



Molalla City Council – Meeting Agenda
Meeting located at: Molalla Adult Center
315 Kennel Ave, Molalla, OR 97038
REVISED - March 22, 2017

WORK SESSION BEFORE MEETING 6:30PM

Business meeting will begin at 7:00PM. The Council has adopted Public Participation Rules. Public comment cards are available at the entry desk. Request to speak must be turned into to the Mayor prior to the start of the regular Council meeting.

Executive Session : N/A

1. **CALL TO ORDER – 1,775th Regular Meeting**
 - A. Call the meeting to order – Mayor Thompson
 - B. Flag Salute and Roll Call

2. **COMMUNICATIONS, PRESENTATIONS & PUBLIC COMMENT**
 - A. Minutes: February 8, 2017
 - B. Library Minutes – Informational Only

3. **PUBLIC HEARING**

4. **CONTINUED BUSINESS**
 - A. PAC Fibre Application – Huff

5. **NEW BUSINESS**
 - A. Public Works Purchase at Water Treatment Plant – Fisher
 - B. Budget Committee Applications – Mayor Thompson

6. **ORDINANCES**
 - A. 2016- 04 - Public Works Code Revision MMC 12.12 – Fisher

7. **RESOLUTIONS**

8. **REPORTS AND ANNOUNCEMENTS**
 - A. Staff and Council:
 1. Budget Meeting Dates: April 26, 2017
 2. Molalla Avenue Street Construction – Fisher

9. **EXECUTIVE SESSION**

10. **ADJOURNMENT**

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Wednesday February 8, 2017

ATTENDANCE: Mayor Jimmy Thompson, Councilor Leota Childress, Councilor Glen Boreth, Councilor Elizabeth Klein, Councilor Keith Swigart, Councilor DeLise Palumbo, Councilor Cindy Dragowsky all present.

STAFF IN ATTENDANCE: Dan Huff, City Manager, Present; Gerald Fisher, Public Works Director, Present; Sadie Cramer, City Recorder, Present.

MINUTES AND COMMUNICATIONS

Councilor Childress made the motion to approve the presented amended minutes of January 25, 2017. Councilor Klein seconded. Motion carried (7-0)

Karla Koch of Kapa Dance in Molalla requested that the Council consider sponsoring the proposed 2nd Saturday that a group of business owners are wanting to restart that was known as 2nd Friday. Karla on behalf of the group is asking the Council/City to waive the insurance requirement to hold the event through the summer. Questions from Childress, Boreth and Klein regarding the cost of the rider had been researched and the fees charged to the vendors were asked, Koch stated fees are nominal for vendors and yes they have researched it and insurance would be costly. The Chamber sponsored the event in previous years but due to a falling out that was no longer feasible. The Council agreed to discuss the matter later in the session and Mayor Thompson would let her know the outcome.

PUBLIC HEARING

SHIRLEY BANKS HEARING: P45-2016

Thompson read the public hearing script verbatim to open the public hearing with no opposition from Council. Thompson declared ex parte contact with Susan Hansen regarding procedures or merits of the hearing. He received 2 letters from her which he has not read. The stated that he does not feel it will affect his ability to vote on this item. There was no opposition by Council on Thompson's statement.

Thompson continued with the hearing script asking if any Council members have met prior to the hearing to discuss this item; additional conflicts of interests to declare; is there any public present who objects to any Councilors participation on this item. Hearing none he moved forward with participation etiquette and opened the hearing.

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Huff went through the staff report and ODOT appeal as presented. Entered in as Exhibit A. Huff addressed the staff report by Rodriguez, ODOT letter of appeal and informational items previously presented at the Planning Commission meeting regarding this development for background purposes.

In the recommendation from the city staff it proposed to require a frontage and pedestrian improvement. During the Planning Commission public hearing and meeting they heard from the residents and the applicant. Subsequently, they allowed the applicant to sign a local improvement district (LID) for those improvements. The discussion after that, the neighbors didn't want to see the pedestrian connection to HWY 211. Instead, a wall was to be built around the subdivision that matched the existing wall of Molalla River Estates.

In the packet there are 2 letters from ODOT. The first letter was a recommendation regarding the street improvements. The planning commission focused in that it was a recommendation and would consider it. The second letter is a letter regarding the Facts and Finding Stage of the process. The planning commission re-opened the public hearing to consider the second letter. They did so, and went ahead and adopted the findings as written by staff.

After that, we received the appeal in the exhibit from Mr. John Mackler, AICP for ODOT Region 1 Planning Manager. The letter outlined in detail as to why ODOT would like to see the ability to make that connection to HWY 211 so in the future it can be done if highway improvements are made.

Huff stated in situation like these that governing body is the appeals body. ODOT'S appeal is limited and considered De Novo which means to start over. It starts over based on the appeal which is based on one of the conditions in this case. The body needs to decide if they want to consider information that has not already been considered.

Boreth made the motion to allow consideration of the additional information limiting it to number 7 in the appeal. Dragowsky seconded. Motion carried 6-1 (Thompson, Nay).

Thompson called for appellant presentation. Mackler passed out written copies of his presentation and read it verbatim. See below Exhibit "B"

February 9, 2017

Mayor Thompson and Councilors: good evening and thank you for welcoming me here for this proceeding.

In preparation for the Planning Commission's evidentiary hearing in September (later rescheduled to October), City of Molalla staff proposed that the applicant be required to dedicate 2.5 feet of right of way and construct frontage improvements including curb, gutter and sidewalk.

Prior to the Planning Commission's meeting on December 7th, my staff submitted written testimony emphasizing the value of the pedestrian infrastructure, noting requirements for consistency with the city's adopted Transportation System Plan.

Despite this, the Planning Commission chose NOT to require the frontage improvements and went further: Condition 7 states, "The applicant shall not connect Highway 211 from Coho Street with a bicycle or pedestrian walkway." Condition 13(A)(3) includes, "A landscaped treatment and wall matching the existing wall surrounding Molalla River Estates to prohibit traffic, pedestrians and bicycles from access the state highway will be required along Highway 211 frontage."

ODOT appreciates the neighborhood's concerns for safety adjacent to a highway. However, the TSP establishes standards for a complete network of pedestrian infrastructure specifically to ensure residents of all ages and abilities can travel in the city.

Reluctantly, ODOT accepts the Planning Commission's decision to implement the frontage improvements through a local improvement district (LID) rather than requiring the applicant to complete these improvements today. But ODOT objects strongly to the preclusion of a sidewalk connection between the subdivision and the eventual highway frontage.

It is apparent to ODOT that these specific conditions of approval do not comply with criteria in Sections 18.04 and 18.16. Thus, ODOT has appealed the Planning Commission decision specifically to remedy the language in conditions 7 and 13. In response, the Applicant has proposed a compromise that ODOT finds acceptable.

Simply put, the applicant grants an easement to the city for the future construction of a sidewalk connecting the end of Coho Street to a sidewalk on the north side of Highway 211 when one is eventually constructed. In the meantime, the applicant may install a temporary barrier across that easement.

Enclosure: proposed revisions to Planning Commission findings.

Condition 7 shall be replaced entirely with the following:

The applicant shall provide a 15' wide easement to the City of Molalla to accommodate a future access way for pedestrians and bicycles between Coho Street and OR-211 on the final plat. The applicant shall not build a wall across this easement but shall instead construct a temporary obstruction in order to accommodate the future connection while addressing the neighborhood's concern for safety. At such time that frontage improvements are completed along OR-211 through the proposed LID, the City shall remove the temporary obstruction and construct a 10' wide concrete sidewalk, illuminated and landscaped pursuant to MMC 18.04.030(B)(10) and the Public Works Standards.

Condition 13(A)(3) shall be edited to remove the final sentence, which reads:

A landscaped treatment and wall matching the existing wall surrounding Molalla River Estates to prohibit traffic, pedestrians and bicycles from access the state highway will be required along Highway 211 frontage.

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Discussion regarding the type of barrier, frontage improvements and that is recommend took place between members of Council and Mackler. Mackler suggested that if you build a continuous wall and a project triggers an improvement, it would be best to construct a wall up to the 15' wide easement and construct a temporary barrier of sort. It could be made of a number of different materials that is up to the Council. Discussion on obtaining an easement and communicating to citizen what the Council intent is in the future took place.

There are 2 points Mackler said. The Mayor state makes a recommendation to a city and the city decides what they want to apply. The Planning Commission made a decision that was different than the recommendation which they are entitled to do.

The recommendation to deliver frontage improvements on the highway is different from the recommendation to provide an easement or opening. The nature of Macklers' appeal is because he asserts that it violates the city code not to provide this connection and disagrees with the decision on behalf of ODOT but the Planning Commission is within its rights to not require the developer to provide the frontage improvements.

Boreth confirmed with Mackler that this is a compromise by granting the easement and the Council doesn't have to vote yay or nay, but can do a modification of condition 7 to include the easement and a different type of barrier. Mackler stated that it is critical that condition 7 be removed and is in violation of the city code. The matter of a temporary wall that is up to the Council, he is just offering a recommendation in order to minimize possible controversy in the future. It is an elegant solution.

Boreth thanked Mackler for his work and bringing a compromise to the city for consideration and caring about Molalla.

Palumbo asked what we were in violation of our own code per Mackler's appeal. Huff stated in Mackler's letter dated 12/21/17 he states it well on page 2, second paragraph where he refers to MMC Section 18.16.030(A) (2) regarding pedestrian/bicycle access ways shall be provided in areas where full street connections are not possible. If we do not meet that, than we are in violation of our own code however the Planning Commission is able to make a decision not to meet what is in our code.

Boreth asked if building a wall was in the conditions. Huff stated it is in condition 13 part 3A. Page 8 of the findings.

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Discussion regarding Mackler's points among council and staff took place for clarification.

Thompson asked Mackler if the sidewalks and frontage improvements are done is it more likely that ODOT will come through and do the paving that needs to be done. Mackler stated he doesn't believe that ODOT would install sidewalks unless they are doing a full street improvement that includes paving.

Thompson asked if the applicant would like to address the Council. Morgan Will project manager for Stafford Development, LLC. He requested the council reject the ODOT appeal for the following reasons:

- It is a frivolous appeal and gross waste of government resources and time. Stafford Development approached ODOT after the appeal to find out the purpose of it and it was determined to pull back the terminus of Coho Street so it won't touch ODOT's right of way. So the land in that area would create private property to allow the wall to be built. ODOT's concern is if it is private property that take away their right to access. The applicant was willing to grant an easement and withdraw the appeal. ODOT declined the offer of an easement and we are now here, which is frivolous.
- The Planning Commission when they wrote condition was that the applicant does not build the connection. Stafford Development said they will not, but they would be agreeable to grant an easement so it can be built at a later date when they improve the highways are done. That is an extensive public process.
- There are 2 types of decisions. Administrative and Quasi-Judicial which allows the Council to interoperate the code.
 - Cover page of appeal of the staff report and the criteria set under 1A and 1B are the exact same 2 the appellant lists in their memo of 11/21/16. Addressing pedestrian/bicycle access. In 1A, it is not possible to connect the street all the way to the highway but the sidewalks that are going to be provided will meet that condition.
 - 1B states in residential areas access ways shall be reasonable direct connection to/from a cul de sac. Even though it is a dead end the applicant considers it one instead of a hammer head.
 - Access ways shall be provided direct connection to the nearest street or public activity center. The key word in the condition is "OR". The applicant held a neighborhood meeting and was told from the residence that they do not want the pedestrian connection. The PC heard that and made the correct decision that there are reason direct connections in the proposed layout and conditioned by them to the closest available street or neighborhood activity

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center which is to the west of the development. To the west there is a church and showed photos of the existing pathways going north, east, south and west.

There are some corrections that need to be noted Will said.

- The applicant is required to pay for the improvements per the Planning Commission. A right of remonstrance in place which means the residence would pay their share of the total cost of the frontage improvements along the highway frontage if it takes place. The onus would be on the future homeowners and an LID will be in place. The home owner will need to decide if they want to purchase that lot when considering buying. New buyer and current residence will pay their share.
- It's irrelevant but wanted to note that they found it odd that the Planning Commission re-opened the re-opened the record on 12/07/16 after it was closed in October of 2017. There was a decision and a vote made. In November there was some challenge by the community and the PC decided not to approve the decision before them and moved it to December. Between that times the appeal was received. He protested to the city staff that the state requires a decision be made in 120 days and that deadline was on December 2nd. They attended the meeting on December 7th and they decided to re-open the record and restricted it to ODOT's memo. Unsure if that is appropriate. The appeal process began on December 7th outside of the 120 days.

Swigart has been here 60 years and building east has been taboo. He doubts that they will build these in the next 50 years; what is the compromise? Will said that it could be temporary and they are willing to give an easement option so it can be built one day. We are asking that you deny ODOT's approval and allow Stafford to provide the easement.

Donna Freeman of 1041 Coho Street expressed her concern about the wall being temporary due to public safety concern for the neighborhood. The traffic on Highway 211 is dangerous with no bike lanes or sidewalks. She is worried about children and what can happen if a child enters the roadway.

Jody Newland of 321 Chinook Street concurred with Mrs. Freemans comments and would ask that she would ask that the Council denies the appeal. Reducing the speed will not help. It is not burdensome to walk through the development where it is 20/25mph instead of onto the highway. The surrounding area won't be developed anytime soon so why do the improvements now. She is speaking on behalf of her neighborhood.

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Marilyn Bloch of 206 Berkley is concerned about the LID, it has to be voted on by the homeowners. Who is going to vote to tax themselves? That cost is going to have to be passed on to the citizens of Molalla to pay.

Thompson asked for rebuttal from the appellant. ODOT is not negligent in this and the city has the opportunity to have the improvements in infrastructure paid for by the applicant. He has kids and shares the others concerns regarding safety. This is the vision of the city and have invested a lot into the TSP. If you have the applicant pay for it, is the margin so thin they will walk. He doesn't believe so. He is insulted that it was said that he did not participate in the process, he has a staff and engage in these process over 4 counties on these exact issues to help you achieve your code goals, the rules you adopted. His job is to hold the city accountable. He is trying to address the fact that if you don't codify this agreement and when time comes and you need to do the connection the adoptive language says you can't. So how do we convey a clear message so your decision can be addressed 15, 20 or 50 years down the road.

Will rebuttal and it states that the developer shall not build the road. The city or state will. There are options in the code that will allow them to connect to the street or an activity center. A vote for denial is the only option this evening.

After lengthy discussion regarding where the city activities are, current accesses discussed, costs, easement accesses, wall options of materials that are permanent or temporary this evening along with current growth is taking place the council made a final decision after closing the hearing at 8:35pm.

Thompson asked for a vote on each of the following items so a final motion can be made.

1. Frontage improvement to be required. 6-1 with Childress, Nay.
2. Easement for a path. 6-1, with Childress, Nay.
3. Wall for safety. 7-0
4. City pays for the pathway in the future. 7-0

Boreth made the motion to modify the decision to include the items they just voted on with the wall being temporary and will match the existing wall to include an easement for future connection to the highway. Dragowsky seconded. Motion carried 6-1.

Boreth made a motion reopen the meeting after a brief recess. Childress seconded. Motion carried 7-0.

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SECOND FRIDAY

Thompson spoke to Canby and Oregon City. They sponsor a similar event so they group doesn't have to pay the insurance as required for reserving the parks. He opened discussion. Boreth took a tour of City Hall and we have to be careful with utilizing city resources and we need to focus on core duties. If it starts effecting staff time and resources it will be problematic for him. Dragowsky agreed with Boreth and thinks it is important that we support our local businesses.

Childress stated that if we work around the rules that we have in place, it can cause issues, which has happened in the past. It is a great event but where do we stop with providing insurance, do we provide it for everyone? Thompson stated that each case can be looked at individually to determine if that the city will sponsor an event. Huff said at a staff level the festivals and events are good for the city but historically those became the city's responsibility. If you have staff time in it, you have money in it. We spend a lot of time for over time during events and staff coordination as well.

Staff was asked to provide current application processes and a list of items that would help with some of the questions and concerns tonight. Who needs to carry insurance and a basic business outline will be needed from Koch. Cramer will follow-up with Thompson.

Klein motioned to table this item until an event application is received. Swigart seconded. Motion carried 7-0.

PLANNING COMMISSION AP FOR RACEAL CAIN

No opposition from Council and confirmation that Ms. Cain resides inside the city limits, Thompson appointed her to the Planning Commission.

RECREATIONAL IMMUNITY RESOLUTION

Huff stated that the resolution was drafted by the League of Oregon Cities. He asked if Council wants to support the legislative efforts for cities to regain RI. If so, staff will bring back the resolution updated for Council consideration. Dragowsky instructed staff to do so. Boreth seconded. Motion carried 7-0.

RESOLUTIONS

**A. RESOLUTION 2017-02: INTERGOVERNMENTAL AGREEMENT TO PARTICIPATE
IN THE MANAGING OREGON RESOURCES EFFICIENTLY (MORE) PROGRAM**

Boreth made the motion to approve the MORE resolution. Childress seconded. Motion carried 7-0.

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B. Resolution 2017-03: A Resolution Adopting Adjusted Fees For The Administrative Fee Schedule For The City Of Molalla

Boreth made the motion to approve the fee adjustments. Childress seconded. Motion carried 7-0.

STAFF AND COUNCIL REPORTS

PWD Fisher gave an update of the Molalla Avenue project and the Long Park update of the bike pavilion. PGE installation of lights anticipated this week. He is inventorying the sewer lines as well that need to be replaced. He will bring that report back to Council at a later date.

Childress reported on the Warming Center because the previous Council requested that. They were open 23 nights with over 100 people in house.

Klein said the Bear Creek Byway dedication and the meeting for local businesses was great to attend.

Thompson went to a couple meetings that included citizens and then local businesses that had good attendance. The vehicle registration fee is going to be discussed and he will report on that item at a later date.

Motion to adjourn made by Councilor Boreth. Councilor Klein seconded. Motion carried (7-0), all ayes at 10:03pm.

Sadie Cramer, City Recorder

Jimmy Thompson, Mayor

Molalla Library Advisory Board

Meeting Date: 1-19-2017

Meeting brought to order by Mary Gilson at 6:45 P.M.

Members Present: Mary Gilson; Paula Beck; Angela Patton; Kelly Andrews (excused)

City Council Liaison: Not Present

Staff present: Director Diana Hadley

The minutes from the November 2016 meeting were approved as read.

- Director's Report: (See Diana if you didn't receive one.)

- Old Business:
 - 1) Melissa Benes has applied to be an advisory board member. Diana will invite her to meet with us at the beginning of our next meeting so we can meet her.

- New Business:
 - 1) We will not elect a new President until February when we have elections for 2017.
 - 2) Our City Council Liaison is not a voting member.

The meeting was adjourned at 7:15 P.M. The next meeting will be held on February 16, 2017.

Submitted by Mary Gilson, Secretary

Molalla Library Advisory Board

Meeting Date: 2-16-2017

Meeting brought to order by Diana Hadley at 6:45 P.M.

Members Present: Mary Gilson (term expired 12/31/16); Paula Beck; Angela Patton; Valerie Coy; Kelly Andrews (excused) Due to Mary's term being expired, no quorum was present.

City Council Liaison: Cindy Dragowsky

Staff present: Director Diana Hadley

The minutes from the January 2016 meeting were approved as read.

- Director's Report: (See Diana if you didn't receive one.)
 - 1) Meetings are beginning about the future of the Molalla Public Library. The first one will be on Tues., Feb. 21st, at 5:30 P.M. at the library and should be about an hour long. The next one will be on Wed., March 1st, at the same time. A Focus Group has been formed. It is made up of library staff and library board members: Diana, Michelle, Angela Patton, Cindy Dragowsky, Valerie Coy, and Kelly Andrews.
 - 2) At this time, we do not know whether it is a public meeting or not. Cindy will find out.
 - 3) We will not have an April meeting because our library Director will be away at a conference and Angela Patton will be traveling with her work

- New Business:
 - 1) Valerie Coy is our new Volunteer Library Board member. We welcome her.

The meeting was adjourned at 7:45 P.M. The next meeting will be held on March 16, 2017.

Submitted by Mary Gilson, Secretary

OREGON ENTERPRISE ZONE AUTHORIZATION APPLICATION

• Complete form and submit to the local enterprise zone manager **before** breaking ground or beginning work at the site. • Please type or print neatly.

APPLICANT

Enterprise Zone or Rural Renewal Energy Development Zone (where business firm and property will be located) <u>Molalla</u>		County <u>Clackamas</u>	
Name of Business Firm <u>Pacific Fibre Products, Inc</u>		Telephone Number <u>(360) 577-7112</u>	
Mailing Address <u>PO Box 278</u>	City <u>Longview</u>	State <u>WA</u>	ZIP Code <u>98632</u>
Location of Property (street address if different from above) <u>410 Section street</u>	City <u>Molalla</u>	State <u>OR</u>	ZIP Code <u>97038</u>
Map and Tax Lot Number of Site <u>see attached</u>	Contact Person <u>Mark Fahey</u>	Title <u>CFO</u>	

My firm expects to first claim the standard property tax exemption in the following year(s): 2017 - 2018

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: 2016-2017
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.
- Check here if you are requesting an **extended abatement** of one or two additional years of exemption. This is subject to minimum average annual "compensation" for employees and written agreement with local zone sponsor. Sponsor may request additional requirements.

Zone Manager Use Only (after written agreement but before authorizing firm):

County Average Annual Wage: \$ _____ For Year _____ Total Exemption Period: 4 or 5 Consecutive Years (check one)

BUSINESS ELIGIBILITY

Eligible Activity—Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing Fabrication Bulk Printing Shipping Agricultural Production Energy Generation
- Assembly Processing Software Publishing Storage Back-office Systems
- Other—describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm): _____

Check here if your business firm does or will engage in **ineligible activities** within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and their physical separation from "eligible activities" checked above: _____

Special Cases—Check all that apply:

- Check here if a **hotel, motel, or destination resort** in an applicable enterprise zone.
- Check here if a **retail/financial call center**. Indicate expected percent of customers in local calling area: _____ %.
- Check here if a **"headquarters" facility**. (Zone sponsor must find that operations are statewide or regional in scope and locally significant.)
- Check here if an **electronic commerce investment** in an e-commerce enterprise zone. (This also provides for an income tax credit.)

EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do **not** count temporary, seasonal, construction, FTE, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

Existing Employment—My business firm's average employment in the zone over the past 12 months is 7 jobs.

New Employees—Hiring is expected to begin on (date or month and year):

Hiring is expected to be completed by (month and year):

Estimated total number of new employees to be hired with this investment is: 6 additional jobs

Commitments—By checking all boxes below, you agree to the following commitments as required by law for authorization:

- By April 1 of the first year of exemption on the proposed investment in qualified property, I will increase existing employment within the zone by one new employee or by 10 percent, whichever is greater.
- My firm will maintain at least the above minimum level as an annual average employment during the exemption period.
- When the exemption claim is also filed by April 1 following each calendar year of exemption, total employment in the zone will not have shrunk by 85 percent at one time or by 50 percent twice in a row, compared to any previous year's figure.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase, or (3) an **urban** enterprise zone's adopted policy, if applicable.
- My firm will verify compliance with these commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will enter into a **first-source hiring agreement** before hiring new eligible employees. (This **mandatory** agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE

Check only those that apply:

- Check here if your firm or a commonly controlled firm is, or will be, closing or curtailing operations in the state **beyond 30 miles of the zone's boundary**. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

- Check here if you are transferring any operations into the zone from site(s) **within 30 miles of the zone boundary** (existing businesses only): My firm's average employment at the site(s) over the past 12 months is _____ jobs.
- Check here if your firm commits to increase the combined employment at the site(s) (within 30 miles) and in the zone to 110 percent of the existing combined level by April 1 and on average during the first year of exemption.

PROPOSED INVESTMENT IN QUALIFIED PROPERTY

Anticipated Timing—Enter dates or months/years

Action	Site and Building & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed in Service	Procurement**	Installation	Placed in Service
To commence or begin on	Sept 2016	Jan 2017	March 2017	Sept 2016	Sept 2016	Sept 2016
To be completed on	Oct 2017	Oct 2017		March 2017	March 2017	

* And/or new reconstruction, additions to, or modifications of existing building(s) or structure(s).
 ** May precede application by up to three months.

Special Issues:

- Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease or closing documents).
- Check here for **Work-in-Progress** tax exemption for qualified property that is not yet placed in service and is located on site as of January 1. (Attach description and list of such probable property. See "Special Issues Worksheet," on the last page.)

Qualifying Property: Estimates of cost (please attach a preliminary list of machinery and equipment).

Type of Property		Number of Each/Item	Expected Estimated Value	Check if any Item will be Leased
Real Property	Building or structure to be newly constructed	see attached	\$ 710,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure	see attached	\$ 340,000	<input type="checkbox"/>
	Heavy or affixed machinery and equipment	See attached	\$ 340,000	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
Total Estimated Value of Investment			\$ 1,050,000	

Additional Description: In addition to what is explained elsewhere, briefly comment below (or in an attachment) on the scope of your investment, the particular operations and output that are planned, and the intended uses of the qualifying property.

see attached

DECLARATION

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285C) and complies with all local, Oregon, and federal laws that are applicable to my business.

MUST BE SIGNED BY AN OWNER, COMPANY EXECUTIVE, OR AUTHORIZED REPRESENTATIVE OF THE BUSINESS FIRM

Signature: Mark [Signature] Date: 9-1-2016
 Title (if not an owner or executive, attach letter attesting to appropriate contractual authority): Chief Financial Officer

Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, form 150-303-082)

Pacific Fibre Products

Molalla Enterprise Zone application

9-1-2016

Description of project

Pacific Fibre will operate a whole log chipping facility in Molalla. The facility will be designed to acquire pulp wood from local tree farms, and process these pulp logs through a specialized whole log chipper. Bunkers will be added to make loading of trucks efficient. Pacific Fibre anticipates operating the facility initially on a single shift, but will continue to expand the capabilities of the manufacturing operation and the size of our Molalla workforce over the next few years. The products to be made in Molalla will be similar to those made at our Longview, Washington and North Plains, Oregon facilities.

Parcels of land

Street address—410 Section Street Molalla, OR 97038

Map number	Parcel	Approx. acreage
52E17 02400	01107947	16.23
52E17 02490	01107974	24.07
52E17AA 03400	01108349	n/a

Also see attached legal description of the land comprising these parcels.

Pacific Fibre Products

Molalla Enterprise Zone application

9-1-16

Building or structures to be newly constructed (in thousands):

Lunchroom building	40
Bunkers	150
Light poles	80
Fencing	40
Asphalt	500
Total	710

Heavy or affixed machinery (in thousands):

Conveyors	100
Starters, electrical equipment and switch gear	200
Miscellaneous equipment	40
Total	340

Total investment 1050



March 16, 2017

Mr. Dan Huff, City Manager
Molalla City Hall
117 N. Molalla Ave
Molalla, OR 97038

Subject: Requested comments – Pacific Fibre Products Enterprise Zone Application

Mr. Huff:

It was a pleasure speaking with you during our phone conversation on March 15, 2016. Thank you for taking time to discuss our Enterprise Zone Application for our chipping operation, 410 Section Street, currently under review by the City of Molalla. We are sorry that we are not able to accept your invitation to attend the March 22, 2017 regular City Council meeting to address questions. My colleague, Mark Fahey, and I each have previous commitments and are unable to attend. We appreciate the Council's continued consideration of our application and appreciate your suggestion to provide written comments to the City Council. To that end, I respectfully submit these comments for the Council's review.

Pacific Fibre Products, Inc. (Pac Fibre) purchased 28 acres of vacant, heavy-industrial zoned land, from Floragon Forest Products in December 2014. We worked closely with the Clackamas County Business & Economic Development and the City of Molalla conducting due-diligence on the feasibility of establishing our bark production facility prior to the purchase of the property. Once we purchased the property we worked successfully with City Planning, Public Works, and County officials to obtain approval of our site plan, land uses, building permits, Enterprise Zone application, etc. At the January 28, 2015 regular Molalla City Council meeting, our Enterprise Zone application was approved unanimously by the City Council. In May 2015 we began producing high quality bark products.

In September 2016 we purchased an existing log yard / chipping operation on a parcel of land contiguous with our bark production facility. This business was established and had been operating since 2011 under Tillamook Fiber Recovery (TFR). Our purchase of TFR, an active and operating log yard / chipping facility and the initial bark operation has resulted in an investment in excess of \$7,000,000.00 dollars in Molalla by our family-owned business. Upon taking possession of the facility, we found the maintenance and operation of the facility as unacceptable by our standards. There were mountains of dry wood haphazardly placed around the log yard, the log yard was entirely mud which would create excessively dusty conditions when dry, chips produced at the mill were placed on the ground requiring increased operation of heavy equipment to stockpile and load into trucks, and there was broken down equipment strewn about the facility. On the day we took possession of the property we shut down the production operations entirely for several days and immediately began to organize the log yard and throughout the mill. We cleaned up piles of wood and strategically placed decks of logs around equipment to reduce the noise. We placed and compacted rock in the log yard that hadn't been

maintained in years. We removed scrap steel and non-functioning machinery and equipment. We are now in the process of constructing a chip bin complex that will allow us to convey chips from the chipper into the bins. When the chip bin construction is complete, trucks will pull under the bins, open a door, and fill the trailer with chips. Using chip bins will successfully reduce heavy equipment operation, the amount of dust created, and trucks can load quickly and be on their way. We currently are applying to construct a 1,500sf electrical/storage building. This building will allow us to update electrical equipment for the mill and will provide a space to store electrical motors, conveyor belting, spare mill parts, etc. inside and get it out of the weather.

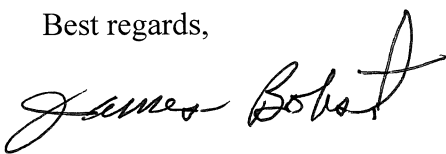
Our entry into Molalla brought our long-standing tradition to create family wage jobs, hire local, buy local, and establish lasting relationships with local businesses, community leaders, and residents. Much of the money we invested supported local businesses through our purchase of asphalt, construction labor, lumber, mill equipment, fuel, and operating supplies. Through our two Enterprise Zone applications we committed to hiring 13 full time employees; we currently employ 15. We provide family wages in excess of 150% of the county average wage, full benefits to the employee and family, paid holidays and vacations, retirement, and a profit sharing plan.

We endeavor to operate a facility that is consistent with the historical use of the land and is compatible with its location and those around us. We have implemented a number of measures and procedures to minimize the impacts to our surrounding area. We utilize an on-site water truck to minimize the generation of dust, position bark piles and log decks in a manner that reduce the noise levels leaving our site, and we continue to work with city, county, and state officials on a variety of issues as well. We have swiftly and affirmatively responded to concerns when brought to our attention.

It is our long-term goal to remain a community-oriented business, create jobs, and support local business. Should any city official or resident have any concern we invite them to contact James Bobst or Mark Fahey at our office in Longview, WA at 360-577-7112 during regular business hours Monday - Friday.

We thank the City Council for considering our Enterprise Zone application and these comments. We look forward to a favorable response in the near future.

Best regards,



James Bobst,
V P – Corporate Relations & HR



Mark Fahey,
CFO

Cc: Sadie Cramer,
City Recorder

City Of Molalla

City Council Meeting



Agenda Category: New Business

Subject: Water Treatment Plant Building Repairs

Recommendation: Council Approval

Date of Meeting to be Presented: March 22, 2017

Fiscal Impact: Budgeted in Water Fund

Background:

The roof at the water treatment plant was past its useful life and replaced earlier this fiscal year. Leaking into the interior of the building caused damage to drywall in several locations. The project will repair the damages inside the facility as well as replace the countertop in the lab area. Three bids from local area contractors were received and staff recommends awarding the contract to Finest Custom Construction, LLC and authorize the City Manager to execute the contract and any necessary change orders within the existing budget for Building Maintenance.

SUBMITTED BY: Gerald Fisher, Public Works Director
APPROVED BY: Dan Huff, City Manager



Water Treatment Plant

32899 S. Molalla Forest Rd, PO Box 248,

Molalla, Oregon 97038

Phone: (503) 829-5408 Fax: (503) 829-3676

DATE: March 8, 2017

TO: Gerald Fisher

FROM: Ryan Hepler

SUBJECT: Water Treatment Plant building repairs

I am requesting approval to repair areas of the Water Treatment building. There are areas in the drywall inside the restroom and chemical/filter room that had been damaged by a leaking roof. The drywall in the ceiling and wall is failing and may have mold. The roof has been replaced and is no longer leaking. We are also requesting for the countertops in the Lab/Office to be replaced. These are original laminated countertops. The countertop material is lifting from the surface and we have tried to repair in the past with adhesive with no luck. We would like to replace the countertops with stainless steel and incorporate a new sink and faucet. We also would like to replace the faucet in the restroom, paint, add storage cabinet, and light fixture. We have obtained (3) bids for the repairs.

1. Kylo Brothers Construction
32958 S. Wilhoit Rd.
Molalla, OR 97038
Estimate \$17,610.00
2. Cascade NW Construction
801 E. Main St.
Molalla, OR 97038
Estimate \$16,241.79
3. Finest Custom Construction, LLC
32361 S. Wright Rd.
Molalla, Or 97038
Estimate \$10,670.00



**City of Molalla
Application for Appointment to Citizen Committee**

Date: 3/3/17

Board/Committee of Interest: Budget

Name:
Address:
State/Province:
Zip/Postal Code:
Home Phone:
Work Phone:
*E-Mail

97038	
Years of Residence Inside City	10

Current or Previous Community Affiliations or Activities:

Foothills Church - serving in worship

Why would you like to serve on this committee and give any other background you might have in this area.

Offer a fresh perspective on budget matters

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

N/A

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

***Signature:**

117 Molalla Ave/PO Box 248 Molalla Oregon 97038
Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com

3-22-17



City of Molalla
Application for Appointment to Citizen Committee

Date: 3/4/17

Board/Committee of Interest: Budget Committee

Name:

Address:

State/Province

Zip/Postal Code:

Home Phone:

Work Phone:

*E-Mail

Stephani Nica	
Years of Residence Inside City	15

Current or Previous Community Affiliations or Activities:

I am currently volunteering at Foothills Community Church as the Video Livestream Switcher.

Why would you like to serve on this committee and give any other background you might have in this area.

I would be honored to serve on this committee because I truly believe in this community and feel that the current representation for the city will help in making Molalla better than it's ever been.

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

N/A

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

I have no suggestions for improvement at this time

*Signature:

117 Molalla Ave/PO Box 248 Molalla Oregon 97038
Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com



**City of Molalla
Application for Appointment to Citizen Committee**

Date: 3-13-2017

Board/Committee of Interest: City Budget Committee

Name:
Address:
State/Province:
Zip/Postal Code:
Home Phone:
Work Phone:
*E-Mail

Jody M. Newland
Molalla, OR 97038
Years of Residence Inside City May 2010 - almost 7yrs.

Current or Previous Community Affiliations or Activities:

I go to church here in town, and I volunteer at our local thrift store in town.

Why would you like to serve on this committee and give any other background you might have in this area.

When we moved to Molalla, it became our town. I think more citizens need to be involved, and this is something I can do.

I used to work as a tax preparer, so numbers and details are not foreign to me. However, to be honest I have never had experience with a city budget. I'm a quick learner, though. ☺

If applying for re-appointment to this Commission/Board/Committee/Task Force, please indicate what has been the key accomplishment of the group during your service.

If you could make any improvement to the Commission/Board/Committee/Task Force, what would it be?

*Signature:

Jody M. Newland

17 Molalla Ave/PO Box 248 Molalla Oregon 97038
Ph: 503.829.6855 Fax: 503.829.3676 www.cityofmolalla.com

Ordinance 2017 - 04

AN ORDINANCE OF THE CITY OF MOLALLA
REPEAL OF CHAPTER 12.12 PUBLIC WORKS STANDARDS IN THE MOLALLA
MUNICIPAL CODE AND REPLACE WITH REVISED CHAPTER 12.12 PUBLIC WORKS
STANDARD UNDER TITLE 12 ADDING SECTIONS 12.12.010, 12.12.020 AND 12.12.030

The City of Molalla ordains as follows:

Section 1. WHEREAS, staff has reviewed the noted sections and recommends under Title 12 *Streets, Sidewalks and Public Places* that section 12.12 be repealed in its entirety and a newly revised code that reads as follows be codified into the Molalla Municipal Code:

Title 12 STREETS, SIDEWALKS AND PUBLIC PLACES

Chapter 12.12 PUBLIC WORKS STANDARDS

12.12.010 Adoption of design and construction specifications.

The City of Molalla adopts current version Molalla Public Works Standards and City standard detail drawings for design and construction standards or as determined by the Public Works Director.

12.12.020 Updates to the Public Works Standards.

The Molalla Public Works Standard may be updated administratively by the Public Works Director to address changes in departmental operation and maintenance needs, technology, material standards, agency permitting requirements, and state or federal rules and regulations. Revisions shall be posted electronically to the City's website.

12.12.030 Notification List for Updates. –

Interested parties may request to be placed on a notification list for updates to the Public Works Standards. The list will be maintained at the office of the Public Works Director and interested parties must submit their requests in writing on a form provided by the Public Works Department.

Duly adopted by the City Council of the City of Molalla this 22nd day of March 2017, by a vote of
___ ayes and ___ nays.

Mayor Jimmy Thompson

ATTEST this 22nd day of March 2017,

Sadie Cramer, City Recorder