



Work Session

WS

Milwaukie City Council

COUNCIL WORK SESSION

City Hall Council Chambers, 10501 SE Main Street
& Zoom Video Conference (www.milwaukieoregon.gov)

AGENDA

APRIL 1, 2025

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-5>. Written comments may be delivered to City Hall or emailed to ocr@milwaukieoregon.gov.

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

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|---|-----------|
| 1. Council Goal Update: Economic Development – Report (4:00 p.m.)
Staff: Joseph Briglio, Assistant City Manager | 1 |
| 2. Building Department Update – Report (5:30 p.m.)
Staff: Patrick McLeod, Building Official | 10 |
| 3. Adjourn (6:00 p.m.) | |

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Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA)

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Executive Sessions

The City Council may meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660(2); all discussions are confidential; news media representatives may attend but may not disclose any information discussed. Final decisions and actions may not be taken in executive sessions.



COUNCIL WORK SESSION

City Hall Council Chambers, 10501 SE Main Street
& Zoom Video Conference (www.milwaukieoregon.gov)

MINUTES

APRIL 1, 2025

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

Staff Present: Joseph Briglio, Assistant City Manager	Peter Passarelli, Public Works Director
Justin Gericke, City Attorney	Emma Sagor, City Manager
Brent Husher, Library Director	Scott Stauffer, City Recorder
Patrick McLeod, Building Official	Ciara Williams, Economic Development Coordinator

Mayor Batey called the meeting to order at 4:09 p.m.

1. Council Goal Update: Economic Development – Report

Mayor Batey noted that the meeting would take a recess early in the meeting.

Sagor explained that one work session a month would dedicate 90 minutes to Council goal progress, acknowledged the thoughtful discussions from the retreat that shaped the goals and noted that Briglio would introduce the draft action plan template. **Sagor** emphasized that the goal update process was meant to enhance transparency and accountability.

Briglio introduced the city's new Economic Development Coordinator, Ciara Williams, and explained the purpose of the draft action plan for Council's 2025–2027 goal on economic development.

Councilor Stavenjord emphasized that economic development should be understood holistically, extending beyond business development to encompass equity, livability, and shared responsibility across all city goals. **Mayor Batey** added that the goal also extended to projects like Milwaukie Bay Park (MBP). **Briglio** reviewed the "why" behind the goal as presented in the Economic Development Draft Plan.

Mayor Batey recessed the meeting at 4:16 p.m. and reconvened at 4:29 p.m.

Briglio reviewed key outcomes identified at the Council retreat that were included in the draft plan, such as revitalizing Main Street, investing in industrial areas, enhancing neighborhood hubs, and improving business partnerships. Council agreed to add language about the completion of MBP to the "What do we want to accomplish by 2027" points.

Briglio reviewed the performance metrics to track success, and the group discussed changes and additions around business meetings attended or convened, commercial vacancy rates, separating business types when reporting on business registrations, and commercial square footage and price per square foot.

Councilor Stavenjord added that available equity demographics should be integrated into the metrics, and the group discussed foot traffic access to commercial areas within a quarter mile, how tracking occurs, and the potential of utilizing the Pokémon Go phone gaming application (app) to enhance foot traffic tourism.

Briglio had Council review the implementation partners as presented on the draft plan. The North Clackamas School District's (NCSD's) Sabin-Schellenberg Center and the Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC) were added to the list. The group discussed the frequency of engaging with partners.

Briglio and Sagor presented the action roadmap through 2027. The group discussed the importance of launching business engagement tables, aligning engagement efforts with business license code, and updates in coordination with the urban renewal area (URA) five-year action plan. The importance of closing the feedback loop with businesses by demonstrating how tax revenue supports them was emphasized. Council acknowledged that the business license program is currently revenue-focused but supported the goal of evolving the program to include meaningful business support.

Council also expressed interest in tracking committee assignments and Council partnerships as part of quarterly updates and affirmed shared ownership of the goal, regardless of who is listed as lead. The quarterly structure was praised for creating clarity and accountability for both Council's role and public understanding.

Sagor explained that the plan was intended to be a living document with quarterly updates published on the city website following each quarterly meeting with Council.

Mayor Batey shared that transit access to International Way is being explored with TriMet and several employers in the area. Council supported continuing this outreach.

Williams provided a personal introduction, sharing background and early reflections on the city's role in economic development.

2. Building Department Update – Report

Briglio introduced the topic and McLeod. **McLeod** reviewed the building department structure, and presented the team's workload, and evolution over the past decade. **McLeod** highlighted staffing changes, increased reliance on third-party inspection services, and the shift from small residential projects to larger commercial and multifamily developments.

McLeod reviewed the financial and operational strain of processing middle housing projects, especially cottage clusters, which require significant staff time but generate a loss of revenue compared to townhomes and commercial projects, which are more financially sustainable. The group discussed the challenges and potential legislative fixes to better support local jurisdictions with middle housing strains.

The group discussed the benefits of townhomes versus cottage clusters and where staff see cottage clusters as not a maintainable build model for developers.

McLeod also discussed inspection requirements, limited time turn around mandates for reviews, and staffing shortages, noting the difficulty of hiring certified inspectors. **Briglio** and **Sagor** commented on the building teams workload efficiency. **McLeod** reviewed the number of permits and inspections since 2017 and outlined recent improvements, including internal process changes to reduce redundant inspections and ease administrative burden.

The group discussed the number of inspections and permits conducted by city staff and who conducts the inspections.

McLeod reviewed the building department's financials, showing a strong surplus which was may need to be justified during the state's upcoming program reauthorization process. The group discussed ongoing recruitment challenges.

3. Adjourn

Mayor Batey adjourned the meeting at 6:10 p.m.

Respectfully submitted,

A handwritten signature in dark ink, reading "Nicole Madigan", written over a horizontal line.

Nicole Madigan, Deputy City Recorder

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COUNCIL STAFF REPORT

To: Mayor and City Council

Date Written: Mar. 19, 2025

Reviewed: Emma Sagor, City Manager

From: Joseph Briglio, Assistant City Manager

Subject: **Economic Development Goal Discussion**

ACTION REQUESTED

Council is asked to discuss the draft economic development goal action plan and provide direction to staff.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[January 31](#) – [February 1](#): Council held a two-day retreat for the purposes of reviewing feedback and survey results associated with possible goals, as well as deliberating and confirming the top three for 2025-2027.

[February 4](#): Council formally adopted economic development, parks and greenspace, and affordability as the city's three goals for 2025-2027.

ANALYSIS

Council approved three citywide goals at the February 4, regular session meeting. These goals included economic development, parks and greenspace, and affordability. During that discussion, staff agreed to provide the council with a draft action plan for each goal on a monthly rotation beginning with economic development in April.

Staff have developed the draft economic development goal action plan found in attachment 2 for this initial discussion. This action plan was developed based on discussion at Council's recent goal setting retreat. The intent is to refine this document during the work session on April 1.

The questions staff are seeking Council direction on during this work session are as follows:

- Does the action plan accurately reflect why this goal was selected and the high-level deliverables Council wants to accomplish by 2027?
- Do the performance measures included in the action plan feel realistic and meaningful to Council? Are there other metrics you want us to track?
- Are there implementation partners we have not thought of?
- What changes would Council like to make to the Action Roadmap?
 - Note: The later years of this roadmap are intentionally less detailed to allow for Council to provide direction along the way. Staff propose using this roadmap as our template for quarterly updates to Council on goal progress. Each quarter, we will update the roadmap with what has been accomplished and refine the actions for the following quarters to ensure we remain on track.

STAFF RECOMMENDATION

This is a discussion item. Staff are seeking direction and confirmation.

ATTACHMENTS

1. Council Resolution Adopting Goals
2. Draft Economic Development Goal Action Plan



COUNCIL RESOLUTION No. 10-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ADOPTING COUNCIL GOALS FOR 2025-2027.

WHEREAS establishing Council goals helps prioritize resources and capacity to address areas that are not yet embedded within the current work of the city; and

WHEREAS Council has traditionally set goals of two or three-year duration and this Council has expressed a desire to better align goal setting with the city's biennial budget timeline to allow for strategic investment; and

WHEREAS Council discussed goal ideas and gathered community input between November 2024 and January 2025, including through a town hall meeting on January 7, 2025, and a community feedback survey on the Engage Milwaukie website; and

WHEREAS Council has hereby identified the following goals to serve as the city's primary objectives for the remainder of the fiscal year 2024-2025 biennium and the fiscal year 2026-2027 biennium (calendar years 2025, 2026, and 2027).

ECONOMIC DEVELOPMENT: Support Milwaukie's business districts and invest in Neighborhood Hubs.

PARKS AND GREENSPACE: Deliver Milwaukie Bay Park and expand equitable access to green space, including the future restored Kellogg Creek Natural Area.

AFFORDABILITY: Identify opportunities to provide utility relief and support more income-restricted housing development in Milwaukie.

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie, Oregon, that these City Council goals outlined above and in Exhibit A are adopted for calendar years 2025, 2026, and 2027.


Introduced and adopted by the City Council on **February 4, 2025**.

This resolution is effective immediately.



Lisa M. Batey

ATTEST:



Scott S. Stauffer, City Recorder

APPROVED AS TO FORM:



Justin D. Gericke, City Attorney

Goal title	ECONOMIC DEVELOPMENT: Support Milwaukie's Business Districts and invest in Neighborhood Hubs	
	<i>Council actions</i>	<i>Staff actions</i>
2025 actions <i>FOCUS: Support downtown momentum; Business engagement and fact finding</i>	<ul style="list-style-type: none"> • COUNCIL GOAL ACTION PLANNING: Articulate economic development priorities and objectives, <i>in collaboration with the Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC)</i> <ul style="list-style-type: none"> • Refresh Urban Renewal Area (URA) 5-year action plan • Establish regular business engagement tables (URA, North Milwaukie Industrial Area (NMIA), International Way, and neighborhood businesses) 	<ul style="list-style-type: none"> • Hire Economic Development coordinator <ul style="list-style-type: none"> • Build relationships with business groups • Plan for investments in downtown placemaking, beautification, and streetscape improvements • Scope and explore planning/code work that supports economic development (e.g., corridor planning) • Continue URA business support grant program and begin work to replicate program citywide, funded by Construction Excise Tax (CET)
2026 actions <i>FOCUS: Neighborhood Hubs + Business support, attraction, and retention</i>	<ul style="list-style-type: none"> • Select priority Neighborhood Hubs for placemaking investment based on market analysis • Explore opportunities for additional URAs to support economic development beyond downtown • Direct staff on planning/code work to undertake to support economic development • Continue business engagement and host Annual Business Summit • Explore tools for incentivizing business action in line with other city values (e.g., depaving) 	<ul style="list-style-type: none"> • Conduct market analysis around Neighborhood Hubs • Launch city-wide business grants funded by CET • Review Business Tax code and fees and propose adjustments that allow for greater business assistance while supporting financial stability • Explore transportation enhancements needed to support workforce and business needs and climate goals (informed by updated Transportation System Plan (TSP)) • Continue investing in downtown and launch downtown streetscape capital improvement project • Develop vacant storefront tool kit • Implement placemaking investments in Hubs
2027 actions <i>FOCUS: Institutionalizing business support as a city function</i>	<ul style="list-style-type: none"> • Champion transportation investments that support economic development • Continue business engagement and host Annual Business Summit 	<ul style="list-style-type: none"> • Implement Business Tax changes

Goal title	PARKS AND GREENSPACE: Deliver Milwaukie Bay Park and expand equitable access to greenspace, including the future restored Kellogg Creek Natural Area	
	Council actions	Staff actions
2025 actions <i>FOCUS: Get Milwaukie Bay Park back on track and secure funding for Kellogg project</i>	<ul style="list-style-type: none"> • COUNCIL GOAL ACTION PLANNING: Articulate parks and greenspace priorities and objectives, <i>in collaboration with the Parks and Recreation Board (PARB)</i> • Continue dialogue with North Clackamas Parks and Recreation District (NCPRD) Board to advance Milwaukie Bay Park (MBP) • Advocate for MBP and Kellogg Creek Dam Removal and Restoration Project (Kellogg project) funding at regional, state and federal levels 	<ul style="list-style-type: none"> • Support MBP planning and funding efforts • Support Kellogg project planning and funding efforts • Continue engagement with NCPRD to ensure adequate maintenance and investment in Milwaukie parks • Begin scoping for greenspace strategy, including: <ul style="list-style-type: none"> • Mapping and equity analysis • Launch Good Neighbor grant program
2026 actions <i>FOCUS: Plan for the greenspace system Milwaukie wants</i>	<ul style="list-style-type: none"> • Continue advocacy for MBP and Kellogg project • Engage community in conversations around park priorities and concerns • Engage in conversations, as timely, about parks governance 	<ul style="list-style-type: none"> • Help build Milwaukie Bay Park! • Renegotiate cooperative intergovernmental agreement (IGA) with NCPRD • Develop comprehensive greenspace strategy
2027 actions <i>FOCUS: Clarify future of parks governance</i>	<ul style="list-style-type: none"> • Continue to engage and make decisions around parks governance and long-term strategy 	<ul style="list-style-type: none"> • Begin implementation of greenspace strategy

Goal title	AFFORDABILITY: Identify opportunities to provide utility relief and support more income-restricted housing development in Milwaukie	
	<i>Council actions</i>	<i>Staff actions</i>
2025 actions <i>FOCUS:</i> Planning and analysis to identify most impactful actions	<ul style="list-style-type: none"> • COUNCIL ACTION PLAN: Define Council’s affordability priorities and strategy, <i>in collaboration with Community Utility Advisory Committee (CUAC)</i> • Advocate for ratepayers with non-city utilities (e.g., electric, gas, broadband) 	<ul style="list-style-type: none"> • Complete utility rate design work and explore ways to deepen discounts • Review and update fee schedule as part of financial stability strategy <ul style="list-style-type: none"> • Review permit rates for different customer classes and alignment with city values (e.g., climate) • Update stormwater impervious surface area data for utility billing • Update utility billing code to reflect needed efficiencies • Conduct a cost/benefit analysis of new affordability ideas (rebates, discounts, and exemptions) • Begin Sparrow development • Adopt affordable housing code improvements (part of the city’s Housing Production Strategy)
2026 actions <i>FOCUS:</i> Implementation and awareness raising	<ul style="list-style-type: none"> • Continue advocacy for affordability • Develop land banking strategy 	<ul style="list-style-type: none"> • Develop and implement communications strategy <ul style="list-style-type: none"> • Outreach programming at the library, city events, etc. • Mailers, social media, etc. • Develop FY27-28 budget that allows for implementation of affordability mechanisms prioritized by Council via its strategy • Update city’s land banking strategy with a focus on acquisition of land for affordable housing development (part of the city’s Housing Production Strategy) • Complete Sparrow development • Review and make changes to the city’s R-HD zone to support housing production (part of the city’s Housing Production Strategy)
2027 actions <i>FOCUS:</i> Institutionalize affordability programs	<ul style="list-style-type: none"> • Continue advocacy • Plan for institutionalization of affordability work 	<ul style="list-style-type: none"> • (If funding allows) Acquire property for next affordable housing development • Continued implementation of communication strategy

Council Goal **Action Plan**

Last Updated:
3/26/2025

ECONOMIC DEVELOPMENT: Supporting Milwaukie's business districts and investing in neighborhood hubs

Why this goal?

Milwaukie is seeing a resurgence of economic development activity in its downtown and business districts. Inspired by the city's 2040 community vision and comprehensive plan, the city has completed foundational work to enable hubs of commercial amenities across our neighborhoods. As Milwaukie's urban renewal area (URA) and construction excise tax (CET) funds mature, the city has an opportunity in 2025-2027 to make significant investments that can support our local economy, attract and retain businesses, and revitalize our commercial areas to help build community and a sense of place.

What do we want to accomplish by 2027?

- Revitalized Main Street and Downtown
- New investments in Milwaukie's industrial areas
- At least one enhanced Neighborhood Hub
- Strong city-business partnerships
- Capital improvements that support our business districts

How will we measure success?

	BASELINE (as of Dec 31 '24)	End of 2025	End of 2026	End of 2027	Target
Dollars invested in direct support for local businesses <i>\$ allocated through business improvement grant programs (URA and CET)</i>	\$328,455				Minimum \$250,000 annually
Advancement of URA Five-Year Action Plan <i>% of projects that are complete or in the process.</i>	28.4%				100% Completion
Business-related meetings attended <i># of meetings, roundtables, and summits attended by City Council members</i>	5				Minimum 12
Commercial vacancy rate <i>% of commercial units vacant in the city</i>	7% (Office) 6.1% (Industrial)				Downward trend
Impressions of business friendliness <i>% of surveyed business who are happy with the City of Milwaukie's support</i>	Need a baseline survey				Upward trend
Events and tourism <i># of events produced in Milwaukie by the city or with city support</i>	6 events				Minimum of 9 events annually
Downtown foot traffic <i>Point in time counts of daily foot traffic</i>	Need a baseline count				Upward trend

Implementation partners

COUNCIL LEAD:

Councilor Rebecca Stavenjord

STAFF LEAD:

- Joseph Briglio, Assistant City Manager
- Ciara Williams, Economic Development coordinator

SUPPORTING DEPARTMENTS:

- City Manager's Office
- Community Development
- Finance
- Public Safety

EXTERNAL PARTNERS:

- Downtown Alliance of Milwaukie (DAM)
- Business of Milwaukie (BOM)
- North Clackamas County Chamber of Commerce (NCCCC)
- Neighborhood District Associations (NDAs)
- Private Property Owners and Developers

- Clackamas Small Business Development Center (SBDC)
- Clackamas Workforce Partnership
- Micro Enterprise Services of Oregon (MESO)
- TiE Oregon

Action Roadmap

YEAR/FOCUS	QUARTER	STAFF ACTIONS	COUNCIL ACTIONS
2025 FOCUS: Support downtown momentum, engage business districts, and collect better baseline data	CY-Q2 Apr - Jun	<div><input checked="" type="checkbox"/> Hired Economic Development Coordinator</div> <div><input type="checkbox"/> Continue building relationships with DAM, BOM, and NCCCC</div> <div><input type="checkbox"/> Engage businesses in planning for <i>Milwaukie Fest</i></div> <div><input type="checkbox"/> Discuss strategy to engage Milwaukie businesses in all city signature events</div>	<div><input type="checkbox"/> Complete goal action plan</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
	CY - Q3 Jul - Sept	<div><input type="checkbox"/> Present and refine scope of Main Street Improvements CIP project</div> <div><input type="checkbox"/> Produce first annual <i>Milwaukie Fest</i></div>	<div><input type="checkbox"/> Identify and send invitations for first round of business engagement tables and survey (URA, North Milwaukie Industrial Area (NMIA), International Way, and neighborhood businesses)</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
	CY - Q4 Oct - Dec	<div><input type="checkbox"/> Prepare for launch of business improvement grant program citywide using CET funds</div> <div><input type="checkbox"/> Scope planning and economic development work for 2026 related to Neighborhood Hubs and corridor plans</div> <div><input type="checkbox"/> Engage business stakeholders to scope changes needed to city's Business Tax code and fees</div> <div><input type="checkbox"/> Initiate market analysis around Neighborhood Hubs</div>	<div><input type="checkbox"/> Convene first round of business engagement tables</div> <div><input type="checkbox"/> Start refresh of URA 5-year Action Plan with Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC)</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
2026 FOCUS: Enhance Neighborhood Hubs and support, retain, and attract Milwaukie businesses	Annual goal review and performance measure data report		
	CY - Q1 Jan - Mar	<div><input type="checkbox"/> Present proposed scope for Neighborhood Hubs/corridor planning, economic development, and placemaking work informed by market analysis</div> <div><input type="checkbox"/> Launch citywide business improvement grant program</div> <div><input type="checkbox"/> Propose updates to city's Business Tax code and fees through budget process</div>	<div><input type="checkbox"/> Direct staff on planning, economic development, and placemaking work to support economic development in Neighborhood Hubs and corridors</div> <div><input type="checkbox"/> Select priority Neighborhood Hubs for placemaking investment based on market analysis</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
	CY - Q2 Apr - Jun	<div><input type="checkbox"/> Present on transportation enhancements needed to support workforce and business needs (informed by updated Transportation System Plan (TSP))</div> <div><input type="checkbox"/> Propose placemaking investments in priority Hubs</div>	<div><input type="checkbox"/> Plan Annual Business Summit</div> <div><input type="checkbox"/> Complete URA 5-year Action Plan refresh with MRCCAC</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
	CY - Q3 Jul - Sept	<div><input type="checkbox"/> Begin construction on Main Street Improvements CIP Project</div> <div><input type="checkbox"/> Implement changes to Business Tax code and prepare for annual business registration cycle in next quarter</div> <div><input type="checkbox"/> Implement placemaking investments in priority Hubs</div>	<div><input type="checkbox"/> Explore opportunities for additional URAs to support economic development beyond downtown</div> <div><input type="checkbox"/> Host Annual Business Summit</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
	CY - Q4 Oct - Dec	<div><input type="checkbox"/> Continue construction on Main Street Improvements CIP Project</div> <div><input type="checkbox"/> Develop vacant storefront tool kit</div>	<div><input type="checkbox"/> Direct staff on 2027 planning/code work to undertake to support economic development</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>

2027

FOCUS: Institutionalize business support as a core city function

Annual goal review and performance measure data report		
CY – Q1 Jan – Mar	<ul style="list-style-type: none">□ Complete construction on Main Street Improvements CIP Project□ Propose second round of placemaking investments in priority Hubs	<ul style="list-style-type: none">□ Champion transportation investments that support economic development□ Share updates on committee assignment work related to economic development
CY – Q2 Apr – Jun	<ul style="list-style-type: none">□ Implement second round of placemaking investments in priority Hubs	<ul style="list-style-type: none">□ Plan Annual Business Summit□ Share updates on committee assignment work related to economic development
CY – Q3 Jul – Sept		<ul style="list-style-type: none">□ Host Annual Business Summit□ Share updates on committee assignment work related to economic development
CY – Q4 Oct – Dec		<ul style="list-style-type: none">□ Report on 3-year Goal progress and provide direction for ongoing operationalization of economic development work□ Share updates on committee assignment work related to economic development

Council Goal **Action Plan**

ECONOMIC DEVELOPMENT: Supporting Milwaukie's business districts and investing in neighborhood hubs

Last Updated:
3/26/2025

Why this goal?

Milwaukie is seeing a resurgence of economic development activity in its downtown and business districts. Inspired by the city's 2040 community vision and comprehensive plan, the city has completed foundational work to enable hubs of commercial amenities across our neighborhoods. As Milwaukie's urban renewal area (URA) and construction excise tax (CET) funds mature, the city has an opportunity in 2025-2027 to make significant investments that can support our local economy, attract and retain businesses, and revitalize our commercial areas to help build community and a sense of place.

What do we want to accomplish by 2027?

- Revitalized Main Street and Downtown
- New investments in Milwaukie's industrial areas
- At least one enhanced Neighborhood Hub
- Strong city-business partnerships
- Capital improvements that support our business districts, including construction in progress on Milwaukie Bay Park

How will we measure success?

Commented [P1]: Separate out metrics that we want to monitor v. measures of success

	BASELINE (as of Dec 31 '24)	End of 2025	End of 2026	End of 2027	Target
Dollars invested in direct support for local businesses <i>\$ allocated through business improvement grant programs (URA and CET)</i> <i><u>\$ allocated to BIPOC or LGBTQIA+ business owners</u></i>	\$328,455 <u>\$\$\$ to BIPOC biz owners</u> <u>\$\$\$ to LGBTQIA+ biz owners</u>				Minimum \$250,000 annually
Advancement of URA Five-Year Action Plan <i>% of projects that are complete or in the process.</i>	28.4%				100% Completion
Externally hosted b Business-related meetings attended <i># of meetings, roundtables, and summits attended by City Council members</i> <i><u># of equity-focused meetings (e.g.)</u></i>	5 <u># of equity focused</u>				Minimum 12
Business-related meetings convened by the city <i># of meetings, roundtables, and summits convened by staff or City Council members</i>	2				Minimum 4
Commercial vacancy rate <i>% of commercial units vacant in the city</i>	7% (Office) 6.1% (Industrial) <u>X% (Retail)</u>				Downward trend
Total commercial square footage <i><u># of square feet of commercial space that exists within city limits</u></i>	<u>####</u>				<u>Upward trend</u>
Cost of leasing commercial property <i><u>Average \$ per square foot for renting commercial space in Milwaukie</u></i>	<u>\$\$ (Office)</u> <u>\$\$ (Industrial)</u> <u>\$\$ (Retail)</u>				
Total number of businesses registered with the city <i><u># of business license holders operating in Milwaukie, excluding landlords/rental properties</u></i>	<u>####</u>				<u>Upward trend</u>
Impressions of business friendliness <i>% of surveyed business who are happy with the City of Milwaukie's support</i>	<i>Need a baseline survey</i>				Upward trend

Events and tourism # of events produced in Milwaukie by the city or with city support <u># of events that specifically celebrate Milwaukie's diverse communities</u>	6 events				Minimum of 9 events annually
Downtown foot traffic Point in time counts of daily foot traffic	Need a baseline count				Upward trend
Access to commercial activity and hubs <u>% of Milwaukie residents who live within a ½ mile walkshed of a commercial center or hub</u>	<u>Look to TSP analysis for baseline</u>				Upward trend

Implementation partners

COUNCIL LEAD:
Councilor Rebecca Stavenjord

STAFF LEAD:

- Joseph Briglio, Assistant City Manager
- Ciara Williams, Economic Development coordinator

SUPPORTING DEPARTMENTS:

- City Manager's Office
- Community Development
 - Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC)
- Finance
- Public Safety

EXTERNAL PARTNERS:

- Downtown Alliance of Milwaukie (DAM)
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- Neighborhood District Associations (NDAs)
- Private Property Owners and Developers
- Clackamas Community College

- Clackamas Small Business Development Center (SBDC)
- Clackamas Workforce Partnership
- Micro Enterprise Services of Oregon (MESO)
- TiE Oregon
- Sabin-Schellenberg

Action Roadmap

YEAR/FOCUS	QUARTER	STAFF ACTIONS	COUNCIL ACTIONS
2025 FOCUS: Support downtown momentum, engage business districts, and collect better baseline data	CY-Q2 Apr - Jun	<div>✓ Hired Economic Development Coordinator</div> <div><input type="checkbox"/> Continue building relationships with DAM, BOM, and NCCCC</div> <div><input type="checkbox"/> Engage businesses in planning for <i>Milwaukie Fest</i></div> <div><input type="checkbox"/> Discuss strategy to engage Milwaukie businesses in all city signature events</div>	<div><input type="checkbox"/> Complete goal action plan</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
	CY - Q3 Jul - Sept	<div><input type="checkbox"/> Present and refine scope of Main Street Improvements CIP project</div> <div><input type="checkbox"/> Produce first annual <i>Milwaukie Fest</i></div>	<div><input type="checkbox"/> Identify and send invitations for first round of business engagement tables and survey (URA, North Milwaukie Industrial Area (NMIA), International Way, and neighborhood businesses)</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>
	CY - Q4 Oct - Dec	<div><input type="checkbox"/> Prepare for launch of business improvement grant program citywide using CET funds</div> <div><input type="checkbox"/> Scope planning and economic development work for 2026 related to Neighborhood Hubs and corridor plans</div> <div><input type="checkbox"/> Engage business stakeholders <u>regarding refresh to URA five-year action plan to scope changes needed to city's Business Tax code and fees</u></div> <div><input type="checkbox"/> Initiate market analysis around Neighborhood Hubs</div>	<div><input type="checkbox"/> Convene first round of business engagement tables</div> <div><input type="checkbox"/> Start refresh of URA 5-year Action Plan with Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC)</div> <div><input type="checkbox"/> Share updates on committee assignment work related to economic development</div>

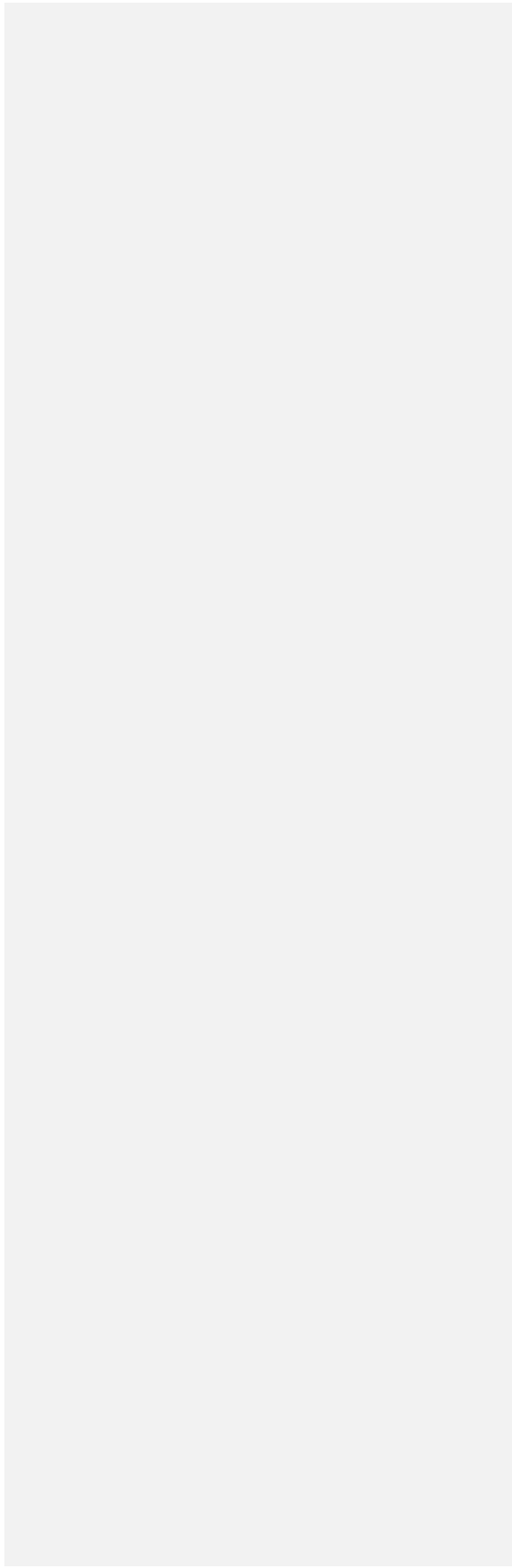
Commented [P2]: Delay a quarter to allow business tables to get etsablished

2026

FOCUS: Enhance Neighborhood Hubs and support, retain, and attract Milwaukee businesses

Annual goal review and performance measure data report			
CY – Q1 Jan – Mar	<ul style="list-style-type: none">□ Present proposed scope for Neighborhood Hubs/corridor planning, economic development, and placemaking work informed by market analysis□ Launch citywide business improvement grant program□ Propose updates to city's Business Tax code and fees through budget process□ <u>Engage businesses to scope changes needed to city's Business Tax code and fees, including education on current investments in business districts</u>	<ul style="list-style-type: none">□ Direct staff on planning, economic development, and placemaking work to support economic development in Neighborhood Hubs and corridors□ Select priority Neighborhood Hubs for placemaking investment based on market analysis□ Share updates on committee assignment work related to economic development	
CY – Q2 Apr – Jun	<ul style="list-style-type: none">□ Present on transportation enhancements needed to support workforce and business needs (informed by updated Transportation System Plan (TSP))□ Propose placemaking investments in priority Hubs□ <u>Propose updates to city's Business Tax code and fees through budget process</u>	<ul style="list-style-type: none">□ Plan Annual Business Summit□ Complete URA 5-year Action Plan refresh with MRCCAC□ Share updates on committee assignment work related to economic development	
CY – Q3 Jul – Sept	<ul style="list-style-type: none">□ Begin construction on Main Street Improvements CIP Project□ Implement changes to Business Tax code and prepare for annual business registration cycle in next quarter□ Implement placemaking investments in priority Hubs	<ul style="list-style-type: none">□ Explore opportunities for additional URAs to support economic development beyond downtown□ Host Annual Business Summit□ Share updates on committee assignment work related to economic development	
CY – Q4 Oct – Dec	<ul style="list-style-type: none">□ Continue construction on Main Street Improvements CIP Project□ Develop vacant storefront tool kit	<ul style="list-style-type: none">□ Direct staff on 2027 planning/code work to undertake to support economic development□ Share updates on committee assignment work related to economic development	

<div>2027</div> <div>FOCUS: Institutionalize business support as a core city function</div>	Annual goal review and performance measure data report		
	CY – Q1 Jan - Mar	<div><div></div> Complete construction on Main Street Improvements CIP Project</div> <div><div></div> Propose second round of placemaking investments in priority Hubs</div>	<div><div></div> Champion transportation investments that support economic development</div> <div><div></div> Share updates on committee assignment work related to economic development</div>
	CY – Q2 Apr – Jun	<div><div></div> Implement second round of placemaking investments in priority Hubs</div>	<div><div></div> Plan Annual Business Summit</div> <div><div></div> Share updates on committee assignment work related to economic development</div>
	CY – Q3 Jul - Sept		<div><div></div> Host Annual Business Summit</div> <div><div></div> Share updates on committee assignment work related to economic development</div>
	CY – Q4 Oct - Dec		<div><div></div> Report on 3-year Goal progress and provide direction for ongoing operationalization of economic development work</div> <div><div></div> Share updates on committee assignment work related to economic development</div>



COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Reviewed: Joseph Briglio, Assistant City Manager, and
Emma Sagor, City Manager

From: Patrick McLeod, Building Official

Date Written: March 20, 2025

Subject: Building Division Report

ACTION REQUESTED

The City Council is asked to receive an update on the work of the Building Division, including data on local development, permitting, plans examining, and inspection services demand over the last seven years.

BACKGROUND AND ANALYSIS**Building Division Growth**

Over the past seven years, the City of Milwaukie has experienced a significant increase in commercial and residential development. The nature of construction has shifted from single-family dwellings, residential repairs, and additions to more complex projects, including commercial multi-family developments, mixed-use, townhomes, and cottage clusters.

In response to this growth and the evolving construction landscape, the city implemented third-party contracts and intergovernmental agreements (IGAs) to enhance plan review turnaround times, expand inspection coverage, and ensure compliance with state-mandated requirements (adopted via Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR)).

Building Division Staffing and Operational Expansion

- **Fiscal Year (FY) 2017-2018:** The Building Division operated with 3 full-time equivalent (FTE) City of Milwaukie employees and utilized contract and IGA services on an as-needed basis, the equivalent of an additional approximately 0.5 FTE.
- **FY 2023-2024:** The Building Division hired an additional City of Milwaukie FTE (now operating with 4 total) and expanded use of contracts and IGAs to meet demand, equivalent to approximately 3 FTE of additional capacity.
- **FY 2024-25:** The Building Division requested a fifth regular FTE position through a budget adjustment to help complete more work in-house and offset costs on external contracts and IGAs, which was approved. The city is actively trying to recruit for this position.

Key Metrics:

The table below summarizes the volume of permits issued and inspections over the past 10 years. Permit volumes have nearly doubled in this time and inspections have more than doubled.

FY	Permits Issued	Inspections
2014-2015	785	1,588
2015-2016	1,256	2,399
2016-2017	1,396	3,096
2017-2018	1,523	2,851
2018-2019	1,646	4,443
2019-2020	1,414	4,452
2020-2021	1,403	4,065
2021-2022	1,792	4,695
2022-2023	1,432	3,097
2023-2024	1,479	3,956

- **FY 2017-2018:** The division issued 1,523 permits, performed 2,851 inspections, generated \$1,025,334 in revenue, and had expenditures of \$374,832, of which \$0.00 was allocated to IGA and contract services.
- **FY 2023-2024:** The division issued 1,479 permits, performed 3,956 inspections, generated \$1,527,936 in revenue, and had expenditures of \$1,135,662, with \$427,502 allocated to IGA and contract services.
- **FY 2024-2025:** The building division is on pace to issue more than 1,500 permits and perform over 4,500 inspections.

Sustained Growth in Permitting and Inspection Services

Over the past five years, the City of Milwaukie has experienced a continuous increase in demand for permitting and inspection services. This growth correlates with a shift in development trends, moving away from single-family dwellings (SFD) and residential improvements toward more complex multi-unit cottage clusters and commercial apartment buildings. These more complex multi-unit commercial projects require additional levels of permit processing; greater coordination of permits within public works, building, planning and engineering; additional plan review time; and often a higher-touch level of support from city and contracted professionals to provide critical information to applicants and developers and help them stay in compliance with state regulations, building and municipal codes and to complete projects in a reasonable time frame. The Building Division has rigorous standards for response times (e.g., inspections within 1 business day of request, 10 working days for residential plan review), and maintaining these standards has been a high priority for the team.

To meet these evolving demands, the Building Division has relied on Intergovernmental Agreements (IGAs) and third-party contracts, incurring a total cost of **\$722,560 since FY 2020**. These external services have been essential in maintaining compliance with jurisdictional authority guidelines.

Looking forward, staff do not expect a slow down in the near term in this demand for the next seven years given local market trends, the growing popularity of Milwaukie, economic development patterns, and policy direction from the state that may make more building types permissible. Capitalizing on the sustained momentum of the last 7 years will increase the city's appeal to investors, commitment to affordable development, and vitality. Maintaining development appeal by providing easy access to building will be a key part of long-term growth. Advancing the Council's goals of economic development and affordability will by necessity require more development of residential and commercial units, and all of this will have a workload impact on the Building Division.

Strategic Adjustments and Recruitment Challenges

The demand for building services has remained consistently high, requiring the city to rely on contract services and IGAs for the past several years. To optimize service delivery and cost efficiency, the city has secured more flexible, inclusive, and cost-effective third-party contracts for plan review and inspection services. Additionally, efforts are underway to extend existing IGAs with multiple neighboring jurisdictions to further enhance service capacity while maintaining fiscal responsibility.

To improve operational efficiency, the city established a permit coordinator position in late 2024, adding one FTE to the Building Division. This role has been instrumental in managing complex commercial permitting, streamlining reporting and procedural workflows, and enhancing customer service. The permit coordinator has also increased accessibility to both the Building Division and the broader Community Development Department for stakeholders and the public.

Despite significant marketing and recruitment efforts at both state and national levels, the city has faced ongoing challenges in hiring qualified inspectors and plans examiners due to industry-wide shortages. To address this, the building official and human resources director are working on creative ways to attract and retain qualified candidates. In the meantime, the city continues to adapt to increasing demand while maintaining efficient and high-quality service delivery by strategically leveraging contract services, IGAs, and internal staffing enhancements.

Projected Staffing and Resource Needs

At the fall 2024 Budget Committee meeting, a committee member asked what in-house resources would be adequate to fully replace any reliance on external contracts or IGAs. Moving to a more self-sufficient model would require increasing capacity internally to support inspections, plans examination, permit issuance, administrative work, and resourcing to train existing staff.

As development activity continues to grow, the City of Milwaukie faces a decision regarding whether to internalize essential permitting and inspection functions, potentially reducing long-term reliance on external contracts, or continue to lean heavily on this external support to maintain compliance with jurisdictional requirements. This will be explored further with Council and the Budget Committee over the next year as we look ahead to the next biennium budget.

BUDGET IMPACT

The FY 2025 budgetary surplus in the building fund as of 2/28/25 stands at \$439,516 dollars, meaning we have brought in that much more revenue than forecasted. Current IGA and contract expenditures for FY 2024-2025 are \$241,536 out of \$630,000 budgeted for the fiscal year.

CLIMATE IMPACT

None.

EQUITY IMPACT

None.

WORKLOAD IMPACT

The Building Division has seen steadily increasing workload as development has increased in the city. As described in the analysis section, the city needs to explore whether to add additional resources to the division for more in-house management of this increased workload or whether to continue expanding usage of external contracts and IGAs.

COORDINATION, CONCURRENCE, OR DISSENT

The Building Division coordinates regularly with all of Community Development, Public Works, Natural Resource, and the entire city.

STAFF RECOMMENDATION

Receive the report, ask questions of Building Division staff, and share topics of interest for future presentations.

ALTERNATIVES

None.

ATTACHMENTS

None.

BUILDING DIVISION GROWTH

Seven Years of Plans
Examining and
Inspections



BUILDING DIVISION STAFFING

- **Fiscal Year (FY) 2017-2018:** The Building Division operated with 3 full-time equivalent (FTE) City of Milwaukie employees and utilized contract and IGA services on an as-needed basis, the equivalent of an additional approximately 0.5 FTE.
- **FY 2023-2024:** The Building Division hired an additional City of Milwaukie FTE (now operating with 4 total) and expanded use of contracts and IGAs to meet demand, equivalent to approximately 3 FTE of additional capacity.
- **FY 2024-25:** The Building Division requested a fifth regular FTE position through a budget adjustment to help complete more work in-house and offset costs on external contracts and IGAs, which was approved. The city is actively trying to recruit for this position.



SUSTAINED GROWTH IN PERMITTING & INSPECTIONS

- Over the past five years, the City of Milwaukie has experienced a continuous increase in demand for permitting and inspection services.
- This growth correlates with a shift in development trends – movement from single-family dwellings towards multi-unit commercial apartments.
- Commercial projects generate more revenue and require a higher level of expertise. Including additional permit processing time, inspections performed, and plan review detail.
- Building Division response times for residential plan review is 10 business days. Residential inspections are to be performed within one business day of request (per ORS and OAR).



FISCAL YEAR PERMITS ISSUED & INSPECTIONS

Fiscal Year	Permits Issued	Inspections	
2014-2015	785	1,588	
2015-2016	1,256	2,399	
2016-2017	1,396	3,096	
2017-2018	1,523	2,851	Added residential plans examiner/ inspector.
2018-2019	1,646	4,443	Added permit technician and started utilizing third party services. Construction started on Milwaukie High School and NW Housing Alternative
2019-2020	1,414	4,452	Construction started on Ledding Library. Milwaukie High School and NW Housing Alternative complete.
2020-2021	1,403	4,065	Construction started on Axletree Apartments. Ledding Library complete.
2021-2022	1,792	4,695	Construction started on Seven Acres and Henley Place Apartments. Axletree Apartments complete.
2022-2023	1,432	3,097	Construction started on Bonaventure Assisted Living.
2023-2024	1,479	3,956	Construction started on Hillside redevelopment. Seven Acres and Henley Place Apartments complete. Added permit coordinator position.



BUILDING FUND FIVE YEAR REVIEW

REVENUE	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
REVENUE TOTAL	1,064,034.12	1,929,854.30	2,041,398.25	1,527,936.35	1,345,201.48
EXPENSE TOTAL	791,798.53	1,027,776.55	949,767.92	1,135,662.22	903,868.06
SURPLUS	272,235.59	902,077.75	1,091,630.33	392,274.13	441,333.42
BEGINNING BALANCE	2,294,801.92	2,567,037.51	3,469,115.26	4,560,745.59	4,953,019.72
ENDING BALANCE	2,567,037.51	3,469,115.26	4,560,745.59	4,953,019.72	5,394,353.14

