

Regular Session

RS

Milwaukie City Council

COUNCIL REGULAR SESSION

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

2432nd Meeting**AGENDA**

SEPTEMBER 2, 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 find the meeting event on the city calendar at www.milwaukieoregon.gov.

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.

Page #

1. **CALL TO ORDER** (6:30 p.m.)
 - A. **Pledge of Allegiance**
 - B. **Native Lands Acknowledgment**
2. **ANNOUNCEMENTS** (6:31 p.m.) 1
3. **PROCLAMATIONS AND AWARDS**
 - A. **Constitution Week – Proclamation** (6:35 p.m.) 6
Presenter: The Daughters of the American Revolution (DAR)
4. **SPECIAL REPORTS**
 - A. **None Scheduled.**
5. **COMMUNITY COMMENTS** (6:40 p.m.)

To speak to Council, please submit a comment card to staff. Comments must be limited to city business topics that are not on the agenda. A topic may not be discussed if the topic record has been closed. All remarks should be directed at the whole Council. The presiding officer may refuse to recognize speakers, limit the time permitted for comments, and ask groups to select a spokesperson. **Comments may also be submitted in writing before the meeting, by mail, e-mail (to ocr@milwaukieoregon.gov), or in person to city staff.**
6. **CONSENT AGENDA** (6:45 p.m.)

Consent items are not discussed during the meeting; they are approved in one motion and any Council member may remove an item for separate consideration.

 - A. **Approval of Council Meeting Minutes of:** 8
 1. **July 28, 2025, middle housing town hall,**
 2. **August 5, 2025, work session, and**
 3. **August 5, 2025, regular session.**
7. **BUSINESS ITEMS**
 - A. **Milwaukie Station Food Cart Pod – Update** (6:50 p.m.) 24
Staff: Joseph Briglio, Assistant City Manager

8. PUBLIC HEARINGS

A. Affordable Housing Code Incentives Adoption – Ordinance, 2nd Reading 42 (7:30 p.m.)

Staff: Laura Weigel, Planning Manager, and
Vera Kolias, Senior Planner

B. Quarterly Budget Adjustments – Resolution (7:40 p.m.) 66

Staff: Emma Sagor, City Manager, and
Matt Deeds, Assistant Finance Director

9. COUNCIL REPORTS (8:10 p.m.) 70

10. ADJOURNMENT (8:25 p.m.)

Milwaukie Redevelopment Commission (MRC) Meeting. After the meeting, Council will meet as the MRC. For information about the MRC meeting visit www.milwaukieoregon.gov.

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at ocr@milwaukieoregon.gov or phone at 503-786-7502. To request Spanish language translation services email espanol@milwaukieoregon.gov at least 48 hours before the meeting. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's YouTube channel](#) and Comcast Channel 30 in city limits.

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

La ciudad se compromete a proporcionar igualdad de acceso para reuniones públicas. Para solicitar servicios de asistencia auditiva y de movilidad, favor de comunicarse a la Oficina del Registro de la Ciudad con un mínimo de 48 horas antes de la reunión por correo electrónico a ocr@milwaukieoregon.gov o llame al 503-786-7502. Para solicitar servicios de traducción al español, envíe un correo electrónico a espanol@milwaukieoregon.gov al menos 48 horas antes de la reunión. El personal hará todo lo posible para responder de manera oportuna y atender las solicitudes. La mayoría de las reuniones del Consejo de la Ciudad se transmiten en vivo en el [canal de YouTube de la ciudad](#) y el Canal 30 de Comcast dentro de los límites de la ciudad.

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 REGULAR SESSION

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

2432nd Meeting

MINUTES

SEPTEMBER 2, 2025

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

<p>Staff Present: Joseph Briglio, Assistant City Manager Matt Deeds, Assistant Finance Director Justin Gericke, City Attorney Vera Kolias, Senior Planner</p>	<p>Emma Sagor, City Manager Scott Stauffer, City Recorder Laura Weigel, Planning Manager</p>
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Mayor Batey called the meeting to order at 6:34 p.m.

1. CALL TO ORDER

A. Pledge of Allegiance.

B. Native Lands Acknowledgment.

2. ANNOUNCEMENTS

Mayor Batey announced upcoming activities, including the September First Friday event, the fourth annual Milwaukie Sustainability Fair, a Metro Nature in Neighborhoods workshop, and Latina and Serbian cultural festivals.

Mayor Batey read a sustainability fair themed haiku poem.

3. PROCLAMATIONS AND AWARDS

A. Constitution Week – Proclamation

Mayor Batey noted that the Susannah Lee Barlow Chapter of the Daughters of the American Revolution had requested the proclamation and proclaimed September 17 to 23 to be Constitution Week. **Councilor Massey** distributed copies of the United States Constitution. **Councilor Khosroabadi** asked staff to share a copy of the proclamation with the White House.

4. SPECIAL REPORTS

A. None Scheduled.

5. COMMUNITY COMMENTS

Mayor Batey reviewed the comment procedures. **Sagor** reported there was no follow-up from the August 19 comments. No audience member wished to address Council.

6. CONSENT AGENDA

It was moved by Councilor Khosroabadi and seconded by Councilor Stavenjord to approve the Consent Agenda as presented.

A. City Council Meeting Minutes:

1. July 28, 2025, middle housing town hall,
2. August 5, 2025, work session, and
3. August 5, 2025, regular session.

Motion passed with the following vote: Councilors Anderson, Khosroabadi, Massey, and Stavenjord and Mayor Batey voting “aye.” [5:0]

7. BUSINESS ITEMS

A. Milwaukie Station Food Cart Pod – Update

Briglio reviewed the food cart pod site's development history, its management by the Johnson Group and reported that the Johnson Group had informed the city that they did not want to manage the site after the current lease expires. **Briglio** noted options for Council to consider if they wanted to continue using the site as a food cart pod.

Mayor Batey and **Briglio** noted how ownership of the food cart infrastructure would be determined after the Johnson Group lease ends.

Councilor Stavenjord and **Briglio** commented on the cost of cart owners moving out and back in if there were a disruption in cart manager leases.

Briglio discussed looking at other uses for the site, including a new cart management group or co-operative structure, and asked for Council feedback. The group remarked on what it might cost the city to support the current food carts through a lease transition.

Councilor Massey and **Mayor Batey** commented on what would happen if the city allowed the site to return to its pre-food cart status as an empty lot. **Mayor Batey** supported looking at alternate uses eventually, but suggested the timing was not right yet given changes happening on properties around the site.

Council President Anderson supported looking at ways to, in the long-term, develop the site as a business incubation space. **Mayor Batey** observed that the site wasn't big enough to do much housing.

Councilor Stavenjord supported continuing a food cart pod lease in the short term.

Mayor Batey and **Briglio** noted that if the city wanted to support the current food carts on the site urban renewal funds could be used. The group discussed possible next steps if the city were to develop a new food cart pod lease on the site. It was Council consensus that staff would work on developing a new food cart pod lease on the site.

8. PUBLIC HEARING

A. Affordable Housing Code Incentives Adoption – Ordinance, 2nd Reading

Call to Order: **Mayor Batey** called the continued public hearing on the proposed affordable housing code incentives adoption, to order at 7:10 p.m.

Purpose: **Mayor Batey** announced that the purpose of the hearing was for Council to take a final roll call vote on the proposed ordinance.

Council Decision: It was noted that Council had approved the ordinance by a 3:2 vote at the August 19, 2025, regular session. And that, per the Milwaukie Municipal Code (MMC) if a vote is not unanimous, Council was required to vote on the ordinance at two separate meetings.

Sagor reads the ordinance one time by title only.

Stauffer polled the Council with Councilors Anderson, Khosroabadi, and Stavenjord voting "aye," Councilor Massey and Mayor Batey voting "no." [3:2]

Ordinance 2256:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING MILWAUKIE MUNICIPAL CODE (MMC) TITLE 19 ZONING ORDINANCE FOR THE PURPOSE OF PROVIDING CODE-BASED INCENTIVES FOR THE DEVELOPMENT OF AFFORDABLE HOUSING (PRIMARY FILE #ZA-2025-003).

B. Quarterly Budget Adjustments – Resolution

Call to Order: **Mayor Batey** called the budget adjustments hearing to order at 7:12 p.m.

Purpose: **Mayor Batey** announced that the purpose of the hearing was to receive a staff report, take public comment, and consider adopting budget adjustments.

Conflict of Interest: No Council member declared a conflict of interest.

Staff Presentation: **Sagor** explained that the proposed adjustments involved staffing increases in the building division which had the funds to cover the additional positions.

Deeds reviewed the budget line adjustments and public noticing requirements.

Correspondence: No correspondence had been received.

Audience Testimony: No audience member wished to address Council.

Staff Response to Testimony: **Councilor Khosroabadi** and **Deeds** clarified that it was state law that required public notices for certain budget adjustments.

Close Public Comment: **It was moved by Councilor Stavenjord and seconded by Councilor Khosroabadi to close the public comment part of the budget adjustment hearing. Motion passed with the following vote: Councilors Anderson, Khosroabadi, Massey, and Stavenjord and Mayor Batey voting “aye.” [5:0]**

Mayor Batey closed the public comment part of the hearing at 7:17 p.m.

Council Discussion: **Mayor Batey** appreciated the building division had funds to support additional positions and observed that building work would slow down at some point.

Council Decision: **It was moved by Councilor Khosroabadi and seconded by Councilor Stavenjord to approve the resolution authorizing a supplemental budget for the 2025-2026 biennium. Motion passed with the following vote: Councilors Anderson, Khosroabadi, Massey, and Stavenjord and Mayor Batey voting “aye.” [5:0]**

Resolution 38-2025:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING A SUPPLEMENTAL BUDGET FOR THE 2025-2026 BIENNIUM.

9. COUNCIL REPORTS

Councilor Stavenjord and **Mayor Batey** thanked community organizers and neighborhood district associations (NDAs) for putting on great summer events. **Sagor** noted that the city had increased the NDAs annual funding amount this year.

Mayor Batey reported on the recent Clackamas County Coordinating Committee (C4) retreat and the North Clackamas Parks and Recreation District (NCPRD) budget cuts.

Mayor Batey expressed disagreement with how Council President Anderson had characterized Council positions on affordable housing and recent city achievements in an email newsletter. **Councilor Stavenjord** suggested Batey and Anderson speak in private about their disagreements and remarked on the importance of maintaining healthy Council communication. **Council President Anderson** responded to Batey's comments, and **Batey** and **Anderson** discussed Council communication.

Councilor Massey suggested Council take a recess and **Mayor Batey** recessed the meeting at 7:47 p.m. and reconvened at 8:03 p.m.

Mayor Batey and **Council President Anderson** committed to maintaining open communication going forward.

10. ADJOURNMENT

Mayor Batey announced that after the meeting Council would convene as the Milwaukie Redevelopment Commission (MRC).

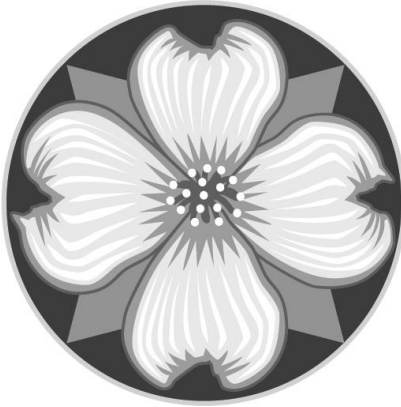
It was moved by Councilor Khosroabadi and seconded by Councilor Stavenjord to adjourn the Regular Session. Motion passed with the following vote: Councilors Anderson, Khosroabadi, Massey, and Stavenjord and Mayor Batey voting “aye.” [5:0]

Mayor Batey adjourned the meeting at 8:05 p.m.

Respectfully submitted,



Scott Stauffer, City Recorder



RS Agenda Item

2

Announcements

Native Lands Acknowledgment

The City of Milwaukie respectfully acknowledges that our community is located on the ancestral homeland of the Clackamas people. In 1855, the surviving members of the Clackamas signed the Willamette Valley Treaty also known as the Kalapuya etc. Treaty with the federal government in good faith. We offer our respect and gratitude to the indigenous people of this land.



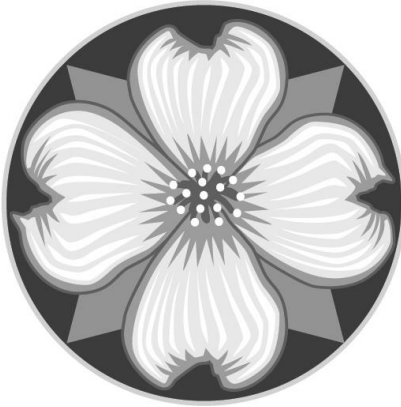
Mayor's Announcements – Sep. 2, 2025

- **First Friday – Sep. 5 (5- 8 PM)**
 - Support downtown businesses while fostering Milwaukie's vibrant arts, music, and food community
 - Learn more at firstfridaymilwaukie.com
- **Sustainability Fair – Sat., Sep. 6 (10 AM – 3 PM)**
 - Join the Milwaukie Environmental Stewards Group and community partners at the fourth annual event
 - Downtown parking lot at SE Harrison St. and SE Main St.
 - More info at milwaukieesg.org/sustainabilityfair
- **Nature in Neighborhoods Workshop – Sun., Sep. 7 (11 AM – 2 PM)**
 - Help to shape and refine parks and nature project ideas in Clackamas County that were submitted to Metro from community members.
 - Conceptual projects will be voted on by community beginning Oct. 7.
 - Event includes free food, children's activities, and interpretation services in both Spanish and ASL.
 - City Hall, 1st Floor Community Room, 10501 SE Main St.
 - Learn more at community-choice-grants-drcmetro.hub.arcgis.com/
- **Fiesta Latina en el Parque – Sat., Sep. 13 (12 – 4 PM)**
 - Join NCPRD for a free, family-friendly community festival celebrating Latino heritage and culture!
 - North Clackamas Park, 5440 SE Kellogg Creek Dr.
 - More information at ncprd.org/events/fiesta
- **Nature in Neighborhoods Workshop at Fiesta Latina en el Parque – Sat., Sep. 13 (12 – 4 PM)**
 - In person workshop held at NCPRD's Fiesta Latina en el Parque event with the same goals as mentioned above on Sep. 7.
 - North Clackamas Park, 5440 SE Kellogg Creek Dr.
- **LEARN MORE AT MILWAUKIEOREGON.GOV OR CALL 503-786-7555**

Mayor's Haiku – September 2, 2025

**Recycle Reuse
Sustainability Fair
Milwaukie Gathers**

Share your Milwaukie Haiku!
Email yours to bateyl@milwaukieoregon.gov



RS Agenda Item

3

Proclamations & Awards

PROCLAMATION

WHEREAS We the People of the United States, in Order to form a More Perfect Union, Establish Justice, Insure Domestic Tranquility, provide for the Common Defense, Promote the General Welfare, and Secure the Blessings of Liberty to Ourselves and Our Posterity, did Ordain and Establish a Constitution for the United States of America on September 17, 1787, and

WHEREAS today marks the two-hundred thirty-seventh anniversary of the adoption of the Constitution by a convention of the States, and

WHEREAS the Constitution, as the foundation upon which our democracy is based, stands as a testament to the tenacity of Americans throughout history to maintain their liberties, freedoms and inalienable rights, and

WHEREAS exercising our ability to vote is a right, a responsibility, celebration, and also a way of protecting our constitutional rights.

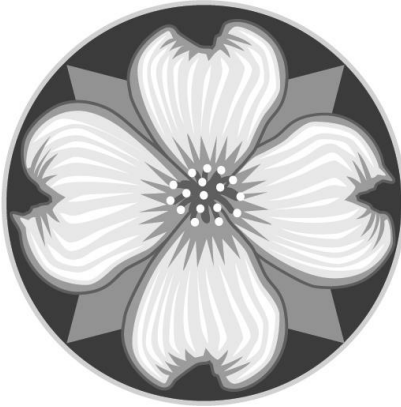
NOW, THEREFORE, I, Lisa Batey, Mayor of the City of Milwaukie, a municipal corporation in the County of Clackamas, in the State of Oregon, do hereby proclaim **SEPTEMBER 17th through 23rd, 2025**, as **CONSTITUTION WEEK** in the City of Milwaukie and do commend its observance by all citizens.

IN WITNESS, WHEREOF, and with the consent of the City Council of the City of Milwaukie, I have hereunto set my hand on this **2nd** day of **September 2025**.

Lisa Batey, Mayor

ATTEST:

Scott Stauffer, City Recorder



RS Agenda Item

6

Consent Agenda

COUNCIL MIDDLE HOUSING TOWN HALL

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

MINUTES

JULY 28, 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
Katie Gavares, Climate & Natural Resources Manager
Vera Kolias, Senior Planner
Emma Sagor, City Manager

Scott Stauffer, City Recorder
Jeff Tolention, Assistant City Engineer
Laura Weigel, Planning Manager

Mayor Batey called the meeting to order at 5:36 p.m.

Welcome

Sagor reviewed the event agenda. Council and city staff introduced themselves.

Educational Presentation

Weigel explained what middle housing is, noted laws that govern middle housing, and discussed how middle housing rules had been implemented in Milwaukie.

Sean Edging, Senior Housing Planner at the Oregon Department of Land Conservation and Development (DLCD), reviewed state middle housing laws including recent changes approved by the state legislature.

Weigel and **Gavares** discussed examples of how middle housing laws had been applied in Milwaukie and how the city's Tree Code interacted with middle housing rules. They noted that state law limited what housing rules cities could control.

Kolias and **Tolentino** explained how middle housing rules impacted the city's land use review processes.

Sagor provided a summary of the implementation of state and city middle housing laws, rules, and policies, and remarked on what middle housing policies and strategies the city could consider in the future.

Moderated Discussion

Council and city staff participated in a discussion about middle housing. To review the questions asked during the discussion, and staff responses, see the attached "Questions and Responses Summary" exhibit attached to these minutes.

Reflection and Concluding Thoughts

Council thanked the audience for attending the town hall and remarked on takeaway thoughts from the discussion. They commented on what Council and the city could do to maintain a sense of community, support the creation of new denser housing, keep Milwaukie as affordable as possible, make sure developers pay an appropriate amount for building new structures and include parking in their building plans.

Council members expressed concern about the limits on local housing decisions placed on cities by state middle housing rules.

Mayor Batey adjourned the meeting at 7:35 p.m.

Respectfully submitted,

Scott Stauffer, City Recorder



CITY OF MILWAUKIE

Middle Housing Town Hall

July 28, 2025

Summary

Questions and Responses

Verbal Questions asked at Town Hall

- **Can people just pay to cut down trees? If so, they should triple the fees.**
 - *Removal of onsite trees which results in a reduction of onsite canopy below 30% canopy coverage will result in required mitigation. Mitigation tiers are cumulative and are calculated based on the resulting final onsite canopy after requested tree removals. The mitigation fee is \$4,000.00 for each reduction of 7.5% site canopy coverage below 30% total site canopy. Fees are cumulative based on total canopy reduction.*

30 - 22.5% | \$4,000.00

22.5% - 15% | \$4,000.00

15% - 7.5% | \$4,000.00

7.5% - 0% | \$4,000.00

**\$2,000.00 per tier for qualified affordable housing developments*

Trees on the Milwaukie invasive tree list are not to be included in the calculations. Trees on the Milwaukie Rare or Threatened tree list are to be preserved where possible, and additional removal fees for these trees may apply. Only onsite trees are included in the preservation standard calculation.

- **Detached quadplex -- could we do lot size minimums like Lake Oswego?**
 - *Lake Oswego has multiple residential zones with varying minimum lot sizes. Milwaukie has two residential zones with different minimum lot sizes, so our codes are difficult to compare. But both cities must comply with state law regarding middle housing and minimum lot size.*
 - *State law requires that middle housing—except cottage clusters—have the same minimum lot size as single detached homes.*

In Milwaukie's Moderate Density Residential Zone, the minimum lot sizes are:

- *5,000 sq ft for single detached home*
- *7,000 sq ft for cottage clusters*
- *3,000 sq ft for duplexes, triplexes, and quadplexes (1,500 sq ft per unit for townhouses)*
 - *In 2022 Planning Commission and City Council adopted the 3,000 sq ft minimum for plexes to incentivize the development of these types of units.*

- *The recent passage of House Bill 2138 changes many of the established rules. Among other changes, cities will have to allow all middle housing types on any lot or parcel zoned for residential use. DLCD will issue specific implementation guidance this fall. In discussions with DLCD Housing Accountability and Production Office staff, the city learned that increasing minimum lot sizes will likely not be defensible and changing the code now in a way that contradicts the new statutory requirements would likely put the city in legal jeopardy. Staff will review DLCD's guidance once released and will update Milwaukie's code to reflect the new legislation as required.*

▪ **Can we revisit minimum lot sizes?**

- *Please see the response to the question above.*

▪ **Doesn't the state law get triggered at a population of 25,000? Why did Milwaukie have to participate?**

- *State law on middle housing applies to "large cities", defined as those cities within the Metro region with a population of over 1,000. Milwaukie meets this definition and must comply with these statutes.*

▪ **How does the middle housing rule benefit existing residents?**

- *Middle-housing requirements were passed by state legislators with the intent to increase housing options and opportunities for all, including current Milwaukians. The hope is that all Milwaukie residents, both past and present, will have more chances to live in the community of their choice.*

▪ **Can you build as many homes as possible on a piece of property?**

- *The zoning code limits the number of units on a lot to 4 units. Cottage clusters are limited to 12 cottages per cluster, but there is no limit on the number of clusters on a property. For example, a large piece of property could be developed as a cottage cluster development or could be divided and then developed with a plex on each lot. Please note that all of this*

development is still subject to minimum development standards, such as lot coverage, setbacks, and vegetation requirements.

- **Is there a requirement for whether these homes are sold or for rent?**
 - *No. The zoning code does not regulate housing tenure (rental or ownership).*
- **What happens when a developer defaults? Can the bank do whatever they want to a property if they take over?**
 - *The City's land use and development code requirements are applied the same regardless of whether a property is owned by an individual or an institution.*
- **In another community the developer was willing to "negotiate" with the neighbors about room size and density. Are we able to do that?**
 - *Property owners are allowed to develop their property to their desired preferences as long as it meets all the regulatory requirements (i.e. planning, building, trees, etc.). Some developers do consider the thoughts and opinions of neighbors when designing their project; however, it is not a legal requirement. The City encourages developers to meet with neighbors and the Neighborhood District Association (NDA) prior to building.*
- **Is Fee In Lieu of Construction (FILOC) or other fees a way to push back on development? Is there an appetite for the council to take these types of actions?**
 - *Frontage improvements may include new sidewalks, new curb and gutter, and half street roadway repaving, according to the city's Public Works Standards. The improvements are limited to the length of the property's frontage.*
 - *The applicant can request to pay a FILOC, rather than construct the improvements, but this request must be approved by city engineer.*
 - *FILOC funds must be spent on similar facility types (streets, stormwater, sewer, etc.) and must be used within the same NDA.*
 - *FILOC is typically considered if extensive offsite improvements are needed or if the improvements are included in an existing Capital Improvement Project. It is not a tool used to "push back" on development.*
 - *FILOC funds are supposed to be spent within 10 years of receipt.*

- *The City Council has expressed an interest in reviewing all the possible ways the city can legally require improvements to address community concerns.*
- **Can planning require more standards on cottages to make it more like Single-Family Dwellings with bigger setbacks for each cottage?**
 - *State law is quite prescriptive with cottage clusters, which are handled differently than other middle housing types. Development standards, including maximum dwelling unit size, requirements for a shared common courtyard, and maximum perimeter setbacks are established in the middle housing statute. Milwaukie elected to comply with state law by adopting, for the most part, the adopted Model Code language for cottage clusters. Per statute, cities cannot adopt code that is more restrictive than the state's Model Code.*
- **Milwaukie has the lowest standard for converting a house into a duplex. Do I have to ask the council to up the standards for conversion?**
 - *The city defines a dwelling as a structure with legal sleeping, cooking (i.e. stove), and sanitary facilities (bathroom). The city allows a property owner to convert a portion of their single-family home into an additional unit (i.e., basement) if they can create a separate area with those elements. Adding a dwelling unit, or converting an area into habitable space, still must meet building code.*
 - *If the City Council wanted to create more requirements for adding a dwelling unit to a single-family home, then they could direct staff to research other jurisdictions' requirements and make recommendations.*

Written questions submitted at Town Hall

- **Where is parking allowed on Home Avenue?**
 - *Generally, parking is allowed on the east side of the street, but admittedly, better signage is needed. The City's code enforcement staff is always willing to meet with neighbors to clarify areas where parking is and is not allowed, and the city will review traffic regulations around areas of significant new residential development to ensure greatest clarity and on-street parking availability, while preserving emergency access and meeting public works standards.*
- **What percentage of new development in Milwaukie is middle housing? Are developers even interested in building single-family?**

- *Currently, it's most residential development. In fiscal year 2025 (July 2024 – June 2025) the Building Division reported that of the 50 residential building permits issued, 6 were for ADUs, 5 were for single detached dwellings, and the remaining 39 were for middle housing units.*
- **How can we reduce the lag time between FILOC charges and investments in infrastructure? Living with construction while waiting for safety/livability improvements impacts residents, not developers.**
 - *Construction can certainly be inconvenient and impactful to adjacent property owners and renters. The infrastructure improvements (i.e. sidewalks, street trees, etc.) that are associated with a development aren't fully realized until project completion. However, the City's code enforcement staff can help address issues that occur during construction. These may include things like debris/erosion run-off, illegal parking, litter, work occurring outside of approved construction hours, and similar issues.*

Verbal Comments made at Town Hall

- Do not make any concessions for the tree code. We need to protect trees more.
- Middle housing makes everything worse for existing residents. I'm not seeing it. We are being forgotten. You want to make housing affordable for folks outside of Milwaukie but not those inside.
- Doesn't seem like the neighborhood is taken into consideration. It's destroying neighborhoods. I want more housing here, but the amount that is coming without parking is too much.
- I hear "this is giving folks an opportunity for ownership," however, it makes more sense for developers to rent that offer for-sale. Cottage clusters are deeply predatory to potential buyers.
- The detached plex's are an "end around" and make livability awful. The Harrison/Home project is a real race to the bottom. There needs to be more vegetation requirements to create more life and add stricter fines for trees. Parking needs to be looked at more closely because the infrastructure is not set up to accommodate all of this development with no parking.

- I can't own a home here. What happens if the developer defaults on the property? Does the bank become the owner? Does that mean that the bank can just create a bunch of things that we don't want? Allow these people to have parking spaces.
- I hate seeing old growth trees get cut down and then are planted with new little trees that we'll never see mature. Don't let that happen.
- Home Ave basically just got rebuilt and I have no idea where we can or cannot park. If we're adding this density and we don't require parking, then I think the council needs to up the code enforcement ability.
- There need to be HOAs required otherwise they will turn into little slums. The infrastructure isn't great, which is why we need to rezone and allow for more amenities in neighborhoods.
- Stanley Ave construction -- It's hard to see a large ranch get subdivided and turned into multiple expensive houses go on them. The developer is making a mess and there needs to be infrastructure.
- We don't have sidewalks on Olsen Street, and I don't want them. I think it's robbery to require the homeowner to maintain the sidewalk. People will need cars and use cars all the time. We need to maintain parking. We homeowners are taxpayers.
- We need higher fines for the tree code and more enforcement. Most of the developers are breaking the law on the weekends and there isn't a staff person who can enforce them. I would like to also see more accessibility for the homes being built. More creative solutions for on-street parking solutions and people are not adhering to the parking requirements.
- You have an opportunity to influence the city and right now it's becoming less desirable. This is not a solution for affordable housing, which is a federal issue.

- Hillside – 32nd is very narrow and not safe. It needs to be a wider road. Driver and Bike safety? Cyclists don't care about the law. They need to obey the law.
- To the City Council, what do you want the city to be? Is the crest of the city really the dogwood tree? Do we really care about trees? If so, we need to step up enforcement.

Written comments submitted at Town Hall

- There should not be fees in lieu allowed for tree removal or frontage improvements.
- Fees should be higher for tree removal.
- The city should do more to clearly define where street parking is and is not allowed.
- Yes, to infrastructure. If you can't require parking and you can't require extension of sidewalks, the city needs to figure out funding (lobby the state!) to protect pedestrians on streets. You can do it! Thank you for your work and your service.

COUNCIL WORK SESSION

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

MINUTES

AUGUST 5, 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
Justin Gericke, City Attorney

Emma Sagor, City Manager
Scott Stauffer, City Recorder

Mayor Batey called the meeting to order at 4:00 p.m.

1. Council Goal Update: Parks and Greenspace – Report

Passarelli recounted what staff had accomplished in the second quarter of calendar year 2025, reviewing the status of the Good Neighbor Grant Program including the number of applications received, staff recommendations for funding, and the types of projects proposed. **Mayor Batey** and **Passarelli** discussed the educational components of the grant application, concerns about the maintenance of a pollinator garden planted by Clackamas County Water Environment Services (WES), and the geographic eligibility of submitted applications.

Moore provided an overview of the state grant close-out process for the city's three new parks, stating that all major grants had been reconciled or were in the final reimbursement phase. **Moore** described safety design updates at Balfour Park. The group discussed the nature play elements at Balfour Park, concerns raised by the third-party inspectors, and design modifications intended to clarify which features were meant for play. **Moore** confirmed there was funding for the park design changes.

Moore and **Passarelli** shared an update on the city's partnership with Metro's Nature in Neighborhoods Community Choice initiative. Over 150 community project ideas were submitted, with more than half located in Milwaukie. Proposals were reviewed for feasibility with many advancing to a public voting round in the fall. Selected projects would be eligible for development or acquisition funding, with implementation timelines extending up to five years. It was noted that North Clackamas Parks and Recreation District (NCPRD) were participating in the process.

The group discussed how the public could see project submissions, the expected number of proposals advancing to the fall voting, and potential overlaps with future Good Neighbor Program cycles. **Moore** also noted grant match requirements, eligibility thresholds, and how participation in the Community Choice program could support future applications for larger capital grants.

Passarelli reviewed plans for work in the third quarter of the year. **Mayor Batey** and **Moore** discussed the process for appointing a delegate of Milwaukie's Park and Recreation Board (PARB) to the NCPRD District Advisory Committee (DAC). The group discussed how items from the prior quarter that were not completed would be tracked moving forward. **Councilor Massey**, **Moore**, and **Sagor** discussed challenges and priorities for PARB, including onboarding new members, establishing leadership roles, and identifying meaningful contributions for the board.

Moore reviewed the draft plan for greenspace accessibility. **Mayor Batey** reported submitting a project idea for tree planting along the Springwater Corridor. **Moore** clarified that the corridor was owned and maintained by the City of Portland's Parks and Recreation Department, which was not a jurisdictional partner of Milwaukie. As a result, related project ideas were deemed ineligible for funding. **Moore** reviewed maps showing which areas were considered greenspace in Milwaukie and highlighted gaps in access based on a 10-minute walk-shed analysis. **Moore** noted limits in public mapping tools and clarified that schools and trails helped expand access in underserved areas.

Passarelli provided a brief overview of plans for the fourth quarter of 2025.

Councilor Massey provided updates on the parks and greenspace action plan, noting that updates would occur quarterly and annually online, shared concerns about funding delays for the Kellogg Creek Dam removal project and outlined potential alternative funding sources and discussed what progress had been made with the county on the Milwaukie Bay Park project.

The group discussed ongoing negotiations with the NCPRD and noted that while collaborative efforts had maintained dialogue and secured incremental progress, critical issues remained unresolved. Council and staff emphasized a shared goal of substantial delivery of agreement progress by 2027 and expressed concern about repeated delays. If talks were to fall through, it was noted that public expectations would need to be managed through constituent messaging, along with consideration of implications for future funding measures. The city's good faith in negotiations and its readiness to pivot if necessary to ensure the park's completion were affirmed.

The group discussed how to define accessible green spaces and identify opportunities to expand public access, emphasizing the importance of conducting an inventory of properties, including churches and schools, to understand real access and availability.

The group discussed public-private partnerships in parks, including short-term events and long-term amenities. Staff noted the need for a comprehensive green space management strategy to guide decisions. Council supported continued exploration and agreed to revisit the topic.

Councilor Massey, Passarelli, and Mayor Batey discussed identifying future greenspace opportunities and how the city may obtain funding for potential properties.

Councilor Massey shared upcoming plans to engage with PARB, neighborhood district associations (NDAs), and environmental advocacy groups to build awareness of parks and greenspace priorities and emphasized the importance to Council of outreach and collaboration to support ongoing and future projects.

2. Adjourn

Mayor Batey announced that after the meeting Council would hold an executive session pursuant to Oregon Revised Statute (ORS) 192.660 (2)(o) to consider matters relating to the safety of the governing body and of public body staff and volunteers and the security of public body facilities and meeting spaces.

Mayor Batey adjourned the meeting at 5:30 p.m.

Respectfully submitted,

Nicole Madigan, Deputy City Recorder

COUNCIL REGULAR SESSION

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

MINUTES**AUGUST 5, 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
Ryan Burdick, Police Chief
Tony Cereghino, Police Captain
Justin Gericke, City Attorney

Brent Husher, Library Director
Emma Sagor, City Manager
Scott Stauffer, City Recorder

Mayor Batey called the meeting to order at 6:30 p.m.

1. CALL TO ORDER

A. Pledge of Allegiance.

B. Native Lands Acknowledgment.

2. ANNOUNCEMENTS

Mayor Batey announced upcoming activities, including summer concerts in the park, the annual Johnson Creek watershed clean-up, and a bottle drop pick-up event.

Mayor Batey read a middle housing themed haiku poem.

3. PROCLAMATIONS AND AWARDS**A. National Farmers Market Week – Proclamation**

Shauna Spencer, President of Celebrate Milwaukie, Inc. (CMI) which runs the Milwaukie Farmers Market, read the proclamation and **Mayor Batey** proclaimed August 3 to 9, 2025, to be Farmers Market Week in Milwaukie. **Spencer** and **Batey** remarked on the community benefits provided by the market.

4. SPECIAL REPORTS

A. None Scheduled.

5. COMMUNITY COMMENTS

Mayor Batey reviewed the comment procedures. **Sagor** reported that staff had answered the middle housing questions raised by the commentator who spoke during the July 15 comments. No audience member wished to address Council.

6. CONSENT AGENDA

It was moved by Councilor Massey and seconded by Council President Anderson to approve the Consent Agenda as presented.

A. City Council Meeting Minutes:

1. June 4, 2024, work session,
2. June 4, 2024, regular session,
3. June 11, 2024, study session,

4. June 18, 2024, work session, and
 5. June 18, 2024, regular session.
- B. Resolution 34-2025:** A resolution of the City Council of the City of Milwaukie, Oregon, acting as the Local Contract Review Board, approving an intergovernmental agreement (IGA) with Clackamas River Water (CRW) for water utility upgrades undertaken as part of the King Road Improvements Project.
- C. Resolution 35-2025:** A resolution of the City Council of the City of Milwaukie, Oregon, authorizing a contract with Tapani, Inc. for the Harvey Street Improvements Project (CIP-2022-W56).
- D. Resolution 36-2025:** A resolution of the City Council of the City of Milwaukie, Oregon, acting as the Local Contract Review Board, reinstating an engineering services agreement with Otak, Inc. for property line adjustment services.

Motion passed with the following vote: Councilors Anderson, Khosroabadi, Massey, and Stavenjord and Mayor Batey voting “aye.” [5:0]

7. BUSINESS ITEMS

A. Spring Creek Childcare Project – Update

Darcee Kilsdonk, Clackamas County Children’s Commission (ClackCo Kids) executive director, provided an overview of the Commission’s work and the Spring Creek childcare facility that would open in Milwaukie on Monroe Street at Highway 224.

Councilor Khosroabadi and **Kilsdonk** remarked on the impacts of reduced federal funding on ClackCo Kids and noted that the Commission received most of its funding from the state and that federal Head Start funds would likely be reduced.

Mayor Batey and **Kilsdonk** discussed plans to reopen the Wichita Center in October which ClackCo Kids operated with the North Clackamas School District (NCSD).

Council President Anderson and **Kilsdonk** commented on the waiting list for services provided by ClackCo Kids and how the Spring Creek facility would reduce the wait time. **Kilsdonk** appreciated the city’s support and staff’s work to be a good partner.

Councilor Massey and **Kilsdonk** noted that the Spring Creek facility would also be an economic development driver.

B. Downtown Open Container Conversation, continued – Report

Burdick and **Cereghino** provided an update on staff’s work to investigate the feasibility of allowing an open container area in downtown Milwaukie. They reported on the cost estimates of insurance coverage for such events and Oregon Liquor and Cannabis Commission (OLCC) requirements that would cause such events to be expensive and complicated. They suggested the workload of supporting an open container area would create an unmanageable burden on Milwaukie Police Department (MPD) resources.

Burdick summarized that the risks and costs of allowing open container areas outweighed the intended community event goals and reported that the staff recommendation was to continue using the current event permit process.

Mayor Batey, **Councilor Stavenjord**, and **Council President Anderson** supported the staff recommendation and **Batey** summarized that there was no Council objection to the staff recommendation.

C. Public Safety Fee – Update

Sagor provided an overview of the staff proposal to establish a public safety fee that would help stabilize the city's general fund and support additional MPD, library, and municipal court services and personnel across the public safety continuum of care.

Burdick, **Sagor**, and **Husher** reported on the increasing public safety work of MPD officers, library and court staff and discussed the need for additional resources.

Sagor presented ways that revenue from a public safety fee could be invested, including funding additional MPD officers and a behavioral health specialist, library support services, and a deputy court clerk.

Osborne explained why staff recommended adopting a monthly utility fee, noting that Council would review and could adjust the fee annually and that many cities in Oregon had adopted or were considering adopting a public safety fee. The proposed fee would have a tiered rate structure like the city's Safe Access for Everyone (SAFE) fee and the estimated revenue was between \$634,000 and \$1.1 million.

Sagor asked for Council feedback on the fee and explained why the fee was proposed now and not with the next Consolidated Fee Schedule update in 2026.

Councilor Stavenjord, **Osborne**, and **Sagor** remarked that participants in the city's utility billing low-income income program would be exempt from the new fee, and they noted how existing and anticipated new low-income customers had been calculated into the fee's revenue projections.

Councilor Stavenjord and **Burdick** discussed the growing need for behavioral health specialists and when an additional behavioral health staff person would be on duty.

Council President Anderson, **Sagor**, and **Osborne** noted that the projected revenue from the fee would depend on which fee amount was adopted and how many residents participated in the low-income utility billing program. They discussed how much revenue staff believed was needed to fund the additional resources and personnel.

The group remarked on how many positions the fee would fund. **Sagor** suggested staff would not know how much revenue the fee would generate until it had been implemented.

Mayor Batey announced that Council would take public comment on the proposed fee.

Ken Crawford, Milwaukie resident, remarked on the importance of the city being transparent when imposing a new fee, the need to address issues stemming from drug abuse, and encouraged the city to consider was to give senior residents a break.

Mayor Batey and **Stauffer** noted the correspondence received on the proposed fee.

Sagor and **Osborne** asked for Council feedback on the fee, and which amount they were comfortable implementing.

Council President Anderson asked for more specificity from staff on what positions would be funded by the proposed fee. **Sagor** explained that staffing details would be discussed in the upcoming biennial budget process and staff believed it was important to implement the public safety fee now to increase revenue as soon as possible.

Councilor Khosroabadi appreciated Crawford's comments, discussed why the city should pursue a utility bill fee instead of seeking voter approval of a property tax increase, and expressed support for funding the proposed public safety positions.

Councilors Khosroabadi, Massey, and Stavenjord and **Mayor Batey** supported adopting a \$7 monthly public safety fee at the August 19 regular session.

Council President Anderson asked for clarity on how much it would cost to fund the positions noted by staff and how many people participate in the city's low-income utility billing program and how that program had been factored into the proposed fee rates. **Sagor** reported that staff would work on the requested information for Council.

The group remarked on how multi-family units had been included in the fee structure, the need for consistently structuring utility fees, and noted there were unknown cost savings, such as MPD officer overtime, that would impact the overall cost of additional positions funded by the proposed public safety fee.

Mayor Batey and **Sagor** summarized that Council supported adopting a \$7 a monthly public safety fee with a \$5 fee for multi-family units and a tiered commercial structure.

8. PUBLIC HEARING

A. None Scheduled.

9. COUNCIL REPORTS

Council President Anderson provided an update on the state legislature's plans for a special session to address transportation funding shortfalls. **Mayor Batey** and **Anderson** remarked on possible tax increases that the legislature might approve.

Mayor Batey remarked on the North Clackamas Parks and Recreation District's (NCPRD's) budget cuts to senior services at the Milwaukie Community Center.

Councilor Khosroabadi expressed disappointment with decisions made by the Clackamas Board of County Commissioners.

Councilor Stavenjord, Mayor Batey, and Sagor remarked on the excitement generated by the Arts Committee's new youth art ambassador.

Stauffer asked if Council could begin the August 12 executive session at 4:00 p.m. It was Council consensus to begin the August 12 meeting at 4:00 p.m.

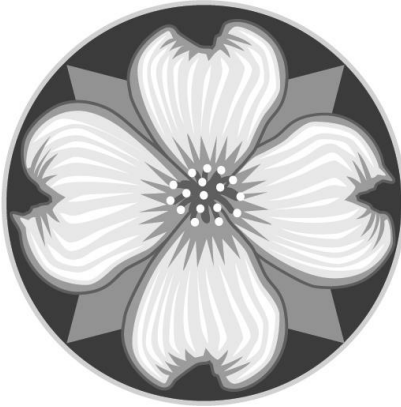
10. ADJOURNMENT

It was moved by Councilor Massey and seconded by Council President Anderson to adjourn the Regular Session. Motion passed with the following vote: Councilors Anderson, Khosroabadi, Massey, and Stavenjord and Mayor Batey voting "aye." [5:0]

Mayor Batey adjourned the meeting at 9:18 p.m.

Respectfully submitted,

Scott Stauffer, City Recorder



RS Agenda Item

7

Business Items

COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Date Written: Aug. 22, 2025

From: Joseph Briglio, Assistant City Manager

Subject: **Milwaukie Station Food Cart Pod Update**

ACTION REQUESTED

Council is asked to receive a presentation on the status of the Milwaukie Station Food Cart Pod and provide staff direction on next steps.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[August 2, 2016](#): Council entered a contract with Richard Johnson of the Johnson Group to develop and manage the Milwaukie Station food cart pod.

ANALYSIS

In 2016, the city initiated a request for proposal (RFP) process to solicit a third-party for the purpose of developing and managing a food cart pod at the 8,600 square-foot, city-owned “triangle lot” in south downtown. The city selected the Johnson Group, who was one of two respondents to the RFP, and signed a management agreement on August 5, 2016 (Attachment 1).

The project was initially meant to serve as a temporary solution to generate economic activity and placemaking at a location that would have otherwise remained a vacant gravel lot until further redeveloped. The city has had long-term aspirations for improving the lot into something more substantial and permanent. For instance, as part of the [South Downtown Concept Plan](#), the site was once envisioned to serve as a light rail station that offered commercial and office tenant opportunities (pictured above).



For many reasons, including staff turnover and the COVID-19 pandemic, what was intended as a temporary project has had a longer tenure than originally envisioned. The agreement between the Johnson Group and the city, which initially had a term of two years, has been extended several times, accordingly. The most recent extension occurred this summer and allowed the Johnson Group to continue operating the food cart pod through November 2026. This will be the last and final extension for the Johnson Group as the owner has expressed an interest in moving on to other projects.

The Johnson Group’s decision not to renew its lease agreement provides the city with a decision point for the property. As stated in the management agreement (Attachment 1), the Johnson Group is required to return the property back to its original condition (i.e., a vacant gravel lot)

upon termination. This would mean that at the end of November 2026, all existing food carts would need to vacate the property.

Decision Point

If Council is interested in exploring a transition from the Johnson Group to another management group, then that transition would likely require the payment of compensation to the Johnson Group for the improvements and business development made to the site (i.e., plants, landscape, signage, service contracts, tenant leases), over the last 10 years. If the Council desires to continue using this property as a food cart pod, it will also need to consider whether another RFP process to select a new management group is feasible given the current market conditions. If an RFP process is initiated, the city cannot guarantee that qualified respondents will respond to the RFP. This option will only need to be explored if the Council wishes to continue with the existing food cart pod. With approximately 14 months remaining on the current contract, an RFP process, if initiated, would ideally be concluded within 10 months to allow adequate time for (1) a successful transition to a new management group; or (2) notice to current vendors that the RFP process was unsuccessful and that the lot will be returned to its original condition.

If Council is interested in considering alternative uses for or selling the property, then staff would prefer to let the existing management agreement terminate in November 2026, returning to its original condition, and begin discussions on what a future use might be. It's important to note that this decision should also consider the wider context of city-led projects occurring downtown and around central Milwaukie, including the potential development of the Sparrow site, Coho Point, Kellogg Creek Restoration (Dam Removal) project, and Milwaukie Bay Park. If the Council seeks a new vision for this parcel in the near term, they may need to reprioritize certain development goals to consider current staffing resources. Allowing the existing agreement to terminate would also provide extended notice to the existing vendors in order to facilitate their transition to a new location.

Council Questions

- Is Council interested in exploring whether maintaining the current food cart pod is feasible?
 - If so, is Council open to compensating the Johnson Group to essentially allow for another entity to take over the management of Milwaukie Station without forcing the current sub-tenant carts to relocate?
- Is Council interested in exploring new uses for or a sale of the property?

BUDGET, CLIMATE, & WORKLOAD IMPACTS

Not applicable to this discussion item. However, once direction is provided, staff will be able to assess these impacts at subsequent meetings and in future reports.

STAFF RECOMMENDATION

Council is asked to receive this update and provide any necessary feedback and direction.

ATTACHMENTS

1. Milwaukie Station Management Agreement

Attachment 7. A. 1.



City of Milwaukie

Management Agreement

This Management Agreement ("Agreement") is entered into as of this day of August 5, 2016, by and between the CITY OF MILWAUKIE, an Oregon municipal corporation ("City"), and Richard Johnson, an individual, doing business as JOHNSON GROUP ("JOHNSON GROUP"), for use of certain property identified below.

RECITALS

1. City acquired from TriMet an approximately 8,600 square foot tract of land (the "Property"). The Property is identified as Tract 2 and depicted and described on the attached Exhibit A. The address of the Property is 11301 SE 21st Ave.
2. The City wishes to allow JOHNSON GROUP to operate and manage a food cart pod on the Property.

Accordingly, the City and JOHNSON GROUP are entering into this Agreement under the terms and conditions set forth below.

AGREEMENT

The parties agree as follows:

1. DEFINITIONS. As used herein:

- a. "Commencement date" means the date that City authorizes operations to commence based on notice from Johnson Group that a minimum of eight (8) food carts are on site and ready to commence operations, including all necessary hook-ups and permits.
- b. "Food" means components generally accepted as a source of human nourishment, and intended to be consumed by humans. "Food" does not include any substance listed in any schedule of the federal Controlled Substances Act.
- c. "Food cart" means a vehicle as defined in Section 19.201 of the City's municipal code that meets all the following criteria:
 - (1) The food cart sits on an existing paved or graveled site that is zoned to allow eating and drinking establishment uses;
 - (2) The food cart has wheels, and the wheels will not be removed;

- (3) Any canopies, awnings, or any other attachments to the food cart are attached, and supported entirely by, the food cart and do not touch the ground; and
 - (4) The food cart is self-contained and does not require any permanent plumbing connections.
- d. "Food cart pod" means the location on the Property between Main and 21st food carts at 11301 SE 21st Ave, which sell food to the public, and where all of the following apply:
 - (1) One or more tables are available for food cart patrons to be seated and eat food obtained from food carts operated by the operators;
 - (2) Solid waste services are provided to the Property by the City's franchised waste hauler, or food cart operators self-haul solid waste off of the site; Recycling and composting should be considered on site.
 - (3) Potable water and a source of electricity are brought to the Property either by JOHNSON GROUP, the operators, or public or private utility providers; and
 - (4) Sanitary waste disposal (including grey water) is obtained either by connection to the City's sanitary waste disposal system with grease removing devices as required by City code, or by JOHNSON GROUP arranging for such wastes to be hauled off the Property to a DEQ approved disposal site.
 - (5) Portable bathroom facilities shall be provided onsite by the JOHNSON GROUP and be screened with natural material.
- e. "Operator" is the person or entity operating a food cart that is established at the food cart pod located on the Property.

2. GRANT AND ACCEPTANCE OF LICENSE.

- a. The City hereby grants to JOHNSON GROUP a license to use the Property solely for the purpose of operating a food cart pod on the Property, in accordance with the terms and conditions of this Agreement.
- b. JOHNSON GROUP hereby accepts the license granted herein and agrees to operate and maintain the food cart pod in accordance with the terms of this Agreement.

3. TERM AND RENEWAL.

- a. This Agreement shall be effective on the date last executed or the date City notifies JOHNSON GROUP that JOHNSON GROUP may occupy the Property whichever last occurs. The term of occupancy shall start on the Commencement date of this agreement. The term of occupancy shall continue for two years from the Commencement date (the "initial term") unless terminated or continued as provided for herein.
- b. Notwithstanding the prior paragraph, this Agreement, including occupancy, shall continue beyond expiration on a month to month basis unless and until:

- i) Either party provides 45 days written notice that this Agreement will not be extended beyond expiration of the initial term or
 - ii) After expiration of the initial term, either party provides written notice that it will not further extend the term of this Agreement, in which case this Agreement shall terminate 45 days after the date of such notice.
- c. Upon termination of this Agreement, Johnson Group shall vacate and cease to use, and cause all operators to vacate and cease to use the Property. On termination, the provisions of Section 13 (d) below shall apply.

4. LICENSE FEE.

- a. JOHNSON GROUP shall pay the City a monthly License Fee not to exceed ten percent (10%) of the rent collected by JOHNSON GROUP from the operators each month ("License Fee"). This fee may be negotiable depending on the costs of permanent infrastructure.
- b. Beginning on the 14th day after the Commencement date and on that same date of each month thereafter, JOHNSON GROUP shall pay the License Fee to the City. With each payment of the License Fee, JOHNSON GROUP will provide the City with a detailed monthly statement of rent due and rent received from each operator ("Monthly Statement") for the previous calendar month. For a period of sixty (60) days after receipt of any Monthly Statement, the City shall have the right to examine the books and records of JOHNSON GROUP as they relate to rent due from operators for the period of the Monthly Statement, for the purpose of verifying rent due from operators for that period. If such examination reflects a deficiency in JOHNSON GROUP's payment of the License Fee, then such deficiency shall be paid by JOHNSON GROUP within ten (10) days after receiving notice from the City of the amount of such deficiency.

5. RIGHTS AND OBLIGATIONS OF THE PARTIES.

In addition to the rights and obligations of the parties set forth in other sections of this Agreement, the parties shall have the following rights and obligations on the Property:

- a. JOHNSON GROUP's rights and obligations.
 - (1) JOHNSON GROUP shall use the Property to operate a food cart pod, and activities commonly associated with food cart pods such as music or exhibits of community interest, and may have a non-food cart related cart, only if approved by the Community Development director in advance.
 - (2) JOHNSON GROUP will promote the food cart pod to, and enter into agreements with, operators to locate at least 8, but not to exceed 15 food carts. Within the range provided above, JOHNSON GROUP shall source a sufficient number and variety of food carts that in JOHNSON GROUP's judgment supply rents which, in the aggregate, allow JOHNSON GROUP to operate its business and satisfy its obligations under this Agreement. JOHNSON GROUP shall decline to accept a coffee cart as a food cart business since there exist two (2) coffee establishments within a quarter mile.

(3) At its sole cost and expense, JOHNSON GROUP shall be responsible for answering customer service inquiries or complaints made by operators or food cart patrons. JOHNSON GROUP shall designate the name, telephone number, and email address of a contact person to whom City staff or food cart patrons may address inquiries or complaints. JOHNSON GROUP must provide this information so that it is easily available to members of the public, for example by posting the information on signage which is reasonably visible on the Property. Any such signage must comply with all applicable laws, rules, and regulations, including, without limitation, the City's sign code.

(4) JOHNSON GROUP must either require the operators to provide their own electricity, sanitary waste disposal, including grey water handling, and solid waste disposal and recycling services, or at its sole cost and expense, supply such services to the Property. In either case, all applicable City codes must be followed. The City shall provide necessary design schematics to JOHNSON GROUP for use in the connection to electric and water services. JOHNSON GROUP will work directly with PGE to supply the electric power it needs for the food cart pods. Potable water shall be supplied to the site by JOHNSON GROUP at its expense via permanent connection to the City's water main on 21st Ave providing potable water for up to 4-5 spigots on site. All applicable City codes must be followed. JOHNSON GROUP will, at its expense, comply with all present and future federal, state, county, City, and other local laws, ordinances, rules and regulations (including laws and ordinances relating to food and beverage service and sign regulations) in connection with JOHNSON GROUP's use, operation, and maintenance of the food cart pod on the Property. Prior to commencing, and at all times during, JOHNSON GROUP's operation of the food cart pod, JOHNSON GROUP, at its expense, shall obtain all licenses, permits, and land use approvals required for operating a food cart pod. JOHNSON GROUP shall also require that all operators comply with the terms of this Section 5(a) (4).

(5) As to the TriMet stormwater quality facility ("Facility"):

i. JOHNSON GROUP must include a clause in its agreements with operators that prohibits operators from placing any non-stormwater substance of any kind within the Facility, and that authorizes TriMet, or the City, to direct that JOHNSON GROUP immediately terminate such operator agreement if TriMet, City or JOHNSON GROUP determines that an operator has violated such clause;

ii. JOHNSON GROUP must post signs on the Property instructing food cart patrons not to place any non-stormwater substance into the Facility; and

iii. Each day that the Cart Pod is open for business, as needed, JOHNSON GROUP, at its own expense, will clean all non-stormwater substances out of the Facility and dispose of such substances off the Property in compliance with all applicable laws.

(6) JOHNSON GROUP, at its sole cost and expense must keep any property adjacent to the Property, including sidewalks, free from gravel.

b. City's rights and obligations

(1) The City will maintain a level bed of gravel on the Property.

(2) The City will maintain any landscaping on the Property that is installed by the City or TriMet. Notwithstanding the foregoing, JOHNSON GROUP will pay the City the replacement cost of any landscaping on the Property or within the Facility that dies or is damaged beyond restoration on account of trespass by operators or patrons, or because of non-stormwater substances introduced into the Facility by an operator or cart patron.

6. ALTERATION TO PROPERTY AND INSTALATION OF EQUIPMENT/RESTROOMS.

a. JOHNSON GROUP may not make physical improvements or alterations to the Property or install fixtures thereon without the prior written authorization of the City Manager, which may be granted or withheld in the City Manager's sole discretion. Any improvements or alterations made to the Property by JOHNSON GROUP will be removed by JOHNSON GROUP on termination of this Agreement in accordance with Section 13(d), below.

b. The City shall apply for a METRO District Transformation Grant to partially offset the costs of seating, umbrellas, trash and recycling receptacles and aesthetic fixtures such as planters for screening. JOHNSON GROUP is otherwise responsible for the costs of fixtures installed or provided on the site should the City not obtain the grant, the grant not be sufficient or for such additional seating, umbrellas, planters, etc. as needed. Whatever funding is awarded to the City through the District Transformation Grant shall be applied for this purpose.

c. JOHNSON GROUP shall be responsible for providing and maintaining adequate temporary restroom facilities at the Property. If the food cart pod use is discontinued for more than seven (7) days at a time, JOHNSON GROUP will remove all temporary restroom facilities until such time that JOHNSON GROUP resumes operation of the food cart pod. The restroom facilities shall be buffered with plantings. JOHNSON GROUP shall be responsible for securing the facilities during hours the food cart pod is not in operation.

c. JOHNSON GROUP may allow adequate storage units for the food cart owners, if needed; they shall comply with City code.

7. MAINTENANCE OBLIGATIONS

a. Except for the City's maintenance of the gravel and landscaping on the Property installed by the City, JOHNSON GROUP will maintain the Property and any improvements or equipment on the Property, in a safe condition, in good order and repair, and in compliance with all applicable laws and generally accepted standards. JOHNSON GROUP will not allow the Property or any such improvements or equipment to be maintained or operated in any way that conflicts with the use of adjacent property, including, without limitation, for public light rail transportation, or applicable law.

b. JOHNSON GROUP will keep the Property free of debris, weeds, and anything of a dangerous, noxious or offensive nature or which would create a hazard or undue

vibration, heat, noise or interference. No pesticides or herbicides shall be used on the Property.

c. JOHNSON GROUP will ensure that the trash and recycling are properly disposed of and picked up in a timely fashion to keep the area free of overflowing garbage. The Trash and Recycling area shall be properly buffered with natural material.

8. ACCESS AND PARKING

a. The City retains an irrevocable right of access to the Property for its representatives and those of other governmental authorities for any purpose, including, without limitation, performing its obligations under this Agreement, regulatory compliance inspection, and to determine compliance with this Agreement.

b. Other than food carts, public utility vehicles and emergency vehicles, the only vehicle parking allowed on the Property is short term convenience or courtesy-type parking of vehicles used for towing a food cart to or from the Property, and contractor vehicles performing improvements or repairs, during the period such vehicle is actually being used for that task. A temporary ramp to protect the curb shall be used to protect the infrastructure. JOHNSON GROUP shall be responsible for any damage to the curb and sidewalk adjacent to the site at the access point.

c. JOHNSON GROUP may erect one or more fences or other physical barriers on the Property that are needed to provide security for food carts during hours that the food cart pod is not open to the public. Such fencing must not be higher than 4 feet (no chain link fencing; ornamental and/or decorative styles are desired). The City Manager's written approval is required before JOHNSON GROUP erects or constructs fencing. This may require a Type I land use review.

9. OTHER FEES.

Except as expressly undertaken by the City, JOHNSON GROUP will pay, as they become due and payable, all fees, charges, taxes, and expenses required for services, utilities, licenses and/or permits required for or occasioned by JOHNSON GROUP's use of the Property.

10. APPROVALS AND COMPLIANCE WITH LAWS.

JOHNSON GROUP's use of the Property is contingent upon JOHNSON GROUP obtaining all certificates, permits, zoning, franchises, and other approvals that may at any time be required by any federal, state, or local authority. JOHNSON GROUP will operate and maintain the food cart pod in accordance with site standards, statutes, ordinances, rules and regulations in effect or that may be issued thereafter by any federal, state or local governing body.

11. INTERFERENCE.

a. JOHNSON GROUP's operation and maintenance of the food cart pod shall not damage or interfere in any way with the City's or TriMet's current operations, any of the City's or TriMet's current facilities at or near the Property, or related repair and maintenance activities.

b. JOHNSON GROUP is aware that public agencies use adjacent premises for operating light rail passenger transit. JOHNSON GROUP's operation of the food cart pod shall not cause interference with the operation or use of light rail transit. JOHNSON GROUP shall cease, and cause the operators to cease, all actions that interfere with light rail use, upon written or actual notice of such interference.

c. The City reserves the right, but shall not have the obligation, to take any action it deems necessary, in its sole discretion, to repair and maintain the Property as may be necessary; provided however that, except in the case of emergency (which shall mean actual or threatened harm to persons or property as determined in City's good faith judgment), the City shall take all reasonable precautions to avoid interference with operators' and JOHNSON GROUP's equipment or operations. Except in an emergency, the City will give JOHNSON GROUP reasonable notice and attempt to schedule any such activities so as to be the least disruptive to the operations of the food cart pod.

12. FEES, TAXES, AND LIENS

a. Any insurance cost, utility charge, or any other sum JOHNSON GROUP must pay to the City or third parties pursuant to this Agreement is deemed an "Additional License Fee." JOHNSON GROUP shall pay all Additional License Fees when due under the terms of any agreement between JOHNSON GROUP and any third party vendor, or as applicable, in the manner specified in this Agreement. All sums constituting an Additional License Fee will be paid irrespective of and independent from the License Fee described in Section 4, above.

b. JOHNSON GROUP will pay as due all taxes on its personal property located on the Property. City shall pay any property taxes due on land and improvements. Upon a party's reasonable request, each party shall provide the other with proof of payment of taxes. As used herein, "real property taxes" includes any fee or charge relating to the ownership, use, or rental of the Property, other than taxes on the net income of the City or JOHNSON GROUP.

c. Except respecting activities for which the City or TriMet are responsible, JOHNSON GROUP will pay as due all claims for work done, services rendered, or material furnished to the Property contracted for, or ordered by, JOHNSON GROUP. JOHNSON GROUP will keep the Property free from any liens. If JOHNSON GROUP fails to pay any such claims or to discharge any such lien, the City may do so and collect the cost as an Additional License Fee.

d. JOHNSON GROUP acknowledges that late payment of any License Fee or Additional License Fee to the City will result in unnecessary costs to the City, the value and extent of which are extremely difficult and economically impractical to ascertain. Accordingly, if JOHNSON GROUP fails to make any payment due to the City under this Agreement within ten (10) days of the date it is due, the City may elect to impose a late charge of five percent (5%) of the overdue payment, to reimburse the City for such administrative costs. The City may charge and collect such late charge in addition to all other remedies available to it. The City's collection of such late charge will not substitute for or waive the breach, or any remedy for such breach, resulting from the late payment.

13. TERMINATION.

a. In addition to the provisions of Paragraph 3, this Agreement may be terminated by JOHNSON GROUP if:

- (1) JOHNSON GROUP is unable to obtain any approval necessary for the operation of the food cart pod, or if any such approval is revoked, or if JOHNSON GROUP determines the cost of obtaining such approval is commercially unfeasible;
- (2) The terms of Section 14 apply; or
- (3) The City defaults under this Agreement and fails to cure such default within ten (10) business days of receipt of JOHNSON GROUP's written notice of default.

b. In addition to the provisions of Paragraph 3, this Agreement may be terminated by the City if:

- (1) The City determines, based on cited code or safety violations, as determined by the regulating authority, that the facilities installed or in use by JOHNSON GROUP or an operator are unsound, unsafe, or otherwise not suitable for use by food cart patrons, and JOHNSON GROUP fails to agree to promptly conduct all necessary repairs within a reasonable and specific period of time determined by the City, in the City's sole discretion;
- (2) The City determines based on cited code or safety violations, as determined by the regulating authority, that continued use of the Property by JOHNSON GROUP or one or more operators is in fact a threat to health, safety, or welfare or violates applicable laws or ordinances and JOHNSON GROUP fails to agree to promptly conduct all necessary repairs or implement changes within a reasonable and specific period of time determined by the City, in the City's sole discretion; or
- (3) JOHNSON GROUP defaults under this Agreement and fails and to cure such default within ten (10) business days of receipt of the City's written notice of default.

c. Upon termination of this Agreement for any reason, including expiration, JOHNSON GROUP will, at its sole cost and expense, restore the Property to its original condition, normal wear and tear excepted. JOHNSON GROUP also will remove its equipment, personal property, improvements, except underground PVC conduit or water lines, and any operator property on or before the date of termination, and will repair any damage to the Property caused by such use or equipment, normal wear and tear excepted, all at JOHNSON GROUP's sole cost and expense. Any such repair and restoration that is not performed or property or facilities that are not removed within thirty (30) days after the termination of the Agreement may be performed or removed by the City, at JOHNSON GROUP's sole expense, and, in the City's sole discretion, such equipment and facilities may either be disposed of or stored by the City at JOHNSON GROUP's sole expense. In the event JOHNSON GROUP fails to recover any such property from the City within sixty (60) days after the termination of the Agreement, such property will become the property of the City.

14. ALTERATIONS, DAMAGE, OR DESTRUCTION.

If the Property or any portion thereof is altered, destroyed, or damaged so as to materially prevent the use of the Property as a food cart pod through no fault or negligence of JOHNSON GROUP or any operator, then JOHNSON GROUP may elect to terminate this Agreement by providing written notice of termination to the City within ten (10) business days of the date of such alteration, destruction or damage. In such event, JOHNSON GROUP shall promptly remove any equipment or facilities from the Property, and the parties shall proceed as set forth in Section 13(d) above. This Agreement will terminate upon JOHNSON GROUP's fulfillment of the obligations set forth in the preceding sentence. The City shall have no obligation to repair any damage to any portion of the Property.

15. ACCEPTANCE OF PROPERTY.

Except for City's obligation to gravel the site, by entering into this Agreement, JOHNSON GROUP accepts the Property "as is," in the condition existing as of the effective date of this Agreement. Neither the City nor any of its employees or representatives has made any representation or warranty with respect to the Property, including, without limitation, the fitness of the Property for use as a food court pod or the condition of the Property and the City will not be liable for any latent or patent condition or defect in the Property.

16. NOTICES.

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given when personally delivered, electronically mailed (e-mailed) or if mailed, certified mail, return receipt requested, three (3) days following deposit of the notice in the United States mail, to the following addresses:

If to the City:	Alma Flores Community Development Director City of Milwaukie 6101 SE Johnson Creek Blvd. Milwaukie, OR 97206 floresa@milwaukieoregon.gov
With a copy to:	Kathleen Bertero Jordan Ramis, PC PO Box 230669 Portland, OR 97281 Kathleen.Bertero@jordanramis.com
If to JOHNSON GROUP:	Richard Johnson JOHNSON GROUP 2856 NW Wardway Street, No.4 Portland, OR 97210 richard@montefina.com

17. INDEMNITY AND INSURANCE

a. JOHNSON GROUP will maintain at all times during the Initial Term and any Renewal Term the following insurance placed with companies with an AM best rating of "A" or better and with the following coverage limits:

(1) Commercial general liability insurance against any and all claims for bodily injury and property damage occurring on or about the Property arising out of JOHNSON GROUP's and the operators' use and occupancy of the Property. Such insurance shall have a combined single limit of not less than \$1,000,000 per occurrence with a \$2,000,000 aggregate limit. Such liability insurance shall be primary and not contributing to any insurance available to the City and the City's insurance shall be in excess thereto.

(2) Personal property insurance insuring all equipment, trade fixtures, inventory, fixtures, and personal property located on the Property for perils covered by the causes of loss – special form (all risk) on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of the aggregate of the foregoing.

(3) Workers' compensation insurance in accordance with applicable law.

b. JOHNSON GROUP will list the City, and their officers, employees, and agents, as additional insureds under the policies required hereunder, and will provide the City additional insured endorsements as proof thereof before taking possession of the Property under this Agreement.

c. JOHNSON GROUP shall indemnify, hold harmless, and defend (with counsel reasonably satisfactory to the City) the City from any and all liabilities, claims, damages, and losses that arise from or are connected to the use or occupancy of or conduct upon the Property by JOHNSON GROUP, any operator, or any food cart patron. JOHNSON GROUP's obligation to indemnify the City will survive the termination of this Agreement.

18. MISCELLANEOUS.

a. Communications with City Staff. JOHNSON GROUP will designate one person with authority to act for JOHNSON GROUP, as available to communicate with City staff regarding this Agreement and operation of the food cart pod. This individual will contact Alma Flores at (503) 786-7652 first with any questions or concerns, and the City will do the same as JOHNSON GROUP's contact person. If Alma Flores is not available and the matter is urgent, JOHNSON GROUP's contact person may call the City Manager at (503) 786-7501.

b. Attorney Fees. If a suit, action, arbitration or other proceeding of any nature whatsoever, including without limitation any proceeding under the U.S. Bankruptcy code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Agreement or with respect to any dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party its attorney fees, paralegal fees, accountant fees, and other expert fees, and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration or other proceeding, the amount of fees shall be

determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

c. Governing Law. This Agreement shall be construed in accordance with the laws of the state of Oregon.

d. Counterparts. This Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

e. Audit and Examination of Records. The City may examine and audit JOHNSON GROUP's records that relate to this Agreement and the food cart pod operation. Examples of such records are JOHNSON GROUP's leases or agreements with food cart operators.

f. Operator Agreements. JOHNSON GROUP will create a form of agreement between JOHNSON GROUP and food cart operators under which an operator may locate and operate a food cart on the Property. The City's prior approval of such form, or amendment thereto, is required before JOHNSON GROUP and an operator may sign such agreement. Such agreement must provide that it terminates at the same time this Agreement terminates. It further must prohibit discrimination by food cart operators as provided in paragraph n, below. No operator may locate or operate a food cart upon the Property without first signing such operator agreement with JOHNSON GROUP.

g. Business Licenses Required. JOHNSON GROUP and the operators must obtain and maintain valid City of Milwaukie business licenses at all times any of them do business on the Property. A clause to this effect will be a clause within every operator agreement. Johnson Group will not suffer or permit any cart to operate without a business license and all other required licenses.

h. Assignment and Subletting. Other than entering into cart operator agreements with operators, in the form approved by the City, JOHNSON GROUP may not assign this Agreement or assign, mortgage, sublease, or confer any other property right to third persons regarding the Property without the City's prior written consent. The City may withhold its consent in its sole and arbitrary discretion. No consent in one instance shall prevent this provision from governing a subsequent instance.

i. Reversion to the City. If this Agreement is terminated, the City is entitled to recover damages for any License Fee unpaid up to the date of such termination. Upon termination of this Agreement, the City may reenter the Property, take possession, and remove any persons or property by legal action or by self-help with the reasonable use of force and without liability for damages and without having accepted a surrender.

j. Entire Agreement. This Agreement supersedes any prior agreement and embodies the entire agreement between the parties relative to its subject matter, and may not be modified, changed, or altered in any way except in a writing signed by the parties.

k. Relationship of Parties. Nothing contained in this Agreement shall create or be construed to create any relationship between the parties except that of licensor and licensee.


l. No Liability. No City employee shall have any personal liability with respect to any provisions of this Agreement.

m. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect or impair the validity of any other provision. No waiver of any default of JOHNSON GROUP shall be implied from any failure by the City to take action with respect to such default.

n. JOHNSON GROUP shall not discriminate, or permit or suffer discrimination by any food cart operator, in providing service and products to any person on account of race, religion, national origin, sex, sexual orientation, marital status, disability, veteran's status, citizenship status, age (18 and older) or other characteristic protected by federal or state law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date of the last party to sign.

CITY OF MILWAUKIE

By: 
Bill Monahan
City Manager
Date: 8/5/16

Richard Johnson, Owner



JOHNSON GROUP
Individually and for JOHNSON GROUP
Date: 8-22-2016

Exhibit A
Property

Tract 2

A tract of land in Blocks 40 and 51, "Town of Milwaukie" and a portion of vacated Madison Street, in the Lot Whitcomb D.L.C. No. 38, in the Northwest quarter of Section 36, Township 1 South, Range 1 East of the Willamette Meridian, City of Milwaukie, Clackamas County, Oregon, the said tract being more particularly described as follows:

Commencing at a 4-1/4 inch diameter aluminum disk marking the West quarter corner of said Section 36; thence N06°18'04"E 400.47 feet to a 1-inch diameter brass disk stamped "TRIMET CONTROL 1950"; thence N48°28'41"E 103.91 feet to a point on the Northeasterly right-of-way line of Lake Road; thence S57°13'52"E along said right-of-way line 264.30 feet to the Southwesterly right-of-way line of 21st Avenue; thence N08°06'52"W along said right-of-way line 64.45 feet to the **TRUE POINT OF BEGINNING**;

thence, leaving said right-of-way line at right angles, S81°53'08"W 17.14 feet to the beginning of a 60.00 foot radius curve to the right, said curve being tangent to the previous course only; thence 17.96 feet along the arc of said curve, through a central angle of 17°09'14" (chord bears N89°32'15"W 17.90 feet) to a point; thence N21°19'37"E 15.31 feet to the Southeasterly extension of the Northeasterly face of the wall cap that tops the retaining wall for the TriMet Milwaukie Station; thence N68°31'33"W along said extension, and continuing along said Northeasterly face to an angle point; thence, proceeding along the Southeasterly face of wall cap, N21°16'30"E 120.97 feet to a point; thence, leaving said face of wall cap, S68°41'05"E 33.98 feet to an angle point; thence N81°53'08"E 4.50 feet to a point on the Westerly right-of-way line of 21st Avenue; thence S08°06'52"E along said right-of-way line 142.27 feet to the **TRUE POINT OF BEGINNING**.

Tract 2 contains 9,160 square feet, or 0.21 acre, more or less.

Basis of bearings is the Oregon Coordinate System of 1983, NAD83 [CORS 96, EPOCH: 2002.0000], per Survey No. 2013-011, Clackamas County Survey Records.



RENEWS: 7-1-16

Signed 5-19-14

RECORD OF SURVEY

PROPERTY LINE ADJUSTMENT

LOCATED IN BLOCKS 40 & 51, "MILWAUKEE" AND A PORTION OF VACATED MADISON STREET
IN THE LOT WHITCOMB D.L.C. NO. 36, IN THE NW 1/4 OF SECTION 36,
T.1S., R.1E., WILLAMETTE MERIDIAN, CITY OF MILWAUKEE,
CLACKAMAS COUNTY, OREGON
CITY OF MILWAUKEE COMMUNITY DEVELOPMENT LAND USE FILE PLA-13-01

CLACKAMAS COUNTY SURVEYOR

DATE RECEIVED 12-11-14

DATE ACCEPTED FILED 1-8-15

SURVEY NUMBER SN2015-004

NARRATIVE:

THE PURPOSE OF THIS SURVEY IS TO MONUMENT A PROPOSED PROPERTY LINE ADJUSTMENT AS APPROVED BY CITY OF MILWAUKEE COMMUNITY DEVELOPMENT LAND USE FILE PLA-13-01. WHEN CONSTRUCTION OF THE MILWAUKEE LIGHT RAIL STATION IS COMPLETE, TRACT 2 WILL BE EXCESS PROPERTY TO BE SOLD FOR DEVELOPMENT.

THE PROPERTIES SUBJECT TO THIS SURVEY WERE CONVEYED TO TRICOUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON BY QUILTERMAN DEEDS RECORDED AS DOCUMENT NO. 2012-040227 (PARCELS 21 AND 22) AND WARRANTY DEED RECORDED AS DOCUMENT NO. 2013-088113, DEED RECORDED IN CLACKAMAS COUNTY.

BASIS OF BEARINGS IS THE LINE BETWEEN TRIMET PRIMARY CONTROL POINTS 1892 AND 1890, WHICH LINE BEARS S32°40'36"W 437.40 FEET. HORIZONTAL DATUM IS NAD83 CORRS 86, EPOCH = 2003.0000. THIS DATUM IS BEING USED FOR TRIMET PORTLAND TO MILWAUKEE LIGHT RAIL TRANSIT PROJECT. PROJECT PRIMARY CONTROL WAS ESTABLISHED IN 2005, AND THAT CONTROL IS USED FOR TRIMET-RELATED PROJECTS BETWEEN PORTLAND AND MILWAUKEE.

BOUNDARY RESOLUTION: THE LEGAL DESCRIPTIONS FOR THE VESTING DEEDS WERE WRITTEN BY OTHERS AFTER BOUNDARIES WERE RESOLVED BASED UPON MONUMENTS SHOWN HEREON, FOUND PREVIOUSLY AND SUBSEQUENTLY DISTORTED BY LIGHT RAIL CONSTRUCTION. THE DESIGN AND CONSTRUCTION OF THE MILWAUKEE LIGHT RAIL STATION ARE DEFENDANT UPON LAND RESOLVED MONUMENTS. I HAVE REVIEWED THE BOUNDARY RESOLUTION BY OTHERS, NOTED THAT IT IS COMPUTED FROM MONUMENTS OF RECORD, AND ACCEPTED IT AS DESCRIBED BELOW.

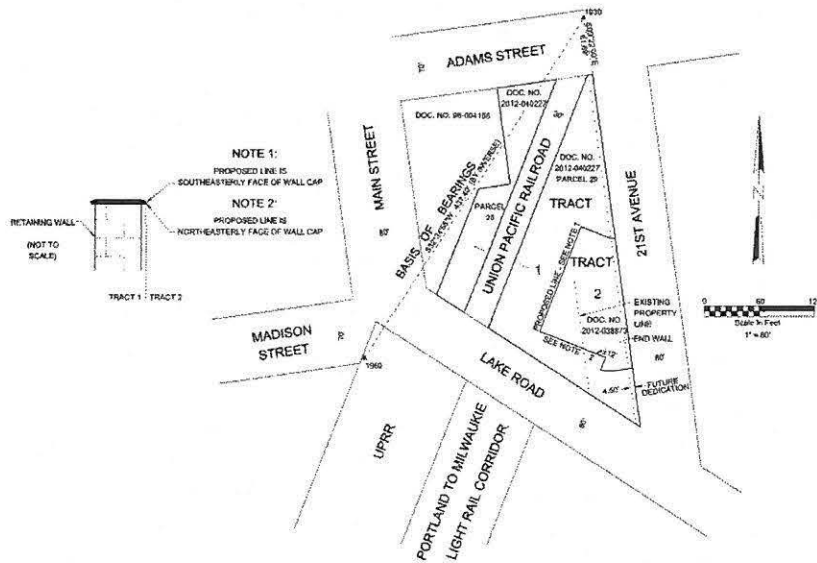
LAKE ROAD CENTERLINE: HELD POINT 11203 AND A POINT S32°40'36"W 23.22 FEET FROM POINT 11167, PER PS-18544.

21ST AVENUE: HELD POINT 11162 AS A 4.00 FOOT PERPENDICULAR OFFSET TO THE WESTERLY RIGHT-OF-WAY LINE (26.00 FOOT PERPENDICULAR OFFSET TO CENTERLINE) PER PS-19174 AND HELD POINT 11162 AS A 4.17 FOOT OFFSET TO THE WESTERLY RIGHT-OF-WAY LINE OR 45 FOOT PERPENDICULAR OFFSET TO CENTERLINE PER PS-15042.

ADAMS STREET: HELD POINT 11162 AS BEING ON THE SOUTHERLY RIGHT-OF-WAY LINE AND HELD THAT LINE PERPENDICULAR TO 21ST AVENUE. OTHERS BY "SPLITTING THE RAILS" MAY BE TO THE WEST QUARTER CORNER OF SECTION 36. I HAVE CHECKED THE DEED CALLS TO THE RAILROAD RIGHT-OF-WAY LINES WHERE THEY INTERSECT THE SOUTHERLY LINE OF ADAMS STREET. I HELD THOSE POSITIONS AND THE DEED BEARINGS OF S24°12'36"W.

WESTERLY LINE OF PARCEL 28 AS DESCRIBED IN DOC. NO. 2012-040227 HELD THE DEED CALLS AND POINTS 11123 AND 11110.

NOTE: DESIGNATING A MONUMENT "HELD" INDICATES THAT THE MEASURED POSITION OF THE MONUMENT FALLS WITHIN 6.1 FEET OF THE COMPUTED POSITION.



NOTE 1:
PROPOSED LINE IS
SOUTHEASTERLY FACE OF WALL CAP

NOTE 2:
PROPOSED LINE IS
NORTHEASTERLY FACE OF WALL CAP

RETAINING WALL
(NOT TO
SCALE)

TRACT 1 - TRACT 2

MADISON STREET

LAKE ROAD

UPRR

PORTLAND TO MILWAUKEE
LIGHT RAIL CORRIDOR

21ST AVENUE

EXISTING PROPERTY
LINE

END WALL

FUTURE DEDICATION

APPROVAL:

CITY OF MILWAUKEE COMMUNITY DEVELOPMENT
LAND USE FILE: PLA-13-01

APPROVED THIS 7TH DAY OF JANUARY, 2015

BY: *[Signature]*
DEPUTY CITY PLANNING DIRECTOR

LEGEND:

4 FOUND 1" BRASS CAP STAMPED "TRIMET CONTROL 1550" (TYPICAL)

REGISTERED
PROFESSIONAL
LAND SURVEYOR
John V. Thatcher
OREGON
JULY 10, 1981
JOHN V. THATCHER
#0081
RENEWAL 7/10/2016
EXPIRED 1/7/2018

PROPERTY LINE ADJUSTMENT
FOR TRICOUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON

CH2MHILL

2020 SW FOURTH AVE, STE. 300, PORTLAND, OR 97201
503-235-5000

JANUARY 7, 2015

SHEET 1 OF 2



November 18, 2016

Richard Johnson
Johnson Group
2856 NW Wardway Street, #4
Portland, OR 97210

Dear Mr. Johnson:

Per the requirements of the Management Agreement between the City of Milwaukie and Johnson Group for operation of a food cart pod at 11301 SE 21st Avenue,

“Johnson Group may not make physical improvements or alterations to the Property or install fixtures thereon without the prior written authorization of the City Manager, which may be granted or withheld in the City Manager’s sole discretion. Any improvements or alterations made to the Property by Johnson Group will be removed by Johnson Group on termination of this Agreement in accordance with Section 13(d)” (Section 6(a) – Alteration to Property and Installation of Equipment/Restrooms).


Furthermore, per the requirements of the Management Agreement,

“This Agreement shall be effective on the date last executed or the date the City notifies Johnson Group that Johnson Group may occupy the Property whichever last occurs. The term of occupancy shall start on the Commencement date of this agreement. The term of occupancy shall continue for two years from the Commencement date (the “initial term”) unless terminated or continued as provided herein.” (Section 3(a) – Term and Renewal).

I have reviewed the approved site plans and permitting process. Based on adherence to those details and approvals and for Johnson Group to commence with the siting of at least eight but not more than 15 food carts, I hereby authorize Johnson Group to occupy and proceed with the noted physical improvements and alterations to the city-owned property in accordance with the Management Agreement.

This letter does not authorize commencement of food cart operations. Pursuant to the Agreement, City will issue authorization to commence food cart operations after a minimum of eight carts are on site and ready to commence operations, including all necessary hook-ups and permits.

Sincerely,


Ann Ober
City Manager

Milwaukie Station Food Cart Pod Update

City Council
September 2, 2025

Joseph Briglio, Assistant City Manager,
briglioj@milwaukieoregon.gov



Brief Parcel History



2011
Empty Lot

2014
Orange Line
Construction &
Staging



Brief Parcel History (cont.)



2016
Orange Line
Complete / City
Acquisition

2017-2025
Milwaukie Station
Johnson Group



Milwaukie Station - Current Status

- Food Cart Pod
 - At Capacity (12 Carts)
- Johnson Group
 - Operator for nearly 10-years
 - Management Agreement Expires: November 30, 2026
 - Expressed an interest in selling the business/not renewing lease



City Council Direction

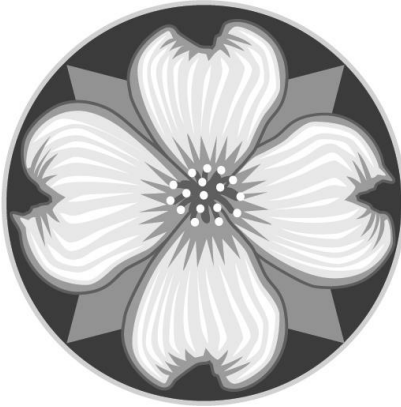
Explore Continuation of Current Use

1. Johnson Group assigns its agreement to new food cart pod manager w/ City approval
 - Requires Johnson Group approval
 - New entity would coordinate directly with Johnson Group
 - Compensation likely needed to Johnson Group for business/site improvements from City or New Entity
2. Request for Proposal (RFP) for new food cart pod manager
 - If the Johnson Group doesn't want to assign or just wants to work with the city
 - Solicitation for new property manager (takes approximately 4-6 months)
 - Compensation likely needed to Johnson Group for business/site improvements from City or New Entity

Explore Alternative Uses

1. Allow agreement to expire in Nov. 2026
 - Lot returns to its original condition
2. Begin discussions on future of site w/ council
 - Timing (When?)
 - Prioritization of city-projects
 - Level of Community Engagement





RS Agenda Item

8

Public Hearings

COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Reviewed: Laura Weigel, Planning Manager, and
Joseph Briglio, Assistant City Manager

From: Vera Kolias, Senior Planner

Subject: **Proposed Code Amendments: Affordable Housing Incentives Code**

Date Written: Aug. 29, 2025

ACTION REQUESTED

Council is asked to continue the public hearing for land use file #ZA-2025-003 related to proposed amendments to Milwaukie Municipal Code (MMC) Title 19 (Zoning) related to code incentives for affordable housing. The public hearing on [August 19](#) included Council deliberation and a 3-2 vote of approval, with amendments, of the first reading of the ordinance by title only. As the Council vote was not unanimous, a second reading at a separate meeting is required for final adoption of the ordinance as required by MMC 2.04.330. The requested action on September 2 is for Council to hear the second and final reading of the ordinance by title only and conduct a roll call vote to adopt the ordinance and associated findings and code amendments found in Attachment 1.

NEXT STEPS

Staff implements code amendments.

BUDGET IMPACT

None.

CLIMATE IMPACT

As with the middle housing code, implementation of regulations allowing a more efficient pattern of development through increased residential density provides opportunities for more walkability/bikeability and compact development patterns. This can lead to less dependence on motor vehicles, more transit opportunities, and more efficient use of available infrastructure.

EQUITY IMPACT

Removing barriers to development of housing is a key component of the city's housing production strategy. More importantly, the city consistently looks for ways to incentivize development of housing to provide even more opportunities to make housing possible. Providing a streamlined process to exceed maximum density increases flexibility for developers. The entire city benefits from having a wide variety of housing types at many price levels.

WORKLOAD IMPACT

While the proposed amendments may result in more variance applications, they can be absorbed into the department's current planning workplan.

COORDINATION, CONCURRENCE, OR DISSENT

None.

ATTACHMENTS

1. Ordinance
 - a. Recommended Findings in Support of Approval (including Metro and State Findings)
 - b. Draft code amendment language (underline/strikeout)
 - c. Draft code amendment language (clean)

COUNCIL ORDINANCE No.

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING MILWAUKIE MUNICIPAL CODE (MMC) TITLE 19 ZONING ORDINANCE FOR THE PURPOSE OF PROVIDING CODE-BASED INCENTIVES FOR THE DEVELOPMENT OF AFFORDABLE HOUSING (PRIMARY FILE #ZA-2025-003).

WHEREAS it is the intent of the City of Milwaukie to promote and support affordable residential development to meet housing production goals; and

WHEREAS the proposed code amendments provide an opportunity to reduce construction costs and encourage the development of income-restricted housing; and

WHEREAS legal and public notices have been provided as required by law, and multiple opportunities for public review and input have been provided; and

WHEREAS on July 22, 2025, the Planning Commission conducted a public hearing as required by MMC 19.1008.5 and adopted a motion in support of the amendments; and

WHEREAS the City Council finds that the proposed amendments are in the public interest of the City of Milwaukie.

Now, Therefore, the City of Milwaukie does ordain as follows:

Section 1. Findings. Findings of fact in support of the amendments are adopted by the City Council and are attached as Exhibit A.

Section 2. Amendments. The Milwaukie Municipal Code (MMC) is amended as described in Exhibit B (underline/strikeout version), and Exhibit C (clean version).

Section 3. Effective Date. The amendments shall become effective immediately on the date of adoption.

Read the first time on _____ and moved to second reading by _____ vote of the City Council.

Read the second time and adopted by the City Council on _____.

Signed by the Mayor on _____.

Lisa M. Batey, Mayor

ATTEST:

APPROVED AS TO FORM:

Nicole M. Madigan, Deputy City Recorder

Justin D. Gericke, City Attorney

**Findings in Support of Approval
File #ZA-2025-003
Affordable Housing Incentives Code Amendments**

Sections of the Milwaukie Municipal Code (MMC) not addressed in these findings are found to be inapplicable to the decision on this application.

1. The applicant, the City of Milwaukie, proposes to make code amendments to MMC Title 19 related to code-based incentives for affordable housing developments. The land use application file number is ZA-2025-003.
2. The proposed code amendments would aggregate all code-based affordable housing incentives, to centralize information for prospective applicants. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards (see Attachment 1 for the draft language). The goal is to remove barriers to residential development that includes income-restricted units. The city's Housing Production Strategy (HPS) includes a strategy to evaluate incentives for affordable housing development. The proposed amendments address this strategy.
3. Amendments are proposed in the municipal code, as follows:
 - Chapter 19.500 – SUPPLEMENTARY DEVELOPMENT REGULATIONS
 - Section 19.511 Affordable Housing Incentives (NEW)
 - Chapter 19.900 – LAND USE APPLICATIONS
 - Section 19.911 Variances
4. The proposal is subject to the following provisions of the Milwaukie Municipal Code (MMC):
 - MMC Section 19.902 Amendments to Maps and Ordinances
 - MMC Chapter 19.1000 Review Procedures
5. Sections of the MMC not addressed in these findings are found to be not applicable to the decision on this land use application.
6. The application has been processed and public notice provided in accordance with MMC Section 19.1008 Type V Review. Public hearings were held on July 22, 2025, August 19, 2025, and September 2, 2025 as required by law.
7. MMC Chapter 19.1000 establishes the initiation and review requirements for land use applications. The City Council finds that these requirements have been met as follows.
 - a. MMC Subsection 19.1001.6 requires that Type V applications be initiated by the Milwaukie City Council, Planning Commission, Planning Manager, or any individual.

The amendments were formally initiated by the Planning Manager on January 2, 2025.

- b. MMC Section 19.1008 establishes requirements for Type V review. The procedures for Type V Review have been met as follows:

- (1) Subsection 19.1008.3.A.1 requires opportunity for public comment.

Opportunity for public comment and review has been provided as follows:

The City Council held work sessions on January 7, March 18, and May 6, 2025. The Planning Commission held a work session on June 10, 2025. The current version of the draft amendments has been posted on the application webpage since June 17, 2025.

- (2) Subsection 19.1008.3.A.2 requires notice of public hearing on a Type V Review to be posted on the City website and at City facilities that are open to the public at least 30 days prior to the hearing.

A notice of the Planning Commission's July 22, 2025 hearing was posted as required on June 17, 2025. A notice of the City Council's August 19, 2025 hearing was posted as required on July 17, 2025.

- (3) Subsection 19.1008.3.A.3 requires notice be sent to individual property owners if the proposal affects a discrete geographic area or specific properties in the City.

The proposed amendments will apply to all zones that permit residential development. Therefore, notices were not sent.

- (4) Subsection 19.1008.3.B requires notice of a Type V application be sent to the Department of Land Conservation and Development (DLCD) 35 days prior to the first evidentiary hearing.

Notice of the proposed amendments was sent to DLCD on June 17, 2025.

- (5) Subsection 19.1008.3.C requires notice of a Type V application be sent to Metro 35 days prior to the first evidentiary hearing.

Notice of the proposed amendments was sent to Metro on June 17, 2025.

- (6) Subsection 19.1008.3.D requires notice to property owners if, in the Planning Director's opinion, the proposed amendments would affect the permissible uses of land for those property owners.

The proposed amendments will apply to properties in zones that permit residential development and do not affect the already permitted uses on those properties.

- (7) Subsection 19.1008.4 and 5 establish the review authority and process for review of a Type V application.

The Planning Commission held a duly advertised public hearing on July 22, 2025 and passed a motion recommending that the City Council approve the proposed amendments. The City Council held duly advertised public hearings on August 19, 2025 and September 2, 2025, and approved the amendments.

8. MMC 19.902 Amendments to Maps and Ordinances

- a. MMC 19.902.5 establishes requirements for amendments to the text of the zoning ordinance. The City Council finds that these requirements have been met as follows.
- (1) MMC Subsection 19.902.5.A requires that changes to the text of the land use regulations of the Milwaukie Municipal Code shall be evaluated through a Type V review per Section 19.1008.

The Planning Commission held a duly advertised public hearing on July 22, 2025 and passed a motion recommending that the City Council approve the proposed amendments. The City Council held duly advertised public hearings on August 19, 2025 and September 2, 2025, and approved the amendments. Public notice was provided in accordance with MMC Subsection 19.1008.3.

- (2) MMC Subsection 19.902.5.B establishes the approval criteria for changes to land use regulations of the Milwaukie Municipal Code.

- (a) MMC Subsection 19.905.B.1 requires that the proposed amendment be consistent with other provisions of the Milwaukie Municipal Code.

The proposed amendments coordinate and are consistent with other provisions of the Milwaukie Municipal Code.

- (b) MMC Subsection 19.902.5.B.2 requires that the proposed amendment be consistent with the goals and policies of the Comprehensive Plan.

The goals and policies of the Comprehensive Plan support the amendments to permit incentives for the development of income-restricted housing.

- (c) Section 7 – Housing:

Provide safe, affordable, stable housing for Milwaukie residents of every socioeconomic status and physical ability within dwellings and neighborhoods that are entirely equitable, delightfully livable, and completely sustainable.

- (a) Goal 7.1 – Equity:

Enable and encourage housing options that meet the needs of all residents, with a specific focus on uplifting historically disenfranchised communities and eliminating disparities for populations with special needs or lower incomes.

- (i) Policy 7.1.3

Promote zoning and code requirements that remove or prevent potential barriers to home ownership and rental opportunities for people of all ages and abilities, including historically marginalized or vulnerable populations such as people of color, aging populations, and people with low incomes.

The proposed amendments provide numerous code-based incentives for the development of income-restricted housing at a variety of levels. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The code language includes expedited review processes both for land use review and development permit review.

(b) Goal 7.2 – Affordability:

Provide opportunities to develop housing that is affordable at a range of income levels.

(i) Policy 7.2.1

Continue to research, leverage and implement housing affordability strategies that meet the needs of Milwaukie households and can adapt to changing market conditions.

The proposed amendments provide numerous code-based incentives for the development of income-restricted housing at a variety of levels. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The identified adjustments include specific standards in an effort to reduce construction costs. The proposed amendments also include additional bonuses for developments that are 100% affordable at 80% or below AMI. The code language includes expedited review processes both for land use review and development permit review.

(ii) Policy 7.2.3

Pursue programs and incentives that reduce the impacts that development/design standards and fees have on housing affordability, including modifications to parking requirements, system development charges, and frontage improvements.

The proposed amendments provide numerous code-based incentives for the development of income-restricted housing at a variety of levels. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards. The proposed amendments also allow for height bonuses in addition to existing height bonuses to allow for more density of residential development in mixed use zones. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The code language includes expedited review processes both for land use review and development permit review.

- (d) MMC Subsection 19.902.5.B.3 requires that the proposed amendment be consistent with the Metro Urban Growth Management Functional Plan and relevant regional policies.

The Metro Urban Growth Management Functional Plan includes a number of titles that address various aspects of the region's goals and policies for urban development.

(a) Title 1 Housing Capacity

The proposed amendments continue to provide opportunities for high density housing development in the city's high density residential zones.

(b) Title 7 Housing Choice

The proposed amendments will continue to provide the opportunity for much-needed high density housing in the city's high density zones. The amendments also reduce barriers to the development of multi-unit housing, residential care facilities, and single room occupancy housing within these zones. The proposed amendments will support Metro's policies for expanding housing choice with a needed housing type in Milwaukie.

The proposed amendments were sent to Metro for comment. Metro did not identify any inconsistencies with the Metro Urban Growth Management Functional Plan or relevant regional policies. The proposed code amendments are in compliance with Metro's Functional Growth Management Plan.

- (e) MMC Subsection 19.902.5.B.4 requires that the proposed amendment be consistent with relevant State statutes and administrative rules, including the Statewide Planning Goals and Transportation Planning Rule.

In June of 2023 City Council adopted the state required Housing Capacity Analysis (HCA) and Housing Production Strategy (HPS) which were subsequently acknowledged by the Department of Land Conservation and Development (DLCD).

The HPS includes ten actions aimed at encouraging more affordable and diverse housing types, fostering partnerships with housing providers and developers, and increasing housing stability for Milwaukie residents. Strategy E identified in the HPS is to “evaluate incentives for affordable housing development.” This code package fulfills the state requirement to implement actions in the HPS.

The proposed amendments were sent to the Department of Land Conservation and Development (DLCD) for comment. The DLCD did not identify any areas where the proposed amendments were inconsistent with State statutes and administrative rules.

- (f) MMC Subsection 19.902.5.B.5 requires that the proposed amendment be consistent with relevant federal regulations.

The City Council finds that the Federal Fair Housing Amendments Act of 1988 is relevant to the proposed amendments. The proposed amendments provide a clear and objective review process for middle housing development in the residential zones.

Statewide Findings for Milwaukie Plan and Code Amendments – Affordable Housing Code Incentives

This memo summarizes the consistency of the proposed code amendments with the following statewide goals, as well as key Oregon Revised Statutes (ORSs) and Oregon Administrative Rules (OARs):

- Goal 1: Citizen Involvement
- Goal 10: Housing

Other Statewide Planning Goals are not directly applicable to the proposed code amendments. Goals related to agriculture and forestry do not apply to land intended for future urbanization within the urban growth boundary. Additionally, the proposed amendments do not involve land or resources designated as part of Oregon's coastal zone.

Consistency with the applicable goals is a requirement for any amendment to a City's land use ordinances.

Based on the findings described below, the proposed code amendments comply with the applicable Statewide Goals and associated ORS and OAR provisions.

Goal 1: Citizen Involvement

Finding: Goal 1 requires the City to employ an appropriately-scaled involvement program to ensure the opportunity for meaningful public involvement throughout the land use planning process. Goal 1 requires the City to incorporate six key components in its public involvement program:

- Citizen Involvement: An officially-recognized committee for public involvement broadly representative of geographic areas and interests related to land use and land-use decisions to provide for widespread public involvement;
- Communication: Mechanisms for effective two-way communication between the public and elected/appointed officials;
- Influence: Opportunities for the public to be involved in all phases of the planning and decision-making process including developing, evaluating, and amending plans;
- Technical Information: Access to technical information used in the decision-making process, provided in an accessible and understandable format;
- Feedback Mechanisms: Programs to ensure that members of the public receive responses from policy-makers and that a written record for land-use decisions is created and made accessible; and,
- Financial Support: Adequate resources allocated for the public involvement program as an integral component of the planning budget.

Following is a summary of activities undertaken by the City to support the proposed code amendments related to consolidation of the high density residential zones.

Planning Commission and City Council Updates

City staff conducted four work sessions with the City's Planning Commission and City Council to review the status of the work and solicit feedback on key issues.

The specific proposed code language was posted with a code commentary on the City's website on June 17, 2025. Prior to the public hearings the Planning Commission had one work session about the proposed code amendment language on June 10, 2025. This meeting was open to the public and was recorded and available for public viewing after the meeting. Three work sessions with the City Council were held before the City Council hearings on the amendments. These meetings were also open to the public and were recorded and available for public viewing after the meetings.

Based on the findings above, the Zoning Code update is consistent with Oregon Statewide Planning Goal 1.

Goal 10: Housing

Goal 10: To provide for the housing needs of citizens of the state.

Finding: Goal 10 requires the City to maintain and plan for an adequate land supply to accommodate at least 20 years of future growth, providing flexibility in housing location, type, and density to ensure the availability and prices of housing units are commensurate with the needs and financial capabilities of Oregon households. Comprehensive plans are required to include an analysis of community housing needs by type and affordability, an assessment of housing development potential, and an inventory of residential land; contain policies for residential development and supportive services based on that analysis that increase the likelihood that needed housing types will be developed; and provide for an adequate supply of a variety of housing types consistent with identified policies and meeting minimum density and housing mix requirements (established by OAR 660, Division 007).

The **Milwaukie Housing Affordability Strategy (MHAS)** was adopted by the Milwaukie City Council in 2018 after the Council identified housing affordability as its number one priority for the 2017–2018 biennium. The MHAS is a blueprint for providing equitable affordable housing opportunities and is intended to help increase the amount of affordable housing in the City. It serves as an overarching framework, combining existing land uses, needs assessments, housing policy analysis, and an analysis of best practices from peer cities. The MHAS includes a total of 31 proposed actions or programs focused around the following three goals:

- Develop New Units
- Prevent Displacement and Keep Affordable Units Affordable
- Connect People to Existing Affordable Housing

The city's Housing Production Strategy (HPS) outlines the specific tools, actions, and policies that the city plans to take to address the housing needs identified in the [Housing](#) Capacity Analysis and the city's plan and timeline for adopting and implementing each strategy. The HPS specifically identifies incentives as a way to encourage the development of affordable, income-restricted housing. DLCD approved the city's HPS in November 2023. The proposed amendments directly implement strategies from the approved HPS.

The proposed amendments relate to implementation of portions of the Comprehensive Plan related to the development and support of affordable housing. Creating and supporting housing opportunities has been a key goal for Council and the community. The adopted Comprehensive Plan policies call for ways to encourage the development of affordable housing and the reduction of barriers within the development code.

The proposed amendments implement comprehensive plan policies related to housing affordability and equity by providing specific incentives related to residential development: adjustments to certain design and development standards to reduce the cost of construction, and including height bonuses to provide more residential density. A mix of housing types combined with the higher densities will support development of smaller units with lower land costs and increased opportunities for transit, all of which can facilitate more affordable housing.

The city's Community Development Department will continue to work on ways to assist in the development of housing, provide financial incentives for regulated affordable housing development, and provide incentives for the retention or conversion of existing affordable housing supply.

Based on the findings above, the Comprehensive Plan Amendment is consistent with Statewide Planning Goal 10.

UGMFP Findings for Milwaukie Code Amendments for Affordable Housing Incentives

The Metro Urban Growth Management Functional Plan (UGMFP) provides tools to meet regional goals and objectives adopted by Metro Council, including the 2040 Growth Concept and the Regional Framework Plan. Under the Metro Charter, the City of Milwaukie's Comprehensive Plan and implementing ordinances are required to comply and be consistent with the UGMFP. The UGMFP consists of 14 code titles with policies and compliance procedures.

Metro requires "substantial compliance" with requirements in the UGMFP. Per the definition in Title 10, "substantial compliance" means that the City's zoning code conforms with the purposes of the performance standards in the functional plan "on the whole." Any failure to meet individual performance standard requirements is considered technical or minor in nature.

Based on the findings described below, the proposed code amendments related to Affordable Housing Code Incentives substantially comply with all applicable titles of the Urban Growth Management Functional Plan.

The Metro Urban Growth Management Functional Plan (UGMFP) provides tools to meet regional goals and objectives adopted by Metro Council, including the 2040 Growth Concept and the Regional Framework Plan. Under the Metro Charter, the City of Milwaukie's Comprehensive Plan and implementing ordinances are required to comply and be consistent with the UGMFP. The UGMFP consists of 11 code titles with policies and compliance procedures for the following topics:

- Title 1: Housing Capacity
- Title 7: Housing Choice
- Title 8: Compliance Procedures

Title 1: Housing Capacity

Finding: Title 1 of the UGMFP is intended to promote efficient land use within the Metro urban growth boundary (UGB) by increasing the capacity to accommodate housing. Metro's 2020 Compliance Report concluded that Milwaukie is in compliance for the City's Title 1 responsibilities.

The city's Housing Production Strategy (HPS) identifies a variety of action steps to increase housing development in Milwaukie, including evaluating incentives for affordable housing development.

Staff is proposing a new code section that would aggregate all code-based affordable housing incentives to centralize information for prospective applicants. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The proposal would limit variance applications to no more than 10 distinct variances to these standards. The proposed review process for these variances is an expedited Type II review already included in Milwaukie Municipal Code (MMC) 19.1005, that would reduce the timeframe for a decision from 120 days to 100 days. The amendments are intended to increase the supply of affordable housing, and provide equitable access and housing choice for all.

Based on the findings above, the proposed amendments are consistent with Title 1.

Title 7: Housing Choice

Finding:

Title 7 is designed to ensure the production of affordable housing within the UGB. Under Title 7, the City is required to ensure that its Comprehensive Plan and implementing ordinances include strategies to: ensure the production of a diverse range of housing types, maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout the City, and increase opportunities for households of all income levels to live in affordable housing (3.07.730). Metro's 2020 Compliance Report concluded that Milwaukie is in compliance for the City's Title 7 responsibilities.

The City's Housing Production Strategy (HPS), includes a strategy to evaluate incentives for affordable housing development. The proposed amendments address this strategy. The local code findings also illustrate how the proposed code amendments implement the policies in the new comprehensive plan that promote a diverse range of housing types, with a focus on housing affordability.

In addition to the recently adopted comprehensive plan which has multiple policies supporting housing affordability, equity and choices, the City has conducted several recent planning efforts aimed at addressing similar goals. The *Milwaukie Housing Affordability Strategy* and *Equitable Housing Policy & Implementation Plan* identify a variety of specific strategies to further these goals, many of which are already being implemented by the City and its local and regional partners. The proposed code amendments are the result of an

evaluation of the existing zoning ordinance to reduce barriers to and encourage the development of affordable housing.

Based on the findings above, the proposed amendments are consistent with Title 7.

Title 8: Compliance Procedures

Finding: Title 8 establishes a process for ensuring compliance with requirements of the UGMFP. An amendment to the City comprehensive plan or land use regulations is deemed to comply with the UGMFP only if the City provided notice to Metro as required by section 3.07.820(a). The City of Milwaukie provided Metro a set of draft code amendments on June 17, 2025 which was more than 35 days prior to the first evidentiary hearing, which was held on July 22, 2025

Based on the findings above, the proposed amendments are consistent with Title 8.

CHAPTER 19.500 SUPPLEMENTARY DEVELOPMENT REGULATIONS

19.511 AFFORDABLE HOUSING INCENTIVES

A. Purpose.

The purpose of this section is to offer incentives to developers for providing housing that is affordable to the types of households and qualifying residents identified in subsection B (Eligibility for Incentives), below. Affordable housing incentive requests of this chapter can be made concurrently as part of a land use permit application, as applicable.

B. Eligibility for Incentives.

To be eligible for an adjustment and other incentives provided by this section, a proposed residential project must meet the following requirements:

1. Development must be middle housing, mixed-use residential, or multi-unit residential;
2. Middle housing, multi-unit, and mixed-use residential development must be designed and constructed so that at least:
 - a. Fifty percent (50%) of the total number of proposed dwelling units are restricted to households earning 60% - 80% Area Median Income (AMI) or below; or
 - b. Forty percent (40%) of the total number of proposed dwelling units are restricted to households earning 40% - 60% AMI or below; or
 - c. Thirty percent (30%) of the total number of proposed dwelling units are restricted to households earning 30% - 40% AMI or below; or
 - d. Twenty percent (20%) of the total number of proposed dwelling units are restricted to households earning less than 30% AMI; and
 - e. Comply with all applicable provisions of this title.
3. Where the calculation of the number of affordable units does not result in a whole number, the result will be rounded up to the nearest whole number.
4. The income restricted units must be reasonably dispersed throughout the development, must contain on average the same number of bedrooms as the market rate units in the development, and must be compatible with the design of the market rate units in terms of size, appearance, materials, and finish quality.

C. Types of Variances and Incentives Allowed.

A residential project that satisfies all applicable provisions of this section is entitled to apply for the following incentives. A variance application may ask for no more than a total of 10 distinct variances between the development and design standards identified below. For the purposes of this section, multiple instances of the same variance type will be considered one distinct variance.

1. The following variances to development standards will be reviewed via an expedited Type II review process pursuant to Section 19.1005:
 - a) Minimum side yard setbacks: 40% reduction.
 - b) Minimum front, rear, street side yard setbacks: 25% reduction; 50% reduction for middle housing except cottage clusters.
 - c) Common area, minimum landscaping, or open space: reduction of up to 25%.
 - d) Minimum lot area: up to 25% reduction.
 - e) Minimum lot width or depth: up to 10% reduction.
 - f) Maximum lot coverage: up to 10 percentage points increase over the base maximum.
 - g) Bike parking: a reduction to the minimum number of long-term and short-term spaces (0.5 spaces/dwelling required for each) and location of spaces.
 - h) Maximum building height: for mixed-use residential developments in the Downtown Mixed Use (DMU) and the General Mixed Use (GMU) zones only and for multi-unit developments, an allowance of up to an additional 20 ft may be allowed. This adjustment does not apply to middle housing.
 - a) In the DMU and the GMU zones, this bonus is in addition to allowable height bonuses for developments where 50% of the total number of proposed dwelling units are restricted to households earning no more than 60% AMI.
 - b) In the GMU zone, a qualifying development that elects to use the allowable height bonuses is not subject to the Type III review identified in Subsection 19.911.7.
 - i) Maximum density: none.
 - j) In the DMU: ground-floor residential units are allowed on all streets.
 - k) In the DMU: nonresidential active uses that support the residential use, such as lobbies, community rooms, exercise rooms, offices, day care, etc., are allowed on the ground floor.
 - l) Townhouse developments: the allowed number of consecutive townhouses that share a common wall is increased to the number of townhouses that occupy a linear measurement of no more than 200 ft of street frontage.
2. The following variances to design standards will be reviewed via an expedited Type II review process (Section 19.1005):
 - a) Facade articulation: exempt from the standard.
 - b) Inclusion of a minimum of three (3) detailed design features in Subsection 19.505.1.C.4., 19.505.4.D.4.d, and 19.505.5.C.4, rather than 5.
 - c) Total window area: reduction of up to 30%; minimum 12% required.
3. A development may use one of the following additional incentives:
 - a. For housing developments where 100% of the total number of proposed dwelling units are restricted to households earning 80% AMI or below the incentives identified in this subsection are increased by an additional 10% (10 percentage

points) over the stated amount. This increase does not apply to building height.
OR

- b. For housing developments where 100% of the total number of proposed dwelling units are homeownership units and are eligible for the incentives as defined in Subsection 19.511.B, the incentives identified in this subsection are increased by an additional 10 percentage points over the stated amounts. This increase does not apply to building height. Homeownership developments must use a community land trust model, shared equity, or similar model, that can ensure continued affordability and compliance monitoring.

4. Other Incentives.

- a. Qualifying multi-unit residential-only developments (not mixed-use developments) proposed in the DMU zone will be reviewed for compliance with Subsection 19.505.3 (Multi-Unit Housing).
- b. This section does not prohibit developers of qualifying affordable residential projects from requesting other regulatory incentives or concessions from the City.

D. Continued Affordability.

The land use permit application for the residential project must include the procedures proposed by the developer to maintain the continued affordability of the income-restricted units. Developments receiving a direct financial contribution, or other financial incentives from the City, or utilizing any of the incentives provided in this subsection, must maintain the availability of income-restricted homeownership units for a minimum of 60 years and of income-restricted rental units for a minimum of 99 years. Homeownership developments must use a community land trust model, shared equity, or similar model, that can ensure continued affordability and compliance monitoring. Developers must enter into a development agreement or provide legal proof of restriction/affordability covenant with the City of Milwaukie to ensure retention. This should also include the monitoring and verification process that will be utilized throughout the duration of the affordability term to ensure the appropriate income levels are being certified for prospective renters or buyers.

E. Processing of Incentive Requests.

Proposed incentive requests must be included as part of the land use application or permitting materials required for the residential project by this title, including the application of all relevant criteria.

1. Approval Criteria. The approval of the incentives by the review body or City designee must also comply with the following approval criteria:

- a. The approval criteria for Type II variances identified in Subsection 19.911.4.A; and
- b. There are sufficient provisions to guarantee that the dwelling units will remain affordable in the future as required.
- c. Evidence has been provided to show compliance with Subsection 19.511.B.4.

F. Priority Processing of Affordable Housing Projects.

A residential project that satisfies all applicable provisions of this section will be given priority over other types of projects and permits by all City departments in the processing of land use permit and building permit applications, and in inspections of the project during the construction process.

CHAPTER 19.900 LAND USE APPLICATIONS

19.911 VARIANCES

19.911.3 Review Process.

B. Type II Variances

Type II variances allow for limited variations to numerical standards. The following types of variance requests ~~shall~~ will be evaluated through a Type II review per Section 19.1005:

~~11. For any middle housing development, except townhouses and cottage clusters, that includes at least one dwelling unit that is affordable that meets the exemption standards as defined in Section 3.60.050, the minimum setbacks in Table 19.301.4 may be reduced to the following:~~

- ~~a. Front yard: 10 ft~~
 - ~~b. Rear yard: 10 ft~~
 - ~~c. Side yard: 5 ft~~
 - ~~d. Street side yard: 10 ft~~
-

CHAPTER 19.500 SUPPLEMENTARY DEVELOPMENT REGULATIONS

19.511 AFFORDABLE HOUSING INCENTIVES

A. Purpose.

The purpose of this section is to offer incentives to developers for providing housing that is affordable to the types of households and qualifying residents identified in subsection B (Eligibility for Incentives), below. Affordable housing incentive requests of this chapter can be made concurrently as part of a land use permit application, as applicable.

B. Eligibility for Incentives.

To be eligible for an adjustment and other incentives provided by this section, a proposed residential project must meet the following requirements:

1. Development must be middle housing, mixed-use residential, or multi-unit residential;
2. Middle housing, multi-unit, and mixed-use residential development must be designed and constructed so that at least:
 - a. Fifty percent (50%) of the total number of proposed dwelling units are restricted to households earning 60% - 80% Area Median Income (AMI) or below; or
 - b. Forty percent (40%) of the total number of proposed dwelling units are restricted to households earning 40% - 60% AMI or below; or
 - c. Thirty percent (30%) of the total number of proposed dwelling units are restricted to households earning 30% - 40% AMI or below; or
 - d. Twenty percent (20%) of the total number of proposed dwelling units are restricted to households earning less than 30% AMI; and
 - e. Comply with all applicable provisions of this title.
3. Where the calculation of the number of affordable units does not result in a whole number, the result will be rounded up to the nearest whole number.
4. The income restricted units must be reasonably dispersed throughout the development, must contain on average the same number of bedrooms as the market rate units in the development, and must be compatible with the design of the market rate units in terms of size, appearance, materials, and finish quality.

C. Types of Variances and Incentives Allowed.

A residential project that satisfies all applicable provisions of this section is entitled to apply for the following incentives. A variance application may ask for no more than a total of 10 distinct variances between the development and design standards identified below. For the purposes of this section, multiple instances of the same variance type will be considered one distinct variance.

1. The following variances to development standards will be reviewed via an expedited Type II review process pursuant to Section 19.1005:
 - a) Minimum side yard setbacks: 40% reduction.
 - b) Minimum front, rear, street side yard setbacks: 25% reduction; 50% reduction for middle housing except cottage clusters.
 - c) Common area, minimum landscaping, or open space: reduction of up to 25%.
 - d) Minimum lot area: up to 25% reduction.
 - e) Minimum lot width or depth: up to 10% reduction.
 - f) Maximum lot coverage: up to 10 percentage points increase over the base maximum.
 - g) Bike parking: a reduction to the minimum number of long-term and short-term spaces (0.5 spaces/dwelling required for each) and location of spaces.
 - h) Maximum building height: for mixed-use residential developments in the Downtown Mixed Use (DMU) and the General Mixed Use (GMU) zones only and for multi-unit developments, an allowance of up to an additional 20 ft may be allowed. This adjustment does not apply to middle housing.
 - a) In the DMU and the GMU zones, this bonus is in addition to allowable height bonuses for developments where 50% of the total number of proposed dwelling units are restricted to households earning no more than 60% AMI.
 - b) In the GMU zone, a qualifying development that elects to use the allowable height bonuses is not subject to the Type III review identified in Subsection 19.911.7.
 - i) Maximum density: none.
 - j) In the DMU: ground-floor residential units are allowed on all streets.
 - k) In the DMU: nonresidential active uses that support the residential use, such as lobbies, community rooms, exercise rooms, offices, day care, etc., are allowed on the ground floor.
 - l) Townhouse developments: the allowed number of consecutive townhouses that share a common wall is increased to the number of townhouses that occupy a linear measurement of no more than 200 ft of street frontage.
2. The following variances to design standards will be reviewed via an expedited Type II review process (Section 19.1005):
 - a) Façade articulation: exempt from the standard.
 - b) Inclusion of a minimum of three (3) detailed design features in Subsection 19.505.1.C.4., 19.505.4.D.4.d, and 19.505.5.C.4, rather than 5.
 - c) Total window area: reduction of up to 30%; minimum 12% required.
3. A development may use one of the following additional incentives:
 - a. For housing developments where 100% of the total number of proposed dwelling units are restricted to households earning 80% AMI or below the incentives identified in this subsection are increased by an additional 10% (10 percentage

points) over the stated amount. This increase does not apply to building height.
OR

- b. For housing developments where 100% of the total number of proposed dwelling units are homeownership units and are eligible for the incentives as defined in Subsection 19.511.B, the incentives identified in this subsection are increased by an additional 10 percentage points over the stated amounts. This increase does not apply to building height. Homeownership developments must use a community land trust model, shared equity, or similar model, that can ensure continued affordability and compliance monitoring.

4. Other Incentives.

- a. Qualifying multi-unit residential-only developments (not mixed-use developments) proposed in the DMU zone will be reviewed for compliance with Subsection 19.505.3 (Multi-Unit Housing).
- b. This section does not prohibit developers of qualifying affordable residential projects from requesting other regulatory incentives or concessions from the City.

D. Continued Affordability.

The land use permit application for the residential project must include the procedures proposed by the developer to maintain the continued affordability of the income-restricted units. Developments receiving a direct financial contribution, or other financial incentives from the City, or utilizing any of the incentives provided in this subsection, must maintain the availability of income-restricted homeownership units for a minimum of 60 years and of income-restricted rental units for a minimum of 99 years. Homeownership developments must use a community land trust model, shared equity, or similar model, that can ensure continued affordability and compliance monitoring. Developers must enter into a development agreement or provide legal proof of restriction/affordability covenant with the City of Milwaukie to ensure retention. This should also include the monitoring and verification process that will be utilized throughout the duration of the affordability term to ensure the appropriate income levels are being certified for prospective renters or buyers.

E. Processing of Incentive Requests.

Proposed incentive requests must be included as part of the land use application or permitting materials required for the residential project by this title, including the application of all relevant criteria.

- 1. Approval Criteria. The approval of the incentives by the review body or City designee must also comply with the following approval criteria:

- a. The approval criteria for Type II variances identified in Subsection 19.911.4.A; and
- b. There are sufficient provisions to guarantee that the dwelling units will remain affordable in the future as required.
- c. Evidence has been provided to show compliance with Subsection 19.511.B.4.

F. Priority Processing of Affordable Housing Projects.

A residential project that satisfies all applicable provisions of this section will be given priority over other types of projects and permits by all City departments in the processing of land use permit and building permit applications, and in inspections of the project during the construction process.

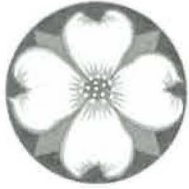
CHAPTER 19.900 LAND USE APPLICATIONS

19.911 VARIANCES

19.911.3 Review Process.

B. Type II Variances

Type II variances allow for limited variations to numerical standards. The following types of variance requests will be evaluated through a Type II review per Section 19.1005:



PUBLIC HEARING ATTENDANCE SIGN-UP SHEET

If you wish to have appeal standing and/or to be on the mailing list for Council information from tonight's hearing, please sign in below.

9/2/2025

**RS 8. A. Affordable Housing Code Incentives
Adoption – Ordinance, 2nd Reading**

Land Use File No. ZA-2025-003

NAME	ADDRESS	PHONE	EMAIL

COUNCIL STAFF REPORT

To: Mayor and City Council
 Emma Sagor, City Manager

Reviewed: Michael Osborne, Finance Director

From: Matthew Deeds, Assistant Finance Director

Subject: **Fiscal Year (FY) 2026 Supplemental Budget**

Date Written: Aug. 26, 2025

ACTION REQUESTED

Council is asked to approve a supplemental budget for fiscal year (FY) 2026.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

June 4, 2024: Council adopted the 2025-2026 biennium budget via [Resolution 30-2024](#).

August 11, 2025: The Budget Committee discussed the proposed budget adjustment.

ANALYSIS

Oregon Revised Statute (ORS) 294 allows for budget adjustments when a condition arises that was not known at the time the budget was adopted. Since the biennium budget was adopted, certain conditions and situations have arisen that necessitate changes in financial planning. These adjustments are presented below.

Proposed Supplemental Budget (Biennium FY2025-FY2026)

	Adopted	Revised	Increase / (Decrease)
<u>Building Fund</u>			
Building Department	\$ 2,996,000	\$ 3,426,000	\$ 430,000
Contingency	430,000	-	(430,000)
Appropriated for Building Fund	\$ 3,426,000	\$ 3,426,000	\$ -

Since the budget was adopted in June 2024, the building department has continued to evaluate its resource needs and how it can best provides permit services to the community. As a result of the recent organizational assessment, the building division has expanded its scope of services by incorporating private development engineering review staff and responsibilities, as well as erosion control review, permitting, and enforcement. The purpose of these changes is to centralize the permit review process and become more efficient in providing service under a newly formed development services division. To meet the consistently growing demands of the former building division and account for the expanded scope of centralized services , staff recommend that the following additional staffing of full-time equivalent (FTE) positions is necessary to accomplish the city's and organizational assessment goals. Adding an additional building inspector/plans examiner and a development services coordinator position during the current biennium will assist with commercial level plans examination to provide the city with less reliance on third-party contracts and the added coordination required for tracking a greater

level of permit types. These additional FTE's have been brought to the attention of the Budget Committee and City Council prior to hiring. This formal supplemental budget resolution officially moves the budget for these from the contingency budget line to the building division salary's budget line.

BUDGET IMPACT

The building department continues to meet and exceed revenue projections for the current biennium. With the development in the city (i.e. Hillside Park development, middle housing complexes, etc..) the city has seen an increase in need for the building department services.

As shown above, this supplemental budget is moving the remaining \$430,000 in contingency to the building department budget so the funds may be spent on additional FTE.

CLIMATE & EQUITY IMPACT

None.

WORKLOAD IMPACT

This increase in budget will allow the city to hire additional staff to help the building department's needs and reduce the workload on staff who have been working increased hours and have had to contract with outside vendors to meet demands. By fulfilling these duties with our own staff, we can reduce costs that we have paid to vendors who have helped supplement this work in the past.

COORDINATION, CONCURRENCE, OR DISSENT

The building department has worked with the city manager and finance department during this evaluation on needs and staffing. The city manager has communicated to the Budget Committee and City Council of the additional staffing FTE's in advance of the formal supplemental budget.

Staff have followed Oregon budget law and have done a formal announcement of this change in local newspapers and posted online for notice.

STAFF RECOMMENDATION

Council is asked to adopt the supplemental budget via resolution.

ALTERNATIVES

Council could decide to not recommend or recommend only in part, the proposed budget adjustment.

ATTACHMENTS

1. Resolution

COUNCIL RESOLUTION No.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING A SUPPLEMENTAL BUDGET FOR THE 2025-2026 BIENNIUM.**

WHEREAS the City of Milwaukie budget for the 2025-2026 biennium was adopted by the City Council on June 4, 2024; and

WHEREAS certain conditions and situations have arisen since the initial adoption of the 2025-2026 biennium budget that necessitate changes in financial planning as allowed by Oregon Revised Statute (ORS) 294.338(3)(b); and

WHEREAS the remaining contingency funds in the building fund are being moved to the building department salary's to fund additional full-time equivalent (FTE) positions; and

WHEREAS in accordance with local budget law, notice was published on August 27, 2025, of the public hearing held before City Council on September 2, 2025.

Now, Therefore, be it Resolved that the supplemental budget shown below is hereby adopted.

Supplemental Budget (Biennium FY2025-FY2026)

	Adopted	Revised	Increase / (Decrease)
<u>Building Fund</u>			
Building Department	\$ 2,996,000	\$ 3,426,000	\$ 430,000
Contingency	430,000	-	(430,000)
Appropriated for Building Fund	\$ 3,426,000	\$ 3,426,000	\$ -

Introduced and adopted by the city council on **September 2, 2025**.

This resolution is effective immediately.

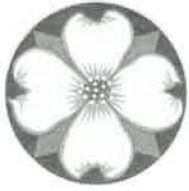
Lisa Batey, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney



PUBLIC HEARING ATTENDANCE SIGN-UP SHEET

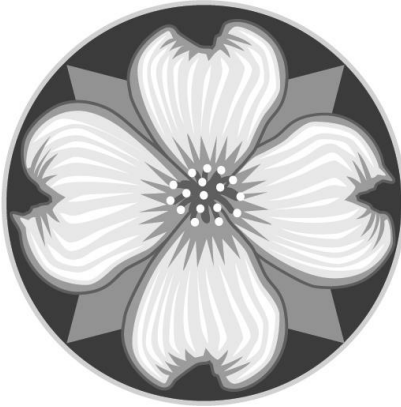
If you wish to have appeal standing and/or to be on the mailing list for Council information from tonight's hearing, please sign in below.

9/2/2025

RS 8. B. Quarterly Budget Adjustments – Resolution

Land Use File No. (none)

NAME	ADDRESS	PHONE	EMAIL



RS Agenda Item

9

Council Reports

From: [Lisa Batey](#)
To: [City Council](#); [Peter Passarelli](#)
Subject: FW: JCWC Confluence Restoration
Date: Friday, August 22, 2025 1:32:34 PM

OCR: Please add to our packet for September 2.

All: Please come to the Sept 2 meeting ready to indicate whether you want to be part of a site visit or not. If three or more, we will need to notice as a meeting.

Thanks, and stay cool in this heat wave! --Lisa

From: Holly Baine <holly@jwcw.org>
Sent: Friday, August 22, 2025 1:04 PM
To: Lisa Batey <BateyL@milwaukieoregon.gov>
Subject: JCWC Confluence Restoration

This Message originated outside your organization.

Lisa,

I'm sure you've already heard from your staff, but we were able to begin construction a little bit early to better take advantage of the tides. We've had a wonderful time working with Milwaukie's various departments to ensure success moving forward. I also wanted to personally update you that not only have we found a way to additionally limit our impact on Milwaukie Bay Park, but we are also looking at wrapping up by late September to early October.

I would like to invite you as well as any of your fellow council members or staff out to the site, to observe the progress being made. Please let me know if that's of interest or if you would like me to come and present again during a council session. It's looking like mid to late September would be the best time for a site visit. We have various options for a site visit based on accessibility and weather. Let me know what you think and we can go from there. Thank you for your ongoing support in this process. Looking forward to hearing back from you!

Holly B Etherton
Restoration Project Manager
Pronouns: she/her, they/them

Johnson Creek Watershed Council
Cell: (971) 917-4520
[4033 SE WOODSTOCK Blvd, Portland, OR 97202](#)
www.jwcw.org

Promoting the restoration and stewardship of a healthy Johnson Creek Watershed through sound science and community engagement!

From: [Lisa Batey](#)
To: [City Council](#); [Peter Passarelli](#); [Adam Moore](#)
Subject: Council report on visit to NCPRD's new 70th and Monroe property (and a glimpse of the Monroe housing and greenway, too)
Date: Thursday, August 28, 2025 2:50:37 PM

OCR – please include this, including the attached photos, in our packet for the September 2 regular session.

Staff – feel free to share with the PARB, if you see fit.

Council – please don't reply, but bring any questions you may have on Tuesday.

Yesterday afternoon, the DAC got to go on a site visit to the new 9-acre park property that NCPRD recently acquired. I wanted to share what I learned.

The parcel is 9.5 acres, rectangular and generally quite flat, except for maybe 1.5 acres of wetland in the center. Most of it formerly housed greenhouses, and there is one large metal structure remaining on the southwestern side of the property.

Developers had been meeting with the county about redevelopment of the Koida greenhouses starting back in 2022 or 2023. I had seen some county pre-app meeting notes indicating they were looking at townhomes. The good news is that they are apparently building “affordable” (80-100% of AMI, so well over 100% of this area's median income) units – 122 townhomes in a development called Monroe Park. [Monroe Park | Green Light](#)

Apparently developers wanted to sell NCPRD a smaller parcel for the park, and build more units along 72nd Ave on the eastern edge of the property, but NCPRD was concerned about conflicts of having neighbors with backyards backing up to the park, and convinced them to sell the full 9.5 acre parcel.

The parcel is very near to Lot Whitcomb Elementary, and there is some good potential for partnership. There is one residential lot (a largish, mostly greenspace) between the school and the future park, but maybe there will be some future ability to obtain that property and enhance the connection. As is, there is potential for shared parking arrangements (so that the new park doesn't have to have too much parking) as well as a couple of ballfields at the school.

NCPRD definitely sees this as an opportunity to build some of the amenities in the System Plan that do not exist elsewhere in the district, such as a skatepark, perhaps

some pickleball courts, etc. They will undergo an outreach and planning phase over the next 18-months or so. This works out well on two fronts – NCPRD has entered into a construction easement for the construction crews to use the property as a staging area for the townhomes until July 2027, and also the County Development Agency has promised \$500K in urban renewal funds to be spent in the next two years to fund the planning effort.

Once they have final plans, the County is also pledging \$4mil in URA funds towards construction costs, but that to be spent by summer of 2030.

As many of you probably know, Monroe has been closed east of Linwood since spring, or maybe even since last winter. There is a spiffy new “miniroundabout” at 72nd and Monroe, shown in the attached photos with the park property behind it. The new Monroe Street is mostly paved with new curbs, etc. up to 73rd, but the actual multiuse path has not been built yet. I imagine they are trying to finish up some street work ahead of the start of school on Tuesday. The County’s page on the project is linked below – it seems unlikely to me that it will be done by next spring at the rate they are going, but who knows. They haven’t updated this page in three months. [Monroe Street Neighborhood Improvements | Clackamas County](#)

Lisa M. Batey

Mayor, City of Milwaukie

Email: bateyl@milwaukieoregon.gov

Message line: 503-786-7512



RS74



RS75



RS76