



Council Business Meeting Agenda

ASHLAND CITY COUNCIL BUSINESS MEETING AGENDA

Tuesday, August 18, 2026

Council Chambers, 1175 E Main Street

Live stream via RVTV Prime at rvtv.sou.edu or broadcast on Spectrum 180.

Public comment is welcome on public forum topics and agenda items.

To **speak electronically** during the meeting or to submit **written comments** in advance, please complete the online [Public Comment Form](#) by 10 a.m. the day of the meeting.

I. EXECUTIVE SESSION 5:00 p.m.

To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed pursuant to ORS 192.660 (2)(h). To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing pursuant to ORS 192.660 (2)(i).

II. CALL TO ORDER 6:00 pm

- a. Land Acknowledgement**

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

V. MAYOR'S / CHAIR OF THE COUNCIL ANNOUNCEMENT

- a. Proclamation Opposing an ICE Detention Facility in the Rogue Valley

VI. APPROVAL OF MINUTES

- a. Minutes of the August 3, 2026 — Study Session Meeting
- b. Minutes of the August 4, 2026 — Business Meeting

VII. CONSENT AGENDA

VIII. SPECIAL PRESENTATIONS

IX. PUBLIC FORUM

15 minutes – Public input or comment on City business NOT included on the agenda.

X. PUBLIC HEARING

- a. Public Hearing and First Reading of Ordinance 3307, Implementing Oregon Housing Legislation SB 974 (2025), HB 2138 (2025), and HB 4037 (2026).

XI. ORDINANCES, RESOLUTIONS AND CONTRACTS

- a. Approval of a Resolution Establishing an Alternative Procedure for Sale of City-Owned Real Property
- b. Approval of a Resolution Authorizing a Property Line Adjustment (adjacent to 51 Winburn Way)
- c. Approval of a Contract Amendment with Knife River Materials for Ashland Municipal Airport Pavement Rehabilitation
- d. Approval of a Resolution Authorizing a Clean Water State Revolving Fund (CWSRF) Loan Agreement to Finance Wastewater System Projects

XII. CITY MANAGER REPORT

- a. Look Ahead





Council Business Meeting Agenda

XIII. UNFINISHED BUSINESS

- a. Proposed Ordinance: Utility bill fees
- b. Removal of sunset date for the Parks Fee

XIV. NEW BUSINESS

- a. Affordable Childcare Ad Hoc Committee Funding Proposal
- b. LOC Member Vote
- c. Chapter 18 Land Use Code Amendments: Direction to Staff to Reduce Housing Development Barriers and Ensure State Law Compliance (Councilor Submission)

XV. OTHER BUSINESS FROM COUNCIL MEMBERS/REPORTS FROM COUNCIL LIAISONS

XVI. ADJOURNMENT

If you need special assistance to participate in this meeting, please contact Alissa Kolodzinski at recorder@ashlandoregon.gov or 541.488.5307 (TTY phone number 1.800.735.2900). Notification at least three business days before the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting in compliance with the Americans with Disabilities Act.

* Items on the Agenda not considered due to time constraints are automatically continued to the next regularly scheduled Council meeting [AMC 2.04.030.(D)(3)]

**** LAND ACKNOWLEDGEMENT**

We acknowledge and honor the aboriginal people on whose ancestral homelands we work—the Ikirakutsum Band of the Shasta Nation, as well as the diverse and vibrant Native communities who make their home here today. We honor the first stewards in the Rogue Valley and the lands we love and depend on: Tribes with ancestral lands in and surrounding the geography of the Ashland Watershed include the original past, present and future indigenous inhabitants of the Shasta, Takelma, and Athabaskan people. We also recognize and acknowledge the Shasta village of K'wakhakha – "Where the Crow Lights" – that is now the Ashland City Plaza.

***Agendas and minutes for City of Ashland Council, Commission and Committee meetings may be found at the City website, ashlandoregon.gov.





A Proclamation Opposing the Establishment of an ICE Detention Facility in the Rogue Valley

WHEREAS, the public has brought to the Mayor and City Council their deep concerns regarding the potential development of an ICE detention facility in the Rogue Valley; and

WHEREAS, the siting of an ICE detention facility in the Rogue Valley would impose material burdens on Ashland's public safety and municipal service infrastructure, including demands on police, fire, medical, code enforcement, water and sewage utilities, and road infrastructure. These services are all at capacity and are needed to serve the current residential and commercial population. An ICE facility would divert resources away from community needs, and create operational risks and unfunded service demands; and

WHEREAS, the Rogue Valley's economy depends upon tourism, the arts, outdoor recreation, healthcare, agriculture, education, small business development, and a workforce that includes immigrants and their families. An ICE detention facility in or near Ashland would undermine the City's tourism-based economy by: raising safety concerns for its necessary immigrant workforce; diminishing the area's reputation as a safe and welcoming arts and outdoor recreation destination; reducing visitor traffic to outdoor and artistic attractions, lodging, and small businesses; creating congestion, restricted-access zones, and security-related closures that interfere with recreation and tourism mobility and discourage private investment in hospitality, retail, the arts and outdoor-recreation sectors; and

WHEREAS, the regional airport plays a critical role in supporting local commerce, passenger travel, forestry, the arts, the outdoor industry and emergency medical transport, an ICE detention facility in or near Ashland would disrupt airport operations, create heightened security restrictions, and impede economic development efforts tied to air travel and regional connectivity; and

WHEREAS, the absence of meaningful oversight mechanisms for ICE detention facilities raises serious constitutional concerns, including due process rights for those detained, access to legal representation, and conditions of confinement consistent with constitutional standards;

NOW, THEREFORE, I, Tonya Graham, Mayor of the City of Ashland, Oregon, on behalf of the City Council, do hereby proclaim the City of Ashland opposes the siting of an ICE detention facility in the Rogue Valley as it is incompatible with Ashland's local infrastructure capacity, economic development priorities, tourism, agriculture, community-defined strategic goals, and basic human rights and due process for incarcerated individuals.

Dated this 18th day of August 2026.

Tonya Graham, Mayor

Alissa Kolodzinski, City Recorder



**ASHLAND CITY COUNCIL
STUDY SESSION MINUTES
Monday, August 3, 2026**

Mayor Graham called the meeting to order at 5:35 p.m.

Council Present: Mayor Graham and Councilors Bloom (left at 7:30), Dahle, DuQuenne, Hansen, Kaplan, and Sherrell.

Staff Present:

Sabrina Cotta	City Manager
Alissa Kolodzinski	City Recorder

I. Call to Order

The mayor announced a change in the order of the agenda the Asante payment use proposal will be first, followed by the SERJAC request and then the Strategic Plan update.

II. Reports and Presentations

a. Asante Payment Use

The Council heard from three community groups working on proposals related to healthcare in Ashland. This is in response to the closure of major medical services at Ashland Community Hospital following Asante's exercise of a contractual clause resulting in a \$4,000,000 payment to the City.

Representatives from Save Our Ashland Community Hospital (SOACH), Laurie Hoagland, Fernando Gaposy, and Benji Benbrook, provided a presentation, see agenda packet. They gave a historical overview of Ashland Community Hospital and advocated for the formation of a healthcare district, initially centered in Ashland with potential regional expansion. SOACH requested that the Council reserve the entire \$4,000,000 to allow time for further planning. They maintained that these funds should be considered specifically designated for healthcare purposes, rather than as discretionary, unallocated revenue. SOACH also presented petitions gathered in support of restoring local hospital services.

Southern Oregon University President, Rick Bailey, talked about SOU's "Vitality Plan" and an existing partnership with La Clinica, a federally recognized health facility currently operating a student health and wellness center on campus. He outlined preliminary discussions about expanding La Clinica's footprint on campus to serve not only students but also faculty, staff, and community members, with potential expansion of services including dental care. Bailey emphasized the initiative aims to complement rather than compete with other healthcare proposals and expressed interest in broader institutional partnerships. A timeline goal was set to prove the project's financial sustainability by the summer of 2027. The Council discussed the timeline, potential revenue generation through lease arrangements, and the possibility of tying the expansion to academic experiential learning programs.

The final presenter, Alan Sandler, advocated for a deliberate, community-led rural health transformation program modeled on successful federal programs in other states such as Maine. He recommended the City hold no more than \$200,000 in a separate interest-bearing account for up to

2.5 years, using that period to build a coalition and develop a plan before seeking federal and state funding. He stressed the importance of beginning the process methodically and with city involvement, while not rushing to deploy the \$4,000,000.

Public Comment

Citizens expressed strong support for preserving and restoring local healthcare services and urged the Council to protect the funds for that purpose.

The Council discussed how to allocate the \$4,000,000 under the City's existing financial policies. City staff noted that, under the current financial policy, the funds would be treated as unbudgeted revenue, with 20% directed to reserves, 10% to long-term liabilities, and no less than 20% to capital, leaving approximately 50% unallocated. Several council members emphasized the importance of adhering to established financial policies and avoiding selective deviation, while others advocated for holding the full \$4,000,000 in reserve pending the development of viable proposals. There was broad agreement that no proposals were sufficiently developed to warrant immediate allocation, and that additional time was needed before any decision could be made. Graham clarified that no funds would be spent without formal appropriation, and that the budget process would not commence until October.

The Council directed staff to not develop a plan for the funds and Council will discuss it at another study session either to follow the policy as interpreted or to do something different. Council is to submit any legal or financial questions to staff in advance of that study session. Staff confirmed the matter would be brought back for discussion in the context of the reserve and capital fund review, no later than October 2026.

b. SERJAC Proclamation Recommendation

Social Equity and Racial Justice Advisory Committee members, Emily Simon, Allison Mendel and Brandon Polanco along with Maya from Rogue Valley Migra Watch spoke to about immigration enforcement activity in Southern Oregon and the potential establishment of an ICE overnight detention facility in the region.

The speakers stated that between May and July 2026, there were 31 confirmed ICE detentions in Southern Oregon, an increase from the prior year. The absence of an overnight facility in Oregon creates a legal window for filing habeas corpus petitions, allowing detainees to address proceedings domestically. A facility's establishment would remove this legal option. Other jurisdictions who have proclamations opposing ICE facilities have prevented such establishments. SERJAC proposed a draft proclamation to oppose any ICE detention facilities near Ashland, focusing specifically on preventing local facilities rather than wider immigration policy.

Council agreed to extend the meeting.

Public Comment

Citizens spoke in support of the proclamation, citing concerns about civil rights, human dignity, community safety, and economic impacts on Ashland's character and quality of life.

The Council discussed the jurisdictional scope of the proclamation, its practical effect, and whether the City had experienced or risked any retaliatory action from the federal government for similar stances. The Council expressed unanimous support for the proclamation. Graham spoke that as proclamations originate from the Mayor's office, she would issue the proclamation without amendment, consistent with the Council's full consensus.

c. Strategic Plan Engagement Results and Framework

Owner Sara Singer Wilson of SSW Consulting provided a presentation (see attached) on the engagement results and the emerging framework for Ashland's first long-range strategic plan.

Wilson reported that the engagement phase reached over 1,500 residents through 18 community events, nearly 2,300 survey responses (approximately 11% of Ashland's population), 18 one-on-one community interviews, youth engagement at Ashland Middle School, and broad social media outreach. Demographic gaps identified in the survey, particularly among youth, young adults, and the Hispanic/Latino community, were addressed through targeted in-person engagement.

The top themes emerging from the engagement were: housing affordability, parks and recreation, the unhoused population, wildfire and emergency preparedness, fiscal management and governance, institutional anchors (SOU, the hospital, and the school district), demographic change and loss of young families, the local economy, infrastructure, and civic engagement. Key community tensions identified included growth versus preservation, compassion versus enforcement on houselessness, maintaining versus expanding services, and tension between tourist-oriented and resident-focused priorities.

Wilson presented four draft strategic goal areas developed through action lab sessions with staff and community partners: Active and Connected, Community Vitality, Safety and Resiliency, and Trusted and Accessible Government. Draft outcomes were presented under each goal area, along with draft mission, vision, and values statements for the City organization.

The Council discussed the draft elements and asked that the draft mission, vision, and values statements be distributed for review prior to the September workshop. Feedback on the mission statement indicated a preference for language with more inspiration and character reflective of Ashland's identity. The Council engaged in substantive discussion regarding whether the vision statement should be scoped as a municipal organizational vision or broadened to serve as a community-wide vision that partner organizations could align with. Wilson advised that crafting a community vision statement would require additional community engagement with key partners beyond the current process. The Council expressed broad consensus in favor of expanding the vision statement to include the wider community. Wilson confirmed the September workshop would be structured accordingly, and to provide revised materials to the Council in advance.

Public Comment

A community member offered brief public comment encouraging the Council to pursue fiscal responsibility without using budgetary constraints as a justification for austerity.

III. Adjournment

The meeting was adjourned at 8:34 pm.

City Recorder Alissa Kolodzinski

Mayor Tonya Graham

DRAFT

CITY OF ASHLAND STRATEGIC PLAN

AUGUST 3, 2026



August 3 Presentation

- Reconnect to Project Goals + Timeline
- Strategic Plan Engagement Summary
- Action Lab Summary
- Draft Goal Areas + Outcomes
- Draft Mission, Vision, + Values
- Next Steps

Reconnect to Project Goals + Timeline

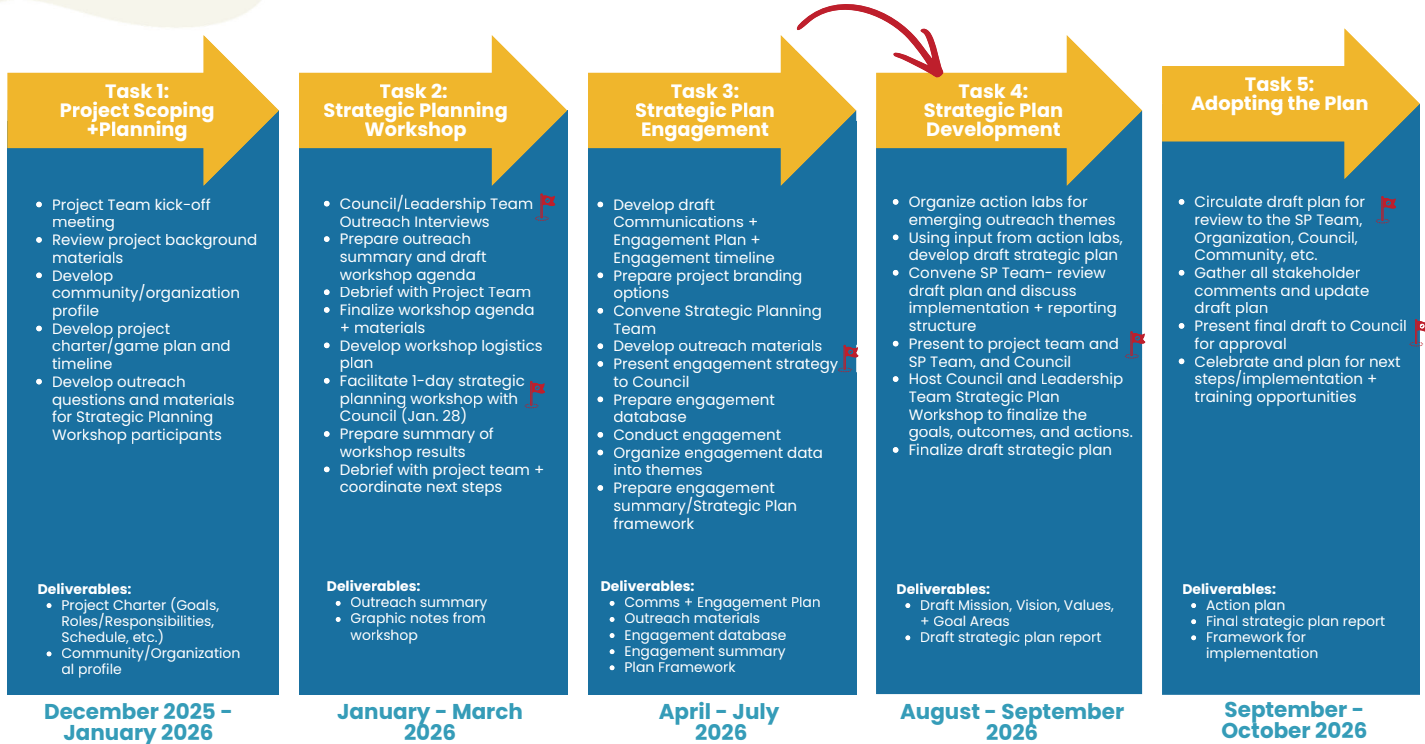


ASHLAND PROJECT GOALS

- Create Ashland's **first long-range strategic plan** that moves beyond the biennial budget to guide priorities, decisions, and resource allocation.
- Lead **robust community and staff engagement**—leveraging both broad and targeted approaches—to gather representative input and build shared understanding of challenges and opportunities.
- Facilitate Council **alignment on vision and priorities**, helping the Council move beyond issue-specific focus to a unified long-term direction grounded in community needs and realistic resource constraints.
- Clarify **Ashland's future identity and strategic choices**, enabling the community and leadership to determine the city's desired direction and priority investments for the next 5–10 years, leading to adoption by Fall 2026.

STRATEGIC PLANNING TIMELINE

 Indicates project milestone / City Council check-in point



Strategic Plan Engagement Summary



HOW WE ENGAGED ASHLAND

Between April and June 2026, the City used a broad mix of in-person, digital, and printed outreach to invite community input on the strategic plan:

- **18 community events** to increase awareness of the strategic plan, promote the online survey, and gather community input for the strategic plan (1,550+ people reached)
- **20+ locations with posters/signage**
- Direct outreach to nearly **300 residents** by email, plus newsletters reaching **10,100+ community members** and a utility bill insert
- 1 online community and staff survey (**2,284 responses**)
- Ongoing social media presence (**27 posts, April–June**)
- **18 one-on-one interviews** with key community members
- Youth-focused engagement placemat activity (**completed by 164 Ashland Middle School students**)



City of Ashland Strategic Plan

Forward Together. Vision with Action.

We're creating a community-driven Strategic Plan to guide Ashland's future and we need your input! Your feedback will help shape priorities, guide City services, and inform investments over the next 5–10 years.

WE ARE PLANNING FOR THE FUTURE, AND WE WANT TO HEAR FROM YOU!

Take our online survey today! Use the QR code below, or use this link in your browser to share your thoughts, comments, and insight on the future.

ASHLANDOREGON.GOV/STRATEGICPLAN

CITY OF ASHLAND STRATEGIC PLAN
Forward Together. Vision with Action.

What matters to you most?

We want to hear your thoughts on things like housing, public safety, economic vitality, climate resilience, infrastructure, parks and recreations, City services, and more!

Why does this matter?

A lot has changed in your community in recent years and this process will help create a clear and shared direction for Ashland's future—grounded in YOUR input.

Want to stay connected to this work?

Follow along on the City's social media sites, or visit the project website anytime for updates and opportunities to share your feedback in-person too!

Whether you live, work, or spend time in Ashland—your voice matters.

WHO WE HEARD FROM

The community survey closed June 16 with 2,284 responses, about 11% of Ashland's population. Optional demographic questions show engagement reached most cross-sections of the community, with the clearest gaps among youth, young adults, and the Hispanic/Latino community.

In-person engagement aimed to reach all cross-sections of the Ashland community through a variety of events, interviews with community leaders, a focus group with local faith leaders, and on-site presence at the YMCA and playgrounds.

The youth-focused engagement placemat activity at Ashland Middle School was completed by 164 students.



ASHLAND STRATEGIC PLAN

DREAM BIG: YOUR IDEAS FOR ASHLAND!

A Strategic Plan is like a roadmap for the future. It's a shared idea of what we want our town to be like and where we want to go together. It helps us imagine better places, fun opportunities, and great experiences for everyone who lives here.

Your ideas will help guide real plans and decisions in Ashland. We want to hear from you so this plan reflects what matters most to youth—because you are helping shape the future of your community. So think big, be creative, and share your ideas!

"Your imagination can change the world!"

WHAT DO YOU LOVE MOST ABOUT ASHLAND?
(Think parks, nature, downtown, schools, friends, events, trails, art, etc.)

the friendly people.
Book/clothing Stores. cheap

WHAT WOULD MAKE ASHLAND EVEN MORE FUN FOR KIDS AND FAMILIES?
(Places to play, activities, events, recreation, cool spaces, etc.)

Book stores for each genre, cheaper clothing stores, more music stores, a lot more

ABOUT YOU

- WHAT GRADE ARE YOU IN? 7th
- WHAT SCHOOL DO YOU GO TO? Ashland Middle School

WHAT IS MISSING IN ASHLAND THAT YOU WISH WE HAD?
(Stores, restaurants, activities, skate parks, pools, bike trails, etc.)

SUSHI Places
Book stores & cheaper clothing stores

WHAT WOULD HELP EVERYONE FEEL SAFE AND WELCOME IN ASHLAND?

safer cross walks & safer feeling expensive stores

WHAT DID WE HEAR?

WHAT IS WORKING WELL?

Residents consistently point to these as strengths worth continuing:

- Lithia Park and City parks maintenance (the most praised City service)
- Community events (4th of July, Halloween, First Fridays, Lithia Park concerts)
- City communication tools (newsletter, Council broadcasts, See-Click-Fix, wildfire alerts)
- Wildfire preparedness, including the Firewise program and controlled burns
- Police and Fire responsiveness and community presence
- Ashland Fiber Network (AFN) affordability and local ownership
- Ashland's small-town character

WHAT DID WE HEAR?

KEY COMMUNITY TENSIONS

- **Growth vs. Preservation:** Two roughly equal groups disagree on new housing – one citing concerns of overdevelopment, wildfire evacuation capacity, and loss of Ashland's character; the other citing improving affordability and the need to retain families.
- **Compassion vs. Enforcement on Houselessness:** Residents lean supportive of services and a housing-first approach over enforcement-focused responses, by roughly 3-to-2. However, both sides raise safety and public-space concerns.
- **Maintain vs. Expand:** Residents expressed a strong preference for fixing existing parks, infrastructure, and facilities before building new ones.
- **Tourism vs. Residents:** Some residents are frustrated that downtown appearance, Oregon Shakespeare Festival, and visitor amenities feel prioritized over resident needs.

TOP THEMES FROM SURVEY AND IN-PERSON ENGAGEMENT

1. Housing Affordability

The dominant concern in the survey, raised by over one-third of respondents, spanning workforce housing, senior housing, supply barriers, and short-term rental impacts. A minority actively opposes further development over concerns about community character and wildfire evacuation.

2. Parks, Trails, and Recreation

The most positively mentioned service area, alongside specific criticism of maintenance, Parks Commission governance, and impacts of houselessness in parks.

3. Unhoused Population

The most divided issue in the data. A majority favor more shelter, services, and a housing-first approach, while a smaller but vocal group calls for enforcement and reduced services. However, both groups raise safety concerns in public spaces.

4. Wildfire and Emergency Preparedness

Near-universal, low-controversy support for continuing and expanding current efforts, alongside concern about evacuation route capacity.

TOP THEMES FROM SURVEY AND IN-PERSON ENGAGEMENT

5. Fiscal Management and Governance

Concern about the structural budget deficit, fee increases, and specific spending decisions, paired with calls for greater transparency and clarity on Council/staff roles.

6. Institutional Anchors (Southern Oregon University, Hospital, Ashland School District)

SOU's enrollment decline, reduced hospital services, and ASD enrollment trends are viewed as a community-level survival issue with strong links to housing affordability and demographic change. Residents want the City to take a visible position within its own scope of influence.

7. Young Families and Demographic Change

Widespread concern that Ashland is aging out of young families, driven primarily by housing costs, with cascading effects on school enrollment, SOU's survival, and community vitality. Residents want more youth/teen facilities and after-school programming.

TOP THEMES FROM SURVEY AND IN-PERSON ENGAGEMENT

8. Economy, Business, and Jobs

Concern about downtown economic decline and over-reliance on OSF tourism, with high commercial rents, permitting barriers for small businesses, and a desire for a clear economic development strategy and year-round events calendar.

9. Infrastructure: Roads, Sidewalks, City Hall Building, and Water

Residents want basic maintenance (roads, sidewalks) prioritized over new projects, want better-coordinated, less disruptive construction scheduling (particularly avoiding road work during peak fire season), and broadly support the water treatment plant investment.

10. Communication and Civic Engagement

Residents credit the City for improved communication tools (newsletter, Council broadcasts, See-Click-Fix) but feel decisions are often predetermined before public input is gathered, with calls for genuine two-way engagement rather than notification-only communication.

SOCIAL MEDIA ENGAGEMENT

Facebook Posts:

- 86,390 views
- 399 comments
- 421 reactions
- 55 shares

Instagram Posts:

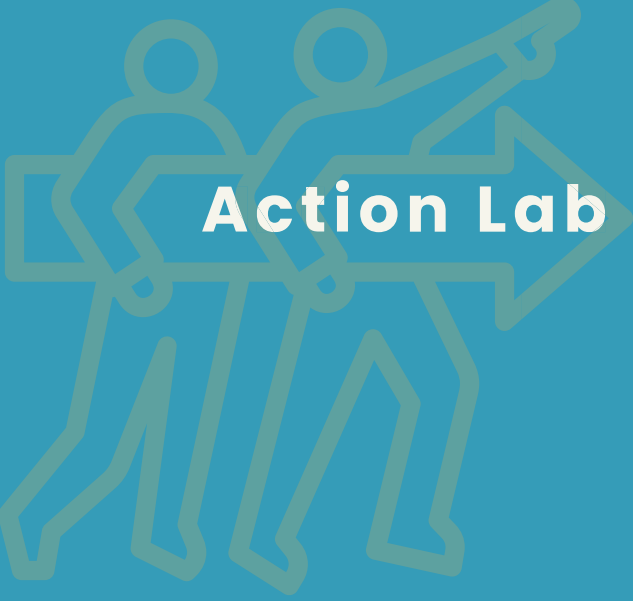
- 2,413 views
- 417 likes

Themes from social media comments (Facebook) mirror the survey and in-person engagement: **housing affordability, fiscal concerns, lack of youth/teen activities, houselessness, and desire for better walking/biking infrastructure.**



YOUTH ENGAGEMENT

According to the 164 Ashland Middle School students who completed the placemat activity, students most value Ashland's parks and outdoor spaces, want more things for kids and teens to do, more shopping/dining variety, and appreciate the small-town character. They are clearly aware of, and concerned about, the impacts of houselessness in the community.



Action Lab Summary



ENGAGEMENT + ACTION LAB THEMES

Following several months of engagement with community members, City staff, City Council, boards and commissions, and key community partners, the SSW Consulting team completed a comprehensive analysis of all input received. Through that analysis, four overarching goal areas emerged:

- **Active + Connected**
- **Community Vitality**
- **Safety + Resiliency**
- **Trusted + Accessible Government**

Action Labs helped:

- Test the goal areas
- Refine the Mission, Vision, and Values
- Develop draft outcomes and actions
- Connect the framework to existing work



DRAFT GOALS + OUTCOMES



ACTIVE + CONNECTED

Engagement Context

- Maintain existing parks and facilities
- Keep parks safe, welcoming, and accessible
- Expand trails and recreation opportunities
- Create more activities and gathering places for families and youth
- Preserve Ashland's distinctive character

ACTIVE + CONNECTED

OUTCOMES

- Parks, open spaces, and recreation facilities are well-maintained, sustainable, and prepared to meet future community needs.
- Parks and recreation spaces are safe, welcoming, and accessible for everyone.
- Recreation opportunities that foster health, connection, and community for all residents and visitors.

COMMUNITY VITALITY

Engagement Context

- Housing affordability affects workers, families, and seniors.
- Downtown vitality and economic diversity are growing concerns.
- Ashland is losing young families and students.
- SOU, schools, healthcare, and OSF are interconnected community assets.
- Youth activities and gathering spaces are significant gaps.

COMMUNITY VITALITY

OUTCOMES

- A resilient local economy that supports business growth, workforce opportunities, and housing affordability.
- A vibrant, welcoming community with thriving and high-quality public spaces.
- Community assets are leveraged to meet evolving community needs.

SAFETY + RESILIENCY

Engagement Context

- Continue strong wildfire-preparedness efforts.
- Address evacuation capacity and community readiness.
- Maintain roads, sidewalks, water, and essential infrastructure.
- Improve coordination and communication around capital projects.
- Balance services, enforcement, and public-space safety in addressing houselessness.

SAFETY + RESILIENCY

OUTCOMES

- Reliable, resilient infrastructure supports a safe and sustainable community.
- Community members are prepared for and resilient during emergencies and natural hazards.
- Community services are coordinated to promote safety, stability, and well-being.
- Regional collaboration strengthens public safety, emergency response, and community resilience.

TRUSTED + ACCESSIBLE GOVERNMENT

Engagement Context

- Communicate clearly, consistently, and transparently.
- Make it easier for residents to access information and City services.
- Strengthen community engagement and responsiveness.
- Use public resources responsibly and focus on core services.
- Build trust through accountability, follow-through, and collaborative decision-making.

TRUSTED + ACCESSIBLE GOVERNMENT

OUTCOMES

- City services are efficient, accessible, and responsive to community needs.
- City facilities and resources are managed strategically to support long-term service delivery.
- Clear, transparent, and accountable governance builds community trust.
- Community members are engaged and empowered to participate in local government.

**Draft Mission, Vision, +
Values**



MISSION OUR PURPOSE. WHY WE DO WHAT WE DO.

DRAFT MISSION

We provide dependable public services and infrastructure that protect and enhance what makes Ashland safe, livable, and vibrant.

MISSION THEMES

- Core city services; stay in the City's lane; maintain, don't expand
- Safety and resiliency
- Community vitality
- Commitment to transparency and accountability
- Financial responsibility
- Safeguarding what people love most about Ashland
- Acknowledgement that the City of Ashland's future is tied to the health of community pillars (SOU, OSF, Ashland School District, Hospital)

VISION OUR DESTINATION. WHERE WE ARE HEADED TOGETHER.

DRAFT VISION

A trusted and forward-thinking City working together with our community to respect what makes Ashland unique and build a resilient, vibrant, and economically strong future.

VISION THEMES

- Preservation over growth – maintain what we have before expanding and building new things
- Diverse and strong local economy – not overdependent on a single organization for tourism)
- Safety and resiliency – especially for wildfires, access to services
- Keep vibrancy – students, young families
- Strong cross-collaboration among departments – staff know what other departments are doing, how their work intertwines, and how to increase efficiency
- Stronger staff understanding of the City's priorities and direction
- A destination employer

VALUES OUR FOUNDATION. HOW WE WORK, LEAD, AND SERVE.

DRAFT VALUES

SERVICE

We serve our community with professionalism, responsiveness, respect, and a commitment to excellence.

STEWARDSHIP

We care for public resources, focus on core services, and make thoughtful decisions. We communicate, take ownership, and follow through on our commitments.

COLLABORATION

We work as one organization and alongside our community, building meaningful relationships through listening, engagement, kindness, and mutual respect. We value diverse perspectives and strong partnerships to achieve shared goals.

PREPAREDNESS

We invest in our people, infrastructure, and planning to meet today's needs and build a resilient future.

INNOVATION

We embrace learning, creativity, forward-thinking, and continuous improvement to better serve our community.



VALUES

VALUES THEMES

Preparedness

- Invest in training, equipment, and planning so we're ready for challenges
- Staff capacity and resources to do the work
- Succession planning, employee retention, clear advancement paths to spend career at Ashland
- Forward-looking; wise investments

Connection

- We know our colleagues – across the organization, not just our department
- We are connected to our community through regular, two-way engagement

Stewardship, Financial Discipline, and/or Operational Focus

- Fiscal responsibility
- Careful decisions with public resources
- Focus on core services first/stay in our lane
- Maintain and modernize what we have – infrastructure and facilities
- We focus on doing the City's core work well instead of spreading ourselves too thin

Collaboration

- We understand how our work in different departments connect
- We work like one, unified organization, not silos

Accountability

- We take ownership of our responsibilities
- We have follow-through – staff-staff, staff-community, Council-community
- We clearly communicate our progress and explain why decisions are made

Transparency

- Explain our priorities and decisions, and the reasons behind them
- Everyone understands where the organization is headed and why
- Our policies and processes are consistent and predictable so employees and residents know what to expect

Commitment and/or Service

- Calling to be public servants
- Make/Keep our community a great place to work and live

Excellence

- High quality work
- Continuous improvement
- Leadership
- Innovation

Next Steps



WHAT HAPPENS NEXT?

August

- Continue refining the draft Goals, Outcomes, and Actions with the Leadership Team to ensure alignment and clear implementation strategies.
- Refine the draft Mission, Vision, and Values (MVV) based on Council and Leadership Team feedback.

September

- Convene a joint Council + Leadership Team Workshop to review + refine the complete strategic framework:
 - Mission, Vision, + Values
 - Goals
 - Outcomes
 - Actions
- Gather final input and make refinements.

WHAT HAPPENS NEXT?

Fall 2026

- Finalize the Strategic Plan design and prepare the document for Council adoption.
- Partner with the Leadership Team to launch implementation, including:
 - Embedding the Mission, Vision, and Values into organizational culture.
 - Aligning Council priorities, departmental work plans, and staff priorities with the Strategic Plan.
 - Establishing an implementation framework to support accountability, progress tracking, and long-term success.

The Strategic Plan is more than a document. The plan will serve as the City's roadmap for decision-making, organizational culture, and priority alignment for years to come.

QUESTIONS?



SSW CONSULTING

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EMAIL
hello@ssw-consulting.com



SSW CONSULTING



SPEAKER REQUEST FORM

Study Session

Submit this form to the meeting Secretary prior to the discussion item.

- 1) You will be called forward when it is your turn to speak
- 2) State your name and speak clearly into the microphone
- 3) Limit your comments to the time allotted
- 4) Provide any written materials to the meeting Secretary
- 5) Speakers are solely responsible for the content of their statement

Date:

8/3/26

Name: (Please Print)

Lauri Hoagland

Asanti Payment Use Proposal

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

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SPEAKER REQUEST FORM

Study Session

Submit this form to the meeting Secretary prior to the discussion item.

- 1) You will be called forward when it is your turn to speak
- 2) State your name and speak clearly into the microphone
- 3) Limit your comments to the time allotted
- 4) Provide any written materials to the meeting Secretary
- 5) Speakers are solely responsible for the content of their statement

Date:

Aug 3, 2026

Name: (Please Print)

Benjy Ben-Baruch

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

\$4 million for hospital

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Date:

8-3-26

Name: (Please Print)

John Sustrick

Ashland Resident:

☐

YES

☐

NO

City:

Talent

Agenda Topic/Item Number:

1. Asante

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Date:

8/31/26

Name: (Please Print)

SUZANNE HARMAN

Ashland Resident:



YES



NO

City:

Ashland

Agenda Topic/Item Number:

Save Our Ashland Community Hospital

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

HA/HARMAN

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Date:

8/3/26

Name: (Please Print)

Allison Mendel

Ashland Resident:



YES



NO

City:

Agenda Topic/Item Number:

Detention facility proclamation

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Date:

8/4/2026

Name: (Please Print)

Emily Simon

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

SERIAL PROCLAMATION

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Date:

8/3/26

Name: (Please Print)

MAYA

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

SERJAC Proclamation

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Date: 8/3/26

Name: (Please Print)

Tom Doolittle

Ashland Resident:

☐ YES

☒ NO

City: just outside

Agenda Topic/Item Number:

Mayoral Proclamation

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Date: Aug 3 2026

Name: (Please Print)

Tom Romano

Ashland Resident:



YES



NO

City:

Agenda Topic/Item Number:

ICE DETENTION FACILITY
IN JACKSON CO.

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

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Date: Aug 3, 2026

Name: (Please Print)

Ruth Wive

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

ICE Detention Center in Jackson County

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Date: 8/3/26

Name: (Please Print)

Monty WALTERS

Ashland Resident:

☒ YES ☐ NO City: _____

Agenda Topic/Item Number:

ICE Detention Prohibition

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Date:

8/3/26

Name: (Please Print)

Ellen Craine

Ashland Resident:

☒

YES

☐

NO

City: _____

Agenda Topic/Item Number:

Mayoral Proclamation

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Date:

8/3/26

Name: (Please Print)

LINDA ADAMS

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

Strategic Plan

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SPEAKER REQUEST FORM

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prior to the discussion item.

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Date:

May 3, 2026

Name: (Please Print)

ALLAN SANDLER

Ashland Resident:



YES



NO

City:

ASHLAND

Agenda Topic/Item Number:

Health #1 Health Care

Public Forum Topic (Non-agenda Item):

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August 3, 2026

ROGUE VALLEY MIGRA WATCH

Between May 1 and July 31, 2026, there were at least 31 detentions in Southern Oregon confirmed by Rogue Valley Migra Watch in partnership with PIRC (Portland Immigrant Rights Coalition), who runs the statewide hotline to report ICE sightings. That's 10 people per month, on average.

The Deportation Data Project (<https://deportationdata.org/>), which uses FOIA reports to estimate the number of ICE arrests and deportations, **estimated between 50-60 detentions through the Medford ICE satellite office from Jan 2025-Nov 2025**. That's 5-6 people per month, on average, but also includes 17 detentions in one day of detentions of workers on farms.

Of these 31 people detained by ICE, **7 people were released the same day** through filing Habeas corpus petitions, which grant access to the due process rights given to all people in the USA, regardless of immigration status. Habeas corpus is a writ ordering a person in custody to be brought before a court where the burden of proof is on those detaining the person to justify the detention. These 7 people released still continue through the deportation proceedings, but are able to do so from their home, with access to their lawyer, family, and documents. The people who are detained and *not* released are taken to the Northwest Detention Center in Tacoma, WA, which has a long history of health violations, concerns of mistreatment, and even deaths of people in custody.

Southern Oregon is uniquely positioned to help grant same-day releases to people detained by ICE. Once a habeas corpus petition is filed with a judge, an automatic order is sent to ICE, telling them not to transport that individual across state lines. With no overnight detention facilities in Oregon, they must release the person from their custody. From Southern Oregon, there's approximately a 5-hour window of time to complete this legal filing before ICE reaches the Washington border. People detained in Portland, for example, have a very low chance of being released from detention. If an overnight ICE detention facility were to be built in Oregon, or another facility repurposed for this purpose, this opportunity to keep Southern Oregonians out of ICE custody during their proceedings disappears.

News article detailing the detentions and releases of two people in Ashland July 26, 2026:

<https://ashland.news/two-adults-detained-by-ice-at-emigrant-lake-on-sunday-morning-released-later-the-same-day/>

Subject: Allan Sandler presentation to City council on Monday July 3rd 2027

Date: 7/25/2026 10:38:28 AM Pacific Daylight Time

From: allan123rj@aol.com

To: CityofAshlandspecialworksessionrellatingtohealthcareinAshland@aol.com

I am Allan Sandler a citizen of Ashland since 1981. I am a true lover of what Ashland offers its citizens and I have been very involved in the City from the first week I came to Ashland from Los Angeles.

=====

Relating to the creation of an Ashland/Oregon health care district through developing a Rural Health Transformation Program for Ashland, I have circulated a document to all of you of what the State of Maine through Senator Susan Collins accomplished.

Now getting into what I believe we should be concentrating on doing relating to developing a rural health care program:

- 1. We have spent too much time related to the money received from Asante.**
- 2. The City should put the \$2,000,000 available for health care in a separate account for the City that is making interest for the City for at**

least 2-1/2 years. The City should not give or use any of this money during the 2-1/2 years to any use other than if the City works with a group put together by Dr. John Maurer, MD. relating to health care in Ashland.

3. It is needed for the City to be involved or leading the effort in order to go to Oregon Senators and Legislators as well as the Federal government as the State of Maine has done. I have distributed how and what Susan Collins, Senator of Maine, received on the Rural health care program for Maine.

4. We will need to create a plan as to how we move forward for this Health care project with the involvement of the City. One item I would want included in the effort is that we would need a guarantee that the City does not change things because of political pressure from the various political positions, from Liberal or Conservative positions, made to put pressure on the City. I only state this point because of how the City handled things related to adding things to the signed contract made for the sale of the Clay Street property just a few days before the close of escrow.

5. Relating to a mailing from Asante Ashland to the citizens of Ashland which I am giving to the Recorder to make available to you, it seems as though Asante will not be changing things as they are now being handled at the Asante Ashland Community Hospital.

6. Thank you for allowing this exchange for a very important decision for the City of Ashland. If you have any questions, please let me know.

**ASHLAND CITY COUNCIL
BUSINESS MEETING MINUTES
Tuesday, August 4, 2026**

Council Present: Mayor Graham; Councilors Sherrell, Dahle, Bloom, Kaplan, DuQuenne, and Hansen.

Staff Present:

Sabrina Cotta	City Manager
Johan Pietila	City Attorney
Alissa Kolodzinski	City Recorder
Scott Fleury	Public Works Director
Brandon Goldman	Planning Director

I. CALL TO ORDER

Graham called the meeting to order at 6:01 p.m.

- a. Land Acknowledgement**

Bloom read the land acknowledgement.

II. PLEDGE OF ALLEGIANCE

Sherrell led the pledge of allegiance.

III. ROLL CALL

IV. MAYOR'S/ CHAIR OF THE COUNCIL ANNOUNCEMENT

- a. *Hiroshima Nagasaki Proclamation*

Graham read the annual Hiroshima and Nagasaki Day Proclamation, marking the 81st anniversary of the bombings and the city's 41st consecutive year of commemoration. August 6, 2026, was proclaimed Hiroshima Day and August 9, 2026, was proclaimed Nagasaki Day. The public was invited to attend the vigil on August 6th at 8:00 a.m. at the entrance to Lithia Park.

Graham also announced the completion of the annual evaluation of the City Manager and City Attorney, recognizing both employees for their service and accomplishments. Additionally, agenda item IX.c, (Legislative Planning Action PA-T1-2026-00297), had been withdrawn by the applicant and would not be heard.

V. APPROVAL OF MINUTES

- a. *Minutes of the June 20, 2026 – Study Session Meeting*
b. *Minutes of the June 21, 2026 – Business Meeting*

Hansen moved to accept the minutes of the June 20 and July 21 study session and business meetings as-is. Dahle seconded the motion.

Roll Call Vote: Sherrell, Dahle, Bloom, Kaplan, DuQuenne, and Hansen –YES. Motion passed.

VI. CONSENT AGENDA

- a. *Resolution Committee member appointments to HPAC and CEPAC*
b. *Approval of Traffic Signal Box Public Art Project Designs*

Dahle moved to approve both items on the consent agenda. Bloom seconded the motion.

Roll Call Vote: Sherrell, Dahle, Bloom, Kaplan, DuQuenne, and Hansen –YES. Motion passed.

The council expressed appreciation for the new appointees, Melissa Sandow to HPAC and Camiron Coco to CEPAC, and extended thanks to the Public Arts Advisory Committee for the upcoming traffic signal box art installations near the fire station and library.

VII. SPECIAL PRESENTATIONS

VIII. PUBLIC FORUM

Seventeen speakers participated in the public forum, addressing several topics. Concerns were raised by Bellevue Grange regarding the City's removal of a community-planted tree, with a call for direct engagement in making restitution. Issues were noted regarding the Social Equity and Racial Justice Advisory Committee, with several individuals' expressing frustration over its meeting restrictions being changed from monthly to quarterly. A suggestion was presented for introducing progressive revenue sources like construction excise and gas taxes to avoid service cuts. The ongoing neglect and abuse faced by houseless individuals were highlighted, with a call for local action to address these issues. Attendees from the City's night lawn shelter reported health risks and conflicts that arise due to the policy requiring tents to be dismantled daily during extreme heat conditions, requesting that tents remain during hot days. Youth speakers, having experienced wildfire losses, urged the Council to support a Climate Resilience Superfund Bill, which seeks to hold fossil fuel companies accountable for contributing to climate disasters, by funding wildfire prevention and supporting environmental justice, similar to enacted bills in other states.

IX. PUBLIC HEARING

a. Continued Public Hearing for the Sale of Real Property – A Portion of the Briscoe School Property to the Oregon Department of Transportation

Cotta introduced the item, noting it followed the Council's prior action to surplus the property. Fleury provided a presentation (see attached) and that the City proposed to sell 188 square feet of the Briscoe School property to the Oregon Department of Transportation (ODOT) to facilitate installation of a new ADA-compliant curb ramp at the southwest corner of the Laurel Street and East Main Street intersection. ODOT provided an appraisal of \$14 per square foot, yielding approximately \$2,600, and would process all associated paperwork and deed updates.

Public hearing open

No speakers

Public hearing closed

Bloom moved to approve the sale of 188 square feet of Briscoe School property to the Oregon Department of Transportation as defined and outlined in the acquisition summary statement dated April 28, 2026. Sherrell seconded the motion.

Roll Call Vote: Dahle, DuQuenne, Bloom, Sherrell, Kaplan, and Hansen –YES. Motion passed.

b. Public Hearing for the Sale of Real Property – Map and Tax Lot 391E04 AD T.L. #100 – North Mountain Avenue Parcel

Fleury provided a presentation regarding the proposed market-based sale of a 0.333-acre parcel located within the North Mountain Zone neighborhood (see attached). Staff noted the parcel is undeveloped with no existing utilities and is zoned for multifamily residential use of four or more units. Staff recommended proceeding via a listing agent using a statewide listing platform and marketing the property along with 380 Clay Street property, which the council previously surpluses.

The Council asked how proceeds from the sale would be handled. Cotta clarified that staff would recommend proceeds flow to the capital fund through a budget supplemental at the time of sale. Council members acknowledged a broader financial policy conversation was underway regarding use of unbudgeted revenues and noted that updated funding and use policies for dedicated funds had already been directed at the July 20th meeting.

Public hearing open

No speakers

Public hearing closed

Sherrell moved to authorize the market-based sale of tax lot #100 from Assessor Map 391E04AD using a listing agent. Hansen seconded the motion.

Roll Call Vote: Bloom, Sherrell, Kaplan, Hansen, Dahle, and DuQuenne – YES. Motion passed.

- c. Public Hearing- Legislative Planning Action PA-T1-2026-00297 a request for a “similar use interpretation as provided at AMC 18.1.5.040 regarding the distinction between “private parking” and “public parking” as a regulated use*

This item was removed at the request of the applicant and not heard.

Goldman clarified that staff may return to the Council separately with a legislative request to review AMC Chapter 18.61 definitions for public and private parking to provide greater clarity, though that would be an independent action unrelated to the withdrawn application.

X. ORDINANCES, RESOLUTIONS AND CONTRACTS

- a. Second Reading of Ordinance 3306, an Ordinance adding Chapter 10.116 to the Ashland Municipal Code Establishing Notice of Sale, Opportunity to Purchase, and Tenant Protections for Manufactured Home Park Residents.*

Goldman presented the second reading, noting that amendments had been made at first reading and were being read into the record. The amendments included: (1) adding a reference to ORS 90.844 in Section 10.116.020(A)(1) regarding the 60-day tenant response period; and (2) removing Section 10.116.020(A)(1)(d), which was identified as duplicative of both Section 10.116.020(A)(2) and existing state law under ORS 90.844(2). The Council expressed appreciation for the collaborative process that produced the ordinance.

Bloom moved to approve second reading by title only and adopt Ordinance 3306 adding Chapter 10.116 to the Ashland Municipal Code establishing notice of sale, opportunity to purchase, and tenant protections for manufactured home park residents. The motion was seconded by Dahle.

Roll Call Vote: Hansen, Sherrell, Dahle, Kaplan, DuQuenne, and Bloom –YES. Motion passed.

b. *Resolution 2026-21 Governing the Recording, Ownership, Retention, and Public Access of Video*
Cotta briefed the Council that since it adopted Resolution 2026-20 on June 16th, staff had worked with Councilor Dahle to refine the language related to contract terms with RVTV and were now bringing a revised resolution as a repeal-and-replace option for consideration.

Council discussion included concerns that committees would no longer be able to form working groups or subcommittees. Pietila clarified that subcommittees are subject to Oregon public meeting law and that this resolution applied the same video retention requirements. Councilors clarified with Pietila that "working groups," which gather information to bring back to the committee at large without making recommendations, are not subject to public meeting law; whereas "subcommittees," which do make recommendations, are included in and subject to this resolution.

Cotta explained issues related to limited meeting space with video recording technology and that the addition of subcommittee recordings would require additional staff time. Councilors discussed and raised concern regarding committees that had been directed to meet quarterly instead of monthly. Cotta spoke of issuing a memo to committees later that week to restore monthly meeting schedules. The Council discussed potential technology solutions, including the use of AI-assisted transcription and hardware needed for additional recording.

Public Comment Open

One member of the public urged the Council to find technology solutions that would not restrict the ability of subcommittees and working groups to do their work.

Public Comment Closed

Councilors also discussed adding Management Advisory Committees (MAC's) to the list of covered bodies, noting that while MACs are not defined in Oregon statute, their function of providing recommendations to a public body places them within the definition of a governing body under ORS 192.610. Pietila agreed this was a reasonable interpretation. Cotta stressed the importance of Council Liaison attendance at committee meetings, as expressed by committee chairs. After discussion and amendment, the following motion was adopted:

Dahle moved to adopt Resolution 2026-21 with Section 2.2 amended to read: "All meetings subject to Oregon's public meeting law of any standing advisory committee, including management advisory committees, shall be captured by video recording". Hansen seconded the motion. Roll Call Vote: Sherrell, Dahle, Kaplan, DuQuenne, Hansen, and Bloom –YES. Motion passed.

Short Recess taken

c. *Resolution NO. 2026-19 A Resolution of the City of Ashland Submitting to the Voters at the November 3, 2026 Election a Proposed Amendment to Article IX, SECTION 8.*

Cotta presented the item as a proposed charter amendment for referral to the November 2026 ballot. The amendment would require voter approval before the City could impose new or increased utility

fees. Staff's recommendation was to not refer the item to the ballot, citing concerns about reduced fiscal flexibility for current and future councils, the difficulty of timing fee increases to align with biennial budget cycles, and the operational complexity of preparing budgets contingent on voter outcomes. It was noted that Bandon, Reedsport, and North Bend have similar moratoriums and had recently received state legislative carve-outs after infrastructure began to fail.

Council discussion included the background of the item, which arose from a citizen petition that did not gather sufficient validated signatures to qualify for the ballot. Councilors supporting the referral argued it was a matter of democratic process and transparency, acknowledged the Council shared responsibility for the public's distrust, and stated their intent to oppose the measure in the voters' pamphlet while still supporting the voters' right to decide. Those opposing the referral argued the petition had not gathered sufficient signatures through its own democratic process, that the referral of a measure the Council itself opposes sends a confusing message, and that it would undermine the Council's core responsibility to fund city services.

Public Comment Open

The petitioner addressed the Council, arguing that the measure was never intended to apply to special elections, that the fear of fiscal constraints was overstated, and that the voters deserve a voice in the matter.

Public Comment Closed

A motion to not accept Resolution 2026-19 failed for lack of a second.

Bloom moved to approve Resolution 2026-19, a resolution of the City of Ashland submitting to the voters at the November 3, 2026 election a proposed amendment to Article IX, Section 8. DuQuenne seconded the motion.

Roll Call Vote: Dahle, DuQuenne, Bloom, and Sherrell – YES. Hansen and Kaplan – No. Motion passed.

XI. CITY MANAGER REPORT –

- a. *City Manager Report*
- b. *Look Ahead*
- c. *City Manager's August Memo to Council*

Cotta presented the August report and look-ahead, highlighting several upcoming major discussions: an in-depth review of the City's ambulance service bid for Jackson County Service Area No. 3; a return of the building fund subsidization question for the general fund; a joint meeting with the Parks Commission the following Wednesday to address the expiring parks fee and a financial update; a reserve facility fund policy discussion; and continued progress on the strategic plan toward Council adoption. Additional updates included the regional fire study progressing on schedule, the water treatment plant entering final design, dam safety training exercises underway, and the wildfire division coordinating the CWPP implementation timeline. The City Manager reported a code compliance issue concerning the installation of window tinting on City Hall (which has been in place for over 20 years) and the Community Center (newly installed). Facilities personnel had applied the tint as a heat management measure; however, this action was found to be in violation of existing codes, thereby requiring its removal.

The Council discussed the status of the Community Wildfire Protection Plan (CWPP) implementation, with members expressing a desire to see a detailed implementation plan given that a year had passed since adoption. Cotta responded that a draft had been reviewed internally and that an early focus was on a code review to identify conflicts with the CWPP, while also noting that other elements such as high-value asset protection and community education are included and will be brought forward.

The Council directed staff to bring the CWPP implementation plan to a meeting as soon as practicable.

XII. UNFINISHED BUSINESS

XIII. NEW BUSINESS

a. Review of Parks Integrated Pest Management Policy for Consideration for City Adoption and proposed Ordinance Update

Cotta introduced the item, explaining it arose from a June 3rd joint meeting with the Parks Commission during which herbicide use was discussed. The Council had subsequently directed staff to bring back the Parks Commission's Integrated Pest Management (IPM) policy, last revised June 2024, for potential city-wide adoption, along with proposed exclusions for certain operational and fire control needs.

The Council discussed the approach at length. Concerns were raised about moving too quickly without sufficient public awareness or input, given the sensitivity of the topic and the complexity of the exclusions staff had identified (including treatment of algae at Reeder Reservoir and chemical requirements tied to DEQ compliance). The Council also considered the relationship between the Parks Commission's policy and any future city-specific policy, clarify the two bodies should maintain separate but consistent policies.

The Council directed staff to come back with an ordinance to revise AMC 9.28 to reference an integrated pest management policy; to bring back a draft integrated pest management policy that is consistent with the Park's policy and identifies the City specific carve outs where pesticide use is necessary; and to provide information about the necessity of the carve outs.

The Council also agreed that an ongoing dialogue with the Parks Commission through quarterly joint meetings would be the appropriate mechanism to maintain alignment between the two policies over time.

XIV. OTHER BUSINESS FROM COUNCIL MEMBERS/REPORTS FROM COUNCIL LIAISONS

The Council liaisons reported on their various committees. The Housing and Human Services Advisory Committee announced the forthcoming Community Resource Fair, scheduled for September 9th at the Bellevue Grange, aimed at connecting community members with essential

services. The Transportation Advisory Committee finalized a contract with Alta Consulting for the Transportation System Update, a project predominantly grant-funded, which includes a significant community engagement component facilitated through a dedicated website. Discussion of a grant program structure from the Early Learning Committee is slated for the upcoming business meeting. The APRC liaison reported that the Parks Commission will be discussing the controversial proposed Lithia Park trail at its next meeting. Mayor Graham highlighted the County's decision to close 62 jail beds because of escalating costs, which in turn affects medical costs for inmates who lose public benefits. The Mayor expressed an interest in receiving updates on jail programs along with systemic impacts associated with these changes. The Council plans to reserve time at the conclusion of meetings for discussion on emerging topics and future agenda items.

XV. ADJOURNMENT

Bloom moved to adjourn. Seconded by DuQuenne

All Ayes. Motion passed.

The meeting was adjourned at 9:06 p.m.

City Recorder Alissa Kolodzinski

Mayor Tonya Graham



Briscoe School Property Sale Public Hearing August 4, 2026

Briscoe School Property Sale – Public Hearing

- [illegible]



IX. Public Hearing

Briscoe School Property Sale – Public Hearing

Motion

- I move to approve the sale of 188 square feet of Briscoe School property to the Oregon Department of Transportation as defined and outlined in the acquisition summary statement dated April 28, 2026.



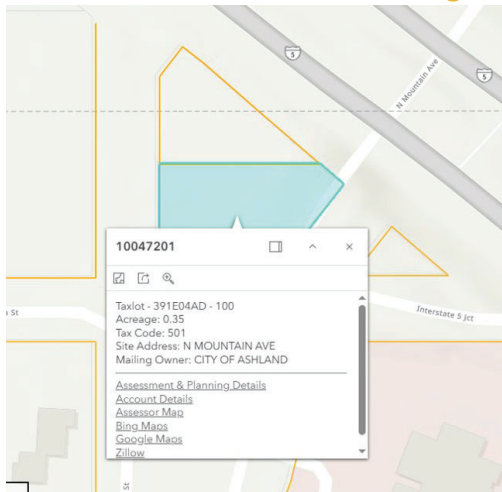
City Council Meeting

North Mountain Avenue Property Sale Public Hearing August 4, 2026

IX. Public Hearing

North Mountain Avenue Parcel Sale – Public Hearing

- The .35-acre parcel North Mountain zone (391E04AD TL#100)
- Appraised Value = \$300k (2021)
- 4.2 Units (density) North Mountain Multi-Family
- Utilities Available



IX. Public Hearing

North Mountain Avenue Parcel Sale – Public Hearing

Motion

- I move to authorize the market-based sale of tax lot #100 from Assessor Map 391E04AD using a listing agent.



QUESTIONS?





SPEAKER REQUEST FORM

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- 3) Limit your comments to the time allotted
- 4) Provide any written materials to the meeting Secretary
- 5) Speakers are solely responsible for the content of their statement

Date:

8/4/2026

Name: (Please Print)

Flavia Franco

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

How the city's utility Dept. ^{Handled} a tree ^{replacement} for

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

Bellview Grange

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Date:

8/4/26

Name: (Please Print)

JOHN TYLER

Ashland Resident:



YES



NO

City:

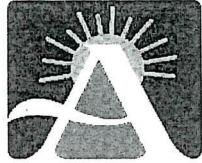
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

SEATAC

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Date:

8/4/24

Name: (Please Print)

Allison Mendel

Ashland Resident:



YES



NO

City: _____

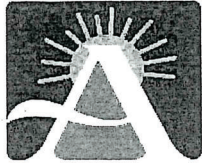
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Advisory Committee Schedule (again)

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Date:

8/4/26

Name: (Please Print)

Denise M. Berkeley

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

N/A # Night Law

Homeless
Situation

Public Forum Topic (Non-agenda Item):

"Night Law"

Homeless
Situation

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Date:

8/4/2026

Name: (Please Print)

Emily Simon

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

SARSA

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

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Better Together

SPEAKER REQUEST FORM

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Date:

8/4/2026

Name: (Please Print)

Cate Hartzell

Ashland Resident:

☒ YES ☐ NO City: _____

Agenda Topic/Item Number:

Public Forum

Public Forum Topic (Non-agenda Item):

X

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

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Date: August 4th 2026

Name: (Please Print)

Zach Twyman

Ashland Resident:

☒ YES ☐ NO City: _____

Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Climate Resilience Superfund Bill

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

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Date:

8/4/26

Name: (Please Print)

Emma Chaddock

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Climate Resilience Superfund bill

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Date:

8/4/26

Name: (Please Print)

Parker Greaves

Ashland Resident:

☐

YES

☒

NO

City:

Talent

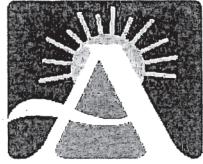
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Climate Resilience Superfund

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Date: 4/AUGUST/26

Name: (Please Print)

Avery Jones

Ashland Resident:

☐

YES

☒

NO

City: Rogue River

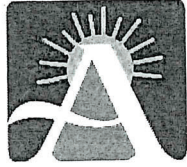
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

CLIMATE RESILIENCE SUPERFUND BILL

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Date:

8/4/26

Name: (Please Print)

Susie Garcia

Ashland Resident:



YES



NO

City: _____

Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Climate Resilience Superfund

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Date:

8/9/2026

Name: (Please Print)

Payton Bugg

Ashland Resident:

☐

YES

☒

NO

City:

Eagle Point

Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Climate Resilience Self-fund

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Date:

AUG 4

Name: (Please Print)

AURAM SACKS

Ashland Resident:



YES



NO

City: _____

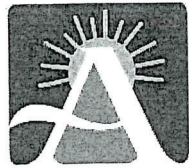
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Nike/awn

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Date:

08/04/2026

Name: (Please Print)

Alexander Hamlett

Ashland Resident:

☐

YES

☒

NO

City: Corvallis

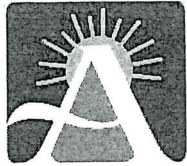
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Night Lawn

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Date:

08-4-20

Name: (Please Print)

Brenna

Ashland Resident:



YES



NO

City: _____

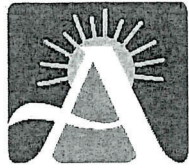
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Widg + Lowen

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Date:

8-9-20

Name: (Please Print)

Wendy Norried

Ashland Resident:



YES



NO

City: _____

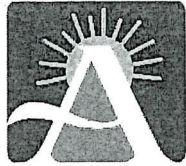
Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Night Lawn

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Date:

AUG 4

Name: (Please Print)

CARINDE MERRIOW

Ashland Resident:

☒

YES

☐

NO

City:

Agenda Topic/Item Number:

PUBLIC MEETING.

Public Forum Topic (Non-agenda Item):

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Date:

4. Aug - 26

Name: (Please Print)

George Krause

Ashland Resident:



YES



NO

City:

Agenda Topic/Item Number:

~~1000~~ X(10)

Public Forum Topic (Non-agenda Item):

Please respect the order of proceedings and strictly follow the directions of the presiding officer. Behavior or actions which are loud or disruptive are disrespectful and offenders will be requested to leave.

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Date:

8/4/2026

Name: (Please Print)

LINDA ADAMS

Ashland Resident:



YES



NO

City:

Agenda Topic/Item Number:

Public Forum Topic (Non-agenda Item):

Strategic Plan → Progressive Revenue

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①

During the final hour of last night's study session, we heard a promising glimpse of what our long-awaited Strategic Plan offers the Council and our community—a shared vision for the future of Ashland.

This planning process goes beyond establishing values and priorities. It engages residents and Council to build consensus around essential management changes and potential service limits as we navigate fiscal and systemic challenges largely handed to us by the State.

While the 2025–2027 Budget Committee allocated funds for this strategic plan, they also wisely urged us to investigate new revenue streams to bridge the growing gap between property tax revenue and rising operational costs.

As we move forward, everything must be on the table: *we must also find revenue streams*

- **Tax adjustments:** Increasing or extending the Food and Beverage Tax, Transient Lodging Tax, or supporting a Livability Levy.

① of 2

- **Fee & excise options:** Construction Excise Taxes, Local Gas Taxes, and Parking Fees.
- **Progressive revenue:** Prioritizing funding sources that protect our most economically vulnerable residents.
- **Structural models:** Exploring independent taxing districts for Wildfire Mitigation, Emergency Management, or Parks, alongside city-nonprofit-SOU-business partnerships for Healthcare and Affordable Housing.

Without creative, innovative revenue solutions, the City will be forced to continue cutting the very services our residents rely on and value most.

In 1908, driven by the Women's City Improvement Club, Ashland citizens voted to write park maintenance directly into our City Charter—a monumental legacy we enjoy today. Channeling that same spirit, we can act decisively to secure Ashland's financial future and preserve our community as the gem of Southern Oregon.

*Submitted as testimony
8/4/26 Linda Adams*
LINDA ADAMS

(2) of (2)



Council Business Meeting

Date: August 18, 2026

Agenda Item	Public Hearing and First Reading of Ordinance 3307, Implementing Oregon Housing Legislation SB 974 (2025), HB 2138 (2025), and HB 4037 (2026).
Department	Community Development
From	Brandon Goldman, Director of Community Development

TIME ESTIMATE

1 hour

CATEGORY

Ordinance/Resolution - a motion is needed to adopt the ORD. or RESO.

SUMMARY

Staff requests that the Council conduct a public hearing and approve first reading of Ordinance No. 3307, which amends the Ashland Land Use Ordinance to implement state mandated changes to residential development review required by Senate Bill 974 (2025), House Bill 2138 (2025), and House Bill 4037 (2026). This is a Legislative Planning Action - Planning Action PA-L-2026-0019.

POLICIES, PLANS & GOALS SUPPORTED

The ordinance implements state law and advances adopted state and local housing policy. It supports the following.

- **Oregon Statewide Planning Goal 10 (Housing).** Goal 10 directs cities to plan for an adequate supply of housing across a range of types, densities, and income levels within the urban growth boundary. Adding Single Room Occupancy housing and streamlining the review of residential development applications advance that direction.
- **Housing Element of the Ashland Comprehensive Plan.** The Housing Element establishes the City policy of encouraging an adequate supply and variety of housing for residents at all income levels. Allowing a lower cost housing type and making residential review faster and more predictable support that policy.
- **Ashland Housing Production Strategy (2023).** The Housing Production Strategy, adopted under House Bill 2003 (2019), commits the City to specific actions that encourage needed housing. Removing procedural barriers to residential development and adding SRO housing are consistent with those actions.
- **Senate Bill 974 (2025), House Bill 2138 (2025), and House Bill 4037 (2026).** These bills, together with the related amendments to ORS 197A.400, require the procedural, notice, design standard, and appeal changes made by this ordinance. Under ORS 197.646 the operative provisions already apply directly to land use decisions, so adoption conforms the code to state law that is in effect.

BACKGROUND AND ADDITIONAL INFORMATION

Ordinance No. 3307 makes the local code changes needed to comply with three state housing bills. Senate Bill 974 (2025), House Bill 2138 (2025), and House Bill 4037 (2026) together revise the state framework for how cities review residential development applications. These changes are required by state law and carry state compliance deadlines. Most of the amendments conform existing local procedures to requirements that are already operative rather than establishing new local policy. Where a bill left a genuine local choice, that choice is identified in the staff report and noted below.

The staff report dated August 11, 2026 provides the full analysis and the section by section detail behind





Council Business Meeting

each amendment. This communication summarizes the request and the key points and references that report, and the recommendation from the Planning Commission and Staff. The table below summarizes the three bills, and the narrative that follows describes each in plain terms along with how the ordinance responds.

Senate Bill 974 (2025)

SB 974 requires that the initial decision on certain residential applications be made administratively, without a quasi judicial public hearing. It applies to qualifying applications on property inside the urban growth boundary that is zoned or planned primarily for residential or mixed residential use. For those applications the bill requires mailed notice to nearby owners, a 14 day written comment period, notice that states the applicable criteria and appeal rights, and a written decision explaining the criteria, the facts relied on, and the reason for the decision. A public hearing is available only on appeal. The bill does not apply to applications that would reduce minimum residential density, to residential construction permits, or to actions that already receive ministerial or expedited review.

Ashland's existing Type I procedure already matches this model closely. It provides an administrative decision by the Staff Advisor, mailed notice to surrounding owners, a comment period, a written decision supported by findings, and an appeal to the Planning Commission. The ordinance therefore works mainly by moving qualifying applications into Type I and defining which applications qualify. It adds a new Urban Housing Application definition, changes Outline Plan approval under the Performance Standards Option from Type II to Type I, and classifies qualifying residential variances as Type I actions. The threshold requiring a separate Outline Plan step ahead of a Final Plan is raised from ten lots to 20 or more lots, and the Type I mailed notice radius is reduced from 200 feet to 100 feet to match the state limit.

SB 974 also prohibits applying certain residential design standards, such as facade materials, roof and window details, porches, and landscaping, to one and two family developments of 20 or more units. The ordinance adds targeted exemptions in the single family and duplex standards and in the North Mountain Neighborhood standards to match this limit, which is scheduled to expire on January 2, 2033. Separate engineering review timelines set by the bill are administered after land use approval and need no code amendment.

House Bill 2138 (2025)

HB 2138 makes broad changes to Oregon housing law, including an expanded set of required middle housing types. The ordinance implements one part of the bill now, the requirement that cities allow Single Room Occupancy housing. Cities must allow up to six SRO units on any lot where a detached single family dwelling is permitted, and up to three times the maximum density on lots that already allow five or more units. The bill also limits required parking, but that limit has no effect in Ashland because the City no longer has off street parking requirements.

SROs are not currently addressed in the Land Use Ordinance. They are already addressed in the building code, and the City has already received one SRO application at 431 North Main Street. On that basis the ordinance adds SRO as a permitted use with development standards and a new definition. The remaining HB 2138 provisions will be brought forward as a separate package after further state rulemaking. The SRO requirements must be in place by January 1, 2027.

House Bill 4037 (2026)

HB 4037 amends ORS 197A.400 and sets uniform procedures for applications to develop housing that are subject only to clear and objective standards. For those applications, three points are set by state law and are not local policy choices. There is no public hearing before the initial decision. A local appeal to the Planning Commission is available only to the applicant. An appeal to the Land Use Board of Appeals is also available only to the applicant. Mailed notice is limited to owners of record within 100 feet.

This is a departure from Ashland's standard practice, under which the applicant, the property owner, anyone entitled to notice, and anyone who submitted written comments may appeal a Type I decision. For this narrow category of housing applications, HB 4037 reserves the appeal to the applicant alone and closes the





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local appeal path that neighboring residents would otherwise use. That result is the stated purpose of the legislation, which is to give housing that already meets clear and objective standards a more predictable and timely path to a final decision. The existing exemptions continue, so applications within a designated Historic District, and applications for which the applicant elects discretionary review, keep their normal review and appeal procedures.

Local Choices, Zone Changes and Annexations

SB 974 lists zone changes among the applications to be decided administratively without a hearing. Staff are not proposing to change the City's zone change or annexation procedures. This is the one significant local judgment in the package, and it rests on a direct conflict with other state law rather than on preference. ORS 227.186 requires that zoning and comprehensive plan changes be adopted by ordinance after a noticed public hearing, consistent with the City Charter. Processing a zone change administratively would satisfy SB 974 while violating ORS 227.186.

The state has not yet issued rulemaking that reconciles these statutes. Retaining the existing procedures, which comply with ORS 227.186, avoids drawn out procedural appeals that could harm both applicants and the City while the conflict is unresolved. Staff will monitor Department of Land Conservation and Development rulemaking and return with amendments if the conflict is resolved in a way that requires local implementation.

Applications Already Governed by State Law

The urban housing provisions of SB 974 and the HB 4037 amendments became operative on July 1, 2026. Under ORS 197.646, when a state land use statute becomes operative and a city has not yet updated its code, the statute applies directly to land use decisions. Qualifying applications submitted on or after that date are already governed by these requirements. Adopting Ordinance No. 3307 does not create new local policy. It conforms the code so that applicants, staff, and the public work from one consistent set of procedures rather than reading the statute alongside code language that does not yet match it.

Prior Review

The Planning Commission reviewed SB 974 and HB 2138 and staff's preliminary concepts at study sessions on April 14 and May 26, 2026, and the Council was briefed on June 1, 2026. The draft ordinance reflects the direction given at those sessions. A separate flag drive grade clarification for existing legal lots of record has been moved to its own ordinance. State guidance remains limited, and staff will return with refinements as rulemaking is completed.

Planning Commission Recommendation

On August 11, 2026, the Planning Commission held a duly advertised public hearing on draft Ordinance No. 3307, received the staff report and public testimony, and closed the hearing and the record. Following deliberation, the Commission voted 5-0 to recommend the City Council approve the ordinance with the following two amendments:

1) Notice area for clear and objective housing applications. Apply the reduced mailed notice area of 100 feet, required by House Bill 4037 (2026) and codified at ORS 197A.400(5)(a), only to Type I housing applications reviewed under clear and objective standards. Retain the City's existing notice area of 200 feet for all other Type I actions. The draft as presented would have reduced the notice area to 100 feet for every Type I application, and this amendment limits that reduction to the housing applications where state law requires it.

2) Outline and Final Plan threshold. Set the Performance Standards Option threshold for mandatory prior Outline Plan approval at 12 lots rather than the 20 lots in the draft. Developments of 12 or more lots would continue to require prior Outline Plan approval, retaining the two step outline and final plan review. Smaller developments could still file both plans concurrently. The current code threshold is 10 lots, so this amendment is a more modest increase than the 20 lots originally proposed.





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Both amendments proposed by the Planning Commission for Council consideration are local policy decisions, and neither is contrary to the state law changes the ordinance implements. On the notice area, House Bill 4037 sets 100 feet as the maximum notice area for housing applications subject only to clear and objective standards. State law does not require the City to reduce notice for other Type I actions, so applying the 100 foot area only where it is required and keeping the broader 200 foot area for everything else stays within the City's discretion and provides more public notice than the state minimum. On the Outline and Final Plan threshold, Senate Bill 974 requires administrative Type I review of qualifying urban housing applications but does not set the lot threshold for the two step process. Outline Plan and Final Plan approvals both remain Type I administrative decisions with notice, comment, and appeal, so adjusting the threshold to 12 lots governs local process only and does not conflict with state law.

Staff Recommendation

Staff recommends that the Council conduct the public hearing and approve first reading of Ordinance No. 3307 by title only as presented, and schedule second reading for September 15th, 2026.

FISCAL IMPACTS

The ordinance moves two application types from the Type II procedure to the Type I procedure for Housing applications subject to clear and objective standards per State Law. Outline Plan approval under the Performance Standards Option changes from Type II to Type I, and qualifying residential variances are classified as Type I actions. Type I application fees are lower than Type II fees, so applicants for these actions could pay less and the City could collect somewhat less planning application revenue.

The size of that change depends on the number and type of applications received each year and cannot be predicted precisely. Staff does not expect a significant effect on the overall Community Development budget. No new staffing or appropriation is requested with this ordinance.

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

Option 1: I move to approve first reading of Ordinance No. 3307, an Ordinance relating to supporting housing production through streamlined review of residential development applications, implementing Senate Bill 974 (2025), House Bill 2138 (2025), and House Bill 4037 (2026), amending AMC 18.2.2.030, AMC 18.2.5.090, AMC 18.3.4.040, AMC 18.3.5.050, AMC 18.3.5.100, AMC 18.3.9.040, AMC 18.5.1.010, AMC 18.5.1.050, AMC 18.5.5.030, and AMC 18.6.1.030, and adding AMC 18.2.5.100, and schedule second reading for September 15, 2026.

Option 2: I move to approve first reading of Ordinance No. 3307, an Ordinance relating to supporting housing production through streamlined review of residential development applications, implementing Senate Bill 974 (2025), House Bill 2138 (2025), and House Bill 4037 (2026), amending AMC 18.2.2.030, AMC 18.2.5.090, AMC 18.3.4.040, AMC 18.3.5.050, AMC 18.3.5.100, AMC 18.3.9.040, AMC 18.5.1.010, AMC 18.5.1.050, AMC 18.5.5.030, and AMC 18.6.1.030, and adding AMC 18.2.5.100, as amended to include ...*[the two amendments recommended by the Planning Commission, first, applying the 100 foot mailed notice area only to Type I housing applications reviewed under clear and objective standards and retaining the 200 foot notice area for all other Type I actions, and second, setting the Performance Standards Option threshold for mandatory prior Outline Plan approval at more than 12 lots, and schedule second reading for September 15, 2026.]*

REFERENCES & ATTACHMENTS

1. Ord3307_draft_08112026
2. Ord3307_Staff_Report_08112026
3. 2026-08-11_Public Comment_Rogue Advocates



ORDINANCE NO. 3307

AN ORDINANCE RELATING TO SUPPORTING HOUSING PRODUCTION THROUGH STREAMLINED REVIEW OF RESIDENTIAL DEVELOPMENT APPLICATIONS IMPLEMENTING SENATE BILL 974 (2025), HOUSE BILL 2138 (2025), AND HOUSE BILL 4037 (2026); AMENDING AMC 18.2.2.030, AMC 18.2.5.090, AMC 18.3.4.040, AMC 18.3.5.050, AMC 18.3.5.100, AMC 18.3.9.040, AMC 18.5.1.010, AMC 18.5.1.050, AMC 18.5.5.030, AND AMC 18.6.1.030; AND ADDING AMC 18.2.5.100

Annotated to show deletions and additions to the Ashland Municipal Code sections being modified. Deletions are ~~bold-lined through~~, and additions are **bold underlined**, and unchanged text that is omitted for brevity is indicated by “. . .”

WHEREAS, Article 2. Section 1 of the Ashland City Charter provides:

Powers of the City. The City shall have all powers which the constitutions, statutes, and common law of the United States and of this State expressly or impliedly grant or allow municipalities, as fully as though this Charter specifically enumerated each of those powers, as well as all powers not inconsistent with the foregoing; and, in addition thereto, shall possess all powers hereinafter specifically granted. All the authority thereof shall have perpetual succession.

WHEREAS, the 2025 Oregon Legislative Assembly enacted Senate Bill 974 (2025), establishing state mandated changes to local land use review procedures for certain residential development applications, referred to in the bill as urban housing applications; and

WHEREAS, Senate Bill 974 (2025) requires that the initial decision on an urban housing application, including certain zone changes to allow denser residential uses, Performance Standards Options subdivisions, and variances involving property within the urban growth boundary that is zoned primarily for residential use or mixed residential use or planned for residential use, be made administratively without an initial quasi-judicial public hearing, subject to mailed notice to owners within 100 feet and recognized neighborhood or community organizations, a 14 day written comment period, and a public hearing only on appeal; and

WHEREAS, ORS 227.186 requires zone changes to be adopted by ordinance after a public hearing, a requirement that conflicts with Senate Bill 974's administrative review process for zone changes, and this ordinance therefore limits the local definition of Urban Housing Application to Performance Standards Options subdivisions and variances, without extending administrative review to zone changes; and

WHEREAS, Senate Bill 974 further prohibits the application of certain residential design standards, including standards regulating aesthetics, landscaping, building orientation, and building design, to one and two family residential developments of 20 or more residential units, with this prohibition scheduled for repeal on January 2, 2033; and

WHEREAS, the 2025 Oregon Legislative Assembly also enacted House Bill 2138 (2025), which among other provisions expands the required allowance of middle housing types, requires cities to allow single room occupancy developments within the urban growth boundary,

establishes expedited land division and middle housing land division procedures, and revises mandatory review timelines for residential development applications; and

WHEREAS, the 2026 Oregon Legislative Assembly enacted House Bill 4037 (2026), which amends ORS 197A.400 to establish uniform procedures for local government review of applications for the development of housing that are subject only to clear and objective standards, conditions, and procedures, with the amendments operative on July 1, 2026; and

WHEREAS, ORS 197A.400(5), as amended by House Bill 4037 (2026), provides that for such applications a local government may provide notice of the application only to owners of record of property located within 100 feet of the subject property, may not require a public hearing prior to making a decision on the application, and may provide an opportunity for a local appeal only to the applicant; and

WHEREAS, ORS 197A.400(6), as amended by House Bill 4037 (2026), provides that notwithstanding ORS 197.825, only the applicant may appeal a decision on such an application to the Land Use Board of Appeals; and

WHEREAS, ORS 197A.400(2) exempts applications for residential development within historic areas designated for protection under a statewide land use planning goal protecting historic areas, and existing review procedures continue to apply within the City's designated Historic Districts; and

WHEREAS, local land use regulations implementing Senate Bill 974 are required to be in effect by July 1, 2026, local land use regulations implementing House Bill 2138 are required to be adopted no later than January 1, 2027, the amendments to ORS 197A.400 made by House Bill 4037 (2026) became operative on July 1, 2026 and apply to qualifying housing applications submitted on or after that date, and amendments to the Ashland Land Use Ordinance are necessary to align the City's application review procedures, notice provisions, and appeal processes with state law; and

WHEREAS, the Planning Commission of the City of Ashland considered the proposed amendments at a duly advertised public hearing on August 11, 2026, and, following deliberations, recommended approval of the amendments; and

WHEREAS, the City Council of the City of Ashland conducted a duly advertised public hearing on the proposed amendments on August 18, 2026; and

WHEREAS, the City Council of the City of Ashland, following the close of the public hearing and record, deliberated and conducted first and second readings approving adoption of the Ordinance in accordance with Article 10 of the Ashland City Charter; and

WHEREAS, the City Council of the City of Ashland has determined that, in order to protect and benefit the health, safety, and welfare of existing and future residents of the City, it is necessary to amend the Ashland Municipal Code and Land Use Ordinance in the manner proposed, that an adequate factual base exists for the amendments, that the amendments are consistent with the Comprehensive Plan, and that such amendments are fully supported by the record of this proceeding.

THE PEOPLE OF THE CITY OF ASHLAND DO ORDAIN AS FOLLOWS:

SECTION 1. Table 18.2.2.030 [Uses Allowed by Zone] of the Ashland Municipal Code is hereby amended to address allowing Single Room Occupancy (SRO) uses as follows:

Table 18.2.2.030. Uses Allowed by Zone

B. Residential Uses										
	R-1	R-1-3.5	R-2	R-3	RR	WR	C-1 & C-1-D	E-1	M-1	Special Use Standards
... <u>Single Room Occupancy (SRO)</u> ...	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>N</u>	<u>See SRO standards in Sec. 18.2.5.100</u> <u>Sec. 18.2.3.130 for dwellings in C-1 zone and E-1 zone</u> <u>Dwellings and additions in Historic District Overlay, see Sec. 18.2.3.120 and 18.2.5.070</u>

SECTION 2. Section 18.2.5.090 [Standards for Single-Family Dwellings and Duplexes] of the Ashland Municipal Code is hereby amended to read as follows:

18.2.5.090 Standards for Single-Family Dwellings and Duplexes

A. The following standards apply to new single-family dwellings and duplexes constructed in the R-1, R-1-3.5, R-2, and R-3 zones; the standards do not apply to dwellings in the WR or RR zones. **Notwithstanding the foregoing, residential design standards shall not apply to new one- and two-family developments of twenty (20) or more residential units in any zone as provided in Section 8 of Senate Bill 974 (2025). This temporary exemption shall remain in effect through January 1, 2033, and shall expire on January 2, 2033, consistent with Section 9 of Senate Bill 974 (2025).**

...

SECTION 3. Section 18.2.5.100 [Single Room Occupancy] is hereby added to the Ashland Municipal Code to read as follows:

18.2.5.100 Single Room Occupancy

A. Single Room Occupancy (SRO). Single Room Occupancy (SRO) means a residential development with no fewer than four attached or detached units that are independently rented and lockable and provide living and sleeping space for the exclusive use of an occupant but require that the occupant share sanitary *or* food preparation facilities with other units in the occupancy. Units with private sanitary *and* food preparation facilities are not an SRO.

B. Single room occupancies must comply with the following standards in addition to the standards of the applicable zoning district:

1. Single room occupancies are permitted as follows:

- a. Up to six SRO units are permitted on any lot or parcel on which a detached single-unit dwelling is a permitted use, regardless of the base density otherwise applicable to the lot or parcel.**
- b. On any lot or parcel on which multiunit housing with five or more dwelling units is allowed, SRO units are permitted up to three times the number of dwelling units allowed by the maximum density standards applicable to the lot or parcel.**
- c. Where both subsections 1.a and 1.b apply to a lot or parcel, the provision allowing the greater number of SRO units governs.**
- d. In Commercial and Employment zones (C-1, C-1-D and E-1) multi-unit residential development is subject to the requirements of AMC 18.2.3.130.**

2. Review Procedure.

- a. *Six or Fewer Units.* Requires a building permit.**
- b. *More Than Six Units.* Requires Site Design Review. See AMC 18.5.2.**

3. Single room occupancies must include a minimum of four SRO units that are independently rented and lockable.

4. Each unit must provide living and sleeping space for the exclusive use of the occupant.

5. Sanitary and Food Preparation Facilities Conditions.

- a. Every unit must have access to both sanitary facilities and food preparation facilities, which may be provided within the unit or as shared facilities.**

b. An SRO unit may include private sanitary facilities or private food preparation facilities, but not both. At least one of these facility types must be shared among the units in the SRO occupancy.

c. A facility type that is not shared must be provided within each unit for the exclusive use of the occupant.

d. A unit containing both private sanitary facilities and private food preparation facilities is a dwelling unit, not an SRO unit. Such a unit does not count toward the minimum number of SRO units, and is subject to the density and development standards otherwise applicable to dwelling units in the zone.

6. Single room occupancy units may not be used as Traveler's Accommodations.

SECTION 4. Table 18.3.4.040 [Normal Neighborhood District Uses Allowed by Zone] of the Ashland Municipal Code is hereby amended to address include Single Room Occupancy (SRO) uses in Table 18.3.4.040 as follows:

Table 18.3.4.040. Normal Neighborhood District Uses Allowed by Zone¹

	Normal Neighborhood District Zones ²			
	NN-1-5	NN-1-3.5	NN-1-3.5-C	NN-2
A. Residential Uses				
<u>Single Room Occupancy (SRO).</u> <u>section 18.2.5.100</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>

SECTION 5. Table 18.3.5.050 [North Mountain Neighborhood Uses Allowed by Zone] of the Ashland Municipal Code is hereby amended to include Single Room Occupancy (SRO) uses in Table 18.3.5.050 as follows:

Table 18.3.5.050. North Mountain Neighborhood Uses Allowed by Zone¹

	North Mountain Neighborhood Zones ²				
	NM-R-1-7.5	NM-R-1-5	NM-MF	NM-C	NM-Civic
A. Residential					

	North Mountain Neighborhood Zones ²				
	NM-R-1-7.5	NM-R-1-5	NM-MF	NM-C	NM-Civic
<u>Single Room Occupancy (SRO), section 18.2.5.100</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>N</u>

SECTION 6. Subsection 18.3.5.050 [Allowed Uses] of the Ashland Municipal Code is hereby amended to add Single Room Occupancy as a permitted use with special use standards as follows:

18.3.5.050.D

...

14. Single Room Occupancy (SRO). Subject to the standards in section 18.2.5.100.

SECTION 7. Subsection 18.3.5.100.A [North Mountain Neighborhood District - Site Development and Design Standards – Housing] of the Ashland Municipal Code is hereby amended to read as follows, and the remainder of section 18.3.5.100 remains unchanged:

18.3.5.100 Site Development and Design Standards

A. Housing. The following design standards apply to residential developments. **AMC 18.3.5.100.A.1-A.3, AMC 18.3.5.100.A.6, and AMC 18.3.5.100.B.1-B.2 shall not be applied to one- and two-family developments of 20 or more residential units prior to January 2, 2033, consistent with the temporary design standard exemption established under Senate Bill 974.** While the standards are specific, the intent is not to limit innovative design, but rather provide a framework for clear direction and minimum standards.

...

SECTION 8. Section 18.3.9.040 [Review Procedures and Criteria] of the Ashland Municipal Code is hereby amended to read as follows:

18.3.9.040 Review Procedures and Criteria

...

A. Outline Plan. A proposed outline plan shall accompany applications for subdivision approval under this chapter. For developments of fewer than ten lots, the outline plan may be filed concurrently with the final plan, as that term is defined in subsection 18.3.9.040.B.4. For developments of ~~ten~~ **twenty (20)** or more lots, prior outline plan approval is mandatory.

1. Review Procedure. The ~~Type II~~ Type I procedure in section 18.5.1.050 ~~18.5.1.060~~ shall be used for the approval of the outline plan.

...

B. Final Plan.

1. Review Procedure. The Type I procedure in section 18.5.1.050 shall be used for approval of final plans, unless an outline plan has been filed concurrently, in which case ~~Type II procedure shall be used, and~~ the criteria for approval of an outline plan shall also be applied.

...

SECTION 9. Table 18.5.1.010 [Summary of Approvals by Type of Review Procedure] in section 18.5.1.010 of the Ashland Municipal Code is hereby amended to change the review procedure for Outline Plan approval under the Performance Standards Option from Type II to Type I, as shown below, and the remainder of Table 18.5.1.010 remains unchanged:

Planning Actions	Review Procedures	Applicable Regulations
...		
Performance Standards Option		
Outline Plan	Type II <u>Type I</u>	Chapter 18.3.9
Final Plan	Type I	Chapter 18.3.9
Minor Amendment	Ministerial	Subsection 18.5.3.020.F
...		

SECTION 10. Section 18.5.1.050 [Type I Procedure (Administrative Decision with Notice)] of the Ashland Municipal Code is hereby amended as follows, and the remainder of section 18.5.1.050 remains unchanged:

18.5.1.050 Type I Procedure (Administrative Decision with Notice)

Type I decisions are made by the Staff Advisor, following public notice and a public comment period. Type I decisions provide an opportunity for appeal to the Planning Commission. An application for the development of housing is subject to a clear and objective standard, applying the standards, conditions, and procedures identified in ORS 197A.400(1). Notwithstanding any other provision of this ordinance assigning a review procedure, an application for residential development within a designated Historic District shall be reviewed under a Type 1 procedure. An application for which the applicant elects review under the discretionary approval of ORS 197A.400(3) shall be reviewed under the review procedure prescribed by this code.

...

B. Notice of Application.

1. Mailing of Notice of Application. The purpose of the notice of application is to give nearby property owners and other interested people the opportunity to review and submit written comments on the application before the City makes a decision on it. Within ten days of deeming a Type I application complete, the City shall mail a notice of a pending Type I application to the following.

- a. Applicant.
- b. Owners of the subject property.
- c. Owners of record for properties located within ~~200 feet~~ **100 feet** of the perimeter of the subject site.
- ~~d. Neighborhood group or community organization officially recognized by the City that includes the area of the subject property.~~
- e. Where an application subject to Type I review is preceded by a Type II decision, to parties of record from the subject Type II decision.
- f. For applications to amend an approval, to persons who requested notice of the original application that is being amended or modified, except that where the mailing address of a person entitled to notice is not the same as the mailing address of record in the original approval, the City is not required to mail notice.

...

6. Housing Applications Subject to Clear and Objective Standards.
Notwithstanding subsections 18.5.1.050.B.1.c and 18.5.1.050.D.1.c, for an application for the development of housing subject only to clear and objective standards, conditions, and procedures pursuant to ORS 197A.400(1), the notice of application and the notice of decision shall be mailed to owners of record for properties located within 100 feet of the perimeter of the subject site, consistent with the notice limitations of ORS 197A.400(5)(a). This subsection does not apply to an application reviewed under discretionary approval criteria at the election of the applicant pursuant to ORS 197A.400(3).

C. Decision.

1. At the conclusion of the comment period, the Staff Advisor shall review the comments received and prepare a decision approving, approving with conditions, or denying the application based on the applicable ordinance criteria. The Staff Advisor shall prepare a decision within 45 days of the City's determination that an application is complete, unless the applicant agrees to a longer time period. Alternatively, the Staff Advisor may transmit written comments received along with a copy of the application to the Planning Commission for review and decision at its next regularly scheduled meeting. **An application for the development of housing is subject to clear and objective standards, conditions, and procedures pursuant to ORS 197A.400(1) and shall not be referred to the Planning Commission for review and decision under this subsection or subsection 18.5.1.050.C.2.**

...

D. Notice of Decision.

1. Mailing of Notice of Decision. Within five days after the Staff Advisor renders a decision, the City shall mail notice of the decision to the following.

- a. Applicant.
- b. Owners of the subject property.
- c. Owners of record for properties located within ~~200 feet~~ 100 feet of the perimeter of the subject site.

~~d. Neighborhood group or community organization officially recognized by the City that includes the area of the subject property.~~

~~d. e.~~ Parties of record; this includes any group or individual who submitted written comments during the comment period.

~~e. f.~~ Those groups or individuals who requested notice of the decision.

~~f. g.~~ For applications to amend an approval, to persons who requested notice of the original application that is being amended or modified, except that where the mailing address of a person entitled to notice is not the same as the mailing address of record in the original approval, the City is not required to mail notice.

...

G. Appeal of Type I Decision. A Type I decision may be appealed to the Planning Commission, pursuant to the following:

1. Who May Appeal. The following persons have standing to appeal a Type I decision, except as provided in subsection 18.5.1.050.G.1.d.

- a. The applicant or owner of the subject property.
- b. Any person who is entitled to written notice of the Type I decision pursuant to subsection 18.5.1.050.B.
- c. Any other person who participated in the proceeding by submitting written comments on the application to the City by the specified deadline.

d. Notwithstanding subsections 18.5.1.050.G.1.a through 18.5.1.050.G.1.c, for a decision on an application for the development of housing subject only to clear and objective standards, conditions, and procedures pursuant to ORS 197A.400(1), only the applicant may appeal the decision at the local level, pursuant to ORS 197A.400(5)(c). Pursuant to ORS 197A.400(6), only the applicant may appeal such a decision to the Land Use Board of Appeals.

...

SECTION 11. Section 18.5.5.030 [Review Procedure] of the Ashland Municipal Code is hereby amended to read as follows:

18.5.5.030 Review Procedure

Applications for Variances are reviewed as follows.

A. Type I. The following Variances are subject to the Type I review procedure in section 18.5.1.050.

1. Sign placement, per chapter 18.4.7.
2. Non-conforming signs, when bringing them into conformance as described in chapter 18.4.7.
3. Up to a 50 percent reduction of standard yard requirements.
4. Parking in setback areas.
5. Up to ten percent reduction in the required minimum lot area.
6. Up to ten percent increase in the maximum lot coverage percentage.
7. Up to 20 percent reduction in lot width or lot depth requirements.
8. Up to ten percent variance on height, width, depth, length, or other dimension not otherwise listed in this section.

9. Variances involving Urban Housing Applications (UHAs).

B. Type II. Variances not listed in subsection 18.5.5.030.A, above, are subject to the Type II review procedure in section 18.5.1.060. (Ord. 3229 § 12, amended, 12/19/2023)

SECTION 12. Section 18.6.1.030 [Definitions] of the Ashland Municipal Code is hereby amended to add the following definitions for Single Room Occupancy (SRO) and Urban Housing Application (UHA), to be placed in alphabetical order:

Dwelling. A structure conforming to the definition of a dwelling under applicable building codes and providing complete, independent living facilities for one family, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Buildings with more than one set of cooking facilities are considered to contain multiple dwelling units unless the additional cooking facilities are clearly accessory to the primary use, such as an outdoor grill or wet bar. For the purposes of this title, the following types of dwelling units are defined as follows:

...

Single Room Occupancy (SRO). Single Room Occupancy (SRO) means a residential development with no fewer than four attached or detached units that are independently rented and lockable and provide living and sleeping space for the exclusive use of an occupant but require that the occupant share sanitary or food preparation facilities with other units in the occupancy. A unit with both private sanitary and private food preparation facilities is a dwelling unit, not an SRO unit.

...

Urban Housing Application (UHA) – A land use application for a Performance Standards Options subdivision or a variance from a residential approval standard, involving property that is, at the time of application, within the urban growth boundary (UGB) and zoned primarily for residential use or mixed residential use, or planned for residential use. An urban housing application does not include an application that would reduce the minimum residential density of land, or an application subject to a ministerial or other expedited approval procedure, including a residential use allowed outright. The initial decision of the city on an urban housing application is an administrative (Type I) action and is not subject to quasi-judicial review unless appealed as provided in this ordinance and applicable state law.

SECTION 13. Severability. Each section of this ordinance, and any part thereof, is severable, and if any part of this ordinance is held invalid by a court of competent jurisdiction, the remainder of this ordinance shall remain in full force and effect.

SECTION 14. Codification. Provisions of this Ordinance shall be incorporated in the City Code and the word “ordinance” may be changed to “code”, “article”, “section”, “chapter” or another word, and the sections of this Ordinance may be renumbered, or re-lettered, provided however that any Whereas clauses and boilerplate provisions (i.e. Sections 8 and 9) need not be codified and the City Recorder is authorized to correct any cross-references and any typographical errors.

The foregoing ordinance was first read by title only in accordance with Article X, Section 2(C) of the City Charter on the _____ day of _____, 2026, and duly PASSED and ADOPTED this _____ day of _____, 2026.

SIGNED and APPROVED this _____ day of _____, 2026.

ATTEST:

Alissa Kolodzinski, City Recorder

Tonya Graham, Mayor

Reviewed as to form:

Johan Pietila, City Attorney

ASHLAND PLANNING DIVISION
STAFF REPORT
August 11, 2026

PLANNING ACTION: PA-L-2026-00019

APPLICANT: City of Ashland

ORDINANCE	AMC 18.2.2.030: Uses Allowed by Zone
REFERENCES:	AMC 18.2.5.090: Standards for Single-Family Dwellings and Duplexes
	AMC 18.2.5.100: Single Room Occupancy (SRO)
	AMC 18.3.4.040: Normal Neighborhood District Uses Allowed by Zone
	AMC 18.3.5.050: North Mountain Neighborhood Uses Allowed by Zone
	AMC 18.3.5.100: Site Development and Design Standards (North Mountain Neighborhood)
	AMC 18.3.9.040: Review Procedures and Criteria (Performance Standards Option)
	AMC 18.5.1.010: Summary of Approvals by Type of Review Procedure
	AMC 18.5.5.030: Review Procedure (Variances)
	AMC 18.6.1.030: Definitions

REQUEST: The proposal before the Planning Commission includes draft ordinance amendments to the Ashland Land Use Ordinance to implement Senate Bill 974 (2025) and a request to forward a recommendation to the City Council. The draft ordinance amends AMC 18.2.5.090, AMC 18.3.5.100, AMC 18.3.9.040, Table 18.5.1.010, AMC 18.5.5.030, and AMC 18.6.1.030. Code changes to comply with SB 974 are required to be in effect by July 1, 2026. Additional amendments implementing House Bill 2138 (2025) requirements with regard to Single Room Occupancies (SROs) are proposed for AMC 18.2.2.030, 18.2.5.100, 18.3.4.040, 18.3.5.050 and 18.6.1.030.D. These SRO requirements must be implemented by January 1, 2027; additional code changes with regard to other sections of HB 2138 will be brought forward as a separate package following further state rulemaking. Additional amendments implementing House Bill 4037 (2026) are proposed for AMC 18.5.1.050 to establish a uniform review procedure for applications for housing subject only to clear and objective standards, consistent with amendments to ORS 197A.400 operative July 1, 2026. SB 974, HB 2138, and HB 4037 together revise the state framework for the review of residential development applications.

STATE LEGISLATION REQUIREMENTS

Senate Bill 974 (2025).

SB 974 requires that the initial decision on certain residential land use applications be made administratively, without a quasi-judicial public hearing. The bill applies to applications for a zone change to allow a denser residential use designation, a planned unit development, or a variance from a residential approval standard, where the property is, at the time of application, inside the urban growth boundary and zoned primarily for residential use or mixed residential use or planned for residential use. The bill does not apply to applications that would reduce minimum residential density, final subdivision or partition plats, residential construction permits under the building code, final engineering plans, or applications subject to ministerial or other expedited approval procedures.

For qualifying applications, the bill requires mailed notice to owners of property within 100 feet of the site, a 14 day written comment period before the decision, prescribed notice content including the applicable criteria and appeal rights, and an affidavit or certification of the notice given. The decision must be accompanied by a brief statement explaining the criteria, the facts relied upon, and the justification for the decision. The initial decision must be made without a hearing; a local government may provide a hearing on appeal, which may be limited to the record or may allow new testimony, in which case the hearing must comply with ORS 197.797. SB 974 also amends ORS 197.830 and ORS 197.835 to establish the pathways for appeal of these decisions to the Land Use Board of Appeals.

Separately, SB 974 establishes a review timeline for final engineering plans for residential development inside the UGB: a 30 day completeness check and a 120 day period to complete final review and approve or deny site development permits, enforceable by writ of mandamus. Because final engineering review occurs after land use approval and is administered by the Engineering Division, no Land Use Ordinance amendment is required; the Engineering Division is aware of the new timelines.

Finally, SB 974 prohibits applying residential design standards to housing development inside the UGB unless the application is for a multifamily structure as defined in ORS 197A.465 or for fewer than 20 residential units. Standards regulating aesthetics such as facade materials, roof decoration, window trim, porches, and yard landscaping cannot be applied to qualifying one and two family developments of 20 or more units. The prohibition does not extend to setbacks, building height, accessibility, fire ingress or egress, public health or safety, water quality, hazard, or natural resource regulations, and it sunsets January 2, 2033. The operative date for these provisions is July 1, 2026.

House Bill 2138 (2025).

HB 2138 makes broad changes to Oregon housing law. Among other provisions, it expands the middle housing types that cities must allow, revises the definitions of cottage cluster, duplex, triplex, and quadplex, allows bonus units where middle housing includes accessible or affordable units, requires cities to allow single room occupancy developments of up to six units on lots zoned for a detached single unit dwelling and up to three times maximum density on multiunit zoned lots, restructures expedited land divisions with a 63 day decision timeline and applicant

only appeal, integrates middle housing land divisions into local review, revises the review timelines in ORS 227.178, and voids certain private covenants that restrict middle housing. Local implementation is required no later than January 1, 2027, with state rulemaking to be complete by January 1, 2028.

HB 2138 includes a requirement that cities allow Single Room Occupancy (SRO) as a housing type. SROs are not currently addressed in the Land Use Ordinance, however they are now addressed in building codes and there has already been one application for an SRO (431 North Main Street) and other cities in the region are beginning to see SRO applications as well. On that basis, staff are proposing new SRO regulations to address these requirements now.

Staff will return to the Commission with additional HB 2138 implementation amendments as a separate legislative package.

House Bill 4037 (2026).

HB 4037 amends ORS 197A.400 to establish uniform procedures for local government review of applications for the development of housing subject only to clear and objective standards, conditions, and procedures. For qualifying applications, ORS 197A.400(5) sets a ceiling on mailed notice, limiting recipients to owners of record within 100 feet of the subject property and not permitting notice to any other party, such as a neighborhood or community organization; the bill also provides that a local government may not require a public hearing prior to a decision, and may limit any local appeal opportunity to the applicant only.

The most consequential change HB 4037 makes to local practice is a state mandated limit on who may appeal a decision on a qualifying housing application. For an application for the development of housing subject only to clear and objective standards, conditions, and procedures under ORS 197A.400(1), the following are set by state law and are not local policy choices:

1. **No public hearing before the initial decision.** The State mandates an administrative decision. The Staff Advisor issues the decision based on the applicable clear and objective standards, and the application is not referred to the Planning Commission for the initial decision.
2. **A local appeal to the Planning Commission is available only to the applicant.** Under ORS 197A.400(5)(c), the opportunity for a local appeal is limited to the applicant. Neighboring property owners and other members of the public who receive notice and submit written comments may participate in the initial decision, but they may not appeal that decision to the Planning Commission.
3. **An appeal to the Land Use Board of Appeals is available only to the applicant.** Under ORS 197A.400(6), and notwithstanding the general standing provisions of ORS 197.825, only the applicant may appeal the City's decision on a qualifying application to LUBA.

This is a departure from Ashland's standard Type I procedure. Under the general Type I appeal provisions in AMC 18.5.1.050.G, the applicant, the owner of the subject property, any person

entitled to notice, and any person who submitted written comments may appeal a decision to the Planning Commission. HB 4037 removes that broader appeal right for this narrow category of housing applications and reserves the appeal, both locally and at LUBA, to the applicant alone.

The practical effect is to close the local appeal path that neighboring residents would otherwise use to challenge these housing decisions before the Planning Commission. That result is the stated purpose of the legislation. The Legislature intended to reduce the delay and uncertainty caused by third party objections and appeals for housing that already meets clear and objective standards, and to give applicants a more predictable and timely path to a final decision.

The draft ordinance implements these state mandated limits through the amendments to AMC 18.5.1.050, which route qualifying applications to Type I review, limit notice to nearby owners of record, provide that these applications are not referred to the Planning Commission, and restrict both the local appeal and the appeal to LUBA to the applicant consistent with ORS 197A.400(6).

The state law exemptions continue to apply. Applications for residential development within a designated Historic District, and applications for which the applicant elects discretionary review under ORS 197A.400(3), are not subject to these appeal limits and retain the review and appeal procedures otherwise assigned by the code.

These amendments became operative July 1, 2026. Because HB 4037 is already in effect, its requirements govern qualifying housing applications submitted on or after that date, whether or not the local code has yet been amended. Consistent with ORS 197.646, where a local government has not updated its land use regulations to reflect a newly operative state statute, the statute applies directly to land use decisions. Adopting these amendments therefore does not establish new local policy. It conforms the Ashland Land Use Ordinance to state law already in effect, so that applicants, staff, and the public work from a single, consistent set of local procedures rather than applying the statute directly alongside code language that does not yet reflect it.

I. Ordinance Amendments

A. Summary of Proposed Code Amendments for SB974

The draft ordinance makes the following amendments to bring the Land Use Ordinance into compliance with SB 974. Ashland's existing Type I procedure in AMC 18.5.1.050 already aligns closely with the SB 974 model: it provides an administrative decision by the Staff Advisor, mailed notice of application to surrounding owners, a 14 day written comment period, a written decision supported by findings, and an appeal to the Planning Commission. For applications subject only to clear and objective standards, HB 4037 limits that appeal to the applicant. The amendments also reduce the Type I mailed notice radius from 200 feet to 100 feet, for both the notice of application and the notice of decision. HB 4037 sets 100 feet as the maximum notice radius for these applications, and the City applies that radius to all Type I applications to avoid a disparate notice standard within the same procedure. The amendments therefore work primarily

by moving qualifying applications into the Type I procedure and defining which applications qualify.

1. Urban Housing Application definition (AMC 18.6.1.030).

A new definition of Urban Housing Application (UHA) is added, tracking the applicability and exclusion language of SB 974 for the application types the city is implementing administratively. The definition covers applications for a Performance Standards Options subdivision or a variance from a residential approval standard, on property that is, at the time of application, within the UGB and zoned primarily for residential use or mixed residential use or planned for residential use. Zone changes to allow a denser residential use designation are addressed separately in Section B below, and are not included in the local UHA definition due to a conflict with ORS 227.186. The definition excludes applications that would reduce minimum residential density and applications subject to ministerial or other expedited approval procedures, and states that the initial decision on a UHA is an administrative Type I action not subject to quasi-judicial review unless appealed. The Performance Standards Options chapter is Ashland's planned unit development equivalent, and the findings for the ordinance will make that equivalence explicit.

2. Performance Standards Options subdivisions (AMC 18.3.9.040 and Table 18.5.1.010).

Outline Plan approval is changed from the Type II procedure to the Type I procedure, with the corresponding reference change from section 18.5.1.060 to section 18.5.1.050, and Table 18.5.1.010 is amended to match. The two-tiered Outline and Final Plan structure is retained. The threshold above which prior Outline Plan approval is mandatory is raised from ten lots to 20 or more lots, expanding the ability to file Outline and Final Plans concurrently. Final Plan review remains Type I, with a housekeeping deletion of the concurrent review reference to the Type II procedure. Under this structure all PSO subdivisions receive an administrative initial decision with notice and comment, and a hearing occurs only on appeal to the Planning Commission, consistent with SB 974.

3. Variances (AMC 18.5.5.030).

A new item 9 is added to the list of Type I Variances: Variances involving Urban Housing Applications (UHAs). Variances from residential approval standards that meet the UHA criteria will receive an administrative initial decision with the possibility of appeal to the Planning Commission. All other Variances retain their existing Type I or Type II classification.

4. Residential design standards (AMC 18.2.5.090 and AMC 18.3.5.100).

AMC 18.2.5.090 is amended so the general design standards for single family dwellings and duplexes do not apply to new one and two family developments of 20 or more residential units in any zone. AMC 18.3.5.100 in the North Mountain Neighborhood Plan district is amended so that the specific residential design standards in subsections A.1 through A.3, A.6, and B.1 through B.2 are not applied to one and two family developments of 20 or more

residential units. Generally, Ashland's site development and design standards do not otherwise apply to one and two family development, so these two targeted exemptions bring the code into compliance with the SB 974 design standard prohibition.

B. Annexation and Zone Change criteria are not proposed for amendment

SB 974 includes zone changes to allow denser residential use designations among the applications to be decided administratively without an initial hearing. Staff are not proposing amendments to the city's Zone Change procedures or criteria in chapter 18.5.9, or to the Annexation procedures and criteria in chapter 18.5.8, to implement this element of the bill.

The reason is a direct conflict with other state law. ORS 227.186(2) provides that all legislative acts relating to comprehensive plans, land use planning, or zoning adopted by a city shall be by ordinance, and ORS 227.186(5) requires prescriptive mailed notice to affected property owners that states the date of a public hearing on the proposed change. Zoning map amendments in Ashland are adopted by ordinance of the City Council following a noticed public hearing, consistent with these statutes and with Article X of the City Charter.

Annexations likewise are legislative decisions of the Council processed under ORS chapter 222 and AMC 18.5.8, and are accompanied by ordinances establishing the zoning and comprehensive plan designations of the annexed territory. Processing these legislative actions administratively, without a hearing and without Council adoption by ordinance, would comply with SB 974 while violating ORS 227.186.

The state has not yet provided rulemaking or guidance reconciling these statutes. In staff's assessment, retaining the existing zone change and annexation procedures, which comply with ORS 227.186, until the conflict is resolved through rulemaking or legislation avoids the potential for drawn out procedural appeals that could adversely affect both applicants and the city. Staff will monitor Department of Land Conservation and Development rulemaking and return with amendments if the conflict is resolved in a manner that requires local implementation.

C. Applications submitted on or after July 1, 2026

The urban housing application provisions of SB 974 become operative on July 1, 2026. Under ORS 197.646, when a new state land use statute becomes applicable and a local government has not yet amended its comprehensive plan or land use regulations to implement it, the statute applies directly to land use decisions. This means qualifying urban housing applications submitted on or after July 1, 2026 may be processed under the requirements of SB 974, including administrative review without an initial hearing, regardless of whether the local code amendments are yet in effect.

The proposed ordinance incorporates these allowances for urban housing development into the Ashland Land Use Ordinance so that applicants, staff, and the public work from a single, consistent set of local procedures rather than applying the statute directly alongside conflicting local code language. Adopting the amendments reduces uncertainty about which procedure governs a given application, ensures local notice, comment, findings, and appeal provisions

match state law, and preserves the local appeal to the Planning Commission that SB 974 permits, except for applications subject only to clear and objective standards, for which HB 4037 limits the appeal to the applicant.

D. House Bill 2138 (HB 2138)

With the passage of HB 2138, cities are required to allow up to six SRO units on each lot or parcel zoned to allow for the development of a detached single-family dwelling. In addition, for lots or parcels zoned to allow multi-unit housing and having a base density of five or more dwelling units, cities must allow up to three times the number of units allowed by the maximum density standards (i.e. each SRO unit counts as one-third of a unit of density). There are also limits on how much parking can be required, but as Ashland no longer has off-street parking requirements these limits do not apply.

The draft ordinance makes the following amendments implementing House Bill 2138 (2025) with regard to Single Room Occupancies (SROs): the 'Allowed Uses by Zone' Table in AMC 18.2.2.030 is updated to include SROs; a new section AMC 18.2.5.100 addressing SROs is added; the allowed uses tables for the Normal Avenue Neighborhood (AMC 18.3.4.040) and the North Mountain Neighborhood (AMC 18.3.5.050) are updated; and a new definition of Single Room Occupancy (SRO) is included as a dwelling type in AMC 18.6.1.030.D.

The SRO requirements must be implemented by January 1, 2027; additional code changes with regard to other sections of HB 2138 will be brought forward as a separate package following further state rulemaking.

E. House Bill 4037 (HB 4037)

The draft ordinance amends AMC 18.5.1.050 to provide that an application for the development of housing subject only to clear and objective standards, conditions, and procedures under ORS 197A.400(1) is reviewed under the Type I procedure, notwithstanding any other review procedure otherwise assigned by this code, except an application for residential development within a designated Historic District under ORS 197A.400(2), or an application reviewed under discretionary approval criteria at the election of the applicant under ORS 197A.400(3).

Consistent with ORS 197A.400(5) and (6), notice of such an application is limited to owners of record within the applicable notice radius, no public hearing is held prior to the initial decision, and appeal of the decision, both to the Planning Commission and to the Land Use Board of Appeals, is limited to the applicant.

The current working draft of AMC 18.5.1.050 removes the existing requirement to mail notice to a recognized neighborhood or community organization (current subsection 18.5.1.050.B.1.d). For applications reviewed under ORS 197A.400, ORS 197A.400(5), as amended by HB 4037, sets a ceiling on mailed notice, limiting recipients to owners of record within 100 feet of the subject property and not permitting notice to be extended to neighborhood or community organizations for those applications. Because this notice item is being eliminated for applications governed by HB 4037, staff recommends removing it from AMC 18.5.1.050.B.1 for all Type I applications for consistency. The City does not presently maintain a database of recognized neighborhood or community organizations and has not historically provided this notice in practice.

F. Discussion

The proposed amendments are the product of an iterative review process before both the Planning Commission and the City Council. The Planning Commission reviewed the requirements of Senate Bill 974 and House Bill 2138 and staff's preliminary code concepts at study sessions on April 14, 2026 and May 26, 2026, and the City Council was briefed on the legislation and the proposed local approach at its study session on June 1, 2026.

Draft Ordinance No. 3307 incorporates the recommendations and direction provided to staff at those sessions, including retention of the two tiered Outline and Final Plan review process with the concurrent review threshold raised to 20 or more lots, classification of qualifying Variances as Type I actions subject to appeal to the Planning Commission, and retention of the existing Zone Change and Annexation procedures pending resolution of the conflict with ORS 227.186. For clarity, a flag drive grade clarification for pre-existing legal lots of record including an effective date for preexisting lots has been shifted to a separate ordinance.

As noted at those study sessions, state guidance on implementation of SB 974 and HB 2138 remains limited. The statute establishes the overall procedural requirements but provides little direction on how local governments should restructure existing review classifications such as the Type I and Type II procedures, leaving jurisdictions to align their codes in a manner that meets the intent of the legislation while maintaining internal consistency. Staff believe the draft ordinance accomplishes this as it satisfies the state mandates for administrative review, notice, comment, findings, appeal of urban housing applications and single room occupancies while preserving Ashland's established public notice practices and the local appeal to the Planning Commission that state law permits for urban housing applications, subject to the HB 4037 limitation that restricts the appeal to the applicant for applications reviewed under clear and objective standards. Staff will continue to monitor Department of Land Conservation and Development rulemaking under both bills and will return to the Commission with any needed refinements.

II. Procedural

18.5.9.020 Applicability and Review Procedure

Applications for Plan Amendments and Zone Changes are as follows:

B. Type III. It may be necessary from time to time to make legislative amendments in order to conform with the Comprehensive Plan or to meet other changes in circumstances or conditions. The Type III procedure applies to the creation, revision, or large-scale implementation of public policy requiring City Council approval and enactment of an ordinance; this includes adoption of regulations, zone changes for large areas, zone changes requiring comprehensive plan amendment, comprehensive plan map or text amendment, annexations (see chapter 18.5.8 for annexation information), and urban growth boundary amendments. The following planning actions shall be subject to the Type III procedure.

1. Zone changes or amendments to the Zoning Map or other official maps, except where minor amendments or corrections may be processed through the Type II procedure pursuant to subsection 18.5.9.020.A, above.
2. Comprehensive Plan changes, including text and map changes or changes to other official maps.
3. Land Use Ordinance amendments.
4. Urban Growth Boundary amendments.

III. Conclusions and Recommendations

Staff recommends the Planning Commission recommend approval of the proposed amendments to the City Council. The proposed amendments are scheduled for a public hearing and first reading at the City Council on August 18, 2026.

IV. Suggested Motion

"I move that the Planning Commission recommend that the City Council approve first reading of Ordinance No. 3307, titled an Ordinance relating to supporting housing production through streamlined review of residential development applications; implementing Senate Bill 974, House Bill 2138, and House Bill 4037 ; amending AMC 18.2.2.030, AMC 18.2.5.090, AMC 18.3.4.040, AMC 18.3.5.050, AMC 18.3.5.100, AMC 18.3.9.040, AMC 18.5.1.010, AMC 18.5.1.050, AMC 18.5.5.030, and AMC 18.6.1.030, and adding a new subsection AMC 18.2.5.100 as presented in the staff report and attachments."

To; Ashland Planning Commission

From: Rogue Advocates

Re: Ordinance 3307

Dear Planning Commission Members,

August 10, 2026

Thank you for the opportunity to comment on Ordinance 3309. Rogue Advocates is a 501c3 nonprofit dedicated to protecting resource lands in Jackson and Josephine County. We strongly support Statewide Planning Goal One. Many of our members reside within the Ashland city limits.

Statewide Planning Goal One and SB 974 / HB 4037

Rogue Advocates encourages support of Goal One that encourages public participation in the Oregon land use process. Our organization likely would not exist without Goal One's encouragement of the public to receive notice and comment on land use issues. Any limitations that discourage or prohibit people's rights to receive notice and comment on land use actions is detrimental to Oregon's Goal One.

Planning staff have presented several options for your consideration to determine various procedures to review housing developments. Staff has suggested Type I administrative procedures for some applications that were formally Type II. The Type I process provides no notice to residents and provides no opportunity to comment or participate in the review. We strongly discourage eliminating the public's input in land use procedures.

As a guiding principal as you review your options presented by staff, we encourage you to always prefer the Type II or Type III process that encourages public participation.

Steve Rouse

President Rogue Advocates

steve@rogueadvocates.org



Council Business Meeting

Date: August 18, 2026

Agenda Item	Approval of a Resolution Establishing an Alternative Procedure for Sale of City-Owned Real Property
Department	Public Works
From	Carmel Zahran, Assistant City Attorney

TIME ESTIMATE

5-10 Minutes

CATEGORY

Action Needed - Motion to approve an action

SUMMARY

This resolution identifies a class of properties that are small, isolated, and no longer serve a public purpose. These properties are often referred to as sub-standard, non-developable, parcels and have little to no market value. If this passes, it would then allow properties that fit into this class of properties to be disposed of (in subsequent resolutions) by the City Manager in ways that maximize the public interest.

POLICIES, PLANS & GOALS SUPPORTED

Supports the policies of the facility master plan to maintain and insure only the properties that serve the public interest.

BACKGROUND AND ADDITIONAL INFORMATION

Background:

ORS Chapter 221.727 provides an alternative procedure for the sale of city-owned real property. Codified in Ashland Municipal Code (AMC) 2.55.030, if the City identifies a class of properties that fits within a particular program, it may sell these properties after providing public notice and holding a public hearing. This differs from the sale of real property. For regular sales, the City must comply with the more stringent publication and notice requirements in AMC 2.55.020.

As a refresher, and to highlight the more stringent requirements of .020, AMC 2.55.020 requires the City to publish notice of the proposed sale at least one week before the public hearing. The notice must include specified information, such as a description of the property, the proposed uses for the property, and the reason the City is selling it. Following the public hearing, the City may then decide whether to proceed with the sale.

Here, with an alternative sale under .030, a City is only required to: (1) post a public notice—which may be provided in the same manner the City provides notice of its agendas—and (2) provide for a public hearing for those properties. The proposed resolution establishes a class of city-owned real property that may be sold using the alternative disposition procedure authorized by ORS 221.725 and AMC 2.55.030.

Resolution:

Turning to the resolution itself, Section 1 describes the types of real-property that would qualify under this program, which is restrictive by design. To contrast, properties that are larger and developable would go under the .020 sale requirements. Here, however, property permitted to be sold under the alternative procedures applies to small, isolated, or otherwise constrained parcels that have limited independent utility because of the property's "size, configuration, location, topography, access, or other physical characteristics." Section 1.1.

See attached examples of real property that would fall under this procedure.





Council Business Meeting

The procedure ensures the City would only dispose of properties that are 'necessary and convenient' (a term repeatedly used in ORS Chapter 271) to further a legitimate City purpose, which can include improving financial or operational efficiencies, like eliminating ongoing maintenance/management costs. Section 1.2. And, it would apply to cases where marketing such parcels would be unlikely to produce interested parties, not making such costs worth it. Section 1.3.

Any properties that would fall within this resolution would be brought forth to Council in their own stand-alone resolution (Section 2). Once authorized, the City Manager may use the disposition method best suited to the property and circumstances, which may include competitive solicitation, public advertisement, direct negotiation, property exchange, or another commercially reasonable method that maximizes the public benefit (Section 3). The reason for the flexibility is because what may maximize the public benefit may vary between properties, given how odd and isolated these properties are to begin with.

The pilot Winburn Way resolution is an example where this flexibility would serve the public interest. And to reiterate, this Resolution still ensures the Council is the entity to sign off on the sale of any public land – large or small. So, if there was some situation where the Council thought a property did not actually fit into this class of properties, the Council can easily pivot to the more stringent sale requirements outlined in .020.

FISCAL IMPACTS

It would only have a financial benefit in that the City no longer has to pay insurance and maintenance costs for properties that no longer serve the public interest. Specific financial benefits will vary depending on the specific details of the properties.

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move to approve Resolution 2026-23

REFERENCES & ATTACHMENTS

1. Resolution 2026-23 for an Alternative Procedure for Sale of City Owned Real Property
2. 08 18 2026 - Resolution 2026-23 Examples



RESOLUTION NO. 2026-23

A RESOLUTION ESTABLISHING AN ALTERNATIVE PROCEDURE FOR SALE OF CITY-OWNED REAL PROPERTY

RECITALS:

- A. WHEREAS**, the City Council is permitted to adopt an “Alternative Procedure for Sale of City-Owned Real Property” according to ORS 221.727 and AMC 2.55.030, whereby the City Council may, “may, from time to time, adopt a resolution establishing a procedure for the sale of individual parcels of a class of City-owned real properties, or any interest in the properties, under a single program established within the City for the sale of that class of properties. The City Manager may thereafter sell any parcel under that adopted procedure in lieu of the other procedures established in this chapter [AMC Chapter 2.55] and ORS 221.725.”
- B. WHEREAS**, the City Council desires to responsibly manage the City’s real property portfolio by disposing of properties that no longer serve the public interest. The City Council recognizes that certain City-owned properties may no longer serve the public interest to keep and that the nature of certain properties are such that establishing an alternative procedure for their sale will promote administrative efficiency, reduce costs, and serve the City’s long-term fiscal goals and interests.

THE CITY OF ASHLAND HEREBY RESOLVES AS FOLLOWS:

SECTION 1: The City Council finds that city-owned real property with any of the following characteristics fall within the class of properties eligible for disposition under this alternative procedure:

1. The property is small, isolated, or otherwise constrained parcels of real property with limited independent utility because of their size, configuration, location, topography, access, or other physical characteristics. The property may also provide functional, economic, or practical value to an adjacent or uniquely interested property owner.
2. The sale or exchange of the property is necessary or convenient to further a legitimate City purpose, including the City’s interest to improve financial or operational efficiencies, including but not limited to eliminating ongoing maintenance obligations, reducing liability exposure, avoiding future management costs, resolving boundary or access issues, or receiving fair value or other consideration in exchange for the property.

3. Marketing such parcels through a general competitive sale process may be unlikely to produce additional interested purchasers and may result in unnecessary costs to the City, administrative expense, and delay;

SECTION 2: A proposed sale or exchange of property qualifying under Section 1 shall be presented to the City Council and shall be (a) publicly noticed and (b) provided a hearing. The City Council may then authorize the City Manager to negotiate and proceed with the proposed transaction when the Council determines the transaction is consistent with this Resolution.

SECTION 3: For properties meeting the criteria established in Section 1, the City Manager is authorized and directed to use good-faith efforts to dispose of such properties. Depending on the nature of the property and the circumstances of the proposed transaction, the City Manager may utilize one or more disposition methods, including but not limited to public solicitation of bids or offers, posting available properties on the City's website or through other reasonable means of advertisement, direct negotiations with one or more prospective purchasers where the property's characteristics or circumstances support such an approach, negotiated exchanges of real property, or such other commercially reasonable methods as the City Manager determines are appropriate to maximize the public benefit and further the purposes of this program.

SECTION 4: This resolution is effective upon adoption.

This resolution was duly PASSED and ADOPTED this _____ day of _____, and takes effect upon signing by the Mayor.

Alissa Kolodzinski, City Recorder

SIGNED and APPROVED this _____ day of _____, 2026.

Tonya Graham, Mayor

Reviewed as to form:

Carmel Zahran, Assistant City Attorney

Examples:

Mailing Owner: ASHLAND CITY OF

[Assessment & Planning Details](#)

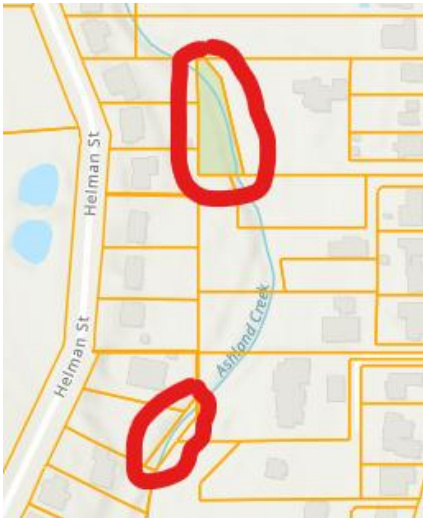
[Account Details](#)

[Assessor Map](#)

[Bing Maps](#)

[Google Maps](#)

[Zillow](#)



Mailing Owner: ASHLAND CITY OF

[Assessment & Planning Details](#)

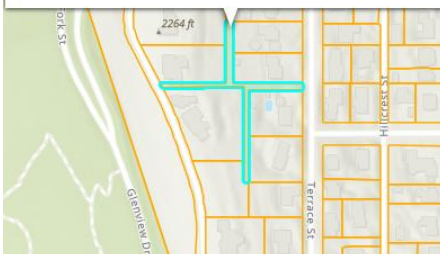
[Account Details](#)

[Assessor Map](#)

[Bing Maps](#)

[Google Maps](#)

[Zillow](#)





Council Business Meeting

Date: August 18, 2026

Agenda Item	Approval of a Resolution Authorizing a Property Line Adjustment (adjacent to 51 Winburn Way)
Department	Public Works
From	Chance Metcalf, Deputy Public Works Director, Scott Fleury, Director

TIME ESTIMATE

5 Minutes

CATEGORY

Action Needed - Motion to approve an action

SUMMARY

Before the Council is a resolution authorizing the City Manager to execute a Property Line Adjustment (PLA) with the Kenney Living Trust involving tax lots 39 1E 09 BB, BC – 2500, 2501, and 14800. The proposed adjustment is based on a completed survey and is subject to final land use approval by the City of Ashland. Upon approval, the adjustment would transfer approximately 341 square feet of property to the City and approximately 518 square feet of property to the Kenney Living Trust.

The proposed PLA will allow the Community Development building to meet required property line setback standards to accommodate future west-side window improvements and will resolve the lack of a utility easement for existing City infrastructure located on the Kenney Living Trust property. In exchange, the City will convey an area that provides limited operational value and accessibility. The adjustment will create a more functional property configuration for both parties while maintaining compliance with applicable development requirements.

POLICIES, PLANS & GOALS SUPPORTED

VISION STATEMENTS for Success:

- *Ashland is a resilient, sustainable community that maintains the distinctive quality of place for which it is known*
- *We will continue to be a unique and caring city that stresses environmental conservation, fosters artistic expression, and is open to new ideas and innovation*
- *We will plan and direct our efforts to fulfill this Vision for the long term with a constant view toward being an open, welcoming community for all with a positive economic future*

VALUE STATEMENTS for Success that Support the Vision:

ORGANIZATION

Quality infrastructure and facilities through timely maintenance and community investment.

BACKGROUND AND ADDITIONAL INFORMATION

A. Previous Council Actions

There has been no previous Council action related to this specific PLA, but the Council has approved similar adjustments in the past. In addition, the Council is scheduled to consider a resolution adopting an Alternative Procedure for the sale/transfer of City-owned real property prior to consideration of this item. If approved, that resolution would establish the process under which property transactions such as this PLA can be completed.

B. Context





Council Business Meeting

The City of Ashland Community Development and Community Center buildings are located adjacent to property owned by the Kenney Living Trust. During the design and renovation of the Community Development building, it was determined that the building did not meet the minimum required setback from the western property line to allow the installation of windows along the west elevation. As a result, the building was constructed without windows on that side, limiting natural light and flexibility for future building improvements. It was also determined during the Community Center rehabilitation that City of Ashland infrastructure was placed on Kenney Living Trust Property without a utility easement.

This PLA allows for the appropriate setback for future installation of windows along the west elevation of the Community Development building and resolves the lack of a utility easement by transferring some property to the Community Center parcel where the utilities are located.

A licensed surveyor has completed a survey identifying an equitable property line adjustment between the City and the Kenney Living Trust. The proposed adjustment would transfer approximately 341 square feet of property to the City and approximately 518 square feet to the Kenney Living Trust. The resulting property configuration provides a practical solution that benefits both property owners by improving the usability of their respective parcels while maintaining compliance with applicable land use and development standards.

The proposed Property Line Adjustment remains subject to final land use approval by the City of Ashland before the adjustment can be recorded.

C. Next Steps

If the resolution is approved, the City Manager will be authorized to execute the Property Line Adjustment documents with the Kenney Living Trust. Planning and Public Works staff will complete the required land use review and approval process, finalize the legal descriptions and survey documents, obtain all necessary signatures, and record the Property Line Adjustment with Jackson County.

Once recorded, the adjusted property boundaries will provide the Community Development building with the required setback needed to accommodate windows or other future building improvements along the west side of the structure and utilities will be within a City owned parcel. The adjustment will create a more functional property configuration for both the City and the adjacent property owner.

FISCAL IMPACTS

The proposed Property Line Adjustment does not have a significant fiscal impact on the City. The transaction involves the adjustment of existing property boundaries and does not require the purchase of additional property or the expenditure of funds for acquisition. Any minor costs associated with completing the transaction, such as recording fees, administrative processing, or related documentation, will be paid from existing departmental resources and can be accommodated within the adopted budget.

The adjustment provides long-term operational value by creating a more functional property configuration for the Community Development building and supporting future facility improvements without requiring additional capital investment.

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move to approve resolution 2026-22 authorizing the City Manager to execute a property line adjustment as shown in the Property Line Adjustment Map.

REFERENCES & ATTACHMENTS

1. Resolution 2026-22 - Exchange of Property at 51 Winburn Way





Council Business Meeting

2. 08 18 2026 - EXHIBIT A - Resolution for Exchange of Property at 51 Winburn Way



RESOLUTION NO. 2026-22

A RESOLUTION FOR EXCHANGE OF PROEPRTY AT 51 WINBURN WAY

RECITALS:

- A. **WHEREAS**, the City Council reviewed the following property in accordance with Resolution 2026-22, “A Resolution for an Alternative Procedure for Sale of City Owned Property” and finds that the listed property satisfies the conditions listed in the mentioned resolution.

THE CITY OF ASHLAND HEREBY RESOLVES AS FOLLOWS:

SECTION 1. That the City Manager act in accordance with Resolution 2026-22 and engage the adjacent landowner to 51 Winburn Way, the Kenney Living Trust at Map and Taxlot 391E09BC 2501 for the exchange of real property, as more specifically described in Exhibit A.

SECTION 2. This resolution is effective upon adoption.

This resolution was duly PASSED and ADOPTED this _____ day of _____ and takes effect upon signing by the Mayor.

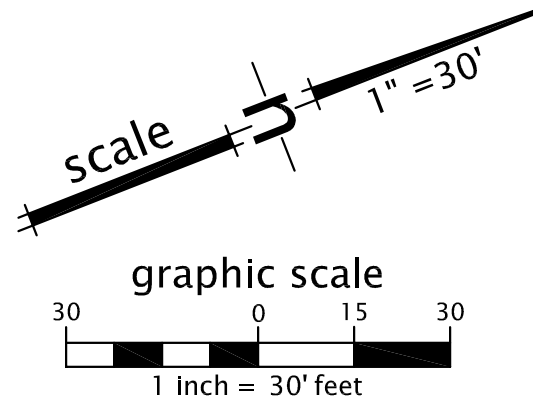
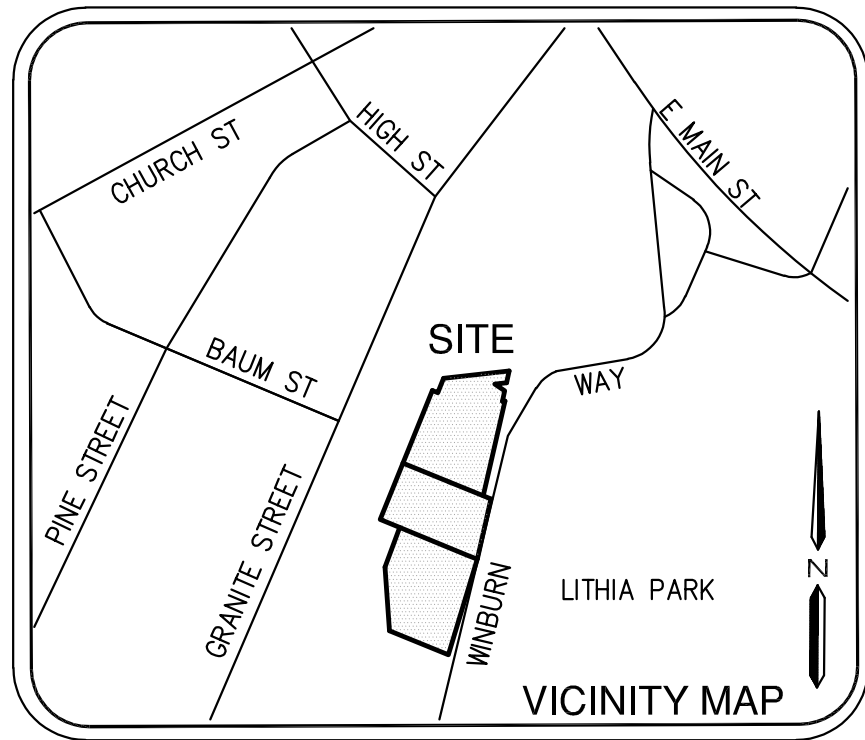
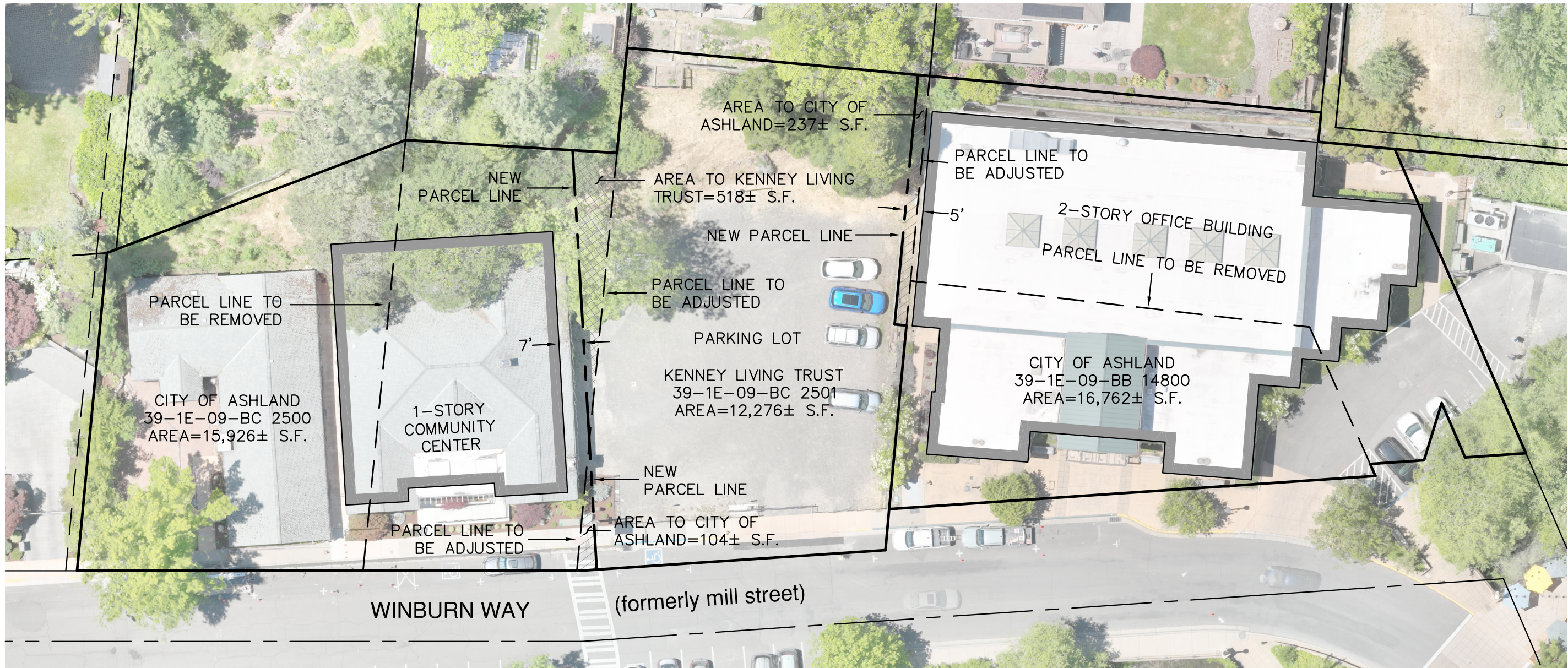
Alissa Kolodzinski, City Recorder

SIGNED and APPROVED this _____ day of _____, 2026.

Tonya Graham, Mayor

Reviewed as to form:

Carmel Zahran, Assistant City Attorney



REGISTERED
PROFESSIONAL
LAND SURVEYOR

[Signature]

OREGON
JANUARY 11, 2022
CURT C. CHAPPELL
84543 PLS

EXPIRES: 12/31/2027

**PACIFIC CREST
SURVEYING**

131 Helman St., Ashland, OR 97520
phone 408.375.5220
email curt@pc-surveys.com

PRELIMINARY PARCEL LINE ADJUSTMENT MAP
51 WINBURN WAY, 59 WINBURN WAY, & PARKING LOT
TAX LOTS 39 1E 09 BB 2500, 2501, & 14800

JACKSON COUNTY CITY OF ASHLAND OREGON

SHEET	1 OF 1
SCALE:	1" = 30'
DATE:	7/15/2026
PREPARED BY:	CCC
Job. No.:	2026024



Council Business Meeting

Date: August 18, 2026

Agenda Item	Approval of a Contract Amendment with Knife River Materials for Ashland Municipal Airport Pavement Rehabilitation
Department	Public Works
From	Chance Metcalf, Deputy Public Works Director, Scott Fleury, Director

TIME ESTIMATE

5 Minutes

CATEGORY

Contract Approval - as the contract board, confirm proper procedure with a motion to approve.

SUMMARY

Staff requests Council approval of a \$394,000 change order to the Knife River Materials contract for the Ashland Municipal Airport Runway and Taxilane Rehabilitation Project – Phase 2, Construction (Project). The original contract amount was \$1,025,144.80. The change order is needed to remediate unsuitable base and subgrade materials discovered after removing failing taxilane pavement. Additional costs were incurred to stabilize the area to FAA standards. The FAA has approved this change and confirmed it is eligible for 90% grant reimbursement.

POLICIES, PLANS & GOALS SUPPORTED

VISION STATEMENTS for Success:

- *Ashland is a resilient, sustainable community that maintains the distinctive quality of place for which it is known*
- *We will continue to be a unique and caring city that stresses environmental conservation, fosters artistic expression, and is open to new ideas and innovation*
- *We will plan and direct our efforts to fulfill this Vision for the long term with a constant view toward being an open, welcoming community for all with a positive economic future*

VALUE STATEMENTS for Success that Support the Vision:

ORGANIZATION

Quality infrastructure and facilities through timely maintenance and community investment.

BACKGROUND AND ADDITIONAL INFORMATION

A. Previous Council Action: The City Council approved the Capital Improvements Program (CIP) on [April 1, 2025](#) that included this Project. Council subsequently approved the 2026-27 biennium budget, providing the necessary appropriations for the Project.

At the [May 19, 2026](#) Business Meeting, Council gave preliminary authorization for the City Manager to sign grant acceptance documents for an Airport Improvement Grant (AIG) and an Airport Infrastructure Program (AIP) grant from the FAA. The FAA approved the City's application for both grants on May 27, 2026.

On [June 16, 2026](#), Council approved the original construction contract with Knife River Materials for \$1,025,144.80.

B. Context Predicted Conditions: On July 20, 2026, Knife River began rehabilitation of failing pavement at the airport. During the first phase of work, Knife River removed asphalt from taxilanes around several hangar buildings. Based on how deteriorated the pavement was—and a 2021 geotechnical report from a nearby area—it





Council Business Meeting

was expected that some of the material underneath might not be stable enough to support new pavement and aircraft traffic.

What was discovered: Once the old asphalt was removed and engineers could examine the layers below, more unsuitable material was found than originally anticipated. To ensure the new pavement lasts, both the base (upper layer, near the surface) and, in some areas, the subgrade (deeper soil beneath the base) was stabilized and strengthened.

How it was treated:

- **Stabilizing the base:** Crews installed a tough geotextile fabric and a rigid geogrid material, followed by rock aggregate on the exposed surface. These layers help spread the weight of aircraft and keep the new pavement from shifting or cracking.
- **Stabilizing the subgrade:** In areas with especially poor soil at greater depths—including black clay that expands and shrinks with moisture—crews “over-excavated” up to 18 inches to remove the unsuitable material. They then placed the same fabric and grid at the bottom, added rock aggregate, compacted it, and finished with the base reinforcement described above.

Working with the FAA: The City coordinated these changes with the Federal Aviation Administration (FAA) to meet standards for general aviation airports and to align with the agency’s funding requirements. On July 31, 2027, the FAA provided written approval of the change order and confirmed that costs are eligible for AIP funding during the 2027 grant cycle.

Outcome: The base and subgrade stabilization are expected to add up to 10 years to the pavement’s useful life. The contract also includes pavement maintenance activities, such as slurry seal and joint sealing, which are low-cost treatments that can extend pavement life by about three years per application.

Glossary

- **Base:** The layer just under the asphalt that helps support the pavement.
- **Subgrade:** The natural soil beneath the base.
- **Over-excavation:** Digging out weak soil and replacing it with stronger materials.
- **Geotextile/Geogrid:** Strong fabric and grid materials used to reinforce the ground and stabilize pavement.

FISCAL IMPACTS

A Note on Funding: Earlier this year, the City received a \$600,000 transfer of AIP funds from the Myrtle Creek Airport, giving Ashland Municipal Airport additional funding capacity beyond its normal annual AIP entitlement allocation. In total, the City currently has approximately \$723,239 in remaining and upcoming Entitlement Funds dedicated to the airport. AIP Entitlement Funds are awarded during the FAA’s annual grant cycle in the spring. Additional funding of up to 9% is anticipated through the Oregon Department of Aviation’s COAR grant program.

Change Order: The \$394,000 change order is eligible for 90% reimbursement from the City’s AIP Entitlement Funds, which computes to \$354,600. The City also plans to pursue additional funding through the State’s Critical Oregon Airfield Relief (COAR) grant program, which could provide up to another 9% (\$35,460). Airport revenues are sufficient to cover the remaining cost, which will range from approximately \$3,940 (with full COAR funding) to \$39,400 (with no COAR funding).

Original Construction Cost Impacts (June 16, 2026): Phase 2 total project costs were initially estimated at \$1,252,380.80, including Knife River’s construction bid, Century West’s construction management services, and City staff project administration costs. Combined AIG/AIP grants provided \$1,189,761.00, and a COAR grant contributed an additional \$55,089. The remaining \$7,530 in original project costs will be covered by airport revenues.





Council Business Meeting

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move that the Council, acting in its capacity as the local contracting board, authorize staff to execute a contract amendment with Knife River Materials in the amount of \$394,000 for base and subgrade stabilization in support of the Ashland Municipal Airport Runway and Taxiway Rehabilitation and Reconstruction Project – Phase 2: Construction.

REFERENCES & ATTACHMENTS

1. 08 18 2026 - Ashland Airport Change Order #01
2. 08 18 2026 - FAA Change Order Approval Letter



Amendment No. 1AIRPORT Ashland Municipal Airport DATE 7/21/2026LOCATION Ashland, OR CITY PROJECT NO. _____CONTRACTOR Knife River

You are requested to perform the following described work upon receipt of an approved copy of this document or as directed by the engineer:

Item No.	Description	Unit	Unit Price	Quantity	Amount
1	Base Stabilization: Nonwoven Geotextile Fabric	SY	\$1.75	8,200	\$14,350
2	Base Stabilization: Geogrid, Integrally Formed Biaxial	SY	\$3.00	8,200	\$24,600
3	Subgrade Stabilization: Placement of Nonwoven Geotextile Fabric & Geogrid, Integrally Formed Biaxial at bottom of Subgrade Stabilization Digout	SY	\$4.75	5,400	\$25,650
4	Subgrade Stabilization: Excavation of Existing Material and Placement of 2.5"-0 Base Aggregate – 18" Depth or Less if directed by Engineer	CY	\$122.00	2,700	\$329,400
This Change Order Total		\$ 394,000			
Previous Change Order Totals		\$ 0			
Original Contract Total		\$ 1,025,144.80			
Revised Contract Total		\$ 1,419,144.80			

The time provided for completion increases by five (5) days. City of Ashland will coordinate with Contractor for schedule adjustment to postponement of work caused by this change order.

Recommended by:  7/30/2026
Tom Headley, PE
Engineer of Record for Airport
Date

**Approval by City of Ashland and Acceptance
 by Contractor to be documented within City
 of Ashland Amendment Format.**

CITY PROJECT NO. _____ Amendment No. 1AIRPORT Ashland Municipal Airport LOCATION Ashland, OR**JUSTIFICATION FOR CHANGE**

1. Brief description of the proposed contract change(s) and location(s). Changes include:

For all areas of pavement removal: Base stabilization by placement of nonwoven geotextile fabric beneath integrally formed biaxial geogrid, followed by placement of base aggregate and pavement per plan.

For areas where unsuitable materials are encountered: Subgrade stabilization by removal of up to 18" of existing material, placement of nonwoven geotextile fabric beneath integrally formed biaxial geogrid at the bottom of the excavation, and replacement with 2.5"-0 base aggregate material, followed by the base stabilization described above.

2. Reason(s) for the change(s) (*Continue on reverse if necessary*)

Original scope of project was pavement rehabilitation and surface seal work. Design project scope did not require a geotechnical report to identify the quality of the existing base and subbase materials in this location. Removal of existing pavement in the north hangar area began on July 20, 2026, and revealed extensive areas of unsuitable subgrade material and slightly yielding base material. The change order anticipates similar unsuitable subgrade conditions will be encountered in the south hangar area. The 2021 geotechnical field exploration and report prepared for the nearby Taxiway A Reconstruction Project was used to describe the method for Subgrade Stabilization. The proposed change order quantity anticipates subgrade stabilization for the width and length of all affected taxilanes as well as several adjacent areas.

The areas exhibiting less severe surface conditions but still showing minor signs of alligator cracking are proposed for base stabilization only.

3. Justifications for unit prices or total cost.

The costs provided by the Contractor are consistent with recent project experience in the region.

4. If this is a supplemental agreement involving more than \$2,000, is the cost estimate based on the latest wage rate decision? Yes ☒ No ☐ Not Applicable ☐.

5. Has consent of surety been obtained? Yes ☒ Not Applicable ☐.

6. Will this change affect the insurance coverage? Yes ☐ No ☒.

7. If yes, will the policies be extended? Yes ☐ No ☐.

8. Has this (Change Order) been discussed with FAA officials?

Yes ☒ No ☐ When: 7/21/2026 With Whom: Paulette Lugo (via telephone).

Comment: Engineer to provide geotechnical report for 2021 Twy A project, describing subgrade stabilization as remediation for conditions encountered on the current Pavement Rehabilitation Project.

Excerpt from 2021 Ashland Taxiway Geotech Report with bore logs in vicinity of Taxilane Pavement Rehab project. See following page for geotextile and geogrid use in subgrade stabilization.

(i.e., the percentage passing the No. 200 sieve) of the processed material is greater than 10 percent, it may be necessary to add imported aggregate to the pulverized AC and base material to satisfy the gradation requirements.

Treatment options are also available to improve the blended material to satisfy the material, gradation, and strength requirements of Aggregate Base Course (Item P-208) or Crushed Aggregate Base Course (Item P-209). Treatment options include mechanical stabilization (i.e., adding imported clean aggregate to the mixture) or chemical stabilization (i.e., cement treatment). The FAA requires a CBR value of greater 80 for the material to be used place of P-209 or a CBR value less than 60 for the material to be used in place of P-208. Additional laboratory testing would be required in support of these options.

Parameters for New Pavement Design and Subgrade Preparation

This section provides recommended subgrade design parameters and subgrade preparation for new pavements assuming full-depth reconstruction. Subgrade stabilization options are provided in this section in the event stabilization is required due to construction timing or if the subgrade is significantly wet of optimum and aeration is not feasible. Subgrade stabilization options considered for this project include mechanical stabilization and chemical stabilization (i.e., cement-treated subgrade (P-156)). Additional details are provided below.

Subgrade Design Parameters. The laboratory testing indicates CBR values ranging from 5.6 to 6.7 for subgrade samples compacted to 95% relative compaction. We recommend assuming a nominal subgrade CBR value of 5 for designing new pavements to account for potential variation in the subgrade conditions across the site.

If subgrade compaction is not feasible, the CBR value should be based on in-situ values, as determined from the DCP testing. Therefore, consistent with the above recommendations for the evaluation of existing pavements, we recommend using a design M_r of 3,900 psi or a corresponding design CBR of 2.6 for pavements constructed on undisturbed, uncompacted subgrade in conjunction with mechanical stabilization (discussed below).

Subgrade Preparation

Compacted Subgrade. In areas where full-depth reconstruction is planned, subgrade preparation should follow the requirements for Item P-152 as summarized in the most recent FAA Standard Specifications for Construction of Airports Circular (AC No. 150/5370-10H). The earthwork and compaction criteria should assume the subgrade will consist of cohesive soil (i.e., $PI > 3$).

We anticipate the subgrade will be moisture-conditioned and compacted prior to constructing new pavements. The fine-grained subgrade is moisture-sensitive and will require careful moisture control for proper compaction. Therefore, we recommend compacting the subgrade at or slightly dry of optimum moisture to reduce the risk of pumping. The moisture in the finished subgrade should be

maintained and the subgrade should be backfilled with base rock and/or subbase as soon as practical to limit moisture fluctuations (i.e., wetting or drying).

It has been our experience that subgrade covered by existing pavements can remain wet of optimum year-round. Therefore, if complete reconstruction is planned, wet subgrade should be anticipated beneath the existing pavements regardless of the construction season. The construction schedule should include ample time to aerate and moisture-condition the soils prior to compaction.

Mechanical Stabilization. If the construction schedule and overall working conditions cannot accommodate moisture-conditioning and compacting the subgrade, mechanical stabilization can be used to accommodate uncompacted subgrade.

Mechanical stabilization includes additional excavation and replacement with granular stabilization fill to reduce the risk of subgrade disturbance (i.e., softening and pumping) and create a working platform. We recommend assuming a design CBR of 2.6 for the uncompacted subgrade to evaluate the required pavement section and stabilization depth.

The finished subgrade excavation should be completed using an excavator equipped with a smooth-edged bucket operating from outside the excavation. The subgrade should not be compacted. Instead, a thickened section of granular fill (i.e., at least 18 inches) should be placed over the undisturbed subgrade. Compaction of the fill should not be attempted until at least 18 inches has been placed. The fill should be end-dumped and pushed out from a thickened staging area using a low-pressure dozer or similar equipment to limit the potential for subgrade disturbance. The stabilization fill should be underlain by a separation geotextile to limit intrusion of the underlying subgrade soils into the fill. Geogrid reinforcement could also be used beneath the stabilization fill to improve the performance and potentially reduce the mechanical stabilization depth. The relative improvement from the addition of a geogrid would depend on the strength and performance of the selected geogrid.

Chemical Stabilization. Soil-cement treatment based on Item P-156 (Cement Treated Subgrade) is also an option to stabilize the subgrade where compaction may be impractical because of excessively wet subgrade. FAA (AC 150/5320-6G) guidelines recognize the strength increase as part of the pavement design. Laboratory testing is required to document the amount of strength gain to be used in design. Laboratory testing is not currently planned for this option. However, considering the subgrade will be compacted during treatment, we believe a conservative approach would be to assume a design subgrade CBR value of 5 for the cement-treated soil.

A cement treatment depth of 12 inches is recommended and is typical for these types of projects. Cement content for the P-156 application is generally in the range of 3 to 5% based on the dry unit weight of the soil. The required cement content is, in part, a function of the subgrade soil type, with higher plasticity soils (e.g., clay) requiring greater cement and sandy soils requiring lower cement content. The soils encountered at shallow depths across the airport are variable and include sandy clayey silt, clay, and silty sand. However, the subgrade will consist of predominantly

Federal Aviation Administration FAARFIELD 2.1 Structure Report

FAARFIELD 2.1.2 (Build 06/03/2026)

Job Name: 7.29.2026 Ashland Municipal Airport

Structure: Pavement Rehab

Analysis Type: HMA on Aggregate

Last Run: Thickness Design 2026-07-29 14:23:32

Design Life = 20 Years

Total thickness to the top of the subgrade = 13.3in.

Pavement Structure Information by Layer

No.	Type	Thickness (in.)	Modulus (psi)	CBR	Poisson's Ratio	Strength R (psi)
1	P-401/P-403 HMA Surface	3.0	200,000	0	0.35	0
2	P-208 Crushed Aggregate	6.0	59,612	0	0.35	0
3	User Defined	6.0	30,000	0	0.35	0
4	Subgrade	0	3,900	2.6	0.35	0

Airplane Information

No.	Name	Gross Wt. (lbs)	Annual Departures	% Annual Growth
1	S-12.5	12,500	14,600	0
2	Truck Axle Single	18,740	500	0

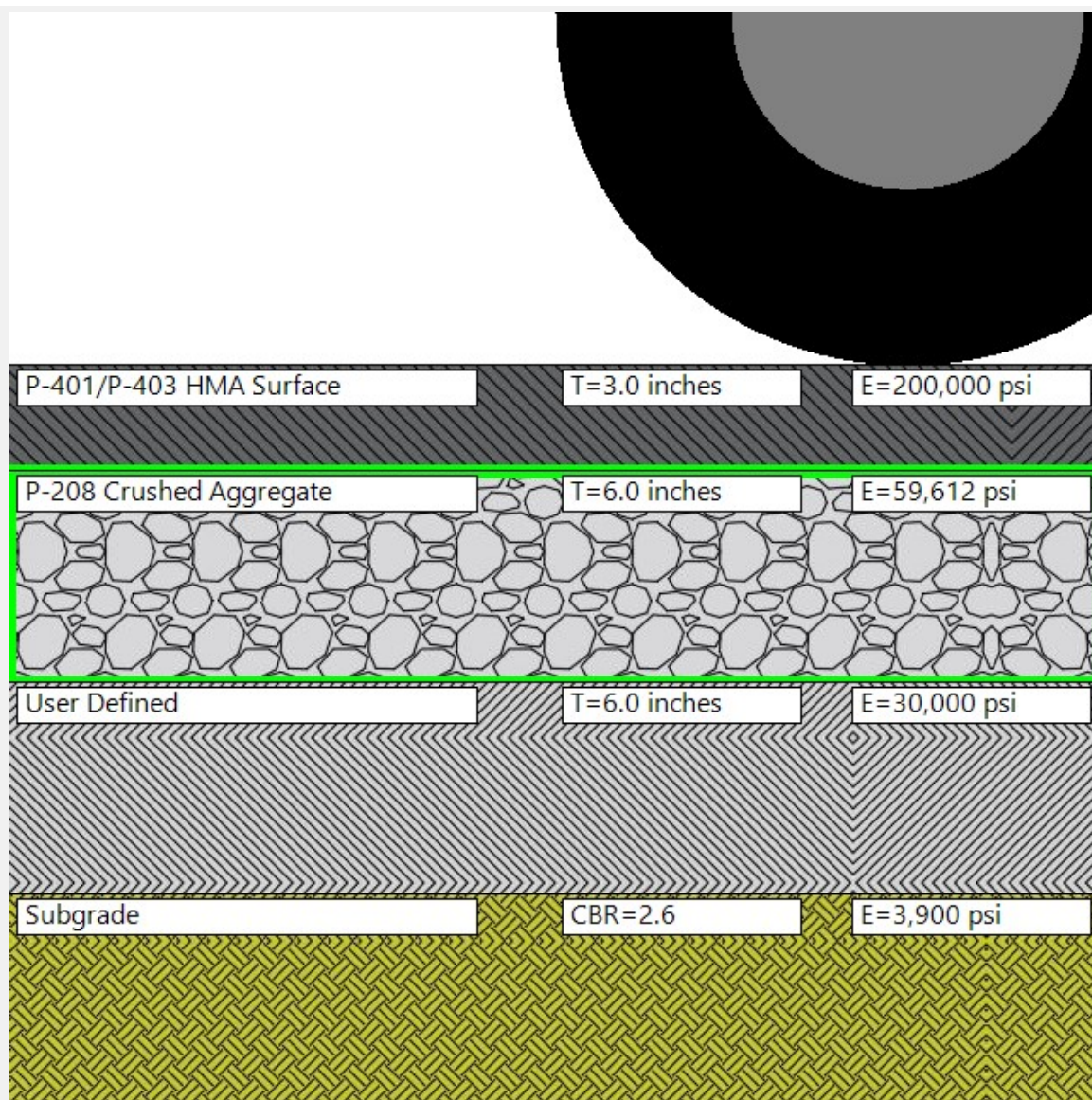
Additional Airplane Information

Subgrade CDF

No.	Name	CDF Contribution	CDF Max for Airplane	P/C Ratio
1	S-12.5	0.00	0.00	3.44
2	Truck Axle Single	1.00	1.00	3.53

NOTE:

User is responsible for checking frost protection requirements.





U.S. Department
of Transportation
**Federal Aviation
Administration**

Northwest Mountain Region
Colorado · Idaho · Montana · Oregon · Utah
Washington · Wyoming

Denver Airports District Office
26805 E. 68th Ave., Suite 224
Denver, CO 80249

July 31, 2026

Mr. Chance Metcalf
Airport Manager
20 E. Main Street
Ashland, Oregon 97520

Ashland Municipal Airport
Ashland, Oregon
AIP: 3-41-0002-018-2026
3-41-0002-019-2026
3-41-0002-020-2027
Runway/Taxiway/Taxilane Seal/Rehab and Taxilane
Reconstruction
Change Order No. 1

Dear Mr. Metcalf:

I have reviewed the subject Change Order and associated costs and documentation. I have determined that all the additional contract items are eligible for AIP participation and subject to available funding.

The following contract items are approved in the total amount of \$394,000 and 5 days increase in contract time:

Item No.	Description	Unit	Unit Price	Quantity	Amount
1	Base Stabilization: Nonwoven Geotextile Fabric	SY	\$1.75	8,200	\$14,350
2	Base Stabilization: Geogrid, Integrally Formed Biaxial	SY	\$3.00	8,200	\$24,600
3	Subgrade Stabilization: Placement of Nonwoven Geotextile Fabric & Geogrid, Integrally Formed Biaxial at bottom of Subgrade Stabilization Digout	SY	\$4.75	5,400	\$25,650
4	Subgrade Stabilization: Excavation of Existing Material and Placement of 2.5'-0" Base Aggregate – 18" Depth or Less if directed by Engineer	SY	\$122.00	2,700	\$329,400



U.S. Department
of Transportation
**Federal Aviation
Administration**

Northwest Mountain Region
Colorado · Idaho · Montana · Oregon · Utah
Washington · Wyoming

Denver Airports District Office
26805 E. 68th Ave., Suite 224
Denver, CO 80249

Initial Estimated Contract Cost	\$ 1,205,144.80
Previous Eligible Change Orders	\$ 0
Eligible Cost of this Change Order	\$ 394,000
Revised Eligible Contract Cost	\$ 1,419,144.80

Please forward a copy of the executed change to my attention as soon as it is available. Your record drawings should indicate details addressed by this Change Order.

If you have questions, please call me at (303) 342-1256.

Sincerely,

Paulette Lugo,
Project Manager, Denver ADO



Council Business Meeting

Date: August 18, 2026

Agenda Item	Approval of a Resolution Authorizing a Clean Water State Revolving Fund (CWSRF) Loan Agreement to Finance Wastewater System Projects
Department	Public Works
From	Chance Metcalf, Deputy Public Works Director, Scott Fleury, Director

TIME ESTIMATE

5 Minutes

CATEGORY

Action Needed - Motion to approve an action

SUMMARY

Before the Council is a request to approve a resolution authorizing the City to enter into a Clean Water State Revolving Fund (CWSRF) Loan Agreement with the State of Oregon through the Oregon Department of Environmental Quality (DEQ) to fund the design of the Wastewater Treatment Plant Headworks Upgrade Project.

The Council previously approved the 2025–2027 Biennial Budget, which included funding for this capital improvement project. In addition, the recently adopted wastewater and stormwater utility rates provide the financial support necessary to meet the City's obligations associated with the proposed CWSRF loan and the overall project.

POLICIES, PLANS & GOALS SUPPORTED

VISION STATEMENTS for Success:

- *Ashland is a resilient, sustainable community that maintains the distinctive quality of place for which it is known*
- *We will continue to be a unique and caring city that stresses environmental conservation, fosters artistic expression, and is open to new ideas and innovation*
- *We will plan and direct our efforts to fulfill this Vision for the long term with a constant view toward being an open, welcoming community for all with a positive economic future*

VALUE STATEMENTS for Success that Support the Vision:

ORGANIZATION

Quality infrastructure and facilities through timely maintenance and community investment.

BACKGROUND AND ADDITIONAL INFORMATION

A. Previous Council Actions

The City Council approved the Capital Improvements Program (CIP) on [April 1, 2025](#), that included this Project. Council subsequently approved the 2026-27 biennium budget, providing appropriations for this Project.





Council Business Meeting

The City Council previously approved the design and bidding services for the WWTP Headworks project at the [August 5, 2025](#), business meeting.

B. Context

The Wastewater Treatment Plant (WWTP) Headworks Upgrade Project was identified as the highest priority capital improvement in the City's **Wastewater Treatment Plant Facilities Assessment and Major Process Component Improvements Report** completed in 2019. The "headworks" is also the only component of the treatment plant that was not improved during major plant modifications from 1998 to 2001.

The facility assessment concluded:

"A new grit removal facility is recommended downstream of the existing headworks to eliminate operational challenges related to ragging and due to the age of the existing grit system. The new grit facility would include flow splitting into three oxidation ditches, two existing and one planned future ditch. In addition, based on the condition of the existing headworks screening system, we further recommend the replacement of the influent screen, washer compactor, and associated equipment. Since we recommend installing a new grit removal system downstream of the existing screen, replacing the screen at this time is a cost-effective approach. Additionally, the condition assessment identified several major screen components that needed repair/refurbishment, so a significant refurbishment investment would be required even if the entire screen were not replaced."

Following completion of the 2019 Facilities Assessment, the City retained Jacobs Engineering through a formal solicitation that contemplated three phases of engineering and analysis for the headworks upgrades.

Phase 1: (completed) of the Headworks Upgrade Project was an alternatives analysis and evaluation of the existing headworks treatment process to identify the most effective and cost-efficient long-term solution. Because the contract value was below the City's procurement threshold for phase 1, the work was directly awarded in accordance with City purchasing requirements. The findings and recommendations from Jacobs' technical memorandum served as the basis of design for the WWTP Headworks Upgrade Project.

Jacobs Engineering concluded:

"Installing two new mechanically cleaned bar screens and constructing a new grit removal facility downstream of the headworks with a new integral flow-splitting structure."

Phase 2 & 3: (in progress) is for development of the final plans, specifications, cost estimates, and bidding documents, along with bidding support services, to prepare the project for public construction bidding, consistent with the recommendations developed during Phase 1.

The proposed improvements are critical to maintaining reliable wastewater treatment operations. The existing headworks equipment is the oldest major treatment process equipment at the wastewater treatment plant, having been in service for more than 50 years, and has significantly exceeded its expected useful life. Replacing this aging infrastructure will improve operational reliability, reduce maintenance challenges, and help ensure the City continues to meet current and future regulatory requirements.

On August 3, 2026, DEQ conducted a routine compliance inspection of the wastewater treatment plant. The City received very positive feedback regarding the overall operation and maintenance of the facility. However, DEQ also noted that the existing headworks process is outdated and reaffirmed the importance of moving forward with the planned upgrades to ensure continued regulatory compliance and reliable long-term operation.





Council Business Meeting

C. Next Steps

During phase 2 design process staff have been coordinating with DEQ to obtain funding for the total project using Clean Water State Revolving Fund Loan dollars. As part of the funding process the Council is required to approve a resolution that allows the City to enter into the funding agreement with DEQ. This first resolution is associated with the design phase dollars expended by Jacobs Engineering.

A second resolution will be presented before Council associated with the Construction portion of the funding in early November.

In addition to the construction contract and second resolution, staff will be bringing forward the phase 3 construction administration contract with Jacobs Engineering in November as well for approval.

FISCAL IMPACTS

The Approval of Resolution No. 2026-18 authorizes the City to enter into a Clean Water State Revolving Fund (CWSRF) Loan Agreement with the Oregon Department of Environmental Quality (DEQ) to finance the design phase of the Wastewater Treatment Plant Headworks Upgrade Project. The design costs are estimated at **\$803,075.00** and included in the adopted 2025–2027 Biennial Budget and are supported by the Wastewater Fund.

The CWSRF program provides below market financing with a **3.1% fixed interest rate**, a **30 year repayment term**, and **principal forgiveness of up to 50% of eligible project costs, not to exceed \$401,537.50**. These favorable financing terms make the CWSRF loan the most cost-effective funding source available for this critical infrastructure project. Debt service associated with the loan will be paid from the Wastewater Fund and is supported by the recently adopted wastewater utility rates.

Upon completion of the design phase, the City anticipates amending the CWSRF Loan Agreement presented today to include construction financing, resulting in a **total anticipated loan amount of approximately \$9.1 million, inclusive of the design loan authorized by this action**. The amendment will be presented to the City Council for consideration and approval in November. The final loan amount will be based on the completed design, the engineer's estimate, and the results of the competitive bidding process.

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move to approve Resolution No. 2026-18, authorizing the City of Ashland to enter into a Clean Water State Revolving Fund (CWSRF) Loan Agreement with the Oregon Department of Environmental Quality (DEQ).

REFERENCES & ATTACHMENTS

1. Resolution 2026-18 - CWSRF Loan Agreement RC0064
2. 08 18 2026 - CWSRF Loan Agreement RC0064



RESOLUTION NO. 2026-18

A RESOLUTION AUTHORIZING AND APPROVING A STATE REVOLVING FUND LOAN AGREEMENT TO FINANCE WASTEWATER SYSTEM PROJECTS – WWTP HEADWORKS UPGRADE PROJECT

RECITALS:

The city of Ashland (the “City”) has entered into negotiations with the State of Oregon Department of Environmental Quality (the “DEQ”) for a loan to the City from the Clean Water State Revolving Fund (“CWSRF”) in the approximate amount of \$803,075.00 for the purposes of design of the Wastewater Treatment Plant Headworks Upgrade.

THE CITY COUNCIL OF THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. The City does authorize and approves of the form of the SRF Loan Agreement RC0064 for the financing of wastewater system projects – WWTP Headworks Upgrade.

SECTION 2. The City does authorize and approve the establishment and funding of a designated reserve account to meet the “Loan Reserve” requirement of the SRF Loan Agreement.

SECTION 3. The City does authorize and approve the City Manager or designee, acting for and on behalf of the City and without further action by the City Council, to execute the final DEQ CWSRF Loan Agreement and such other and additional documents as may reasonably be required for the consummation and closing of the loan, and any amendments required thereafter.

This resolution was duly PASSED and ADOPTED this _____ day of _____, 2026, and takes effect upon signing by the Mayor.

Alissa Kolodzinski, City Recorder

SIGNED and APPROVED this ____ day of _____, 2026.

Tonya Graham, Mayor

Reviewed as to form:

Johan Pietila, City Attorney

**CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT
No. RC0064**

BETWEEN

**THE STATE OF OREGON
ACTING BY AND THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL QUALITY**

AND

CITY OF ASHLAND

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THIS LOAN AGREEMENT (“Agreement”) is made and entered into as of the date (“**Effective Date**”) it is fully executed by both parties (and in the case of the State, approved by the Attorney General's Office, if required) and is by and between the **State of Oregon, acting by and through its Department of Environmental Quality (“DEQ”)**, and the **Borrower** (as defined below). Unless the context requires otherwise, capitalized terms not defined below shall have the meanings assigned to them by ARTICLE 9 of this Loan Agreement. The reference number for the Loan made pursuant to this Loan Agreement is Loan No. RC0064.

DEQ agrees to make, and Borrower agrees to accept, the Loan on the terms and subject to the conditions set forth below.

ARTICLE 1: THE LOAN - SPECIFIC TERMS

DEQ agrees to make the Loan on the following terms and conditions:

(A) BORROWER: City of Ashland

(B) BORROWER'S ADDRESS: 20 E. Main St.
Ashland, OR 97250

(C) LOAN AMOUNT: \$803,075

(D) TYPE AND PURPOSE OF LOAN. The Loan is a "Revenue Secured Loan" made by DEQ pursuant to OAR Section 340-054-0065(2) for the purpose of financing the Project.

(E) PROJECT TITLE: Wastewater Treatment Plant Headworks Upgrade

(F) DESCRIPTION OF THE PROJECT: This loan will fund the design part of the Project. The Project includes replacement of the existing mechanical bar screen, addition of a second mechanical bar screen and constructing a new separate downstream grit removal facility.

(G) INTEREST RATE: Three and 10/100 (3.10%) per annum. Calculation of interest is also discussed in ARTICLE 2(E) and in ARTICLE 2(F)(4) of this Agreement.

(H) REPAYMENT PERIOD: Ending no later than (a) thirty (30) years after the Completion Date or (b) thirty (30) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

(I) TERMS OF REPAYMENT: An interest-only payment within six months after the estimated Project Completion Date set forth in ARTICLE 3(A)(10) and thereafter semi-annual payments of principal and interest in accordance with APPENDIX A and ARTICLE 2(F) of this Agreement.

(J) PLEDGE: The Borrower hereby grants DEQ a security interest in and irrevocably pledges its Net Revenues to secure payment of and to pay the amounts due under this Loan Agreement. The Net Revenues so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the

lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of Net Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower covenants with DEQ and any assignee of this Agreement that except as otherwise expressly provided herein, the Borrower shall not issue any other obligations which have a pledge or lien on the Net Revenues superior to or on a parity with the pledge herein granted without the written permission of DEQ. The lien of this pledge is on a parity with the liens securing all other CWSRF loans between DEQ and the Borrower; provided, however, that this provision shall not affect the priority that prior CWSRF loans are entitled to in relation to any loans between Borrower and any third parties.

(K) ANNUAL FEE: An annual fee of 0.5% of the Outstanding Loan Amount (as determined prior to the posting of the payment due on that date) is due during the Repayment Period commencing with the second payment date hereunder and annually thereafter.

(L) LOAN FORGIVENESS: If the Borrower completes the Project, and provided there is no default of any of the terms hereof, DEQ shall forgive fifty percent (50%) of the Loan or \$401,537.5, whichever is less (the portion of the Loan that is forgiven being referred to as the “Forgivable Loan”), on the date the first repayment is due hereunder. The amount of the Loan forgiveness will be determined when the Final Loan Amount is calculated.

ARTICLE 2: GENERAL LOAN PROVISIONS

(A) AGREEMENT OF DEQ TO LOAN. DEQ agrees to loan the Borrower an amount not to exceed the Loan Amount, subject to the terms and conditions of this Loan Agreement, but solely from funds available to DEQ in the Water Pollution Control Revolving Fund for its Clean Water State Revolving Fund program. This Loan Agreement is given as evidence of a Loan to the Borrower made by DEQ pursuant to ORS Chapters 190, 286A, 287A, and 468, and OAR Chapter 340, all as amended from time to time, consistent with the express provisions hereof.

(B) AVAILABILITY OF FUNDS. DEQ’s obligation to make the Loan described in this Agreement is subject to the availability of funds in the Water Pollution Control Revolving Fund for its CWSRF program, and DEQ shall have no liability to the Borrower or any other party if such funds are not available or are not available in amounts sufficient to fund the entire Loan described herein, as determined by DEQ in the reasonable exercise of its administrative discretion. Funds may not be available ahead of the estimated schedule of disbursements submitted by the Borrower, which is attached as APPENDIX B. This schedule may be revised from time to time by the parties without the necessity of an amendment by replacing the then current APPENDIX B with an updated APPENDIX B which is dated and signed by both parties. Furthermore, DEQ’s obligation to make any disbursement hereunder shall terminate on the Project Completion Date set forth in ARTICLE 3(A)(10).

(C) DISBURSEMENT OF LOAN PROCEEDS.

(1) Project Account(s). Loan proceeds (as and when disbursed by DEQ to the Borrower) shall be deposited in a Project account(s). The Borrower shall maintain Project account(s) as segregated account(s). Funds in the Project account(s) shall only be

used to pay for Project costs, and all earnings on the Project account(s) shall be credited to the account(s).

(2) Documentation of Expenditures. The Borrower shall provide DEQ with written evidence of materials and labor furnished to and performed upon the Project, including, without limitation, invoices, verified contractor's pay requests, receipts, and other evidence that DEQ may require in its sole discretion (collectively, "Cost Documentation"). DEQ will disburse funds to pay Project costs only after the Borrower has provided Cost Documentation satisfactory to DEQ that such Project costs have been incurred (whether or not already paid by Borrower) and qualify for reimbursement under this Agreement and CWSRF Program Rules.

(3) Adjustments and Corrections. DEQ may at any time review and audit requests for disbursement and make adjustments for, among other things, ineligible expenditures, mathematical errors, items not built or bought, unacceptable work and other discrepancies. Nothing in this Agreement requires DEQ to pay any amount for labor or materials unless DEQ is satisfied that the claim therefor is reasonable and that the Borrower actually expended and used such labor or materials in the Project. In addition, DEQ shall not be required to make any disbursement which would cause the total of all disbursements made hereunder (including the requested disbursement) to be greater than the total estimated cost of the work completed at the time of the disbursement, as determined by DEQ.

(4) Contract Retainage Disbursement. DEQ will not disburse Loan proceeds to cover contractor retainage unless the Borrower is disbursing retainage to an escrow account and provides proof of the deposit, or until the Borrower provides proof that it paid retained funds to the contractor.

(D) **AGREEMENT OF BORROWER TO REPAY.** The Borrower agrees to repay all amounts owed on this Loan as described in ARTICLE 1(I) and ARTICLE 2(F) in U.S. Dollars in immediately available funds at the place listed for DEQ in ARTICLE 10(A). In any case, the Borrower agrees to repay all amounts owed on this Loan within the Repayment Period.

(E) **INTEREST.** Interest will accrue at the rate specified in ARTICLE 1(G) from the date that a disbursement hereunder is mailed or delivered to the Borrower or deposited into an account of the Borrower. Interest will accrue using a 365/366 day year and actual days elapsed.

(F) **LOAN REPAYMENT.**

(1) Preliminary Repayment Schedule; Interim Payments. The attached APPENDIX A is a preliminary repayment schedule based on the estimated date of the first disbursement hereunder and Loan Amount. Until the final repayment schedule is effective, the Borrower shall make the payments set forth in the preliminary repayment schedule.

(2) Final Repayment Schedule. After the Borrower has submitted its final request for Loan proceeds and DEQ has made all required disbursements hereunder, DEQ will determine the Final Loan Amount and prepare a final payment schedule that provides for level semi-annual installment payments of principal and interest (commencing on the next semi-annual payment date), each in an amount sufficient to pay accrued interest to the

date of payment and to pay so much of the principal balance as to fully amortize the then Outstanding Loan Amount over the remaining Repayment Period.

(3) Crediting of Scheduled Payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received. Scheduled payments will be applied first to fees due, if any, and then to interest, according to the applicable repayment schedule, and then to principal.

(4) Crediting of Unscheduled Payments. All unscheduled payments, including any prepayments and partial payments, will be applied first to fees due, if any, and then to accrued unpaid interest (which will be computed as otherwise provided in this Agreement, except that interest from the last payment date will be calculated using a 365/366 day year and actual days elapsed), and then to principal. In the case of a Loan prepayment that does not prepay all of the principal of the Loan, DEQ will determine, in its sole discretion, how it will apply such Loan prepayment to the Outstanding Loan Amount. After a partial payment, DEQ may, in its sole and absolute discretion, reamortize the Outstanding Loan Amount at the same interest rate for the same number of payments to decrease the Loan payment amount; provided, however, that nothing in this Agreement requires DEQ to accept any partial payment, except as otherwise expressly provided herein, or to reamortize the Outstanding Loan Amount if it accepts a partial payment.

(5) Final Payment. The Outstanding Loan Amount, all accrued and unpaid interest, and all unpaid fees and charges due hereunder are due and payable no later than (a) thirty (30) years after the Completion Date or (b) thirty (30) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

(G) PREPAYMENT.

(1) Optional Prepayment. The Borrower may prepay any amount owed on this Loan without penalty on any business day upon 30 days prior written notice. Any prepayment made hereunder will be applied in accordance with ARTICLE 2(F)(4).

(2) Refinancing of Loan by the Borrower. If the Borrower refinances the portion of the Project financed by this Loan or obtains an additional grant or loan that is intended to finance the portion of the Project financed by this Loan, it will prepay the portion of the Loan being refinanced by the additional grant or loan. Any mandatory prepayment under this ARTICLE 2(G)(2) will be applied in accordance with ARTICLE 2(F)(4).

(3) Ineligible Uses of the Project. If the Borrower uses the Project for uses that are other than those described in ARTICLE 1(F) ("ineligible uses"), the Borrower shall, upon demand by DEQ, prepay an amount equal to the Outstanding Loan Amount multiplied by the percentage (as determined by DEQ) of ineligible use of the Project. Such prepayment shall be applied against the most remotely maturing principal installments and shall not postpone the due date of any payment(s) hereunder.

(H) LATE PAYMENT FEE. The Borrower agrees to pay immediately upon DEQ's demand a late fee equal to five percent (5%) of any payment (including any loan fee) that is not received by DEQ on or before the tenth (10th) calendar day after such payment is due hereunder.

(I) TERMINATION OF LOAN AGREEMENT. Upon performance by the Borrower of all of its obligations under this Loan Agreement, including payment in full of the Final Loan Amount, all accrued interest and all fees, charges and other amounts due hereunder, this Loan Agreement will terminate, and DEQ will release its interest in any collateral given as security under this Loan Agreement.

ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

(A) REPRESENTATIONS AND WARRANTIES OF THE BORROWER. The Borrower represents and warrants to DEQ that:

(1) It is a duly formed and existing public agency (as defined in ORS 468.423(4)) and has full power and authority to enter into this Loan Agreement.

(2) This Agreement has been duly authorized and executed and delivered by an authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(3) All acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Agreement have existed, have happened, and have been performed in due time, form and manner as required by law.

(4) Neither the execution of this Loan Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with any of the terms and conditions of this Loan Agreement will violate any provision of law, or any order of any court or other agency of government, or any agreement or other instrument to which the Borrower is now a party or by which the Borrower or any of its properties or assets is bound. Nor will this Loan Agreement be in conflict with, result in a breach of, or constitute a default under, any such agreement or other instrument, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

(5) This Loan Agreement does not create any unconstitutional indebtedness. The Loan Amount together with all of the Borrower's other obligations does not, and will not, exceed any limits prescribed by the Constitution, any of the statutes of the State of Oregon, the Borrower's charter, or any other authority.

(6) The Project is a project which the Borrower may undertake pursuant to Oregon law and for which the Borrower is authorized by law to borrow money.

(7) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the Facility and the Project, other than licenses and permits relating to the Facility or the Project which

the Borrower expects to and shall receive in the ordinary course of business, to carry on its activities relating thereto, to execute and deliver this Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Agreement.

(8) The information contained herein which was provided by the Borrower is true and accurate in all respects, and there is no material adverse information relating to the Project or the Loan, known to the Borrower, that has not been disclosed in writing to DEQ.

(9) No litigation exists or has been threatened that would cast doubt on the enforceability of the Borrower's obligations under this Loan Agreement.

(10) The estimated Completion Date of the Project is March 31, 2028. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are \$10,020,070.

(12) The Borrower is in compliance with all laws, ordinances, and governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Borrower to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Borrower or the Project.

(B) CONTINUING REPRESENTATIONS OF THE BORROWER. The representations of the Borrower contained herein shall be true on the closing date for the Loan and at all times during the term of this Agreement.

(C) REPRESENTATIONS AND WARRANTIES OF DEQ. DEQ represents and warrants that the Director has power under ORS Chapter 468 and OAR Chapter 340, Division 54, to enter into the transactions contemplated by this Loan Agreement and to carry out DEQ's obligations thereunder and that the Director is authorized to execute and deliver this Loan Agreement and to make the Loan as contemplated hereby.

ARTICLE 4: CONDITIONS TO LOAN

(A) CONDITIONS TO CLOSING. DEQ's obligations hereunder are subject to the condition that on or prior to September 30, 2026, the Borrower will duly execute and deliver to DEQ the following items, each in form and substance satisfactory to DEQ and its counsel:

(1) this Agreement duly executed and delivered by an authorized officer of the Borrower;

(2) a copy of the ordinance, order or resolution of the governing body of the Borrower authorizing the execution and delivery of this Agreement, certified by an authorized officer of the Borrower;

(3) Certification Regarding Lobbying, substantially in the form of APPENDIX G, duly executed and delivered by an authorized officer of the Borrower;

(4) an opinion of the legal counsel to the Borrower to the effect that:

(a) The Borrower has the power and authority to execute and deliver and perform its obligations under this Loan Agreement;

(b) This Loan Agreement has been duly executed and acknowledged where necessary by the Borrower's authorized representative(s), all required approvals have been obtained, and all other necessary actions have been taken, so that this Loan Agreement is valid, binding, and enforceable against the Borrower in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors rights generally;

(c) To such counsel's knowledge, this Loan Agreement does not violate any other agreement, statute, court order, or law to which the Borrower is a party or by which it or any of its property or assets is bound; and

(d) The Gross Revenues from which the Net Revenues are derived and that are used as security for the Loan will not constitute taxes that are limited by Section 11b, Article XI of the Oregon Constitution; and

(5) such other documents, certificates, opinions and information as DEQ or its counsel may reasonably require.

(B) CONDITIONS TO DISBURSEMENTS. Notwithstanding anything in this Agreement to the contrary, DEQ shall have no obligation to make any disbursement to the Borrower under this Agreement unless:

(1) No Event of Default and no event, omission or failure of a condition which would constitute an Event of Default after notice or lapse of time or both has occurred and is continuing;

(2) All of the Borrower's representations and warranties in this Agreement are true and correct on the date of disbursement with the same effect as if made on such date; and

(3) The Borrower submits a disbursement request to DEQ that complies with the requirements of ARTICLE 2(C);

provided, however, DEQ shall be under no obligation to make any disbursement if:

(a) DEQ determines, in the reasonable exercise of its administrative discretion, there is insufficient money available in the CWSRF for the Project; or

(b) there has been a change in any applicable state or federal law, statute, rule or regulation so that the Project is no longer eligible for the Loan.

ARTICLE 5: COVENANTS OF BORROWER

(A) GENERAL COVENANTS OF THE BORROWER. Until the Loan is paid in full, the Borrower covenants with DEQ that:

(1) The Borrower shall use the Loan funds only for payment or reimbursement of the Costs of the Project in accordance with this Loan Agreement. The Borrower acknowledges and agrees that the Costs of the Project do NOT include any Lobbying costs or expenses incurred by Borrower or any person on behalf of Borrower and that Borrower will not request payment or reimbursement for Lobbying costs and expenses.

(2) If the Loan proceeds are insufficient to pay for the Costs of the Project in full, the Borrower shall pay from its own funds and without any right of reimbursement from DEQ all such Costs of the Project in excess of the Loan proceeds.

(3) The Borrower is and will be the owner of the Facility and the Project and shall defend them against the claims and demands of all other persons at any time claiming the same or any interest therein.

(4) The Borrower shall not sell, lease, transfer, or encumber or enter into any management agreement or special use agreement with respect to the Facility or any financial or fixed asset of the utility system that produces the Net Revenues without DEQ's prior written approval, which approval may be withheld for any reason. Upon sale, transfer or encumbrance of the Facility or the Project, in whole or in part, to a private person or entity, this Loan shall be immediately due and payable in full.

(5) Concurrent with the execution and delivery of this Loan Agreement, or as soon thereafter as practicable, the Borrower shall take all steps necessary to cause the Project to be completed in a timely manner in accordance with all applicable DEQ requirements.

(6) The Borrower shall take no action that would adversely affect the eligibility of the Project as a CWSRF project or cause a violation of any Loan covenant in this Agreement.

(7) The Borrower shall undertake the Project, request disbursements under this Loan Agreement, and use the Loan proceeds in full compliance with all applicable laws and regulations of the State of Oregon, including but not limited to ORS Chapter 468 and Oregon Administrative Rules Sections 340-054-0005 to 340-054-0065, as they may be amended from time to time, and all applicable federal authorities and laws and regulations of the United States, including but not limited to Title VI of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4, the federal cross-cutters listed at APPENDIX D, the equal employment opportunity provisions in APPENDIX F, and the regulations of the U.S. Environmental Protection Agency, all as they may be amended from time to time.

(8) The Borrower shall keep the Facility in good repair and working order at all times and operate the Facility in an efficient and economical manner. The Borrower shall provide the necessary resources for adequate operation, maintenance and replacement of the Project and retain sufficient personnel to operate the Facility.

(9) Interest paid on this Loan Agreement is *not* excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). However, DEQ may have funded this Loan with the proceeds of State bonds that bear interest that is excludable

from gross income under Section 103(a) of the Code. Section 141 of the Code requires that the State not allow the proceeds of the State bonds to be used by private entities (including the federal government) in such a way that the State bonds would become "private activity bonds" as defined in Section 141 of the Code. To protect the State bonds the Borrower agrees that it shall not use the Loan proceeds or lease, transfer or otherwise permit the use of the Project by any private person or entity in any way that that would cause this Loan Agreement or the State bonds to be treated as "private activity bonds" under Section 141 of the Code and the regulations promulgated under that Section of the Code.

(B) DEBT SERVICE COVERAGE REQUIREMENT; WASTEWATER RATE COVENANT; REPORTING.

(1) Debt Service Coverage Requirement. The Borrower shall maintain wastewater rates and charge fees in connection with the operation of the Facility that are adequate to generate Net Revenues in each fiscal year sufficient to pay (i) all debt service (excluding debt service on the Loan), (ii) all other financial obligations imposed in connection with prior lien obligations of the Borrower, and (iii) an amount equal to the debt service coverage factor of 105% multiplied by the debt service payments due under this Loan Agreement in that fiscal year.

(2) Wastewater Rate Adjustments. The Borrower shall review its wastewater rates and fees at least annually. If, in any fiscal year, the Borrower fails to collect fees sufficient to meet the debt service coverage requirement described in ARTICLE 5(B)(1), the Borrower shall promptly adjust its wastewater rates and fees to assure future compliance with such coverage requirement. The Borrower's adjustment of the wastewater rates and fees does not constitute a cure of any default by the Borrower of the debt service coverage requirement set forth in ARTICLE 5(B)(1). The Borrower's failure to adjust rates shall not, at the discretion of DEQ, constitute a default if the Borrower transfers to the fund that holds the Net Revenues unencumbered resources in an amount equal to the revenue deficiency from the Facility that produces the Net Revenues.

(3) Reporting Requirement. By December 31 of each year the Borrower shall provide DEQ with a report that demonstrates the Borrower's compliance with the requirements of this ARTICLE 5(B). If the audit report described in ARTICLE 5(F) identifies the Net Revenues and contains a calculation demonstrating the Borrower's satisfaction of the requirements of this ARTICLE 5(B), that audit will satisfy the requirements of this ARTICLE 5(B)(3).

(C) LOAN RESERVE REQUIREMENT; LOAN RESERVE ACCOUNT.

(1) Loan Reserve Requirement. The Loan reserve requirement equals one-half of the average annual debt service based on the final Payment Schedule. Until the Final Loan Amount is calculated, the Loan reserve requirement is \$10,554. The Borrower shall deposit the Loan reserve requirement amount into the Loan Reserve Account no later than the date the first payment is due hereunder.

(2) Loan Reserve Account. The Borrower shall create a segregated Loan Reserve Account that shall be held in trust for the benefit of DEQ. The Borrower hereby grants DEQ a security interest in and irrevocably pledges amounts in the Loan Reserve Account to pay the amounts due under this Loan Agreement. The funds in Loan Reserve Account so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of the Loan Reserve Account hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower shall use the funds in the Loan Reserve Account solely to pay amounts due hereunder until the principal, interest, fees, and any other amounts due hereunder have been fully paid.

(3) Additional Deposits. If the balance in the Loan Reserve Account falls below the Loan reserve requirement, the Borrower shall promptly deposit from the first Net Revenues available after payment of the amounts due hereunder (unless the Borrower has previously made such deposit from other money of the Borrower) an amount sufficient to restore the balance up to the Loan reserve requirement.

(D) **INSURANCE.** At its own expense, the Borrower shall, during the term of this Agreement, procure and maintain insurance coverage (including, but not limited to, hazard, flood and general liability insurance) adequate to protect DEQ's interest and in such amounts and against such risks as are usually insurable in connection with similar projects and as is usually carried by entities operating similar facilities. The insurance shall be with an entity which is acceptable to DEQ. The Borrower shall provide evidence of such insurance to DEQ. Self-insurance maintained pursuant to a recognized municipal program of self-insurance will satisfy this requirement.

(E) **INDEMNIFICATION.** *The Borrower shall, to the extent permitted by law and the Oregon Constitution, indemnify, save and hold the State, its officers, agents and employees harmless from and (subject to ORS Chapter 180) defend each of them against any and all claims, suits, actions, losses, damages, liabilities, cost and expenses of any nature whatsoever resulting from, arising out of or relating to the acts or omissions of the Borrower or its officers, employees, subcontractors or agents in regard to this Agreement or the Project.*

(F) THE BORROWER'S FINANCIAL RECORDS; FINANCIAL REPORTING REQUIREMENTS.

(1) Financial Records. The Borrower shall keep proper and complete books of record and account and maintain all fiscal records related to this Agreement, the Project, and the Facility in accordance with generally accepted accounting principles, generally accepted government accounting standards, the requirements of the Governmental Accounting Standards Board, and state minimum standards for audits of municipal corporations. The Borrower must maintain separate Project accounts in accordance with generally accepted government accounting standards promulgated by the Governmental Accounting Standards Board. The Borrower will permit DEQ and the Oregon Secretary of State and their representatives to inspect its properties, and all work done, labor performed and materials furnished in and about the Project, and DEQ, the Oregon Secretary of State and the federal government and their duly authorized representatives shall have access to the Borrower's fiscal records and other books,

documents, papers, plans and writings that are pertinent to this Agreement to perform examinations and audits and make excerpts and transcripts and take copies.

(2) Record Retention Period. The Borrower shall retain and keep accessible files and records relating to the Project for at least six (6) years (or such longer period as may be required by applicable law) after Project completion as determined by DEQ and financial files and records until all amounts due under this Loan Agreement are fully repaid, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later.

(3) Accounting for Costs of the Project. Borrower shall provide to DEQ, as soon as possible, but in no event later than six (6) months following the Project Completion Date, a full and complete accounting of the Costs of the Project, including but not limited to documentation to support each cost element and a summary of the Costs of the Project and the sources of funding.

(4) Single Audit Requirements. The CWSRF Program receives capitalization grants through the Catalog of Federal Domestic Assistance (“CFDA”) No. 66.458: Capitalization Grants for State Revolving Funds and is subject to the regulations of the U.S. Environmental Protection Agency (“EPA”). Borrower is a sub-recipient.

(a) Subrecipients expending federal funds in excess of \$1,000,000 in the subrecipient’s fiscal year are subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. The Borrower, if subject to this requirement, shall at its own expense submit to DEQ a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Agreement and shall submit or cause to be submitted to DEQ the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of the Borrower responsible for the financial management of funds received under this Agreement.

(b) Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If the Borrower did not expend \$1,000,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Agreement.

(c) The Borrower shall save, protect and hold harmless DEQ from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Agreement. The Borrower acknowledges and agrees that any audit costs incurred by the Borrower as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between the Borrower and the State of Oregon.

(G) **DBE GOOD FAITH EFFORT.** The Borrower and its prime contractor(s) must comply with the Six Good Faith Efforts provided in 40 C.F.R. § 33.301 (set forth in APPENDIX C) and the recordkeeping requirements provided in 40 C.F.R. § 33.501. Borrower must submit documentation of Borrower and prime contractor(s)’s compliance with 40 C.F.R. §§ 33.301 and 33.501 to DEQ upon request.

Pursuant to 40 CFR part 33, Appendix A, the Borrower agrees to include, in its contract(s) with its prime contractor(s), the following language, which must not be altered in any way:

“The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.”

The Borrower also agrees to include in its contract(s) with its prime contractor(s), and shall cause each contract awarded by its prime contractor(s) to include, all applicable requirements of 40 CFR § 33.302 (the exact language may vary), including:

- (1) A prime contractor must pay its subcontractor(s) no more than 30 days from the prime contractor’s receipt of payment from the Borrower.
- (2) The contractor must employ the Six Good Faith Efforts as described in 40 C.F.R. § 33.301 for soliciting and replacing subcontractors; and provide documentation of these efforts to the Borrower.

(H) CONTRACT LANGUAGE. The Borrower shall include in all contracts (unless exempt) with its prime contractor(s) the language set forth in APPENDIX F. Further, the Borrower agrees to fully comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 regarding debarment and suspension and agrees to include or cause to be included in any contract at any tier the requirement that a contractor comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 if the contract is expected to equal or exceed \$25,000.

(I) PROJECT ASSURANCES. Nothing in this Loan Agreement prohibits the Borrower from requiring more assurances, guarantees, indemnity or other contractual requirements from any party performing Project work.

ARTICLE 6: REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS RELATING TO CONSTRUCTION PROJECTS ONLY

(A) THE BORROWER’S REPRESENTATION AND WARRANTY REGARDING COSTS ALREADY INCURRED.

(1) The Borrower represents and warrants to DEQ that, as of the date of this Loan Agreement, the Costs of the Project actually incurred by the Borrower do not exceed \$512,282.

(2) The Borrower acknowledges that DEQ is relying upon the Borrower's representation regarding the amount of Costs of the Project incurred by the Borrower for construction prior to the date of this Loan Agreement as set forth in ARTICLE 6(A)(1) above to determine what portion of the Loan qualifies as a "refinancing" under the EPA’s

Clean Water State Revolving Fund regulations, 40 C.F.R. Part 35, that may be disbursed on a reimbursement basis.

(B) CONDITION TO DISBURSEMENTS. DEQ's obligation to make disbursements hereunder is further conditioned on the following:

(1) The Borrower's plans, specifications and related documents for the Project shall be reviewed and approved by DEQ, as required by OAR Chapter 340, Division 054.

(2) The Borrower has submitted documentation satisfactory to DEQ that the disbursement is for work that complies with plans, specifications, change orders and addenda approved by DEQ, in accordance with OAR Chapter 340, Division 054.

(3) The Borrower has submitted a copy of the awarded contract and bid documents (including a tabulation of all bids received) to DEQ for the portion of the Project costs that will be funded with the disbursement.

(C) GENERAL PROVISIONS. The Borrower covenants with DEQ that:

(1) Construction Manual. Unless stated otherwise in this Agreement, the Borrower shall comply with the requirements set forth in the Manual as in effect from time to time. DEQ will provide the Borrower with a copy of the Manual upon request.

(2) Plans and Specifications. The Borrower shall obtain DEQ's review and approval of the Borrower's plans, specifications, and related documents for the Project, as required by OAR Chapter 340, Division 054, prior to any disbursement of Loan proceeds hereunder.

(3) Change Orders. The Borrower shall submit all change orders to DEQ. The Borrower must submit prior to its execution any change order that exceeds \$100,000 or will alter Project performance. The Borrower shall not use any Loan proceeds to pay for costs of any change order that DEQ has not approved in writing. This ARTICLE 6(C)(3) shall not prevent the Borrower from using funds other than Loan proceeds to pay for a change order before DEQ approves it, but the Borrower bears the risk that DEQ will not approve the change order.

(4) Inspections; Reports. The Borrower shall provide inspection reports during the construction of the Project as required by DEQ to ensure that the Project complies with approved plans and specifications. Qualified inspectors shall conduct these inspections under the direction of a registered civil, mechanical or electrical engineer, whichever is appropriate. DEQ or its representative(s) may enter property owned or controlled by the Borrower to conduct interim inspections and require progress reports sufficient to determine compliance with approved plans and specifications and with the Loan Agreement, as appropriate.

(5) Asbestos and Other Hazardous Materials. The Borrower shall ensure that only persons trained and qualified for removal of asbestos or other Hazardous Materials will

remove any asbestos or Hazardous Materials, respectively, which may be part of this Project.

(6) Operation and Maintenance Manual. The Borrower shall submit to DEQ a draft Facility operation and maintenance manual before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ a final Facility operation and maintenance manual that meets DEQ's approval before the Project is ninety percent (90%) complete.

(7) Project Performance Certification. The Borrower shall submit to DEQ draft performance standards before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ final performance standards that meet DEQ's approval before the Project is ninety percent (90%) complete. The Borrower shall submit to DEQ the following done in accordance with the Manual: (i) no later than 10.5 months after the first day of Operation (as that term is defined in OAR 340-054-0010(26)) ("Initiation of Operation"), a performance evaluation report based on the approved performance standards; (ii) within one year after the Project's Initiation of Operation, Project performance certification statement; and (iii) within two (2) months of submission of such Project performance certification statement, a corrective action plan for any Project deficiencies noted in said statement.

(8) Alterations After Completion. The Borrower shall not materially alter the design or structural character of the Project after completing the Project without DEQ's written approval.

(9) Project Initiation of Operations.

(a) The Borrower shall notify DEQ of the Initiation of Operation no more than thirty (30) days after the actual Project Completion Date.

(b) If the Project is completed, or is completed except for minor items, and the Project is operable, but DEQ has not received a notice of Initiation of Operation from the Borrower, DEQ may assign an Initiation of Operation date.

(D) PROVISION APPLICABLE TO CONTRACTS AND SUBCONTRACTS AWARDED FOR THE PROJECT

(1) Prevailing Wage Requirements

(a) Borrower shall comply with state prevailing wage law as set forth in ORS 279C.800 through 279C.870, and the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) (collectively, state "PWR"). This includes but is not limited to imposing an obligation that when PWR applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage for workers in each trade or occupation in each locality as determined by the Commissioner of the Bureau of Labor and Industries ("BOLI") under ORS 279C.815.

(b) When the federal Davis-Bacon Act applies to the Project, contractors and subcontractors on the Project must pay the prevailing rate of wage as determined by the United States Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*). The Borrower agrees that it will insert into any contract in excess of \$2,000 for construction, and will cause its subcontractors to insert in any sub-contract in excess of \$2,000 for construction, the Davis-Bacon language set forth in Part 1 of APPENDIX E and Part 2 of APPENDIX E as applicable.

(c) Notwithstanding (a) and (b) above, when both PWR and the federal Davis-Bacon Act apply to the Project, contractors and subcontractors on the Project must pay a rate of wage that meets or exceeds the greater of the rate provided in (a) or (b) above.

(d) When PWR applies, Borrower and its contractors and subcontractors shall not contract with any contractor on BOLI's current List of Contractors Ineligible to Receive Public Works Contracts.

(e) When PWR applies, Borrower shall be responsible for both providing the notice to the BOLI Commissioner required by ORS 279C.835 and the payment of any prevailing wage fee(s) required under ORS 279C.825 and BOLI's rules, including OAR 839-025-0200 to OAR 839-025-0230. For avoidance of any doubt, Borrower contractually agrees to pay applicable prevailing wage fees for the Project rather than DEQ, the public agency providing Financing Proceeds under this Loan Agreement.

(f) Pursuant to ORS 279C.817, Borrower and any contractors or subcontractors may request that the BOLI Commissioner make a determination about whether the Project is a public works on which payment of the prevailing rate of wage is required under ORS 279C.840 (i.e. whether PWR applies).

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

(2) Retainage. The Borrower shall require a five percent (5%) retainage in all of its contracts related to the Project for an amount greater than One Hundred Thousand Dollars (\$100,000).

(E) **AMERICAN IRON AND STEEL**
The Borrower shall:

(1) Comply with all federal requirements applicable to the Loan (including those imposed by the Consolidated Appropriations Act, 2014, P.L. 113-76 ("CAA"), and related CWSRF Policy Guidelines) which the Borrower understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Borrower has requested and obtained a waiver from the EPA pertaining to the Project or

(ii) DEQ has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project.

(2) Comply with all record keeping and reporting requirements under the Clean Water Act, 33 U.S.C. 1251 et seq. (1972) (“Clean Water Act”), including any reports required by a Federal agency or DEQ such as performance indicators of program deliverables, information on costs and Project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity thereof and/or other remedial actions.

(3) Include in all contracts for the Project the language set forth in APPENDIX H. All contracts and subcontracts of Borrower for the Project must have a provision requiring compliance with the American Iron and Steel Requirement. APPENDIX H is an example provided by the EPA of what could be included in all contracts in projects that use CWSRF funds. Neither the EPA nor DEQ makes any claims regarding the legality of this clause with respect to state or local law.

(4) Requirement. All of the iron and steel products used in the Project must be produced in the United States if the Project is for the construction, alteration, maintenance, or repair of a “treatment works” as defined in the federal Water Pollution Control Act, 33 U.S.C. §1381 et seq.

(5) Definition. “Iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(6) Applicability. As to loan agreements fully executed on or after October 1, 2014, the requirement set forth in ARTICLE 6(E)(1) above does not apply if the engineering plans and specifications for the Project were approved by DEQ prior to June 10, 2014.

(7) Waiver. The requirement set forth in ARTICLE 6(E)(1) above does not apply if: (a) application would be inconsistent with the public interest; (2) iron and steel products that are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent. Borrower may apply for a waiver of the requirement set forth in ARTICLE 6(E)(1) above by sending a waiver request directly to EPA with a copy to DEQ or by sending its waiver request to DEQ who will then forward it on to EPA.

ARTICLE 7: DISCLAIMERS BY DEQ; LIMITATION OF DEQ’S LIABILITY

(A) **DISCLAIMER OF ANY WARRANTY.** DEQ EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A

PARTICULAR PURPOSE, REGARDING THE PROJECT, THE QUALITY OF MATERIALS SUPPLIED TO AND THAT BECOME A PART OF THE PROJECT, THE QUALITY OF THE WORKMANSHIP PERFORMED UPON THE PROJECT, OR THE EXTENT AND STAGE OF COMPLETION OF THE PROJECT. No such warranty or guarantee shall be implied by virtue of any inspection or disbursement made by DEQ. Any inspection done by DEQ shall be for its sole benefit.

(B) DISCLAIMER OF LIABILITY OF DEQ. DEQ EXPRESSLY DISCLAIMS LIABILITY OF ANY KIND OR CHARACTER WHATSOEVER FOR PAYMENT OF LABOR OR MATERIALS OR OTHERWISE IN CONNECTION WITH THE COMPLETION OF THE PROJECT OR CONTRACTS ENTERED INTO BY THE BORROWER WITH THIRD PARTIES FOR THE COMPLETION OF THE PROJECT. All Project costs of labor, materials and construction, including any indirect costs, shall be the responsibility of and shall be paid by the Borrower.

(C) NONLIABILITY OF STATE.

(1) The State and its officers, agents and employees shall not be liable to the Borrower or to any other party for any death, injury, damage, or loss that may result to any person or property by or from any cause whatsoever, arising out of any defects in the plans, design drawings and specifications for the Project, any agreements or documents between the Borrower and third parties related to the Project or any activities related to the Project. DEQ shall not be responsible for verifying cost-effectiveness of the Project, doing cost comparisons or reviewing or monitoring compliance by the Borrower or any other party with state procurement laws and regulations.

(2) The Borrower hereby expressly releases and discharges DEQ, its officers, agents and employees from all liabilities, obligations and claims arising out of the Project work or under the Loan, subject only to exceptions previously agreed upon in writing by the parties.

(3) Any findings by DEQ concerning the Project and any inspections or analyses of the Project by DEQ are for determining eligibility for the Loan and disbursement of Loan proceeds only. Such findings do not constitute an endorsement of the feasibility of the Project or its components or an assurance of any kind for any other purpose.

(4) Review and approval of Facilities plans, design drawings and specifications or other documents by or for DEQ does not relieve the Borrower of its responsibility to properly plan, design, build and effectively operate and maintain the Facility as required by law, regulations, permits and good management practices.

ARTICLE 8: DEFAULT AND REMEDIES

(A) EVENTS OF DEFAULT. The occurrence of one or more of the following events constitutes an event of default (“Event of Default”), whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(1) The Borrower fails to make any Loan payment within thirty (30) days after the payment is scheduled to be made according to the repayment schedule;

(2) Any representation or warranty made by the Borrower hereunder was untrue in any material respect as of the date it was made;

(3) The Borrower becomes insolvent or admits in writing an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower or a substantial part of its property; or in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for the Borrower or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium or any dissolution or liquidation proceeding is instituted by or against the Borrower and, if instituted against the Borrower, is consented to or acquiesced in by the Borrower or is not dismissed within twenty (20) days;

(4) As a result of any changes in the United States Constitution or the Oregon Constitution or as a result of any legislative, judicial, or administrative action, any part of this Loan Agreement becomes void, unenforceable or impossible to perform in accordance with the intent and purposes of the parties hereto or is declared unlawful;

(5) The Borrower defaults in the performance or observance of any covenants or agreements contained in any loan documents between itself and any lender or lenders, and the default remains uncured upon the expiration of any cure period provided by said loan documents; or

(6) A “land use decision” (as that term is defined by ORS 197.015), a LUCS (as that term is defined under Oregon Administrative Rules Chapter 340, Division 18) or any other permit or approval of any kind that is necessary for the Borrower to either complete the Project or operate the Project is denied, revoked, rescinded or otherwise terminated at any time during the Repayment Period identified in Article 1(H) (in each case, a “Permit Revocation”); or

(7) The Borrower fails to cure non-compliance in any material respect with any other covenant, condition, or agreement of the Borrower hereunder, other than as set forth in (1) through (6) above within a period of thirty (30) days after DEQ provides notice of the noncompliance.

(B) REMEDIES. If DEQ determines that an Event of Default has occurred, DEQ may, without further notice:

(1) Declare the Outstanding Loan Amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable;

(2) Cease making disbursement of Loan proceeds or make some disbursements of Loan proceeds and withhold or refuse to make other disbursements;

(3) Appoint a receiver, at the Borrower's expense, to operate the Facility that produces the Net Revenues and collect the Gross Revenues;

(4) Set and collect utility rates and charges;

(5) Pay, compromise or settle any liens on the Facility or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at DEQ's discretion, using the Loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this Loan Agreement;

(6) Direct the State Treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under this Loan Agreement and be deposited into the CWSRF; and

(7) Pursue any other legal or equitable remedy it may have.

ARTICLE 9: DEFINITIONS

(A) **“BORROWER”** means the public agency or agencies (as defined in ORS 468.423(4)) shown as the “Borrower” in Article 1(A) of this Agreement.

(B) **“COMPLETION DATE”** means the date on which the Project is completed. If the Project is a planning project, the Completion Date is the date on which DEQ accepts the planning project. If the Project is a design project, the Completion Date is the date on which the design project is ready for the contractor bid process. If the Project is a construction project, the Completion Date is the date on which the construction project is substantially complete and ready for Initiation of Operation.

(C) **“COSTS OF THE PROJECT”** means expenditures approved by DEQ that are necessary to complete the Project in compliance with DEQ’s requirements and may include but are not limited to the following items:

- (1) Cost of labor and materials and all costs the Borrower is required to pay under the terms of any contract for the design, acquisition, construction or installation of the Project;
- (2) Engineering fees for the design and construction of the Project.
- (3) The costs of surety bonds and insurance of all kinds that may be required or necessary during the course of completion of the Project;
- (4) The legal, financing and administrative costs of obtaining the Loan and completing the Project; and
- (5) Any other costs approved in writing by DEQ.

(D) **“CWSRF PROGRAM” or “CWSRF”** means the Clean Water State Revolving Fund and the Clean Water State Revolving Fund Loan Program, a fund and loan program administered by DEQ under ORS 468.423 to 468.440.

(E) **“DEQ”** means the Oregon Department of Environmental Quality.

(F) **“DIRECTOR”** means the Director of DEQ or the Director's authorized representative.

(G) **“FACILITY”** means all property owned or used by the Borrower to provide wastewater collection, treatment and disposal services, of which the Project is a part.

(H) **“FINAL LOAN AMOUNT”** means the total of all Loan proceeds disbursed to the Borrower under the Loan Agreement, determined on the date on which the Borrower indicates that no further Loan funds will be requested, all eligible expenditures have been reimbursed from the Loan proceeds, or all Loan proceeds have been disbursed hereunder, whichever occurs first.

(I) **“GROSS REVENUES”** means all fees and charges resulting from operation of the Facility and any interest earnings thereon; provided however, Gross Revenues does not include: the proceeds of any grants; the proceeds of any borrowings for capital improvements; the proceeds of any liability insurance; or the proceeds of any casualty insurance which the Borrower intends to and does utilize for repair or replacement of the Facility or a part thereof.

(J) **“HAZARDOUS MATERIALS”** means and includes flammable explosives, radioactive materials, asbestos and substances defined as hazardous materials, hazardous substances or hazardous wastes in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), and regulations promulgated thereunder.

(K) **“LOAN”** means the loan made pursuant to this Loan Agreement.

(L) **“LOAN AGREEMENT”** or **“AGREEMENT”** means this loan agreement and its exhibits, appendices, schedules and attachments (which are by this reference incorporated herein), and any amendments thereto.

(M) **“LOAN AMOUNT”** means the maximum amount DEQ agrees to loan the Borrower hereunder.

(N) **“LOAN RESERVE ACCOUNT”** means the account described in ARTICLE 5(c)(2).

(O) **“LOBBYING”** means influencing or attempting to influence a member, officer or employee of a governmental agency or legislature in connection with the awarding of a government contract, the making of a government grant or loan or the entering into of a cooperative agreement with such governmental entity or the extension, continuation, renewal, amendment or modification of any of the above.

(P) **“MANUAL”** means the CWSRF Manual for Construction Projects.

(Q) **“NET REVENUES”** means the Gross Revenues less the Operating Expenses for the Facility.

(R) **“OPERATING EXPENSES”** means all direct and indirect expenses incurred for operation, maintenance and repair of the Facility, including but is not limited to administrative expenses, legal, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from insurance proceeds), taxes, engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Facility. Operating expenses include an appropriate amount for reserves for repair and replacement of the Facility based on the expected life of the collection, treatment and disposal facilities.

(S) **“OUTSTANDING LOAN AMOUNT”** means, as of any date, the sum of all disbursements to the Borrower hereunder less the sum of all Loan principal payments received by DEQ.

(T) “PROJECT” means the facilities, activities or documents described in ARTICLE 1(E) and (F).

(U) “REPAYMENT PERIOD” means the repayment period ending on the date specified in ARTICLE 1(H) which date shall not in any event be later than thirty (30) years after the Completion Date.

(V) “STATE” means the State of Oregon.

ARTICLE 10: MISCELLANEOUS

(A) **NOTICES.** All notices, payments, statements, demands, requests or other communications under this Loan Agreement by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered by personal delivery, by certified mail, return receipt requested, or by facsimile transmission, and, if to the Borrower, delivered, addressed or transmitted to the location or number listed in ARTICLE 1(B), and if to DEQ, delivered, addressed or transmitted to:

Clean Water State Revolving Fund Loan Program
Water Quality Division
Department of Environmental Quality
700 NE Multnomah St., #600
Portland, Oregon 97235
Fax (503) 229-6037

or to such other addresses or numbers as the parties may from time to time designate. Any notice or other communication so addressed and mailed shall be deemed to be given five (5) days after mailing. Any notice or other communication delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against DEQ, such facsimile transmission must be confirmed by telephone notice to DEQ’s CWSRF Program Coordinator. Any notice or other communication by personal delivery shall be deemed to be given when actually delivered.

(B) **WAIVERS AND RESERVATION OF RIGHTS.**

(1) DEQ’s waiver of any breach by the Borrower of any term, covenant or condition of this Loan Agreement shall not operate as a waiver of any subsequent breach of the same or breach of any other term, covenant, or condition of this Loan Agreement. DEQ may pursue any of its remedies hereunder concurrently or consecutively without being deemed to have waived its right to pursue any other remedy.

(2) Nothing in this Loan Agreement affects DEQ's right to take remedial action, including, but not limited to, administrative enforcement action and action for breach of contract against the Borrower, if the Borrower fails to carry out its obligations under this Loan Agreement.

(C) TIME IS OF THE ESSENCE. The Borrower agrees that time is of the essence under this Loan Agreement.

(D) RELATIONSHIP OF PARTIES. The parties agree and acknowledge that their relationship is that of independent contracting parties, and neither party hereto shall be deemed an agent, partner, joint venturer or related entity of the other by reason of this Loan Agreement.

(E) NO THIRD PARTY BENEFICIARIES. DEQ and the Borrower are the only parties to this Loan Agreement and are the only parties entitled to enforce the terms of this Loan Agreement. Nothing in this Loan Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Loan Agreement. Any inspections, audits, reports or other assurances done or obtained, or approvals or consents given, by DEQ are for its benefit only for the purposes of administering this Loan and the CWSRF Program.

(F) ASSIGNMENT. DEQ shall have the right to transfer the Loan or any part thereof, or assign any or all of its rights under this Loan Agreement, at any time after execution of this Loan Agreement upon written notice to the Borrower. Provisions of this Loan Agreement shall inure to the benefit of DEQ's successors and assigns. This Loan Agreement or any interest therein may be assigned or transferred by the Borrower only with DEQ's prior written approval (which consent may be withheld for any reason), and any assignment or transfer by the Borrower in contravention of this ARTICLE 10(F) shall be null and void.

(G) DEQ NOT REQUIRED TO ACT. Nothing contained in this Loan Agreement requires DEQ to incur any expense or to take any action hereunder in regards to the Project.

(H) FURTHER ASSURANCES. The Borrower and DEQ agree to execute and deliver any written instruments necessary to carry out any agreement, term, condition or assurance in this Loan Agreement whenever a party makes a reasonable request to the other party for such instruments.

(I) VALIDITY AND SEVERABILITY; SURVIVAL. If any part, term, or provision of this Loan Agreement or of any other Loan document shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by either party, the validity of the remaining portions, terms and provisions shall not be affected, and all such remaining portions, terms and provisions shall remain in full force and effect. Any provision of this Agreement which by its nature or terms is intended to survive termination, including but not limited to ARTICLE 5(E), shall survive termination of this Agreement.

(J) NO CONSTRUCTION AGAINST DRAFTER. Both parties acknowledge that they are each represented by and have sought the advice of counsel in connection with this Loan Agreement and the transactions contemplated hereby and have read and understand the terms of this Loan Agreement. The terms of this Loan Agreement shall not be construed against either party as the drafter hereof.

(K) HEADINGS. All headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

(L) ATTORNEYS' FEES AND EXPENSES. In any action or suit to enforce any right or remedy under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, to the extent permitted by law.

(M) CHOICE OF LAW; DESIGNATION OF FORUM; FEDERAL FORUM.

(1) The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

(2) Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

(3) Notwithstanding ARTICLE 10(M)(2), if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This ARTICLE 10(M)(3) applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This ARTICLE 10(M)(3) is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

(N) COUNTERPARTS. This Loan Agreement may be executed in any number of counterparts, each of which is deemed to be an original, but all together constitute but one and the same instrument.

(O) ENTIRE AGREEMENT; AMENDMENTS. This Loan Agreement, including all appendices and attachments that are by this reference incorporated herein, constitutes the entire agreement between the Borrower and DEQ on the subject matter hereof, and it shall be binding on the parties thereto when executed by all the parties and when all approvals required to be obtained by DEQ have been obtained. This Loan Agreement, including all related Loan documents and instruments, may not be amended, changed, modified, or altered without the written consent of the parties.

CITY OF ASHLAND

By: _____
Authorized Officer

Date

Typed Name: _____
Title: _____

**STATE OF OREGON ACTING BY AND THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL QUALITY**

By: _____
Jennifer Wigal, Administrator
Water Quality Division

Date

APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM REPAYMENT SCHEDULE

BORROWER:		City of Ashland		INTEREST RATE:		3.10%
SRF LOAN NO.:		RC0064		TERM IN YEARS:		30
LOAN AMOUNT:		\$ 803,075		PAYMENT AMOUNT:		\$ 10,435
				ANNUAL FEE:		0.50%
Due Date	Pmt#	Principal	Interest	Fees	Total	Principal Balance
						401,538
12/1/2028	1	0	17,635	0	17,635	401,538
6/1/2029	2	4,211	6,224	2,008	12,443	397,327
12/1/2029	3	4,276	6,159	0	10,435	393,051
6/1/2030	4	4,343	6,092	1,965	12,400	388,708
12/1/2030	5	4,410	6,025	0	10,435	384,298
6/1/2031	6	4,478	5,957	1,921	12,356	379,820
12/1/2031	7	4,548	5,887	0	10,435	375,272
6/1/2032	8	4,618	5,817	1,876	12,311	370,654
12/1/2032	9	4,690	5,745	0	10,435	365,964
6/1/2033	10	4,763	5,672	1,830	12,265	361,201
12/1/2033	11	4,836	5,599	0	10,435	356,365
6/1/2034	12	4,911	5,524	1,782	12,217	351,454
12/1/2034	13	4,987	5,448	0	10,435	346,467
6/1/2035	14	5,065	5,370	1,732	12,167	341,402
12/1/2035	15	5,143	5,292	0	10,435	336,259
6/1/2036	16	5,223	5,212	1,681	12,116	331,036
12/1/2036	17	5,304	5,131	0	10,435	325,732
6/1/2037	18	5,386	5,049	1,629	12,064	320,346
12/1/2037	19	5,470	4,965	0	10,435	314,876
6/1/2038	20	5,554	4,881	1,574	12,009	309,322
12/1/2038	21	5,641	4,794	0	10,435	303,681
6/1/2039	22	5,728	4,707	1,518	11,953	297,953
12/1/2039	23	5,817	4,618	0	10,435	292,136
6/1/2040	24	5,907	4,528	1,461	11,896	286,229
12/1/2040	25	5,998	4,437	0	10,435	280,231
6/1/2041	26	6,091	4,344	1,401	11,836	274,140
12/1/2041	27	6,186	4,249	0	10,435	267,954
6/1/2042	28	6,282	4,153	1,340	11,775	261,672
12/1/2042	29	6,379	4,056	0	10,435	255,293
6/1/2043	30	6,478	3,957	1,276	11,711	248,815
12/1/2043	31	6,578	3,857	0	10,435	242,237
6/1/2044	32	6,680	3,755	1,211	11,646	235,557
12/1/2044	33	6,784	3,651	0	10,435	228,773
6/1/2045	34	6,889	3,546	1,144	11,579	221,884
12/1/2045	35	6,996	3,439	0	10,435	214,888
6/1/2046	36	7,104	3,331	1,074	11,509	207,784
12/1/2046	37	7,214	3,221	0	10,435	200,570
6/1/2047	38	7,326	3,109	1,003	11,438	193,244
12/1/2047	39	7,440	2,995	0	10,435	185,804
6/1/2048	40	7,555	2,880	929	11,364	178,249
12/1/2048	41	7,672	2,763	0	10,435	170,577
6/1/2049	42	7,791	2,644	853	11,288	162,786
12/1/2049	43	7,912	2,523	0	10,435	154,874
6/1/2050	44	8,034	2,401	774	11,209	146,840
12/1/2050	45	8,159	2,276	0	10,435	138,681
6/1/2051	46	8,285	2,150	693	11,128	130,396
12/1/2051	47	8,414	2,021	0	10,435	121,982
6/1/2052	48	8,544	1,891	610	11,045	113,438
12/1/2052	49	8,677	1,758	0	10,435	104,761
6/1/2053	50	8,811	1,624	524	10,959	95,950
12/1/2053	51	8,948	1,487	0	10,435	87,002
6/1/2054	52	9,086	1,349	435	10,870	77,916
12/1/2054	53	9,227	1,208	0	10,435	68,689
6/1/2055	54	9,370	1,065	343	10,778	59,319
12/1/2055	55	9,516	919	0	10,435	49,803
6/1/2056	56	9,663	772	249	10,684	40,140
12/1/2056	57	9,813	622	0	10,435	30,327
6/1/2057	58	9,965	470	152	10,587	20,362
12/1/2057	59	10,119	316	0	10,435	10,243
6/1/2058	60	10,243	159	51	10,453	0
TOTALS		401,538	231,729	35,039	668,306	
REQUIRED LOAN RESERVE:		\$	10,554			

APPENDIX B: *ESTIMATED* CWSRF LOAN DISBURSEMENT SCHEDULE

Loan funds are expected to be available based on the following Project schedule:

Borrower:		City of Ashland					
Loan #:		RC0064					
Int. Rate:		3.10%					
1st Pmt:		12/1/2028					
Disb.	Paid/	Gross Disb.	Principal Forg.	Net Amount	Disb.	Total #	Interest
Number	Estimate	Amount	Applied	Disbursed	Date	of Days	Amount
1	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	10/1/2026	792	2,697.84
2	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	12/1/2026	731	2,489.81
3	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	2/1/2027	669	2,278.37
4	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	4/1/2027	610	2,077.16
5	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	6/1/2027	549	1,869.13
6	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	8/1/2027	488	1,661.10
7	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	10/1/2027	427	1,453.08
8	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	12/1/2027	366	1,245.05
9	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	2/1/2028	304	1,033.90
10	Estimate	\$ 80,308	\$ 40,154	\$ 40,154	4/1/2028	244	829.84
TOTAL:		\$ 803,075	\$ 401,538	\$ 401,538			17,635.30

APPENDIX C: DBE GOOD FAITH EFFORTS

At a minimum the Borrower or its prime contractor must make good faith efforts whenever procuring construction, equipment, services and supplies by complying with the six steps outlined in 40 CFR Section 33.301. The six steps are:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
 - (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
 - (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
 - (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
 - (e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.
 - (f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.
- The Borrower shall, and shall cause its contractors to, document compliance with the above requirements on forms found at Tab 6 of the Manual for Construction Projects.

Additional resources available to recipients and contractors include the following:

EPA Office of Small and Disadvantaged Business Utilization:

Phone: 206 – 553 – 2931

Web Site: <https://www.epa.gov/aboutepa/about-office-small-and-disadvantaged-business-utilization-osdbu>

Oregon Office of Minority, Women and Emerging Small Business

350 Winter Street N.E., Room 300

Salem, OR 97301-3878

Phone: 503 – 947 – 7922

Web Site: <https://www.oregon.gov/biz/programs/cobid/mbe-wbe/pages/default.aspx>

APPENDIX D: APPLICABLE FEDERAL AUTHORITIES AND LAWS (“CROSS-CUTTERS”)

ENVIRONMENTAL LEGISLATION:

Archaeological and Historic Preservation Act of 1974, PL 93-291.
Clean Air Act, 42 U.S.C. 7506(c).
Coastal Barrier Resources Act, 16 U.S.C. 3501, et seq.
Coastal Zone Management Act of 1972, PL 92-583, as amended.
Endangered Species Act 16 U.S.C. 1531, et seq.
Executive Order 11593, Protection and Enhancement of the Cultural Environment.
Executive Order 11988, Floodplain Management.
Executive Order 11990, Protection of Wetlands.
Farmland Protection Policy Act, 7 U.S.C. 4201, et seq.
Fish and Wildlife Coordination Act, PL 85-624, as amended.
National Historic Preservation Act of 1966, PL 89-665, as amended.
Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended.
Wild and Scenic Rivers Act, PL 90-542, as amended.
Federal Water Pollution Control Act Amendments of 1972, PL 92-500.
Migratory Bird Conservation Act, 16 U.S.C. 715, et seq.
Magnuson-Stevens Act – Essential Fish Habitat, 16 U.S.C. 1851, et seq.

ECONOMIC LEGISLATION:

Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended.
Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including
Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution
Control Act with Respect to Federal Contracts, Grants or Loans.

SOCIAL LEGISLATION:

The Age Discrimination Act of 1975, Pub. L. No. 94-135, 89 Stat. 713, 42 U.S.C. §6102 (1994).
Civil Rights Act of 1964, Pub. L. No. 88-352, 78 Stat. 252, 42 U.S.C. §2000d (1988).
Section 13 of PL 92-500; Prohibition against Sex Discrimination under the Federal Water Pollution
Control Act.
Rehabilitation Act of 1973, Pub. L. No. 93-1123, 87 Stat. 355, 29 U.S.C. §794 (1988), including
Executive Orders 11914 and 11250).

MISCELLANEOUS AUTHORITY:

Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 92-646.
Executive Order 12549 and 40 CFR Part 32, Debarment and Suspension.
Disclosure of Lobbying Activities, Section 1352, Title 31, U.S. Code.

APPENDIX E: DAVIS-BACON PROVISION

Part 1

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the

subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <https://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained

under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work

actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any

lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Part 2
Contract Provision for Contracts in Excess of \$100,000.

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient upon the request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve

them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Oregon Department of Environmental Quality and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/whd/local/>.

APPENDIX F

EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this contract the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will comply with all applicable requirements of the Civil Rights Act of 1964, as amended, including without limitation all applicable provisions and requirements of Title VI and Title VII. The contractor will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin and that the contractor's employment actions do not have a disproportionate, adverse effect on a protected group in violation of Title VII. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, such notices as may be required by the Equal Employment Opportunity Commission setting forth the rights of employees and/or applicants.
- (2) The contractor will ensure in its hiring that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin and may include a statement to that effect in the solicitations or advertisements for employees placed by or on behalf of the contractor.
- (3) The contractor will comply with all applicable provisions of the Civil Rights Act of 1964, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor, United States Department of Justice, and the Equal Employment Opportunity Commission, to the extent applicable.
- (4) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part, and such other sanctions may be imposed and remedies invoked by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

**APPENDIX G: CERTIFICATION REGARDING LOBBYING
(Contracts in Excess of \$100,000.00)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed _____

Title _____

Date _____

Recipient _____

APPENDIX H: AMERICAN IRON AND STEEL (“AIS”) REQUIREMENT

The Contractor acknowledges to and for the benefit of City of Ashland (“Purchaser”) and the State of Oregon, acting by and through the Department of Environmental Quality Clean Water State Revolving Fund (the “State”) that it understands the goods and services under this Agreement are being funded with monies made available by the Clean Water State Revolving Fund that have statutory requirements commonly known as “American Iron and Steel;” that requires all of the iron and steel products used in the project to be produced in the United States (“American Iron and Steel Requirement”) including iron and steel products provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Purchaser and the State that (a) the Contractor has reviewed and understands the American Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the American Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the American Iron and Steel Requirement, as may be requested by the Purchaser or the State. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Purchaser or State to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney’s fees) incurred by the Purchaser or State resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the State or any damages owed to the State by the Purchaser). While the Contractor has no direct contractual privity with the State, as a lender to the Purchaser for the funding of its project, the Purchaser and the Contractor agree that the State is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the State.

Ashland City Council Look Ahead 2026

*All items are placeholders subject to Council action and organizational needs. Not all items will appear on the Look Ahead due to timing or scheduling considerations.

DATE	STUDY SESSION – TOPIC/AGENDA ITEMS	BACKGROUND	Requested Council action	DEPARTMENT	LEAD STAFF
August 31	No Meeting – Summer Break	Per AMC 2.04.020			
September 14	Ambulance Service Area Discussion	Per Council Request December 2025 Retreat	information presented with possible staff direction	Fire/CMO/Finance	
	Reserve and Capital Fund Discussion		information presented with possible staff direction	Finance/CMO	
September 16	Strategic Plan Engagement and Result Overview 1–5 pm				
October 5	CBC/Council meeting mid BN Budget review/ forecasting Budget Direction and Priorities for BN 27–29: Revenue/ Funds	Council requested in July of 2025 Per Council Request December 2025 Retreat	information presented with possible staff direction	Finance/CMO	
October 19	Budget Retreat				
November 2	Gas Powered Lawn Equipment	Per CEPAC request	informational presented with possible staff direction	Conservation	Woodward
	CWPP Update	Per Council request 8/4/2026	informational presentation regarding implementation	Wildfire	Rasor
November 16					
November 30					
December 14	Standing Advisory Committee Annual Updates Audit Presentation			Finance	
	TOPICS TO BE SCHEDULED				

DATE	BUSINESS MEETING – TOPIC/AGENDA ITEMS	BACKGROUND	Requested Council Action	DEPARTMENT	LEAD STAFF
September 1	No Meeting – Summer Break	Per AMC 2.04.020			
September 15	Exec. Session Real Estate – tentative				
	ORD AMC 2.04 Hearing and First Reading 9–15			Legal	Pietila/Zahran
	Second Reading of Ordinance 3307: AN ORDINANCE RELATING TO SUPPORTING HOUSING PRODUCTION THROUGH STREAMLINED REVIEW OF RESIDENTIAL DEVELOPMENT APPLICATIONS IMPLEMENTING SENATE BILL 974 (2025), HOUSE BILL 2138 (2025), AND HOUSE BILL 4037 (2026); AMENDING AMC 18.2.2.030, AMC 18.2.5.090, AMC 18.3.4.040, AMC 18.3.5.050, AMC 18.3.5.100, AMC 18.3.9.040, AMC 18.5.1.010, AMC 18.5.1.050, AMC 18.5.5.030, AND AMC 18.6.1.030; AND ADDING AMC 18.2.5.100	State Legislation required amendments to Land Use Process	Approval of Second reading	CD	Severson
	Civic Center Assessment/ versus hybrid/ versus retain all bldgs.	Direction given at 5/4 study session		PW	Scott Fleury

	Public Hearing and First Reading of Ordinance 3309: AN ORDINANCE AMENDING AMC 18.5.3.060 RELATING TO VARIANCES FOR FLAG DRIVE AND DRIVEWAY GRADES SERVING LEGAL LOTS OF RECORD CREATED PRIOR TO THE ADOPTION OF THE HILLSIDE DEVELOPMENT STANDARDS	Council and Planning Commission initiated – Relates to LUBA remand on Driveway grade variance	Approval of first reading	CD	Severson
October 6	Indigenous Peoples' Day Proclamation Building Permit Fee Changes (Misc Fees) adoption Adoption of Strategic Plan (tentative)		Adoption of plan	CMO	Cotta/Rooklyn
October 20	Second Reading of Ordinance 3309: AN ORDINANCE AMENDING AMC 18.5.3.060 RELATING TO VARIANCES FOR FLAG DRIVE AND DRIVEWAY GRADES SERVING LEGAL LOTS OF RECORD CREATED PRIOR TO THE ADOPTION OF THE HILLSIDE DEVELOPMENT STANDARDS		Approval of Second reading	CD	Goldman/Severson
November 3	Joint APRC/Council Meeting (Council host) Quarterly Financial Report (July – Sept 2026)	Council requested joint financial reporting meetings			
November 17					
December 1					
December 15	Advisory Committee Reappointments				



Council Business Meeting

Date: August 18, 2026

Agenda Item	Proposed Ordinance: Utility bill fees
Department	City Manager's Office
From	Sabrina Cotta

TIME ESTIMATE

10 minutes

CATEGORY

Staff Direction - provide direction to staff on the body's desired next steps.

SUMMARY

Council gave direction on July 21st to bring back a draft ordinance for review and discussion regarding whether council wants to create a specific protocol that will be used in the future to create new fees or increase existing fees beyond graduated increases based on inflation for fees billed through our utility billing service. Throughout this document, "fee increases" mean fee increases larger than the inflation index increases already authorized by the City Council.

POLICIES, PLANS & GOALS SUPPORTED

BACKGROUND AND ADDITIONAL INFORMATION

Summary of items in the proposed ordinance:

Council will devote a study session to the topic of a new fee or an increase in an existing fee. In addition to being properly noticed, this study session will be advertised on the City's website, social media platforms, and newsletter(s) ahead of the study session. The study session will include an analysis of the problem the City is considering addressing, identify what can be done to address the problem with different fee levels, and share the consequences of not making a fee-based change. The public will be given the opportunity to speak at this study session.

Should the City Council direct staff to move forward with the process of developing a new fee or increasing an existing one, the City will undertake the following process:

- Within one month of the study session, the City will develop and post online materials, including a resident survey, regarding the possibility of the new fee or fee increase including, but not limited to, the elements discussed at the study session. These materials will be shared through the City's website, social media platforms, newsletters, and a media release announcing the date and time of an upcoming public hearing at a council business meeting.
- Council will hold a public hearing that is advertised through the same channels identified for the initial study session. Information about the proposed new fee or fee increase will be shared as before. All who come to speak will be provided the opportunity to do so and Council will also take online feedback directly to the council group email address and through an online survey. The public hearing will be scheduled so that there are at least four weeks between the date information was posted on the website and the hearing.
- Council will decide about the new fee or fee increase at a business meeting scheduled no sooner than two weeks after the public hearing. The survey must be open for at least four weeks in total





Council Business Meeting

and all survey data must be provided to the council through the council packet ahead of the business meeting. Per council rules, community members can speak to the agenda item during that meeting.

FISCAL IMPACTS

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

Provide staff direction to bring the ordinance forward for first reading.

REFERENCES & ATTACHMENTS

1. Utility Bill Process Ordinance Draft



ORDINANCE NO. XXXX

AN ORDINANCE CREATING ASHLAND MUNICIPAL CODE CHAPTER 4.10: PROCESS FOR THE CREATION OF NEW OR INCREASED FEES ON UTILITY BILLS

Annotated to show deletions and additions to the Ashland Municipal Code sections being modified. Deletions are ~~bold-lined through~~, and additions are **bold underlined**.

WHEREAS, the City on occasion desires to create new fees or increase existing fees which are attached to, and billed through, the utility billing service.

WHEREAS, the City desires an established process for these particular fees which promotes community involvement and transparency.

THE PEOPLE OF THE CITY OF ASHLAND DO ORDAIN AS FOLLOWS:

SECTION 1. If a new or increased fee, unrelated to the operations of the utility, is to be attached to, and billed through, the utility billing service, Council will place the topic of the new or increased fee on a Study Session.

SECTION 2. The study session shall analyze factors such as: the problem the City is attempting to address, what different fee levels are available to address the problem, and the consequences of failure to make a fee-based change. Public comment on the agenda item shall be heard in the normal course.

SECTION 3. Should the Council direct staff to move forward with the process of developing a new fee or increasing an existing fee under this section, staff shall undertake the following process:

- a. Within 60 days of the direction, the City will develop and make public relevant materials such as, but not limited to: a description of the fee and the problem it addresses, the elements discussed at the study session, opportunity to comment, or a resident survey. These materials may be shared through the City's website, social media platforms, newsletters, and media releases announcing the date and time of the upcoming public hearing.
- b. Council will hold a public hearing in the normal course. Public comment both at public hearing, and through written submitted comments, shall be taken in the normal course. Survey results or online comments will be available at the public hearing. This public hearing will be scheduled no less than four weeks after the information in section a above is made public.
- c. Council will make a decision about the new or increased fee at a regular business meeting no sooner than two weeks following the public hearing. Any resident surveys must be open for a minimum of four total weeks, and survey data should be provided to the Council prior to the business meeting.

SECTION 4. This process does not apply to renewal of a fee following a sunset clause.

SECTION 5. This process does not apply to increase that are required to maintain compliance with State or Federal Law.

SECTION 6. This process does not apply to increases adjusting for inflation which do not exceed the CPI-West

SECTION 7. Severability. Each section of this ordinance, and any part thereof, is severable, and if any part of this ordinance is held invalid by a court of competent jurisdiction, the remainder of this ordinance shall remain in full force and effect.

SECTION 8. Codification. Provisions of this Ordinance shall be incorporated in the City Code and the word “ordinance” may be changed to “code”, “article”, “section”, “chapter” or another word, and the sections of this Ordinance may be renumbered, or re-lettered, provided however that any Whereas clauses and boilerplate provisions (i.e. Sections 3-5) need not be codified and the City Recorder is authorized to correct any cross-references and any typographical errors.

The foregoing ordinance was first read by title only in accordance with Article X, Section 2(C) of the City Charter on the _____ day of _____, 2026, and duly PASSED and ADOPTED this _____ day of _____, 2026.

PASSED by the City Council this _____ day of _____, 2026.

ATTEST:

Alissa Kolodzinski, City Recorder

SIGNED and APPROVED this _____ day of _____, 2026.

Tonya Graham, Mayor

Reviewed as to form:

Johan Pietila, City Attorney



Council Business Meeting

Date: August 18, 2026

Agenda Item	Removal of sunset date for the Parks Fee
Department	City Manager's Office
From	Sabrina Cotta

TIME ESTIMATE

15 minutes

CATEGORY

Action Needed - Motion to approve an action

SUMMARY

On August 12, 2026, in a joint meeting with Ashland Park and Recreation Commission the removal of the sunset date and continuation of the Parks fee was proposed by Park Commission. In preparation for the budget process, staff is requesting Council direction regarding this matter.

POLICIES, PLANS & GOALS SUPPORTED

- Quality of Life that underpins the City's economic vibrancy

- Excellence in governance and city services
- Sustainability through creativity
- Current City Strategic Plan information
- FINANCIAL CONSIDERATIONS

BACKGROUND AND ADDITIONAL INFORMATION

See attached agenda brief from the August 12, 2026, joint meeting.

FISCAL IMPACTS

The Parks Fee provides approximately \$750,000 in revenue per year.

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move to direct staff to return with a resolution removing the sunset date of the Parks fee.

REFERENCES & ATTACHMENTS

1. Resolution No. 2025-13
2. IV. Parks Fee



RESOLUTION NO. 2025-13

A RESOLUTION SETTING A CITY OF ASHLAND PARKS AND RECREATION FEE.

RECITALS:

- A. The Parks and Recreation was created in 1908 with an elected park commission and recreation commission.
- B. Lithia Park was opened in 1916 as the keystone property for the city of Ashland.
- C. The Parks and Recreation Department is a core community asset that supports the livability and economic growth of the city.
- D. The community utilizes the parks and recreation department's programs, services, and parklands to recreate, socialize, learn, and develop a sense of community.
- E. Funds generated through this assessment will exclusively fund parks and recreation in the General Fund and will ensure programs and services are available to the benefit of the citizens of Ashland.
- F. In order to maintain and preserve these services, the City wishes to impose the following fees.

THE CITY OF ASHLAND HEREBY RESOLVES AS FOLLOWS:

SECTION 1. A Parks Fee of \$5.00 shall be charged each month to each City of Ashland utility customer with an active electric meter to fund the Parks and Recreation Department in the General Fund. The fee shall take effect on July 1, 2025 and continue until June 30, 2027, after which it will automatically expire unless renewed by the City Council.

SECTION 2. To account for inflation an annual adjustment will be applied on July 1st of each fiscal year. The adjustment shall be based on the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), West Region, for the most recent 12-month period available, not to exceed 5% annually. The Finance Department shall provide public notice of the proposed adjustment at least 30 days before it takes effect, along with a brief explanation of the CPI calculation. An annual increase above 5% requires separate approval by the City Council via a duly noticed public meeting.

SECTION 3. Clarification of Fee Nature and Enforcement.

- (a) The Parks Fee is hereby designated as a utility service charge and not a tax, special assessment, or systems development charge.
- (b) The obligation to pay this fee arises solely from the use of and connection to City electric utility services and is the responsibility of the utility customer of record. This fee

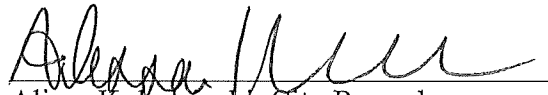
shall not be imposed upon property or property owners as a direct consequence of ownership.

(c) Nonpayment of this fee shall not result in a lien on real property and shall not be enforced through foreclosure, unless the customer of record on the utility bill is also the owner of the property.

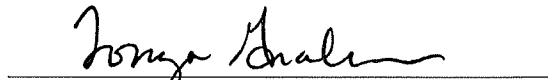
(d) Nothing in this Resolution shall be construed to authorize the imposition of any charge subject to the limitations of Article XI, Sections 11 or 11b of the Oregon Constitution.

SECTION 4. This resolution is effective July 1, 2025.

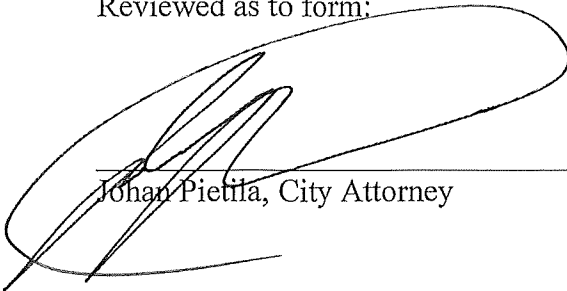
This resolution was duly PASSED and ADOPTED this 20 day of may, 2025 and takes effect July 1, 2025 upon signing by the Mayor.


Alissa Kolodzinski, City Recorder

SIGNED and APPROVED this 20 day of may, 2025.


Tonya Graham, Mayor

Reviewed as to form:


Johan Pietila, City Attorney

**JOINT MEETING WITH CITY COUNCIL****AGENDA BRIEF****August 12, 2026**

Agenda Item	IV. Parks Fee	
Presenter	Sabrina Cotta Rachel Dials	City Manager Interim Parks Director
Item Type	Action ☐ Information ☒	

SUMMARY

An overview of the impact of the Parks Fee.

POLICIES, PLANS & GOALS SUPPORTED

- Quality of Life that underpins the City's economic vibrancy
- Excellence in governance and city services
- Sustainability through creativity
- Current City Strategic Plan information
- FINANCIAL CONSIDERATIONS

BACKGROUND AND ADDITIONAL INFORMATION

Resolution 2025-13 created a Parks and Recreation fee of \$5 per month per household, which is charged through resident's utility bills. The fee produces approximately \$750,000 per year, or roughly 10% of the Parks Department's budget. The fee automatically sunsets on June 30, 2027, unless renewed by the City Council. Staff estimate that an additional \$400,000-\$500,000 in ongoing annual expenses will need to be cut from the Parks Department in BN27-29.

The \$5.00 fee has preserved operations of Parks, Recreation, and Senior Services while the Department has also implemented cost savings efforts within this current biennium budget. Some examples of this were presented at the June 3, 2026, Joint meeting and include staff reorganization, shared project manager position with Public Works, adjusting park restroom hours, reducing irrigation in parks and contracting concessions for the Golf Course.

During the current strategic plan engagement with over 2284 responses which equate to about 11% of Ashland's population, Parks, Trails and Recreation was the most positively mentioned service area from the survey and in-person engagement. Residents consistently point to these as strengths worth continuing:

- Lithia Park and City parks maintenance (the most praised City service)
- Community events (4th of July, Halloween, First Fridays, Lithia Park concerts)

Other major engagement received included:

- Maintain existing parks and facilities
- Keep parks safe, welcoming, and accessible
- Expand trails and recreation opportunities
- Create more activities and gathering places for families and youth
- Preserve Ashland's distinctive character

Other Southern Oregon cities facing similar funding concerns have implemented park fees. Below is a list of current park fees, when they were implemented, and how many acres those agencies maintain and manage:

City	Year fee was established	Current Fee	Amount of Acreage	Notes
Ashland	2025	\$5.15	800 + acres	+ 52 miles of trails
Medford	2005	\$8.31	800 + acres	Additional 1740 acres with Prescott Park
Talent	2004	\$8.43	18-20 acres	
Phoenix	2019	\$5.97	30 acres	
Central Point	2015	\$1.85	75-80 acres	

The \$5.00 fee was increased to \$5.15 with the CPI in July of this year

If this fee is not renewed, Parks and Recreation would focus on what we are legally mandated to do. Things like maintenance of current parks, wildfire maintenance, tree, and trail maintenance. The other parts of the budget, whole programs that contribute to

the vibrancy of the Ashland community such as community recreation, senior services, golf, and nature center operations could be at risk.

FISCAL IMPACTS

The Parks Fee provides approximately \$750,000 in revenue per year.

SUGGESTED ACTIONS AND /OR OPTIONS

Request City Council to repeal and replace the resolution by Oct 6th, 2026.

REFERENCES AND ATTACHMENTS

Resolution 2025-13

PowerPoint 8-3-26 Council Update on City Strategic Plan

PREPARED BY: Rachel Dials, Interim Director



Council Business Meeting

Date: August 18, 2026

Agenda Item	Affordable Childcare Ad Hoc Committee Funding Proposal
Department	City Manager's Office
From	

TIME ESTIMATE

15 minutes

CATEGORY

Action Needed - Motion to approve an action

SUMMARY

Created in the summer of 2023, the Ad Hoc Committee on Affordable Childcare and Early Learning has been committed to the mission of creating a network of early learning care options within our community, supportive of Ashland working families, the Ashland economy, and most importantly our children. Over the last four years the City of Ashland has dedicated both time and fiscal resources to this vital work to great effect. Over this time the ad hoc committee has:

1. Researched and compiled an Ashland specific program census.
2. Worked with early learning and childcare programs to build a stronger network of supportive care opportunities for Ashland's working families.
3. Developed educational content in the form of published articles and podcast interviews to help educate communities on this vital work.
4. Worked alongside providers to ensure awareness of local and state level grant opportunities, specifically Business Oregon's Child Care Infrastructure Fund grant program.
5. Supported our Planning Commission in their work to make zoning more inclusive of in-home programs and encourage new, larger scale development to include care opportunities.
6. Administered grants awarded under the city's Early Childcare Affordability Grant Program in the amount of \$235,000 in each of the past two biennium's (2023-2025 and 2025-2027).
7. Together with our partners, worked to increase access in early learning and childcare, specifically preschool seats.

However, in the ever-changing landscape of early learning and care programs, we continue to need additional services for families of toddlers and infants and must continue to support the existing preschool seats to ensure long-term success. The work continues. The Ad Hoc Committee understands the ever-evolving, dynamic needs of our community, the demands of our city's General Fund, and the legal framework that governs this work. Subsequently, the committee recommends a new path to move this work forward, allow for investment from outside of the city government and continue the vision begun by the Council in 2023 for the long-term. Specifically, the Ad Hoc Committee on Affordable Childcare and Early Learning recommends:

1. Sunsetting the Ad Hoc Committee on Affordable Childcare and Early Learning at the end of the 26/27 fiscal year, upon completion of all currently awarded grant reporting.
 - a. The committee will continue to meet until this time and ensure the granted funds are administered in accordance with the grant narrative and associated rules.
2. Use the remaining \$30,000 to create a named fund with the Ashland Community Health Foundation.
 - b. This transition will allow for greater philanthropic work to commence and establish a path for continued support of early learning and care initiatives long-term, without solely relying on CoA investment.

This work is vital to strong, healthy, and vibrant communities. Early learning and care needs are many and transitioning this work away from a municipal ad hoc structure in favor of building on our foundation, facilitating





Council Business Meeting

new growth, and perpetuating this vital work long-term under the stewardship and care of the Ashland Community Health Foundation ensures the work continues.

POLICIES, PLANS & GOALS SUPPORTED

Community:

- Community affordability, including available housing and childcare
- Belonging through mutual respect and openness, inclusion and equity
- Quality of life that underpins the City's economic vibrancy

Organization:

- Respect for the citizens we serve, for each other, and for the work we do
- Excellence in governance and city services
- Sustainability through creativity, affordability, and rightsized service delivery

BACKGROUND AND ADDITIONAL INFORMATION

At the August 1, 2023 Business Meeting of the Ashland City Council, Council approved the Early Childhood Affordability Grant Pilot Program. At the Business Meeting on June 20, 2023, Council confirmed the Mayor's appointment of six members to the Ad Hoc Committee, which also included Councilor Hyatt as committee chair and Councilor Bloom as Council liaison to the committee, an Ashland School District member, and a potential City Manager's Office assigned participant. On May 16, 2023, the Council voted to establish an Ad Hoc Committee on Affordable Childcare and Early Learning to create a tangible network of early learning care options within the Ashland community.

The 2023-2025 BN Budget included funding appropriations of \$240,000. Council approved the 2023-2025 BN Budget at the June 6, 2023, Business Meeting.

The 2025-2027 BN Budget includes funding appropriations of \$235,000. Council approved the 2025-2027 BN Budget at the June 2025 Business Meeting.

In the 2026 Fiscal Year \$135,000 in Early Childhood Affordability Grants were awarded in support of infrastructure investment to expand care, need based scholarships to help address affordability, and investment in key labor resources. In July of the 2027 Fiscal Year, \$70,000 in Early Childhood Affordability Grants were awarded to local partners in support of increased staffing related to expanding toddler care and improving quality of care, infrastructure investment to increase site capacity and need based scholarships to help address affordability.

At this time the 2025-2027 BN Budget has a remaining \$30,000 in budgeted and allocated funds for the purpose of supporting early learning and care in our community. This recommendation addresses these funds and next steps for the ad hoc committee.

FISCAL IMPACTS

Total fiscal impact amounts to \$30,000. These funds are currently budgeted and allocated within the 2025-2027 biennium budget for the purpose of supporting early learning and childcare access & affordability within our community.

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move to approve the recommendation of the Ad Hoc Committee on Affordable Childcare and Early Learning and direct staff to work with the Ashland Community Health Foundation to establish a named fund, supportive of our collective early learning and care goals, in the amount of \$30,000.





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REFERENCES & ATTACHMENTS

1. ACHF Recommendation_07012026





TO: Ashland City Council
FROM: Ad Hoc Committee on Affordable Childcare and Early Learning
DATE: June 30, 2026
SUBJECT: Recommendation for Moving Beyond the Ad Hoc Committee

The Ashland City Council created this ad hoc committee in June 2023, and we have been meeting almost every month since then. Among other activities, we have administered grants awarded under the city's Early Childcare Affordability Grant Program in the amount of \$235,000 in each of the past two biennium (2023-2025 and 2025-2027). It is now time to transition this work away from a municipal ad hoc structure in favor of building on our foundation, facilitating new growth, and perpetuating this vital work long-term.

Members of the committee have been considering strategies for continuing to support childcare and early learning beyond the ad hoc committee's existence. We have found a way of building on the city's nearly half million-dollar investment while honoring the vision that led to creation of the committee and the affordability grant program. Having met with staff of the Ashland Community Health Foundation, we have found them eager to embrace early learning as a vital element of family and community health. Working with ACHF, the City can create a "named fund" within the foundation that will be specifically designed to receive donations that are designated to support both early learning/childcare providers and parents through grants to programs, thereby fulfilling the same purposes of the City's Early Childcare Affordability Grant Program.

Therefore, as the City of Ashland strategically plans its ongoing support of early learning access and affordable childcare solutions, the Ad Hoc Committee on Affordable Childcare and Early Learning recommends partnering with the Ashland Community Health Foundation. This partnership will facilitate continued focus on this vital community need and open new pathways for future funding. To establish this relationship, we recommend that the Ashland City Council grant \$30,000 to the ACHF to establish a named fund that will support childcare and early learning. We believe this will create the following benefits to the Ashland community:

1. Engage an established and highly regarded partner capable of continuing the mission for the long term
2. Support both infrastructure projects that increase access as well as scholarships and staffing support to facilitate affordability and quality of care
3. Strengthen the financial stability of low-income families
4. Enhance children's kindergarten readiness and enrollment in our community's schools
5. Foster economic development by attracting new workers to our community and retaining current workers.

Additionally, and crucial to the continued mission, being a named fund within the ACHF allows fundraising opportunities that are outside of our current capabilities. An ACHF partnership will help leverage additional philanthropic support from individuals, local businesses, and foundations, thus enabling this initiative to continue building on past investments into the future.

Simultaneously, the City of Ashland can continue its policy support of early learning access and affordable childcare by engaging the Housing and Human Services Advisory Committee in conjunction with the City of Ashland's Social Services Grants. If Council sets policy direction that allows the ACHF to apply for social services grant funds, then Council can continue to fund this work on a year-by-year basis. Such a step would also ensure that current Council direction does not bind future Council bodies.

In summary, the core purpose of the proposed named fund within the Ashland Community Health Foundation is to address childcare affordability, improve families' access to early learning programs, and support the wellbeing of Ashland families with children under the age of five. This goal fits exceptionally well with ACHF's mission of partnering with local organizations to "enhance the health of our community by advancing innovative and equitable approaches to health and wellness." Early learning unequivocally supports the health of the child and by extension their caregivers. Uniting the City of Ashland's early learning initiatives with ACHF's commitment to health and wellbeing amplifies our ability to work together in support of families and takes this work to the next level, potentially for many years into the future.

In conclusion, the Ad Hoc Committee on Affordable Childcare and Early Learning unanimously recommends that the Ashland City Council create a named fund with the Ashland Community Health Foundation by granting ACHF the amount of 30,000 to initiate its grantmaking process.

For questions or additional information, please contact committee chair John Love.



Council Business Meeting

Date: August 18, 2026

Agenda Item	LOC Member Vote
Department	City Manager's Office
From	Sabrina Cotta

TIME ESTIMATE

5 minutes

CATEGORY

Staff Direction - provide direction to staff on the body's desired next steps.

SUMMARY

The League of Oregon Cities (LOC) has asked each city to review recommendations from the seven LOC policy committees and provide input on their city's top 5 issues to the LOC Board of Directors, which will formally adopt the LOC's legislative agenda. The deadline to vote is September 25th.

POLICIES, PLANS & GOALS SUPPORTED

Excellence in governance and City services

BACKGROUND AND ADDITIONAL INFORMATION

Each even-numbered year, the LOC appoints members to serve on seven policy committees, which are the foundation of the League's policy development process. Composed of city officials, these committees analyze policy and technical issues and recommend positions and strategies for the upcoming two-year legislative cycle. This year, seven committees identified 27 legislative policy priorities to advance to the full membership and LOC Board of Directors. It's important to understand that the issues that ultimately do not rise to the top based on member ranking are not diminished with respect to their value to the policy committee or the LOC's advocacy. These issues will still be key components of the LOC's overall legislative portfolio for the next two years. After gathering input from the executive leadership team, the City Manager respectfully submits the following five priorities, in no particular order, for consideration as the City of Ashland's top five legislative priorities:

FUNDING AND COORDINATION FOR SHELTER AND HOMELESS RESPONSE

RECOMMENDATION: The LOC opposes cuts to the state shelter system funding and supports continued state investments in a comprehensive homeless response system to fund eviction prevention, shelter, and rehousing. These investments should include: • Strengthening our coordinated regional homeless response; • Funding a range of shelter types in cities across the state, including alternative shelter models, safe parking programs; and • Funding eviction prevention, rapid rehousing, outreach, case management, staffing and administrative support, and other related services. **Background:** The LOC recognizes that to end homelessness, a cross-sector coordinated approach to delivering services, housing, and programs is needed. Cities are not social service providers and largely do not have the additional revenue sources to fund new services outside their core services, amid ongoing budget cuts. Despite historic legislative investments in recent years, communities continue to struggle to support and rehouse Oregonians experiencing homelessness. In 2025, the Legislature passed HB 3644, which created the Statewide Shelter Program, a comprehensive funding program for state-supported local shelters based in regional coordination. In addition to the statutory framework, the Legislature passed a funding package of \$204 million to support sheltering efforts in the 2025-2027 biennium, with \$102 million as the new baseline level of funding for all bienniums through 2034. In a tight budget environment, the Legislature's ability and interest in continuing these investments is unclear. As Oregon continues to face increasing rates of unsheltered homelessness, the LOC is committed to strengthening a regionally based, state-supported homeless response system to ensure all Oregonians can equitably access stable housing and maintain secure, thriving communities. Regional coordination is key to the system's success, and the state, cities, and counties must be part of the solution together.





Council Business Meeting

LAND AVAILABILITY AND LAND USE STREAMLINING

RECOMMENDATION: The LOC supports updates and streamlining statutes to better support good land use planning and land availability for all needs. This includes: • Refining land use statutes to provide more clarity and legal certainty for cities; • Clarifying wetland statutes and inventories to allow efficient and orderly urbanization of land within urban growth boundaries (UGBs); • Streamlining UGB expansion and swap processes for residential, commercial, and 9 industrial land; • Improving urban reserves process and land prioritization; and • Funding for technical assistance for code audits and updates to comply with new state statutes. Background: Oregon's land use system has undergone substantial change over the past decade, without revisions to the underlying structure. Years of layering legislation with different requirements and new interpretations of existing law have increased regulatory complexity that cities must navigate to be compliant within Oregon's land use system. Complying with state land use laws has become expensive, time-consuming and confusing, and prevents cities from having sufficient land for all needs (housing, industrial, and commercial). This has created challenges for ensuring that communities have sufficient supplies of land for all types of development, impacting other the housing and economic development priorities of the state.

EMERGENCY COMMUNICATION SYSTEM RESOURCES

RECOMMENDATION: The LOC will support legislation enhancing the effectiveness of the state's emergency communications system through an increase in the 9-1-1 tax. Inflationary factors have lessened the impact of the emergency communications tax. State estimates indicate that this revenue covered 40% of dispatch center costs, but that 13 figure is inaccurate, with some communities receiving as little as 20-25%. Background: Oregon's 9-1-1 tax was increased to \$1.00 per line or prepaid transaction effective January 1, 2020, and further increased to \$1.25 effective January 1, 2021. Before this change from 2019's HB 2449, the rate had been 75 cents since 1995. The new tax increase on 9-1-1 expires January 1, 2030. Most cities will not receive this state shared revenue directly, as the city share is directed to the public safety answering point (PSAP) provider connected to the statewide network, and most of these are managed by counties or a regional entity, rather than a city. The PSAPs are only partially funded through the state's Emergency Communications Tax, with the balance of operating costs coming primarily from property taxes. Local governments receive approximately 60% of 9-1-1 taxes, but the taxes generally covered less than 25% of the costs of total PSAP operations before the recent rate increases. Ratios of individual PSAP costs to taxes received vary. The local government share of the state tax is distributed 1% to each county, with the remainder distributed per capita.

2027 TRANSPORTATION PACKAGE

RECOMMENDATION: The LOC supports a robust transportation package that supports Oregon's multi-jurisdictional, multi-modal, and safety-oriented transportation system. Recognizing that Oregonians don't always know who owns what route they rely on, any revenue should support our shared transportation system. The LOC believes this is most effective through a statewide revenue source rather than more administratively burdensome and inequitable local revenue methods that are unable to ensure that all users pay their fair share (including through user fees). Cities and locally owned transportation systems rely on a strong state partner to meet our shared goals of a system that moves people from "point a to point b" safely and effectively. In addition, the conditions of state and county routes impact cities by both directing additional traffic on city streets and affecting how residents get to where they need to go safely. This requires system expansion to be secondary to restoring funds in grant programs and transit services, protecting existing programs, and an overall focus on operation and maintenance. 15 Background: After a failed package in 2025, efforts are underway on a 2027 package to address the known need for state, county, and city infrastructure. The State Highway Fund (SHF) is the primary revenue source for the state's transportation infrastructure, and comes from various sources, including gas and diesel tax, weight mile tax, vehicle registration fees, vehicle title fees, and driver's license fees. These funds are distributed using a 50-30-20 formula, with 50% going to the state, 30% to counties, and 20% to cities. Continued investment in transportation infrastructure is critical for public safety objectives such as the Safe Routes to Schools and the Great Streets programs. In addition to those grant programs, local communities rely on the Statewide Transportation Improvement Fund and Oregon Community Paths resources. These programs are essential in cities to support efficient, convenient, safe, cost-effective transportation systems that are open to all members of our communities.

INFRASTRUCTURE FUNDING

RECOMMENDATION: The LOC will advocate for increased and sustained investments in drinking water,





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wastewater, stormwater, and water reuse infrastructure needed to support housing production, economic development, public health, and environmental protection. This includes: expanding flexible, low-cost financing tools that reduce ratepayer burden; supporting infrastructure capacity needed for housing and economic development; investing in aquifer storage and recovery projects; protecting system development charge authority; and sustaining infrastructure financing programs, including the Special Public Works Fund, which help communities address critical infrastructure needs. The LOC will advocate for policies that recognize the increasing costs associated with regulatory compliance, environmental protection, and workforce needs. Background: Water infrastructure (drinking water, wastewater, stormwater, and reuse) is essential to supporting housing production, economic development, public health, and environmental protection in communities across Oregon. Cities own and operate drinking water, wastewater, stormwater, and water reuse systems that require ongoing investment to maintain reliability, comply with state and federal regulations, and serve existing and future residents. The 2024 LOC Infrastructure Survey identified approximately \$6.4 billion in water infrastructure needs statewide. Cities continue to face increasing costs associated with aging infrastructure, regulatory compliance, environmental requirements, workforce challenges, and inflationary factors. Without adequate infrastructure capacity, communities may struggle to accommodate needed housing development and economic growth. State investments should support direct infrastructure projects and proven financing programs that help communities plan, construct, and upgrade critical facilities. State programs like the Special Public Works Fund play an important role in helping communities address critical infrastructure needs.

The Mayor submits the following five priorities in no particular order:

FUNDING AND COORDINATION FOR SHELTER AND HOMELESS RESPONSE (see description above)

LAND AVAILABILITY AND LAND USE STREAMLINING (see description above)

EMERGENCY COMMUNICATION SYSTEM RESOURCES (see description above)

FULL FUNDING AND STREAMLINING FOR HOUSING PRODUCTION

RECOMMENDATION: The LOC will seek opportunities to address structural barriers to production of different housing options at the regional and state level. This includes:

Streamlining state agency programs, directives, funding metrics, and grant timelines that impact development; Accurate tracking of units produced on the ground, rather than units unlocked;

Aligning state programs with local capital improvement and budget timelines; and

Increasing connections between affordable housing resources at Oregon Housing and Community Services (OHCS) with the land use directives in the Oregon Housing Needs Analysis (OHNA) and Climate Friendly and Equitable Communities (CFEC) programs at the Oregon Department of Land Conservation and Development (DLCD).

Additionally, the LOC will advocate maintaining and increasing state investments to support the development and preservation of a range of needed housing types and affordability, including:

Publicly supported affordable housing and related services;

Affordable homeownership;

Permanent supportive housing;

Affordable modular and manufactured housing;

Middle housing types; and

Moderate-income workforce housing development

Background: Recent legislation and executive orders have made significant changes to the state's land use planning process, including new housing production directives for cities and counties. And yet, housing production levels remain below our state's current needs. The state should prioritize implementation, funding, and coordination of existing programs in the 2027-2028 legislative sessions before considering any new policies, including direct funding for housing production to address the underlying economic challenges that prevent production.

SUPPORT EXPEDITED LOCAL RENEWABLE ENERGY GENERATION

RECOMMENDATION: The LOC will continue to support traditional large renewable energy development and transmission projects while mitigating impacts on local control. To support Oregon clean/renewable energy targets and increased capacity, the LOC also supports local initiatives to develop alternative/renewable energy sources that fit the needs of each city.





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Background: Recent studies of projected Pacific Northwest energy load growth in the next five years show a projected shortfall of 3GW (3,000,000kw) by 2030. That shortfall compounds by 2035. Viability of Oregon cities depends upon increased reliable energy generation.

FISCAL IMPACTS

N/A

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move to adopt the five recommended legislative priorities and direct the City Manager to submit these priorities to the League of Oregon Cities.

REFERENCES & ATTACHMENTS

1. LOC ITEM 2024
2. 2026_Legislative_Voter_Guide_FINAL





Council Business Meeting

Date: August 20, 2024

Agenda Item	LOC Member Vote Review and Decision
From	Sabrina Cotta
Contact	sabrina.cotta@ashland.or.us

SUMMARY

The League of Oregon Cities (LOC) has asked each City to review recommendations from the seven LOC policy committees and provide input on their city's top 5 issues to the LOC Board of Directors, which will formally adopt the LOC's 2025-202 legislative agenda. The deadline for the City of Ashland's vote is September 27, 2024. The City of Ashland's proposed top 5 issues are:

- Behavioral Health Enhancements
- Cybersecurity & Privacy
- Building Decarbonization, Efficiency, and Modernization
- Infrastructure Funding
- Full Funding Alignment for Housing Production

POLICIES, PLANS & GOALS SUPPORTED

Excellence in governance and City services

BACKGROUND AND ADDITIONAL INFORMATION

Excellence in governance and City services

BACKGROUND AND ADDITIONAL INFORMATION

Each even-numbered year, the LOC appoints members to serve on seven policy committees, which are the foundation of the League's policy development process. Composed of city officials, these committees analyze policy and technical issues and recommend positions and strategies for the upcoming two-year legislative cycle. This year, seven committees identified 23 legislative policy priorities to advance to the full membership and LOC Board of Directors. It's important to understand that the issues that ultimately do not rise to the top based on member ranking are not diminished with respect to their value to the policy committee or the LOC's advocacy. These issues will still be key components of the LOC's overall legislative portfolio for the next two years. The Interim City Manager respectfully submits the following five priorities for consideration as the City of Ashland's top five legislative priorities:

1. Behavioral Health Enhancements

RECOMMENDATION: *The LOC will introduce and support legislation to expand access to behavioral health treatment beds and allow courts greater ability to direct persons unable to care for themselves into treatment through the civil commitment process.*

Background: While Oregon has historically ranked at or near the bottom nationally for access to behavioral healthcare, the state has made significant investments over the past four years. It will take time for investments in workforce development and substance abuse treatment to be realized, and areas for improvement remain. The standard for civilly committing a person into treatment remains very high in Oregon, and as a result, individuals who present a danger to themselves or others remain untreated, often producing tragic results. Additionally, the number of treatment beds for residential care does not meet demand, with services unavailable in multiple areas of the state.

1. Cybersecurity & Privacy

RECOMMENDATION: The LOC will support legislation that addresses privacy, data protection, information security, and cybersecurity resources for all that use existing and emerging technology like artificial intelligence





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(AI) and synthetic intelligence (SI), including, but not limited to: funding for local and state government cyber and information security initiatives; interagency and government coordination and cooperative arrangements for communities that lack capacity; statewide resources for cyber and AI professionals and workforce development; vendor and third-party vendor accountability; regulations of data privacy; or standards for software/hardware developers to meet that will make their products more secure while ensuring continued economic growth. The LOC will oppose any unfunded cybersecurity and/or AI mandates and support funding opportunities to meet any unfunded insurance requirements.

Background: Society's continued reliance on technology will only increase with the emergence of artificial intelligence (AI) and synthetic intelligence (SI). This will mean an increased risk for cybercrimes. Cybersecurity encompasses everything that pertains to protecting our sensitive and privileged data, protected health information, personal information, intellectual property, data, and governmental and industry information systems from theft and damage attempted by criminals and adversaries.

Cybersecurity risk is increasing, not only because of global connectivity but also because of the reliance on cloud services to store sensitive data and personal information. As AI and SI technology and adoption accelerate, the ability to guard against cyber threats and threats created through AI will increase. Strengthening coordination between the public and private sectors at all levels is essential for decreasing risks and quickly responding to emerging threats. This ensures resilience is considered to reduce the damage caused by cyber threats.

1. Building Decarbonation, Efficiency and Modernization

RECOMMENDATION: The LOC will support legislation to protect against any rollback and preemptions to allow local governments to reduce greenhouse gas emissions from new and existing buildings while ensuring reliability and affordability. In addition, the LOC will lead and back efforts that support local governments, including statewide capacity, expertise, and resources to allow local governments to pursue state and federal funding and continue to support off-ramps for local governments unable to meet the state's new building performance standards.

Background: Homes and commercial buildings consume nearly one-half of all the energy used in Oregon, according to the Oregon Department of Energy. Existing buildings can be retrofitted and modernized to become more resilient and efficient, while new buildings can be built with energy efficiency and energy capacity in mind. Oregon cities, especially small to mid-sized and rural communities, require technical assistance and financial support to meet the state's goals. Without additional support, some communities will be unable to meet the state's building performance standards. Off-ramps are necessary to protect cities unable to meet the state's goals to ensure they are not burdened by mandates they can't meet.

Some initiatives may include local exceptions for building energy codes and performance standards, statewide home energy scoring, or financial incentives from the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), state incentives, and other financial incentives like CPACE (Commercial property-assessed clean energy).

For cities to meet their climate resilience and carbon reduction goals while maintaining home rule authority, their flexibility must be preserved to allow for a successful transition from fossil fuels. State pre-emptions should not prohibit cities from exceeding state goals and achieving standards that align with their values.

1. Infrastructure Funding

RECOMMENDATION: The LOC will support legislation to protect against any rollback and preemptions to allow local governments to reduce greenhouse gas emissions from new and existing buildings while ensuring reliability and affordability. In addition, the LOC will lead and back efforts that support local governments, including statewide capacity, expertise, and resources to allow local governments to pursue state and federal funding and continue to support off-ramps for local governments unable to meet the state's new building performance standards.

Background: Homes and commercial buildings consume nearly one-half of all the energy used in Oregon, according to the Oregon Department of Energy. Existing buildings can be retrofitted and modernized to become more resilient and efficient, while new buildings can be built with energy efficiency and energy capacity in mind. Oregon cities, especially small to mid-sized and rural communities, require technical assistance and financial support to meet the state's goals. Without additional support, some communities will be unable to meet the state's building performance standards. Off-ramps are necessary to protect cities unable to meet the state's goals



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to ensure they are not burdened by mandates they can't meet.

Some initiatives may include local exceptions for building energy codes and performance standards, statewide home energy scoring, or financial incentives from the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), state incentives, and other financial incentives like CPACE (Commercial property-assessed clean energy).

For cities to meet their climate resilience and carbon reduction goals while maintaining home rule authority, their flexibility must be preserved to allow for a successful transition from fossil fuels. State pre-emptions should not prohibit cities from exceeding state goals and achieving standards that align with their values.

1. Full Funding and Alignment for Housing Production

RECOMMENDATION: The LOC will advocate to maintain and increase state investments to support the development and preservation of a range of needed housing types and affordability, including: publicly supported affordable housing and related services; affordable homeownership; permanent supportive housing; affordable modular and manufactured housing; middle housing types; and moderate-income workforce housing development. In addition, the LOC will seek opportunities to address structural barriers to production of different housing options at the regional and state level. This includes: streamlining state agency programs, directives, funding metrics, and grant timelines that impact development; aligning state programs with local capital improvement and budget timelines; and increasing connections between affordable housing resources at Oregon Housing and Community Services (OHCS) with the land use directives in the Oregon Housing Needs Analysis (OHNA) and Climate Friendly and Equitable Communities (CFEC) programs at the Department of Land Conservation and Development (DLCD).

Background: Recent legislation and executive orders have made significant changes to the state's land use planning process, including new housing production directives for cities and counties. These updates have resulted in extensive, continuous, and sometimes conflicting efforts that are not supported by adequate state funding. Cities do not have the staff capacity or resources needed to implement existing requirements. Additional state support is needed to assist local implementation, including technical assistance and education for local staff and decision makers, and workforce development. The state should prioritize implementation and coordination of existing programs in the 2025-2026 legislative sessions before considering any new policies.

FISCAL IMPACTS

None

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

I move to adopt the five recommended legislative priorities and direct the Interim City Manager to submit these priorities to the League of Oregon Cities.

REFERENCES & ATTACHMENTS

1. 2024_Legislative_Voter_Guide_FINAL





League of Oregon Cities

2026 Member Voter Guide
2027-28 LOC Legislative Priorities

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2026 Member Voter Guide

Background: The LOC [policy committees](#) are the foundation of the League's policy development process. Each even-numbered year, the LOC appoints city officials to serve on these committees. They receive informational briefings, analyze policy and technical issues, and ultimately recommend positions and strategies for the upcoming two-year legislative cycle. We want to acknowledge officials that dedicated their time and expertise to develop the priorities – *[thank you](#)* for supporting the LOC in crafting a strong agenda to support our legislative work.

This year, seven committees identified 27 legislative policy priorities to advance to the full membership and LOC Board of Directors. It's important to understand that the issues that do not rise to the top based on member ranking are not diminished with respect to their value to the policy committee or the LOC's advocacy. These issues will still be key components of the LOC's legislative portfolio for the next two years.

Ballot/Voting Process: Each city is asked to review the recommendations from the each of the policy committees and provide input to the LOC Board of Directors, which will formally adopt the LOC's 2027-28 legislative agenda. While each city may have a different process when evaluating the issues, it's important for cities to engage with their mayor and entire council to ensure the issues are evaluated and become a shared set of priorities. During its October meeting, the LOC Board will formally adopt a set of priorities based on the ranking process through the survey and their evaluation.

Each city is permitted **one** ballot submission. **Once your city has reviewed the proposed legislative priorities, please complete the electronic ballot to indicate the top five (5) issues that your city would like the LOC to focus on during the 2027-28 legislative cycle.** The lead administrative staff member (city manager, city recorder, etc.) will be provided with a link to the electronic ballot. If your city did not receive a ballot link or needs an alternative way to vote, please reach out to Meghyn Fahndrich at mfahndrich@orcities.org and Nicole Stingh at nstingh@orcities.org.

Important Deadline: The deadline for submitting your city's vote is **5 p.m. on Friday, September 25, 2026.**

Broadband, Cybersecurity, Artificial Intelligence (AI), and Telecommunications Committee

LOC Contact: Greg Miller, gmliller@orcities.org

PROMOTE THE EQUITABLE DEVELOPMENT OF SUSTAINABLE TELECOM INFRASTRUCTURE

RECOMMENDATION: The LOC recognizes and has prioritized broadband access, and telecom infrastructure more broadly, as an “essential service” and will advocate for affordable, safe, reliable, high-speed infrastructure development and access in every city. This includes but is not limited to: supporting expansion of service options for municipalities; increasing rural cellular infrastructure; and maintaining open access to networks that provide choice to community members.

Background: Advancements in telecommunications technology have ushered in unprecedented investments in infrastructure development aimed at providing broadband access and other communication modalities to all. Deploying infrastructure in Oregon must be done equitably across the state’s diverse landscape and focus on addressing current coverage gaps as well as statewide infrastructure that serves all.

MAINTAIN LOCAL CONTROL OF A SAFE, MODERN RIGHT OF WAY

RECOMMENDATION: The LOC will oppose any legislation seeking to preempt local control of municipal rights-of-way (ROW). The LOC will also support legislation aimed at codifying home rule management of the local ROW and the revenue derived from use of the ROW, while encouraging ROW users to timely upgrade and replace their infrastructure lost to natural disaster.

Background: Home rule authority and local ROW management allow local governments to safely manage ROW issues that arise after work is complete, and when the ROW work-related permit may no longer be in effect. It ensures that utilities installing facilities in the ROW have financial protections like insurance in place, which help protect the public using the ROW and other entities whose infrastructure may be damaged during utility work. It ensures that local taxpayers will not have to pay costs associated with utilities’ use of the ROW. It also ensures accountability through a variety of enforcement mechanisms.

SUPPORT EQUITABLE ACCESS TO TECHNOLOGY

RECOMMENDATION: The LOC will support policies such as the Oregon Lifeline Program to ensure digital inclusion. The LOC will also continue to monitor implementation of the

U.S. Department of Justice’s website accessibility rule implementation and support municipal resource opportunities for accessibility. Finally, the LOC will support funding for programs that increase digital skills, equity, and adoption.

Background: All individuals regardless of physical, financial, or any other barrier have a right to access advancements in telecom technology.

SUPPORT RESPONSIBLE MUNICIPAL USE OF TECHNOLOGY

RECOMMENDATION: The LOC will support legislation that acknowledges forward-thinking regulations, taking into account the rapid evolution of telecom systems. The LOC may also support agency policy options that include municipal telecom resilience and concepts such as municipal AI assessments, and an “AI Sandbox” to further understanding of AI risks and other technological advancements in a controlled environment. In this work, the LOC will work to prevent unfunded mandates.

Background: Advancements in technology, including but not limited to AI, have demonstrated operational efficiencies, yet those come with risks if not implemented correctly and used safely. The LOC is cautiously optimistic about the use of AI and other tools that increase service and operational efficiency, but recognizes that some regulation may be necessary to define appropriate municipal uses and foster an atmosphere of responsibility and data safety.

SUPPORT MUNICIPAL CYBERSECURITY PROFICIENCY

RECOMMENDATION: The LOC opposes unfunded mandates and will advocate for technical support and funding to give all cities access to innovative technology, enhanced state programs, cybersecurity notification resources and assistance protecting critical infrastructure and data during cyber-attacks.

Background: Cybercriminals target municipalities as vulnerable systems holding valuable personal data and financial records. Historical underfunding of cybersecurity, antiquated system architecture, and lack of cybersecurity training contribute to the increasing trend in municipal cyberattacks. Cyberattacks can impact services with dire consequences for residents. Hackers typically look for the easiest entry path, and local governments often lack the resources to respond.

General Government Committee

LOC Contact: Charlie Conrad, cconrad@orcities.org

ADMINISTRATIVE PROCEDURES ACT REFORM

RECOMMENDATION: The LOC will advocate for the comprehensive modernization of the Oregon Administrative Procedures Act (APA) to restore regulatory transparency, strict alignment with legislative intent, and meaningful public accountability across all state agencies. This advocacy should include:

- Standardizing the rulemaking process across all state agencies to eliminate regulatory fragmentation;
- Strengthening public and expert participation in all rulemaking and workgroup processes;
- Establishing independent oversight and auditing of fiscal impact statements;
- Limiting and restricting the use of emergency rulemaking to actual crises; and
- Reforming judicial deference standards to ensure state agencies remain answerable to elected leaders and voters.

Background: Established in 1971, the Oregon APA is the legal framework that dictates how state agencies create regulations. However, the system has not seen a major update in decades, resulting in an unpredictable regulatory environment. Because there is no single standard for all agencies, different departments often pass conflicting rules that make compliance incredibly difficult for organizations on the ground. Furthermore, many key agencies report to independent boards rather than the governor, which creates an accountability vacuum. Recent state court decisions have compounded the issue by granting agencies broad leeway, ruling that their regulations do not strictly have to align with the original legislative intent.

This regulatory breakdown directly impacts local governments. When uncoordinated state agencies issue overlapping or conflicting rules, cities are left trapped in the middle—forced to navigate a maze of contradictory mandates that drain municipal staff time and stretch city budgets. Furthermore, because recent court rulings have stripped away traditional checks on administrative reach, cities have lost the ability to challenge flawed, 'one-size-fits-all' state regulations that ignore local realities. This loss of local control and financial stability necessitates reform. Protecting municipal home rule, ensuring local voices are actually heard during the rulemaking process, and restoring a sense of predictability and fairness to how state policies are implemented on the ground is necessary.

PUBLIC MEETINGS LAW CLARITY

RECOMMENDATION: The LOC will advocate for a comprehensive statutory reset of the Oregon Public Meetings Law to restore operational functionality and practicality for local governments while protecting public transparency. This priority includes the following provisions:

- Establishing an Intentionality Requirement: Limit serial meeting violations strictly to actions taken "knowingly and intentionally" to protect volunteer elected officials from penalties for good-faith, inadvertent errors.
- Streamlining Complaint Enforcement: Authorize the Oregon Government Ethics Commission (OGE) to immediately dismiss incomplete, trivial, or bad-faith complaints.
- Holding the Right Entity Accountable: Shift personal liability for purely administrative errors—such as delayed meeting notices—away from individual elected officials and onto the public body as an institution.
- Expanding the "Cure" Process: Provide flexible, accessible avenues for local governments to address and correct procedural complaints, including decision rescission or public acknowledgement with a corrective action plan.
- Right-Sizing Training Requirements: Reform mandatory compliance training to occur once per elected term rather than annually, while allowing incoming officials to complete the requirement prior to being sworn in.

Background: Oregon's Public Meetings Law prohibits local elected officials from deliberating in private, a rule that includes a ban on "serial meetings," where separate, smaller discussions are held over time that may add up to a quorum. Recent Oregon Government Ethics Commission (OGE) rules and training on this topic have created widespread confusion, leaving public officials deeply uncertain about how they can communicate with each other, their residents, or the media. A diverse work group of local leaders and legislators spent months negotiating a bipartisan fix during the 2026 legislative session, but Governor Kotek ultimately vetoed the bill, calling for stakeholders to return to the drawing board for the 2027 session. Today, the interpretation of this law remains highly contentious, and ongoing discrepancies create massive structural ambiguities and political tensions, making it incredibly difficult for local leaders to effectively govern.

To make the public meetings law workable, several practical fixes are urgently needed to save taxpayer resources and provide clarity to local officials. The current system: forces volunteer leaders to face personal liability for minor staff mistakes like late meeting notices; offers no clear way for cities to self-correct simple procedural errors; and requires repetitive annual training. To keep local governments functioning, the state

must shield individual officials from administrative liability, allow the OGEC's staff to quickly dismiss trivial or bad-faith complaints, create a clear path for cities to self-correct honest mistakes, and right-size compliance training to once per elected term.

Housing, Land Use, and Community Development Committee

LOC Contact: Alexandra Ring, aring@orcities.org

FUNDING AND COORDINATION FOR SHELTER AND HOMELESS RESPONSE

RECOMMENDATION: The LOC opposes cuts to the state shelter system funding and supports continued state investments in a comprehensive homeless response system to fund eviction prevention, shelter, and rehousing. These investments should include:

- Strengthening our coordinated regional homeless response;
- Funding a range of shelter types in cities across the state, including alternative shelter models, safe parking programs; and
- Funding eviction prevention, rapid rehousing, outreach, case management, staffing and administrative support, and other related services.

Background: The LOC recognizes that to end homelessness, a cross-sector coordinated approach to delivering services, housing, and programs is needed. Cities are not social service providers and largely do not have the additional revenue sources to fund new services outside their core services, amid ongoing budget cuts. Despite historic legislative investments in recent years, communities continue to struggle to support and rehouse Oregonians experiencing homelessness. In 2025, the Legislature passed HB 3644, which created the Statewide Shelter Program, a comprehensive funding program for state supported local shelters based in regional coordination. In addition to the statutory framework, the Legislature passed a funding package of \$204 million to support sheltering efforts in the 2025-2027 biennium, with \$102 million as the new baseline level of funding for all biennium through 2034. In a tight budget environment, the Legislature's ability and interest in continuing these investments is unclear.

As Oregon continues to face increasing rates of unsheltered homelessness, the LOC is committed to strengthening a regionally based, state-supported homeless response system to ensure all Oregonians can equitably access stable housing and maintain secure, thriving communities. Regional coordination is key to the system's success, and the state, cities, and counties must be part of the solution together.

FULL FUNDING AND STREAMLINING FOR HOUSING PRODUCTION

RECOMMENDATION: The LOC will seek opportunities to address structural barriers to

production of different housing options at the regional and state level. This includes:

- Streamlining state agency programs, directives, funding metrics, and grant timelines that impact development;
- Accurate tracking of units produced on the ground, rather than units unlocked;
- Aligning state programs with local capital improvement and budget timelines; and
- Increasing connections between affordable housing resources at Oregon Housing and Community Services (OHCS) with the land use directives in the Oregon Housing Needs Analysis (OHNA) and Climate Friendly and Equitable Communities (CFEC) programs at the Oregon Department of Land Conservation and Development (DLCD).

Additionally, the LOC will advocate maintaining and increasing state investments to support the development and preservation of a range of needed housing types and affordability, including:

- Publicly supported affordable housing and related services;
- Affordable homeownership;
- Permanent supportive housing;
- Affordable modular and manufactured housing;
- Middle housing types; and
- Moderate-income workforce housing development.

Background: Recent legislation and executive orders have made significant changes to the state's land use planning process, including new housing production directives for cities and counties. And yet, housing production levels remain below our state's current needs. The state should prioritize implementation, funding, and coordination of existing programs in the 2027-2028 legislative sessions before considering any new policies, including direct funding for housing production to address the underlying economic challenges that prevent production.

LAND AVAILABILITY AND LAND USE STREAMLINING

RECOMMENDATION: The LOC supports updates and streamlining statutes to better support good land use planning and land availability for all needs. This includes:

- Refining land use statutes to provide more clarity and legal certainty for cities;
- Clarifying wetland statutes and inventories to allow efficient and orderly urbanization of land within urban growth boundaries (UGBs);
- Streamlining UGB expansion and swap processes for residential, commercial, and

industrial land;

- Improving urban reserves process and land prioritization; and
- Funding for technical assistance for code audits and updates to comply with new state statutes.

Background: Oregon's land use system has undergone substantial change over the past decade, without revisions to the underlying structure. Years of layering legislation with different requirements and new interpretations of existing law have increased regulatory complexity that cities must navigate to be compliant within Oregon's land use system. Complying with state land use laws has become expensive, time-consuming and confusing, and prevents cities from having sufficient land for all needs (housing, industrial, and commercial). This has created challenges for ensuring that communities have sufficient supplies of land for all types of development, impacting other the housing and economic development priorities of the state.

Energy and Environment Committee

LOC Contact: Greg Miller, gmliller@orcities.org

INVEST IN COMMUNITY ENERGY RESILIENCE/DISASTER PLANNING

RECOMMENDATION: The LOC will engage in efforts to provide planning resources, technical assistance and funding to cities preparing to withstand, maintain and recover their energy needs in the event of a disaster. This includes resources for energy efficiency and/or local energy generation like biomass, solar, hydro, biogas, and generators. It also includes virtual power plants, microgrids, energy storage, and other solutions that help cities and their communities increase energy resilience.

Background: Frequency and severity of natural disasters and growing regional energy shortages have demonstrated the potential to cripple Oregon communities during an emergency. Intentional disaster planning and community energy resource development can be costly, but will contribute to Oregon cities' resilience and ongoing viability during floods, seismic events, drought, wildfires, and energy brown/blackouts.

SUPPORT EXPEDITED LOCAL RENEWABLE ENERGY GENERATION

RECOMMENDATION: The LOC will continue to support traditional large renewable energy development and transmission projects while mitigating impacts on local control. To support Oregon clean/renewable energy targets and increased capacity, the LOC also supports local initiatives to develop alternative/renewable energy sources that fit the needs of each city.

Background: Recent studies of projected Pacific Northwest energy load growth in the next five years show a projected shortfall of 3GW (3,000,000kw) by 2030. That shortfall compounds by 2035. Viability of Oregon cities depends upon increased reliable energy generation.

SUPPORT INCREASED ENERGY TRANSMISSION CAPACITY

RECOMMENDATION: The LOC will explore and support initiatives that increase renewable energy transmission while mitigating impacts on local control.

Background: Large scale renewable energy is largely produced east of the Cascade divide. Maximizing current transmission and developing new capacity to make renewable energy available to all regions is an important factor in achieving equitable community energy resilience while meeting Oregon decarbonization and climate goals.

MAINTAIN AFFORDABLE ENERGY WHILE SUPPORTING GRID HARDENING AND MODERNIZATION

RECOMMENDATION: The LOC will support initiatives that balance necessary grid modernization against manageable rate increases for cities and residents.

Background: Growing and modernizing Oregon's aging electric grid is necessary. However, upgrades and increased capacity are challenging. Utilities are not insulated from recent inflation and face unprecedented increases in equipment and infrastructure costs. Customers are also seeing increased rates due to rising utility infrastructure costs and spending on wildfire mitigation.

RESOURCE PROGRAMS FOR ENERGY EFFICIENCY PLANNING AND PROJECT DEVELOPMENT

RECOMMENDATION: The LOC will support legislation that further supports Community Renewable Energy Programs, Green Bank Concepts, Home Energy Rebates, Solar and Storage Rebates, Electrification Incentives.

Background: Oregon's 241 incorporated cities are at the forefront of delivering on Oregon's climate and energy goals: building decarbonization, energy efficiency and renewable energy generation. These mandates, while important, fall largely upon local governments that are perpetually constrained financially. Continued legislative allocations to support climate/energy programs and local governments will be paramount to continue taking the incremental steps necessary to achieve the state's 2030 greenhouse gas reduction targets and 2040 emissions elimination goals.

SUPPORT ADMINISTRATIVE CAPACITY

RECOMMENDATION: The LOC will support state budgets that increase targeted agency capacity needed to adequately and efficiently provide technical assistance, permitting and resources to municipalities related to state and federal energy and climate goals. This includes fully funded and staffed local programs dedicated to implementation of state climate and decarbonization initiatives, especially those related to guidance derived from federal agencies.

Background: Looming large in the Pacific Northwest are concerns about federal energy policies and utility capabilities to meet Oregon's clean energy targets. Additional capacity at the state level will support communities that are navigating changing guidance and requirements.

Finance, Taxation, and Economic Development Committee

LOC Contact: Colette Tipper, ctipper@orcities.org

TARGETED PREVAILING WAGE CHANGES

RECOMMENDATION: The LOC will advocate for targeted changes to prevailing wage requirements that: recognize urgent needs for Oregon communities; consider the impact of inflation; and maintain the original intent of Oregon's prevailing wage law. This includes supporting reoccurring legislation to exempt publicly financed facilities aimed at addressing the housing crisis (affordable housing, shelters, day centers) and the lack of childcare, as well as efforts to address mounting infrastructure needs impacting housing and economic development. The LOC will support additional clarity around split determination issues that are impacting growth, ensuring cities can proactively prepare for growth without impacting future, private developments.

Background: Prevailing wage rates are minimum hourly rates a contractor must pay its employees under public works contracts; and while there are federal and state prevailing wage rates, the recommendation above impacts state prevailing wage laws. The wage rates vary by occupation and region, with the rates being set by the Oregon Bureau of Labor & Industries (BOLI). Oregon law requires prevailing wages to be paid on a project if it hits one of two specific triggers: the public agency trigger or the public funding trigger:

1. Public Agency Trigger - If a project meets the definition of a "public works" under ORS 2798C.800(6)(a) and the total cost of the project is \$50,000 or more. Examples of qualifying projects include roads, buildings, and improvements – whether it's new construction, renovation, painting, demolition, or the removal of hazardous waste. The \$50,000 threshold was set in 2005. If adjusted for inflation, the threshold would be roughly \$86,000.
2. Public Funding Trigger - A project might be private, but it uses \$750,000 or more of

taxpayer money. The same types of projects qualify for the public funding trigger. Note: there are very specific exceptions of public money being used that do not trigger prevailing wages (see ORS 279C.810(1)(a) and OAR 839-025-0004(11)(b)). The \$750,000 threshold was set in 2007. If adjusted for inflation, the threshold would be roughly \$1.2 million.

Additionally, Oregon law states that in the case of public-private partnerships, BOLI shall divide the project to separate the private and public aspects of the project. The public aspects of the project will be subject to prevailing wage, while the private aspects will not. [This recently impacted developments in the Willamette Valley](#). Developable lots with publicly funded infrastructure should not mean that private projects automatically prevail.

ALCOHOL REVENUE MODERNIZATION

RECOMMENDATION: The LOC will advocate for alcohol tax revenue modernization that generates increased shared revenues for cities. This includes support for recommendations from the HB 3610 Task Force on Alcohol Pricing to increase beer and wine taxes while preserving the existing 34% revenue-sharing distribution to cities. This may also include legislation removing the preemption on local alcohol taxes.

Background: Cities have significant public safety costs related to alcohol consumption and must receive revenue commensurate to the cost of providing services related to alcohol. In considering an increase, the LOC will balance the economic and consumer pressures impacting breweries across the state.

Oregon is a control state and the Oregon Liquor and Cannabis Commission (OLCC, formerly known as the Oregon Liquor Control Commission) acts as the sole importer and distributor of liquor. Cities and other local governments are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% share of net state alcohol revenues. The OLCC has also imposed a 50-cent surcharge per bottle of liquor since the 2009-2011 biennium, which is directed towards the state's general fund. Oregon's beer tax has not increased since 1978 and is \$2.60 per barrel, which equates to about 8.4 cents per gallon, or less than 5 cents on a six-pack. Oregon's wine tax is 67 cents per gallon and 77 cents per gallon on dessert wines. Oregon has one of the lowest beer taxes in the country ([source](#)) and the wine tax is closer to national average ([source](#)).

EMERGENCY COMMUNICATION SYSTEM RESOURCES

RECOMMENDATION: The LOC will support legislation enhancing the effectiveness of the state's emergency communications system through an increase in the 9-1-1 tax. Inflationary factors have lessened the impact of the [emergency communications tax](#). State estimates indicate that this revenue covered 40% of dispatch center costs, but that

figure is inaccurate, with some communities receiving as little as 20-25%.

Background: Oregon's 9-1-1 tax was increased to \$1.00 per line or prepaid transaction effective January 1, 2020, and further increased to \$1.25 effective January 1, 2021. Before this change from 2019's HB 2449, the rate had been 75 cents since 1995. The new tax increase on 9-1-1 expires January 1, 2030. Most cities will not receive this state shared revenue directly, as the city share is directed to the public safety answering point (PSAP) provider connected to the statewide network, and most of these are managed by counties or a regional entity, rather than a city. The PSAPs are only partially funded through the state's Emergency Communications Tax, with the balance of operating costs coming primarily from property taxes. Local governments receive approximately 60% of 9-1-1 taxes, but the taxes generally covered less than 25% of the costs of total PSAP operations before the recent rate increases. Ratios of individual PSAP costs to taxes received vary. The local government share of the state tax is distributed 1% to each county, with the remainder distributed per capita.

STRENGTHENING ECONOMIC AND WORKFORCE DEVELOPMENT

RECOMMENDATION: The LOC will support efforts to modernize and strengthen Oregon's existing economic development programs while advocating to maintain local flexibility and autonomy over local revenues. The LOC's advocacy includes strengthening and increasing funding for current state programs like Enterprise Zones (EZ), Long Term Rural Enterprise Zone (LTREZ), the Strategic Investment Program (SIP), the Industrial Site Loan Fund, Brownfield programs, and infrastructure programs, as well as new efforts to support a healthy economy.

The LOC will also support efforts to strengthen Oregon's workforce development initiatives that help to meet critical workforce shortages experienced by public and private employers throughout the state. The LOC will advocate for policies and investments that strengthen local talent pipelines, expand access to workforce education and training, and help communities recruit and retain the skilled workforce needed to support and grow a healthy economy.

Background: Communities across the state have leveraged local economic development incentive programs (Enterprise Zones (EZ), Long Term Rural Enterprise Zone (LTREZ), Strategic Investment Program (SIP), etc.) to support strong local economies, community investment, and long-term economic growth. These programs are intentionally designed to provide local governments with flexibility to attract and retain industries that align with local economic priorities, infrastructure capacity, and workforce needs. The EZ and LTREZ programs provide local governments the option to offer a temporary full exemption from property taxes for qualified new business investment, while the SIP program allows local governments to offer a 15-year partial exemption on the value of new property exceeding a specified investment threshold.

These incentive programs are critical tools for maintaining Oregon's national competitiveness and generating substantial long-term benefits through job creation, enhanced economic activity, infrastructure investment, and increased tax revenues. Local governments absorb the primary impact of temporary property tax exemptions and provide the infrastructure and public services necessary to support development, while the state realizes significant revenue gains through increased income tax collections and broader economic activity generated by these investments. As the state increasingly benefits from local economic development efforts, it should also be a stronger financial partner in supporting and sustaining these programs. Preserving local discretion, predictability, and flexibility within economic development programs remains essential to ensuring communities can effectively compete for and support major economic development opportunities.

Public and private employers across the state are having trouble filling critical workforce needs. As an example, Oregon respondents to the [2025 Associated General Contractors of America Workforce Survey](#) indicate that 56% expect to hire new employees and 54% have increased headcount in the last year. However, 52% of respondents report trouble hiring due to a lack of qualified and credentialed candidates. This challenge rings true for cities. Cities have reported trouble filling wastewater treatment positions due to lack of qualified candidates, while community colleges are neglecting to start programs because of the high cost of running them.

Transportation Committee

LOC Contact: Nicole Stingham, nstingham@orcities.org

2027 TRANSPORTATION PACKAGE

RECOMMENDATION: The LOC supports a robust transportation package that supports Oregon's multi-jurisdictional, multi-modal, and safety-oriented transportation system. Recognizing that Oregonians don't always know who owns what route they rely on, any revenue should support our shared transportation system. The LOC believes this is most effective through a statewide revenue source rather than more administratively burdensome and inequitable local revenue methods that are unable to ensure that all users pay their fair share (including through user fees).

Cities and locally owned transportation systems rely on a strong state partner to meet our shared goals of a system that moves people from "point a to point b" safely and effectively. In addition, the conditions of state and county routes impact cities by both directing additional traffic on city streets and affecting how residents get to where they need to go safely. This requires system expansion to be secondary to restoring funds in grant programs and transit services, protecting existing programs, and an overall focus on operation and maintenance.

Background: After a failed package in 2025, efforts are underway on a 2027 package to address the known need for state, county, and city infrastructure. The State Highway Fund (SHF) is the primary revenue source for the state's transportation infrastructure, and comes from various sources, including gas and diesel tax, weight mile tax, vehicle registration fees, vehicle title fees, and driver's license fees. These funds are distributed using a 50-30-20 formula, with 50% going to the state, 30% to counties, and 20% to cities. Continued investment in transportation infrastructure is critical for public safety objectives such as the Safe Routes to Schools and the Great Streets programs. In addition to those grant programs, local communities rely on the Statewide Transportation Improvement Fund and Oregon Community Paths resources. These programs are essential in cities to support efficient, convenient, safe, cost-effective transportation systems that are open to all members of our communities.

CAUTIOUS ADOPTION OF AUTONOMOUS VEHICLES

RECOMMENDATION: The LOC will advocate for necessary tools to support communities as autonomous vehicles (AVs) come to Oregon, particularly for private for-hire AVs. Cities are proactively and cautiously preparing for new technology, like autonomous vehicles, and it's crucial to get the regulations right to ensure proper coordination, alignment between all stakeholders, and flexibility as the technology is evolving rapidly.

AVs will impact city goals and requirements, ultimately impacting their transportation system plans. Cities must not be preempted in their ability to permit (as it relates to private for-hire AVs) and regulate the use of this new technology on city infrastructure. Cities should have the ability to:

- Ensure AVs follow the rules of the road and can receive traffic violations like human drivers, and that law enforcement officials are trained on ways to disengage an AV;
- Require geofenced areas to have operational standards based on the local needs or goals (like limiting 0 passenger trips), to accommodate special events, or to address infrastructure challenges that prevent safe deployment of technology;
- Allow revenue generation to offset costs for training law enforcement and first responders; and
- Limit the number of AVs that are allowed to operate in a city, potentially scaling up as predetermined performance benchmarks are reached.

At the same time, the LOC supports federal authority to determine if and when an AV is street ready. In addition, the state should determine cyber safety standards, insurance requirements, vehicle registration, and other activities.

Background: With new technologies comes new and unforeseen challenges and opportunities. AVs offer the ability to improve traffic safety by limiting human error, as

industry data shows. AVs could also promote other economic activity and create access to our transportation system. At the same time, there are key risks to mitigate as we learn lessons from cities across the nation that have operated with AVs. One lesson – a slow rollout will help companies identify and address issues as they arise. From navigating weather to power outages, San Francisco transportation officials have learned a lot and shared that with the LOC's Transportation Policy Committee. Despite AVs being in operation for years, the California Department of Motor Vehicles recently created rules around traffic citations for AVs nearly two years after their state legislature passed authorizing legislation. Oregon would benefit from waiting until the technology has advanced, being a fast follower rather than an early adapter. In addition, Oregon should balance support for industry and competition with public trust and public good.

In addition, for more than 40 years, the state of Oregon has recognized that for-hire services like taxis and other vehicles for-hire are a necessary part of the transportation system and has left regulation to local authorities (see ORS 221.485, ORS 221.495). Private for-hire AVs should have higher standards for city regulation versus privately owned vehicles.

CITY SUPPORTED STREET SIGN TRADITIONS

RECOMMENDATION: The LOC will advocate to allow cities to support community activities and fundraisers through signs on light poles. Many cities hang signs on street light poles to recognize holidays, and in some cases these signs are sold as a fundraiser to support chambers, downtown organizations, or other community causes (examples include Mother's Day flowers and Christmas ornaments). State statute prevents this if the sign is visible from a state highway. The LOC will work to create flexibility for cities to support these fundraisers even if they are visible from a state highway.

Background: State statute prevents "advertising signs" within view of state highways, even if they are not on state right-of-way. The state considers advertising to be any exchange of compensation, regardless of its intended purpose. While this is a long-standing statute that is not actively consistently enforced, it has recently prevented one community from supporting a fundraiser for their downtown association. The LOC Transportation Policy Committee is flexible on the solutions and has directed staff to work with the Oregon Department of Transportation on bill language to address this in the least administratively burdensome manner, which will likely include a waiver for fundraising efforts that are endorsed by a city.

Water and Wastewater Committee

LOC Contact: Michael Martin, mmartin@orcities.org

INFRASTRUCTURE FUNDING

RECOMMENDATION: The LOC will advocate for increased and sustained investments in drinking water, wastewater, stormwater, and water reuse infrastructure needed to support housing production, economic development, public health, and environmental protection. This includes: expanding flexible, low-cost financing tools that reduce ratepayer burden; supporting infrastructure capacity needed for housing and economic development; investing in aquifer storage and recovery projects; protecting system development charge authority; and sustaining infrastructure financing programs, including the Special Public Works Fund, which help communities address critical infrastructure needs. The LOC will advocate for policies that recognize the increasing costs associated with regulatory compliance, environmental protection, and workforce needs.

Background: Water infrastructure (drinking water, wastewater, stormwater, and reuse) is essential to supporting housing production, economic development, public health, and environmental protection in communities across Oregon. Cities own and operate drinking water, wastewater, stormwater, and water reuse systems that require ongoing investment to maintain reliability, comply with state and federal regulations, and serve existing and future residents.

The 2024 LOC Infrastructure Survey identified approximately \$6.4 billion in water infrastructure needs statewide. Cities continue to face increasing costs associated with aging infrastructure, regulatory compliance, environmental requirements, workforce challenges, and inflationary factors.

Without adequate infrastructure capacity, communities may struggle to accommodate needed housing development and economic growth. State investments should support direct infrastructure projects and proven financing programs that help communities plan, construct, and upgrade critical facilities. State programs like the Special Public Works Fund play an important role in helping communities address critical infrastructure needs.

WATER REUSE

RECOMMENDATION: The LOC will advocate for policies and investments that support the development and expansion of water reuse projects throughout Oregon. This includes: funding for planning, design, and construction; clear and predictable regulatory pathways; and technical assistance for local governments. The LOC will support

maintaining local flexibility to implement community-specific reuse solutions that protect public health and environmental quality.

Background: The Legislature has recognized the value of water reuse through [House Bill 2169 \(2025\)](#). Despite growing interest in water reuse, many communities face financial, technical, and regulatory barriers that limit the development of water reuse. Cities need funding, technical assistance, and regulatory certainty to evaluate and implement reuse projects that meet local needs. As Oregon continues to invest in water infrastructure and community resilience, water reuse should be recognized as an important tool that complements existing water management strategies and helps communities achieve long-term sustainability goals.

RATEPAYER ASSISTANCE

RECOMMENDATION: The LOC will advocate for improved affordability for drinking water and wastewater customers while maintaining the financial stability necessary to operate, maintain, and improve local utility systems. This includes state-supported water and wastewater ratepayer assistance programs, and policies that consider affordability impacts on residents.

Background: Cities face the challenge of balancing affordability for residents with the investments necessary to maintain safe and reliable utility systems. State-supported ratepayer assistance programs and increased participating in infrastructure funding can help reduce financial burdens on households while preserving the financial sustainability of local utilities and ensuring continued access to essential water services. In 2025, the Legislature introduced [House Bill 3527](#), which requested \$11 million to continue funding the program, but the bill did not advance out of the budget committee.

WATER WORKFORCE DEVELOPMENT

RECOMMENDATION: The LOC will advocate for investments in workforce development programs that support the recruitment, training, certification, and retention of drinking water and wastewater professionals. This includes: support for operator-in-training and apprenticeship programs; certification and reciprocity improvements; regional training opportunities; and funding that helps communities develop and maintain a qualified water workforce.

Background: Oregon cities depend on certified operators and other utility professionals to provide safe drinking water, protect water quality, maintain regulatory compliance, and operate increasingly complex infrastructure systems. Water utilities across the state face growing challenges of recruiting, training, and retaining qualified personnel.

Investments in workforce development, training infrastructure, and career pathways will

help ensure communities have the skilled workforce necessary to operate and maintain critical water infrastructure systems. The Legislature recently recognized the importance of this workforce with [House Bill 4007 \(2026\)](#), which established a “Water Professionals Appreciation Week” annually in October.



Council Business Meeting

Date: August 18, 2026

Agenda Item	Chapter 18 Land Use Code Amendments: Direction to Staff to Reduce Housing Development Barriers and Ensure State Law Compliance (Councilor Submission)
Department	Mayor and Council
From	Councilor Jeff Dahle, Councilor Derek Sherrell

TIME ESTIMATE

CATEGORY

Staff Direction - provide direction to staff on the body's desired next steps.

SUMMARY

Councilor requested agenda item.

POLICIES, PLANS & GOALS SUPPORTED

BACKGROUND AND ADDITIONAL INFORMATION

Pursuant to AMC2.040.030.B1 Agenda Addition by Councilors, two councilors can place any item on the Council's business meeting agenda, provided that preparing the matter for Council consideration does not require more than two hours of staff time. In this scenario, the requesting Councilor members prepare and submit any materials they wish considered as part of the agenda packet.

Attached to this Council report are those materials prepared by Councilor Sherrell and Councilor Dahle, as well as a staff response, for Council's consideration and deliberation.

Request Timeline

- May 4, 2026 - Councilor Sherrell and Councilor Dahle request agenda item to be placed on the August 18th Business Meeting
- August 6, 2026 - Councilors provided a draft of staff direction content to Community Development Director for review
- August 7, 2026 - Councilors and Community Development Director meet to review the requested staff direction
- August 11, 2026 - Councilors provided City Manager with final content for the agenda packet

FISCAL IMPACTS

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

REFERENCES & ATTACHMENTS

1. Council Communication - Chapter 18 Housing Code Amendments
2. AMC 18 - Roadmap Report
3. AMC 18 Code Amendments to Support Housing Development
4. Staff Response to Chapter 18 Land Use Code Amendments Request





Council Business Meeting





Council Business Meeting

Date: August 18, 2026

Agenda Item	Chapter 18 Land Use Code Amendments: Direction to Staff to Reduce Housing Development Barriers and Ensure State Law Compliance
Department	City Council
From	Councilor Derek Sherrell and Councilor Jeff Dahle

TIME ESTIMATE

60 minutes

CATEGORY

Action: Council direction and motions requested. See *Suggested Actions, Motions, and/or Options* below.

SUMMARY

Community Development is currently processing Chapter 18 amendments required to implement Senate Bill 974, House Bill 2138, and House Bill 4037, Oregon's 2025–2026 housing legislation, with a Planning Commission hearings followed by Council consideration. That process addresses the state's minimum requirements. This item asks Council to direct staff to use the same code-update cycle to also evaluate a broader set of Chapter 18 standards and procedures that Councilor Sherrell and Councilor Dahle have identified as unnecessarily constraining attainable housing development in Ashland, and to return within 60 days with proposed amendment concepts for each. The attached staff direction memo organizes 18 specific items into five categories: process and procedures; lot and density standards; emerging and progressive housing types; development standards that create uncertainty; and terminology, supported by the accompanying policy roadmap. Council is also asked to direct staff to identify the cost of supplemental consultant support needed, if needed by the Planning Department in order to meet the 60-day timeline, for Council's consideration.

POLICIES, PLANS & GOALS SUPPORTED

This action is strongly supported by both Council's existing adopted priorities and the City's Strategic Plan currently underway. Council's adopted Vision and Values name "community affordability, including available housing" as a core Community value, and the 2025–2027 Council Priorities call for "support for attainable housing" under Livability and for City processes such as planning to be "supportive of attracting new business and supporting those already here" under Economic Development. More directly, the City's Mid-Point Community Engagement Council Update (May 21, 2026) confirms housing affordability as the community's leading concern in real time: of the nine major themes identified from 1,223 completed community responses, "Housing Affordability" is listed first, with respondents prioritizing workforce housing, senior and accessible housing, and density regulation. A second theme, "Changing Demographics and Loss of Young Families and Students," explicitly ties back to housing, citing a "strong connection with housing affordability" and its perceived role in declining school enrollment and long-term community viability. As the Strategic Plan moves from engagement into action labs this summer, with adoption anticipated this fall, directing staff now to remove unnecessary Chapter 18 barriers positions Council to act on what the community has identified as its top priority, rather than waiting for the Plan's formal adoption to begin.

BACKGROUND AND ADDITIONAL INFORMATION

In 2025 and 2026, the Oregon Legislature adopted three bills that directly affect how Ashland reviews housing applications. Senate Bill 974 requires administrative review of zone changes, planned unit developments, and variances involving residential density; imposes review timelines on final engineering plans; and bars residential design standards on developments of 20 or more units. House Bill 2138 requires cities to allow single room



occupancy housing in most residential zones by January 1, 2027. House Bill 4037 requires a uniform, clear-and-objective review procedure for qualifying housing applications, effective July 1, 2026. Community Development has prepared draft Ordinance No. 3307, and a related standalone ordinance, No. 3309, addressing flag lot driveway grades, to bring Chapter 18 into compliance with these mandates, with a Planning Commission hearing scheduled for August 11, 2026 and Council consideration anticipated September 15, 2026.

That compliance package addresses the state's floor, not Ashland's opportunity. Several Chapter 18 standards continue to add cost, delay, and uncertainty to housing development well beyond what is needed to serve their underlying purpose, in some cases beyond what neighboring Rogue Valley cities, and indeed cities all across Oregon, require of comparable projects. A recent partition required roughly \$19,000 in on-site stormwater detention, driven in part by Ashland's unusually broad lot coverage definition. Another application for four dwellings (the number of units the zone already allows) required a conditional use permit solely because of a floor-area cap, evaluated and ultimately denied by the Planning Commission under an open-ended "all other factors" standard. Flag lot driveway grade standards currently make at least two legal lots of record undevelopable, and street frontage standards have stalled at least one proposal over an estimated \$800,000 in improvements.

A staff direction memo and a supporting policy roadmap (both attached) identifying 18 specific Chapter 18 items has been prepared across five categories: process and procedures, lot and density standards, emerging and progressive housing types, development standards creating uncertainty, and terminology. This direction does not call for wholesale deregulation and does not prejudice the outcome on any item; each amendment concept returns to the Planning Commission and Council through the normal public process before adoption. It asks staff to identify a path forward on each item within 60 days, on the same cycle as the state-mandated amendments already underway.

Community Development currently operates on a funding model of roughly 74 percent cost recovery and 26 percent General Fund support, and staff capacity is already committed to the SB 974, HB 2138, and HB 4037 compliance package along with the Department's ongoing caseload. To meet the 60-day timeline without displacing that work, this item also directs staff to identify the scope and cost of supplemental consultant or contract planning support, for Council's consideration as part of the funding action described in Fiscal Impacts below.

FISCAL IMPACTS

- This direction has no immediate fiscal impact. Any budget or fee implications of a specific code amendment will be identified when that amendment returns to Council for adoption.
- Staff is directed to identify, as part of the 60-day return, the scope and estimated cost of supplemental consultant or contract planning support needed to meet this timeline without displacing the Department's SB 974, HB 2138, and HB 4037 compliance work, for Council's consideration through the normal budget or supplemental appropriation process.
- Several of the process items identified, including optional pre-application conferences, same-night findings adoption, and administrative property line adjustments, are expected to reduce staff review time per application over the long term.

SUGGESTED ACTIONS, MOTIONS, AND/OR OPTIONS

Motion: I move to direct the Community Development Department to return within 60 days with proposed Chapter 18 code amendment concepts addressing each item identified in the attached "AMC 18 Code Amendments to Support Housing Development", and to identify as part of that return, the scope and cost of supplemental consultant support needed to meet the 60-day timeline for Council's consideration.

Potential options for consideration:

- Approve the motion as presented.
- Direct staff to prioritize a subset of the 18 items within 60 days and phase the remainder over a defined follow-up schedule.

REFERENCES & ATTACHMENTS

- Potential Direction to Staff: AMC 18 Code Amendments to Support Housing Development (attached)
- A Roadmap for the Future of Chapter 18: Draft Policy Report for Ashland City Council (attached)
- Senate Bill 974 (2025, Enrolled)
<https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/SB974>
- House Bill 2138 (2025, Enrolled)
<https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/HB2138/Enrolled>
- House Bill 4037 (2026, Enrolled)
<https://olis.oregonlegislature.gov/liz/2026R1/Downloads/MeasureDocument/HB4037>
- Ashland Council Priorities, Vision & Values (2025–2027)
<https://ashlandoregon.gov/390/Council-Priorities-Vision-Values>
- City of Ashland 2024–2032 Housing Production Strategy
<https://www.oregon.gov/lcd/UP/Documents/Final%20Ashland%20HPS.pdf>
- City of Ashland Strategic Plan, Mid-Point Community Engagement Council Update (May 21, 2026)
https://ashlandoregon.gov/DocumentCenter/View/4768/Ashland_SP_EngagementCouncilUpdateMay2026-PDF
- City of Ashland Strategic Plan overview page: <https://ashlandoregon.gov/strategicPlan>

A Roadmap for the Future of Chapter 18

Recommendations for a More Collaborative, Predictable, and Effective Land Use Ordinance

Draft Policy Report for the Ashland City Council

Prepared for:	Ashland City Council
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Subject:	Chapter 18 — Ashland Land Use Ordinance
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Status:	Draft — For Council Discussion
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Executive Summary

Chapter 18 of the Ashland Land Use Ordinance has shaped decades of walkable, environmentally responsible, and economically vibrant development. Like any mature regulatory framework, it benefits from periodic modernization as state law, planning practice, and community needs evolve.

This report does not call for wholesale deregulation or a comprehensive rewrite of the ordinance, nor is it intended as criticism of the Community Development Department, Planning Commission, or prior City Councils. Instead, it identifies concrete, near-term actions the City can begin implementing now, paired with a structured, ongoing program for continued modernization — organized into five phases.

Phase One	Routine code maintenance, streamlined procedures, and continued consistency with Oregon law.
Phase Two	Evaluation of whether specific development standards still achieve their intended public purpose, and where they can better support Ashland's housing goals.
Phase Three	Modernization of development standards through greater clarity, improved organization, and expanded use of objective standards.
Phase Four	Investment in implementation — staffing, funding, and customer service — alongside ordinance modernization.
Phase Five	A collaborative planning philosophy centered on practical, code-compliant solutions, transparency, and public confidence.

Together, these recommendations give Ashland a practical path to greater predictability, clarity, and public confidence — while preserving the planning values that have made the community a model for the state.

Introduction

Every development application — a single-family home, an accessory dwelling unit, a historic rehabilitation, an affordable housing project — represents an applicant's investment in Ashland. An effective planning process treats that investment as the start of a collaborative conversation, built around a simple question:

“What are the applicant’s goals, and how do we get to yes?”

Within this report, “yes” does not mean approving every project, lowering standards, or compromising neighborhood character or environmental protection. It means identifying a code-compliant path that accomplishes the applicant's goals whenever reasonably possible — shifting the process from identifying obstacles to solving problems within the framework of adopted policy.

That shift benefits every participant in the process:

- **Applicants** gain clearer expectations before investing in engineering, architecture, and permitting.
- **Staff** spend less time resolving misunderstandings that surface later in review.
- **Neighbors** see projects that are more predictable and more responsive to adopted standards.
- **Commissioners and Council** receive applications that are more complete and more consistent with established policy.

Communities across Oregon continue adapting to evolving housing legislation, environmental regulation, infrastructure needs, and demographic change. Ashland has consistently led on planning policy; this report is intended to strengthen that record through periodic modernization, not to change its direction.

Guiding Principles

The recommendations in this report rest on five principles that reflect both sound planning practice and Ashland's long-standing community values.

Periodic Modernization

Development regulations are living documents. Routine, incremental updates generally produce better long-term outcomes than infrequent comprehensive rewrites, reducing administrative complexity while preserving regulatory stability.

Predictability

Property owners, design professionals, and neighbors should be able to understand how regulations apply before a project enters formal review. Clear standards reduce redesigns, shorten timelines, and build confidence in outcomes.

Transparency

Applicants should understand why standards exist; neighbors should understand how projects are evaluated; decision-makers should rely on clearly articulated, measurable criteria wherever practical.

Collaboration

Planning succeeds when applicants, staff, neighbors, and appointed and elected officials work toward shared solutions. Early communication resolves concerns before they harden into conflict.

Continuous Improvement

No ordinance is ever finished. Regular evaluation — rather than waiting for problems to accumulate into a major rewrite — is a hallmark of effective governance.

Why Periodic Modernization Matters

Just as the City updates its transportation, parks, and capital improvement plans on a regular cycle, Chapter 18 deserves the same ongoing attention. It touches nearly every physical investment in Ashland — housing production, neighborhood development, commercial investment, historic preservation, infrastructure, and environmental protection.

Amendments adopted individually over many years — each reasonable on its own — accumulate into a code that is harder to navigate as a whole: added definitions, expanding cross-references, and provisions that no longer reflect current practice. Periodic housekeeping prevents this cumulative complexity and typically requires far less policy debate than the long-term benefit it produces for applicants, staff, and the public.

Routine housekeeping typically includes:

- Updating terminology, definitions, and cross-references
- Removing obsolete provisions and simplifying administrative procedures
- Ensuring continued consistency with Oregon land use law

A modern, well-organized ordinance reduces uncertainty and lets decision-makers focus on planning policy rather than procedural interpretation. Periodic modernization should be a normal part of the City's planning program — not an occasional response to accumulated problems.

Phase One — State Law Consistency and Code Maintenance

Before considering significant policy changes, the City should establish a recurring program of routine ordinance maintenance — improving Chapter 18's usability and organization without altering the City's underlying planning philosophy.

Routine code maintenance may include:

- Updating terminology and definitions
- Improving internal organization and correcting cross-references
- Removing obsolete provisions and clarifying administrative procedures
- Maintaining consistency with evolving Oregon land use legislation

These updates collectively improve how the ordinance functions for everyone who relies on it: applicants spend less time interpreting requirements, staff spend less time resolving avoidable ambiguities, and decision-makers can focus more attention on substantive planning issues. Regular maintenance also creates a structured opportunity to draw on staff experience, Planning Commission discussion, and public feedback — addressing housekeeping items on a predictable cycle rather than waiting for small issues to accumulate into a major rewrite.

Pre-Application Conferences

Ashland currently requires a pre-application conference for most development proposals, including straightforward Type I applications. The practical content of that conference has narrowed over time — for example, Public Works previously provided complete utility information as part of its pre-application comments, and now does so less consistently. Given this narrowing scope, the City should make the pre-application conference optional for Type I proposals, while continuing to offer it as a resource for applicants who want it. This would reduce processing time and cost for straightforward projects without removing the option for applicants navigating more complex proposals.

Findings Adoption Timeline

AMC 18.5.1.060 governs the notice, hearing, and decision procedures for Type II and Type III applications. Under subsection 18.5.1.060.D.1, the hearing body deliberates and decides based on the record at the conclusion of the hearing — but in practice, the Planning Commission does not adopt final written findings that night. The written decision is typically brought back at a subsequent study session or the Commission's next regular meeting, two to four weeks later. Because the appeal period does not begin until the decision is mailed, this gap directly extends the City's effective review timeline on every Type II and Type III application.

The City should direct staff to prepare adoption findings in advance of the decision meeting whenever practical — including findings supporting a likely denial — so the Commission can adopt findings the same night in most cases. Where an application is genuinely contested or the record needs to remain

open, the Commission can continue to designate an evidentiary hearing or request a specific continuance, but that should be the exception rather than the default.

Purpose of Phase One

Keep Chapter 18 current, understandable, well-organized, and easier to administer — the foundation for the broader policy discussions in the phases that follow.

Immediate Action Steps

- Make pre-application conferences optional for Type I applications, while continuing to offer them on request
- Direct staff to prepare draft findings in advance of Type II and Type III decision meetings so the Planning Commission can adopt findings the same night in most cases
- Direct staff to compile a consolidated housekeeping amendment addressing terminology, cross-references, and obsolete provisions across Parts 18.1 through 18.6, for Planning Commission review within the next two quarters
- Establish a standing, biennial code maintenance review on the Planning Commission's work plan

Phase Two — Reducing Unnecessary Housing Barriers

Chapter 18 balances competing public interests — neighborhood character, environmental resources, public safety, and infrastructure capacity — against opportunities for housing, economic development, and private investment. These objectives are not mutually exclusive, and successful planning often comes from finding ways to accomplish both.

As Oregon continues addressing housing availability and affordability, the relevant question for each standard below is not whether it is good or bad in the abstract, but whether it still accomplishes the purpose for which it was adopted. The items below include a mix of standards ready for near-term action and topics warranting deeper staff research, Planning Commission discussion, and public engagement before amendments are adopted.

Lot Coverage

Lot coverage standards (AMC 18.2.5.030) preserve open space and reduce stormwater runoff — objectives that remain sound. Ashland's definition of lot coverage (AMC 18.6.1.030) is unusually broad, however: it counts gravel walkways, gravel pads, decks, and pervious concrete alongside buildings, making it one of the most restrictive lot coverage standards in the Rogue Valley. Most neighboring communities calculate lot coverage based on structures alone, and address other impervious surfaces separately through stormwater review and system development charges.

This breadth creates a real incentive problem: because nearly any hard surface counts against the coverage limit, property owners have reason to add patios, gravel parking pads, or walkways after final inspection, when they are less likely to be reviewed for stormwater impact or accounted for financially. The City should evaluate narrowing the lot coverage definition to structures, while ensuring that other impervious surfaces continue to be addressed through the stormwater and system development charge review process, where they are more appropriately regulated.

Minimum Lot Dimensions

Minimum lot size, width, and depth requirements (AMC 18.2.5.030) support orderly development and compatibility with surrounding neighborhoods. Given changing housing needs and rising land costs, the City should examine whether targeted adjustments could improve flexibility — consistent with infrastructure capacity, emergency access, and neighborhood compatibility — without encouraging smaller lots indiscriminately.

Accessory Dwelling Units

Accessory dwelling units (AMC 18.2.3.040) are one of Oregon's most effective tools for expanding housing choice within existing neighborhoods — supporting aging parents, young adults entering the housing market, multigenerational households, and supplemental income for homeowners, without materially changing neighborhood character. Ashland's current floor-area caps for these units — 500 square feet in the R-2 and R-3 zones, and higher limits elsewhere — should be reviewed periodically to confirm they remain consistent with current state requirements and continue to reflect a reasonable balance between housing flexibility and neighborhood scale.

Because many property owners considering an accessory dwelling unit have limited development experience, straightforward standards, predictable review procedures, and accessible guidance materials meaningfully improve both the applicant experience and staff efficiency.

New Housing Options

Beyond the housing types Chapter 18 already addresses, two emerging categories warrant near-term code updates: single room occupancy housing and occupied recreational vehicles. Both are housing options that state law and peer Oregon jurisdictions are actively accommodating, and both can likely be addressed in Chapter 18 through a narrow, targeted amendment rather than a broader rewrite.

Single Room Occupancy (SRO) Housing. Recent Oregon legislation requires cities to allow SRO development — buildings with at least four rented, lockable rooms that provide living and sleeping space but share kitchen or bathroom facilities — in many residential zones. Ashland's Building Safety Division has already begun classifying SRO occupancy under the Oregon Structural Specialty Code, treating it as a Group R-3 congregate living use, but Chapter 18 does not yet define SRO housing as a distinct use or specify which residential zones permit it. The City should add SRO housing as a defined use category in Chapter 18, consistent with the new state framework, and confirm the applicable zones and any development or management standards — rather than leaving the zoning code silent on a use the building code already anticipates.

Occupied Recreational Vehicles. Portland regulates occupied recreational vehicles and tiny houses on wheels through a single, standalone zoning chapter: one occupied RV or tiny house on wheels is allowed on a residential lot that already has a house, attached house, or manufactured home; up to four are allowed at religious institutions; the vehicle must remain mobile, with its wheels on, and cannot be placed on an undeveloped lot; and it must meet existing RV parking standards, including a paved parking surface for motorized units and placement behind the street-facing façade. Where the vehicle is a rental unit rather than owner-occupied, the City's property maintenance code applies in addition to the zoning standard. Chapter 18 does not currently address occupied recreational vehicles as a housing option in residential zones. The City should adopt a similarly narrow, standalone provision allowing one occupied recreational vehicle per residential lot with an existing dwelling, addressing placement, parking surface, utility connection, and applicable property maintenance requirements — deliberately scoped as a short, self-contained provision rather than folded into the broader group living or manufactured housing sections.

Landscape Buffers

Ashland requires substantial landscape buffer areas as part of Site Design Review, including an eight-foot buffer between parking spaces and structures (AMC 18.4.4). This standard makes sense for large surface parking lots, where buffering protects neighboring uses from headlights, noise, and heat. It is less clearly justified for smaller-scale attached housing — a duplex, triplex, or quadplex — where Site Design Review applies to any attached housing regardless of size, and where the parking space being buffered typically serves the very unit it sits beside rather than an unrelated property.

Applied at this scale, buffer requirements consume site area that would otherwise support additional density, without a correspondingly clear benefit. The City should clarify that the buffering standard is intended for larger-scale, typically multifamily development, and evaluate a reduced or exempted buffer standard for smaller attached housing types where the buffered space and the unit it serves are effectively the same.

Flag Lots

Flag lot standards (AMC 18.5.3.060) address emergency access, shared driveways, utility placement, and long-term maintenance responsibilities — and are necessarily more detailed than standards for conventional lots. Periodic review should focus on keeping these provisions clear and objective where possible, while preserving the life-safety standards that justify their added detail.

Street Standards

Ashland's street design standards (AMC 18.4.6.040) are difficult to meet in full on nearly any infill or partition application; as a practical matter, most new subdivisions and land divisions require an exception under AMC 18.5.2.050.E. This has real consequences: it functions as a significant, largely unintentional barrier to middle housing land divisions, and it adds uncertainty and delay to any application involving frontage improvements. In at least one case, a substantial development proposal at East Main Street and Highway 66 has not moved forward, in part because full frontage improvements were estimated at roughly \$800,000 in curb, gutter, parkway, and sidewalk work.

Other Oregon cities have developed more flexible approaches to this same problem. Medford, for example, uses a “Legacy Street” determination: where an existing street does not meet current right-of-way standards, Public Works can find that slope, utilities, existing trees, encroachments, and adjacent improvements — not the code standard alone — should determine the appropriate frontage improvement, and can approve matching improvements administratively rather than requiring a variance or exception. This avoids both the uncertainty of a case-by-case exception process and the neighborhood concern that an “exception” or “variance” label can generate for what may be a modest, reasonable request. Ashland should evaluate a similar administrative determination process for infill sites on substandard streets.

Middle Housing

Ashland's Middle Housing Land Division standards (AMC 18.5.3.140), adopted in response to recent Oregon legislation, are still relatively new. As implementation experience accumulates, the City should evaluate how these provisions function in practice — identifying opportunities to clarify administrative procedures and design standards while maintaining consistency with state law and community design objectives.

Immediate Action Steps

- Direct staff to evaluate narrowing the lot coverage definition (AMC 18.6.1.030) to structures, addressing other impervious surfaces through stormwater and system development charge review instead
- Direct staff to add single room occupancy housing as a defined use in Chapter 18, consistent with recent Oregon legislation, and identify the residential zones where it will be permitted
- Direct staff to draft a standalone occupied recreational vehicle provision for Chapter 18, modeled on Portland's approach, allowing one occupied RV per residential lot with an existing dwelling
- Clarify that the landscape buffer standard between parking and structures is intended for larger-scale development, and evaluate a reduced standard for duplexes, triplexes, and quadplexes
- Direct staff to evaluate an administrative "Legacy Street" determination process, modeled on Medford's approach, for infill sites on substandard streets (AMC 18.4.6.040)
- Confirm that current accessory dwelling unit floor-area limits (AMC 18.2.3.040) remain consistent with applicable state requirements, and bring any necessary amendment forward with the Phase One housekeeping package
- Schedule a Middle Housing Land Division (AMC 18.5.3.140) implementation check-in with the Planning Commission after the next full construction season

Measuring Success

Housing policy is often measured solely by units constructed. Production matters, but a successful land use ordinance should also deliver greater predictability, clearer expectations, shorter review timelines, consistent application of standards, high-quality neighborhood design, environmental stewardship, and increased public confidence — regardless of whether a given project is a single-family home, an accessory dwelling unit, middle housing, or commercial redevelopment.

Phase Three — Modern Development Standards

Effective development regulations are both durable and adaptable — durable enough to preserve Ashland's planning values, adaptable enough to respond to changing practices and public expectations. Modernization does not require creating more regulations; in many cases it means improving the clarity and organization of standards that already exist.

Objective Standards

Objective, measurable criteria — which applicants can evaluate before preparing construction drawings — improve predictability and reduce unnecessary interpretation. Not every planning issue can or should be reduced to a number; design review and professional judgment remain appropriate in many circumstances. But some existing criteria warrant a closer look. The Site Design Review approval criteria (AMC 18.5.2.050.A), for example, include “architecture” among the factors a project must satisfy without defining what makes architecture compliant. The City should consider adopting measurable architectural compatibility standards — addressing materials, articulation, and roof form, for instance — to reduce subjectivity in review while preserving design quality.

Conditional Use Permit Criteria

The conditional use permit approval criteria (AMC 18.5.4.050) direct the approval authority to compare a proposal's impacts against a defined “target use” for the zone, based on factors that include scale, bulk, coverage, and traffic generation, plus a catch-all for “all other factors found relevant.” That catch-all is difficult for applicants to prepare for and difficult for staff to apply consistently — particularly where the proposal is not really a different use at all, but a request for additional floor area.

A recent application on North Main Street illustrates the issue. The applicant proposed four dwellings on four lots, subject to the maximum permitted floor area (MPFA) standard of AMC 18.2.5.070, which caps a single-family dwelling in the Historic District at roughly 3,249 square feet. Because the project proposed approximately 7,400 square feet of building area across the four units, it required a conditional use permit to exceed the MPFA on each lot — even though four dwelling units is the use the zone already anticipates. Evaluating that request under the general conditional use criteria, including the “all other factors” catch-all, created significant uncertainty for an application that was arguably about building size rather than land use impact.

The City should evaluate whether requests to exceed MPFA warrant a more tailored approval pathway or criteria set, distinct from the general conditional use permit process, and should consider defining the “all other factors found relevant” language in AMC 18.5.4.050 with more specific, predictable factors.

Solar Access Standards

Ashland's solar access standards are intended to preserve everyone's access to passive and active solar energy — a goal the City should continue to support. In practice, however, the standard requires lots on north-south oriented streets to be wider than the underlying zoning district otherwise requires, which reduces the number of lots achievable on those streets. The setback calculation itself compounds this: slope is measured from the midpoint of the subject property to a point 150 feet to the north, a method that can produce a calculated slope where the lot is not meaningfully sloped at all, and that consistently overstates the effective slope — and therefore the required setback — on lots with any east-west cross-slope on a north-south oriented street.

The City should direct staff to review the solar setback calculation method itself, not just its administration, to determine whether a more representative slope measurement would better achieve the standard's underlying purpose without unintentionally penalizing lots with ordinary cross-slope conditions.

Hillside and Physical Constraints Standards

The Physical and Environmental Constraints Overlay (AMC 18.3.10) protects erosion-prone and environmentally sensitive land through detailed development standards and submission requirements — including topographic mapping and slope analysis for any Physical Constraints Review Permit. These requirements are appropriate for major hillside development, but the City should evaluate whether submission requirements can be tiered by project scale, so that minor additions and accessory structures are not held to the same documentation burden as major hillside subdivisions.

Organization and Readability

A development code should not require years of professional experience to navigate. Future housekeeping efforts should improve section organization, simplify cross-references, reduce duplication, and add illustrations where they aid understanding — producing significant long-term benefit without requiring major policy changes.

Immediate Action Steps

- Direct staff to define objective architectural compatibility criteria to replace the undefined "architecture" factor in the Site Design Review approval criteria (AMC 18.5.2.050.A)
- Direct staff to review the solar access setback calculation method (AMC 18.4.8) to determine whether a more representative slope measurement would reduce unintended impacts on cross-sloped lots
- Direct staff to evaluate a tailored approval pathway for requests to exceed maximum permitted floor area (AMC 18.2.5.070), separate from the general conditional use criteria, and to define measurable factors under AMC 18.5.4.050 in place of the general "all other factors" catch-all
- Direct staff to evaluate tiered submission requirements for Physical Constraints Review Permits (AMC 18.3.10.040), scaled to project size

Phase Four — Implementation and Administration

Even the most carefully written ordinance depends on effective implementation. Good planning is created through people — planning staff, building officials, engineering professionals, Planning Commissioners, and Council members — who transform written regulations into practical decisions. Implementation deserves the same attention as ordinance modernization.

Community Development as a Community Investment

Community Development is often viewed primarily as a regulatory function, but its responsibilities extend well beyond permit review: implementing the Comprehensive Plan, administering Chapter 18, coordinating with state agencies, and facilitating the economic and housing investment that shapes Ashland's physical future. The department should be recognized as essential public infrastructure — warranting the same periodic evaluation of capacity and funding that the City applies to transportation, water, and public safety systems.

Funding and Long-Term Capacity

The Community Development Department currently operates on an approximate funding model of 74 percent cost recovery and 26 percent General Fund support. That balance reflects a real policy question: how much of planning's cost should fall on permit applicants, and how much reflects a community-wide benefit — long-range planning, Comprehensive Plan implementation, state law compliance, historic preservation, and customer service — that extends well beyond any individual application.

Investing Rather Than Subsidizing

General Fund participation is sometimes described as a subsidy; a more useful frame is strategic investment. A well-supported department reduces permit delays, supports housing production, strengthens long-range planning, and increases public confidence in local government — outcomes that benefit the entire community, not merely individual applicants. Periodic evaluation of staffing, funding, and organizational capacity should be treated as an investment in Ashland's long-term success rather than simply an operating expense.

Immediate Action Steps

- Direct staff to prepare a Community Development staffing and funding analysis for Council review during the next budget cycle
- Establish clear customer service benchmarks, such as target review timelines, and begin publicly reporting performance against them
- Formalize a pre-application collaboration process for applicants pursuing accessory dwelling units, middle housing, and other priority housing types

Conclusion

Ashland's land use ordinance has served the community well for decades because past Councils, commissions, and staff have been willing to revisit and refine it. This report continues that tradition. It is deliberately structured to let the City act immediately on well-defined items — a housekeeping amendment, a staffing analysis, a customer service benchmark — while building a durable process for evaluating the more complex policy questions raised in Phases Two and Three.

None of the recommendations in this report require the Council to resolve every open question at once. What they require is a decision to begin: directing staff to prepare the Phase One housekeeping package, scheduling the funding and staffing analysis described in Phase Four, and bringing the Phase Two and Phase Three topics forward for Planning Commission review on the timeline outlined above.

Chapter 18 has helped make Ashland one of Oregon's most livable and well-planned communities. Treating it as a living document — reviewed regularly, refined deliberately, and administered collaboratively — is the clearest way to keep it that way.

Recommended Council Action

- Direct staff to return with the Phase One housekeeping and process amendment package — including the optional pre-application conference and same-night findings adoption — and a proposed schedule for the biennial code maintenance review
- Direct staff to bring the Phase Two housing-standards topics, including lot coverage, landscape buffers, and street standards, to the Planning Commission on the timeline described in this report
- Direct staff to bring the Phase Three topics, including the Site Design Review and conditional use permit criteria, to the Planning Commission on the timeline described in this report
- Direct staff to prepare the Phase Four Community Development staffing and funding analysis for the next budget cycle

Potential Staff Direction

Chapter 18 Code Amendments to Support Housing Development

The City Council has identified a set of Chapter 18 standards and administrative practices that are limiting land utilization and unnecessarily constraining housing development in Ashland. Council directs the Community Development Department to return within **60 days** with proposed code amendment concepts addressing each item below, organized into five categories: process and procedures, lot and density standards, emerging and progressive housing types, development standards creating uncertainty, and terminology. Each item should come back to the Planning Commission and City Council for review before formal adoption.

I. Process and Procedures

1. Pre-Application Conferences

Make pre-application conferences optional for Type I applications, and reassess the pre-application process as a whole to ensure it continues to deliver value proportionate to the time it adds. Referral departments, including Public Works, have scaled back the level of detail provided at pre-application — utility information that was previously provided as a matter of course, for example, is now often omitted.

2. Findings Adoption Timeline

AMC 18.5.1.060 provides that the hearing body deliberates and decides based on the record at the conclusion of the hearing, but in practice, written findings are not adopted that night — adoption is typically delayed two to four weeks, to a subsequent study session or the Commission's next regular meeting. Because the decision is not final and the appeal period does not begin until the decision is mailed, this gap directly extends the City's effective review timeline. Staff should prepare adoption findings in advance of the decision meeting whenever practical — including findings supporting a likely denial — so the Commission can adopt findings the same night in most cases, reserving evidentiary hearings and continuances for genuinely contested matters.

3. Administrative Property Line Adjustments

Property line adjustments should be processed administratively, in accordance with ORS 92, and should not require a new survey or a new plat filing in every case. Staff should identify the minimum documentation actually needed to verify a proposed adjustment and streamline the process accordingly.

4. Bonding of Required Improvements for Final Plat Release

Applicants should be able to bond required improvements in order to receive final plat approval, rather than completing all improvements before the plat can be recorded. Allowing bonding at final plat — consistent with the way many Oregon jurisdictions handle subdivision improvements — would let construction loans close and building permits issue on a normal timeline, instead of stalling behind completed public improvements.

5. Administrative Review Practices and Culture

Direct the Community Development Director to review current practices around staff-level discretion and referral of applications to the Planning Commission, with the goal of resolving more applications administratively where the code allows, and to report back on any changes needed to support that goal.

II. Lot and Density Standards

6. Lot Coverage

Remove impervious surfaces other than structures from the lot coverage calculation (AMC 18.6.1.030). Ashland currently counts gravel walkways, gravel pads, decks, and pervious concrete toward the coverage limit — a broader definition than most neighboring Rogue Valley communities use, which count structures only and address other impervious surfaces through stormwater review. Stormwater detention and retention requirements adopted since the lot coverage standard was created now manage runoff directly, making the inclusion of these other surfaces in the coverage limit redundant — a recent three-lot partition on Pine Street, for example, required roughly \$19,000 in on-site detention infrastructure to fully manage site stormwater. This change is also a practical prerequisite for several of the density items below.

7. Minimum Lot Size and the Performance Standards Option

Evaluate reducing standard minimum lot sizes (AMC 18.2.5.030) and expanding or more flexibly applying the Performance Standards Option overlay (AMC 18.3.9) to allow smaller lots and increased density in more areas of the city.

8. Additional Accessory Dwelling Units

Amend AMC 18.2.3.040 to allow up to two accessory dwelling units per lot, consistent with the approach the City of Talent has adopted.

III. Emerging and Progressive Housing Types

9. Flag Lot Standards

Amend AMC 18.5.3 to allow additional dwellings served by a single flag lot driveway and reduce driveway design standards, subject to Fire Department approval.

Staff should also address driveways and public rights-of-way that exceed an 18% grade in accessing lawful lots of record, an issue currently scheduled before the Planning Commission on 8/11 (the packet was not yet finalized at the time of this memo). Most properties will not be affected, but a handful face real hardship. At 319 West Street, a lot created in the late 1980s, the property is no longer developable because West Street exceeds a 24% grade and the condition of approval requires compliance with flag driveway standards. On Granite Street, lots served by an existing shared driveway that already exceeds 18% cannot be built on because any driveway extension is out of compliance from the outset (see the LUBA decision on 231 Granite Street).

Staff should also revisit the current rule applying flag lot driveway standards to any driveway longer than 50 feet, regardless of configuration. The screening standard in particular — a continuous strip of fencing or shrubbery along the driveway — makes sense for a true flag-pole driveway, but creates an unnecessary flammable landscaping strip and routinely triggers avoidable variance requests when applied to shared driveways or other long driveways that are not in a flag lot configuration.

10. Hillside Slope Standards

Clarify staff's discretion under AMC 18.3.10 to exempt or streamline review where only a small, isolated portion of a lot exceeds the 35% slope threshold — for example, a slope created by a driveway or building pad cut rather than the lot's underlying topography.

11. Supportive Single Room Occupancy (SRO) Housing

Amend Chapter 18 to explicitly define and permit supportive single room occupancy housing, consistent with recent Oregon legislation requiring cities to allow SRO development — buildings with at least four rented, lockable rooms that provide living and sleeping space but share kitchen or bathroom facilities — in many residential zones. SRO housing is one of the few housing types that can be delivered quickly and at genuinely low cost; Chapter 18 does not currently define it as a distinct use or specify which residential zones permit it.

12. Recreational Vehicles as an Allowed Housing Type

Allow the use of RVs as housing outright in all residential zones, limited to one RV per residential lot, provided the vehicle is not parked within the front yard setback. State law already recognizes RVs as an allowed housing type in the manufactured home park zone; there is no principled basis for permitting that use in one residential zone while prohibiting it in every other residential zone. RVs are among the most affordable, portable, and readily available naturally occurring housing types in the current market, and allowing one per lot city-wide, subject to the front-yard setback limitation, would meaningfully expand Ashland's supply of low-cost housing without new construction.

IV. Development Standards Creating Uncertainty

13. Solar Access Standards

Ashland's solar access standards (AMC 18.4.8) made sense when adopted, but modern energy codes — including Earth Advantage and similar standards — have significantly reduced homes' reliance on passive solar design, while the standard itself creates real costs: it requires wider lots than the underlying zoning district otherwise requires, reducing the number of lots achievable on north-south oriented streets, and its setback calculation — which measures slope from the midpoint of the subject property to a point 150 feet to the north — can attribute a steep slope to a lot that is not actually steep, particularly where a north-south oriented lot has any east-west cross-slope. At minimum, newly created interior lots within a single subdivision or partition should be exempted from solar setback requirements, while existing homes and properties on the project's north perimeter continue to be protected. Staff should also review the underlying setback calculation method to correct the slope-measurement distortion described above.

14. Landscape Buffers

Clarify that landscape buffer standards — including the eight-foot buffer required between parking spaces and structures — are intended for larger-scale, typically multifamily development, not every Site Design Review involving attached housing. Applied to a duplex, triplex, or quadplex, this buffer consumes site area without a clear benefit, since the parking space being buffered typically serves the very unit it sits beside rather than an unrelated property. Staff should evaluate a reduced or exempted standard for smaller attached housing types.

15. Conditional Use Permit Criteria

Define the “all other factors found relevant” catch-all in the conditional use permit approval criteria (AMC 18.5.4.050) with more specific, predictable factors. This catch-all is especially difficult to apply where a conditional use permit is triggered not by an actual change in use, but by a conflict between the number of units a zone allows and the Maximum Permitted Floor Area (MPFA) standard — as in a recent North Main Street application proposing four dwellings, the number of units the zone anticipates, that required a conditional use permit solely because the associated floor area exceeded the fixed MPFA cap. Staff should evaluate a more tailored approval pathway for requests to exceed MPFA that are otherwise consistent with the zone's allowed unit count.

16. Street Standards

Ashland's street design standards are difficult to meet in full on nearly any infill or partition application, and as a practical matter, most new subdivisions and land divisions require an exception. This functions as a significant, largely unintentional barrier to middle housing land divisions in particular, and adds uncertainty to any application involving frontage improvements — in at least one case, a substantial development proposal at East Main Street and Highway 66 has not moved forward, in part because full frontage improvements were estimated at roughly \$800,000. Staff should evaluate an administrative “Legacy Street” determination process, modeled on Medford's approach, under which Public Works can find that slope, utilities, existing trees, encroachments, and adjacent improvements — not the code standard alone — should determine the appropriate frontage improvement for an existing, substandard street, without requiring a variance or exception.

17. Middle Housing Land Divisions and Right-of-Way Improvements

Evaluate and correct the inconsistency between the City's treatment of standard partitions and Middle Housing Land Divisions on properties with substandard right-of-way improvements. The City currently allows a standard lot split on a property without full right-of-way improvements, but does not extend the same treatment to a Middle Housing Land Division on that same property — raising compliance concerns under the state's Middle Housing Land Division mandate.

V. Terminology

18. Accessory Unit Terminology

Amend Chapter 18 to replace the term “Accessory Residential Unit (ARU)” with “Accessory Dwelling Unit (ADU),” consistent with state statute.

For each item, staff should identify the specific code sections requiring amendment, any legal or state law considerations, and a recommended timeline for formal adoption. Items that can be addressed through the housekeeping amendment process already underway should be flagged for inclusion in that package; items requiring a public hearing should be scheduled as promptly as practical. The objective of this direction is not to resolve every open policy question within 60 days, but to ensure the City has a clear, staff-vetted path — with concrete next steps and a public process — for addressing each item.

Staff Response to “Chapter 18 Land Use Code Amendments: Direction to Staff to Reduce Housing Development Barriers and Ensure State Law Compliance”

Councilor Dahle and Councilor Sherrell have presented a request to Council to direct Community Development to address specific code amendments. These code amendments are external to the current workplan of the department.

Concern: These new requests will impact already adopted priorities of the Department.

The Community Development Department has an established workplan based on priorities set by Council and mandated by the State. This includes developing and implementing strategies from the Housing Production Strategy, participating in the development of the Transportation System Plan, preparing for code amendments related to the Community Wildfire Protection Plan, and implementing a significant number of state-mandate changes. Moving forward with these newly identified code amendments will likely remove or delay one or more of these priorities and thus should be considered in the context of the Department’s full workplan.

Concern: Staff capacity over the next 60 days.

Over the next 60 days, staff will be heavily strained to implement the State changes that shift a significant number of planning actions from legislative to administrative processes. These changes include preparing new forms, new notices, new templates, new flow charts, updating the website, etc. Staff’s capacity to prepare “code amendment concepts” for the eighteen proposed amendments will be limited.

Staff Recommendation: Direct staff to return October 20th with a project list of all ongoing city-requested planning projects, so that Council can consider Councilor Dahle’s and Councilor Sherrell’s proposal in the context of the department’s already established workload.