



Work Session

WS

Milwaukie City Council

COUNCIL WORK SESSION

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

REVISED AGENDA

SEPTEMBER 16, 2025

(Revised September 12, 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.

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1. **Transportation System Development Charges – Overview** (4:00 p.m.) **19**
(Agenda title revised September 12)
Staff: Pater Passarelli, Public Works Director
2. **Utility Code Updates – Discussion** (5:00 p.m.) **24**
Staff: Michael Osborne, Finance Director, and
Peter Passarelli, Public Works Director
3. **2024-2025 Leadership Academy – Report** (5:30 p.m.) **32**
Staff: Dan Harris, Events & Volunteer Coordinator
4. **Adjourn** (6:00 p.m.)

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Executive Sessions

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



COUNCIL WORK SESSION

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MINUTES

SEPTEMBER 16, 2025

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

Staff Present: Dan Harris, Events & Volunteer Coordinator Emma Sagor, City Manager
Michael Osborne, Finance Director Scott Stauffer, City Recorder
Peter Passarelli, Public Works Director

Mayor Batey called the meeting to order at 4:08 p.m.

1. Transportation System Development Charges (SDCs) – Overview

(Agenda title revised September 12)

Passarelli introduced FCS Group consultants John Ghilarducci and Zech Hazel and noted the purpose of the presentation was to provide an introductory overview of SDCs. **Ghilarducci** explained that SDCs were one-time fees assessed on new development to fund capital improvements for water, wastewater, stormwater, transportation, and parks systems, outlined how they were calculated based on infrastructure costs, and distinguished between the reimbursement fee for existing capacity and the improvement fee for growth-related projects. **Ghilarducci** referenced governing provision requirements for project lists, developer credits, and public notice periods before adoption and explained the methodology of how collected fees comprise the total SDC.

Councilor Stavenjord joined the meeting via Zoom video conference at 4:11 p.m.

The group discussed how SDC calculations were updated as system plans were revised every seven to ten years, incorporating projects from adopted plans. It was explained that while fee methodologies remained consistent, project data was refreshed to reflect current infrastructure and growth.

Ghilarducci explained the distinction between reimbursement and improvement fees, and clarified adjustments made for outstanding debt, coordination with partner agencies, and Council's discretion to adopt any rate up to the maximum charge.

The group discussed how regulatory and capacity-driven projects were evaluated for SDC eligibility, tracking of reimbursement and improvement fee proceeds, how upsizing infrastructure could influence eligibility, and how policy and operational factors guided decisions to avoid overbuilding system capacity. It was noted that SDCs served as a supplemental funding source tied to variable development activity.

Hazel explained how cost calculations were developed using the city's existing Transportation System Plan (TSP) and current Capital Improvement Plan (CIP). **Hazel** explained how the TSP projected growth in peak-hour travel demand and clarified that while vehicle trips tracked automobile activity, the SDC methodology relied on person trips to account for all travel modes, including walking, biking, transit, and carpooling.

The group discussed how trip generation data was estimated and used, noting that national traffic engineering standards were used to set trip rates by land use type.

Hazel explained how eligible project costs were determined using the CIP, TSP, and a combined project list and added that the upcoming TSP update would include revised growth assumptions, project lists, and funding allocations that could affect future SDC calculations. **Passarelli** noted that staff intended to revisit the SDC calculations after adoption of the updated TSP and CIP to incorporate new project lists and data.

The group discussed Planning Commission updates to the TSP project list, noting that the current draft remained within the \$27.5 million financially constrained limit.

Hazel presented a comparison of transportation SDCs from nearby jurisdictions, noting that even if Milwaukie adopted the maximum calculated rate for single-family residences, it would remain among the lowest in the region. **Ghilarducci** explained that higher rates in neighboring cities were due to overlapping countywide transportation charges and local fees in high-growth areas, with some jurisdictions exceeding \$50,000 in total SDCs for new single-family development.

Ghilarducci noted next steps and added that tiered transportation SDCs based on dwelling size were an emerging trend that could allow smaller units to pay lower rates.

The group discussed approaches to scale transportation SDCs, including by unit size, affordability level, or proximity to transit. They discussed state law requirements and that any discount unrelated to trip generation must be backfilled with other funds to remain legally defensible. The discussion concluded with confirmation that the updated TSP was expected to be adopted in December, with SDC hearings anticipated in late spring or early summer following completion of the analysis.

2. Utility Code Updates – Discussion

Osborne and **Passarelli** proposed updates to the utility code intended to clarify ambiguous sections and provide greater operational flexibility. The revisions focused on defining responsibilities for water service lines, temporary service connections, and leak repairs, as well as updating procedures to allow administrative discretion in setting shut-off dates. **Passarelli** elaborated on the ownership clarification, noting that the city would be responsible for service lines from the main to the meter, while property owners would maintain lines from the meter discharge to the building. The group discussed ownership issues and responsibility for fixing water line leaks.

Passarelli outlined updates for temporary water service, explaining that hydrant assemblies with backflow prevention and metering would continue to be issued for construction purposes only.

The group discussed proposed updates to delinquency procedures that would allow staff to schedule water shut-offs within a seven-day window rather than on a fixed date.

Passarelli noted that the proposed code revisions focused on addressing specific issues but acknowledged additional sections of the utility code could be reviewed for consistency. **Sagor** added that staff planned to bring the draft code language back to a future work session for further discussion and legal review. The group discussed additional sections of the utility code that could be revised.

Osborne and **Sagor** stated that approximately 24 properties, primarily in the Island Station area, were not connected to city water or sewer but still received utility bills for other city fees because they were in city limits but received water service from other agencies. The group discussed billing practices for properties served by other providers and confirmed that all customers within city limits received appropriate utility bills.

3. 2024-2025 Leadership Academy – Debrief

Harris reported on the Milwaukie Leadership Academy, describing it as a successful community program designed to educate residents about city government and encourage civic involvement. **Harris** noted that the 2024–25 academy cohort had included 33 participants, exceeding the target of 25, and that past graduates had gone on to serve on neighborhood district associations (NDAs), city boards and committees. The program, co-facilitated by community member Stephan Lashbrook, included eight sessions and three field trips between October and June. **Harris** shared adjustments to class length, scheduling, and hybrid participation options to improve accessibility and engagement and highlighted continued strong community interest in the program.

The group discussed opportunities for Council participation in upcoming academy sessions. Appreciation was expressed for inviting applicants not selected for boards and committees to participate, helping them gain familiarity with city operations. Discussion followed on resident eligibility and outreach, noting occasional confusion from applicants outside city limits. Council expressed support for continuing the program's inclusive approach and commended staff for its community impact.

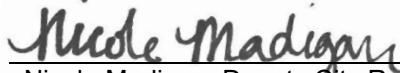
Council Reports

Council discussed scheduling a tour to see the new Concord Community Center.

4. Adjourn

Mayor Batey adjourned the meeting at 5:54 p.m.

Respectfully submitted,



Nicole Madigan, Deputy City Recorder

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CITY OF MILWAUKIE

Memorandum

To: City Council
From: Joseph Briglio, Assistant City Manager, Peter Passarelli, Public Works Director
CC: Emma Sagor, City Manager
Date: September 16, 2025
Re: Community Development & CIP Monthly Update

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

COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT/HOUSING

Economic Development

- Milwaukie was the cover story for the Portland Business Journal in February 2025 - <https://www.bizjournals.com/portland/news/2025/02/05/milwaukie-portland-housing-multifamily-pietros.html>
 - The Portland Business Journal staff re-toured Milwaukie this month and shared [this update on social media.](#)
- [Bobs Red Mill](#) - On February 8, Bob's Red Mill announced that it would be [closing its Retail and Café](#) property on International Way on February 17. The company later [announced on social media](#) that it would be closing its doors on February 12. The closure only impacts on its retail and café operations.
 - The property is listed for sale at \$5.95M – [See Flyer](#)
 - Staff have reached out to a few businesses and developers to help generate interest.
- [The Business of Milwaukie](#), a city-wide business association, launched on November 1 with its "Meet Milwaukie Event" and subsequent Holiday Shopping/Small Business Saturday campaign called "Sip Shop Support."

- Milwaukie was featured in two news stories in May 2025. [KOIN](#) covered the May First Friday event, and [Willamette Weekly](#) highlighted local businesses and attractions.
- Two Sisters Cafe had their grand re-opening under new ownership on July 5. The Oregonian ran [a story](#) on the new owners and how they reimagined the space and offerings while preserving the original business model: a place for kids and parents.
- Sock it to Me is moving their operations out of Oregon. The 30,000 sf building at 9592 SE Main is currently [for lease](#).
- NMIA:
 - For Sale: Anderson Pots. 2425 SE Moores St (Mixed) | \$11.5 million.
 - For Lease: 2312 – 2330 SE Clatsop (Industrial), 2,305 – 6,375 SF
 - For Lease: 2200 SE Mailwell Dr (Industrial), 4,000 – 37,112 SF
 - For Lease: Sock it to Me. 9592 SE Main St (Office), 30,265 SF
- Business Industrial Area:
 - For Sale: 4040 SE Wister St (Industrial), 9,014 SF | \$1.85 million
 - For Sale: 5285 SE Mallard Way (Industrial), 35,000 SF | \$7.35 million
 - For Sale: Bob's Red Mill. 5000 SE International Way (Retail), 20,889 SF | \$5.95 million
 - For Lease: 4103 SE International Way (Flex), 5,768 SF
 - For Lease: 5,498 SE International Way (Flex), 5,750 SF
 - For Lease: 4210 SE International Way (Multiple), 624 – 4,688 SF
 - For Lease: 4288 SE International Way (Industrial), 5,000 SF
 - For Lease: 5565 SE International Way (Industrial), 17,600 SF
- Neighborhood Hubs
 - For Sale: 9391 SE 32nd (Vacant Lot)
 - For Lease: 6100 – 6130 King Rd (Retail), 640 SF
- The city has launched a new [bike rack request form](#) to intake and process bike rack requests in a more orderly fashion. The aim is to facilitate more bike access to commercial and employment areas.
 - Four new bike racks have been added downtown.
 - Three bike corrals have been ordered for the cutout in front of pFriem, which will result in 24 bike parking spaces.

Downtown:

- The [Downtown Alliance of Milwaukie \(DAM\)](#) has started meeting regularly and taken the place of the now defunct Downtown Milwaukie Business Association (DMBA). Multiple city staff members have participated in their meetings and discussions and will continue to partner as much as resources allow. The group approved of its 2025 priorities, which are as follows:
 - Hanging flower baskets sponsored by businesses
 - Milwaukie food festival
 - Wayfinding signs/poster adoption and downtown 99E signs.
 - Utilize private parking lots for weekend events.
 - Elk Rock Island Float (Summer)
 - Milwaukie Bay Park Support
 - Oktoberfest
 - Main street holiday lights and decoration contest

DAM is also building out its website and recently received its 501C3 Non-Profit status. Their Facebook site is [here](#).

DAM hosted their inaugural fundraising event, the Little [Float](#), on August 2, 2025.

DAM, in collaboration with Mayor Batey, is running point on ribbon cuttings for new businesses near downtown.

- [Giving Cafe & Bistro](#) recently opened at the old Ovation location.
- The sale of the Collectors Mall, along with the adjacent store fronts, closed in late summer 2024 and is actively soliciting for new tenants in the vacant spaces: [Updated Lease Flyer](#)
 - The property owner submitted an [Oregon Main Street](#) grant on March 13, which was supported by the city, to receive funding for restoring the building façade.
 - The property was awarded a \$400,000 Oregon Main Street grant on June 10.
 - The property at 10909 and 10933 SE Main St (corner of Main St and Monroe St) received land use approval for facade improvements and has submitted building permits for facade and interior tenant work to both demolish and construct new partition walls and tenant suites.
- Historic City Hall: [pFriem Beer](#) and [Keeper Coffee](#) are officially open as of April 7. The final tenant, [Circsus](#), opened in August.
- The former Chase Bank property (10900 SE 21st Ave) was sold. The Planning Commission held a public hearing on the new owners' [land use application](#) for a 45-unit residential development on May 13, 2025. The project was approved at that hearing. The site is demolished and construction should begin soon.

- [1847 Food Park](#) located at 1925 SE Scott St has begun site work and building framing, with an anticipated opening sometime this fall.
 - Migration Brewing was [announced](#) as the anchor tenant for the food park.
- [11138 SE Main Street \(Sapphire\)](#) and [11222 SE Main Street \(Broken Arrow Archery/USPS\)](#) sold and the new owners have not proposed any changes or development plans.
- Dark Horse, DAM, and City Staff have been collaborating on updating many, if not all, of their storefronts and interior spaces. There will be more suite spaces opening up for businesses very soon.
- [North Main Village Apartments](#) is currently for sale.
- To help with the uptick in visitation, staff created a new public [parking map](#) that highlights the parking and transit options in and near downtown.
- *Milwaukie Station*: All cart spaces are currently occupied.
 - The final lease with the Johnson Group ends in fall 2026.
 - City Council discussed the future of Milwaukie Station at the September 2 regular session, choosing to explore an outcome where it remains a food truck pod for now.

Milwaukie Marketplace:

- Kimco officially sold the marketplace to [Lincoln Property Company](#) (LPC), a Texas based commercial real estate company, in February. Staff is working with LPC on building new partnerships.
- Shari's Café & Pies has closed - <https://www.oregonlive.com/business/2024/10/struggling-sharis-cafe-pies-closes-additional-locations.html> - There are no updates on a future tenant yet.
- Pietro's Pizza renovated the old McGrath's Fish House. The new location is open.
 - Highlight: Planning staff assisted Pietro's with moving/approving their "historic," non-confirming sign, so that it could follow them to the new location.
- Milwaukie Marketplace is next in line for PGE's Business Make Ready program. Pending approval, the project would result in 8 electric car parking spots. Economic Development and Natural Resources staff are working with both PGE and the Property Owner to help make this happen.

Enterprise Zone:

- Portland Polymers, a plastics recycler, is relocating to the North Milwaukie Innovation Area (NMIA) and recently received approval to take advantage of the North Clackamas Enterprise Zone tax incentives.
- The Overland Van Project was also approved a few months ago. Alpine Foods is in their final application stages and should receive approval soon. Swagelock has withdrawn its interest for now.

Urban Renewal Area Economic Development Programs:

- Grant program information can be found here:
https://www.milwaukieoregon.gov/departments/economic_development/business_improvement_grants.php
- The Milwaukie Redevelopment Commission Citizen Advisory Committee (MRCCAC) convened in February and May to discuss updates on the business improvement grant program. Since launching in August 2024, the program has served 19 businesses/storefronts with a grand total of \$600,000.
- The current budget (\$600,000) for the programs is expended. Staff requested additional funding in August to continue the momentum and success of the programs.
- The grant fund was replenished with \$1 million for fiscal year 25-26.

Affordable Housing**Sparrow Site:**

- On January 7, 2025, the council adopted the following development goals:
 - Affordable Homeownership models that serve households earning up to 80% Area Median Income (AMI)
 - Unit Mix. Preference for family-size units.
 - Equity in contracting and workforce development.
 - Preservation of tree canopy.
 - Sustainable design.
 - Affirmative outreach.
 - Minimize need for city financing.
 - Project delivery that is as soon as practicable.
- The City Council held a public hearing to designate the Sparrow properties as surplus at its February 18th Regular Session Meeting. On August 15th, staff released a competitive Request for Proposals (RFP) for the Sparrow Site.. Staff offered a site visit and Q&A to the ISNDA on August 26th, to which one (1) resident attended. A mandatory on-site meeting for interested RFP respondents was held on September 9th. The purpose of this meeting was to ensure proposers have an accurate starting point and understanding of existing site conditions. There were twenty-five (25) attendees at this meeting, the sign-in sheet is posted on the city's procurement portal: [Bonfire](#). Proposals are due on October 22, 2025, giving respondents just over nine (9) weeks to compile proposals.

Coho Point:

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

- Given that FEMA has expanded the scope of the CLOMR, Black Rock and the city agreed to an additional extension through June 2025.
- Black Rock received CLOMR approval from FEMA in March. Since that time, the developer has been working through next steps on their financing, due diligence items, and their timeline to construction. Staff have also been coordinating efforts between Coho Point and Kellogg Dam as the two projects could potentially end up with similar construction timelines, depending on how long it takes to confirm financing on both.
- The developer, Farid Bolouri, has received an additional extension to the due diligence period through January 31, 2026, and is scheduled to provide a status update to Council on October 7th, 2025.

Construction Excise Tax (CET) Program:

- The CET Program was established by the city council in 2017 and codified within chapter 3.60 (Affordable Housing Construction Excise Tax) of the municipal code. The CET levy's a one percent tax on any development over \$100,000 in construction value. In example, a property owner who is building an addition that has an assessed construction value of \$100,000 would have to pay \$1,000 in CET to the city. As development continues throughout the city, the CET fund increases in proportionality.
- The city released its inaugural competitive bid process for CET funds through a formal Request for Proposals (RFP). This resulted in Hillside Park Phase I being awarded \$1.7M (requested \$2M) and the Milwaukie Courtyard Housing Project (Now called Milwaukie Shortstack) with \$300K (requested \$600K).
- On March 7, 2023, the city council authorized the city manager to execute the necessary grant agreements in the amounts listed above. The grants agreements for both projects have been signed and executed, and initial funding disbursements have occurred. Staff will now work with the applicants to ensure that their projects meet the conditions for funding.
- In recent conversations with staff (February 18, 2025), the Council has directed staff to support the development of the Sparrow site with affordable housing related CET Funds.
- A portion of the Economic CET related funds will be programmed for a city-wide business grant program (outside the URA). The CET grant materials are live on the city website. Staff will begin accepting applications October 1, 2025.

Housing Production Strategy Implementation:

- Affordable Housing Code Incentive Package: ZA-2025-003: A Type V code amendment package proposing a new code section with targeted code incentives for affordable (income-restricted) housing. Work sessions have been held with both the City Council and the Planning Commission. A public hearing with the Planning Commission was held on July 22, where the Commission voted to recommend approval of the code package. Public hearings with the City Council were held on August 19 and September 2, when Council voted to adopt the code package. The code amendments are effective immediately per Ordinance 2256.
- Staff submitted a grant application to DLCD on August 1 to implement the HPS strategy to "increase capacity in the Residential High Density (R-HD) zone." Milwaukie seeks to revitalize its underdeveloped R-HD zone by conducting a pro forma analysis to determine feasible

densities, adjusting zoning if needed, identifying tools to support redevelopment of underutilized parcels, and exploring rezoning additional land to R-HD to meet housing needs and encourage higher-density residential development. Grant awards are expected to be announced later this fall.

PLANNING

Comprehensive Plan Implementation

- Neighborhood Hubs: Following a series of public workshops and an online survey, planning and community development staff moved forward with proposed code amendments and an economic development toolkit for the Neighborhood Hubs project. Council approved the Phase 2 code amendments on August 6. Staff and Council discussed Phase 3 in a work session on November 5. Council provided staff with direction for future work session topics for Phase 3. A work session to discuss Phase 3 was held on February 18. The next phase will focus on creating marketing materials to explain the Hubs code changes to property owners and businesses and promote the city's Temporary Use program once updates are complete

Transportation System Plan (TSP)

- The TSP kicked off in October 2023. To date, the Technical and Advisory Committees have each met ten times, most recently in August to review the projects prioritization for all modes of travel citywide. Planning Commission reviewed the priority projects in August. City Council will review the prioritized projects on September 16.

Planning Commission

- ZA-2025-002: A Type V code amendment package that proposes to make amendments related to middle housing land divisions in Title 17 – Land Division is on hold. The proposed amendments will be housekeeping amendments to ensure that the code accurately reflects state law, as it relates to the processing of middle housing and expedited land divisions. State law is explicit in how these applications must be processed. Oregon House Bill 2138, signed by the Governor in July, makes several revisions to the middle housing land division process which are now effective. Rulemaking from DLCD is expected by January 1, 2028. In the meantime, the city will apply the new state requirements for the processing of expedited land divisions before proposing any code amendments.
- **Land Use/Development Review¹**
- MHL-2025-004: An application for a middle housing land division (MHL) of a detached quadplex has been proposed at 10598 SE 53rd Pl. The associated building permits have been submitted and are under review. The MHL preliminary plat application was approved on August 29, 2025. A final plat application will be required to officialize the subplot creation.
- MHL-2025-005: An MHL application for a detached quadplex has been proposed at 8933 SE 39th Ave. The associated building permits have been submitted and are under review. The MHL preliminary plat application was initially approved on August 8, 2025, though the notice of decision inadvertently included the wrong findings; the decision was re-issued on August 25, 2025, with corrected findings. The associated but separate Type II variance request to reduce the rear yard from 20 ft to 15 ft was approved with file #VR-2025-009 on August 8, 2025.
- VR-2025-007: An application for a variance to install a new fence that is six feet tall in a portion of the front yard at 4119 SE Northridge Dr, which exceeds the 42-inch maximum height allowance for fences located in front yards on residentially zoned properties. The

¹ Only land use applications requiring public notice are listed.

fence would be made of cedar and would replace an existing wood fence.

- VR-2025-010: A Type II fence height variance has been requested for the property at 6415 SE Plum Dr to allow an existing 8-ft tall fence in the side yard. The application is in completeness review. The application was deemed complete and public notices were sent. The applicant notified the city their intent to withdraw the application on September 3.
- MHLD-2025-007: An application for a middle housing land division, to be processed as an expedited land division, for the proposed cottage cluster development on the Monroe Farms site on Monroe St. The proposed land division would create 45 sublots: 44 sublots for detached cottages and one subplot for all accessways, parking areas, common courtyards, and utilities. Referrals to city departments and agencies for technical review were sent on August 7. A Notice of Decision to approve the application with conditions was issued on August 27.
- MHLD-2025-008: An application for a middle housing land division for a detached duplex at 10275-10287 SE 36th Ave was submitted on September 3. The application is in completeness review.
- MHLD-2025-009: An MHLD application for an attached triplex at 4386 SE Monroe St was received on September 5, 2025. The application is in completeness review.

Updates Senate Bill 1537: [SB 1537](#) is a Housing Production Bill passed in 2024 as part of the state's ongoing efforts to address Oregon's housing crisis. The legislation introduces measures aimed at increasing housing production and affordability. It requires local governments to grant adjustments (variances) to specific development and design standards applied to the development of housing if the application meets certain conditions. On April 9, 2025, the City requested an exemption from SB 1537 from the Housing Accountability and Production office (HAPO). The request was approved with conditions on August 7, 2025. Staff are reviewing the decision to determine next steps and will update the Council and Planning Commission in the near future. The City will continue applying its local processes to review adjustment requests in lieu of the mandatory adjustment provision of SB 1537, except in the few places that the City's existing adjustment (variance) regulations are superseded by the Mandatory Adjustments provisions, particularly in the DMU zone. Staff is required to notify prospective applicants of residential development of the HAPO decision. A webpage has been created to provide this information:

https://www.milwaukieoregon.gov/departments/planning/oregon_senate_bill_1537.php

BUILDING

Permit data for	August	FY to Date:
New single-family houses:	0	2
New ADU's	0	1
New Solar	3	6
Res. additions/alterations	13	2714
Commercial New	2	2
Commercial Alterations	9	17
Demo's	1	3
Cottage Clusters	0	0
Townhouses	0	0

Total Number of Permits issued: 263

(includes fire, electrical, mechanical, plumbing, and other structural)

Total Number of Inspections: 942

Total Number of active permits: 1062

ENGINEERING

Capital Improvement Projects (CIP):

CIP 2018-A13 Washington Street Area Improvements

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

Update: Contractor is working through punch list items to finalize the project. AKS is working on surveying the site to procure as-built drawings.

CIP 2016-Y11 Meek Street Storm Improvements

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

Update: Working on closing out the project.

CIP 2021-T58 Milwaukie Downtown Streets and Curbs

Summary: The project includes SAFE improvements to downtown sidewalks by replacing existing sidewalk with pervious concrete sidewalk. Stormwater improvements include installing 5 storm inlets and 5 manholes. The project will use a specialized product, Silva Cells, to deter sidewalk uplift from tree roots. This project is out to bid and is expected to select a contractor by January 14th.

Update: Project is complete.

CIP 2022-W56 Harvey Street Improvements

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

Update: Tapani will start mobilization of equipment on the third week of October.

CIP 2021-W61 Ardenwald North Improvements

Summary: Project includes street repair on Van Water Street, Roswell Street, Sherrett Street, 28th Avenue, 28th Place, 29th Avenue, 30th Avenue, and 31st Avenue with a shared street design for bicycles, pedestrians, and vehicles. The sidewalk will be replaced on the north side of Roswell Street between 31st and 32nd Avenue. Stormwater catch basins in the project boundary will be upgraded, the water system will be upsized on 29th Avenue, 30th Avenue, 31st Avenue, and

Roswell Street, and there will be wastewater improvements on 28th Avenue, 29th Avenue, and 31st Avenue to address multiple bellies and root intrusion to reduce debris buildup.

Update: All utility work is complete. Contractor is working on paving this month. Project is anticipated to be completed by end of October.

CIP 2022-A15 King Road Improvements

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

Update: NWN engineering team has not finalized the design for phase 2 that will cover from 54th Avenue to Lindwood Avenue; City staff is working with NWN to identify a start and end of this utility work.

As of August 6th, 96% of the Permit of Entry letters are signed by the owners.

Engineering design was finalized in the first week of July. Bid was launched on July 11th and closed on August 7th. The notice of intent to award was posted on August 28th. Landis & Landis Construction was the highest scoring proposer. It is expected that contracting will be completed in September, and construction will start in early October. The website has all the information and final design plans for reference.

CIP 2024-N04 Downtown Streetscape Improvements

Summary: SE Main Street from Washington Street to the north end of City Hall: URA project to update and bring up to Downtown standards sidewalks, ramps and parking spaces. The design will be in-house led by the engineering department.

Update: A project charter has been drafted and shared with the Public Works Department to add projects that could be completed at the same time along SE Main Street. The charter will soon be shared, refined and approved by department managers.

The Topographic survey was completed over the winter by Emerio Engineering; CAD baseline files are in City's possession to start the design process

No updates as of August 6th, 2025.

CIP 2025-T61 2025 Grind & Pavement

Summary: Annual street project that identifies city roads that need to be repaved and marked. The identification process was coordinated by the Engineering department and the Street Division.

Update: The low bidder is Knife River Corporation – Northwest. The pre-construction meeting was completed in July. Construction is scheduled to start on August 11th and be completed by September 12th. Mailers were sent to inform and share the schedule with community members that will be in the working zones and surroundings. The project website has an individual schedule for all the roads that will be repaved.

CIP 2025-S17 Slurry Seal 2025

Summary: Annual street project that identifies city roads that may benefit from a topical slurry seal treatment, so as to maintain an acceptable pavement condition index value. The identification process was coordinated by the Engineering department.

Update: The Slurry Seal Project is substantially complete. Pavement legends and roadway striping will be replaced in late August.

CIP 2025- First Fish Herons

Summary: As part of the IGA with the Confederated Tribes of Grand Ronde and the third phase of the Milwaukie Bay Park design the Engineering department is working with the Cultural Resources Department of the Tribes to complete the design and construct three art plinths for seasonal art exhibitions.

Update: The engineering department identified an alternative for the foundation of the plinths. This will be a pin pile which will be lighter and equally strong that will ensure the engineered sloped of the park shore does not experience additional loads.

The bid process will be a design-construct approach and will be procured as an intermediate contract appointment. The procurement process is in process; the bid was opened on August 22nd and will close on September 16th. Three companies were invited to bid on this project, Condon Johnson, HP Civil, and Malcolm Drilling. The completion date for the construction work has not changed, and updates have been sent to the Grand Ronde Art's department.

Once the contractor is selected, there is going to be field visit with the Art's department to define and discuss the final details of the plinths at the park.

CIP 2024-XXXX Stanley Avenue Improvement Project

Summary: This project is a collaboration between the Clackamas County Development Agency and the City. The work will comply with the IGA signed in 2024. The limits of the project will be from King Road to Johnson Creek boulevard. The County will lead the design stage while the city will lead the construction stage.

Update: The county completed the bidding process for the selection of the consultant during June and July 2025. The selected consultant is DOWL. The City and County are drafting the scope and fee for the design that will start in Fall 2025.

Line 33 – Better Bus Project (TriMet)

Summary: As part of the Better Bus Project TriMet and Clackamas County are working together to bring Transit Signal Priority (TSP) to the Line 33 bus. This will improve reliability and reduce the delays the route currently experiences.

As part of this project, TriMet is consolidating bus stops and retrofitting the infrastructure of the route. A consolidation of bus stops will take place on SE Harrison Street between 26th Avenue and OR 224. Two eastbound and two westbound stops will be consolidated into a one bus stop at 2816 SE Harrison Street by the Bridge City Community Church

The Engineering and Planning Departments are working closely with TriMet and Clackamas County evaluating the design and helping coordinating permits and utility relocation. It is expected that construction takes place in Fall 2025.

Update: TriMet sent the 30% design plans for City's review. Engineering staff reviewed the plans and sent comments back to TriMet. It is expected that plan reviews will be provided at 60%, and 90% before construction.

Waverly Heights Sewer Reconfiguration

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

Update: The design team is complete with drawings and specifications and preparing to go out to bid. Once easements are in place then we will bid the project.

Monroe-Washington Street Greenway

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

Segment Update:

East Segment (37th to Linwood): Staff have come to an agreement with ODOT and contracted CONSOR for the design. CONSOR has submitted the Design Approval Package to ODOT (approximately 60% design). The Plans, Specifications, and Estimate (PS&E) submittal was provided to ODOT in August 2025 and is under review by ODOT and City staff. Final project design is expected in April 2026, and the project is expected to go to bid in Summer 2026 with construction starting in Fall 2026.

Open-Houses were hosted on February 29th for all of the Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project, and on September 12 for the East segment of the Greenway. The City received mixed feedback for moving forward with the project. Feedback from February and September open houses has been incorporated into the design and city staff have prepared an engagement plan to share with the public. City staff presented the status of the East Segment of the Monroe Greenway to the City Council on December 3. Members of the public attended the presentation and participated in the public comments portion of the city council meeting. Staff sent a mailer to residents with frontage along the project to provide early warning of impacts to fences, mailboxes, and landscaping in the right-of-way. A second mailer will follow closer to construction with additional information for residents.

City staff applied for approximately \$1.7 million of additional funding through the Regional Flexible Funds Allocation (RFFA) grant program to mitigate scope reductions due to inflation. Approximately \$1.5 million were awarded. Updates to the Statewide Transportation Improvement Plan (STIP) and Metropolitan Transportation Improvement Plan (MTIP) were adopted in July 2025. Priorities for the additional funding include paving, a flashing beacon at the 37th

Avenue/Washington Street Crossing, and sidewalks on Monroe west of Garrett to complete the Monroe sidewalks from the greenway to 37th Avenue.

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

Central Segment (21st to 34th): The city and ODOT have signed an IGA that will transfer \$1.55 M in STIP funding to the city to construct this segment of the Monroe Street Greenway. City staff have contracted with 3J Consulting to negotiate work at the Oak Street and 37th Avenue railroad crossings. Resolution 30-2025 was adopted at the June 17, 2025, City Council Meeting, approving a contract with Burgess & Niple, Inc for up to \$472,865 for the design of the central segment of the greenway. A community outreach event is tentatively scheduled for mid-October.

Monroe Street & Highway-224 Intersection: This project has now been combined with a larger project which will mill and overlay Highway-224 from 17th Avenue to Rusk Road in Fiscal Year 2026. An Open-House was hosted on February 29th for all of the Monroe Greenway, ODOT's Highway-224 project, the City's TSP, and Kellogg Creek Restoration and Community Enhancement Project. The City received concerns regarding the development of Highway-224 and Monroe Greenway pushing traffic from Monroe Street onto Penzance Street. Construction of the diverter at Highway-224 is complete and signal updates are underway.

The water main in Monroe Street underlying Highway 224 was replaced by pipe bursting in December 2024.

Downtown Monroe Greenway (Trolley Trail to 21st Avenue): The city is investigating funding to enhance the Monroe Greenway through downtown Milwaukie.

Stanley Reservoir Improvements

Summary: The Stanley Reservoir is a 3.0 million gallon at-grade welded steel tank constructed in 1970 and is supplied directly from Well #6 on the same site. The coating system on the exterior has failed and large pieces of exterior coating are peeling. The project consists of abrasive blasting the exterior to a near white blast (SP-10) and then coating with a three-coat zinc, epoxy, stripe coat with urethane finish. Due to lead paint on the exterior, the project will require a full containment tent using shrink wrap plastic with scaffolding access around and over the top. The interior of the tank will be blasted, tested, repaired, and coated with a three-coat epoxy system as well. The project will include the installation of a seismic valve, seismic upgrades to roof rafter systems, and a new mixing system for improved water quality.

Update: The project was awarded to T. Bailey and work began in October 2024. Water Systems Consulting, Inc. was contracted to manage the project. The new mixing system and interior and exterior blasting, testing, repair, and coating are complete. The reservoir was brought back online in May 2025 and has remained in service since that time. While the reservoir was offline the pump at Well 6 was turned to pump directly into water pressure zone 2. Due to the expense associated with turning the pump, a dual-action pump head was designed and installed to allow the pump at well 6 to pump into either the reservoir or directly to pressure zone 2, which will facilitate future tank maintenance and repairs. Updates were also made to the SCADA remote monitoring system and to the chlorine disinfection system at the site. T. Bailey is currently addressing the contract punchlist items, and the project is expected to be complete in October 2025.

Wastewater Pump Station Evaluation and Upgrades

Summary: The City maintains a wastewater collection system which includes 5 pump stations, Island Pump Station, Harrison Pump Station, Home and Monroe Pump Station, Brookside Pump Station, and 55th Avenue Pump Station. The 2022 Wastewater Master Plan identified potential deficiencies in the city's wastewater collection system and pump stations and suggested upgrades to the pump station's instrumentation and communication, electrical systems, mechanical pumping and/or seismic resiliency. The Brookside Pump Station equipment is near its end-of-life and emergency repairs at the Brookside Pump Station are causing operational burdens to city staff. The city will contract with an engineering firm to assess the 5 pump stations, determine repair/rebuild costs, and design a new Brookside Pump Station that meets current city public works standards.

Water Program

Summary: The City has identified water projects in the Capital Improvement Plan 2025-2030, including but not limited to, PFAS treatment evaluation and design, rehabilitation or reinstallation of Well 8, pump station evaluation and upgrades, pressure zone analysis, evaluating and negotiating an intertie with Oak Lodge Water Services, siting and design of additional water storage capacity for the City, seismic and climate resiliency of the water distribution system, and identifying funding sources for the programmed water work.

Update: In March 2024 the City contracted Water Systems Consulting, Inc. (WSC) and RH2 Engineering, Inc. (RH2) for \$3,000,000 each to support the City with funding and completion of the water projects identified in the Capital Improvement Plan 2025-2030. The City met with WSC and RH2 through 2024 to develop a program charter, review and prioritize projects, and identify funding sources.

Water Treatment Upgrades:

Water testing indicates that PFAS treatment will be required at both the upper and lower treatment plants. The lower treatment plant does not have sufficient area to add PFAS treatment, therefore the upper and lower treatment plants will be combined at the upper treatment plant. Combining the water treatment plants carries efficiencies in safety upgrades as well as long-term operations. Raw water will be diverted from the lower treatment plant to the upper treatment plant, which will be upgraded and sized to treat all water for PFAS and VOCs. Contracting for PFAS treatment column testing is underway.

Funding:

In February 2025 the City submitted a letter of interest to BizOregon, identifying \$27,000,000 of improvements to the city's drinking water infrastructure that would be eligible for funding through the Safe Drinking Water Revolving Loan Fund (SDWRLF). In August 2025 the city was notified that up to \$6,000,000 of funding may be made available through the SDWRLF and was asked to provide additional information on project phasing and to confirm interest in applying for \$6,000,000. The city has confirmed interest and expects to be invited to apply for \$6,000,000 from the SDWRLF. Up to 50 percent of funds from the SDWRLF may be forgivable, and the remaining 50 percent is expected to carry an interest rate as low as 1 percent due to the city's status as a disadvantaged community. The application will include funding for construction of a raw water pipeline to direct water from the lower treatment plant to the upper treatment plant, equipment purchase, and site preparation for the water treatment upgrades at the upper treatment plant.

The city is reviewing eligibility for the funding for the design and construction of PFAS treatment through the Clean Water State Revolving Fund Emerging Contaminants (CWSRF-EC) loan administered by Oregon Department of Environmental Quality. The next application deadline is in December 2025.

Kellogg Creek Restoration and Community Enhancement Project

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

Update: The 30% project design package was submitted to all project partners for review on June 18, 2025. The city as well as all other project partners have provided review comments to the design team, which will be prioritized and discussed at a design workshop on 07/03/25. The project team has also submitted appropriations requests to each of Oregon's legislators, each of which were supported for the next steps in the appropriations review process. There is an upcoming TAC meeting in November.

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

Downtown Trees and Sidewalks

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

Private Development – Public Improvement Projects (PIPS)

1600 Lava

Update: This development on Lava drive was completed in February 2025 and adds a new 13-unit multi-family building. Public improvements for this project included a new sidewalk, an ADA ramp, and minor street widening. Building permits have been issued and on-site construction has begun.

Hillside Park

Update: Construction of Phase 1 for this project is underway, and includes 3 new buildings, and their associated public improvements. Public improvements for this development include utilities, new roadway alignment, new sidewalk, ADA ramps, and new asphalt paving.

Seven Acres (formerly Monroe Apartments) – 234 units

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

Henley Place (Kellogg Bowl redevelopment)- 175 units

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

Elk Rock Estates – 5 lot subdivision at 19th Ave & Sparrow St.

Update: All public improvements have been completed; the project is in the close-out phase. The Engineering Department received as-builts from the developer. The land use entitlements have recently expired, so they will need to go back through the process to build units. The lots are currently for sale.

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

Update: The Right-of-Way improvements have been completed, and the new street has been opened. Currently the developer and contractor are addressing final punch list items. As-builts have been submitted to the City for review.

Bonaventure Senior Living – 170-units

Update: ROW permits have been issued, and public improvements are currently under construction. Milwaukie staff have completed on-site storm water facility inspections and will inspect asphalt multi-use path up to HWY 224.

1847 Scott St Food Park

This new food park will provide up to 17 spaces for food carts, a new tap room and a covered canopy shelter, along with frontage improvements. Frontage improvements include new sidewalks, and a new ramp at Main and Scott. Sitework is currently underway.

Document Administration

Plans

Summary: WSC is preparing the Stormwater System Plan.

COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Reviewed: Jherica Zink (as to form), Administrative Specialist II

From: Peter Passarelli, Public Works Director

Subject: **System Development Charges (SDCs) Overview and Proposed Transportation SDC Update**

Date Written: Sept. 4, 2025

ACTION REQUESTED

Council is asked to receive an overview of how the city establishes SDCs and provide guidance on the proposed Transportation System Development Charge (TSDC) methodology and draft rate structure recommendations.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

March 2, 2021: Council received a presentation on SDCs and provided guidance to staff and the city's consultant team concerning the desire to develop a tiered wastewater SDC for residential properties based on dwelling unit size.

January 4, 2022: Council received a presentation on the proposed wastewater SDC methodology and SDC rate structure recommendations for the city's wastewater utility.

May 17, 2022: Council adopted the proposed SDC methodology and SDC rate structure recommendations for the city's wastewater utility.

August 15, 2023: Council received a presentation on the proposed water SDC methodology and SDC rate structure recommendations for the city's water utility.

April 2, 2024: Council adopted the proposed SDC methodology and SDC rate structure recommendations for the city's water utility

ANALYSIS

SDCs are one-time charges assessed on new development, additions, and changes of use to pay for the costs of expanding public facilities. As growth creates new infrastructure demand, SDCs provide a mechanism for new growth to pay for new demand on the water, sewer, storm, transportation, and parks systems. Milwaukie currently charges SDCs for development and redevelopment for water, sewer, parks, and transportation. SDCs are the city's principal source of revenue for planning and infrastructure costs related to growth.

Generally, the charges are broken down into two components: 1) a reimbursement charge to recover existing capacity available for growth and 2) an improvement charge to cover planned capacity for growth. In some circumstances, the fee may include an administrative fee/compliance fee to cover the costs of complying with Oregon's SDC laws.

Not all SDCs collected by Milwaukie are set by the city. The city collects charges set and managed by the North Clackamas Parks and Recreation District (NCPRD) as well as sewer connection fees set by Clackamas County Water Environment Services (WES) and the City of Portland.

The city's SDCs are published in our comprehensive fee schedule. Staff are working on a review of the fee schedule and other development services communication tools to ensure clear, transparent, and consistent explanation of how SDCs are calculated and charged. Council can expect to see these improvements in the next update to the comprehensive fee schedule at the end of FY26.

Proposed TSDC update

The Transportation SDC methodology update was developed in accordance with Oregon Revised Statutes (ORS 223.297–223.314). The analysis is based on the city's current Transportation System Plan (TSP) and identifies eligible capital projects necessary to accommodate future growth.

The methodology follows the standard framework:

1. Reimbursement Fee – Recovers costs of existing available capacity.
2. Improvement Fee – Funds planned future capacity projects identified in the TSP.
3. Administrative Fee – Recovers costs associated with compliance and administration.

The updated methodology incorporates:

- Growth forecasts aligned with Metro projections
- Project list refinements from the current TSP
- Cost allocations between growth-related demand and existing deficiencies.
- A fee schedule for residential and non-residential land uses based on trip generation (Institute of Traffic Engineers (ITE) methodology).

This update is based on projects identified in the city's currently adopted TSP. Projects included in the draft, but not yet adopted, TSP have not been incorporated into the SDC methodology at this time. Upon adoption of the updated TSP, staff will revise the SDC project list and calculations to ensure that new projects are appropriately reflected in the transportation SDC. This sequencing ensures compliance with state law while aligning future SDC revenues with the City's long-term transportation priorities. Staff expect to advance updated TSDC rates in early spring 2026.

The proposed draft rate schedule provides updated fees by land use type. Comparative analysis shows Milwaukie's transportation SDCs are below or in line with peer communities, but adjustments are necessary to ensure adequate funding for growth-related infrastructure.

Proposed SDC Rate



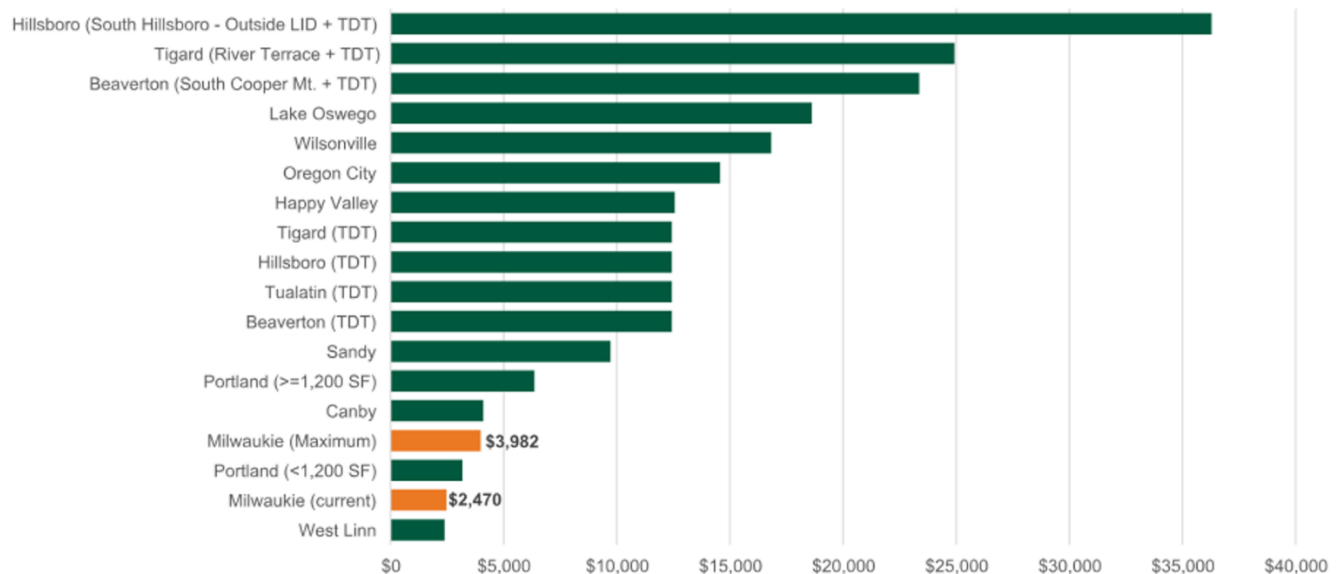
Calculated Transportation SDC Schedule

	ITE		New PM Peak	Transportation
	Code	Unit of Measure	Hour Person	SDC (Combined
			Trip Ends	List)
General Light Industrial	110	1,000 SFGFA	1.02	\$2,754
Single-Family Detached Housing	210	Dwelling Units	1.48	\$3,982
Multifamily Housing (Low-Rise, not close to rail transit)	220	Dwelling Units	0.48	\$1,297
Multifamily Housing (Mid-Rise, not close to rail transit)	221	Dwelling Units	0.46	\$1,239
Mobile Home Park	240	Dwelling Units	0.91	\$2,457
Nursing Home	620	1,000 SFGFA	0.93	\$2,500
General Office Building	710	1,000 SFGFA	1.88	\$5,047
Supermarket	850	1,000 SFGFA	10.57	\$28,402

SDC Comparison



Transportation SDC Comparisons



PUBLIC NOTICE

Pursuant to ORS 223.304, the city will issue public notice of its intent to consider TSDC updates. A public hearing will be scheduled following Council's guidance to take comments from stakeholders and the development community.

EQUITY IMPACTS

The updated TSDC methodology ensures that development contributes proportionally to the cost of new infrastructure, reducing the burden on existing residents.

CLIMATE IMPACTS

Transportation investments supported by SDCs also advance the city's climate and livability goals by funding projects that expand multimodal transportation options, reduce vehicle miles traveled, and improve safety for people walking, biking, and taking transit.

BUDGET IMPACTS

The updated methodology includes capital projects that are necessary to support future growth within in Milwaukie. Updated SDC fees will provide a source of necessary revenues to construct the infrastructure necessary to support future growth.

WORKLOAD IMPACTS

Not applicable.

COORDINATION, CONCURRENCE, OR DISSENT

Not applicable.

STAFF RECOMMENDATION

Staff recommend that Council review the draft TSDC methodology and provide direction regarding the proposed fee structure and next steps, including public notice and scheduling of a public hearing.

ALTERNATIVES

Not Applicable.

ATTACHMENTS

None.



Milwaukie Transportation System Development Charge

WS 1. 9/17/25
Presentation

September 16, 2025





Agenda

- **System Development Charge (SDC) Fundamentals**
- **Transportation SDCs**
- **Next Steps**

SDC Fundamentals





Key Characteristics of SDCs

- SDCs are one-time charges, not ongoing rates. Paid at the time of development.
- SDCs are available for water, wastewater, stormwater, transportation, and parks.
- SDCs are for capital only, in both their calculation and in their use.
- SDCs include both existing and future (planned) infrastructure cost components.
- SDCs are for “system” facilities, not “local” facilities.



Legal Framework for SDCs

ORS 223.297 - 316, known as *the SDC Act*, provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.”





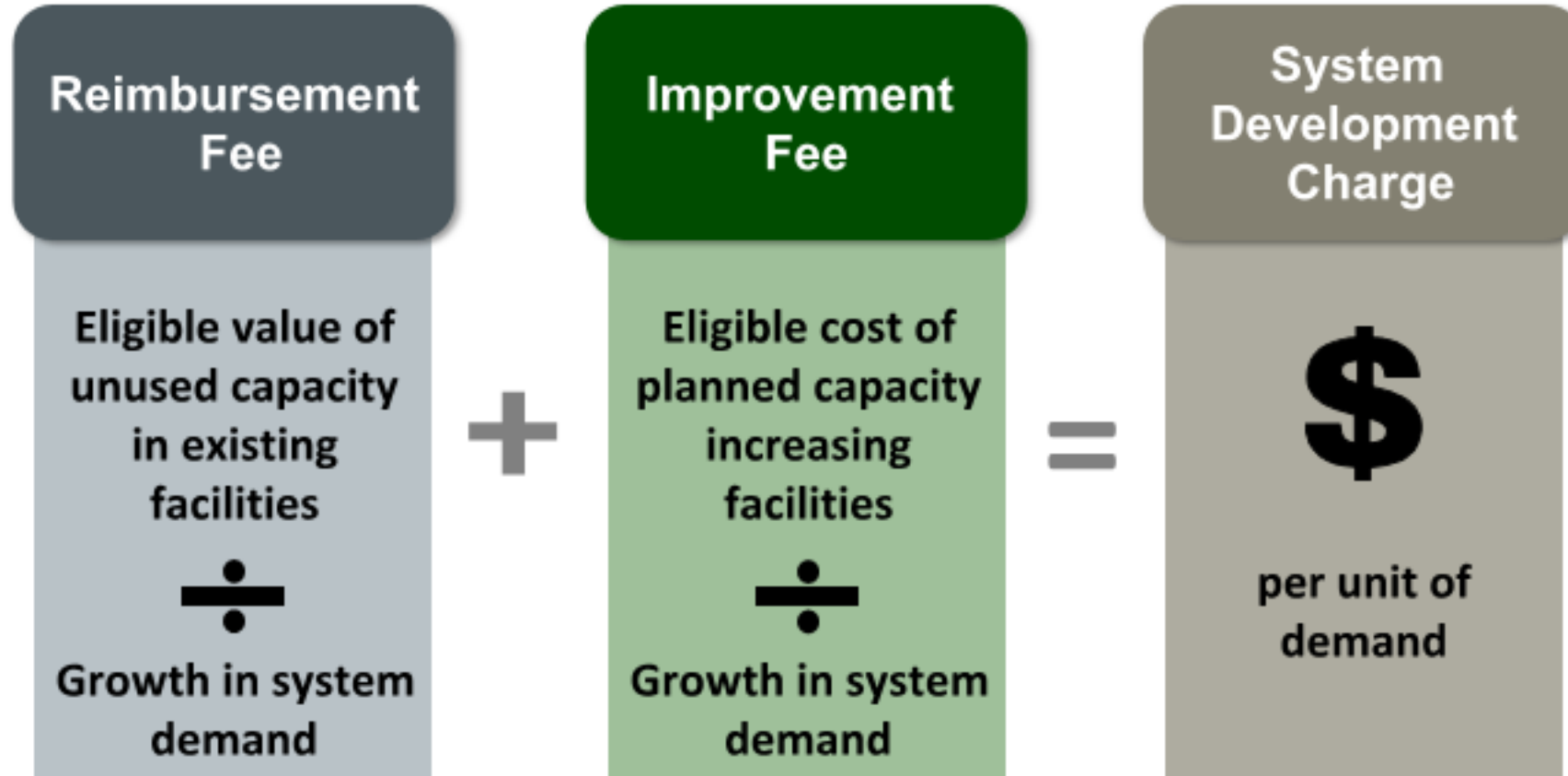
Legal Framework for SDCs

Relevant Sections of the Oregon Revised Statutes

- 223.297 Policy
- 223.299 Definitions for ORS 223.297 to 223.316
- 223.301 Certain system development charges and methodologies prohibited
- 223.302 System development charges; use of revenues; review procedures
- 223.304 Determination of amount of system development charges; methodology;
credit
 - allowed against charge; limitation of action contesting methodology for
imposing charge; notification request
- 223.307 Authorized expenditure of system development charges
- 223.309 Preparation of plan for capital improvements financed by system
development
 - charges; modification
- 223.311 Deposit of system development charge revenues; annual accounting
- 223.313 Application of ORS 223.297 to 223.316
- 223.314 Establishment or modification of system development charge not a land use
decision
- 223.316 Local governments required to make system development charge information

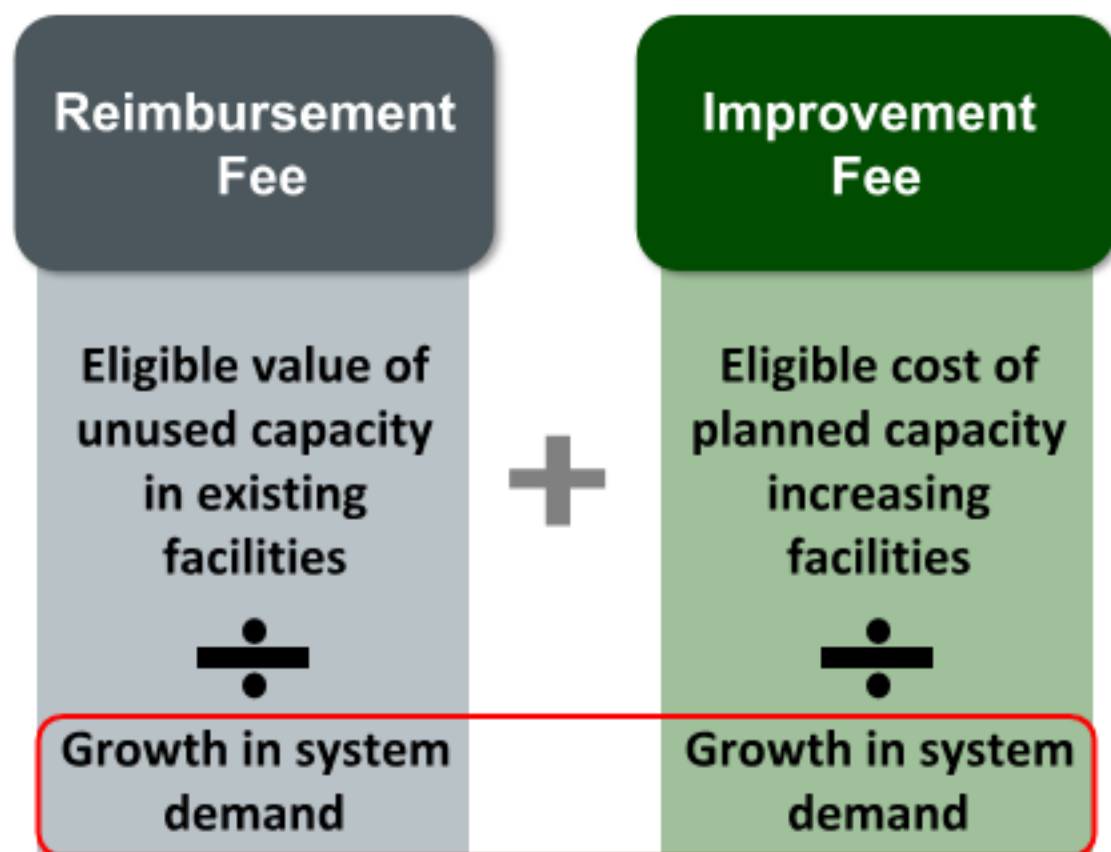


The SDC Calculation





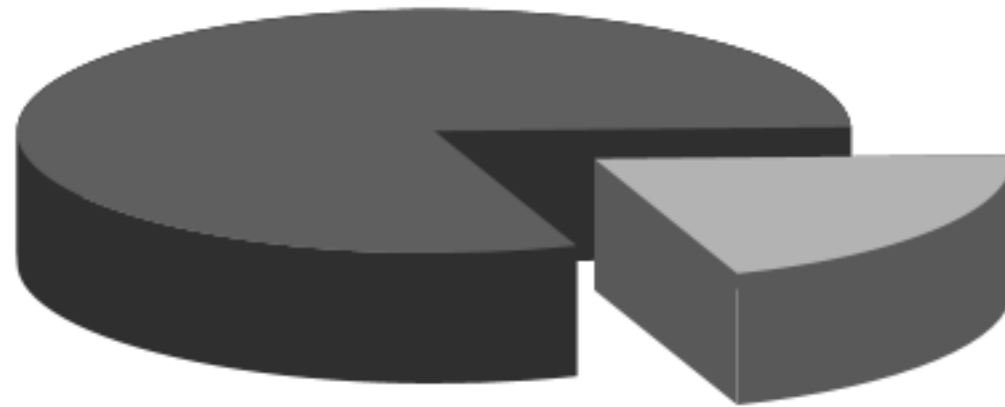
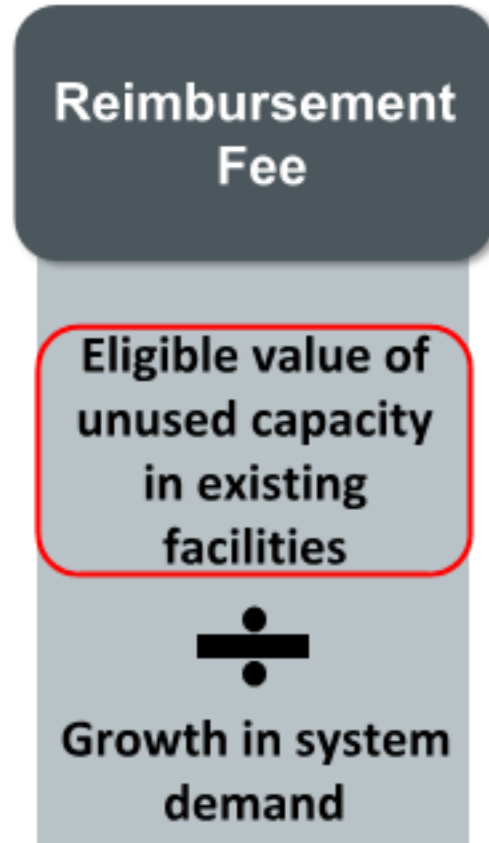
Growth



- Determine units
- Determine current customer base
- Project customer base into future
 - Master plan or other forecast
 - Consistency with project list
- **Future – current = growth**



Reimbursement Fee Cost Basis





Reimbursement Fee

- **Determine original cost of capacity available for growth**
- **Reduce cost basis to avoid over-reimbursement.**
 - Principal of outstanding debt
 - Grant-funded assets
- **The payoff: flexibility in spending reimbursement fees**

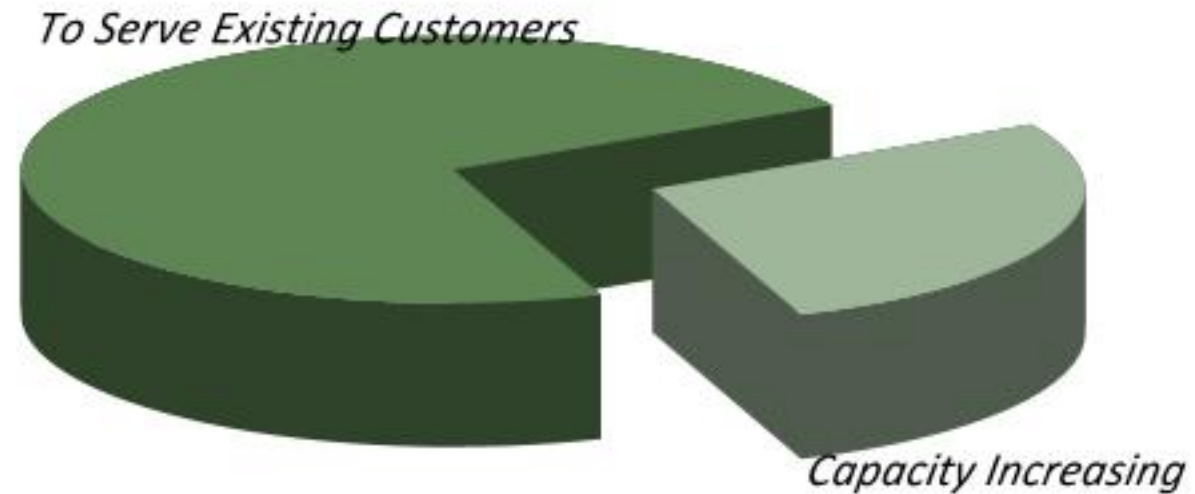


Improvement Fee Cost Basis



Sample Planned Capital Costs

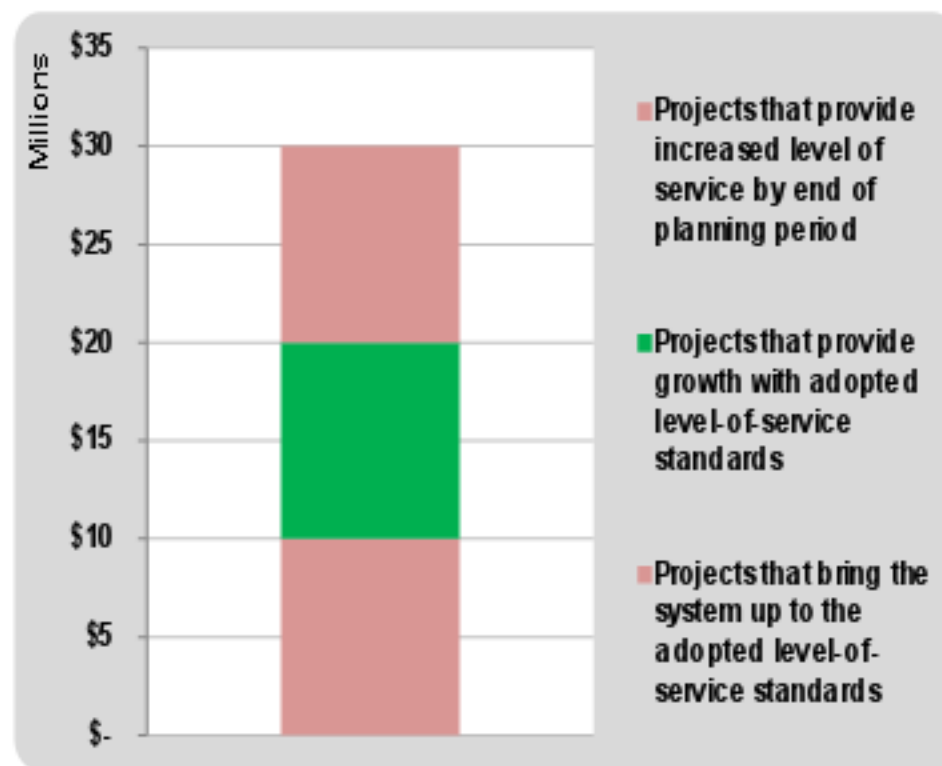
improvement fee eligible





Improvement Fee

- **Determine total project costs to your agency.**
 - Do not include costs borne by another agency.
 - Maintain consistency with growth.
- **Determine improvement fee eligibility.**





Methodology Goals

- Calculations are intended to set the maximum defensible SDCs
- Council can adopt anything up to that maximum for any reason

Council's
Range of
Options

Current
SDCs

Max
Defensible
SDCs

Calculated SDC





Calculated Transportation SDC

Calculated SDC	CIP Project List		TSP Project List	Combined List		
Improvement Fee Cost Basis	\$	587,941	\$	5,005,948	\$	5,505,928
Reimbursement Fee Cost Basis		611,170		611,170		611,170
Compliance Costs		63,650		63,650		63,650
Total	\$	1,262,762	\$	5,680,769	\$	6,180,749
Growth in PM peak hour person trip ends		2,300		2,300		2,300
Improvement Fee per PM peak hour person trip ends	\$	256	\$	2,176	\$	2,394
Reimbursement Fee per PM peak hour person trip ends		266		266		266
Compliance Fee per PM peak hour person trip ends		28		28		28
Total SDC per PM peak hour person trip ends	\$	549	\$	2,470	\$	2,687
<i>SDC per SFR:</i>	\$	814	\$	3,660	\$	3,982



Growth in Transportation Demand

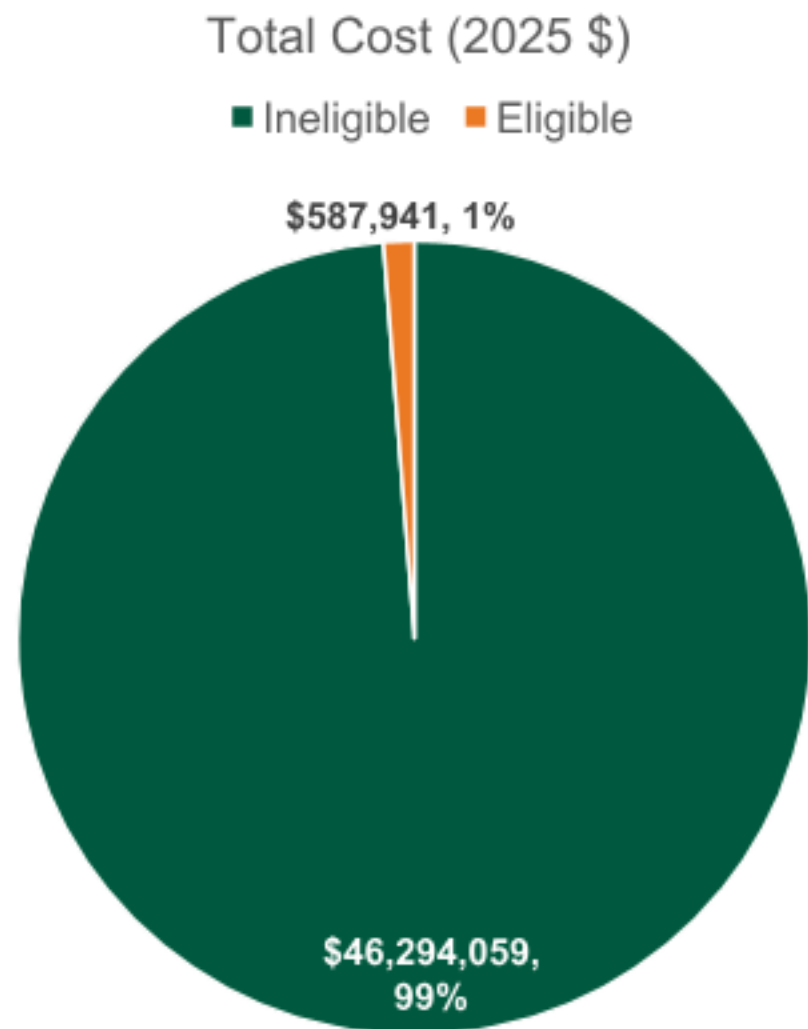
	2010	2025	2035	CAGR	Growth (2025-2035)	Growth Share
PM peak hour vehicle trip ends	21,328	23,357	24,816	0.61%	1,459	5.88%
PM peak hour person trip ends	33,625	36,824	39,124	0.61%	2,300	5.88%

Source: 2018 TSP; U.S. Department of Transportation, 2022 National Household Travel Survey (person trip conversion factor of 1.58)

- Growth is expected to add 2,300 trips PM peak hour person trip ends between 2025 and 2035



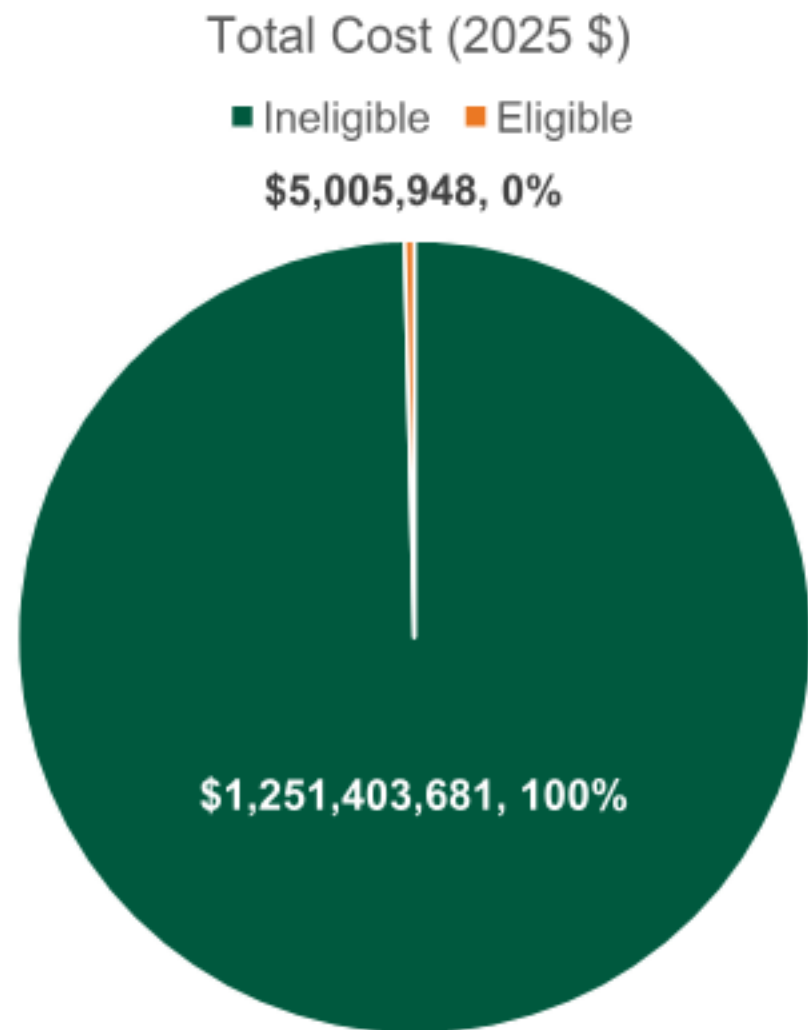
CIP Cost Basis



- The vast majority of projects on the CIP list appear to be maintenance and repair projects
- Sidewalk infill and ADA projects were also not included
- New infrastructure on existing streets received the growth share percentage (5.61%)



Transportation System Plan (TSP) Cost Basis



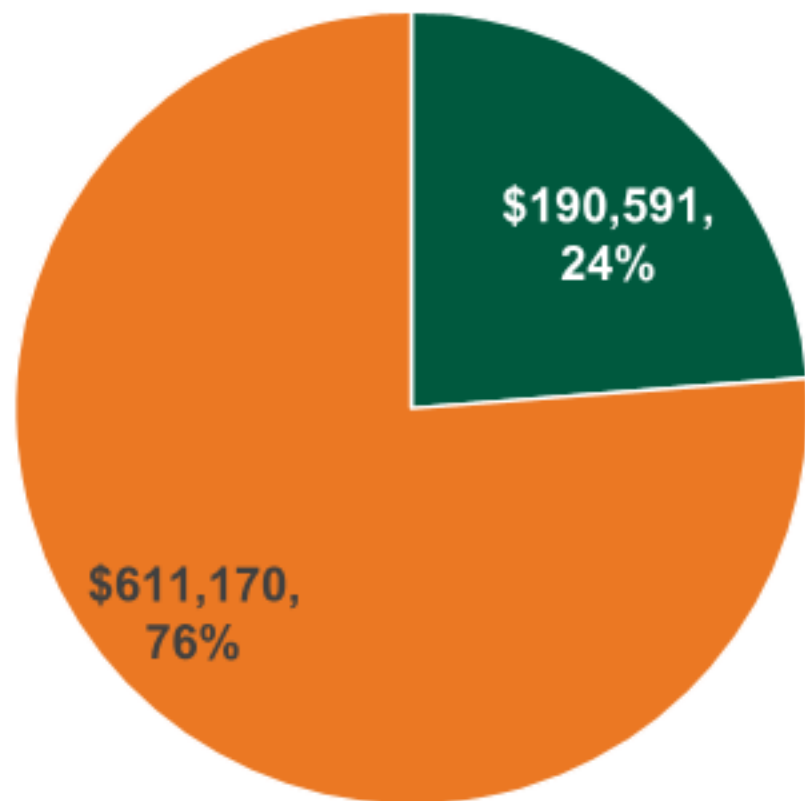
- New infrastructure on existing streets received the growth share percentage (5.61%)
- Some of the eligible projects appear to have been completed, and thus are not included here



Reimbursement Fee Cost Basis

Improvement Fee Expenditures 2014-2024

■ Capacity Absorbed ■ Capacity Available



- The City spent \$802,000 in capacity expansion since 2014
- Assuming an additional 5% of the total capacity is absorbed each year, \$611,000 of capacity remains



Calculated Transportation SDC

Calculated SDC		CIP Project List		TSP Project List	Combined List
Improvement Fee Cost Basis	\$	587,941	\$	5,005,948	\$ 5,505,928
Reimbursement Fee Cost Basis		611,170		611,170	611,170
Compliance Costs		63,650		63,650	63,650
Total	\$	1,262,762	\$	5,680,769	\$ 6,180,749
Growth in PM peak hour person trip ends		2,300		2,300	2,300
Improvement Fee per PM peak hour person trip ends	\$	256	\$	2,176	\$ 2,394
Reimbursement Fee per PM peak hour person trip ends		266		266	266
Compliance Fee per PM peak hour person trip ends		28		28	28
Total SDC per PM peak hour person trip ends	\$	549	\$	2,470	\$ 2,687
SDC per SFR:	\$	814	\$	3,660	\$ 3,982

- Duplicate projects were pared down for the combined list



Calculated Transportation SDC Schedule

	ITE Code	Unit of Measure	New PM Peak Hour Person Trip Ends	Transportation SDC (Combined List)
General Light Industrial	110	1,000 SFGFA	1.02	\$2,754
Single-Family Detached Housing	210	Dwelling Units	1.48	\$3,982
Multifamily Housing (Low-Rise, not close to rail transit)	220	Dwelling Units	0.48	\$1,297
Multifamily Housing (Mid-Rise, not close to rail transit)	221	Dwelling Units	0.46	\$1,239
Mobile Home Park	240	Dwelling Units	0.91	\$2,457
Nursing Home	620	1,000 SFGFA	0.93	\$2,500
General Office Building	710	1,000 SFGFA	1.88	\$5,047
Supermarket	850	1,000 SFGFA	10.57	\$28,402

- **Select land uses shown. The full schedule includes more.**



Upcoming Transportation System Plan (TSP) Update

- **This SDC calculation uses the 2018 TSP**
- **The City is updating the TSP; Council consideration in December**
- **If TSP adopted, this calculation will be revised to include:**
 - » Updated growth assumptions
 - » Updated project lists with up-to-date cost estimates
 - » Revised growth eligibility calculations



Upcoming TSP Project List (Draft)

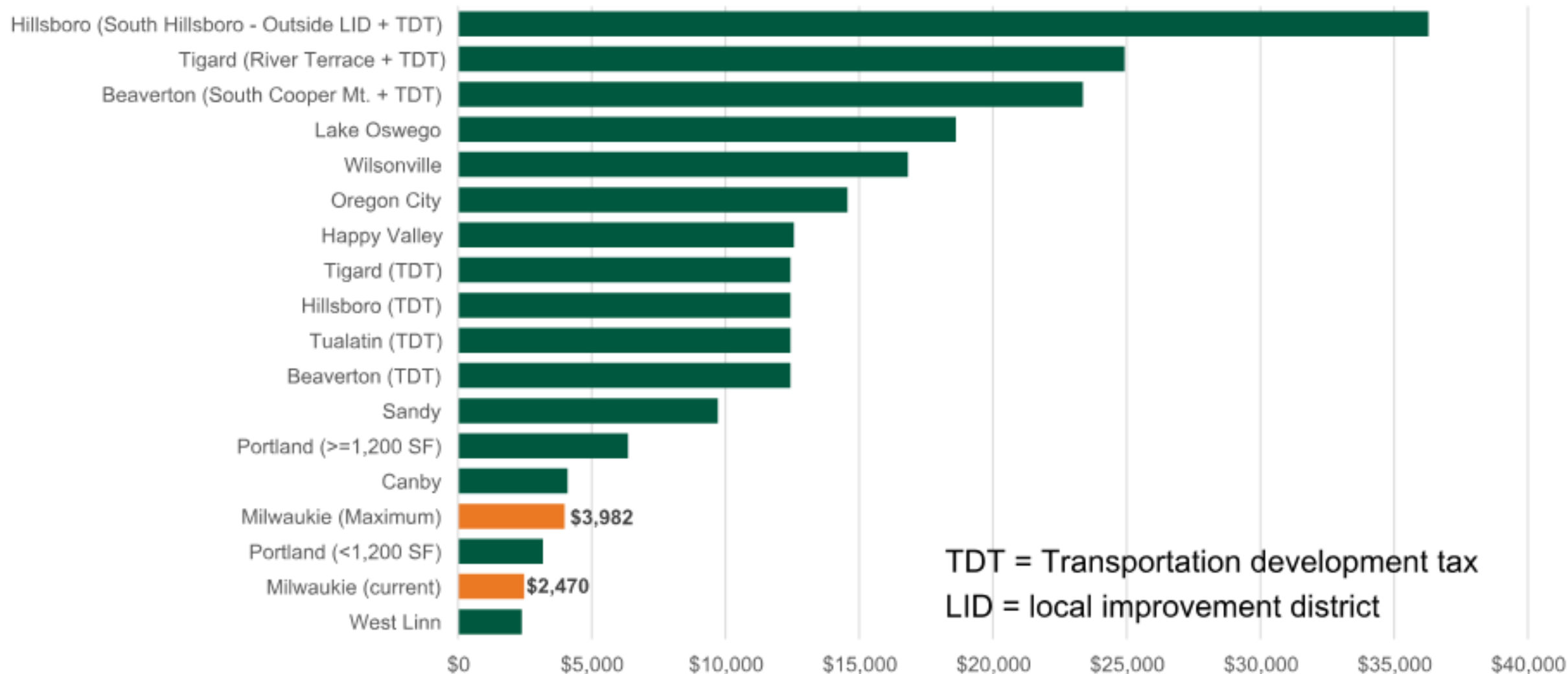
The numbers below are
subject to change

- The City's draft list includes about \$179 million in projects
- Some “financially constrained” projects will be de-prioritized
 - » \$27.5 million in Tier 1 – FC projects allowed (125% of funding)
 - » The City is projecting about \$22 million in Tier 1 – FC funding
 - » The current Tier 1 – FC total is \$30.3 million

Tier		Bike	Freight	Ped	Roadway/ Intersection	Shared Bike/Ped	Total
Tier 1	Financially Constrained	\$ 4,835,000	\$ -	\$ 9,155,000	\$ 7,700,000	\$ 8,580,000	\$ 30,270,000
Tier 1	Financially Unconstrained	3,900,000	200,000	7,820,000	10,280,000	1,075,000	23,275,000
Tier 2	Unconstrained	6,260,000	-	23,235,000	5,145,000	6,935,000	41,575,000
Tier 3	Unconstrained	10,550,000	4,530,000	6,055,000	62,640,000	180,000	83,955,000
Total		\$ 25,545,000	\$ 4,730,000	\$ 46,265,000	\$ 85,765,000	\$ 16,770,000	\$ 179,075,000



Transportation SDC Comparisons (Single-family)





Next Steps

- **Revisions to SDCs**
- **Schedule public meetings**
- **Issue 90-day notice of public hearing**
- **Provide methodology in last 60 days of notice period**
- **Adopt revised SDCs**

Thank you!

Questions?

John Ghilarducci, Principal
(425) 336-1865
johng@fcsgroup.com

www.fcsgroup.com



Dear Mayor Batey, Council President Anderson, Councilors Massey, Stavenjord, and Khosroabadi; and City Manager Sagor

Comment, September 16, 2025, Work Session

Re: Transportation System Development Charges. The need to compensate for infill that relies on on-street parking

Milwaukie's transportation landscape is undergoing a sharp change with new housing development that comes with no, or very limited, off-street parking. This is a relatively recent change. It is not the trickle of such development predicted by some on Milwaukie's Planning Commission a few years ago, now.

Using Co-Pilot's Artificial Intelligence, I ask if more cars parked on a street negatively impacts the safety of both pedestrians and bicyclists, and the general answer is yes. This also reflects my own personal experience as a bicyclist and a pedestrian.

A bank of parked cars on a street is more likely to reduce visibility for both bicyclists and pedestrians, reducing their safety. A bank of parked cars also means that bicyclists and pedestrians are forced to compete more intensely for road space with motorized vehicles. Therefore, it seems rather clear that housing development relying on on-street parking infringes on the ability of Milwaukie to become a bicycle and pedestrian friendly city.

As such, Milwaukie needs to adequately price the loss of safety for bicyclists and pedestrians that comes with housing development that comes with limited-to-no off-street parking.

There should be a separate, additional transportation SDC fee category for housing that does not, for instance, provide at least one off-street parking space per new housing unit.

For those developments in this category and on streets without contiguous sidewalks, perhaps an additional SDC fee of \$1,200 per unit should be charged so as to fund bicycle and/or pedestrian improvements to compensate for the associated loss of safety for bicyclists and pedestrians. (\$1,200 is the cost of providing a sidewalk for each additional car caused to be parked on the street of such development. A rough calculation on my part.)

Sincerely,
Elvis Clark, Milwaukie

COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Reviewed: Peter Passarelli, Public Works Director

From: Michael Osborne, Finance Director

Subject: **Utility Code Update Discussion**

Date Written: Sept. 8, 2025

ACTION REQUESTED

The intent of this presentation is to have a discussion on the city's Municipal Water System code (Chapter 13.04) and receive Council's direction and input on staff recommendations for updates. The discussion will focus on clarifying responsibilities, improving service equity, and modernizing the code to better align with current utility practices and support the city's affordability goal.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

This discussion is specific to Milwaukie Municipal Code (MMC) Chapter 13.04, Municipal Water System. Current code language is included as an attachment to this staff report. If Council provides direction in this work session to revise the code, staff will prepare code revisions prior to the next work session.

ANALYSIS

Staff reviewed MMC 13.04 and have proposed a series of updates in an effort modernize the code. Staff recommend the changes to improve clarity regarding the following topics:

1. Ownership of Service Lines – Clearly define where city responsibility ends and private ownership begins.
2. Temporary Water Service for Construction – Temporary water service can be misinterpreted as a general option rather than being construction specific. Clarify that temporary service applies only to construction activities, not general use.
3. Responsibility for Leaks – Reduce ambiguity over who pays for repairs when leaks occur on different sides of the meter.
4. Water Charges – Delinquent When – Replace rigid shut-off timing (third Thursday of the month) with a more flexible timeline (within 7 days of written notice), thereby reducing weekend shut-offs and allowing better coordination between finance and public works staff. The city's standard operating procedure is to provide written notice via a door hanger two days prior to shutoff. Updating this language would allow staff to update the standard operating procedure and move the shut-off date to Monday (or Tuesday, if Monday is a holiday) of the week following notice. This would help those facing shut off not to be without water over a weekend when city services are closed. The city has an after-hour service to restart water service, but this is provided at an additional fee that is passed on to the customer.

At this work session, staff are seeking feedback from Council on these proposed code adjustments. If Council is supportive, staff will prepare draft code amendments for our next work session on this topic.

BUDGET IMPACT

These changes will have no direct or significant financial implication to the city's budget.

CLIMATE IMPACT

These changes have some impact on climate. The clarity in the responsibility for leaks gives customers 30 days to address leaks or the city can shut off services. This can help reduce ongoing water leaks that neglect being addressed and reduce the use of water.

EQUITY IMPACT

These updates are not expected to create negative equity impacts. Clarifying leak responsibility and adjusting shut-off timelines will ensure consistent, transparent treatment of all customers while maintaining equitable access to water service. These updates will also avoid situations where vulnerable customers do not receive a shut off immediately prior to a weekend or holiday when staff are unable to assist.

WORKLOAD IMPACT

By making the proposed updates and giving the code more clarity these changes will help staff manage the utility services in a more efficient and clear manner. Public works staff will be able to meet the city's shut-off needs while also allocating staff time to other services the city provides over a week's period, rather than on a specific day. The changes will also help clarify vague language that has made for confusion between city staff and customers regarding leaks and ownership of utility lines.

COORDINATION, CONCURRENCE, OR DISSENT

The finance and public works departments have worked together to identify these changes to bring clarity.

STAFF RECOMMENDATION

Staff are recommending these updates to MMC 13.04 of the city code and seek Council's direction and input to bring a formal code amendment to Council in October 2025.

ALTERNATIVES

Council can decline the updates to the code and leave Chapter 13.04 unchanged.

ATTACHMENTS

1. MMC 13.04 with sections proposed for updates highlighted.

§ 13.04.010. DEFINITIONS.

The following definitions shall apply for terminology used in this chapter:

"City" means the City of Milwaukie and its employee representatives.

"City service" means that section of line running from the City main to the water meter serving the given parcel of land.

"Consumer" means any person, firm, or corporation using City water for any purpose whatsoever.

"Director" means the Public Works Director of the City of Milwaukie or duly authorized representative(s).

"Permanent water service" means a permanent connection of the City service to the private service through a permanent meter.

"Private service" means the waterline extending from the water meter to the building(s) or other point(s) of delivery to be served by a given service.

(Ord. 1418 § 1, 1978; Ord. 1472 § 1, 1980)

§ 13.04.020. APPLICATION FOR PERMANENT WATER SERVICE.

Applications for permanent water services must be made on forms furnished by the City along with detailed drawings which have been approved by the Director. Such engineering drawings shall show the size and location of the existing City water main, the existing or proposed City service, meter location and size, private service and size, volume of water or fixture units to be served by City service, and general details of materials and installation.

(Ord. 1418 § 2, 1978; Ord. 1472 § 2, 1980)

§ 13.04.030. USE OF WATER.

No consumer supplied with water from the municipal water system will be entitled to use it for any purpose other than stated in his or her application or to supply in any way to other persons, families, commercial, or industrial consumers. Should any consumer wish to use the water for a purpose or purposes not stated in his or her original application, a new application for such use must be made to the City.

(Ord. 1418 § 2.1, 1978)

§ 13.04.040. CONTINUATION OF EXISTING SERVICE.

Applications for continuation of existing water services must be made on forms furnished by the City where the form will be completed by City employees. The applicant must further agree to conform to the rules and regulations established for the municipal water system.

(Ord. 1418 § 2.2, 1978)

§ 13.04.050. CONNECTION TO CITY SERVICE—METER INSTALLATION.

- A. Whenever an application has been accepted by the Director, the Director shall, with reasonable diligence, install the meter and/or City service. The City shall make a charge for connections as determined by resolution of the City Council. Applicant is required to install private service and make proper connection to City meter.

- B. For conversion of temporary service to permanent service, see Section 13.04.060 of this chapter.

(Ord. 1418 §§ 2.3—2.4, 1978; Ord. 1496 § 1, 1981; Ord. 1971 § 1, 2007)

§ 13.04.060. TEMPORARY WATER SERVICE.

- A. Water for construction and other temporary purposes will be supplied upon the written application of the owner, lessee or agent, or the contractor. Such temporary service shall be metered. Water rates will be charged in accordance with rates established by the City Council. A temporary service can be either a permanent water service (Section 13.04.020) or a flow meter supplied by the City and attached to a fire hydrant.
- B. A fee as determined by resolution of the City Council will be required with the application. Upon request for removal or meeting requirements of subsection E, the fee will be refunded to the applicant as set forth by resolution of the City Council. The permit for a temporary meter and service will be for a period of 90 days from the date of application. The permit can be extended by the City with written request from the applicant and approval of the City.
- C. Where water is allowed to be taken for the building, construction, or any other purpose, the applicant will be liable for the charges, and water may be shut off from the premises until the payment is received.
- D. If no City water service is available, the owner or agent may apply to the City for a temporary service from the nearest City main for the purpose of providing building or construction water. Such service may not be used as a permanent service for the premises supplied unless so approved in writing by the Director.
- E. The temporary meter and water service is for building or construction only. If the temporary meter and water service is converted to the permanent meter and water service by any person other than authorized City Public Works Department personnel, the applicant will forfeit the deposit required in subsection B of this section and can be subject to cancellation of business license and penalties as described in Section 13.04.180.

(Ord. 1418 § 3, 1978; Ord. 1496 § 2, 1981; Ord. 1625 § 1, 1987)

§ 13.04.070. WATER SHUTOFF REQUIRED.

- A. Any person, firm, or corporation seeking water service must establish and provide, at his or her or its own expense, an absolute water shutoff or cutoff between the meter serving the premises and the first outlet on the premises served before the water may be turned on to the premises. Such shutoff or cutoff must thereafter be kept in workable condition.
- B. It is unlawful for any person, firm or corporation to touch, tamper with, operate, or otherwise molest any City water shutoff, cutoff, or turnoff without prior authorization granted by the City Council.

- C. (Repealed by Ord. 1963)

(Ord. 450, 1944; Ord. 1963 § 1, 2006)

§ 13.04.080. METER REPAIRS AND MALFUNCTIONS.

- A. If a meter fails to register accurately, the charge shall be computed based upon the quantities used when the meter was in order. The quantities shall be average of the comparable period for the preceding two years. If this method is not feasible, the Director shall authorize an adjustment based upon the most reliable measure available.
- B. When a consumer shall make a complaint that the bill for water for any particular month is excessive, the City shall, upon request, have such meter reread and the service inspected for leaks. When there is a leak in the service system, the Director shall make a determination by field investigation as to whether the leak is in the City or private service. If the leak is found to be in the private service, notice of such leakage will be left on the premises, and the owner, tenant, occupant, or their agent shall assume responsibility for repairing the leak as well as for all damages and costs of lost water which may result.
- C. Should such consumer desire that the meter be tested for proper calibration, the consumer will be required to make a deposit to be determined and set by the City to cover the cost of making such tests. The deposits will be established based upon an estimate of labor and material costs required to make the test. The meter will then be tested by the City.
- D. If the meter should indicate an error of over 5% in favor of the City, the amount of deposit will be refunded to the consumer and the meter will be changed and the bill adjusted accordingly. If the test of the meter should show an accurate measure of the water as described in this chapter or should show an error of 5% in favor of the consumer, an amount will be retained by the City to cover the actual costs of such tests.
- E. If for any other reason, the consumer desires to have a meter removed and/or replaced, a fee as determined and set by resolution of the City Council shall be charged for the removal of the meter and an additional fee set by resolution of the City Council shall be charged for replacing of same.

(Ord. 1418 § 4, 1978)

§ 13.04.090. WITHDRAWAL FROM CITY WATER SYSTEM.

- A. Whenever any water customer wishes to have their water discontinued for any length of time or to have their private pipes detached from City service pipes or City mains, the customer shall apply in writing to the Public Works Director.
- B. Upon approval by the Director and the deposit of estimated cost of labor and materials plus a fixed overhead established by City Council is deposited with the City, the Director shall, with reasonable diligence, make the changes as approved.
- C. At such time as the changes are made as requested by the customer, the Director shall compile the actual costs involved in the change and, if the deposit is more than the actual cost, make a refund to the customer and, if the actual costs are more than the estimate, cause a bill to be made to the customer for same. The service will not be turned on until such overages are received by the City.

(Ord. 1418 § 5, 1978; Ord. 1708 § 1, 1991)

§ 13.04.100. WATER CHARGES—BILLING.

- A. Charges for water supplied by the municipal water system to any consumer shall be charged for and billed to each such consumer in accordance with rates established by the City Council. Prior to the establishment of water rates by the City Council, the Milwaukie Citizens Utility Rate Committee shall prepare and deliver a report and recommendation on water rates to the City Council. The Committee shall prepare and deliver its recommendation to Council on an annual basis, according to the rules established by Council. Sewer service fees as established by the City shall be added to and made a part of the billings for water service.
 - B. The consumer shall be responsible for all water consumption, except as explained in Section 13.04.080. The City may require deposits prior to providing water service or in lieu of a deposit, obtain a signed agreement from the property owner, whether the customer or not, that they will be ultimately liable for the charges and that the City may use a lien as one method to secure payment if the charges are not paid. However, the City may not require a property owner to sign such an agreement.
 - C. Billings May be Prorated
The proration shall be a daily rate determined by dividing the annual minimum billing by 365 days times the number of days of occupancy from last meter reading and/or billing date.
 - D. The Finance Director, or designee, is authorized to provide for the establishment of a special water sinking fund within the water fund budget, to provide revenue for emergency repair and maintenance costs in addition to other budgeted water revenues.
 - E. In the event the City requests a supplemental budget expenditure for the water fund, the City Council shall hold a public hearing and provide sufficient evidence to justify the necessity for a supplemental water budget.
- (Ord. 1418 § 6, 1978; Ord. 1655 § 1, 1989; Ord. 1682 §§ 1 (a), 2, 3, 1990; Ord. 1708 § 2, 1991)

§ 13.04.110. WATER CHARGES—DELINQUENT WHEN.

- A. The City shall prepare and mail billings for water service on the last business day of each month. Payment is due by the 15th of the month following the billing date. An account is delinquent if the City does not receive full payment by 5:00 p.m. on the last business day of the month immediately following the billing date.
- B. The City shall send a past due notice to all water customers who have not paid in full within one month of billing. The past due notice shall be sent on the first business day after the account becomes delinquent. The past due notice shall state the overdue amount and shall state the amount of delinquent fees. The past due notice shall also provide a deadline for payment. The deadline for payment shall be the Monday before the third Thursday of the month in which the past due notice is sent.
- C. If payment has not been received by the date specified in the past due notice, the City shall on the following day provide notice of water service termination to the consumer by providing written notice left at the property where the service is provided. The written notice shall state that water service will be discontinued unless full payment is made by 5:00 p.m. on the next day. If full payment, including delinquent fees, is not made as required in the notice, the City shall shut off water service on the third Thursday of the month in which the

past due notice was sent.

- D. The City Council may by resolution establish one or more delinquent fees to be charged on past due accounts.

(Ord. 1418 § 6.1, 1978; Ord. 1655 § 2, 1989; Ord. 1662 § 1, 1989; Ord. 1895 § 1, 2001)

§ 13.04.120. DISCONTINUANCE OF SERVICE.

- A. On failure to comply with the provisions of this chapter, as conditioned to the use of water, or to pay the water billing charges in the time or manner provided, the water service will be discontinued until payment is made of the amount due plus restoration fee or until the provisions are complied with.
- B. When the water service has been discontinued pursuant to this chapter and thereafter turned on again at the request of the consumer, a restoration fee shall be charged. The amount of the restoration fee shall be set by City Council resolution.
- C. If the water service has been shut off by City crews and should be turned on by any person other than an employee of the City, the water may again be shut off and sealed by the City. A second restoration fee shall be required to be paid prior to removal of the seal and resumption of the service.
- D. If the seal is removed by any person other than an employee of the City, the water may be shut off at the main line at the direction of the City and not turned on again until the arrears, cost of repairing the street and all other fees have been paid.
- (Ord. 1418 §§ 6.2—6.4, 1978; Ord. 1655 § 3, 1989; Ord. 1895 § 2, 2001)

§ 13.04.130. DELINQUENT CHARGES—LIEN.

If the property owner elects pursuant to Subsection 13.04.100.B or 13.12.070.C.5 to authorize the use of a lien on real property to secure user charge payment in lieu of a security deposit, all water charges and monthly sewer service fees shall be a lien against the premises served from and after the date of billing and entry on the ledger or other records of the City pertaining to its municipal water system, and such ledger record or other record shall be made accessible for inspection by anyone interested in ascertaining the amount of such charges against the property. Whenever a bill for water service and/or monthly sewer service fees remains unpaid 60 days after it has been rendered, the lien thereby created may be foreclosed in the manner provided for by ORS 223.610 or in any other manner provided by law or City ordinance.

(Ord. 1418 § 6.5, 1978; Ord. 1708 § 3, 1991)

§ 13.04.140. SERVICE PIPE PROVISIONS.

- A. All water meters, together with all materials used to connect the same with the water mains of the municipal water system, shall remain the property of the City. No person will be allowed to make connections to, to make alterations in, or to tamper with the City water system or private services without written permission of the Director.
- B. All City and private service pipes will be of a material and quality approved by the Director. The installation of the service pipes shall be in a method approved by the Director.

- C. Private service pipes must be kept in repair and protected from freezing and waste by the consumer. Where water waste is found, the water service to the premises may be shut off.
- D. The service pipe must be so arranged that the supply to each separate house or premises may be controlled by a separate meter. For purposes of this chapter, the location of the premises supplied with water shall determine the location of the consumer.
- E. Pipes to be used only in case of fire will be allowed in buildings on the following conditions: The fire protection pipes must be entirely separated by an approved backflow prevention device from those used for any other purpose. The City may require an approved compound meter to be furnished, installed and maintained by the consumer. The connection with the main will be made by the City and the charge for installation shall be established by the City Council.

(Ord. 1418 §§ 7, 7.1—7.4, 1978)

§ 13.04.150. SHUTOFF FOR REPAIRS.

The water may at any time be shut off from the mains, following notice to the owner, tenant, occupant, or their agent for repairs or other necessary purposes, and the City will not be responsible for any consequent damage.

(Ord. 1418 § 7.5, 1978)

§ 13.04.160. RIGHT OF ACCESS.

Employees of the City shall be provided access during regular business hours to all parts of the buildings and premises in which water may be delivered from the City mains, for the purpose of inspecting the condition of the pipes and fixtures and the manner in which the water is used. Should there be no one available on the premises, notice will be provided to the owner, tenant, occupant, or their agent that arrangements must be made to allow the inspection.

(Ord. 1418 § 7.6, 1978)

§ 13.04.170. COMPLIANCE REQUIRED.

The provisions of this chapter must be strictly complied with in every instance, and water must be paid for by all premises supplied, according to the rates established by the City Council. Exceptions to these provisions shall be made only upon the written authorization of the Director, Finance Director, or City Manager.

(Ord. 1418 § 8, 1978)

§ 13.04.180. VIOLATION—PENALTY.

Any person, firm or corporation violating any provisions of this chapter shall be fined not less than \$25 nor more than \$500 for each offense, and a separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

(Ord. 1418 § 9, 1978)

CITY OF MILWAUKIE COUNCIL WORK SESSION SEPT 16, 2025

Utility Code Updates

- Michael Osborne
- Peter Passarelli



UTILITY CODE UPDATES

- Ownership of Service Lines – Clearly define where city responsibility ends and private ownership begins.
- Temporary Water Service for Construction – Temporary water service can be misinterpreted as a general option rather than being construction specific. Clarify that temporary service applies only to construction activities, not general use.
- Responsibility for Leaks – Reduce ambiguity over who pays for repairs when leaks occur on different sides of the meter.
- Water Charges – Delinquent When – Replace rigid shut-off timing (third Thursday of the month) with a more flexible timeline (within 7 days of written notice), thereby reducing weekend shut-offs and allowing better coordination between finance and public works staff. The city's standard operating procedure is to provide written notice via a door hanger two days prior to shutoff. Updating this language would allow staff to update the standard operating procedure and move the shut-off date to Monday (or Tuesday, if Monday is a holiday) of the week following notice. This would help those facing shut off not to be without water over a weekend when city services are closed. The city has an after-hour service to restart water service, but this is provided at an additional fee that is passed on to the customer.



UTILITY FEE CLARIFICATIONS

- Some city residents get water and/or sewer service from other utilities (e.g., Clackamas River Water, Oak Lodge Water District)
 - Approximately 24 customer do not use city water OR sewer services but ARE in the city of Milwaukie limits.
- **All properties within city limits receive a utility bill with applicable city fees**, even if they are not a city water or sewer customer.
 - If a customer does not pay the city for water and/or sewer, they still are charged for stormwater, SSMP, and SAFE (and will be charged the public safety fee)



COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Date Written: Sept. 3, 2025

Reviewed: Jordan Imlah, Strategic Engagement Manager, and
Gabriela Santoyo Gutierrez, Equity and Inclusion Coordinator, and
Katie Gavares, Climate and Natural Resources Manager

From: Dan Harris, Events and Volunteer Coordinator

Subject: **Milwaukie Leadership Academy Update**

ACTION REQUESTED

Council is asked to receive an update on the Milwaukie Leadership Academy (MLA).

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

September 13, 2024: staff briefed Council on the previous year's MLA.

ANALYSIS

Since 2019, the city has hosted a leadership academy to educate community members about city operations. The program is intended to encourage civic involvement, especially in the form of participation in boards and committees.

Classes are held in the evenings one night per month. Participants generally have the option of attending in person or online, but "field trip" classes are offered only in person due to the logistical challenge of conducting web meetings during building tours.

Participants are recruited through social media, The Pilot newsletter, notifications through the school system, and various other means. There are no strict registration requirements, except that participants be connected to the wider Milwaukie community and commit to attending most of the classes. People of all ages are welcome to attend, but the class is recommended for people aged 16 years and up.

A typical session consists of an interactive briefing from representatives of two city departments/divisions, usually the department directors, with participants allowed to ask questions about the work of each department. Other presenters have included members of Council and representatives from city boards and committees.

2024-2025 Class

This class was held from October 2024 to June 2025.

Twenty-nine participants registered, with approximately 16 completing the course. Most participants lived within the City of Milwaukie, but some came from surrounding jurisdictions.

Participants reported enjoying the course and feeling generally satisfied with the amount they learned about city operations. Participants reported feeling special to be visited by so many high-ranking staff members and elected officials. Prior feedback that the classes felt too compact were addressed by extending the class run time by 15 minutes.

A special class on the concept of leadership was organized by Stephan Lashbrook in December 2024.

Several class members reported an increased interest in participating in the community, with one selected to sit on the Planning Commission during the course of the class.

2025-2026 Class

The city is currently recruiting for the 2025-2026 MLA. Classes will run from 5:45-8:00 p.m.

The tentative syllabus is included below:

Date	Topic
Oct. 15	<i>Welcome to Leadership Academy:</i> Course intro, City Manager and Mayor, and Form of Government
Nov. 19	<i>Building the Milwaukie of Today and Tomorrow:</i> Community Development and Planning
Jan. 21	<i>How Milwaukians Shape Milwaukie:</i> City history and boards & committees
Feb. 18	<i>Designing Public Safety:</i> Police & Engineering
Mar. 18	<i>Ecological and Manufactured Systems:</i> Public Works
Apr. 15	<i>Borrowing and Lending:</i> Finance & Library
May 20	<i>Two-Way Communications:</i> Strategic Engagement, Equity, Neighborhood District Associations and Communications
Jun. 17	<i>Charting Priorities for the Future:</i> City Council Goals – (TBD)

BUDGET IMPACT

City staff anticipates no significant budgetary changes to this program. Most presenters are salaried managers, and the minimal support costs are funded out of the city manager's office budget.

CLIMATE IMPACT

None.

EQUITY IMPACT

This program is intended to demystify local government and increase civic engagement. The program build's public transparency, community relationships, and knowledge of government operations. Equity has also been a consistent topic integrated in the academy's programing. This year it is "*Two-Way Communications: Strategic Engagement, Equity, NDAs and Communications.*" Additionally, food is provided, along with remote participation options, to reduce barriers to participation.

WORKLOAD IMPACT

This program has been in operation for five years and is not expected to create any new workload this year.

COORDINATION, CONCURRENCE, OR DISSENT

City departments have been generally supportive of this program, with a majority of presenters having already confirmed their participation for this year.

ATTACHMENTS

None.



Milwaukie Leadership Academy Debrief

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Milwaukie Leadership Academy

- 2024-2025 Cohort
 - 25 students at beginning
 - Approximately 16 completed more than half the sessions
 - Classes held October – June
 - Special “Leadership” session in December



Changes and Continuity

- Classes were 15 minutes longer to provide breathing room
- Less reliance on hybrid sessions
- Three “field trips” (one canceled)





2025-2026 Proposed Schedule

Date	Topic
Oct. 15	Welcome to Leadership Academy: Course intro, City Manager and Mayor Form of Government
Nov. 19	Building the Milwaukie of Today and Tomorrow: Community Development and Planning
Jan. 21	How Milwaukians Shape Milwaukie: City History and Boards & Committees
Feb. 18	Designing Public Safety: Police & Engineering
Mar. 18	Ecological and Manufactured Systems: Public Works
Apr. 15	Borrowing and Lending: Finance & Library
May 20	Two-Way Communications: Strategic Engagement, Equity, NDAs and Communications
Jun. 17	Charting Priorities for the Future: City Council Goals – (TBD)



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