

**Work Session**

**WS**

**Milwaukie City Council**

## COUNCIL WORK SESSION

City Hall Council Chambers, 10501 SE Main Street  
& Zoom Video Conference ([www.milwaukieoregon.gov](http://www.milwaukieoregon.gov))

## AGENDA

SEPTEMBER 17, 2024

**Council will hold this meeting in-person and by video conference.** The public may come to City Hall, join the Zoom webinar, or watch on the [city's YouTube channel](#) or Comcast Cable channel 30 in city limits. For Zoom login visit <https://www.milwaukieoregon.gov/citycouncil/city-council-work-session-356>.  
Written comments may be delivered to City Hall or emailed to [ocr@milwaukieoregon.gov](mailto:ocr@milwaukieoregon.gov).

**Note:** agenda item times are estimates and are subject to change.

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|--|-----------|
| <b>1. Capital Improvement Plan (CIP) Projects – Quarterly Update</b> (4:00 p.m.)                     | <b>12</b> |
| Staff: Jennifer Garbely, City Engineer, and<br>Jeff Tolentino, Assistant City Engineer               |           |
| <b>2. Sparrow Site – Update</b> (5:00 p.m.)  | <b>16</b> |
| Staff: Joseph Briglio, Acting Assistant City Manager, and<br>Mandy Byrd, Development Project Manager |           |
| <b>3. Construction Excise Tax (CET) Overview – Discussion</b> (5:30 p.m.)                            | <b>21</b> |
| Staff: Emma Sagor, City Manager, and<br>Joseph Briglio, Acting Assistant City Manager                |           |
| <b>4. Adjourn</b> (6:00 p.m.)  |           |

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## COUNCIL WORK SESSION

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## MINUTES

SEPTEMBER 17, 2024

**Council Present:** Councilors Will Anderson, Adam Khosroabadi, Rebecca Stavenjord, and Council President Robert Massey, and Mayor Lisa Batey

**Staff Present:** Joseph Briglio, Acting Assistant City Manager      Michael Osborne, Finance Director  
Mandy Byrd, Development Project Manager      Emma Sagor, City Manager  
Jennifer Garbely, City Engineer      Scott Stauffer, City Recorder  
Justin Gericke, City Attorney

**Mayor Batey** called the meeting to order at 4:03 p.m.

### 1. Capital Improvement Plan (CIP) Projects – Quarterly Update

**Garbely** provided an update on ongoing CIP projects, including Americans with Disabilities Act (ADA) ramp improvements, slurry seal maintenance, Washington Street area improvements, Meek North and Ardenwald North improvements, downtown sidewalk and stormwater facility improvements, the Monroe Neighborhood Greenway, a group of Safe Access for Everyone (SAFE) projects that staff would like to use best value contracting (BVC) practices, King Road, Waverly area, and Stanley Avenue and water reservoir improvements. The group discussed the projects and remarked on how Milwaukie had built a good reputation among contractors and the complexities of the Monroe Greenway project which is partly funded by the city, county, and state.

**Garbely** reported on grant funding the city was seeking to support projects, awards the engineering staff had received, and engineering staff changes. The group discussed the status of the 29<sup>th</sup> Avenue Greenway project, the deployment of cameras for traffic counting at intersections, and the city's greenway placemaking work.

### 2. Sparrow Site – Update

**Briglio** and **Byrd** provided an overview of the Sparrow Site, noting the location and size of the two city-owned properties that comprise the site, and they reviewed density, brownfield, and access issues at the site. **Councilor Anderson** and **Briglio** discussed differences in residential zoning at the site and in the neighborhood around the site.

**Byrd** and **Briglio** continued to provide an overview of the site, noting its geographic context, presenting a potential timeline for developing the site, and reviewing the site's development goals as previously adopted by Council. The group discussed the site goals, including what the targeted income level should be for housing built on the site, whether homeownership should be more of a priority, and how residents of the surrounding Island Station neighborhood feel about developing the site.

**Councilor Anderson** had concerns about the site goal requiring minority and woman owned contractors. The group discussed how the city could measure contractor demographics, how the city's equity work would inform contracting at the site, and the possibility of using a project leadership agreement (PLA) model to achieve contractor demographic goals.

The group discussed the site's goal regarding affordable housing, the possibility of seeking a land trust model at the site, which would result in the city selling the property in a land trust or other development partnership. There was Council consensus to invite a land trust model expert to speak to Council and to revise the site goal language to focus on increasing the supply of affordable housing with a target area median income (AMI) level of 80% with a preference for 60%.

The group discussed the site goal related to minority and woman owned contractors, and there was Council consensus to revise the goal to reflect the city's recently updated equity in contracting practices.

There was Council consensus to keep the tree canopy goal as previously adopted.

The group discussed whether the city could retain a placemaking goal if the city sold the site to a developer. The site's access and brownfield issues were noted, and the group remarked on whether developers are interested in the site.

**Sagor** and **Briglio** asked for Council feedback on the site goals. **Mayor Batey** and **Councilor Stavenjord** remarked on whether the city would have influence over the county's scattered housing sites around Milwaukie. The group discussed whether the city should pursue developing the Sparrow Site now or wait for the county to act on the scattered sites, noting the possibility of using city construction excise tax (CET) funds to support housing work. **Sagor** and **Briglio** suggested the city could work on the Sparrow Site and monitor the scattered sites until a Council decision point was reached.

**Mayor Batey** and **Councilor Anderson** briefly commented on housing building materials, noting the need for Council to discuss it further at a future meeting.

### **3. Construction Excise Tax (CET) Overview – Discussion**

**Briglio** provided an overview of the CET which generates revenue to support residential and commercial development and reviewed staff recommendations on how to spend CET revenue. The group discussed CET fund balances, how funds had been spent, how much revenue the CET is expected to generate, and how the funds could be spent on programs like land banking, homeownership down payment and rent assistance programs.

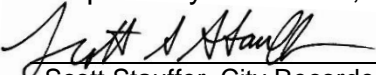
**Sagor** summarized there was Council consensus to revise the Sparrow Site goals after a land trust expert presented to Council, that staff would prepare a housing grant application for Council to approve and staff would identify state and federal programs to partner with the city's CET funded work, and there was no direction to develop the Sparrow Site now as county scattered discussions continued.

**Mayor Batey** asked if there was Council support for expanding the availability of urban renewal funded economic development grants to businesses outside the urban renewal area. **Councilor Stavenjord** asked if the Milwaukie Redevelopment Commission (MRC) Community Advisory Committee (MRCCAC) would have an advisory role in such grants and **Sagor** suggested the MRC would retain authority and that Council should discuss expanding the urban renewal grants at a future meeting. **Mayor Batey** believed Council was interested in providing grant oversight and getting grant program updates.

### **4. Adjourn**

**Mayor Batey** adjourned the meeting at 6:06 p.m.

Respectfully submitted,

  
 \_\_\_\_\_  
 Scott Stauffer, City Recorder



# CITY OF MILWAUKIE

## Memorandum


**To:** City Council  
**From:** Joseph Briglio, Community Development Director  
**CC:** Emma Sagor, Acting City Manager  
**Date:** August 20, 2024  
**Re:** Community Development Department Monthly Update

| Community Development, Economic Development, & Housing   | Planning   | Building  | Engineering   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>▪ Economic Development</li> <li>▪ Affordable Housing</li> </ul> | <ul style="list-style-type: none"> <li>▪ Comprehensive Plan Implementation</li> <li>▪ Planning Commission</li> <li>▪ Land Use/ Development Review</li> </ul> | <ul style="list-style-type: none"> <li>▪ August Review</li> </ul> | <ul style="list-style-type: none"> <li>▪ CIP</li> <li>▪ Traffic/Parking Projects</li> <li>▪ Right-of-Way Permits</li> <li>▪ PIP</li> <li>▪ Document Administration</li> </ul> |

### COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT/HOUSING

#### Economic Development

##### **Downtown:**

-  O'Malley's Gym is open for business.
- The sale of the Collectors Mall, along with the adjacent store fronts, has closed. The new owner is actively soliciting tenants for the vacant spaces: [See Lease Flyer Here](#)
  - Community Development Staff have been in conversations with a number of businesses that are considering a lease of the available spaces once ownership has transitioned.
  - The Collectors Mall will remain at its location for the foreseeable future as they still have an active lease with the new building owner.
- Good Measure, an artisanal grocer, has signed a lease at the northwest corner of Main and Jefferson Street. They are in the process of completing their tenant improvements.
- A Finnish Spa, SaunaGlo, has signed a lease for the spaces behind Good Measure that front SE Jefferson Street. They are in the process of completing their tenant and facade improvements.
- Historic City Hall: pFriem Beer and Keeper Coffee recently announced their new locations at Historic City Hall and the press has been very positive -

<https://www.oregonlive.com/beer/2024/03/pfriem-family-brewers-to-open-first-portland-area-taproom.html>

- The pFriem, Keeper, and Milwaukie flags are flying in front of the building.
- Henry Point Development is anticipating the majority of construction work to be complete by the end of the calendar year while touch ups, fixtures, and tenant preparation will occur in the new year leading up to the grand opening.
- Grand Opening is scheduled for spring 2025.
- The Libbie's property is currently for sale: <https://www.loopnet.com/Listing/11056-11070-SE-Main-St-Milwaukie-OR/31458135/>
- The former Chase Bank property is currently listed for sale - <https://www.loopnet.com/Listing/Former-Bank-Attached-Building/31903098/>
- [Cloud Pine](#) is officially closed as of August. It was always intended to be a three-year project for the owners. Staff have not heard from any businesses considering the space, as well as the spaces to the north.
- The city approved a temporary use permit for seasonal stand-up paddle board and kayak rentals at Milwaukie Bay Park. You'll see a pop-up tent and Scott Cole, the owner, Wednesday through Sunday renting equipment during the day.
- *Milwaukie Station*: All cart spaces are currently occupied.
- 1847 Food Park, a proposed food cart pod adjacent to New City Hall, received land use approval from the Planning Commission on September 10. The notice of decision can be found here - <https://www.milwaukieoregon.gov/planning/dr-2024-001>

**Milwaukie Marketplace:**

- Pietro's Pizza has submitted building renovations plans for the old McGrath's Fish House. It is unclear when they intend on moving locations and opening.

**Enterprise Zone:**

- Portland Polymers, a plastics recycler, is relocating to Milwaukie's north innovation area and recently received approval to take advantage of the North Clackamas Enterprise Zone tax incentives.
- Alpine Foods received approval and also recently completed its 600,000 sq/ft warehouse and cold storage expansion. It held its grand opening for the project on September 10.

### **Urban Renewal Area Economic Development Programs:**

- The Milwaukie Redevelopment Commission Citizen Advisory Committee (MRCCAC) convened in November and January to discuss the draft criteria and provide feedback on the emerging economic development programs.
- Staff presented the MRCCAC recommended program parameters on March 19<sup>th</sup> to the Milwaukie Redevelopment Commission and launched the programs in August. There is a dedicated webpage with application and overview materials here: <https://www.milwaukieoregon.gov/economicdevelopment/economic-development-business-improvement-grants>
- Staff have already received four applications and anticipates several more over the next few months.

### **Affordable Housing**

#### **Sparrow Site:**

- The city purchased the parcel ("main property") at the northeast corner of SE Sparrow Street and the Trolley Trail from TriMet for the purpose of land banking to support affordable housing several years ago. More recently, staff received a Metro Brownfields grant to support due diligence for the acquisition of 12302 SE 26<sup>th</sup> Avenue ("auxiliary property") from TriMet in order to help rectify access constraints to the main property. The city closed on the 12302 SE 26<sup>th</sup> Ave ("auxiliary") property and is considering next steps.
- Staff is slated to come to council to discuss development goals on September 17, 2024 before pursuing a surplus property hearing and Request for Qualifications/Proposals.

#### **Coho Point:**

- The Developer presented an update to the city council during its February 21, 2023, work session and requested a 12-month extension of the Disposition and Development Agreement (DDA) due diligence period because of extenuating circumstances involving supply chain and subcontractor timing issues related to the COVID-19 pandemic. The due diligence period was officially extended to March 31, 2024.
- Staff were notified on May 10, 2023, that Black Rock had submitted the CLOMR to FEMA. The review process typically takes several months, and FEMA has requested additional information from the applicant in September 2023, January 2024, and March 2024. The applicant has 90 days to address FEMA's comments and resubmit. In order to allow for the completion of the CLOMR/FEMA process, the City agreed to a fourth due diligence extension of September 30, 2024.
- Black Rock is in the final stages of the CLOMR/FEMA process and has requested three additional months of extension.

#### **Construction Excise Tax (CET) Program:**

- The CET Program was established by the city council in 2017 and codified within chapter 3.60 (Affordable Housing Construction Excise Tax) of the municipal code. The CET levy's a one percent tax on any development over \$100,000 in construction value. In example, a property owner who is building an addition that has an assessed construction value of \$100,000 would have to pay \$1,000 in CET to the city. As development continues throughout the city, the CET fund increases in proportionality.

- The city released its inaugural competitive bid process for CET funds through a formal Request for Proposals (RFP). This resulted in Hillside Park Phase I being awarded \$1.7M (requested \$2M) and the Milwaukie Courtyard Housing Project (Now called Milwaukie Shortstack) with \$300K (requested \$600K).
- On March 7, 2023, the city council authorized the city manager to execute the necessary grant agreements in the amounts listed above. The grants agreements for both projects have been signed and executed, and initial funding disbursements have occurred. Staff will now work with the applicants to ensure that their projects meet the conditions for funding.



# PLANNING

## Comprehensive Plan Implementation

- Neighborhood Hubs: Following a series of public workshops and an online survey, planning and community development staff moved forward with proposed code amendments and an economic development toolkit for the Neighborhood Hubs project. Council approved the Phase 2 code amendments on [August 6](#). Staff now turns to a potential Phase 3 with a scheduled work session with Council on October 1.

## Transportation Systems Plan (TSP)

- The TSP kicked off in October 2023. To date, the Technical and Advisory Committees have each met five times. Most recently, the committees reviewed the existing conditions of the city's transportation network. The Advisory Committee will be meeting on Saturday, September 28<sup>th</sup> to collect sidewalk data on selected streets throughout the city. Next steps include analyzing the gaps and needs in our transportation network for all modes of travel.

## Planning Commission

- DR-2024-001, VR-2024-002: A Type III application to establish a food park at 1915-1925 SE Scott St. The proposal includes areas for food carts/trucks; a covered, open-air seating area; and a permanent multi-story taproom building with a bar, indoor and roof-deck seating areas, and restrooms. The existing parking area will be improved and maintained to serve the site. The proposal requires downtown design review and a variance to minimum FAR in the DMU zone. The Planning Commission hearing was held on June 11 where they took a vote to deny the application and to continue the hearing to August 13 to review findings for denial. At the request of the applicant, the Commission voted on August 13 to re-open the record for verbal and written testimony by any party and to continue the hearing to September 10. At the hearing on September 10, the Planning Commission voted 3-2 to approve the applications. The NOD was issued on September 11. The appeal period runs through September 26.
- VR-2024-003: A Type III application seeking relief from the minimum side yard setback to allow the development of a 13-ft addition to the existing attached garage with a 0.5-ft setback rather than the required 10 ft. The addition would allow for the construction of additional living space while maintaining garage space. The addition would extend the existing non-conforming structure with a 0.5-ft setback. The Planning Commission hearing was held on June 11 where they voted 4-0-1 to approve the application. The Notice of Decision was issued on June 12. An appeal was filed by a neighbor with support from the Lake Road NDA. The appeal hearing with the City Council was held on August 6. See AP-2024-001 below.
- AP-2024-001: An appeal of the Planning Commission's approval of VR-2024-003. The appellant, Barbara Allan, with the support of the Lake Road NDA, states that there are impacts from the proposed addition and that the Commission erred in its interpretation of the approval criteria. The appeal hearing with the City Council was held on [August 6](#) where Council voted to reject the appeal. The hearing was continued to August 20 to formally adopt the Final Order. To date, no appeal to the Land Use Board of Appeals has been filed.
- CU-2024-001: A Type III application for a Conditional Use permit to use a single-detached dwelling at 11932 SE 35<sup>th</sup> Ave as a vacation rental. The property is currently used as the owner's primary residence. A public hearing with the Planning Commission is tentatively

scheduled for October 8.

- Natural Resources code update: Planning Commission has held three work sessions focused on
  - coordination with the residential tree code
  - proposed updates to the Water Quality Resource standards
  - natural resource mapping issues

A work session is tentatively schedule with City Council on November 19 to discuss the same topics.

### **Land Use/Development Review<sup>1</sup>**

- MLP-2024-002: A Type II application for a two-lot partition of the property at 11004 SE Stanley Ave. The proposed partition would retain the existing house on one parcel and create a back-lot parcel that would be developed with middle housing (four detached units). The application is being reviewed for completeness. Once deemed complete, it will be referred for comment and a public notice and comment period will be provided.

## **BUILDING**

| <b>Permit data for</b>   | <b>August</b> | <b>FY to Date:</b> |
|--|---------------|--------------------|
| New single-family houses:  | 0             | 0                  |
| New ADU's  | 0             | 1                  |
| New Solar  | 10            | 27                 |
| Res. additions/alterations   | 8             | 12                 |
| Commercial new   | 0             | 2                  |
| Commercial Alterations   | 43            | 49                 |
| Demo's   | 1             | 2                  |
| Cottage Clusters*  | 0             | 0                  |
| Total Number of Permits issued:  |               | 165                |
| <small>(includes fire, electrical, mechanical, plumbing, and other structural)</small> |               |                    |
| Total Number of Inspections:   |               | 362                |
| Total Number of active permits:  |               | 1048               |

\* We currently have 29 Cottage Clusters in our system since 2023 (6 are final, 15 are ready to issue, and 8 are in review). We have now added the Cottage Cluster line item here to track them from here on out. They will no longer be included in the "New single-family houses".

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<sup>1</sup> Only land use applications requiring public notice are listed.

# ENGINEERING

## Capital Improvement Projects (CIP):

### **CIP 2018-A13 Washington Street Area Improvements**

Summary: This project combines elements of the SAFE, SSMP, Water, Stormwater, and Wastewater programs. SAFE improvements include upgrading and adding ADA compliant facilities along 27<sup>th</sup> Ave, Washington St, and Edison St. Street Surface Maintenance Program improvements are planned for Washington Street, 27<sup>th</sup> Avenue, and Edison Street. The Spring Creek culvert under Washington Street at 27<sup>th</sup> Avenue will be removed, and a new structure added. The water system along Washington Street will be upsized from a 6" mainline to an 8" mainline. The stormwater system along Washington Street will be upsized from 18" to 24" storm lines. The project is being designed by AKS Engineering and Forestry.

Update: Construction is going. SE 27<sup>th</sup> Avenue is complete with sidewalks, driveways, and grind and inlay. After pipe bursting the sanitary line, the crew will move to water work. The existing culvert under Washington has been slip lined.

### **CIP 2016-Y11 Meek Street Storm Improvements**

Summary: Project was identified in the 2014 Stormwater Master Plan to reduce flooding within this water basin. The project was split into a South Phase and a North Phase due to complications in working with UPRR.

Update: Construction has started back up along the railroad tracks primary between SE Kelvin St and SE Roswell St. Crews will begin at SE Kelvin St and work there way North to SE Roswell St first adjusting sewer lateral conflicts with future storm pipe. Then they will start installing the storm water main.

### **CIP 2022-W56 Harvey Street Improvements**

Summary: The project includes water improvements and stormwater improvements on Harvey Street from 32nd Avenue to the east end, on 42nd Avenue from Harvey Street to Johnson Creek Boulevard, 33rd Avenue north of Harvey Street, 36th Avenue north of Harvey Street, Sherry Street west of 36th Avenue, 41st Street north of Wake Court, and Wake Court. Sanitary sewer work will be done on 40th Avenue between Harvey Street to Drake Street. The project also includes the installation of an ADA compliant sidewalk on Harvey Street from 32nd Avenue to 42nd Avenue and 42nd Avenue from Harvey Street to Howe Street. Roadway paving will be done throughout the project area.

Update: Century West Engineering was contracted for the design in July 2023. The project is currently at 90% design. The Public Works department has reviewed the 60% design and submitted comments to Century West Engineering. Another open house will be scheduled after completion of design.

### **CIP 2021-W61 Ardenwald North Improvements**

Summary: Project includes street repair on Van Water Street, Roswell Street, Sherrett Street, 28<sup>th</sup> Avenue, 28<sup>th</sup> Place, 29<sup>th</sup> Avenue, 30<sup>th</sup> Avenue, and 31<sup>st</sup> Avenue with a shared street design for bicycles, pedestrians, and vehicles. The sidewalk will be replaced on the north side of Roswell Street between 31<sup>st</sup> and 32<sup>nd</sup> Avenue. Stormwater catch basins in the project boundary will be upgraded, the water system will be upsized on 29<sup>th</sup> Avenue, 30<sup>th</sup> Avenue, 31<sup>st</sup> Avenue, and Roswell Street, and there will be wastewater improvements on 28<sup>th</sup> Avenue, 29<sup>th</sup> Avenue, and 31<sup>st</sup> Avenue to address multiple bellies and root intrusion to reduce debris buildup.

Update: Staff preparing bid items and plans to advertise in mid-September.

### **CIP 2022-A15 King Road Improvements**

Summary: King Road (43<sup>rd</sup> Avenue to city limits near Linwood Avenue) SAFE/SSMP Improvements will replace existing sidewalk and bike lane with a multi-use path, improve stormwater system, replace water pipe, and reconstruct roadway surface.

Update: Additional storm improvement scope was added to the project. Existing condition investigations have been conducted. Project is working towards a 90% design to be submitted in October.

### **Waverly Heights Sewer Reconfiguration**

Summary: Waverly Heights Wastewater project was identified in the 2010 Wastewater System Master Plan. The project may replace approximately 2,500 feet of existing clay and concrete pipe.

Update: Authorization for the design contract with Stantec was approved by the Council on August 1, 2023. An engineering services agreement was executed with Stantec on Sept. 19, and the design effort was kicked off in early October of 2023. A flow monitoring program was initiated in October, and will continue through the wet season, concurrent with design. A public engagement plan was prepared in Fall of 2023, and a first set of informational material was mailed out to neighbors in the area in November, along with permit of entry forms. Stantec commenced with early site investigations in December of 2023, and completed 30 percent design in January 2024. In March of 2024, the design team met with select residents on properties that may be more impacted from the project (i.e. properties that might require spot repairs or open trenching). A public open house was held on May 9<sup>th</sup>, 2024, at City Hall. The City reviewed Stantec's 60 percent design in July of 2024. Project is working on the 90% design.

### **Monroe Street Greenway**

Summary: The Monroe Street Greenway will create a nearly four-mile, continuous, low-stress bikeway from downtown Milwaukie to the I-205 multi-use path. Once complete, it will serve as the spine of Milwaukie's active transportation network connecting users to the Max Orange Line, Max Green Line, Trolley Trail, 17<sup>th</sup> Avenue Bike Path, I-205 path, neighborhoods, schools, and parks. Funding grants through ODOT and Metro will allow the city to complete our 2.2-mile section of the Monroe Greenway from the Trolley Trail to Linwood Ave.

#### Segment Update:

East Monroe Greenway (37<sup>th</sup> to Linwood): Staff have come to an agreement with ODOT and contracted CONSOR for the design. A Kick-off meeting has occurred, and the site is being surveyed. An Open-House was hosted on February 29<sup>th</sup> for all of the Monroe Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project. The City received a lot of positive feedback for moving forward with the

project and requests for speed mitigation and intersection controls. Feedback from the February open house has been incorporated into the design. Another Open-House specific to the east segment will be hosted September 12 at Wichita Park.

Monroe Street & 37th Avenue (34th to 37th): This segment is complete. It was constructed as part of the private development of the 7 Acres Apartments.

Western Monroe Greenway (Downtown to 34th): The city has come to an agreement with ODOT on an IGA that will transfer \$1.55 M in STIP funding to the city to construct this segment of the Monroe Street Greenway. The City has signed the IGA and is awaiting an ODOT signed copy. City staff has also contracted with 3J Consulting to negotiate work at the railroad crossings. The city will also contract a survey team to aid 3J.

Monroe Street & Highway-224 Intersection: This project has now been combined with a larger project which will mill and overlay Highway-224 from 17th Avenue to Rusk Road. The city will design and replace the underlying water main by October 2024 and ODOT will proceed to construction in the Fiscal Year 2026. The water main bid package is in finance review before being posted. An Open-House was hosted on February 29<sup>th</sup> for all of the Monroe Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project. The City received concerns regarding the development of Highway-224 and Monroe Greenway pushing traffic from Monroe Street onto Penzance Street.

### **Kellogg Creek Restoration and Community Enhancement Project**

Summary: Project to remove the Kellogg Creek dam, replace the McLoughlin Blvd. bridge, improve fish passage, and restore the wetland and riparian area. City of Milwaukie staff are part of the project Leadership Team, Core Technical Team, and the Technical Advisory Committee. The Leadership Team and Core Technical Team both meet monthly. In addition to city staff, these groups include staff from North Clackamas Watershed Council (NCWC), Oregon Department of Transportation (ODOT), and American Rivers. The Technical Advisory Committee (TAC) for the Kellogg Creek Restoration & Community Enhancement Project involves all collaborative partners that include the Confederated Tribes of the Warm Springs Indian Reservation of Oregon, the Confederated Tribes of Grand Ronde, Clackamas Water Environment Services, Metro, North Clackamas Parks and Recreation District, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Division of State Lands, the Native Fish Society, and the Natural Resources Office of Governor.

Update: The Summer 2024 Geotechnical and Sediment Sampling/Evaluation Study is underway and will likely continue through September. Additional details and updates are available at the project website: <https://www.milwaukieoregon.gov/kellogg/project-status>

### **Traffic / Parking Projects, Issues**

None.

### **Right-Of-Way (ROW) Permits (includes tree, use, construction, encroachment)**

Downtown Trees and Sidewalks

Update: Staff have a contract with AKS; working on what type of design works best now and in the future with both the trees and sidewalks & curbs.

## Private Development – Public Improvement Projects (PIPS)

### 1600 Lava

Update: This development on Lava drive will add a new 13-unit multi-family building. Public improvements for this project include a new sidewalk, an ADA ramp, and minor street widening. Building permits have been issued and on-site construction has begun. Public improvement site plans are currently under review.

### Hillside

Update: Hillside currently has issued permits for the first building and public improvements to be constructed under phase I. The remaining two buildings and public improvements to be constructed during this phase are still under review. City staff is meeting with the developer on a weekly basis to ensure the project moves smoothly. Public improvements for this development include new roadway alignment, new sidewalk, ADA ramps, and new asphalt paving. Work has started on the first building and associated public improvements.

### Seven Acres Apartments (formerly Monroe Apartments) – 234 units

Update: Seven Acres has completed construction and is currently occupied. Public improvements for this development included a new bike path and sidewalk from Oak Street and Monroe Street to 37th Avenue and Washington Street. Public improvements are currently under warranty and will receive a final inspection after a one-year period before shifting over to the City for ownership.

### Henley Place (Kellogg Bowl redevelopment)- 175 units

Update: Construction is complete, and the building is occupied.

### Elk Rock Estates – 5 lot subdivision at 19<sup>th</sup> Ave & Sparrow St.

Update: All public improvements have been completed; the project is in the punch-list and cleanup phase. The land use entitlements have recently expired, so they will need to go back through the process to build units.

### Shah & Tripp Estates – 8-lot subdivision at Harrison Street and Home Ave.

Update: Construction for the ROW improvements have begun. So far they have completed earth work, installed sewer laterals and poured the curb.

### Jackson / 52<sup>nd</sup> – 5-unit development.

Update: Project is nearing completion. The sewer main extension has been installed and tested. Per a development agreement, the developer repaved Jackson between Home Ave. and 52<sup>nd</sup> Ave in July 2024. The developer will be reimbursed for paved areas outside of their responsibility. All work is expected to be completed by August 2024.

### Walnut Estates

Update: Walnut estates has completed the majority of their construction and is currently in the final punch-list and cleanup phase. Public improvements for this development include new sidewalk, storm water facilities, and a new asphalt roadway. Once the final work is completed, this development will enter the one-year warranty period.

Bonaventure Senior Living – 170-units

Update: ROW permit has been issued and public improvements are currently under construction.

**Document Administration**

Plans

Summary: WSC is preparing the Stormwater System Plan.

**COUNCIL STAFF REPORT**

**To:** Mayor and City Council  
Emma Sagor, City Manager

**Reviewed:** Jennifer Garbely, City Engineer

**From:** Jeffrey Tolentino, Assistant City Engineer

**Subject:** **Quarterly CIP Update**

**Date Written:** Sep. 5, 2024

**ACTION REQUESTED**

This presentation is for informational purposes. No Council action is requested.

**HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

Staff generally provide Council with an update on capital projects quarterly.

**ANALYSIS**

The engineering department is working on the design and/or bidding of several projects that are primarily or partially funded through the Street Surface Maintenance Program (SSMP), SAFE, and utility funds:

- **Meek Street Pipe Installation, North Phase.** This project will construct a new detention pond and install approximately 4,000 linear feet of stormwater pipeline along the Union Pacific Railroad (UPRR) between Harrison Street and the Roswell Detention Pond. The design was provided by AKS Engineering and Forestry and was completed in late spring of 2023. Tapani, Inc. was selected to construct the project through a competitive bid process in summer of 2023. Construction efforts commenced in November of 2023, with construction of the stormwater pipeline from the Hillside development to the Balfour Pond, as well as excavation of the Balfour Pond. Construction of the pipeline within the UPRR right-of-way (ROW) was delayed in summer of 2024, while the contractor coordinated with Union Pacific to approve work plans for the work within the ROW.  
Construction is projected to restart in September of 2024 and carry on through early summer of 2025. Staff is anticipating a large change order due to railroad delay and the approved work plans doubling construction installation costs. The city sent project information to residents adjacent to the project as well as the Ardenwald/Johnson Creek Neighborhood District Association (NDA). Assistant City Engineer Jeff Tolentino is the project manager for this project.
- **2024 Street Surface Maintenance Program (SSMP) Improvements (citywide grind and inlay).** The project started construction work in June 2024 and is almost complete with all punch list items. The project scope of work included the grind and inlay for two miles of roadway within the city. Engineering Technician II Ben Green is the city project manager.
- **Monroe Street Greenway.** Staff are working with CONSOR and Oregon Department of Transportation (ODOT), to refine the design for the East Monroe Street Greenway



section from 37<sup>th</sup> and Washington to Linwood and Monroe. CONSOR submitted a draft design package to ODOT August 21, 2024. An open-house to discuss the Monroe Greenway took place on September 12 in Wichita Park, which approximately 100 people attended. Staff will accept comments on the current design through September 20. Additionally, staff plan to apply for additional Regional Flexible Funding Allocation (RFFA) funding for the project, made available by Metro for projects that experienced increased construction costs due to inflation. The current plan includes a reduced scope due to increased construction costs between planning and design. Civil Engineer Tanya Battye is the city project manager.

- **Washington Street Area Improvements.** The project scope includes sidewalk improvements, street pavement improvements, repair to the existing stormwater, sanitary sewer, and water systems, and replacement of the Spring Creek Culvert under Washington Street. Construction has been ongoing since March of 2024. Most of the storm updates have been installed along with the Spring Creek Culvert. Sanitary bursting, concrete sidewalk updates, and asphalt road grind & inlay are currently underway. City Engineer Jennifer Garbely is the city project manager with Associate Engineer Josh Neath.
- **Harvey Street Improvements.** This project includes the update and repair of existing sanitary, storm, and water systems. It also includes installing Americans with Disabilities Act (ADA) compliant sidewalk on Harvey Street from 32<sup>nd</sup> Avenue to 42<sup>nd</sup> Avenue and on 42<sup>nd</sup> Avenue to Howe Street. Due to additional water work needed in five years, the street will only be resurfaced, not reconstructed. Design has been contracted to Century West Engineering Corporation. Design is at 90% completion. Associate Engineer Hector Gomez-Barrios is the project manager.
- **Ardenwald North Improvements.** The project includes sidewalk improvements, street pavement improvements, and repair to the existing stormwater, sanitary sewer, and water systems west of 32<sup>nd</sup> Avenue along Van Water Street, Roswell Street, 28<sup>th</sup> Avenue, 29<sup>th</sup> Avenue, 30<sup>th</sup> Avenue, and 31<sup>st</sup> Avenue. The project will advertise for bids September 2024. We hope to procure a contractor in November. Associate Engineer Josh Neath is the city project manager.
- **Waverly Heights Sewer Reconfiguration.** This project will rehabilitate a deteriorated wastewater collection system in the Waverly Heights area of Milwaukie. The collection system facilities are primarily located in private, residential property, with limited information on existing maintenance easements. The design phase of the project will develop rehabilitation strategies for the collection system, with a focus on minimizing impacts to residents, (i.e. using cured-in-place-pipe, pipe bursting, or other low impact rehabilitation methods). A request for qualifications (RFQ) for design was advertised early this summer and Stantec Consulting Services was selected as the preferred consultant. Design efforts commenced in Fall of 2023, and the team is currently working toward the 90% design submittal. Construction is anticipated to occur in summer of 2025. Assistant City Engineer Jeff Tolentino is the project manager for this project.
- **26th Avenue Improvements.** The project is currently under design. This project will be combined with the Waverly South Project, which includes water, wastewater, ADA ramps, and roadway improvements near Lava Drive. The project scope of work includes sidewalk improvements and street pavement improvements by doing a two-inch grind and inlay for the length of 26<sup>th</sup> Avenue. Associate Engineer Hector Gomez-Barrios is the city project manager.

- **ADA Ramp Improvements.** Work is completed in March 2024 and is under warranty. Work includes renovating 14 ADA ramps to be ADA complaint and sidewalk work in front of the city’s public works building. Associate Engineer Hector Gomez-Barrios is the city project manager.
- **Main Street Sidewalk and Storm.** This project is currently being designed by AKS. A 100% plan sheet has been created and needs an engineering stamp to continue the bid process. The scope of work includes stormwater improvements and sidewalk improvements. This project is designed with stormwater infiltration in mind by using porous concrete and Soil Cells. Associate Engineer Hector Gomez-Barrios is the city project manager.
- **King Road Improvements.** The King Road Improvements project will replace existing sidewalk and bike lane with a multi-use path, improve stormwater system, replace water pipe, and reconstruct roadway surface. The project is currently under design by Kittelson and Associates. City Engineer Jennifer Garbely is the city project manager
- **Water Project Engineering Services.** Due to the aging water infrastructure at our treatment plants, pump station, reservoirs, and well sites, the city is looking to hire consultants to design and help construct improvements across these facilities. Contracts are in place with Water System Consulting and RH2. Our kickoff meeting occurred in April 2024, and we are in the planning stage. City Engineer Jennifer Garbely is the city project manager.
- **Up and Coming Projects.**
  - Wavery South – Staff has begun initial work preparing the project scope.
  - Harrison Corridor Safety Assessment.
  - Stanley Avenue Safe Access for Everyone (SAFE) Improvements.
  - 2025 SSMP Improvements (citywide grind and inlay).
  - 2025 Crack and Slurry Seal.

## **BUDGET IMPACTS**

All mentioned projects have been budgeted in the latest biennium’s CIP.

## **CLIMATE IMPACTS**

Staff maintains pavement across the city in accordance with the goals outlined, and the funds collected, by the SSMP. The materials and equipment used in the construction of infrastructure contain embedded carbon and generate greenhouse gas emissions. To the extent possible, staff work with contractors to use more sustainable materials and methods such as warm mix asphalt and concrete with a percentage of the cement replaced by fly ash or ground slag. For streets that need to be fully rebuilt, full-depth reclamation will be used instead of complete removal and replacement. This change will save a significant amount of energy otherwise expended by trucking material to and from the construction site, with the added benefit of reducing landfill disposal and the amount of new rock required for a project. Through improved regular maintenance of city streets, the lifespan of city streets will be extended, which will reduce the need for larger and more resource intense repair projects that have greater climate impacts.

While some trees must be removed to provide the required area to construct a project, the goal is to always install more trees than are removed. When feasible, stormwater projects will now start to include the more natural, low-impact development facilities. These are smaller facilities

spread more throughout a project that allow better retention, cleansing, and infiltration of stormwater runoff. Where feasible on sidewalk and pathway projects, more pervious asphalt and concrete surfaces will be installed to reduce stormwater runoff. With Capital Improvement Plan projects, language in the project specifications that limits idling time of construction vehicles will be included.

### **EQUITY IMPACT**

Engineering projects help bring equity and accessibility to the community. CIP projects focus on the areas in Milwaukie with the greatest need and highest risk. Their goal is to improve safety and access to quality services for residents. Through our SAFE program our goal is to remove barriers for people to walk, bike, or roll safely. This includes ADA enhancements. In addition, construction communication updates to water, wastewater, and stormwater facilities have been distributed and available in Spanish and English.

### **WORKLOAD IMPACTS**

The engineering department is currently seeking to fill three staff vacancies, a civil engineer and two engineering technicians.

### **COORDINATION, CONCURRENCE, OR DISSENT**

Engineering staff coordinated with public works, community development, finance, and the city manager's office on these projects through our capital projects chartering process to ensure interdepartmental coordination.

### **STAFF RECOMMENDATION**

This report is informational only.

### **ALTERNATIVES**

Not applicable.

### **ATTACHMENTS**

None.



CITY OF MILWAUKIE

# CIP Project Updates

September 17, 2024

Jennifer Garbely, City Engineer



# ADA Ramp Improvements

## Project Goals:

- Install 12 ADA compliant ramps throughout Milwaukie
- Upgrade sidewalks in front of Johnson Creek Building

## Status:

- Completed



# 2024 Street Maintenance

## Project Goals:

- Grind and Inlay
- Crack Seal / Slurry Seal

## Status:

- Completed

## Anticipated Schedule:

- Staff will start preparing for next year's projects soon





# Washington Area Improvements

Completed 27<sup>th</sup> Ave before school started

Changed out culvert to be slip lined

Final construction anticipated to be completed Spring 2025

# Meek North Phase



Project has been delayed for the last 6 months due to the Railroad



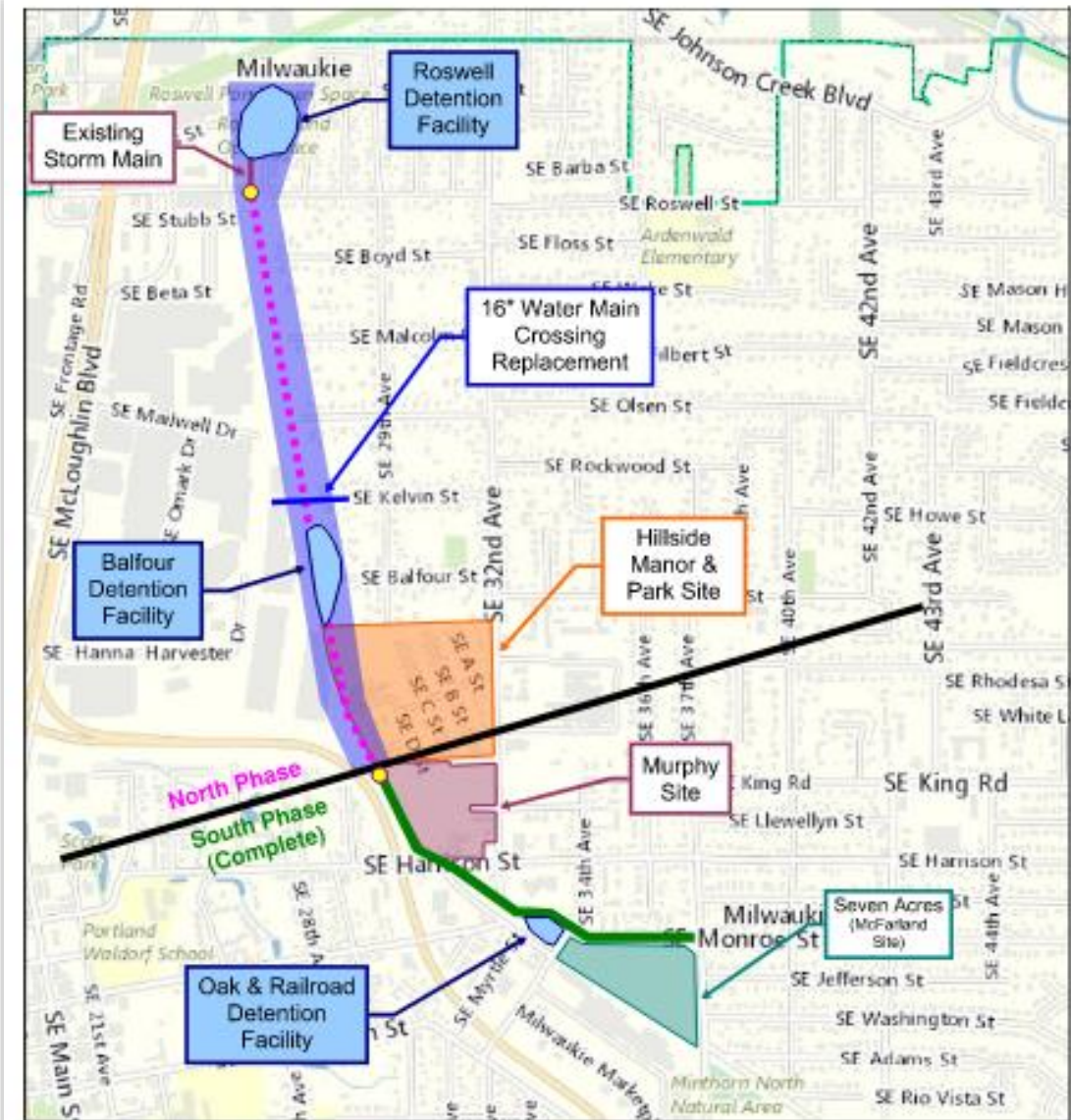
Anticipating a large change order



Construction started back up this September



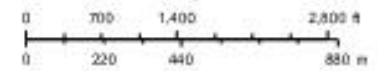
Residents were notified of delay and restart of the project



1/11/2019, 10:14:07 AM

- Milwaukie City Limits
- Easement Area
- Seven Acres (McFarland Site)
- Hillside Manor & Park Site
- Murphy Site
- Existing Storm Main
- New Storm Main
- Completed Storm Main
- Manhole
- Storm Detention Facility
- Water Main Crossing Replacement

1:15,800



City of Milwaukie Oregon  
Data: Resonance CAD/BIM

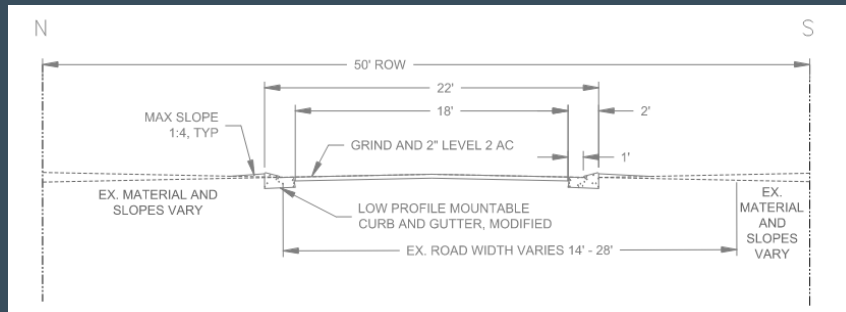
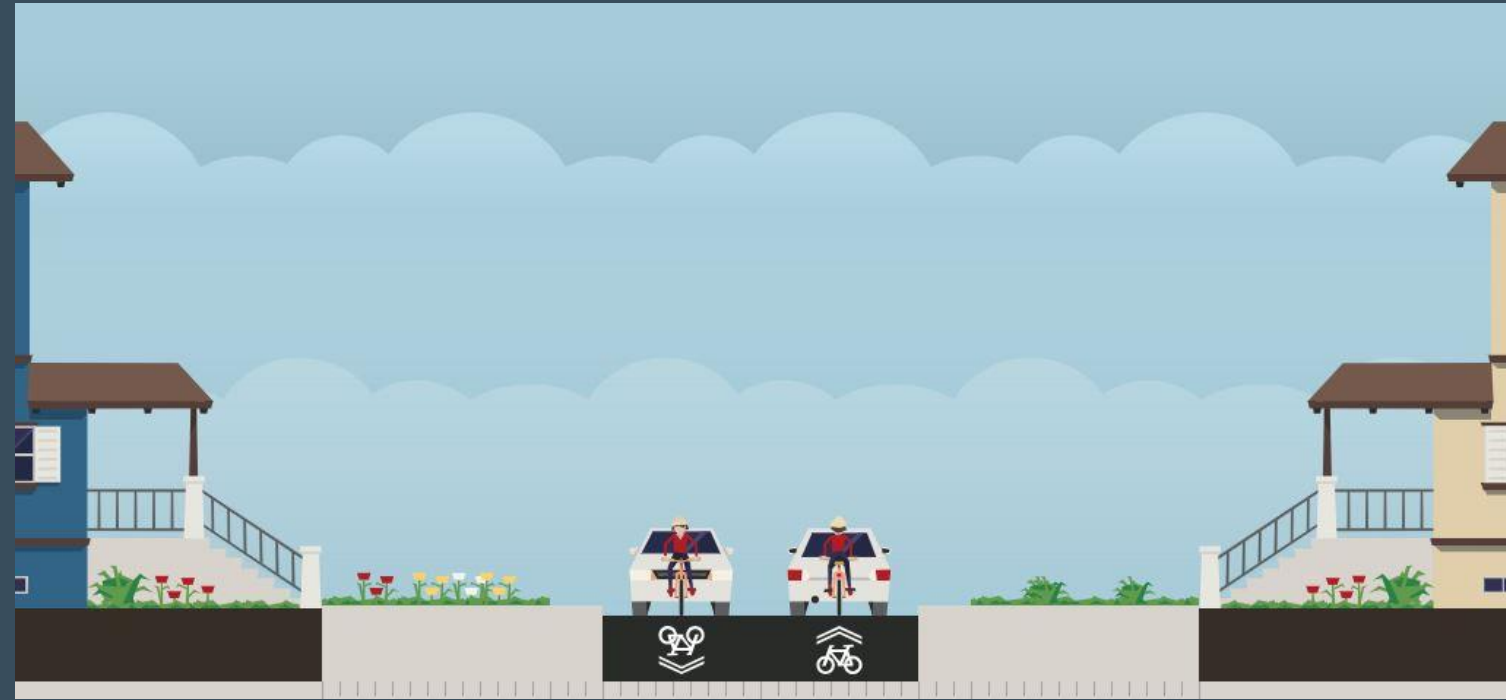


# Ardenwald North Improvements

Includes roadway and sidewalk improvements, and improvements to storm, sanitary and water.

**Bidding September 2024**

Shared roadway concept



# Downtown Sidewalk and Storm

## Scope

- Improve sidewalks on Main between Monroe and Jefferson.
- Extend storm lines between McLoughlin and Main at Monroe and Jefferson



**Central Monroe Greenway: transitions from intersection; \$1.55 M thru IGA with ODOT, plus City UR and city transportation funds - 2025/26**

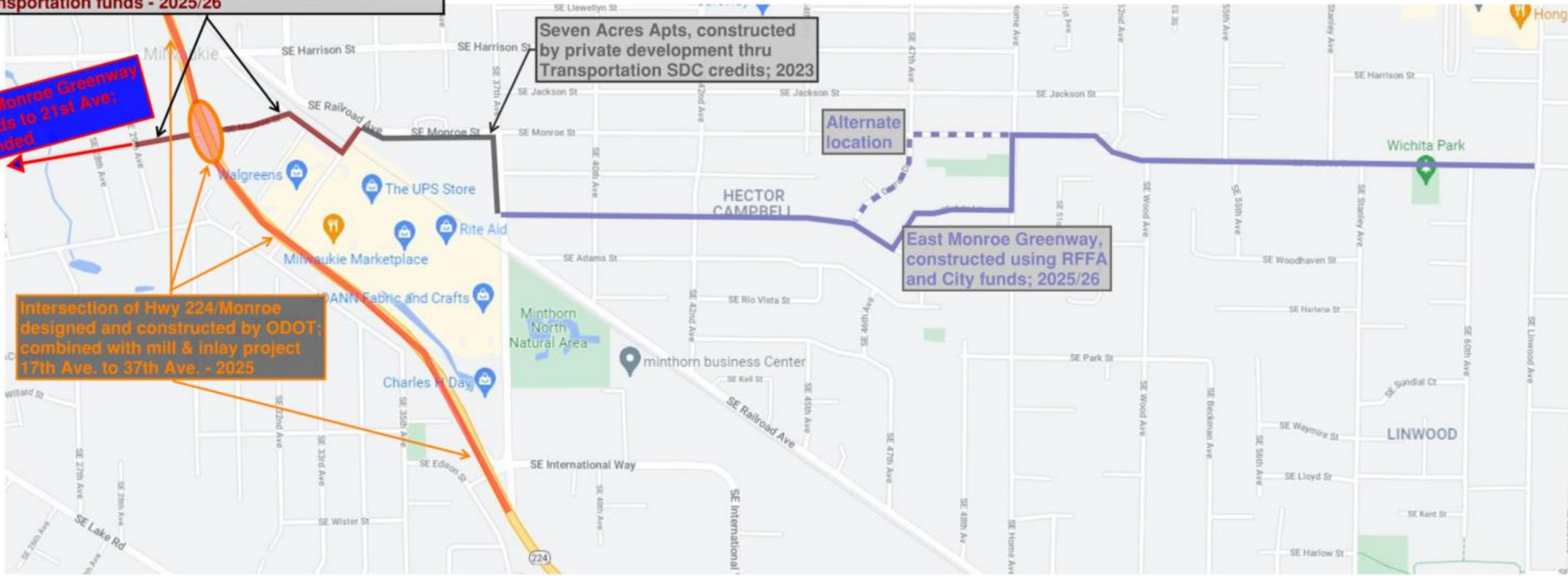
**Seven Acres Apts, constructed by private development thru Transportation SDC credits; 2023**

**Alternate location**

**East Monroe Greenway, constructed using RFFA and City funds; 2025/26**

**West Monroe Greenway extends to 21st Ave; unfunded**

**Intersection of Hwy 224/Monroe designed and constructed by ODOT; combined with mill & inlay project 17th Ave. to 37th Ave. - 2025**



# Monroe Greenway

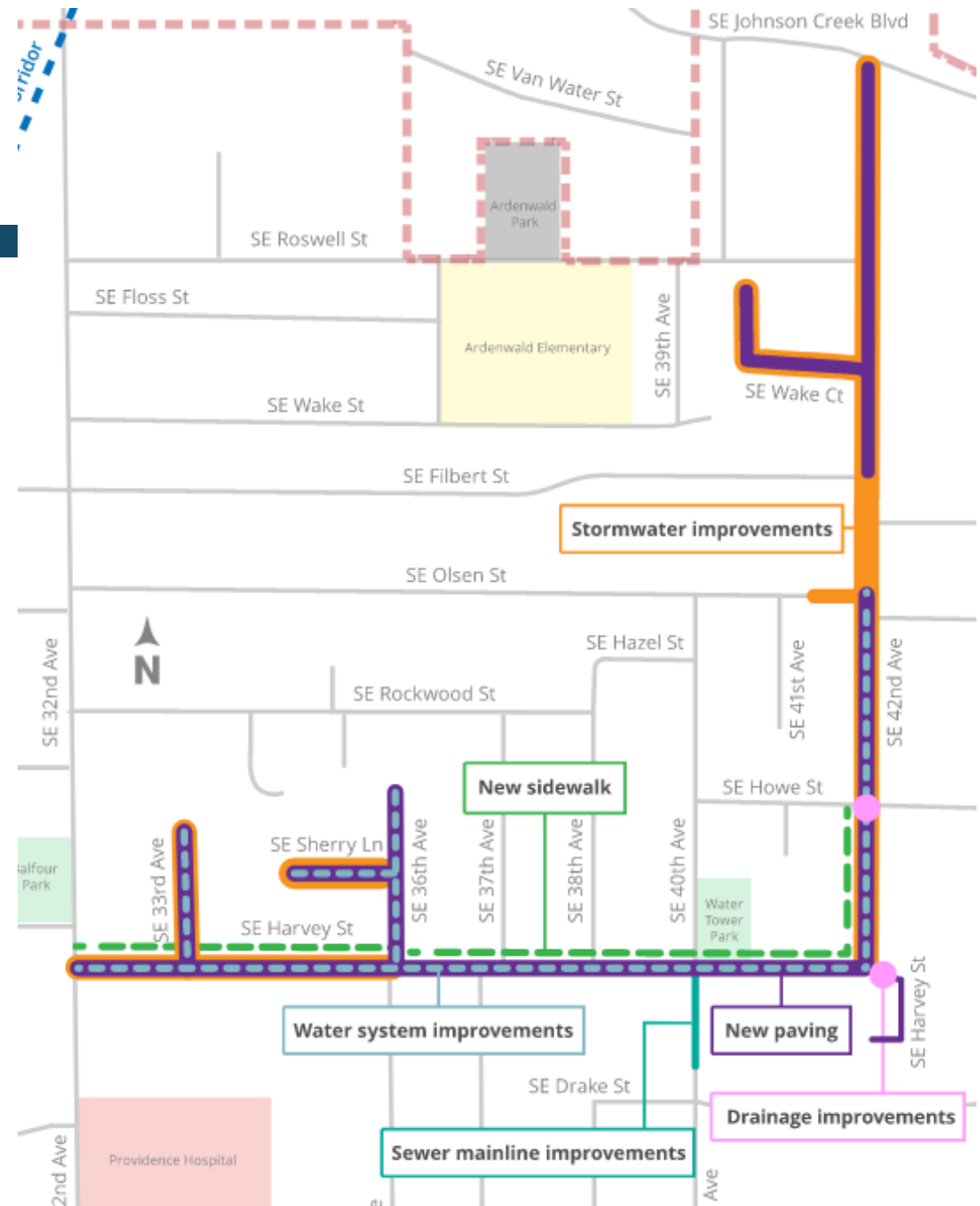
**East Monroe Greenway – Open house on September 12, 2024 with over 100 people dropping in**

**Central Monroe Greenway – water pipeline to begin construction in October 2024**

**West Monroe Greenway – currently unfunded**

# Harvey Street Improvements

- Staff reviewed 90% design and working towards a 100% design
- Bid out with Best Value
- Construction to start in FY 2025



# King Road Improvements



## Status

- 90% design drawings are due in October 2024



# Waverly Heights Sewer Reconfiguration Project

## Project Goals:

- Repair collection system deficiencies
- Reduce impact to residents

## Status:

- Working on a 90% design submittal
- Obtaining proper easements for the system

## Anticipated Schedule:

- Design: Oct 2023 – Mar 2025
- Procurement: Mar 2025 – Jun 2025
- Construction: Jun 2025 – Nov 2025



# Waverly South & 26<sup>th</sup> Avenue Improvements



## Project Goals:

- Waverly South
  - Repave Lava Drive and Waverly Court
  - Upgrade ramps to ADA compliance
  - Pipeburst deteriorated sewer line
  - Upsize 2" waterline
- 26<sup>th</sup> Ave
  - Repave 26<sup>th</sup> Avenue from Lake Road to end
  - Add new sidewalk

## Status:

- Survey work is complete
- In-House Design

# Stanley Improvements

- Funding
  - URA County
  - Safe Routes to School Grant
- Project
  - Sidewalk one side from King to Johnson Creek
- Timeline
  - Project to design and complete construction within the next 3 years



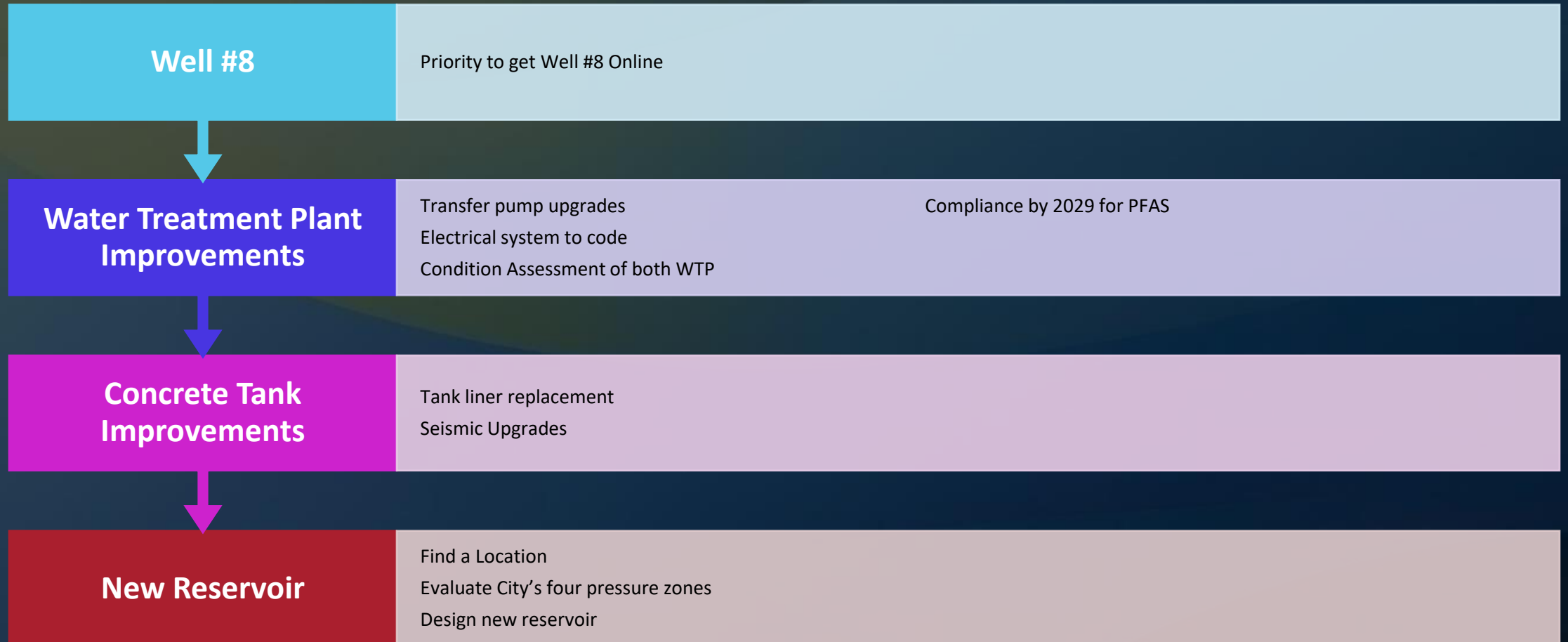


# Stanley Reservoir Improvements

- New well pipe configuration in order to pipe water directly onto the distribution system
- Reservoir is offline from Oct 2024 to Mar 2025
- Public engagement



# Water Engineering Services



# Engineering News



- Approved for SS4A Grant for Harrison
- Won an award for Linwood from Oregon chapter of APWA which was submitted jointly with Clackamas County
- Jennifer Backaus is leaving the city which means engineering has three vacancies

# Questions



**WS 1. 9/17/24  
Correspondence**

**From:** [Jay Panagos](#)  
**To:** [OCR](#)  
**Subject:** Signage  
**Date:** Tuesday, September 17, 2024 4:50:00 PM

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This Message originated outside your organization.

Hello Council,  
Attention Will !!!

If there are extra monies after the 29th St Greenway & Monroe Greenway's are completed to increase Safety signage. In particular "share the road signs where applicable"? As we increase Bike Milwaukie participation e.g rides and more cycling opportunities for a safe and enjoyable environment, the cycling community will grow. Having signage that alerts auto's and creates a multi use transportation city will give citizens a safer community!!!

Jay Panagos  
Bike Milwaukie  
Sent from my iPhone

**COUNCIL STAFF REPORT**

**To:** Mayor and City Council  
Emma Sagor, Acting City Manager

**Reviewed:** Mandy Byrd, Development Project Manager

**From:** Joseph Briglio, Community Development Director

**Subject:** **Sparrow Site Project Update**

**Date Written:** Jul. 29, 2024

**ACTION REQUESTED**

Council is asked to provide general direction on the project goals for the Sparrow Site in preparation for a request for qualifications/proposal (RFQ/RFP) solicitation.

**HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

[June 20, 2018](#): Staff met with the Island Station Neighborhood District Association (NDA) to provide an in-person update of city plans to land bank property for the purpose of housing development opportunities.

[March 19, 2019](#): Council delegated signing authority to the city manager to purchase the Sparrow Site from TriMet for \$33,287.

[February 18, 2020](#): Council reviewed and provided input on development goals and received an update on the proposed project community engagement plan.

[January 19, 2021](#): Council received an update on the Sparrow Site and reviewed project goals.

[March 16, 2021](#): Council received an update on the Sparrow Site, the Site Access Study, and reviewed project goals.

[April 6, 2021](#): Council received an update on the Sparrow Site, the Site Access Study, and reviewed project goals.

[May 18, 2021](#): Council considered a resolution to approve the project goals for the TriMet Remnant Lot (Sparrow Site).

[June 1, 2021](#): Council adopted a resolution to approve the project goals for the TriMet Remnant Lot (Sparrow Site).

[June 8, 2021](#): Council held an executive session and received an update on the Sparrow Site, the results of the Site Access Study, and reviewed property acquisition options.

[June 21, 2022](#): Council delegated signing authority to the city manager to purchase the 0.30-acre site at 12302 SE 26<sup>th</sup> Ave (Tax Lot No. 11E36CC05100) (the "Sparrow Auxiliary Site") from the Tri-County Metropolitan Transportation District (TriMet) within the incorporated area of Milwaukie for the agreed amount of \$84,000. The deed for this purchase was recorded on January 17, 2023.

## ANALYSIS

### Background

In March 2019, the city acquired the Sparrow site from TriMet for \$33,287 for the development of housing to meet the city's affordable housing goals as outlined in the Milwaukie Housing Affordability Strategy (MHAS).

The Sparrow Site is located at the corner of Sparrow Street and 25<sup>th</sup> Avenue in the Island Station neighborhood. The site is considered a brownfield since it was formerly a construction staging area and contains petroleum-contaminated soil. Due to the presence of contamination on the site, the city entered into a prospective purchaser agreement (PPA) with the Oregon Department of Environmental Quality (DEQ). The PPA enabled the city to purchase the contaminated site by limiting the city's liability to DEQ for environmental cleanup of the property. The PPA becomes the foundation for a judicially approved consent judgment that requires the city (or a future developer) to clean up the property in preparation for development. Among other requirements, the consent judgment requires the submittal to DEQ of a remedial action plan for the site. Staff obtained a two-year extension from DEQ for the required plan, which is now due on August 5, 2025.

Findings from a 2021 Site Access Study (Attachment 1) indicated that existing conditions on 26<sup>th</sup> Avenue between Lark Street and Sparrow Street did not provide adequate access for development to occur at the Sparrow Site. To remedy this, the city purchased the Sparrow Auxiliary Site (Lot 5100) from Tri-Met in 2022.

### Next Steps

The next steps in the disposition process would be a Council hearing to declare both the Sparrow Site (Lot 0300) and the Sparrow Auxiliary Site (Lot 5100) as surplus property, after which the city would issue an RFQ/RFP.

However, prior to proceeding with these steps, staff would first like to confirm the 2021 Project Goals are still relevant and in alignment with Council's current vision for this property. Once approved, the Sparrow Project Goals will be included in the RFQ/RFP and will be used to evaluate proposals from prospective developers.

### Project Goals For Review/Discussion

The following are the goals developed in 2021:

1. **Affordable Housing.** Income restricted rental units or affordable homeownership opportunities that serve households earning 60% or less of AMI. Preference for a project that serves lower income and 0-30% households.
2. **Unit Size.** Preference for the project to include 2-bedroom and 3-bedroom units.
3. **Minority / Women Business Enterprise Contracting.** Preference for a development team that will make a good faith effort to use Minority / Women Business Enterprises (MWESB) in contracting.
4. **Preservation of Tree Canopy.** Project design that will minimize the impact of development on the tree canopy.
5. **Sustainable Design.** Project that uses sustainable and energy efficient design and construction methods.

6. **Affirmative outreach.** Development team that will create an affirmative outreach plan to provide information and attract eligible persons to live in the development from all racial, ethnic, and gender groups in the housing market area.
7. **City of Milwaukie Financing.** Project that minimizes the need for city financing while still delivering on project goals.
8. **Project Delivery.** Development team with experience in project delivery and that can begin construction as soon as practicable.

### **Questions for Council:**

Do the goals as stated still reflect current Council intentions for the site?

Does Council have additional feedback or direction on project goals?

Is advancing affordable housing on this site still the top priority given recent discussions about affordable housing “scattered sites” or other land banking opportunities?

Does Council want staff to explore utilization of construction excise tax (CET) funds to further support development on the Sparrow site?

### **BUDGET IMPACT**

The city used general funds within the community development department budget to acquire the Sparrow Site (Lot 0300). The city used budgeted general funds within the community development department budget to acquire the Sparrow Auxiliary Site (Lot 5100). The Site Access Study determined that access to the site will require capital improvement resources. As the city moves forward with an RFP/Q process in search of a development partner, it is also possible for Construction Excise Tax (CET) funds to be utilized to further support and incentivize affordable housing development on the site.

### **CLIMATE IMPACT**

The city’s 2023 climate goals update indicated that transportation emissions amount to 52% of Milwaukie’s total emissions. Transit Oriented Development (TOD) housing projects, like the Sparrow Site have the potential to mitigate transportation-related carbon emissions by promoting access to alternative and public transportation. Street and pedestrian improvements provided by the Safe Access for Everyone program that are a part of the project also mitigate greenhouse gas emissions through increased access to alternative transportation infrastructure.

Environmental remediation may improve the possibility of healthy vegetation on the site, which could align with city canopy goals if appropriate tree preservation and arboricultural construction practices are followed. The Sparrow Site development will help implement the city’s Comprehensive Plan, which includes the city’s climate action goals.

Additionally, two of the proposed project goals are specifically targeted at increasing the project’s climate impact including: 1) preservation of the tree canopy, and 2) sustainable and energy efficient design and construction methods.

### **EQUITY IMPACT**

The housing crisis has a disproportional impact on marginalized populations. If the Sparrow Project comes to fruition, it could potentially create much needed affordable housing for underserved community members. This will promote the city’s equity goals by creating housing units affordable to a more diverse population.



Additionally, two of the proposed project goals are specifically targeted at increasing the project's equity impact including: 1) good faith efforts to diversify contracting, and 2) affirmative outreach to diversify future residents of the property.

#### **WORKLOAD IMPACT**

The city's assistant city manager, community development director, and development project manager, as well as public works, planning, and engineering staff will work together to facilitate this project.

#### **COORDINATION, CONCURRENCE, OR DISSENT**

The city manager, assistant city manager, city attorney, community development director, and development project manager have coordinated on this effort.

#### **STAFF RECOMMENDATION**

Staff is seeking general direction on the Sparrow Project Goals.

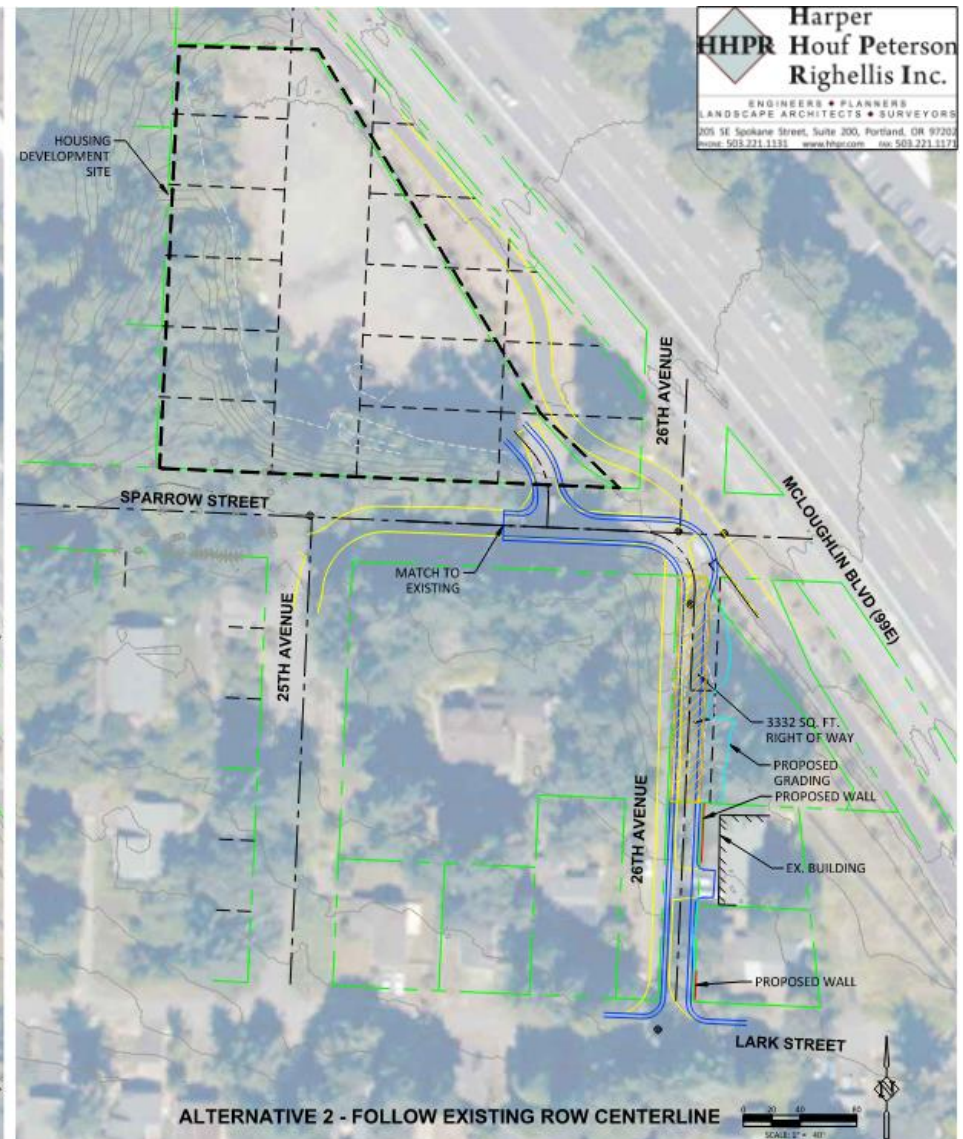
#### **ALTERNATIVES**

Staff is seeking general direction on the Sparrow Project Goals. No alternative approaches have been explored; however, if the council has other affordable housing related goals and projects in mind, then staff will want to direction on project and work plan prioritization.

#### **ATTACHMENTS**

1. Site Access Study

Attachment 1 – Site Access Study



**Harper**  
**HHPR** **Houf Peterson**  
**Righellis Inc.**  
ENGINEERS • PLANNERS  
LANDSCAPE ARCHITECTS • SURVEYORS  
205 SE Spokane Street, Suite 200, Portland, OR 97202  
Phone: 503.221.1131 www.hhpri.com fax: 503.221.1171

**SPARROW STREET AFFORDABLE HOUSING SITE ACCESS**

# SPARROW SITE

City Council  
September 17, 2024

Joseph Briglio, Interim Assistant City Manager, Community  
Development Director [briglioj@milwaukieoregon.gov](mailto:briglioj@milwaukieoregon.gov)

and

Mandy Byrd, Development Project Manager  
[byrdm@milwaukieoregon.gov](mailto:byrdm@milwaukieoregon.gov)



# Sparrow Site – Background

## Sparrow Site - Main Lot

- Lot 0300
- 1.96 acres (1.09 acres developable)
- Purchased from TriMet in 2019

## Sparrow - Auxiliary Lot

- Lot 5100
- 0.29 acres (needed for ROW access)
- Purchased from TriMet in 2022



# Sparrow Site - Constraints

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- **Density**

- Zoned Moderate Density Residential (R-MD)
- Upzone would be challenging
- CFEC/Middle Housing Code will help developability
- RFQ/P to shed more light on feasibility

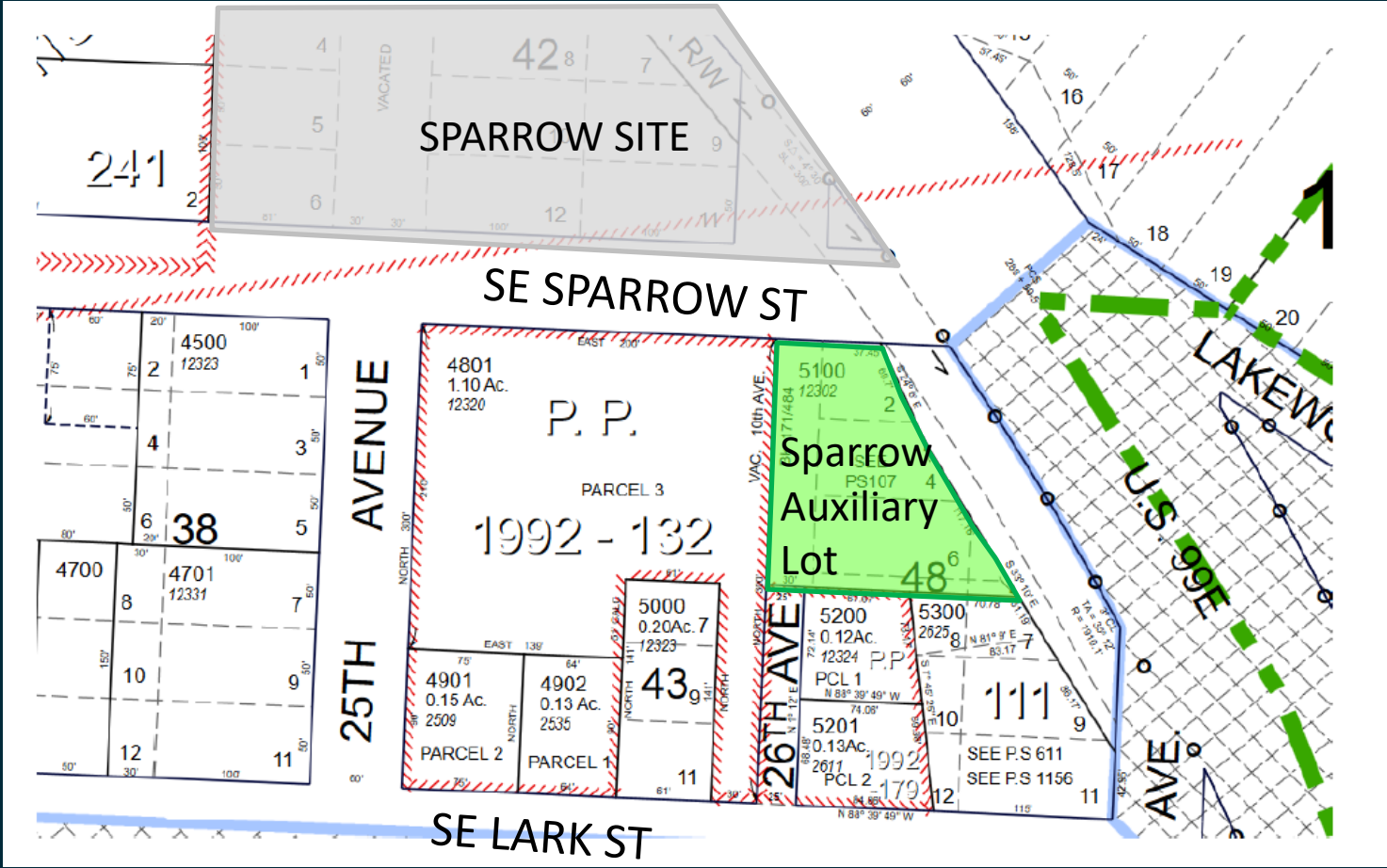
- **Brownfield**

- Metro Brownfield Program – Environmental Phase I & II
- Soil removal and/or surface capping will be incorporated to the future site plan (Remedial Action Plan)

- **Access**

- 2021 Site Access Study found that expansion of the right-of-way is required to provide access to any future proposed development

# Sparrow Site – Auxiliary Lot



Pictured above: Expansion of SE 26<sup>th</sup> Ave is needed for access/ROW to the site

# Sparrow Site – Context Photo



Entrance - looking north

# Sparrow Site - Next Steps

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## 2024

- Confirm Project Goals
- City Council Hearings
  - Declare Surplus
  - RFP Authorization
- Release RFP

## 2025

- Developer/Owner Selection
- Public Engagement
- Site Design
- Remedial Action Plan

## 2026

- Permitting
- Access/ROW Improvements
- Brownfield Mitigation
- Construction



# Proposed Development Goals

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(1-4 of 8)

- 1. Affordable Housing.** Income restricted rental units or affordable homeownership opportunities that serve households earning 60% or less of AMI. Preference for a project that serves lower income and 0-30% households.
- 2. Unit Size.** Preference for the project to include 2-bedroom and 3-bedroom units.
- 3. Minority / Women Business Enterprise Contracting.** Development team that will make a good faith effort to utilize Minority / Women Business Enterprises (M/WBE) in contracting.
- 4. Preservation of Tree Canopy.** Project design that will minimize the impacts to the tree canopy by development on the site.

# Proposed Development Goals

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(5-8 of 8)

5. **Sustainable Design.** Project that uses sustainable and energy efficient design and construction methods.
6. **Affirmative outreach.** Development team that will create an affirmative outreach plan to provide information and attract eligible persons to live in the development from all racial, ethnic, and gender groups in the housing market area.
7. **City of Milwaukie Financing.** Project that minimizes the need for City of Milwaukie financing while delivering on project goals.
8. **Project Delivery.** Development team with experience in project delivery and can commence construction as soon as practicable.

# Sparrow Site Goals Discussion

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## Discussion:

Do the goals as stated reflect Council intentions for the site?

Does Council have additional feedback or direction on project goals?

Is advancing affordable housing on this site still the top priority given recent discussions about affordable housing “scattered sites” or other land banking opportunities?

Does Council want staff to explore utilization of construction excise tax (CET) funds to further support development on the Sparrow Site?

# Milwaukie Affordable Housing Pipeline

| Rental Units         |            |                |
|----------------------|------------|----------------|
| Name                 | # Units    | % AMI          |
| Hillside Manor       | 100        | 60% (or lower) |
| Hillside Phase I     | 275        | 30-60%         |
| Hillside Phase II    | 229        | mix            |
| Coho Point           | 20         | 80% (or lower) |
| Walsh Commons        | 28         | 60% and 80%    |
| North Main Village   | 64         | 80%            |
| <b>TOTAL</b>         | <b>716</b> |                |
|                      |            |                |
| Ownership Units      |            |                |
| Name                 | # Units    | % AMI          |
| Shortstack Milwaukie | 15         | 80%            |
| <b>TOTAL</b>         | <b>15</b>  |                |

# Proposed Development Goals

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1. **Affordable** – Income Restricted preference for 30% and below AMI, but no more than 60%
2. **Unit Size** – 2 to 3 bedroom
3. **Minority / Women Business Enterprise Contracting** – Good faith efforts to assemble a development team that encompasses minority and/or women owned businesses
4. **Tree Preservation** – Minimize impacts to the tree canopy
5. **Sustainable Design** – Use sustainable and energy efficient design methods and construction materials
6. **Affirmative Outreach** – Ensure diverse marketing efforts are provided to persons of all racial, ethnic, and orientations
7. **City Financing** – Minimize the need for City funding for delivering project goals
8. **Project Delivery** – Pick a team that can do it as fast as possible



**WS 2. 9/17/24  
Correspondence**

**From:** [Lisa Batey](#)  
**To:** [City Council](#)  
**Subject:** FW: Sparrow Street Site  
**Date:** Tuesday, September 17, 2024 12:21:23 PM

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It sounds like Councilors are receiving this individually, but sending to all to get this in the record for today's work session.

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**From:** Jo Anne Bird <evenstar@hevanet.com>  
**Sent:** Tuesday, September 17, 2024 12:16 PM  
**To:** Lisa Batey <BateyL@milwaukieoregon.gov>  
**Subject:** Sparrow Street Site

**This Message originated outside your organization.**

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I sent this out earlier, but my email program insists that I didn't send anything. Therefore, I am emailing everyone on my list individually. I apologize if this is redundant. —Jo Anne Bird

September 17, 2024

To the members of City Council, the City Manager and City Staff:

I would like to address the Sparrow Street Site and council's plans for the spot. First, I'd like to give a little history of the site for those of you who don't know it.

I have lived in our house since 1986, so my knowledge of the site only goes back that far. It was used as an ODOT site to park trucks on, store gravel and other materials for about the first 25 years we lived here. Thus, it is contaminated, but despite the testing that was done, we don't know how deep or exactly with what (or how much it will cost to clean). Sometimes, it was vacant for months and was not well maintained. At one time in the early 2000's, there was an unhoused person's camp in the laurel hedge that bordered the site along what is now the Trolley Trail. We asked and got permission from the city to remove the laurel hedge, and the homeless people moved on.

After voting down light rail twice in the city and once in the County, we got and continue to pay for light rail. The facts of this can be debated, but voters were clear that they didn't want to pay for light rail. City council at the time had no

plan for how to pay for Milwaukie's portion of the light rail, so it was up to a new council, further down the road, to ask the voters to tax ourselves for a transportation system we had voted against. It took me a while to realize that with light rail came TODs. At the time, North Main had been built with the promise that 'when more people live downtown, downtown will thrive'. (Side note, the Safeway store, the only grocery store in downtown, was removed to build North Main.)

When light rail went in, 7 homes and a 4 plex were torn down in Island Station. We are the most impacted neighborhood along all 7 miles of the Orange Line. We lost hundreds if not thousands of cubic meters of tree canopy. I went to many meetings to try and tell TriMet their promise of replacing trees was not adequate – replacing a mature tree's canopy with even a 6-inch dbh tree canopy was and is unreasonable.

The Sparrow Site was purchased through Metro for very little money with the idea it would be developed for housing. Whenever the neighbors to the Sparrow Site have been asked what they wanted the site to become, we've never said "more housing". We residents have asked that the site be a wayside park along the Trolley Trail, or an interpretive center involving the Tribes of the Grand Ronde, or similar, to talk about the native people's relationship to the area, or a history site to explain about the big redwood that was planted for the 1905 Lewis and Clark Exposition and other interesting Milwaukie history facts. A dog park, a skate park, something, but not more housing. And the site borders a WQR area and an HCA and is the has the densest canopy in the City of Milwaukie (over 90%).

But we were informed we'd get low-income housing.

We were told there were 400 kids sleeping in cars in NCSD and that we needed to build on the Sparrow Site to house those kids. Later, during Covid when we were meeting on Zoom, a planner brought Katie Ray (I think it was) from the Wichita Center to our meeting. She broke down the houseless kids problem by the numbers. It turned out that there were 19 children in NCSD that were truly houseless. Council has already bought the site and another piece of land to



provide access to the site. My argument is that for the \$117,000 you've already spent on the site you could have vouchered those 19 kids into an apartment for a long time.

In looking over the notes from May 18, 2021, I see that council wanted the RFP/Q's to target 60% AMI, but one member pushed for 0 – 30% AMI. If I remember correctly, the RFP came in at 60 – 80 % AMI to reasonably develop the site. The council also directed that the site have 2-to-3-bedroom units. I would like to note that Oak Grove School is already designated as a Title 1-A school. Furthermore, this site isn't big enough to provide wrap around services. I suppose people would have to walk over to Northwest Housing Alternatives or bus up to the Hillside site to obtain services

With light rail, Milwaukie has seen a proliferation of TOD's. Axle Tree has been built, Henley Place (175 units) is near completion, the Northwest Housing Alternatives shelter across the street from the High School has been built and as far as I know another development across the light rail from the Axle Tree is in the planning stages. And while downtown has improved, it hasn't exactly skyrocketed into a destination mecca and business vacancies continue.

And the development goes on beyond the TOD's. I've tried to look up all the housing being developed on the city's website (which I find arcane), and I have found these:

7 acres – 234 units

Bonaventure – 170 units

Hillside – hundreds of units

Shah and Tripp site – 8 lots

1600 Lava Drive – 13 units

52<sup>nd</sup> and Jackson – 5 Townhomes

Walnut Estates - ???

Despite the acquisition of the remnant property along 26<sup>th</sup> for a whopping \$84,000, the site has only one access point. There is not a second egress point, nor would it be easy to make one.

So, the city wants to put poor people on a contaminated site, facing east with limited road access along a light rail line that runs 19.5 hours a day during the week 20.5 hours a day on the weekends (and is noisy, I might add) and that is not transportation friendly in that residents then have to get on another bus or use a car to go to Fred Meyers or Walmart to get groceries. And, also, despite Sparrow Street's TOD status, residents would have to walk a quarter mile to either catch a bus or the light rail in the first place. Humph.

People come to Milwaukie because they value things like bigger yards and tree canopy. While developing the site will not make anyone's yard smaller, it will affect the tree canopy. Street improvements along 26<sup>th</sup> would be major – involving the county as well as the city. Street improvements along Lark would be major – and all in the city. People who live along those streets could expect an increase in traffic and loss of canopy.

Milwaukie has done and is doing its part for affordable housing in Clackamas County. For now, we need to spread the rates of poverty out in the County. Raj Chetty has done some interesting work on poverty and upward mobility <https://www.brookings.edu/articles/raj-chetty-in-14-charts-big-findings-on-opportunity-and-mobility-we-should-know/> or his work in Seattle explained: <https://www.bloomberg.com/news/articles/2019-08-04/a-cheap-powerful-tool-to-beat-housing-segregation>. I will continue to believe that other parts of Clackamas County need to do their part before I'll sanction more low-income projects in Milwaukie and put more pressure on our Title 1-A schools.

So, City of Milwaukie Staff and City Council, I would request that the Sparrow Site be re-designated to something other than low-income housing – or any housing. I'm also asking that you plan a meeting and invite all the people who live along 26<sup>th</sup> and all the people who live along Lark as well as anyone within a quarter mile of the site. I would like you to share ALL the information you have on Sparrow Street, as well as be prepared to listen to the residents of Island Station.

Thank you.

Jo Anne Bird

[evenstar@hevanet.com](mailto:evenstar@hevanet.com)

**From:** [William Anderson](#)  
**To:** [Scott Stauffer](#)  
**Cc:** [Emma Sagor](#)  
**Subject:** Fw: Sparrow Street Site  
**Date:** Tuesday, September 17, 2024 7:31:20 PM  
**Attachments:** [Screenshot 2024-09-17 at 12.44.54 PM.png](#)

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Can you include this response in the record after Jo Anne's email?

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**From:** William Anderson <AndersonW@milwaukieoregon.gov>  
**Sent:** Tuesday, September 17, 2024 7:29 PM  
**To:** Jo Anne Bird <evenstar@hevanet.com>; Charles L Bird <charlesbird@juno.com>  
**Subject:** Re: Sparrow Street Site

Good afternoon Jo Anne and Charles,

Thanks for taking the time to reach out to us about the sparrow site and for coming to council tonight! I don't think many folks realize the impact they can have getting involved at the local level; to that end, I really appreciate all the time you and Charles dedicate to our city.

Before we start discussing IF and WHERE we should build housing, I think we must understand WHY we must build housing. Milwaukie, Oregon, and the US at large are facing a housing crisis that is exacerbated by an inadequate supply of housing. [Here is a great article](#) that discusses the problems Oregon faces when it comes to housing affordability. Housing, just like any other good bought and sold on the market, is impacted by supply and demand. Oregon has underbuilt housing for the past few decades ([here is an article with figures supporting this claim](#)) and that has led to higher costs. These higher costs not only prevent home ownership, but price out renters from communities like Milwaukie.

Many things impact the ability to build housing, but I want to highlight two major factors in Oregon: our land use system and our local zoning laws. Our land use system is unique to Oregon; in the 1970s we drew boundaries around our cities to limit growth and protect our natural lands. Our local zoning laws are not unique — we, like most American cities, limit certain types of growth to small portions of our cities. Both policies have the effect of constraining housing production. Is this reason enough to through out our land use system and local zoning? No, just like any policies there are benefits and costs, but it is important to recognize the price we pay when we enact policies like this. I mention these polices to show a give and take inherent to our land use laws. We can either sprawl unchecked and destroy our natural environment; we can allow infill development in our

cities but in so doing, accept that they must change over time; or we can prevent growth and as a consequence, allow only the wealthy to call this state home.

With this framing in mind, I want to address the questions you raise about IF we should be trying to build more housing and WHERE we should build it. I think this first point is fundamentally a moral one about "what we owe each other." To understand this I would turn to the works of philosophers like Immanuel Kant who dedicated his life to this question. Kant suggests that we have a moral duty to act according to principles that could be universally applied. To put it simply, this means treating people how you yourself would want to be treated. In this framework, helping others becomes a duty because we recognize them as fellow rational beings with inherent worth, deserving of the same care we would expect for ourselves. By living in a shared society, we owe each other respect, fairness, and support. Thus, helping others is not just an act of charity but a fulfillment of the moral obligations we owe to one another as members of a moral community. To relate this back to the question of IF we should be building housing, the data I've shown above clearly shows there is a crisis of housing affordability that stems from a lack of supply. If we have an obligation to help one another, we have an obligation to address this, not just as individuals or as a neighborhood, but together as a city.

The question turns to WHERE do we build housing. I won't be so long winded in this answer and say simply we build it where we can. Typically the city does not control housing production, we merely create the conditions and flexibility to allow for development. The Sparrow Site is a unique opportunity for the city to directly support housing development. You're certainly right in saying there are other uses we could consider with the property. In fact, most of our local parks come from city land banking on sites much like Sparrow. There are a few reasons why I think building a park is not the best use for this space, first and foremost being the housing crisis I described above. I've attached a map taken from NCPRD's upcoming system plan that shows parks coverage across the district. You will see Island Station is already one of the most "parked" areas in our city. What's more, the city is already fighting hard to bring improvements to Milwaukie Bay Park, which serves as a neighborhood park for the residents of Island Station. With that in mind, I think it is fair to say the need for housing is greater than the need for another park.

We have an existential question to ask as a city. Are we content to become a wealth enclave or will we work to stay accessible and affordable. To do this, we need to build more housing to meet rising demand. Working families belong in Milwaukie and I'm committed to doing what we can to preserve housing affordability.

That said, I think engaging our neighborhoods and individuals is an important part of the process. I would be happy to come speak with the Lake Road NDA next month to talk about this project, listen to concerns, and share more about the city's thinking. I would ask that we also invite Councilor Khosroabadi to come as he is the council lead on this policy area.

Let me know if that is something y'all would like. Again, I do want to thank you both for being so involved. While we might not always agree, I appreciate your engagement and willingness to start a dialogue. Council's work on this issue is by no means finalized, I look forward to chatting with y'all more about this in the months to come and partnering more with the Island Station NDA.

All the best,

**Will Anderson** • City Councilor  
City of Milwaukie  
he•him•his [Learn why pronouns matter](#)  
o: 503.786.7510 • c: 541.480.9204

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**From:** Jo Anne Bird <evenstar@hevanet.com>  
**Sent:** Tuesday, September 17, 2024 12:14 PM  
**To:** William Anderson <AndersonW@milwaukieoregon.gov>  
**Subject:** Sparrow Street Site

**This Message originated outside your organization.**

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week 20.5 hours a day on the weekends (and is noisy, I might add) and that is not transportation friendly in that residents then have to get on another bus or use a car to go to Fred Meyers or Walmart to get groceries. And, also, despite Sparrow Street's TOD status, residents would have to walk a quarter mile to either catch a bus or the light rail in the first place. Humph.

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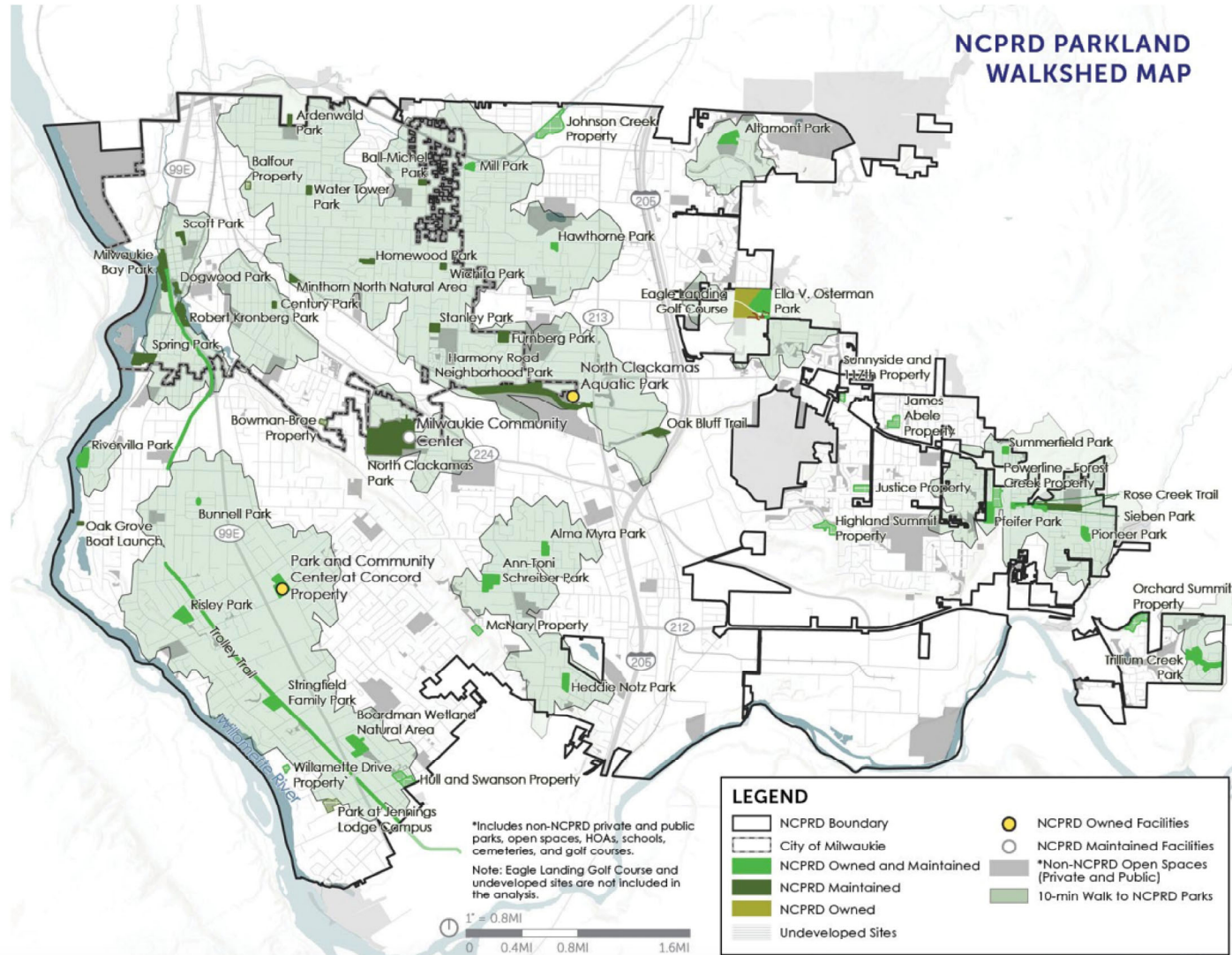
Thank you.

Jo Anne Bird  
evenstar@hevanet.com

# Level of Service - Park Accessibility 10-Minute Walk (Access Service Area)

## Notes:

- 10-minute walk is approximately a half-mile.
- Does not include undeveloped parks.
- This analysis considers access barriers such as highways, railways, waterways, sidewalks with steep slopes greater than 20%, major arterial and collector streets with no sidewalks.
- This is not a gap analysis. Gap analysis will consider parks owned/managed by entities other than NCPRD.



**From:** [Scott Stauffer](#)  
**To:** [City Council](#)  
**Subject:** FW: Sparrow Street Site  
**Date:** Friday, September 20, 2024 9:01:00 AM  
**Attachments:** [Screenshot 2024-09-17 at 12.44.54 PM.png](#)

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INFORMATIONAL – DO NOT REPLY ALL.

It appears this email to all of Council might have gotten stuck in the Mimecast spam filter; so, passing it along here. This email chain will be included in the record of the 9/17 WS.

**SCOTT STAUFFER**

City Recorder  
he • him • his  
City of Milwaukie  
p: 503.786.7502

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**From:** Stacy Johnson <[swerber@comcast.net](mailto:swerber@comcast.net)>  
**Sent:** Wednesday, September 18, 2024 8:33 PM  
**To:** Jo Anne Bird <[evenstar@hevanet.com](mailto:evenstar@hevanet.com)>  
**Cc:** William Anderson <[AndersonW@milwaukieoregon.gov](mailto:AndersonW@milwaukieoregon.gov)>; Lisa Batey <[Bateyl@milwaukieoregon.gov](mailto:Bateyl@milwaukieoregon.gov)>; Robert Massey <[MasseyR@milwaukieoregon.gov](mailto:MasseyR@milwaukieoregon.gov)>; Rebecca Stavenjord <[StavenjordR@milwaukieoregon.gov](mailto:StavenjordR@milwaukieoregon.gov)>; Adam Khosroabadi <[KhosroabadiA@milwaukieoregon.gov](mailto:KhosroabadiA@milwaukieoregon.gov)>; Emma Sagor <[SagorE@milwaukieoregon.gov](mailto:SagorE@milwaukieoregon.gov)>; Mandy Byrd <[ByrdM@milwaukieoregon.gov](mailto:ByrdM@milwaukieoregon.gov)>; Pamela Denham <[pamdenham@gmail.com](mailto:pamdenham@gmail.com)>; Milo Denham <[milo.denham@gmail.com](mailto:milo.denham@gmail.com)>; Robert Rahm <[robertrahmpdx@gmail.com](mailto:robertrahmpdx@gmail.com)>; Jocelyn Rahm <[jocelyn@beamandanchor.com](mailto:jocelyn@beamandanchor.com)>; Dave Cadwallader <[dcadwallader@gmail.com](mailto:dcadwallader@gmail.com)>; Joseph Briglio <[Briglio@milwaukieoregon.gov](mailto:Briglio@milwaukieoregon.gov)>  
**Subject:** Re: Sparrow Street Site

**This Message originated outside your organization.**

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Wow Jo Anne, this could be the most patronizing response I've seen in a long time. I am doubtful that you needed a history lesson, a lecture on ethics, or even have the housing crisis pointed out to you. But if we do want to have an impact, then a holistic view of the solution IS required. Sticking bandaids all over my body won't fix a broken arm. Throwing hundreds of thousands of dollars, more than the hundreds of thousands already spent, at a property that makes no sense, is a waste of precious resources that could have been better used to actually provide housing to people in need.

First, We know there is contamination according to the studies done by Sentec in 2018. However, these studies were limited in that they didn't go below 5 feet in depth. Since the report is rather arcane, we are fairly confident that the full limits of contamination are not known. It reeks like the environmental injustice that occurred in Flint, MI. Given the dramatic rise in food cost (I'd find a link to a study for you, but I don't think its necessary to help understand the problem) growing your own food on this lot, as many of us do these days, seems like a health concern. I wouldn't want to raise my children there.

On that note, this neighborhood is a food desert. There are no walkable options. Public transportation to food would require minimum .25 mile walk in each direction.

Similarly, there are ZERO social services around. I think the nearest resources would require 2 different buses to get there.

Same with the schools. Our neighborhood is oddly routed to Alder Creek and Putnam. The kids in this neighborhood are scattered at schools all over for that reason. The district provides a bus to Alder Creek, but not to Putnam. And because we are the end of the rail line, those kids will spend 40 minutes, walking and bussing, up McLoughlin to/from school every day, which can have a negative affect on health and academic performance, and I think the goal is to lift these families out of poverty, not to keep setting them up in situations that trap them generationally.

And with transportation in mind.... The streets around here would require pretty massive infrastructure improvements at a dramatic cost if the tenants had cars. First of all, there is not really a two-way ingress or egress. Most of 26th Ave is private property. And 25th Ave would shrink dramatically once you start addressing the right of ways owned by the adjacent properties that would be required to be addressed by code when putting in new development. Further, 26th North to Park and Lark west to River Road are the only ways into the neighborhood. At one point, the County had assessed that for each 2 person unit that gets built, you can assume 4 trips per day, that's 100 more car trips on these roads every day if there were 25 units. And I don't even know how parking would be managed.

Its unfortunate we have to keep asking to be part of this conversation and repeating these questions every few years. While we are told by the City our engagement is desired, I never really feel invited to the table, heard like an equal, or responded to with answers to the problems that would be understood by actually living here.

I hope the City is earnest in making efforts to speak with the neighbors. It would be nice if an invitation is going out to City officials, that one also be sent to the neighbors on 26th, 25th, Lark, Sparrow, and the east side of River Road. I think unless Jo Anne and Charles has reached out to them, they have NO clue this is even a topic of discussion. So when the meeting does happen, I hope it feels like a partnership, meaning it's a conversation, not a presentation.

Sincerely,

Stacy

On Wed, Sep 18, 2024, 5:27 PM Jo Anne Bird <[evenstar@hevanet.com](mailto:evenstar@hevanet.com)> wrote:

Will - Thank you for your response. I live in Island Station, though, not Lake Road.

I will try to keep this short, but the discussion is not a short one — philosophy aside. (NB - It's been years since I've debated the merits of Kant, Schopenhauer, Thomas Aquinas etc. Suffice it to say that I'm more in the mind of utilitarian ethics these days.)

Charles and I are both well aware of the housing shortage in Oregon. My issue is with the housing in Milwaukie. I got these numbers from an AI, so keep that in mind. I have not corroborated them with a second source, however, they pretty much line up with what I discovered the last time I did this, which was a couple of years ago.

Ratio of affordable housing units to people:

Milwaukie 1:42  
Lake Oswego 1:533  
West Linn 1:347  
Oregon City 1:136  
Gladstone 1:2000  
Clackamas County 1:517

The oft cited reason for the cities on the west side of the river for not building more affordable housing was the price of land (how that happened and what to do about it are another whole topic of discussion). That doesn't let Oregon City, Gladstone and Clackamas County in general off the hook, though.

Metro's guidelines say that Milwaukie needs to build 1130 units sometime between 2016 and 2036. I assume all the projects in line will be built by then resulting in adding 1153 units - IOW exceeding Metro goals. The MHAS is working. Maybe it's time to pop the champagne corks.

One of my questions to you is, would you please define the word enough? When will Milwaukie have enough housing? How much time do we want to spend on the plans for enough? How much of the budget will go to deciding we have enough?

As to Island Station having the most parks of any neighborhood, my reply is - build more parks in other neighborhoods, then! This is not the first time we've been told we're 'over parked'. I'd like to note that we are also over stinky sewer plant-ed, over highway 99 splitting our neighborhood-ed, over railroad-ed, and over light rail-ed.

And as to your moral point of 'what do we owe each other' I would ask, what do you owe your constituents who live here, have stewarded their little piece of property and paid their taxes for years? What do you owe the people who elected the current city council? We have lived in this house for almost 39 years. Through that time we've stewarded the yard from mostly non-native back to native. We maintain an adjacent area of vacated street that the city owns but ignores, fight back the city's invasive plants and restore it to more reasonable vegetation. We maintain our frontage along River Road, etc., etc., etc. That we ask that the City 'owe us' and not provide more infill on a remnant property close by is not too much to ask, IMO.

And as to your point of Milwaukie becoming a wealth enclave, I am stunned. In my time here Milwaukie always has been a working class, blue collar place. Even though Charles and I had careers that were considered 'professions', we have never been anything other than a middle class couple. I am more concerned about providing opportunities for people to earn livable wages so they too can build modest wealth and retire with a garden and some breathing room in Milwaukie.

Having space is important. Community health and well-being are important. Indeed council could adopt health as goal as well as housing. How about happiness?

As for needing even more housing than Metro suggests more than green spaces, "you're welcome" from Island Station for the oxygen we provide, the greenhouse gasses we remove and sequester from the atmosphere and the lower temperatures we provide on hot days with our parks.

And once more, broken record here, we need to stop concentrating poverty.

Thank you.

Jo Anne  
[evenstar@hevanet.com](mailto:evenstar@hevanet.com)

On Sep 17, 2024, at 19:29, William Anderson <[AndersonW@milwaukieoregon.gov](mailto:AndersonW@milwaukieoregon.gov)> wrote:

Good afternoon Jo Anne and Charles,

Thanks for taking the time to reach out to us about the sparrow site and for coming to council tonight! I don't think many folks realize the impact they can have getting involved at the local level; to that end, I really appreciate all the time you and Charles dedicate to our city.

Before we start discussing IF and WHERE we should build housing, I think we must understand WHY we must build housing. Milwaukie, Oregon, and the US at large are facing a housing crisis that is exacerbated by an inadequate supply of housing. [Here is a great article](#) that discusses the problems Oregon faces when it comes to housing affordability. Housing, just like any other good bought and sold on the market, is impacted by supply and demand. Oregon has underbuilt housing for the past few decades ([here is an article with figures supporting this claim](#)) and that has led to higher costs. These higher costs not only prevent home ownership, but price out renters from communities like Milwaukie.

Many things impact the ability to build housing, but I want to highlight two major factors in Oregon: our land use system and our local zoning laws. Our land use system is unique to Oregon; in the 1970s we drew boundaries around our cities to limit growth and protect our natural lands. Our local zoning laws are not unique — we, like most American cities, limit certain types of growth to small portions of our cities. Both policies have the effect of constraining housing production. Is this reason enough to through out our land use system and local zoning? No, just like any policies there are benefits and costs, but it is important to recognize the price we pay when we enact policies like this. I mention these policies to show a give and take inherent to our land use laws. We can either sprawl unchecked and destroy our natural environment; we can allow infill development in our cities but in so doing, accept that they must change over time; or we can prevent growth and as a consequence, allow only the wealthy to call this state home.

With this framing in mind, I want to address the questions you raise about IF we should be trying to build more housing and WHERE we should build it. I think this first point is fundamentally a moral one about "what we owe each other." To understand this I would turn to the works of philosophers like Immanuel Kant who dedicated his life to this question. Kant suggests that we have a moral duty to act according to principles that could be universally applied. To put it simply, this means treating people how you yourself would want to be treated. In this framework, helping others becomes a duty because we recognize them as fellow rational beings with inherent worth, deserving of the same care we would expect for ourselves. By living in a shared society, we owe each other respect, fairness, and support. Thus, helping others is not just an act of charity but a fulfillment of the moral obligations we owe to one another as members of a moral community. To relate this back to the question of IF we should be building housing, the data I've shown above clearly shows there is a crisis of housing affordability that stems from a lack of supply. If we have an obligation to help one another, we have an obligation to address this, not just as individuals or as a neighborhood, but together as a city.

The question turns to WHERE do we build housing. I won't be so long winded in this answer and say simply we build it where we can. Typically the city does not control housing production, we merely create the conditions and flexibility to allow for development. The Sparrow Site is a unique opportunity for the city to directly support housing development. You're certainly right in saying there are other uses we could consider with the property. In fact, most of our local parks come from city land banking on sites much like Sparrow. There are a few reasons why I think building a park is not the best use for this space, first and foremost being the housing crisis I described above. I've attached a map taken from NCPRD's upcoming system plan that shows parks coverage across the district. You will see Island Station is already one of the most "parked" areas in our city. What's more, the city is already fighting hard to bring improvements to Milwaukie Bay Park, which serves as a neighborhood park for the residents of Island Station. With that in mind, I think it is fair to say the need for housing is greater than the need for another park.

We have an existential question to ask as a city. Are we content to become a wealth enclave or will we work to stay

accessible and affordable. To do this, we need to build more housing to meet rising demand. Working families belong in Milwaukie and I'm committed to doing what we can to preserve housing affordability.

That said, I think engaging our neighborhoods and individuals is an important part of the process. I would be happy to come speak with the Lake Road NDA next month to talk about this project, listen to concerns, and share more about the city's thinking. I would ask that we also invite Councilor Khosroabadi to come as he is the council lead on this policy area.

Let me know if that is something y'all would like. Again, I do want to thank you both for being so involved. While we might not always agree, I appreciate your engagement and willingness to start a dialogue. Council's work on this issue is by no means finalized, I look forward to chatting with y'all more about this in the months to come and partnering more with the Island Station NDA.

All the best,

**Will Anderson** • City Councilor  
City of Milwaukie  
he • him • his [Learn why pronouns matter](#)  
o: 503.786.7510 • c: 541.480.9204

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**From:** Jo Anne Bird <[evenstar@hevanet.com](mailto:evenstar@hevanet.com)>  
**Sent:** Tuesday, September 17, 2024 12:14 PM  
**To:** William Anderson <[AndersonW@milwaukieoregon.gov](mailto:AndersonW@milwaukieoregon.gov)>  
**Subject:** Sparrow Street Site

**This Message originated outside your organization.**

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I sent this out earlier, but my email program insists that I didn't send anything. Therefore, I am emailing everyone on my list individually. I apologize if this is redundant. —Jo Anne Bird

September 17, 2024

To the members of City Council, the City Manager and City Staff:

I would like to address the Sparrow Street Site and council's plans for the spot. First, I'd like to give a little history of the site for those of you who don't know it.

I have lived in our house since 1986, so my knowledge of the site only goes back that far. It was used as an ODOT site to park trucks on, store gravel and other materials for about the first 25 years we lived here. Thus, it is contaminated, but despite the testing that was done, we don't know how deep or exactly with what (or how much it will cost to clean). Sometimes, it was vacant for months and was not well maintained. At one time in the early 2000's, there was an unhoused person's camp in the laurel hedge that bordered the site along what is now the Trolley Trail. We asked and got permission from the city to remove the laurel hedge, and the homeless people moved on.

After voting down light rail twice in the city and once in the County, we got and continue to pay for light rail. The facts of this can be debated, but voters were clear that they didn't want to pay for light rail. City council at the time had no plan for how to pay for Milwaukie's portion of the light rail, so it was up to a new council, further down the road, to ask the voters to tax ourselves for a transportation system we had voted against. It took me a while to realize that with light rail came TODs. At the time, North Main had been built with the promise that 'when more people live downtown, downtown will thrive'. (Side note, the Safeway store, the only grocery store in downtown, was removed to build North Main.)

When light rail went in, 7 homes and a 4 plex were torn down in Island Station. We are the most impacted neighborhood along all 7 miles of the Orange Line. We lost hundreds if not thousands of cubic meters of tree canopy. I went to many meetings to try and tell TriMet their promise of replacing trees was not adequate – replacing a mature tree's canopy with even a 6-inch dbh tree canopy was and is unreasonable.

The Sparrow Site was purchased though Metro for very little money with the idea it would be developed for housing. Whenever the neighbors to the Sparrow Site have been asked what they wanted the site to become, we've never said "more housing". We residents have asked that the site

be a wayside park along the Trolley Trail, or an interpretive center involving the Tribes of the Grand Ronde, or similar, to talk about the native people's relationship to the area, or a history site to explain about the big redwood that was planted for the 1905 Lewis and Clark Exposition and other interesting Milwaukie history facts. A dog park, a skate park, something, but not more housing. And the site borders a WQR area and an HCA and is the has the densest canopy in the City of Milwaukie (over 90%).

But we were informed we'd get low-income housing.

We were told there were 400 kids sleeping in cars in NCSD and that we needed to build on the Sparrow Site to house those kids. Later, during Covid when we were meeting on Zoom, a planner brought Katie Ray (I think it was) from the Wichita Center to our meeting. She broke down the houseless kids problem by the numbers. It turned out that there were 19 children in NCSD that were truly houseless. Council has already bought the site and another piece of land to provide access to the site. My argument is that for the \$117,000 you've already spent on the site you could have vouchered those 19 kids into an apartment for a long time.

In looking over the notes from May 18, 2021, I see that council wanted the RFP/Q's to target 60% AMI, but one member pushed for 0 – 30% AMI. If I remember correctly, the RFP came in at 60 – 80 % AMI to reasonably develop the site. The council also directed that the site have 2-to-3-bedroom units. I would like to note that Oak Grove School is already designated as a Title 1-A school. Furthermore, this site isn't big enough to provide wrap around services. I suppose people would have to walk over to Northwest Housing Alternatives or bus up to the Hillside site to obtain services

With light rail, Milwaukie has seen a proliferation of TOD's. Axle Tree has been built, Henley Place (175 units) is near completion, the Northwest Housing Alternatives shelter across the street from the High School has been built and as far as I know another development across the light rail from the Axle Tree is in the planning stages. And while downtown has improved, it hasn't exactly skyrocketed into a destination mecca and business vacancies continue.

And the development goes on beyond the TOD's. I've tried to look up all the housing being developed on the city's website (which I find arcane), and I have found these:

7 acres – 234 units  
Bonaventure – 170 units  
Hillside – hundreds of units  
Shah and Tripp site – 8 lots  
1600 Lava Drive – 13 units  
52<sup>nd</sup> and Jackson – 5 Townhomes  
Walnut Estates - ???

Despite the acquisition of the remnant property along 26<sup>th</sup> for a whopping \$84,000, the site has only one access point. There is not a second egress point, nor would it be easy to make one.

So, the city wants to put poor people on a contaminated site, facing east with limited road access along a light rail line that runs 19.5 hours a day during the week 20.5 hours a day on the weekends (and is noisy, I might add) and that is not transportation friendly in that residents then have to get on another bus or use a car to go to Fred Meyers or Walmart to get groceries. And, also, despite Sparrow Street's TOD status, residents would have to walk a quarter mile to either catch a bus or the light rail in the first place. Humph.

People come to Milwaukie because they value things like bigger yards and tree canopy. While developing the site will not make anyone's yard smaller, it will affect the tree canopy. Street improvements along 26<sup>th</sup> would be major – involving the county as well as the city. Street improvements along Lark would be major – and all in the city. People who live along those streets could expect an increase in traffic and loss of canopy.

Milwaukie has done and is doing its part for affordable housing in Clackamas County. For now, we need to spread the rates of poverty out in the County. Raj Chetty has done some interesting work on

poverty and upward mobility <https://www.brookings.edu/articles/raj-chetty-in-14-charts-big-findings-on-opportunity-and-mobility-we-should-know/> or his work in Seattle explained: <https://www.bloomberg.com/news/articles/2019-08-04/a-cheap-powerful-tool-to-beat-housing-segregation>. I will continue to believe that other parts of Clackamas County need to do their part before I'll sanction more low-income projects in Milwaukie and put more pressure on our Title 1-A schools.

So, City of Milwaukie Staff and City Council, I would request that the Sparrow Site be re-designated to something other than low-income housing – or any housing. I'm also asking that you plan a meeting and invite all the people who live along 26<sup>th</sup> and all the people who live along Lark as well as anyone within a quarter mile of the site. I would like you to share ALL the information you have on Sparrow Street, as well as be prepared to listen to the residents of Island Station.

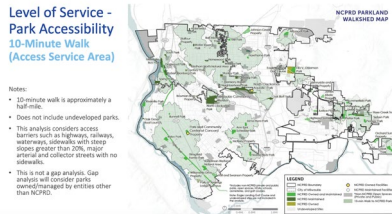
Thank you.

Jo Anne Bird  
[evenstar@hevanet.com](mailto:evenstar@hevanet.com)

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**COUNCIL STAFF REPORT****To:** Mayor and City Council**Date Written:** Sept. 3, 2024**Reviewed:** Emma Sagor, City Manager, and  
Michael Osborne, Finance Director**From:** Joseph Briglio, Acting Assistant City Manager**Subject:** **Construction Excise Tax (CET) Overview and Discussion****ACTION REQUESTED**

Council asked staff to provide an over of the Construction Excise Tax (CET) program.

**HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

- July 28, 2016: Council heard a presentation on legislation that allows a local CET on new commercial and residential development for affordable housing.
- April 23, 2017: Council held a goal setting session and voted unanimously to adopt a housing affordability goal.
- July 11, 2017: Council held a study session on the CET program and its development and provided details of the program parameters and exemptions for Council to consider.
- September 19, 2017: Council held a second work session to provide details on outreach and program parameters. Council approved moving forward with a resolution to adopt a CET.
- November 7, 2017: Staff presented a draft ordinance to Council to solicit revisions in advance of a Council to vote at the November 21, 2017, regular session.
- November 21, 2017: Council adopted the CET for affordable housing; see [Ordinance 2154](#).

**ANALYSIS**

The CET program was established by Council in 2017 and codified within [Chapter 3.60](#) (Affordable Housing Construction Excise Tax) of the municipal code. The CET levies a one percent tax on any development over \$100,000 in construction value. For example, a property owner that is building an addition with an assessed construction value of \$100,000 would be required to pay \$1,000 in CET to the city. As development occurs throughout the city, the CET fund increases proportionally.

**Dedication of CET Revenue**

The accumulated CET funds are deposited into several accounts depending on whether they originated from a residential or commercial/industrial project. Residential CET monies go towards supporting first time homebuyer programs managed by the state and the construction of affordable income-restricted housing units (80% area median income and below). Commercial/industrial CET monies go towards funding the construction of affordable workforce housing (120% of area median income (AMI) and below) and economic development related activities and programs. MMC Section 3.60.130 (Dedication of Revenue) codifies this using the following language:

*A. The City may retain up to 4% of the tax collected for payment toward administrative expenses related to collection and distribution of the tax.*

*B. The net revenue from the tax on residential improvements will be allocated by the City as follows:*

*1. Fifteen percent of net revenue will be remitted to the Oregon Department of Housing and Community Services to fund home ownership programs.*

*2. Fifty percent of net revenue to fund incentives for the development and construction of affordable housing authorized by the City as provided by state law.*

*3. Thirty-five percent of net revenue to fund programs and activities related to affordable housing.*

*C. The net revenue from the tax on commercial improvements will be distributed as follows:*

*1. Fifty percent to fund incentives for the development and construction of housing that is affordable at up to 120% of median family income; and*

*2. Fifty percent for economic development programs with an emphasis on areas of the City that are subject to plans designated as eligible by the City. The eligible plans as of the effective date of the ordinance codified in this chapter are: Central Milwaukie Land Use and Transportation Plan, Downtown and Riverfront Land Use Framework Plan, Milwaukie Urban Renewal Plan, Economic Development Strategic Plan, and the North Milwaukie Industrial Area Plan. Additional eligible plans may be designated by the City Council.*

### **Affordable Housing CET**

To utilize the accumulated affordable housing dedicated funds described above, the city released an inaugural competitive bid process for CET funds through a formal request for proposals (RFP) process. Based on the city code above, the RFP prioritized both workforce and affordable housing with a preference for the greatest number of income-restricted units for the longest duration. It further prioritized projects that offered deeply affordable (30% AMI) units designed to transition people out of houselessness, provide supportive services on-site, prevent displacement, involve community land trusts, offer first-time homebuyer education, serve historically underserved communities, and serve other high priority special needs populations as outlined in the Milwaukie Housing Affordability Strategy (MHAS). Lastly, since the city lacks the resources to manage income-restricted units and qualify tenants on an on-going basis, it was imperative that each proposal guaranteed continuing income-verification administration and unit restriction management for at least a 30-year term.

The city received two proposals that were assessed and scored by a selection committee. The two proposals included Hillside Park Phase I and Milwaukie Courtyard Housing Project. Hillside Park is a development partnership between RelatedNW (affordable housing developer), the Housing Authority of Clackamas County (HACC) (supportive services and income restricted unit management), and Northwest Housing Alternatives (NHA) (additional supportive services management). As proposed, it would create 275 income restricted units for households earning between 30% to 60% AMI. Since this project includes federal dollars, the units are required to remain affordable for a period of 60-years and provide regular audits. This project is located at the current HACC property on 32<sup>nd</sup> Avenue.

The Milwaukie Shortstack Project is a workforce housing development that proposed 15 “for-sale” units restricted at 100% AMI and slated to be managed through Proud Ground’s community land trust model, which requires ongoing affordability requirements and management for 30-years. This project is unique in the affordable housing realm as it offers home ownership opportunities and wealth generation, rather than rental housing. This project is located on Harvey Street.

The selection committee scored the Hillside Park Phase I project highest, however, it also felt that the Milwaukie Shortstack Project warranted an award due to its rare land trust model and the opportunity for home ownership. Therefore, Hillside Park Phase I was awarded \$1.7 million (requested \$2 million) and the Milwaukie Shortstack Project was awarded \$300,000 (requested \$600,000).

**Economic Development CET**

The city has yet to program the accumulated funds that are broadly dedicated to economic development efforts. The current recommendation that has been discussed by staff is to use these funds to provide similar grant programs that are available to businesses located in the urban renewal area (URA). These programs include the storefront improvement program, tenant improvement program, and pre-development assistance program. For additional information, about these economic development programs, please visit the following website: <https://www.milwaukieoregon.gov/economicdevelopment/economic-development-business-improvement-grants>

**Current CET Fund Balances**

The table below summarizes the current fund balances for each dedicated CET activities/initiatives:

| Affordable Housing Activities | Economic Development Activities |
|-------------------------------|---------------------------------|
| \$443,472                     | \$819,535                       |

**BUDGET, CLIMATE, EQUITY, & WORKLOAD IMPACTS**

None. This is an overview and discussion item.

**COORDINATION, CONCURRENCE, OR DISSENT**

None. This is an overview and discussion item.

**STAFF RECOMMENDATION**

None. This is an overview and discussion item.

**ATTACHMENTS**

None.

# Construction Excise Tax (CET) Overview

Joseph Briglio  
Acting Assistant City Manager  
September 17, 2024



# Background

- Adopted by Council in 2017
- 1% tax on any development over \$100k in construction value
- Revenues go toward Affordable Housing and Economic Development Activities

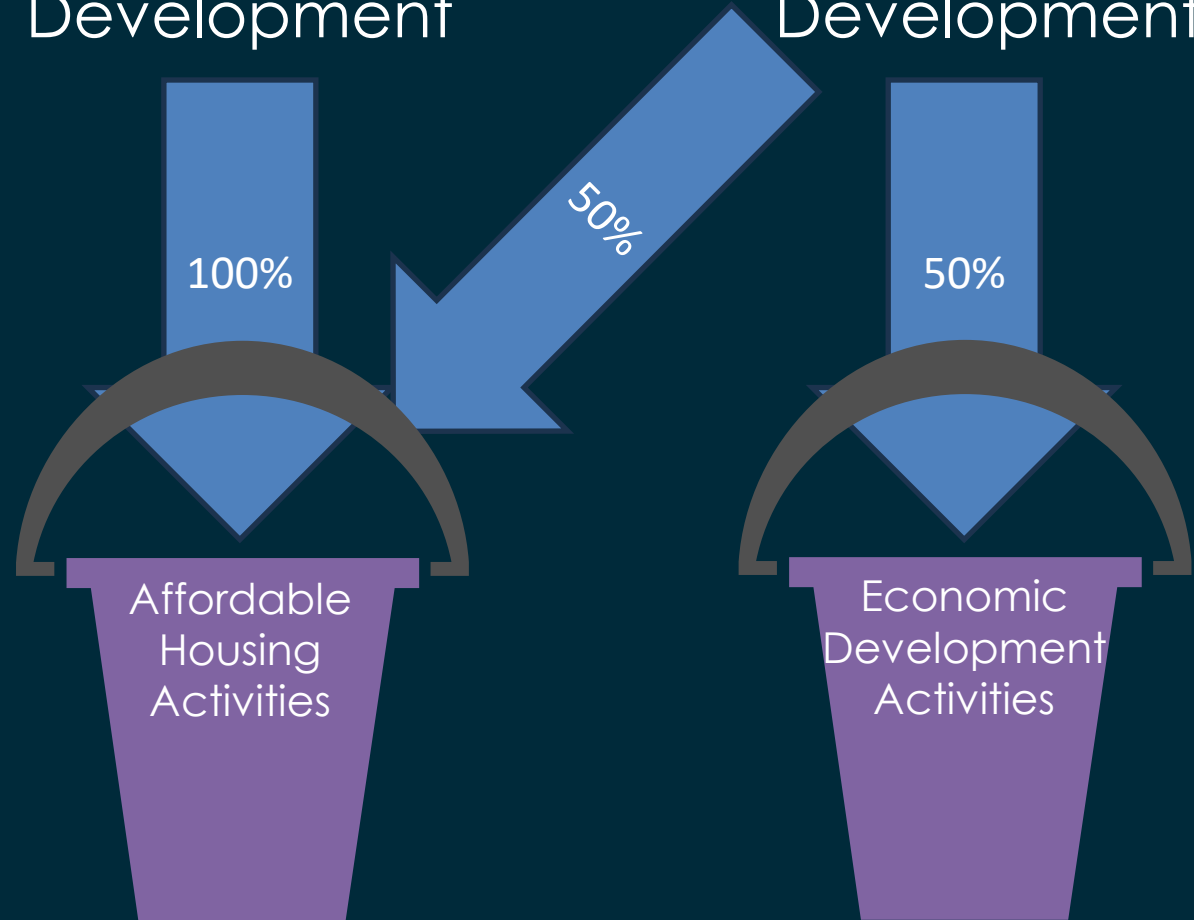




# Buckets of Funds

Residential  
Development

Commercial  
Development

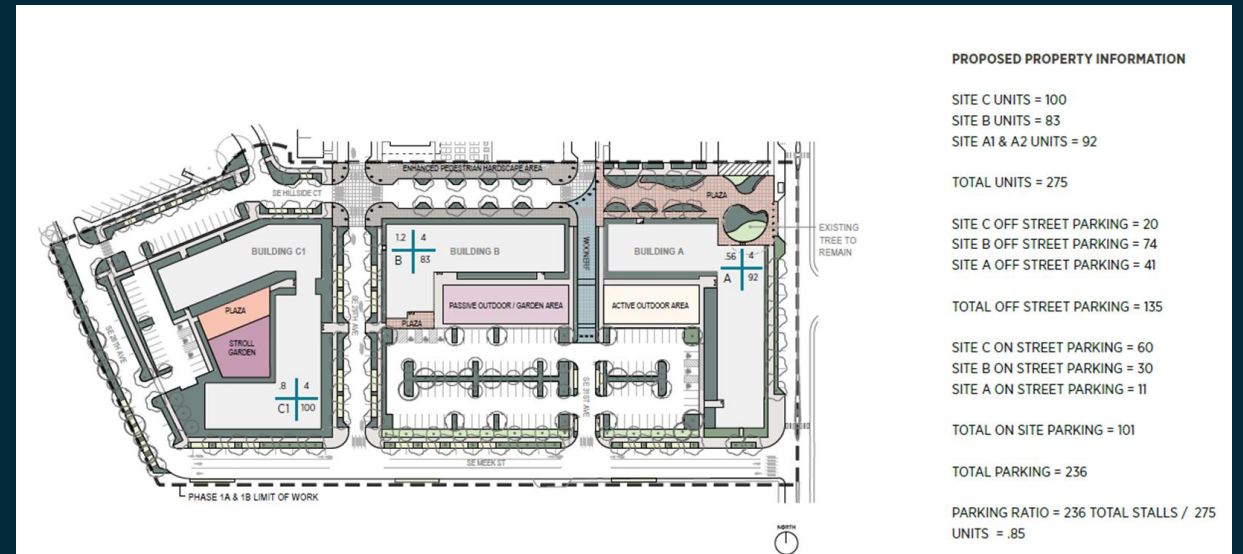


# Affordable Housing Activities

Incentivize construction and development, and related programming, for Affordable Housing

## Affordable Housing Grant Program

- \$1.7M Hillside Phase I
- \$300,000 Shortstack Milwaukie

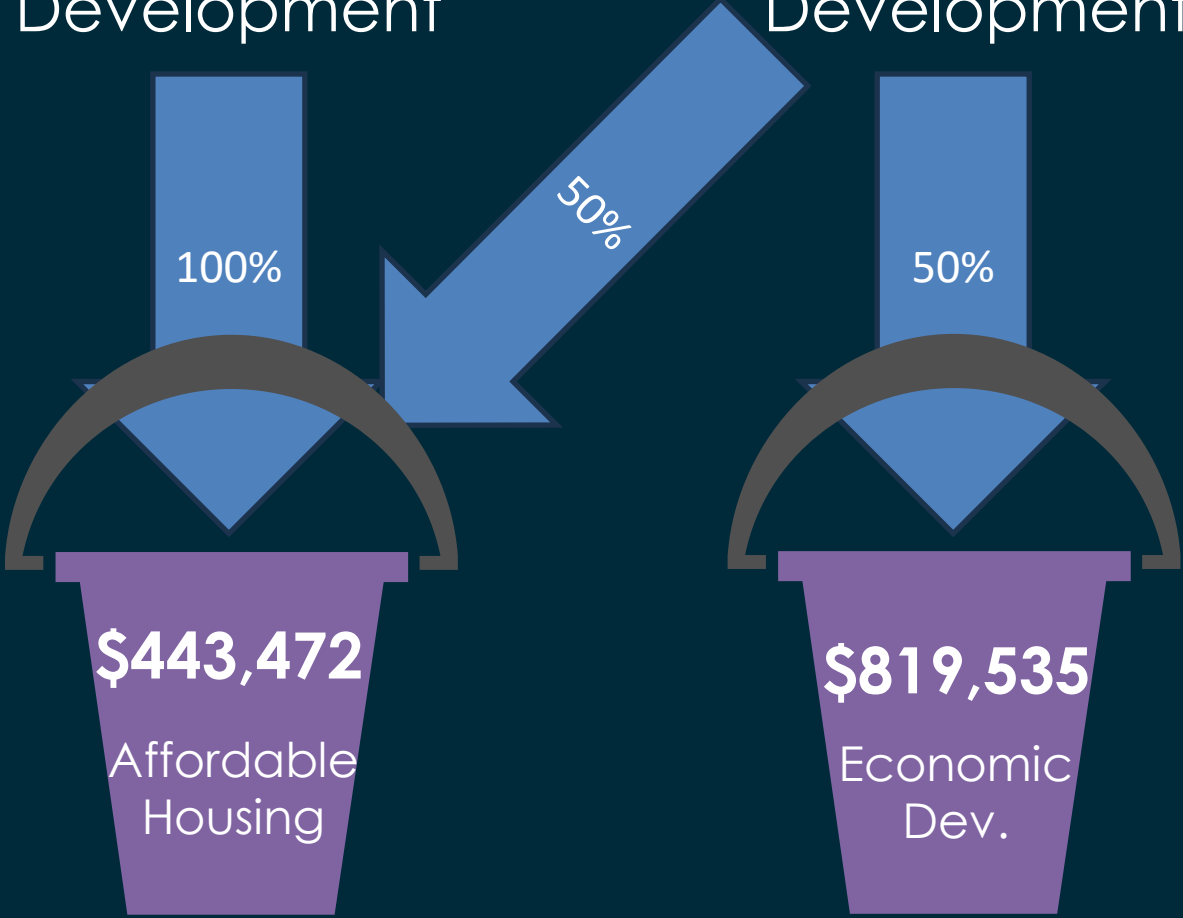




# Bucket Fund Balances

Residential  
Development

Commercial  
Development





# Current Staff Recommendations

## Affordable Housing Funds

Support the development of the Sparrow Site



## Economic Development Funds

Storefront, T.I., Pre-Development Programs  
Support the development of Hubs



MILWAUKIE REDEVELOPMENT COMMISSION

Business Improvement Grants



**QUESTIONS OR  
COMMENTS?**

