



**CITY OF MOLALLA
WORK SESSION REGULAR MEETING
AGENDA**

Civic Center | 315 Kennel Avenue Molalla, OR 97038
Wednesday, November 13, 2024 | 6:30 PM

NOTICE: Work Session 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. Submissions must be received by 12:00 p.m. the day of the meeting.

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- 1. CALL TO ORDER AND FLAG SALUTE**
- 2. ROLL CALL**
- 3. GENERAL BUSINESS**
 - A. [Farmstands as Home Occupations - Molalla Municipal Code](#)
- 4. ADJOURN**



CITY OF MOLALLA

Staff Report

Agenda Category: GENERAL BUSINESS

Agenda Date: Wednesday, November 13, 2024

Submitted by: Mac Corthell, Assistant City Manager

Approved by: Dan Huff, City Manager

SUBJECT: Farmstands as Home Occupations - Molalla Municipal Code

RECOMMENDATION/RECOMMENDED MOTION:

Discussion purposes only.

BACKGROUND:

Discussion for City Council:

- Should City staff develop Code language to allow farmstands as home occupations, including retail sales?
- Should City staff develop Code language to allow qualifying Cottage Kitchens to sell their goods on-site?

Oregon Revised Statutes and Administrative Rules currently provide exceptions to the licensing requirements for both Farm Direct sales, and Cottage Food Establishments (domestic kitchen operations). Those exemptions provide for a separate regulatory scheme that is applicable only to these types of facilities.

The Molalla Municipal Code does not currently allow for Farmstands as home occupation uses and does not allow Cottage Kitchens to sell their goods on-site.

The City currently has at least one Farmstand operating on a residential site selling products that are exempt from Oregon Revised Statutes by the Farmstand and Cottage Kitchen exceptions. However, this activity is prohibited by the Molalla Municipal Code.

Given the positive community feedback staff has been hearing, and the workload of the Code Compliance Officer, this issue has not yet been addressed by staff. Prior to taking enforcement action, staff would like to know if the Council has a desire to lift the prohibition for the activities in question and come into alignment with State Law, or to maintain the prohibition and move to enforcement action.

ATTACHMENTS:

[Molalla Municipal Code Examples](#)

PERTINENT CODE & STATUTORY LANGUAGE

Business Licensing Exemption, MMC 5.24.025(A)(10). *Any producer of farm products raised in Oregon, produced by themselves or their immediate families, who sell, vend, or dispose of such projects within the City.*

Allowed Use in C1 & C2 Zones, MMC Table 17-2.2.030. *Commercial retail sales and services are a Permitted (P) use in the C1 and C2 zones.*

Allowed Accessory Use in C2, M1 & M2 Zones, MMC Table 17-2.2.030. *Commercial retail sales and services, in conjunction with a permitted industrial use, as an accessory use is a Permitted (P) use in the C2, M1, and M2 zones.*

Not an Allowed Home Occupation, MMC 17-2.3.120(D)(7)(b). *Any activity involving on-site retail sales, including garage sales exceeding the thresholds of a temporary use, is prohibited, except that the sale of items that are incidental to a permitted home occupation is allowed. For example, the sale of lesson books or sheet music from music teachers, art or craft supplies from arts or crafts instructors, computer software from computer consultants, and similar incidental items for sale by the home business is allowed.*

MMC 17-2.3.120(D)(2)(a). *Outside storage visible from the public right-of-way or adjacent properties that exceeds what is customary for a single-family residence in the vicinity is prohibited.*

MMC 17-2.3.120(D)(2)(c). *Storage of inventory or products and all other equipment, fixtures, and activities associated with the home occupation shall be enclosed in a structure or otherwise screened from view from adjacent properties and public right-of-way.*

Farm Direct Exemption(s), OAR 603-025-0235 & 603-025-0245. *Provide exemptions for farm direct and consignment farm direct sales subject to several rules and limitations.*

Cottage Food Establishment Exemption, OAR 603-025-0320. *Provides an exemption for domestic kitchen operations subject to several rules and limitations.*