Buildable site area – 2.66 acres
- Common open space required – 0.40 acres

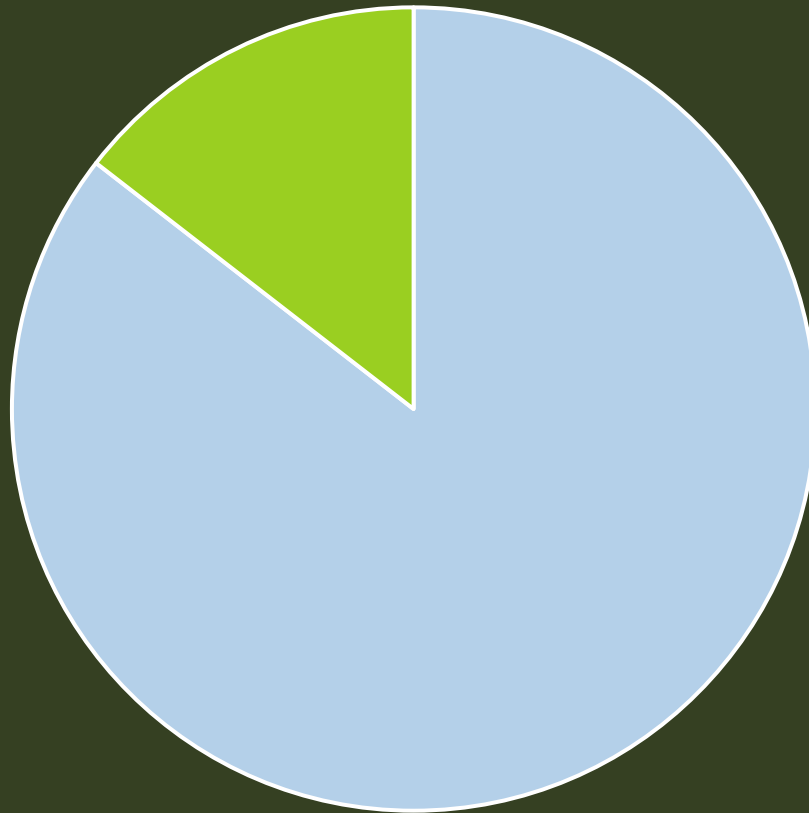
Required parkland dedication (acres) =  
 $(50 \times 2.0 \times 0.007) - (0.15 \times 2.66) =$   
0.30 acres

- Meets the minimum dedication size of 0.25 acres; BUT
- Is not Proposed Parkland or located within Park Acquisition and Development Area 1 or 2 on the map

Fee in lieu of dedication would be required for 0.30 acres.



### EXAMPLE 3: REDEVELOP 823 S TOLIVER RD (R-1)



■ Building Area ■ Park Dedication

- 15 Single-Family Lots (8 UPA)
- Buildable site area – 1.93 acres
- Common open space required – None

Required parkland dedication (acres) =  
 $15 \times 2.7 \times 0.007 =$   
0.28 acres

- Meets the minimum dedication size of 0.25 acres; and
- Is located within Park Acquisition and Development Area 1 on the map

Park dedication of 0.28 acres would be required.

## QUESTIONS FOR DISCUSSION



1. Do you agree with the types of development to which this applies?
2. Are there any types of development you would like to see excluded (ex: affordable housing)?
3. Are there other characteristics the City should consider in determining if a fee in lieu of dedicating parkland is suitable?
4. Should the fee in lieu rate be calculated based on taxed assessed value or market value of land?
5. Any other questions or comments?



## CITY OF MOLALLA

### Staff Report

#### Agenda Category: GENERAL BUSINESS

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**Agenda Date: Wednesday, March 19, 2025**

**Submitted by: Mac Corthell, Assistant City Manager**

**Approved by: Dan Huff, City Manager**

**SUBJECT:** Bohlander Field Pedestrian & Traffic Safety Improvements

**FISCAL IMPACT:** Approximately \$45,000. Staff believes all necessary funding is budgeted, but may require a supplemental budget adjustment depending on the progress of other capital projects.

**RECOMMENDATION/RECOMMENDED MOTION:**

I move to approve the Bohlander Field Traffic & Pedestrian Improvements project.

**BACKGROUND:**

Section 3 and 3.6 of Molalla's Comprehensive Plan states, "The City shall provide for a safe park system by... Working with the Molalla Buckeroo Association to upgrade and update the Molalla Buckeroo events center."

Currently, Bohlander field serves as the main parking area for the Molalla Buckeroo, the Mexican Rodeo, National Night Out, and Celebrate Molalla. All of these events draw significant crowds, and all of them require these crowds to cross from the parking area at Bohlander Field to the Molalla Buckeroo Grounds or Clark Park.

The traffic pattern for events that utilize Bohlander Field parking has been an ongoing safety concern for event organizers and public safety personnel alike. Recently, these concerns have been exasperated by the use of vehicles as weapons for mass casualty attacks around the United States and the world.

Staff has conferred with the Molalla Police Department, Molalla Fire Department, and the Molalla Buckeroo Association regarding these improvements, and all have offered their full support and even gratitude at the possibility.

Staff is requesting Council's approval to undertake a minor project to improve the traffic pattern, pedestrian safety, and disabled parking at Bohlander Field.

The project would include:

1. One new entrance to mitigate vehicle and pedestrian conflicts
2. Placement of removable bollards on the boundaries of the pedestrian zone.
3. Upgraded striping and signage for disabled parking.

**ATTACHMENTS:**

[Design Concept of Bohlander Field Pedestrian & Traffic Improvements Project](#)





All parking stalls typ. 9'-0" width x 19'-0" depth unless otherwise noted. Drive aisles 24' typ.

PARKING STALL QTY	
STD.	943
"ACCESSIBLE"	20
"VAN ACCESSIBLE"	4
967	



DEPT. OF COMMUNITY DEVELOPMENT  
NOT AN ENGINEERED DOCUMENT

PROJECT: BOHLANDER FIELD  
ENTERANCE IMPROVEMENTS  
FOR PEDESTRIAN CROSSING

LOCATION: SHIRLEY ST., 01099830

CONTACT:

REIC:

PROJECT LEAD:

PROJECT LEAD:

DRAWN BY: LS

NOT AN ENGINEERED DOCUMENT

ROLE

CHECK DONE

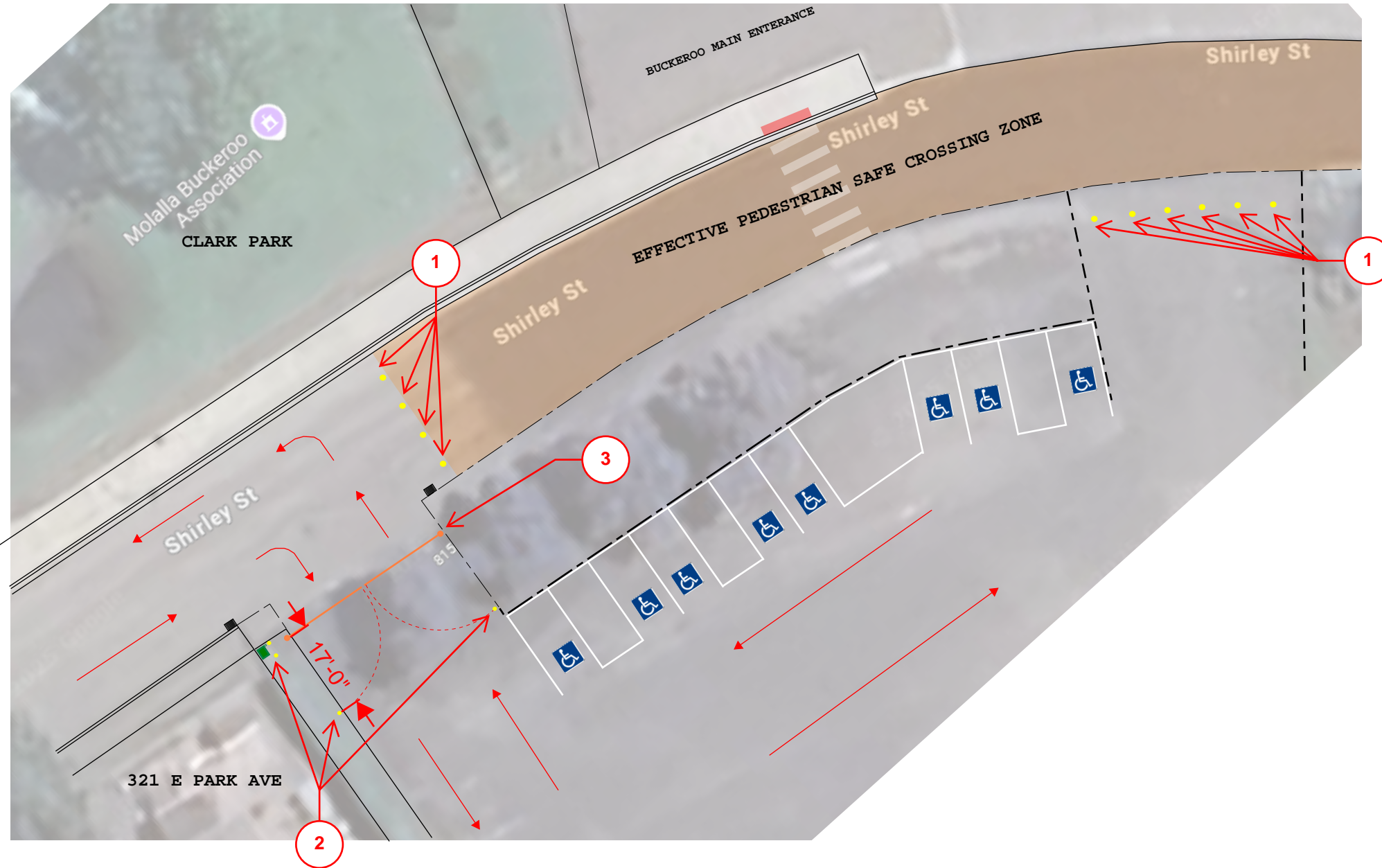
DRAWING NO

1


DATE	REVISION
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W SHIRLEY ST ENTERANCE



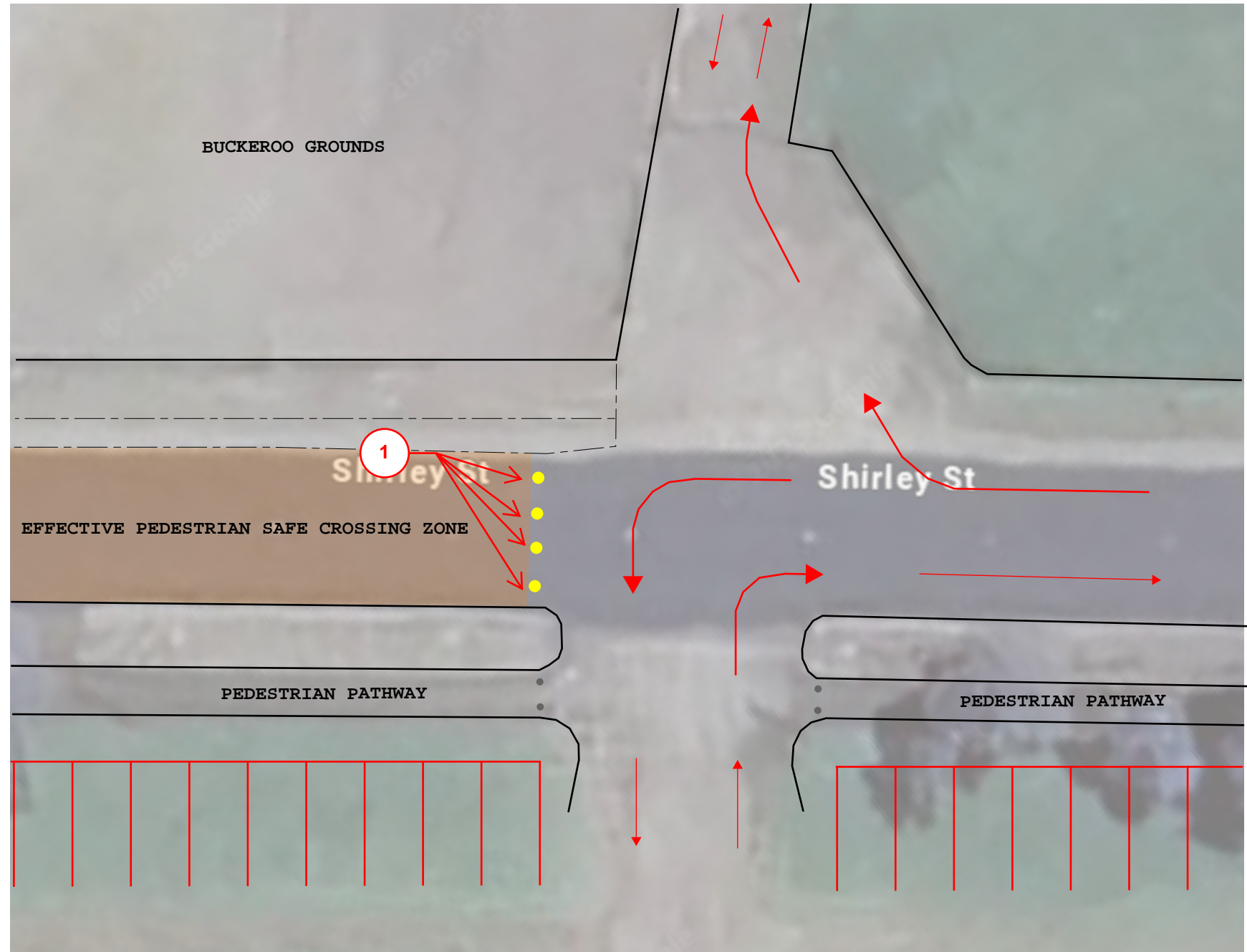
- 1 NEW Removable Bollards (10)
- 2 NEW Permanent Bollards (4)
- 3 38' Gate salvaged from Forest Ln.


		 <small>DEPT. OF COMMUNITY DEVELOPMENT NOT AN ENGINEERED DOCUMENT</small>	PROJECT: BOHLANDER FIELD ENTERANCE IMPROVEMENTS FOR PEDESTRIAN CROSSING	REIC:		DRAWING NO  <b>2</b>
				PROJECT LEAD:		
				PROJECT LEAD:		
				DRAWN BY: LS		
DATE	REVISION			<small>NOT AN ENGINEERED DOCUMENT</small> ROLE	CHECK DONE	

E SHIRLEY ST ENTERANCE

BUCKEROO EAST  
ENTRY

1 NEW Removable Bollards (10)



		 <small>DEPT. OF COMMUNITY DEVELOPMENT NOT AN ENGINEERED DOCUMENT</small>		PROJECT: BOHLANDER FIELD ENTRANCE IMPROVEMENTS FOR PEDESTRIAN CROSSING	REIC:		DRAWING NO  3
				LOCATION: SHIRLEY ST., 01099830	PROJECT LEAD:		
				CONTACT:	PROJECT LEAD:		
					DRAWN BY: LS		
DATE	REVISION				<small>NOT AN ENGINEERED DOCUMENT</small> ROLE	CHECK DONE	





## CITY OF MOLALLA

### Staff Report

#### Agenda Category: GENERAL BUSINESS

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**Agenda Date:** Wednesday, March 19, 2025

**Submitted by:** Mac Corthell, Assistant City Manager

**Approved by:** Dan Huff, City Manager

**SUBJECT:** T-Mobile Hometown Grant Project and Project Approval

**FISCAL IMPACT:** Up to \$50,000 in grant revenues, no match requirements. Total cost estimate to complete the banner holder project is approximately \$43,000 for fabrication and installation.

**RECOMMENDATION/RECOMMENDED MOTION:**

Staff is requesting approval.

I move the City of Molalla approve the Banner Pole System Project, authorize staff to apply for grants to finance the project, and authorize the Mayor to sign a letter of support on behalf of the City Council.

**BACKGROUND:**

Staff is requesting Council's concurrence on:

1. Applying for a T-Mobile Hometown Grant.
2. Using any awarded funds to place decorative banner holders on N Molalla Ave.
3. A letter of support from the council for both the project and the grant.

The Beautification & Culture CPC has been advocating for placement of a Decorative Banner Holder on N Molalla Ave for a period of years.

The City did not have funding available to allocate to the project, so the B&C CPC has been looking for grant products.

The T-Mobile Hometown Grant provides up to \$50,000 for revitalization projects in communities of 50,000 people or less, there is no match requirement.

**ATTACHMENTS:**

[Self-Hoisting Banner Pole System Overview.pdf](#)

[Self-Hoisting Banner Pole System Quote](#)

## SELF-HOISTING BANNER POLE SYSTEM



*Sample Rendering of Banner Pole System*

### Overview:

The self-hoisting Banner System offers an elegant solution for displaying event banners across downtown streets. It is also ideal for cities planning to install underground utilities, which require removal of existing power poles. Even without underground utilities, the Banner Pole System is superior to power poles due to its unique shape and functionality. It provides maximum structural strength without the need for wire backstays. This avoids sidewalk trip hazards. And because the system is self-hosting, it eliminates the need for a bucket truck to install and remove event banners.

Beyond functionality, the Banner Pole System offers aesthetic appeal that is customizable to express the town's unique character. Each pair of banner poles can be topped with custom artistic embellishments to reflect the spirit of the community.

- Ideal for downtown revitalization projects
- Helps attract tourism
- Adds public art to the community with practical utility

### Design (pat. pend.):

The Banner Pole System starts with two 30-foot tapered power poles. The poles are then cut to 22-foot lengths with a 7.5-inch bottom diameter and a 3-inch top diameter. For additional support and design interest, a framework is added at the tangent point to create an airplane wing-like shape. This shape provides maximum structural strength and banner stability without the need for wire backstays. This eliminates trip hazards and traffic obstacles. The framework is constructed of 1/4-inch x 2-inch steel plates spaced every 30-inches.

The framework is constructed of 1/4-inch x 2-inch steel plates spaced every 30-inches. then boxed along one side to the taper pole at the tangent point to create the final shape.

## SELF-HOISTING BANNER POLE SYSTEM



***Construction of framework over pole to create airplane wing-like shape***

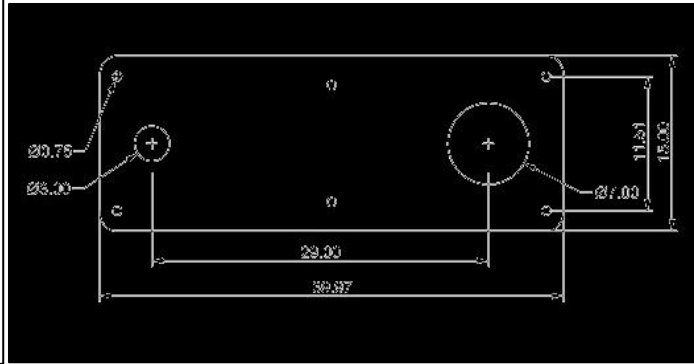
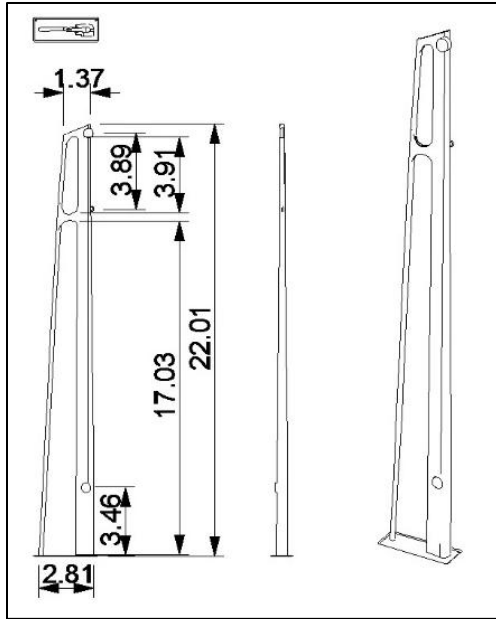
The backstay for each pole is constructed of 2-1/2-inch diameter Schedule 40 black iron pipe. The first five-feet at the top of the backstay is integrated into the framework to create a safety pin-like shape.



***Construction of backstay to create safety pin-like clasp shape at top of each pole***

The base is constructed from 1/2-inch plate. Bolts are 3/4-inch and embedded in the concrete to a minimum depth of 10-inches. The concrete foundation needs to be a minimum of 4-foot square. All hardware is marine grade stainless steel for weatherproofing and longevity. The hoisting wire is 3/32-inch, 7 x 9 steel cable. The winches are 1500 lbs.

## SELF-HOISTING BANNER POLE SYSTEM



*Base Plate photos and drawings*

## SELF-HOISTING BANNER POLE SYSTEM



*Hoisting winch has a 1500-pound linear pull capacity*



*Hoisting wire is 3/32-inch 7 x 9 steel cable*

Coating is commercial-grade handrail paint designed to resist chipping. Paint color can be determined by the city.

The Banner Pole System can include a customized artistic embellishment at the top of each pole structure to express the character of the community. Artistic embellishment requires a general concept from the city from which renderings can be created for approval prior to construction.

### **Current Installations:**

The Banner Pole System has been successfully installed in the Oregon towns of Estacada, Tigard, Forest Grove, Dalles, and Oregon City.



## SELF-HOISTING BANNER POLE SYSTEM



*Estacada, Oregon*



*Tigard, Oregon*

## SELF-HOISTING BANNER POLE SYSTEM



*Dallas, Oregon*



*Oregon City, Oregon*

### **Artistic Embellishments:**

Each pole can be embellished with custom sculptures to tie in the system to harmonize its design with the town's unique character. If necessary, the embellishment can be added after the system is installed. Please see Ben's portfolio of work at [BenDyeSculpture.com](http://BenDyeSculpture.com)



## SELF-HOISTING BANNER POLE SYSTEM



*Tigard chose a glass design involving collaboration with a local glass artist*



*Estacada chose an eagle on one pole and an osprey on the other*

## SELF-HOISTING BANNER POLE SYSTEM



***Forest Grove chose a tree-themed design to mirror their town logo***



***Oregon City chose a whimsical abstract design***

## SELF-HOISTING BANNER POLE SYSTEM

### **Cost:**

The Banner Pole System is reasonably priced to be accessible for towns of all sizes. Upon request, a cost quote will be provided. Projects for nearby towns include personal delivery and installation. Towns at a distance may require third party shipping and installation. If personal installation is desired, transportation of the artist to the site and equipment rental will be paid by the buyer.

Thank you for your interest. Feel free to get in touch to discuss your project.

PROPOSAL  
Self-Hoisting Banner Pole System  
City of Molalla, OR



*Sample Rendering of Banner Pole System*

## Project Description:

The following are terms for Ben Dye Sculpture LLC to design, build, and install a Self-Hoisting Banner Pole System:

## Scope:

- **Banner Pole System:** The system consists of a pair of custom pole structures that utilize a proprietary design to enable the safe and efficient display of a cross-street banner
- **Artistic Embellishments:** If desired, artistic embellishments can be placed at the top of each of the two pole structures. These embellishments will be integrated into the overall system design. A separate budget for design and construction of embellishments will be provided upon receipt of embellishment concept from City of Molalla.

## Milestones:

- Contract signing with 25% payment
- Site visit with appropriate city representatives
- 90-day construction period begins after contract signing and site visit
- Embellishment concept due from city within 30 days of contract signing
- Budget provided for artistic embellishments upon receipt of concept
- Installation (approximately one day)
- Final invoice provided to City of Molalla upon installation

PROPOSAL  
Self-Hoisting Banner Pole System  
City of Molalla, OR

### Project Updates:

- **Studio Visits:** Welcome by appointment
- **Online Updates:** Photos of the project will be posted to the Facebook page of [Ben Dye Sculpture](https://www.facebook.com/profile.php?id=100064354732509) approximately once a week. The City of Molalla is encouraged to use these updates as a means of promoting the project within the local community.  
<https://www.facebook.com/profile.php?id=100064354732509>

### Suggested Maintenance:

- Wires, threaded eye terminals, and pulleys can be inspected each time a banner is replaced. The wire ends at the top of each pole structure can be inspected every six months to one year. At that time, the upper pulley wheel should also be inspected.
- Paint can be touched up or redone at ten-year intervals, or as needed.
- Specifications for hardware, mechanisms, and paint formulas will be provided at the time of installation.

### Project Budget:

The project budget includes materials (power poles, base, metal, hardware), labor, transport of finished Banner Pole System pole to site, and installation (tools, equipment, labor, clean up).

#### Banner Pole System:

Engineering	\$ 3,200.	
Labor	\$15,500.	
Materials	\$12,000.	
Fasteners and Paint	\$ 1,500.	
Transport	\$ 1,500.	
Crane	\$ 3,800.	
<b>SUBTOTAL</b>	<b>\$37,500.</b>	<b>This quote is good for 30 days.</b>

#### Artistic Embellishments:

Base price	<b>\$ 5,500.</b>	A separate budget for design and construction of embellishments will be provided upon receipt of embellishment concept from City of Molalla.
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Respectfully submitted,

Ben Dye