

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION

March 4, 2008

Council President Stone called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Council President Stone and Councilors Barnes, Chaimov and Loomis. Mayor Bernard absent.

Staff Present: City Manager Mike Swanson, Engineering Director Gary Parkin, Associate Planner Susan Shanks, Public Information Coordinator Grady Wheeler

Budget Calendar

Mr. Swanson had hoped to have the budget calendar together, but it was not ready. The Budget Committee process would start in mid-April. He handed out an agenda forecaster for Council to review along with the meeting outline and a brief summary of each item.

Mr. Swanson announced the hiring of Ignacio Palacios as the City's new finance director.

Retreat

Mr. Swanson distributed the retreat schedule.

Balfour Property

Mr. Swanson provided an update on Columbia Care Services vs. City of Milwaukie.

Wastewater Sewer Extension

Mr. Parkin went over some of the history of the extension of the sewer services to the unincorporated areas adjacent to the City. The area they were looking at right now for the extension of sewer service was in the area designated as Dual Interest Area "A" on the map he provided to Council. It was an area that would be served by extending our sewer system to it. It was a natural drainage basin for the sewer to float through and was covered by an agreement.

Councilor Barnes asked for an explanation of the exact area for those people watching the meeting.

Mr. Parkin said it was roughly north of King Road and west of Linwood Avenue to the current City limits extending all the way to the northern border on the other side of Johnson Creek Boulevard. This issue was being addressed in the Wastewater Master Plan update, which was currently underway. He had hoped to have a financial plan tonight, but it was not ready. They were looking to come up with some plans for how they would extend financing through the City or what would be required of the citizens. A key element to this extension was that the County had established an urban renewal area called the North Clackamas Revitalization Area. That brought some benefits to the residents. They were providing some subsidies for SDC's and for some lower income property assistance. It was formed to bring that area up to a higher level of livability and economic development. That gave us another reason to look at this again.

CITY COUNCIL WORK SESSION – FEBRUARY 19, 2008

APPROVED MINUTES

Page 1 of 6

Some advantages of serving this area was that joining with the County provided some benefit for cost sharing for larger projects. Mr. Campbell had applied for the state revolving fund for this project and it was accepted and is the first priority out of 22 for this year. That funding source would be available for construction, which up fronts the cost.

Council President Stone asked what that meant in dollars?

Mr. Parkin said the state revolving fund would fund the construction. They were still working on a cost estimate, but it was in the \$3 million range.

Ms. Shanks reviewed the annexation policy. Properties to the south and to the east of the City were unincorporated Clackamas County properties. Those properties were not receiving the same kinds of urban services that City residents were. Some of those areas were within our Urban Growth Management Area (UGMA). An UGMA was Oregon's way of directing where development should happen. It was expected that the City would eventually grow into its UGMA over a long period of time. Annexation was an expected and natural thing to occur. The City's annexation policies were contained in the Comprehensive Plan and support annexations for many reasons but primarily to support the extension of City services to those who did not currently have them. In some cases those City services were desirable and others were necessary. For example if a septic system failed, then people had to connect to a wastewater system.

Council President Stone asked if someone's septic failed was there a requirement to hook up if a line was available.

Mr. Parkin said the City and County had a similar requirement, which is if you are within 200 feet of a sewer you are supposed to connect immediately. That had not always been enforced. If someone's septic system failed and they were within that distance, the City would require them to connect. What they had seen in this area was failing septic systems and the County not wanting to permit a new septic system and so they were asking the City if we could provide the service. If it was one person and they were in the middle of the area shown on the map it was quite a bit of main to be installed and was not cost effective for one person to receive that service. What the County had been doing was allowing temporary tanks that had to be pumped out on a regular basis until such time that sewer was available. They had been telling people that it would be approximately 3-5 years before sewer would be in that area in the hopes that something happens. There were several of those in place at this time.

Ms. Shanks said the City's annexation policies were contained in the Comprehensive Plan, Chapter 6. A summary of what those policies meant was that they were directing the City to provide efficient and fiscally sound urban services to existing residents as well as to residents in the UGMA. Another thing that our policies direct us to do is to coordinate those urban services with other districts and service providers. She mentioned 3 policies pertinent to the extension. First was that the City would require annexation in order to receive or utilize a City service. She said staff felt very strongly about this policy mostly because they had the experience of having to deal with properties that were not in the City but were receiving a City service. Unless it was an island we could not force them to annex and essentially they were getting a service and paying for one service but not paying for other services that come as being part of the City. If they were to incur an SDC charge it would not come to the City it would go to the jurisdiction that they were in, if it was assessed at all. It was not fair that someone received a City service but did not pay for all city services that the

city offered to residents. Another policy had to do with a cost of services. City policies directed staff to require those who are receiving the services to pay for them. In this case she was sure City residents would not want to subsidize what was going on outside of the City. Third, there was a policy that the City services would be extended when the City was assured of recapturing the service investments. In addition to the policies being in the Comprehensive Plan the annexation process itself was spelled out in the Municipal Code. There were a number of ways that properties alone or together could annex. City Council could initiate an annexation as well, but there were certain requirements to do so. It was rare that you could force the issue. There had to be some kind of majority of electors or property owners that agreed to the annexation. They all had to abide by the rules spelled out by the Oregon Revised Statutes, Metro Code and the City Code. All annexations ended up before City Council for some kind of decision, whether it was through an ordinance, land use process or City Council deciding to go to the voters in the territory to be annexed.

Councilor Loomis asked how the residents felt about annexing?

Mr. Wheeler said that was yet to be seen and talked about project outreach. Clackamas County sent a newsletter last Friday to residents of the North Clackamas Revitalization Area, which included residents of the Dual Interest Area "A". The newsletter provided updates on a number of County initiatives that were focused in the revitalization area including this wastewater service provision effort. They worked directly with the County to provide specific language to residents of Dual Interest Area "A" to explain that because of the agreements Ms. Shanks spoke about and because the infrastructure that would be used and would be constructed by the City the service provider would be the City for that area. Annexation would be a condition of sewer provision. In the City's section of the newsletter staff invited people of the Dual Interest Area to attend an open house that would be set up just for them at Lewelling Elementary on March 20. They were planning to send a follow-up letter to those residents and remind them of the open house and encourage them to call with questions ahead of time. The newsletter also announced 4 other open houses planned for the entire revitalization area. The first one was Thursday, which is an open house providing an overview of the entire sewer services provision project to be held on March 8. Staff was planning to be at each of the meetings mainly to initiate conversations with the residents of the area that specifically live in the Dual Interest Area so they could learn the information that they would have at the March 20 open house. They had a sense of what to provide, but they were looking to learn what the feeling was of that area.

Council President Stone asked if he had gotten feedback from anyone?

Mr. Wheeler replied that he had not.

Mr. Parkin said it had been a while since there was an actual annexation. There were a lot of people that were not in favor of coming into the City. That was before we had the agreement so he did not know how that came about and how it might have changed opinions. They got calls pretty regularly from people in the area about when they would get sewer service. Not everyone had that motivation, but the calls were supportive of the City annexing the area. There were a total of 230 houses in the Dual Interest Area. There were different ways to do an annexation, but it depended on a majority of residents of that area agreeing. Most of the annexation methods were by petition, but it could go to an actual vote and City Council would be the one to initiate that.

Mr. Swanson said they did have some meetings a few years ago and the reaction to annexation was mixed. There was a great deal of interest in getting the sewers and a mixed response as to whom the service provider should be.

Barbara Cartmill, Clackamas County Development Agency, said the group that Mr. Swanson was referring to was in the northern-most area on the map. She pointed that out because those folks were skittish. They were surrounded by Portland, Milwaukie, and Clackamas County. She was very supportive of the direction that Mr. Parkin was going, which was to see what the residents were feeling. There were a lot of properties that had failing septic systems plus they were close to Johnson Creek. There were some that needed sewers and some that had septic systems that worked fine. One thing she found was that the residents needed a holistic view.

Mr. Parkin said notwithstanding the policy that Ms. Shanks explained that new residents should pay for their services they would be examining some ways to possibly subsidize the project. We need to ask at what point do we see ourselves wanting to help this area along and there might be some way to finance part of the interest of the loans or do something for these people to make it easier. It wouldn't be a subsidy that would never get paid back, but it would be paid over a number of years. Those were things that has they start talking to those people and had something to offer to help with financing or providing bond financing would help them to see it as something they could afford.

Councilor Barnes asked what the cost was to hook up to sewer?

Mr. Parkin said if a property was in the City and needed to connect there was an SDC Charge of approximately \$900 plus connection fees for a total of less than \$2,000. The properties in the Dual Interest "A" area would have to pay between \$10,000-\$15,000 to connect. If people looked long-term there were a lot benefits. They would provide some financial plans that would spell out various options and bring the information back to Council for review. He received a first draft, but it was not ready to distribute. They would be telling those residents what the approximate cost would be and get back to them with more information. The City was entering into an agreement with the County to work on a preliminary design for the whole area. Milwaukie would pay its portion in the next fiscal year's budget.

Councilor Loomis said from his perspective it needed to be affordable and equitable to what the County was offering.

Councilor Barnes asked Mr. Wheeler if he had the demographics for that area. That information would help to give a good indication of the socioeconomic base in that area.

Ms. Cartmill said when the County did the urban renewal district they pulled data from the 2000 census status.

Kenneth IteI, Clackamas County Development Agency, thought the median income was around \$42,000 in 2000. The County's median income as of right now was \$67,500. You could probably make an estimate right now within the revitalization area the median income was probably around \$45,000 for a household, which was substantially below the median income for the County as a whole.

Councilor Barnes said \$10,000 for a family bringing home \$45,000 was a huge amount of money. In the past a number of public hearings were held, but there were a lot of people that could not or would not go. If there were only 230

households involved, a personal contact from the City made sense. She did not know what exactly the contacts would be like, but it might make the City look like it was taking the initiative to find out how people were feeling.

Mr. Wheeler agreed with Councilor Barnes and would incorporate that in the reminder letter going out to the individual properties in that area next week.

Council President Stone asked if most of the properties were rentals or owners?

Mr. IteI said he didn't know specifically in the Dual Interest Area. The ownership rate in the entire revitalization area was about 60%.

Ms. Shanks wanted to point out that she just mentioned some of the policies that were in the Comprehensive Plan, but there were others that supported subsidies for areas to make it palatable for them and to maintain fairness as well. One of the policies that, in the short-term, to offer a subsidy as long as it made sense, resulted in a reasonable return in the future, and did not upset its fiscal health.

Councilor Barnes would like Council to have a list of points from those policies.

Councilor Loomis asked Mr. Wheeler if he would list the positives of annexing to the City?

Mr. Wheeler said they were working on a matrix that showed what City services annexation would bring and also the costs associated with those. He said staff wanted to be very upfront.

Councilor Loomis said on the other hand staff should also hit the points of how the City benefits from the annexation.

Ms. Shanks said ultimately the City needed to convince a majority of people to sign a petition or to vote if it ended up going to that. The City needed to solicit their signature and consent.

Councilor Loomis said it needed to make sense for them. We should have more work session discussions about what Council thought were good reasons to annex.

Ms. Cartmill said the Dual Interest Area is in the Urban Renewal District, and the County had a program for hardship assistance through the sewer effort that would be available to the Milwaukie Interest area as well as the Clackamas Area because they were the urban renewal district. The hardship was meant to be just that, single incomes, disabled, age issues etc. Nobody throughout this effort would be in danger of losing his or her home. Those funds would be available and they had worked through the criteria of that yet, but they would be there.

Council President Stone asked how much was in that fund?

Ms. Cartmill said it was budgeted at \$1 million in the Plan, and it was a 25-year plan. The SDC's were held flat for that area. They would go up on July 1. The citizens in the Dual Interest Area would benefit from that amount. The Milwaukie SDC's are \$900 and the SDC's for the County are \$2200. The \$2200 would still go against the sewer connection cost for those in the dual interest area.

Council President Stone said the fiscal impacts to the City and County were yet to be determined. When would there be a better picture of the finance portion?

Mr. Parkin said tonight's meeting was to bring information to City Council before going to the public meetings. They were pushed to that by the County's timetable. The Master Plan was not underway exactly when they wanted it to so

they were a little pressed on that. This meeting was informational so Council knew what was going out to the community.

Council President Stone adjourned the work session at 6:20 p.m.

Pat DuVal

Pat DuVal, City Recorder

AGENDA
WORK SESSION
MILWAUKIE CITY COUNCIL

MARCH 4, 2008

MILWAUKIE CITY HALL

Second Floor Conference Room
10722 SE Main Street

A light dinner will be served.

WORK SESSION – 5:30 p.m.

Discussion Items:

| | <u>Time</u> | <u>Topic</u> | <u>Presenter</u> | <u>Page #</u> |
|----|-------------|--|------------------|---------------|
| 1. | 5:30 | Budget Calendar | Mike Swanson | |
| 2. | 5:40 p.m. | Wastewater Sewer Extension to Dual Interest Area "A" | Gary Parkin | |
| 3. | 6:45 p.m. | Adjournment | | |

EXECUTIVE SESSION

Executive Session: The Milwaukie City Council may go into Executive Session pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

Public Notice

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the one previous to it.
- For assistance/service per the Americans with Disabilities Act (ADA) please dial TDD (503) 786-7555.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.



To: Mayor and City Council

**Through: Mike Swanson, City Manager
Kenneth Asher, Director of Community Development & Public Works**

From: Gary Parkin, Engineering Director

Subject: Wastewater Sewer Extension to Dual Interest Area "A"

Date: February 20, 2008 for March 4, 2008 Work Session

Action Requested

None. This is an update on the extension of wastewater sewer to the City's Urban Growth Management Area (UGMA), specifically to the portion designated as the Dual Interest Area "A" (see map with Attachment 1). This report is for information only.

Background

The City's Wastewater Master Plan update is underway. One of the key elements of the update is providing a plan for extending wastewater service to the UGMA. Concurrently, Clackamas County is preparing to provide wastewater service as part of their urban renewal plan for the area, designated as the North Clackamas Revitalization Area (NCRA). See map provided as Attachment 2.

The Urban Growth Management Agreement between the County and City (dated July 5, 1990) provides for "coordinating effective and efficient service delivery" in the Urban Growth Boundary Management Area in general and specifies that the City "assume a lead role in providing urbanizing services" for the area identified as Dual Interest Area "A".

The City has planned for the wastewater sewer extension for at least portions of the Dual Interest Area for a number of years. A number of factors have increased the need and likelihood of the extension including: concern of ground water contamination, private septic system failures and the need for permanent solutions, the creation of the urban renewal area in 2006, and pressure from Clackamas County to provide service by annexing the area into Clackamas County Services District #1 (Attachment 3).

Likely challenges facing this endeavor are: reluctance of the property owners to annex into the City, the ability of the property owners to pay for the wastewater sewer system, processing the annexation, and the development of a financing plan that is equitable to current City rate payers.

Opportunities present at this time include: the financial assistance available from the North Clackamas Revitalization Area (NCRA), some economy of scale working with the County, construction costs are not likely to be any lower than they are now, and this project is number 1 (out of 22) on the Clean Water State Revolving Fund priority list to provide a favorable loan to fund the project.

Master Plan efforts are currently focused on providing a financial plan for the City's implementation of this wastewater sewer extension. Results from that effort should be ready to share with the Council at this work session.

Beginning this month, County and City representatives, in a cooperative relationship, will be meeting with residents in the NCRA providing them information regarding the provision of wastewater sewer service to the area. The meetings will be informational and helpful in determining the will of the people as we move forward with the master plan. The City will also work with Clackamas County to develop preliminary design plans for the wastewater sewer system for this area that will allow for better estimates of the project cost.

Concurrence

This project is incorporated in the current Wastewater Master Plan and Capital Improvement Plan.

The CUAB supports extension of services to the City's UGMA and annexation into the City.

City staff supports moving forward with this effort.

Fiscal Impact

Fiscal impacts for City of Milwaukie will be determined as the process develops. It is anticipated that there will be some cost to the wastewater utility as project costs are carried or assistance provided for the new customers. It is not anticipated that these costs would impact rates.

Work Load Impacts

This work is part of the Engineering work plan, and Community Services has incorporated the outreach program into their work plan.

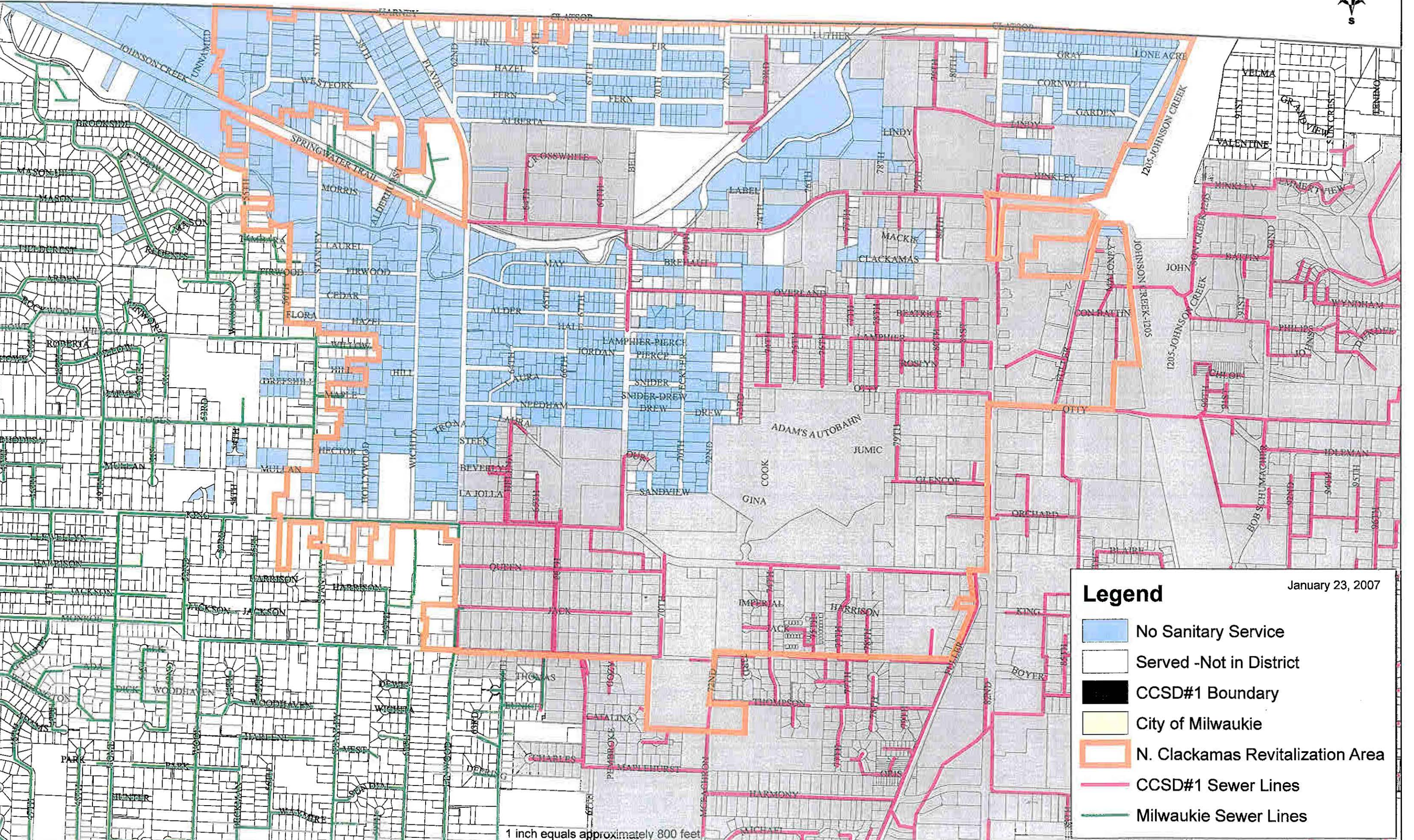
Alternatives

Not applicable at this time as no direction is being sought.

Attachments

1. North Clackamas Revitalization Area map
2. Urban Growth Management Agreement – The City of Milwaukie and Clackamas County
3. Memo dated June 8, 2007 from Milwaukie Community Development Director to Barbara Cartmill of the Clackamas County Development Agency

North Clackamas Revitalization Area

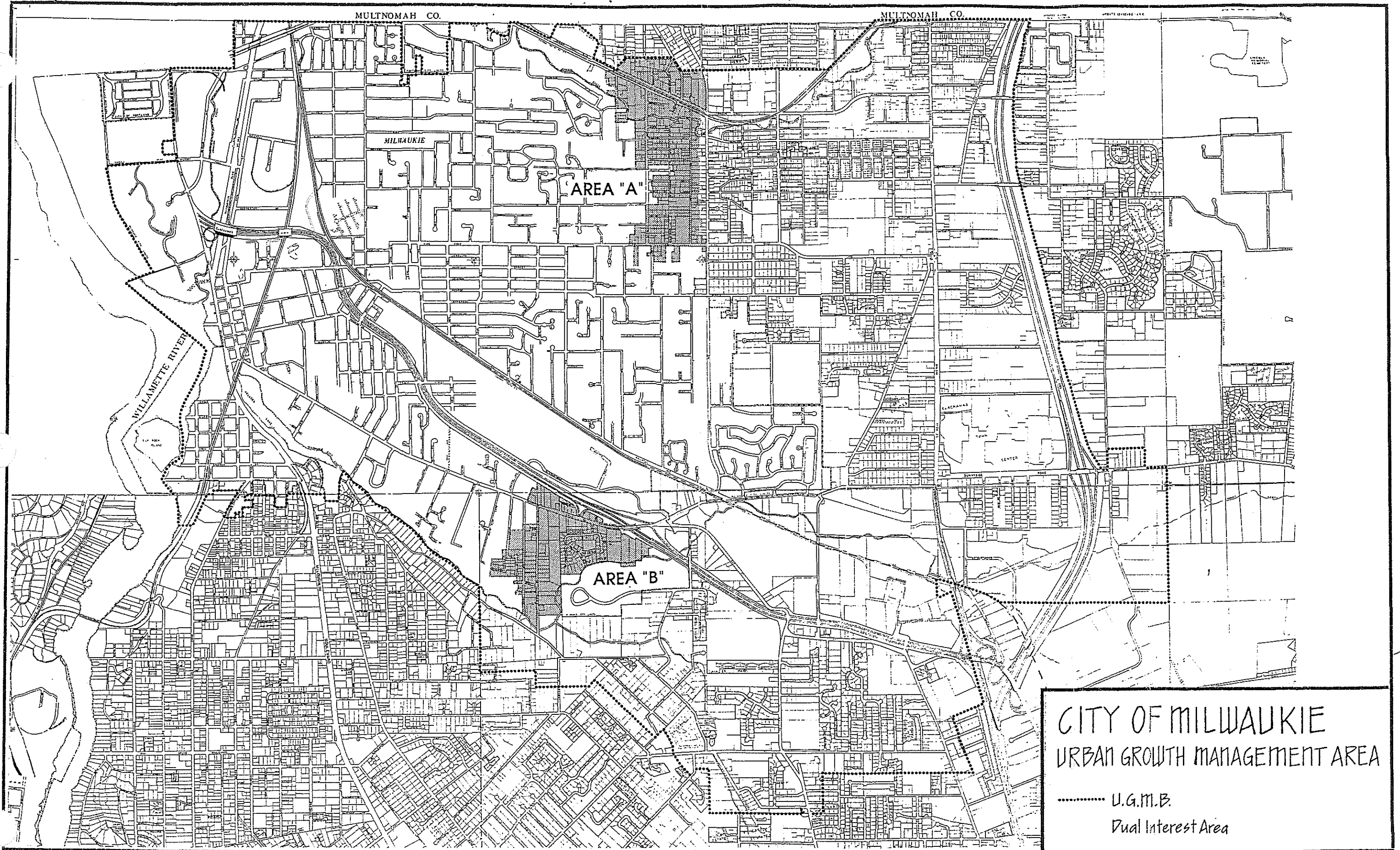


January 23, 2007

Legend

- No Sanitary Service
- Served -Not in District
- CCSD#1 Boundary
- City of Milwaukie
- N. Clackamas Revitalization Area
- CCSD#1 Sewer Lines
- Milwaukie Sewer Lines

1 inch equals approximately 800 feet



BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

1 the Matter of Amending
Board Order No. 90-506
Approving an Urban Growth
Management Agreement Between
the City of Milwaukie and
Clackamas County

ORDER NO. 90-726

This matter coming on at this time and
it appearing to the Board that the Urban Growth Management Agreement with
the City of Milwaukie was signed by the Board on May 24, 1990, Order No.
90-506; and

It further appearing to this Board that
this Urban Growth Management Agreement was recorded by the County Clerk
under recording numbers 165 607 through 165 612; and

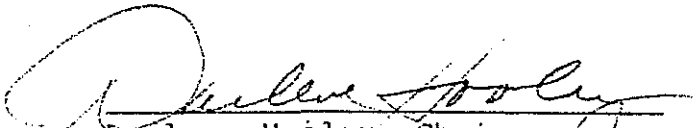
It further appearing to this Board that
there were two different maps attached to said Urban Growth Management
Agreement; and

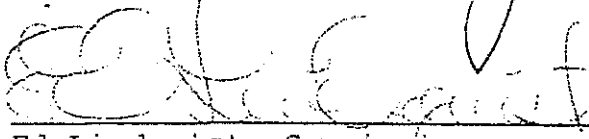
It further appearing to this Board that
in order to ensure that the record is correct, the Milwaukie Urban Growth
Management Agreement should be resubmitted with the one correct map,
attachment A.

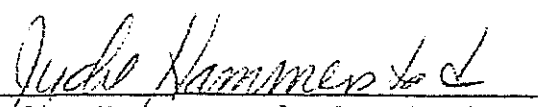
NOW, THEREFORE, IT IS HEREBY ORDERED
that the within mentioned agreement with the City of Milwaukie, a copy of
which is on file in the Department of Transportation and Development, is
approved.

DATED this 5th day of July, 1990.

BOARD OF COUNTY COMMISSIONERS


Darlene Hooley, Chairwoman


Ed Lindquist, Commissioner


Judie Hammerstad, Commissioner

Urban Growth Management Agreement

THE CITY OF MILWAUKIE AND CLACKAMAS COUNTY

The City of Milwaukie (CITY) and Clackamas County (COUNTY) enter into this Agreement in order to satisfy statutory requirements for land use coordination, to establish working communication channels, and to implement orderly and cost-effective conversion of potential urban land to urban uses.

WHEREAS, ORS 197.190(1) requires counties to coordinate plans and planning activities within a county; and

WHEREAS, ORS 227.090(1) authorizes cities to undertake planning activities for land adjacent to their incorporated areas; and

WHEREAS, ORS 197.175(2) authorizes cities and counties to undertake comprehensive planning and implementation measures; and

WHEREAS, the CITY's interests are best served in defining its role as a service provider within the general North Clackamas area, and in defining its responsibilities in providing cost-effective and coordinated services to said area in the future; and

WHEREAS, the COUNTY's interests are best served by fulfilling its responsibility for ensuring coordinated land use plans throughout the county and for adopting a Public Facilities Plan that serves as a framework for future cost-effective service provision in urbanizing areas; and

WHEREAS, the CITY's and COUNTY's interests are best served by establishing processes and procedures whereby issues of regionalization and/or various interjurisdictional service delivery arrangements can be explored;

NOW THEREFORE, the parties hereto agree as follows:

A. Urban Growth Boundary Management Area

1. The Urban Growth Boundary Management area in which the CITY and COUNTY have mutual interest in coordinating effective and efficient service delivery shall be that area identified in EXHIBIT A.
2. The CITY shall adopt the North Clackamas Urban Area Public Facilities Plan, developed through a County coordinated process, for the area within the Urban Growth Management Boundary identified in EXHIBIT A.
3. Notification and referral procedures set out in Section C of this Agreement shall apply to the area within the Urban Growth Management Boundary identified in EXHIBIT A.

Urban Growth Management Agreement
THE CITY OF MILWAUKIE AND CLACKAMAS COUNTY

B. Dual Interest Areas

1. The CITY shall assume a lead role in providing urbanizing services, whenever possible and according to adopted capital improvement programs, in the area identified as Dual Interest Area A in EXHIBIT A.
2. The COUNTY will not oppose CITY programs and projects which accomplish service provision within Dual Interest Area A.
3. The CITY and COUNTY agree the area identified as Dual Interest Area B in EXHIBIT A warrants particularly close coordination, notification, and review of appropriate provision of services.
4. The Dual Interest Area boundaries may be amended at any time by consent of both parties.

C. Action Notification Procedures

1. The CITY and COUNTY shall provide notice at least thirty (30) days in advance of the first public hearing on all proposed quasi-judicial or legislative changes to each jurisdiction's respective Plans, zoning, or implementation ordinances affecting land within the Urban Growth Management Boundary as identified in EXHIBIT A.
2. The COUNTY shall provide notification to the CITY at least fifteen (15) days prior to staff decision on applications for administrative actions as provided for in the COUNTY's Zoning and Development Ordinance for applications within the Dual Interest Areas as identified in EXHIBIT A.
3. The COUNTY shall provide notification to the CITY at least thirty-five (35) days prior to the first scheduled public hearing on all land use actions before the County Hearings Officer affecting land within the Dual Interest Areas as identified in EXHIBIT A.
4. A reasonable response time will be provided and any response will be included within the record of the action. Lack of response will be considered "no objection" to the proposal.
5. Within the Dual Interest Areas, notification procedures specified in Section C(1) shall be in effect, with the added requirement that written concurrence or no objection shall be the appropriate and necessary response by each party.
6. If an annexation to the CITY occurs, the CITY shall assume jurisdiction of COUNTY roads and local access roads that are within or abutting the area annexed. As a condition of jurisdiction transfer for roads not built to the CITY street standards, on the date of the final decision on

Urban Growth Management Agreement
THE CITY OF MILWAUKIE AND CLACKAMAS COUNTY

the annexation, the COUNTY shall either reimburse the CITY for the actual cost of the overlay or the COUNTY shall install the overlay itself over the width of the then-existing pavement. However, if the width of pavement is less than twenty (20) feet, the sum shall be calculated for an overlay twenty (20) feet wide. The cost of asphaltic concrete overlay to be used in the calculation shall be the average of the most current asphaltic concrete overlay projects performed by each of the CITY and COUNTY. Arterial roads shall be considered for transfer on a case-by-case basis. Terms of transfer for arterial roads shall be negotiated and agreed to by both jurisdictions.

D. Urban Service Coordination Committees

1. The CITY and the COUNTY shall meet at a minimum once each quarter to discuss issues and activities of mutual concern as identified in the North Clackamas Urban Area Public Facilities Plan.
2. A minimum of four (4) Coordination Committees shall be established, corresponding to the four public facilities of sanitary sewerage services, water supply and delivery services, storm drainage provision, and transportation planning. Other service systems, such as parks and recreation planning, may be organized as coordination committees.
3. In addition to issues identified in the North Clackamas Urban Area Public Facilities Plan, each coordination committee shall address regional coordination and cooperation, service operation and maintenance concerns where there are joint responsibilities, future facility locations, and future funding sources.

E. Term of Agreement

1. This Agreement may be amended in writing by the concurrence of both signatory jurisdictions, with each elected body acting at a regular public meeting.
2. This Agreement may not be terminated except during either jurisdiction's Periodic Review. At such time, either party may terminate this Agreement after one hundred twenty (120) days written notice to the other party, provided, however, that in the event this action is taken, termination shall not occur until after a representative of the Department of Land Conservation and Development (DLCD) reviews this Agreement and the concerns of both jurisdictions regarding its successful operation.
3. This Agreement supersedes previous agreements, if any.

Urban Growth Management Agreement
THE CITY OF MILWAUKIE AND CLACKAMAS COUNTY

IN WITNESS WHEREOF, the respective parties have caused to be signed in their behalf to make and enter into this Agreement this 5th day of July, 1990.

CITY OF MILWAUKIE

CLACKAMAS COUNTY
BOARD OF COMMISSIONERS

By: Roger A. Hall
Roger A. Hall, Mayor

By: Darlene Hooley
Darlene Hooley, Chairperson
Board of Commissioners

ATTEST:

By: Judie Hammerstad
Judie Hammerstad
Commissioner

By: Jerri L. Widner
Jerri L. Widner
City Recorder

By: Ed Lindquist
Ed Lindquist
Commissioner

APPROVED:

Executive Director, Department of
Transportation and Development

APPROVED AS TO FORM:
[Signature]
County Counsel

ATTACHMENT 3

TO: Barbara Cartmill, Development Agency Manager

FROM: Mike Swanson, City Manager
Kenny Asher, Community Development/Public Works Director

RE: North Clackamas Revitalization Area Sewer Service Proposal

DATE: June 8, 2007

Thank you for your May 21 memo regarding the CCSD#1's planned extension of sewer service to the NCRA urban renewal district. We agree that sanitary sewer service is essential for this area, and long overdue, and we appreciate the county's leadership in forming the North Clackamas Revitalization Area (NCRA).

As you correctly note, the Urban Growth Management Agreement (UGMA) between the City of Milwaukie and Clackamas County covers a portion of the NCRA. The purpose of this memo is to state the City's intentions for sewerage this area west of Linwood Avenue and south of Johnson Creek Boulevard (defined in the UGMA as Dual Interest Area "A").

We are in agreement with the following points raised in your memo:

- Postponing construction of the sewer system is not economically prudent
- The financial participation of the Development Agency is essential for decreasing the cost to residents
- The entire unsewered area needs service; we should not create any "islands" without service, whether in the Dual Interest Area or elsewhere, for the economic and health reasons you cite

We recognize that the Development Agency and WES are moving forward with planning and public outreach for sewerage the entire NCRA. You have asked for direction from Milwaukie regarding future sewer service in the Dual Interest Area. Accordingly:

- The City of Milwaukie will abide by the UGMA, which states that the City "shall assume a lead role in providing urbanizing services whenever possible (in the Dual Interest Areas) and according to adopted capital improvement programs."

COMMUNITY DEVELOPMENT DEPARTMENT
Engineering • Operations • Planning • Building • Fleet • Facilities
6101 S.E. Johnson Creek Blvd., Milwaukie, Oregon 97206
PHONE: (503) 786-7600 • FAX: (503) 774-8236

- The City does not support the development of CCSD#1 sewer service, nor the requirement of CCSD#1 annexation, in the Dual Interest Area.
- The City will provide sewer service to the Dual Interest Area within the timeframe service is provided to the remainder of the NCRA (or before).
- Connection to City sewer service will require annexation to the City of Milwaukie, per the City's policy of providing urban services to properties within city limits only.
- Service to the Dual Interest Area will be accomplished either by coordinating City and County design and construction efforts, or by conducting separate projects with coordinated outreach.
- The City appreciates the Development Agency's commitment to providing an expanded safety net for residents throughout the area who may have difficulty paying required fees for service (regardless of provider).
- An Intergovernmental Agreement between CCSD#1 and the City will be necessary regarding the district's use of the city's conveyance system.
- The project(s) will not necessitate amending the UGMA, although the City would support reopening discussions with the County about the current UGMA and its effectiveness as drafted.

We appreciate the work that has gone into the formation of the NCRA and the preparation of the sewer project. Please continue to work closely with the City's Engineering staff, as this undertaking will demand continual mutual support and communication between the two governments. We will ensure that city staff coordinate with WES and DA staffs as well.

Cc: Gary Parkin, Engineering Director
Paul Shirey, Operations Director
Katie Mangle, Planning Director
JoAnn Herrigel, Community Services Director
Alex Campbell, Economic and Resource Development Specialist