

MINUTES
MILWAUKIE CITY COUNCIL WORK SESSION
SEPTEMBER 4, 2012

Mayor Ferguson called the work session to order at 5:00 p.m. in the City Hall Conference Room.

Council Present: Council President Chaimov and Councilors Dave Hedges and Mike Miller, and Joe Loomis

Staff Present: City Manager Bill Monahan, City Attorney Tim Ramis, City Recorder Pat DuVal, Public Affairs Coordinator Grady Wheeler, Assistant to the City Manager Teri Bankhead, Community Services Director JoAnn Herrigel, Public Affairs Coordinator Grady Wheeler, Assistant Finance Director Rina Byrne, Operations Director Gary Parkin, and Community Development and Public Works Director Kenny Asher.

Media: Victoria Edwards, *The Oregonian*

City Manager's Report

Mr. Monahan reviewed the evening's agenda. As the first Tuesday of January 2013 was a holiday, it was agreed the City Council would meet on Wednesday January 2, 2013, at which time the swearing in of the new Councilors would take place.

The group discussed the Finance Department's efforts to form an Audit Committee and Ms. Camors' preference for a 3-member Committee with one member experienced in municipal audits. The Mayor and Council agreed a certain area of expertise was needed, but there was some concern about identifying a Certified Public Accountant (CPA) with municipal experience. Ms. Camors would begin the recruitment process and keep the City Council informed.

Mr. Monahan discussed recent contacts with Dena Swanson, former owner of the Kronberg property. Would the City Council be willing to provide Ms. Swanson what TriMet provides the City in terms of compensation for the temporary easement? If that would satisfy Ms. Swanson, then would the City Council consider that to be appropriate? Mr. Monahan did not believe it was going to be a significant amount of money.

Councilor Loomis suggested the City might consider putting any funds into the development of Kronberg Park such as preparing a master plan.

Councilor Miller thought the commitments in the purchase agreement should be reviewed.

Mr. Monahan discussed the documentation that stated the property would be used for park purposes and named Robert Kronberg Park. He said this was not a land dedication where the language of the dedication stated that the property would revert to prior owners if used for other purposes.

Councilor Hedges had concerns about setting a precedent. TriMet was willing to compensate the owner of the property which was the City of Milwaukie.

Council President Chaimov agreed with Councilor Loomis and did not support making payments to the prior owner.

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Mr. Monahan announced a Council candidate orientation later in the month, and City Council concurred with the proposal.

Ms. Bankhead noted she had sent the City Council draft language related to Boards, Commissions, and Committees and encouraged responses.

Ms. Bankhead updated the City Council on the recent Downtown Business Group meeting convened last week. She provided a handout prepared by Clackamas County. Among the items discussed by the Group were public area requirements (PAR), parking, and the feasibility of an elected official's attending. **Mayor Ferguson** was not in favor of appointing a Council designee. **Councilor Miller** offered to attend.

Community Development and Planning Active Projects

Mr. Asher reviewed the Dark Horse Relocation and gave a status report on the South Downtown Implementation / Adams Street Connector Project. The connector would be for pedestrians and closed to traffic other than emergency vehicles. He was working with Ms. Herrigel to coordinate outreach of both the South Downtown Project and Riverfront Park. He was working on a prospectus for the Light Rail Station Building with the hope approaching developers this fall for design/build proposals. Staff was updating the Kellogg for Coho materials, and the Bertman House lease agreement was under legal review.

Kellogg for Coho Initiative

Mr. Asher introduced Paul Sherman and Julie Mentzer from Wildlands Inc. He gave an overview of the proposed Kellogg for Coho Initiative that include removing and demolishing the box culvert under McLoughlin Boulevard, draining Kellogg Lake, restoring the creek and banks, and perhaps developing Kronberg Park. He discussed the Portland Harbor Superfund Process in which this project was a strong contender for funding and future restoration.

Ms. Mentzer provided an introduction of Wildlands and its background in conservation projects and land management. The company was established in 1991 with offices and projects in Oregon, Washington, and California. There were over 41,000 acres under permanent protection and over 80 restoration projects with nine in Oregon and Washington. She described the commercial wetland mitigation and conservation banks and showed slides of a number of projects undertaken by Wildlands. Ms. Mentzer discussed the Natural Resource Damage Assessment (NRDA) Process and the Portland Harbor Superfund Site which was a national priority. She reviewed the role of the Trustee Council and the phased NRDA approach.

The City of Milwaukie and Wildlands were looking at entering into a partnership with the goal of restoring Kellogg Creek for the benefit of native salmonids and lamprey. Wildlands offered project development and expertise, financing, technical studies, and coordination with the Trustee Council and regulatory agencies. The process would begin with a feasibility study to review data, development of a preliminary design, and provision of additional technical studies. That would be followed by permitting and entitlement, construction, and monitoring and maintenance using an endowment fund. She discussed the credit methodology that was based on the lift and value of a project. The credits would be sold to parties responsible for the Portland Harbor conditions. Wildlands has a reputation for meeting its goals within the established timeframe. The Portland Harbor Trustees were discussing a 10-year timeframe.

Ms. Mentzer reported Wildlands was working on the feasibility phase to identify a preliminary design, review data, and discuss credit amounts with the Trustees. There would be a market analysis to determine if the project can be financed by the sale of credits.

There was City Council consensus to support Mr. Monahan's and Mr. Asher's moving forward with the Kellogg for Coho Initiative and Wildlands.

Response to Metro on Construction Excise Tax (CET) Grant

Mr. Asher reported on the City's \$224,000 Metro Construction Excise Tax (CET) grant award related to the Commercial Core Enhancement Program (CCEP) that would help identify problems related to impediments to redevelopment and possible implementation tool in urban renewal. The Oregon Court of Appeals supported Metro's program, so it was free to release grant funds and was seeking a formal response from the City of Milwaukie. He discussed the urban renewal planning elements as well as the opportunity sites that included the Murphy and McFarland properties, the Texaco block, the Triangle site, and the Kellogg Treatment Plant site. The Downtown Plan and code refresh would include technical reports on the policy effectiveness and financial and market feasibility of the downtown code and a recommendation to correct deficiencies.

Council President Chaimov asked that Mr. Asher bring back the original proposal in a comprehensive way to help with the City Council discussion.

Councilor Miller thought it would be good to know these things, but he would not support an urban renewal project and tax increment financing.

Councilor Hedges was concerned about the general fund match and the amount of staff time involved which he inferred was not feasible. He was not happy about the urban renewal part in the current financial climate as he felt that boat had sailed.

Councilor Loomis would like to know from Mr. Monahan if there were adequate staff time. He was not an urban renewal fan but would like to have more information for the next City Council meeting.

Council President Chaimov summarized the City Council would like to know how to staff and fund the project and to have a sense of what the tradeoffs would be.

Mr. Asher thought the work load impacts analysis would be done in a week. It would also require a cash match. Metro did not feel good about not tying the funds to urban renewal.

Mr. Monahan said it would be on the September 18 City Council agenda for action.

City Council Position on Coal Train

Mr. Wheeler provided an update on the coal train proposal. At its August 7 work session the City Council directed staff to develop information the Mayor could share with the Oregon Passenger Rail Leadership Council, speak with Port of Coos Bay representatives to learn more about Project Mainstay, gather information about coal train impacts from other communities, and contact other jurisdictions who have adopted resolutions to get more information on their findings. He discussed safety and noise issues.

Mayor Ferguson provided a timeline of proposed actions on this matter and hoped to deliver a Milwaukie City Council resolution to Coos Bay in November expressing the City's position and providing an executive summary. He was willing to take charge of the process with Mr. Wheeler's help in preparing the information for the other groups.

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It was the consensus of Council that Mayor Ferguson should move forward.

Councilor Hedges would like substantive, unbiased information on the number of trains going through Milwaukie per day.

Mayor Ferguson added there was also great concern about the unit trains coming through the community. He liked the Eugene City Council resolution and would work with Mayor Piercy and the Leadership Council.

Councilor Miller wanted information on the speed and length of the trains and how long the crossing might be blocked.

Councilor Loomis was not in favor of something that caused health concerns, and there was the bigger discussion of shipping coal to other countries. He would like information on how the impacts could be mitigated.

Mayor Ferguson adjourned the work session at 6:49 p.m.

Pat DuVal

Pat DuVal, Recorder

WORK SESSION

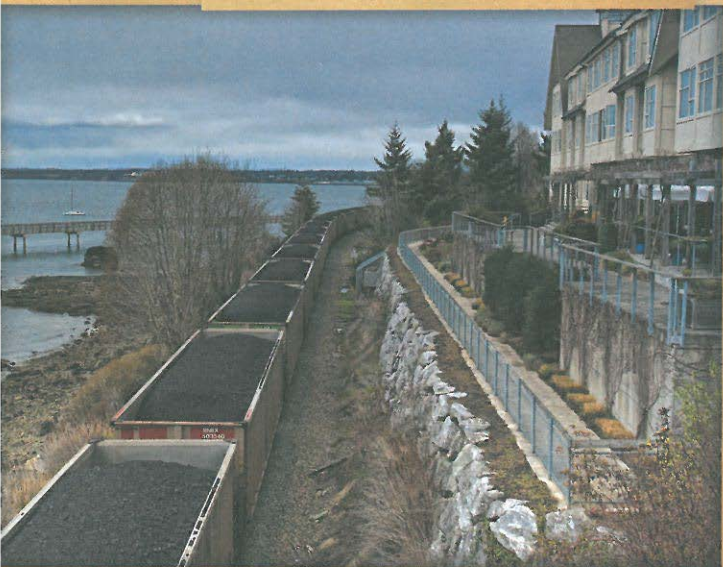
COAL-FREE NORTHWEST

EXHIBIT

TARGET

9/4/12 WS

CLEAN AIR,
HEALTHY COMMUNITIES,
NO COAL EXPORTS



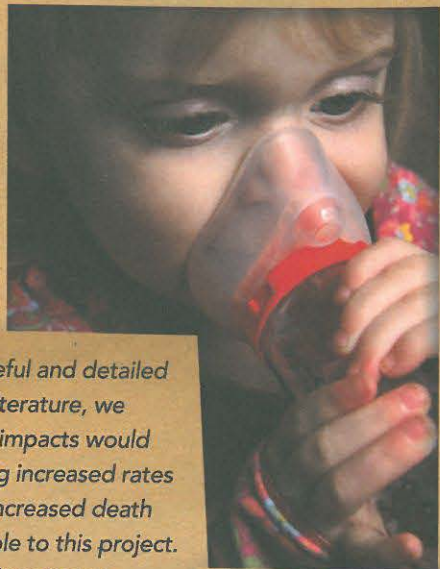
CoalFreeNorthwest.org



SIERRA
CLUB
FOUNDED 1892

Coal Makes Us Sick

Mining, transporting and burning coal
poisons our air, pollutes our water, sickens our
children and destroys the environment.



After completing a careful and detailed
review of the medical literature, we
conclude that the health impacts would
be significant, including increased rates
of respiratory diseases and increased death
rates directly attributable to this project.

These impacts of air pollution are not
hypothetical, but real and measurable."

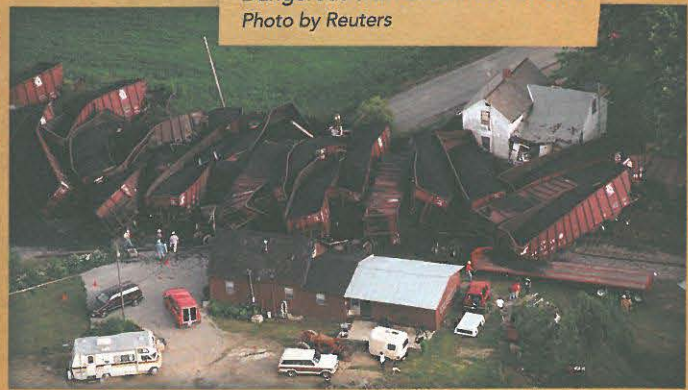
— DR. FRANK JAMES, PUBLIC HEALTH
OFFICER FOR SAN JUAN COUNTY

Coal and diesel pollution
is linked to asthma and
lung cancer.

A Risky Proposition

With current proposals, 20 or more coal trains, each 1.5
miles long, would chug through our communities daily.
Coal trains have a high risk for derailing and crashing.
When coal dust blows off of trains, it cakes on tracks,
causing horrific train derailments in communities.

Dangerous train derailment in Ohio
Photo by Reuters



Trains also threaten public safety when they intersect
with roads. Long trains rolling through road-crossings
add precious minutes to response times for emergency
services – such as paramedics, fire trucks and police
– risking people's lives in neighborhoods, like Seattle,
Mount Vernon and Bellingham.

A Puget Sound ferry waits
to unload its passengers
until a train passes.

Photo by Paul K. Anderson



Economic Future: Our Choice

Instead of choosing to max-out our rail lines to export
dirty coal and decrease our property values from noise,
traffic disruption and pollution, we can choose to fill our
rail lines with U.S. made goods, high-speed passenger
rail and our farm produce. **We can choose to develop
our communities and create jobs by investing in clean
energy, importing and exporting value-added goods,
and maintaining clean air and water.**

Coal will destabilize our local economies by making
them reliant on volatile international markets.

**Sacrificing our communities to be a pass-through
for dirty, dangerous coal is a very bad choice.**

DIRTY

AND

DESTRUCTIVE

SIGN

UP

TO

Our purpose is local economic development leading to the creation of good family wage jobs in our community. Let there be no doubt, the Gateway project as currently proposed will have a very negative impact on our local economy."

~ FROM THE PORT OF SKAGIT TO GATEWAY PACIFIC TERMINAL PROPONENT

YES! I want to help stop coal exports and create a clean energy future for the Pacific Northwest. Please keep me informed of ways I can help.

Please print legibly, then tear off and mail this card.



Name: _____

Address: _____

Email: _____

Phone: _____

By supplying your contact information, you become part of the Sierra Club's community. You'll stay informed with the latest environmental news, information, and Action Alerts from the Sierra Club locally and nationally.

HELP

NOW!



More than one thousand people rally to oppose coal exports in Bellingham, Washington. Photo by Paul K. Anderson

printed on 100% post-consumer waste

Sierra Club
BEYOND COAL
180 Nickerson Street
Suite 202
Seattle WA 98109



Please
place
stamp
here

With more than 150 proposals for new coal-fired power plants defeated in recent years, the Sierra Club is continuing our very successful Beyond Coal campaign and fighting destructive proposals to export coal.

We oppose coal exports because mining, transporting and burning coal fouls our air, pollutes our water, sickens our children and destroys the environment. Together, we can build stronger, healthier communities for all people.

CoalFreeNorthwest.org



**POWER
PAST
COAL**



BELLINGHAM

GLACIER NATIONAL



GRAYS HARBOR

LEAVENWORTH

SPOKANE

SEATTLE

TACOMA

WASHINGTON

YAKIMA

LONGVIEW

POWDER RIVER BASIN

ST. HELENS

VANCOUVER

BOARDMAN

PORTLAND

HOOD RIVER

PACIFIC OCEAN

SALEM

EUGENE

OREGON

COAL EXPORT IN THE NORTHWEST

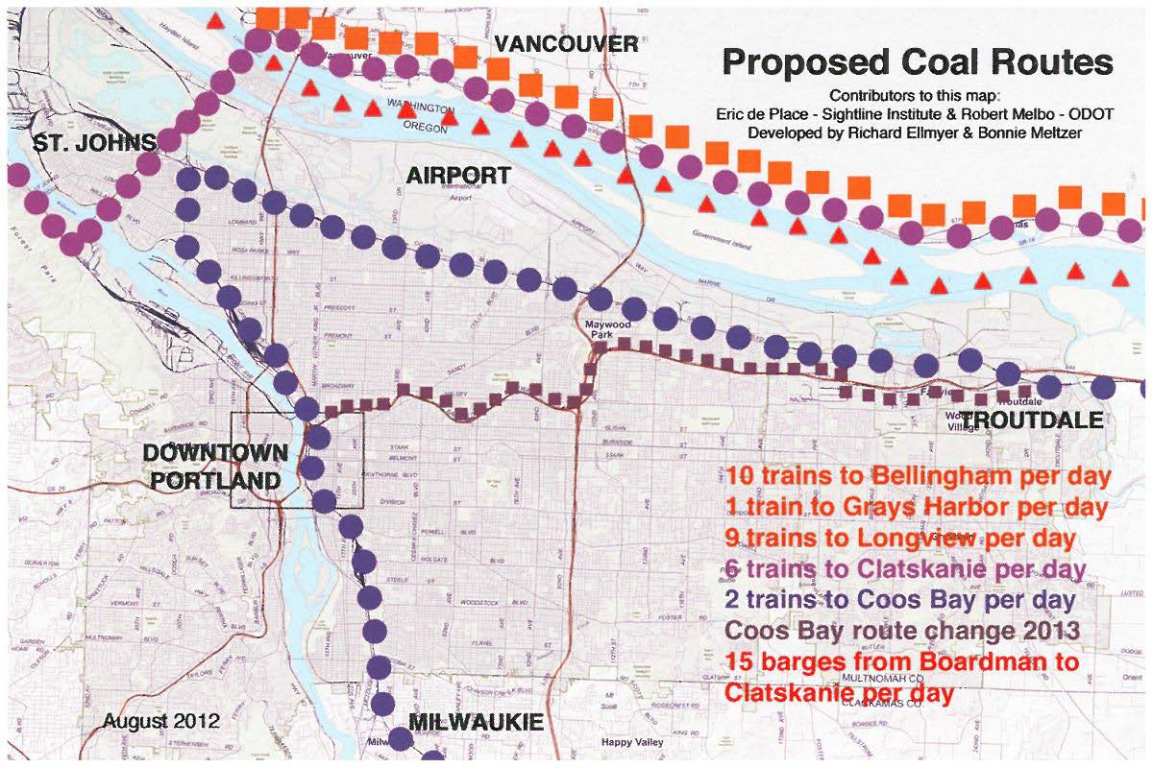
- Potential Train Routes
- ☀ Proposed Coal Terminals

COOS BAY

ID

Proposed Coal Routes

Contributors to this map:
Eric de Place - Sightline Institute & Robert Melbo - ODOT
Developed by Richard Ellmyer & Bonnie Meltzer



- 10 trains to Bellingham per day
- 1 train to Grays Harbor per day
- 9 trains to Longview per day
- 6 trains to Clatskanie per day
- 2 trains to Coos Bay per day
- Coos Bay route change 2013
- 15 barges from Boardman to Clatskanie per day

August 2012

STOP COAL EXPORT & TRANSPORT

Visit - Email - Write - Phone - Speak Out - Read - Take Action

Demand that your city councilors, county commissioners, and Metro councilors pass a NO COAL RESOLUTION that includes:

A - health and safety Programatic Comprehensive Environmental Impact Study of the Pacific Northwest by government agencies and a separate one by the National Academy of Sciences.

B - comprehensive economic and job study by government agencies that will identify jobs lost, businesses closed and property values diminished by coal transport.

C - refusal by local governments to pay for any costs associated with upgrading train facilities.

D - elimination of all corporate subsidies for fossil fuel extraction.

E - opposition to all coal trains and barges passing by and through your city and county.

Demand that current state legislators and all candidates for any public office issue a NO COAL PRESS RELEASE and post it on their websites.

KEEP INFORMED by getting the North Portland Coal Committee emails with coal news, events, and action updates. Contact richard@goodgrowthnw.org

Like and share info on <http://www.facebook.com/northportlandcoalcommttee>

For more info call Bonnie 503-285-3131



Clackamas County Main Street

EXHIBIT

TABULAR 9/4/12 WS

The Main Street Four Point Approach™

The Main Street Approach™ is a proven comprehensive approach to downtown commercial district revitalization. This approach has been implemented in over 1,800 cities and towns in 45 states across the nation. By fully integrating the programs four points into a practical downtown management strategy, a local program will produce fundamental changes in a community's economic base. The Main Street Four Point Approach includes:

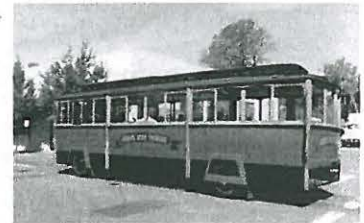
- **Organization** assembles public/private leaders within communities to work towards the same revitalization goals.
- **Promotion** sells a positive brand image of the commercial district drawing visitors, shoppers and investors downtown.
- **Design** enhances both livability and attraction of the area by rehabilitating historic buildings, creating pedestrian oriented streets and encouraging context sensitive new construction.
- **Economic Restructuring** strengthens a community's existing assets while expanding and diversifying its economic base. Main Street sharpens the competitiveness of existing business and attracts compatible new business to the district.

Coming soon to a community near you...

The Clackamas County Main Street Program, in conjunction with the Oregon Main Street program, will provide assistance, training, technical services, and resources to communities interested in preserving, revitalizing, and establishing their downtown commercial districts. This program is a locally driven process with the goal to build, through the Main Street Approach™, high quality, livable, and sustainable communities that will grow Clackamas County's economy.

WHY ARE DOWNTOWNS IMPORTANT?

- Downtown represents a community's historic core.
- Downtown business districts includes unique shopping, services and activities.
- Downtown represents a vast amount of public and private investment.
- Downtown provides a sense of community and place.
- Downtown is a reflection of how a community views itself.
- Downtown is a critical factor in business retention and recruitment efforts.
- Most downtown businesses are locally owned and operated, keeping profit in town.
- Downtown represents a significant portion of the community's tax base. If the district declines, property will increase tax burden on other parts of your community.
- Downtown serves as an incubator for new businesses.
- Downtown is traditionally a center for government.
- Downtown is often the largest employer in a community.



Oregon City Main Street



Lake Oswego Main Street



West Linn Main Street

Contact Information

Jamie Johnk
Clackamas County
Main Street Coordinator

Clackamas County
Business & Economic Development
150 Beaver Creek Road
Oregon City, OR 97045

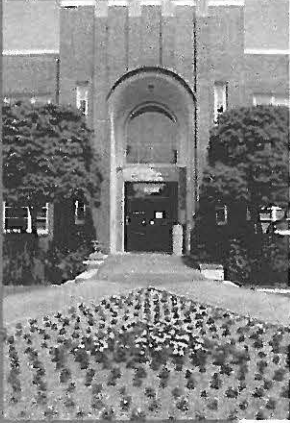
Phone: 503.742.4413

Email: jamieloh@co.clackamas.or.us



Lake Grove Main Street

Meeting the Needs of Clackamas County Communities



Milwaukie Main Street

The Clackamas County and Oregon Main Street Programs will provide technical assistance and resources to participating communities in Clackamas County whether they are just beginning to explore options for their downtown or seeking national recognition as a *Performing Main Street*. Services will be tailored to meet specific or typical needs of communities at their particular stage of downtown revitalization and program participation.

Oregon Main Street program levels include:

- **Exploring Downtown**— designed for those communities that demonstrate an interest in revitalizing their downtowns and want to learn more about the Main Street Approach™.
- **Transforming Downtown**— designed for communities committed to downtown revitalization using the Main Street Approach™ but need technical assistance to take them to the next level.
- **Performing Main Street**— designed for those communities with advanced downtown programs following the Main Street Approach™.

Clackamas County Main Street Communities

Performing Main Street
Oregon City

Transforming Main Street
Sandy

Exploring Main Street
Canby
Damascus
Estacada
Happy Valley
Lake Grove
Lake Oswego
Milwaukie
Molalla Villages of Mt. Hood
West Linn
Willamette District

Estacada Main Street



Benefits of the Clackamas County Main Street Program

Local Residents/Consumers:

- More local shopping and dining opportunities
- Enhanced marketplace
- Less time and money spent traveling outside the community for services
- Sense of pride in downtown
- Social and cultural activities
- Opportunities to keep kids in town
- Sense of hometown community
- Historical awareness
- Opportunity to participate and volunteer
- Better communication within the community
- Political advocate
- Home values increase

Preservationists/Historians:

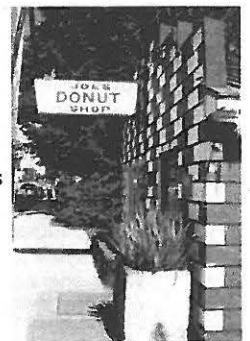
- Main Street Approach™ reinforces common goal of preservation
- Increases coalition
- Increases awareness of historic property
- Public education
- Improved image
- Improved economic feasibility of preservation

Business Owners:

- Healthier economy generates new business opportunities
- Technical assistance and services
- Image building and improvement
- Pride in downtown
- New/renewed/repeated exposure
- Increased variety of services
- Increased competition means more aggressive business styles tapping leakage
- Increased population, new customers
- Improved image, creates new market

Property Owners:

- Increased occupancy rates
- Reduced number of vacant storefronts
- Rent stability
- Increased property values
- Vandalism and crime deterrent
- Assistance with tax credits, grants, loan programs, design, and co-op maintenance
- Improved image of downtown
- Communication medium with other property owners
- New uses on upper floors



Sandy Main Street

Clackamas County BUSINESS AND ECONOMIC DEVELOPMENT



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A division of Business &
Community Services

Gary Barth, Director

PROGRAM: CLACKAMAS COUNTY BUSINESS RECRUITMENT, RETENTION AND EXPANSION

Economic Development Staff works with businesses, communities, and state agencies to bring new business to Clackamas County, expand existing business and promote traded-sector industries to create jobs and increase the County's overall gross domestic product. Staff hosts an annual Economic Development/Main Street Partners Roundtable to share best practices countywide.

Projects and Initiatives:

- **Business Outreach**
- **Track Databases of Businesses and Properties**
- **Promotion of Employment Sites**
- **Lead Management**
- **Incentive Programs:** Enterprise Zones, Strategic Investment Zones, Rural Renewable Energy Development Zones
- **Industry Promotional Videos**
- **Tools for Business Success:** Online Resource

PROGRAM: CLACKAMAS COUNTY ASSET, ECONOMIC OPPORTUNITY & EMPLOYMENT LAND MAPPING

The goal of this project is to identify and map Clackamas County's economic development assets, economic opportunities and employment land supply by conducting a countywide inventory and analysis of vacant, available, and redevelopment opportunity sites. This is a collaborative effort of Economic Development, Planning, Transportation and GIS departments. This project will include an analysis of project ready land requirements; identification, assessment and GIS mapping of countywide employment lands and infrastructure; regional economic opportunities analysis; businesses cluster analysis and supply ring; and a strategic marketing plan.

PROGRAM: CLACKAMAS COUNTY ECONOMIC LANDSCAPE

The goal of this project is to convey the current economic forces that are driving the Clackamas County local economy by identifying economic output by key traded-sector industry clusters, and keys to increasing the jobs-to-housing ratio.

Projects and Initiatives:

- **Maintain Updated Data**
- **Reporting Key Performance Indicators**
- **Regional Partnerships: PSU, Metro, GPI**

PROGRAM: CLACKAMAS COUNTY INDUSTRY CLUSTER DEVELOPMENT

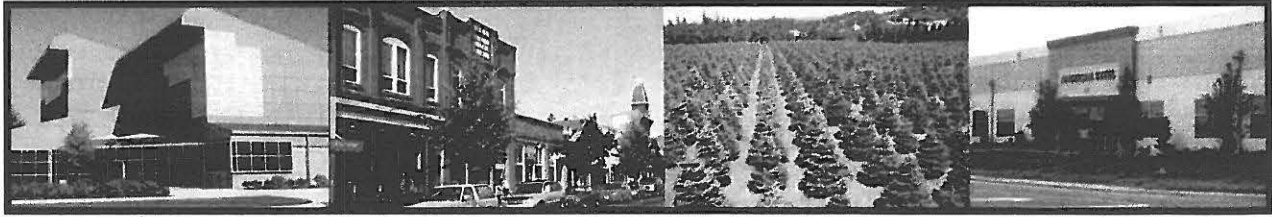
Using the work of the Economic Landscape Project, staff is focusing on a variety of programs to expand business opportunities, job growth, and increase GDP.

Projects and Initiatives:

- **Industry Cluster Convening**
Hosting of roundtable discussions with key industries in Clackamas County to review and confirm cluster focus/scope, definition and participants; identify cluster needs, opportunities and obstacles; identify areas of strongest mutual interest.
- **Industry Supply Chain Project**
Identifying supply chains of industries throughout the County to identify resources and opportunities for businesses to coordinate supply and demand of products and services.



Clackamas County BUSINESS AND ECONOMIC DEVELOPMENT



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PROGRAM: COMMUNITY ECONOMIC PREPAREDNESS

Clackamas County Community Economic Preparedness Program (CEP) helps communities accommodate business retention, expansion and new business prospect inquiries. By participating in the CEP program, communities will have the opportunity to learn the relevant needs for economic development success and how to strategically plan to address those needs.

Projects and Initiatives:

- Increase community marketability for economic development opportunities
- Strengthen the ability to retain and expand existing businesses
- Response Team Training – Helping Communities respond to business leads

PROGRAM: CLACKAMAS COUNTY EXPORT INITIATIVE

Clackamas County is actively engaged in the recently launched Metro Export Initiative (MEI), an export strategy developed by the Brookings Metropolitan Policy Program as part of the Greater Portland Export Plan.

Projects and Initiatives:

- Educational Seminars
- Business Outreach
- Regional Partnerships

PROGRAM: CLACKAMAS COUNTY FILM & MEDIA PRODUCTION

In partnership with the Oregon Film & Video office, Business and Economic Development staff is promoting the regional development of the film, video and multimedia industry in order to increase the industries revenues and investment in Clackamas County.

Projects and Initiatives:

- Consolidated Permitting
- Lead Process
- Databases: Filming locations, Industry database
- Marketing
- Analytics
- Industry Events

PROGRAM: CLACKAMAS COUNTY MAIN STREET

The County coordinates all Main Street activities through an agreement with Oregon Main Street in efforts to revitalize and bring economic vitality to historic downtown areas by providing technical assistance, mentorship and training to Clackamas communities. We also act as a clearinghouse of resource information and convene regular meetings with professionals.

Projects and Initiatives:

- **3D Downtowns**, a dynamic new program offered to Clackamas County Main Street (CCMS) communities. Communities are eligible to apply for 3D modeling services valued at \$5,000.
- **Energy Efficiency on Main Street (EEMS)** works with the Energy Trust of Oregon to make energy efficiency upgrades a viable and attainable option for commercial businesses in Main Street districts. The County was awarded a 2011 NACo Achievement Award

PROGRAM: CLACKAMAS COUNTY AG INVESTMENT PLAN

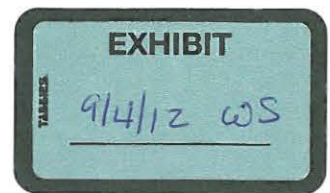
The Agricultural Investment Plan focuses on creating new emergent markets for the county's agricultural base by exploring interconnections among activities and optimization of various land use within the agricultural sector. As a partnership with Economic Development, Sustainability and Tourism this project focuses on four key areas of opportunity, including renewable energies, regional food systems, regional impact from the equine industry, and agricultural tourism.





MILWAUKIE

Dogwood City of the West



Memorandum

To: City Council

From: Kenny Asher, Community Development/Public Works Director

CC: Bill Monahan, City Manager
JoAnn Herrigel, Community Services Director
Grady Wheeler, Public Information Coordinator

Date: September 4, 2012

Re: CD & Planning Active Projects: City Council Update

Community Development

- Dark Horse Relocation/Real Estate Study
- Light Rail Project Management
- South Downtown Implementation/Adams St. Connector
- Light Rail Station Building
- Kellogg for Coho Initiative
- Bertman House Lease

CD/Engineering

- Quiet Zone Implementation
- Citywide Sidewalk Improvement Program (exploring)

Planning

- Residential Development Standards
- Annexations
- Land Use and Development Review
- Downtown Facade Improvement Program
- Neighborhood Main Streets
- Downtown Plan and Code Refresh
- Tacoma Station Area Planning
- Zoning Code Enforcement
- Parks Plans
- Transportation System Plan
- Metro 2035 Population and Employment Forecast
- 'Low Hanging Fruit' Code Amendments

Community Development

Dark Horse Relocation/Real Estate Study

No update. Last discussion with DHC indicated financing was aligned and permits would soon be taken out for the project. Will follow up with Neil Hankerson.

South Downtown Implementation/Adams St. Connector

Design concept scheduled for Council presentation on 10/2. Working with property owner on parking impacts, with Metro on a financing plan, and with TriMet on construction coordination. Also working with JoAnn Herrigel and the Capital Campaign consultants for the Riverfront project to avoid any real perceived competition between city projects and corporate sponsors or donors. Inaugural South Downtown event planned for this Friday and Saturday – "Movies on Main Street," courtesy of Lisa Batey and Celebrate Milwaukie, Inc.

Light Rail Station Building

Reworking prospectus to drop baseball and update Kellogg for Coho materials. Still on track for developer recruitment this fall.

Bertman House Lease

Under legal review. New Century Players still in the Bertman House, and working to increase performances in Milwaukie at MHS. Might need assistance from Milwaukie City Council as discussed.

EXHIBIT

TALKERS

9/4/12 WS

To: Milwaukie City Council, Mayor Jeremy Ferguson, Bill Monahan, Milwaukie City Manager

From: Ed Aaron, Main/Monroe Investors, LLC.

Date: September 4, 2012

Subject: Main/Monroe Investors, LLC and Public Area Requirements

I have had several conversations with your staff on Friday and today. Some very terse. The issue I have is again related to Public Area Requirements for the property at 10883 Main Street. I received the attached letter (file: LET01 Plan Review 01.pdf) dated August 30, 2012 from Brad Albert of City staff to Ed Parecki. It states that I owe approximately \$26,500 because of impacts caused by a change of use. I had a conversation with Bill Monahan regarding the letter and reminded him of his role in the original permitting process for the building and the subsequent appeals before the Planning Commission and City Council. I still feel that the hearing we received then was not fair and communicated that to Bill. He aptly pointed out that regardless Main/Monroe accepted the terms of the settlement without further appeal to the land use board. I reminded him that it was accepted under duress.

Regardless, attached is a letter, dated January 14, 2008, from Katie Mangle then Director of Planning for the City to Ed Parecki, a former member of Main/Monroe Investors stating the terms of the settlement reached. I call your attention specifically to page 2 of 3, line 3 and continuing to the end of the paragraph. The City may not request more than 10% of the permit value for any tenant improvement as a contribution to PARs. This was the premise of the PARs paid for Enchante' when it was permitted in May 2011. A grant was established to pay PARs in that case and as I understand it, unused funds are still available from that grant to pay for these PARs (Albert letter dated August 30).

I had a conversation with Brad Albert and Kenny Asher today at 3:00 pm to insure that they had a copy of this letter and asked that they honor it's terms. Kenny was not willing to accept the letter at face value, saying that he would discuss it with Bill and the city attorney to determine if they had to abide by the settlement.

Given the ethical lapses that Kenny has shown in the past, with conflict of interest involving employees under his supervision and the culture of the departments under his control to throw road blocks to developments such as the one recently where an assistant planner refused to accept a reimbursement request for a façade improvement grant, I would like to ask the City Council to insure that the settlement reached in 2008 is enforced, that PARs for the project at the Main/Monroe building be limited to 10% of the permit value and that those PARs be paid by remaining PAR grant funds.

To date, Main Monroe Investors has contributed more than \$26,000 to PARs. (Yes. We paid them already.) Yet, from the original list of improvements, attached to the January 14, 2008 letter, stated as necessary due to impacts caused by this project, not one improvement has been made by the city. If these improvements are necessary due to the proportional impacts that the project has had on the City of Milwaukie infrastructure, why is there not at least a plan for executing them?

According to the letter issued by Brad on August 30, an Occupancy Permit will not be issued until the PARs are paid. I (and the business community) look forward to the prompt resolution of this PAR issue. Businesses are waiting to open and commerce is being impacted.

Regards,
Ed Aaron



August 30, 2012

Ed Parecki
7677 SW 87th Ave
Portland, OR 97223

**RE: BUILDING PERMIT REVIEW #01
Permit #601-12-000634 – 1991 SE Monroe Street**

Dear Mr. Parecki,

The City of Milwaukie Engineering Department has completed a review of Building Permit #601-12-00634 for a tenant improvement at 1991 SE Monroe Street. This letter is to inform you that the building permit you have applied for activates Milwaukie Municipal Code Section 19.310.5. regarding Public Area Requirements.

Due to an increase in trips that will be generated from the new use on the site, MMC Code Section 19.310.5 requires that the applicant fund Public Area Requirements at this location in an amount roughly proportional to the impact that the development is creating on the transportation system. The Public Area Requirements at this location primarily include pedestrian improvements in front of the building (155 linear feet). These Public Area Requirements have been valued at \$26,493.79. A rough proportionality analysis was performed for this development permit. The proportionality analysis warrants construction of the full extent of Public Area Requirements at this location.

Under MMC 19.706, you have the option of constructing \$26,493.79 worth of improvements or you may pay a fee in lieu of construction for this amount.

The Milwaukie City Council recognizes that the high cost of Public Area Requirements present a disincentive to property owners and developers working to update downtown buildings. As a result, the Council has adopted a grant program to help developers cover the cost of Public Area Requirements. The \$20,000 program currently has \$6,142.31 in remaining funds that can be applied for and awarded until June 30, 2013. I encourage you to apply for this funding, which you can do through a simple letter request to me at this address. Should you receive a PAR grant for the remaining funds available, you will still be required to pay or construct \$20,351.48 in public area improvements to obtain the occupancy permit you have applied for.

The Milwaukie City Council has also initiated a code amendment project that could change the applicability of the Public Area Requirements code section to projects like yours. The council has requested that the Planning Department present a new PAR code to the Planning Commission as quickly as possible. That is currently scheduled to happen in November. The Council has asked staff to include in the revised code a provision to reimburse applicants whose development project 1) paid for or constructed Public Area Requirements after August 1, 2012 and 2) would not trigger Public Area Requirements under the new code. The City Council expects to vote on the new code in December. You and other downtown property owners, business owners and

developers will be contacted by the Planning Department to comment on the proposed code revisions in September.

Unrelated to the Public Area Requirements, the trip generation calculated under the proposed new use on this site requires a payment of Transportation SDC's. The calculated amount of Transportation SDC for the proposed project is \$4,491.68. The PAR Grant Program and potential reimbursement of Public Area Requirements do not apply to the Transportation SDC's.

Upon receipt of payment of the SDCs, remaining Building Permit fees of \$377.00 (for structural review, planning review and State of Oregon Surcharge), and payment and/or construction of the Public Area Requirements, I will approve your occupancy permit.

If you have questions regarding the permit review comments, please contact me at 503-786-7609.

Thank you,



Bradley S. Albert, PE
Development Review Engineer

Copy: Bill Monahan, City Manager (via email)
Teri Bankhead, Assistant to the City Manager (via email)
Kenny Asher, Community Development/Public Works Director (via email)
Gary Parkin, City Engineer/Interim Operations Director (via email)
Tom Larsen, Building Official (via email)
Tim Ramis, City Attorney (via email)
Scot Siegel, Interim Planning Director



January 14, 2008

Main/Monroe Investors, LLC
c/o Edward Parecki
7677 SW 87th Avenue
Portland, OR 97223

Subject: 10883 SE Main Street

Dear Mr. Parecki:

The City has received your revised building permit application, and we are very pleased you have found an approach to moving your renovation project forward. The purpose of this letter is to make sure Main/Monroe Investors, LLC, understands how the code will be applied to your project under this new approach.

Now would be an excellent time for us to meet to discuss and coordinate the various issues related to your project, including building permits, land partition, ADA requirements, Metro Urban Living Infrastructure grant possibilities, and any questions you may have. I hope you'll contact the Planning department to arrange such a meeting. While this revised approach will allow you to receive a building permit, it does not relieve the project from constructing public area improvements. Furthermore, it leaves open the question of your total public area improvement contribution since this will now be calculated on a permit-by-permit basis. I believe this uncertainty makes it more important than ever for the City and Main/Monroe Investors to coordinate and communicate effectively.

Revised Approach

On January 11, 2008 you revised Building Permit #07-0408 by removing the proposed elevator. Based on the quote submitted for the cost and installation of the elevator, you have re-assessed the permit valuation to be approximately \$121,000. Because the re-assessed permit value is less than 50 percent of the assessed real market value of the property and existing improvements (\$353,000), the project triggers section 19.312.5.c of the Milwaukie Municipal Code (MMC).¹ Therefore, relying on the proportionality analysis we have already conducted for your project, the City will require that the project

¹ MMC 19.312.5.c reads: "If the development permit value is less than fifty percent of the value of the land and existing improvements, as determined by the county assessor, then an amount equal to at least ten percent of the development permit value shall be utilized to meet the public area requirements..."

contribute an amount equal to at least 10 percent of the development permit value toward public area improvements along the property's frontage.²

Future building permits, such as those required to finish the interior spaces, will increase the cumulative value of the project. The City will assess each submitted development permit for compliance with the public area requirements by requiring that each building permit contribute 10 percent toward public improvements. Accordingly, each submitted permit will provide pro rata contributions toward the list of required improvements that was communicated to you in previous correspondence (see Attachment 1 for the list of required improvements for your site). The only exception to this approach would be if a tenant improvement permit has a value that exceeds 50 percent of the assessed value of the land and improvements. In that case, the permit would trigger "full compliance" with the public area improvement requirements, and the City would exact the full list of required improvements as described in Attachment 1.

Conditions of Approval for each Building Permit

Prior to approving each building permit, the City will calculate the value of the required improvements related to that permit, and require a signed statement from the applicant agreeing to construct improvements, to be determined by the City, with a value of 10 percent of the building permit value. Staff will track the public area requirement value related to each permit up to and including the first interior tenant improvement permit.

When the City receives an application for the first interior tenant improvement permit, staff will consider the cumulative value of required public area improvements for all building permits approved to date, and will determine which improvements will be constructed (based on City prioritization and funds available). Subsequent building permits that trigger public area requirements on this project will be subject to the same process.

Prior to final building inspection and building occupancy, required public area improvements must be engineered and completed to City standards. Prior to beginning construction of the improvements in the right of way, the following items will need to be submitted:

- Engineered drawings of the sidewalk extension based on the City's design specifications.
- Performance bond for 100 percent of the cost of the improvements in the right of way. This is required of any party doing construction in the public right of way as security for the city to ensure that improvements are completed.
- Scaled site plan showing all improvements.
- Right-of-way permit (and applicable permit fees) and Traffic Control Plan. An erosion control permit is required if more than 500 square feet of area is disturbed.

² We are also in receipt of a demolition permit (#07-0607) for the existing one-story portion of the building located on site. Because this permit will not result in increased use of or traffic to the site, the City will not require public area requirements related to this permit.

It is the City's policy not to issue temporary certificates of occupancy. The required public improvements associated with this project must be completed before the City will allow occupancy of finished spaces within the building.

Again, I recommend we schedule a meeting to discuss this process, along with your development plans and issues related to the development of this property. I believe it would be beneficial for everyone to discuss and coordinate the different aspects of your project to facilitate completion of your projects. If you are interested in such a meeting, please contact Bob Fraley at (503) 786-7627 and he can set up the meeting with representatives from the Building, Engineering, Planning, and Community Development departments.

City of Milwaukie staff is committed to assisting you and your future tenants with the development process. If you have any questions or concerns, please do not hesitate to contact me at (503) 786-7652.

Sincerely,



Katie Mangle
Planning Director

Attachments:

- 1) List of Public Area Requirements for the frontage of 10883 SE Main Street

Cc List:

City Council
Planning Commission
Mike Swanson, City Manager
Bill Monahan, City Attorney
Kenny Asher, Community Development and Public Works Director
Gary Parkin, Engineering Director
Robert Fraley, Associate Planner
Zach Weigel, Civil Engineer

Public Area Improvements – 10883 SE Main Street

Full List of Improvements		Reduced List of Improvements
Main Street Frontage	<ul style="list-style-type: none"> • 8 ft concrete parking strip • New curb and gutter (offset curb 1-foot from existing curb line) • 13 ft sidewalk • 1-3 Street trees with grates • 1-2 Street lights (twin ornamental) • Underground all overhead utilities • Street furniture • Bike parking* • City of Milwaukie medallion* 	<ul style="list-style-type: none"> • 1 Street tree • 1 Street light (twin ornamental) • Street furniture – 1 bench / trashcan
Monroe Street Frontage	<ul style="list-style-type: none"> • 7 ft. parking strip (asphalt) • New curb and gutter • 12 ft sidewalk • 2-3 Street trees with grates • 2 Street lights (single ornamental) • Underground all overhead utilities along frontage • Street furniture • Bike parking* 	<ul style="list-style-type: none"> • 2 Street trees • 1 Street light (single ornamental) • Street furniture – 1 bench / trashcan
Intersection	<ul style="list-style-type: none"> • 1 Bulb out (Sidewalk extension at the intersection of Main and Monroe. The sidewalk extension should be designed with 15-ft radius and to transition SE Monroe Street from two lanes to three lanes). • 2-4 Flowering ornamental trees • Landscaping with Irrigation • 6 Bollards • 2 ADA warning pads 	<ul style="list-style-type: none"> • 1 Bulb out (Sidewalk extension at the intersection of Main and Monroe. The sidewalk extension should be designed with 15-ft radius and to transition SE Monroe Street from two lanes to three lanes). • 2-3 Flowering ornamental trees • Landscaping with Irrigation • 4 Bollards • 2 ADA warning pads

* Denotes improvements the City is able to provide.



(City Council business item)

Tue Sept 4, 5:30 pm: Discuss progress, timeline and initial research findings in work session. Hoping to present this timeline in a final version and post to our website. Public Comment taken in Regular Session at 7:00 pm.

(Potential City Council business item)

Tue Sept 18, 7:00 pm: No agenda item, but public may comment under agenda item #4. Public Comment taken in Regular Session at 7:00 pm.

(Mayor acting as individual member of Council unless given more specific direction by Council on September 4)

September 19: Mayor Ferguson takes information to Metropolitan Mayors group (this group of mayors includes all cities within Metro's growth boundary) to raise awareness and consider taking a position. I'll invite cities to Milwaukie's Study Session, town hall and subsequent meetings.

This meeting is not open to the public.

(Mayor acting as individual member of Council unless given more specific direction by Council on September 4)

September (between the 19th and 25th): email to Oregon Rail Leadership Council asking for agenda item, Coos Bay project/impact on Passenger Rail, bring up Coal Trains, ask members to discuss in their spheres, join Milwaukie in asking for a study on the cumulative environmental and health impacts.

Copy of email will be sent to Coal Task Force.

(City Council business item)

Tuesday Sept 25, 5:00 pm: Coos Bay joins our study session. Public welcome to attend, but public comment will not be taken at this meeting.

(Mayor taking testimony/notes to guide discussion on Oct 2 and 16. Council will be invited to attend, but only the Mayor will serve as a panel member. Mayor acting as individual member of Council unless given more specific direction by Council)

September 27: time and location TBD Town Hall meeting, Coal Hard Truth Forum, Mayor Ferguson serves as panel member, community can communicate directly to him.

Should this be placed on Cable access after the forum? If so, film crew needs to be there and contact needs to be made with WFTV to load onto Cable.

Public Comment time – notes taken and presented to Milwaukie City Council.

(City Council business item)

Tuesday Oct 2, 7:00 pm: Presentation by Milwaukie Coal Task Force, presents materials from NDAs, and presents proposed resolutions, discussion between Council and Task Force representative member(s). Council deliberates and provides staff direction after public comment.

(it would be nice to have comments from NDAs gathered and presented on this night. Perhaps a statement from NDA leadership as well if they are so inclined)
Public comment taken after presentation, but before council directs staff.

(City Council business item)

Tuesday October 16, 7:00 pm: Council discusses and decides on resolution.
Public comment before vote on resolution.

(Individual action by Mayor Ferguson which needs support from others, cannot be funded by the City of Milwaukie)

Thursday, October 18: Copy of Milwaukie's resolution and executive summary of Milwaukie's research work should be mailed to:

Oregon Mayors

Metro Council

Selected Oregon State Senators and Representatives

Clackamas County Commissioners

Governor's office

Rail Leadership Council members

Senator Merkeley

Senator Wyden

Congresswoman Bonamici

Congressman DeFazio

Congressman Blumenauer

Congressman Walden

Congressman Schrader

Port of Coos Bay Commissioners

Others??

++Assistance from the task force and other groups will be much appreciated on this particular effort; I cannot utilize city staff and resources to mail out the resolution and summary. We can be working on this list and supplies now to be prepared for this date.

(Mayor acting as individual member of Council unless given more specific direction by Council)
Late October - possible presentation to Oregon Rail Leadership Council?

Depends on email response in September, Mayor Ferguson will work with Eugene Mayor Kitty Piercy (also co-chair of Rail Leadership Council)

(Mayor acting as individual member of Council unless given more specific direction by Council)
November __?__(need to get date from Coos Bay): Mayor Ferguson will travel to Coos Bay and presents Milwaukie's position and executive summary of research to Port of Coos Bay Commissioners at their November board meeting.



WILDLANDS

Presentation to Milwaukie City Council

September 4, 2012



WILDLANDS






Wildlands PNW Projects



Who is Wildlands?

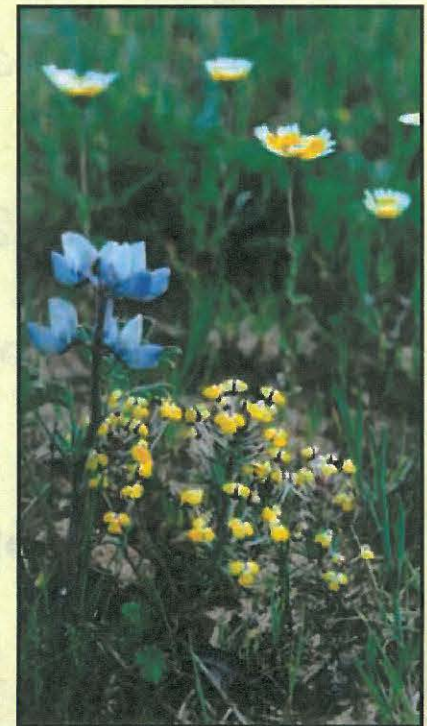
- Established in 1991 with offices and projects in Oregon, Washington, and California
- Over 41,000 acres under permanent protection
- Over 80 restoration projects – 9 in Oregon and Washington
- **FIRST** commercial wetland mitigation bank west of the Mississippi River
- **FIRST** conservation banks for Chinook salmon, Steelhead, Delta smelt, Vernal pool species, Giant garter snake, red-legged frog, Valley elderberry longhorn beetle, etc...






Wildlands' In-house Capabilities

- Market Analysis
- Land Acquisition
- Entitlements and Permitting
- Design/Build
- Maintenance & Monitoring
- Marketing & Sales
- Long Term Management



WILDLANDS



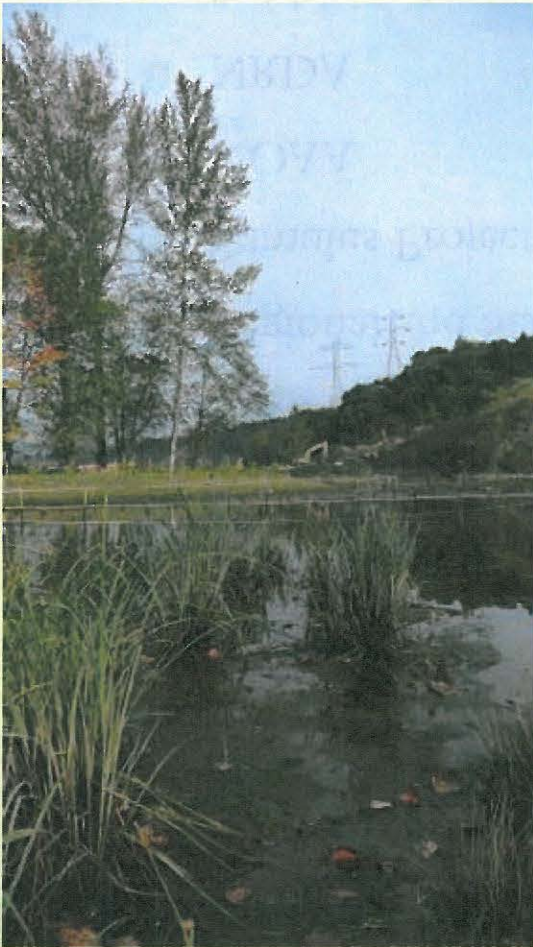
Agencies/Programs that have Utilized Wildlands' Projects

- Military (e.g., Army, Navy, Air Force & Marines)
- Government Projects (e.g., levee, intra-coastal waterway, dredging, etc.)
- Private Development (e.g., residential, commercial, industrial, etc...)
- Regional and State DOTs
- Stimulus Projects
- NOAA
- NRDA
- Public works and public utilities projects
- Water delivery, levee, dam, and flood control projects
- Ports and airport authorities



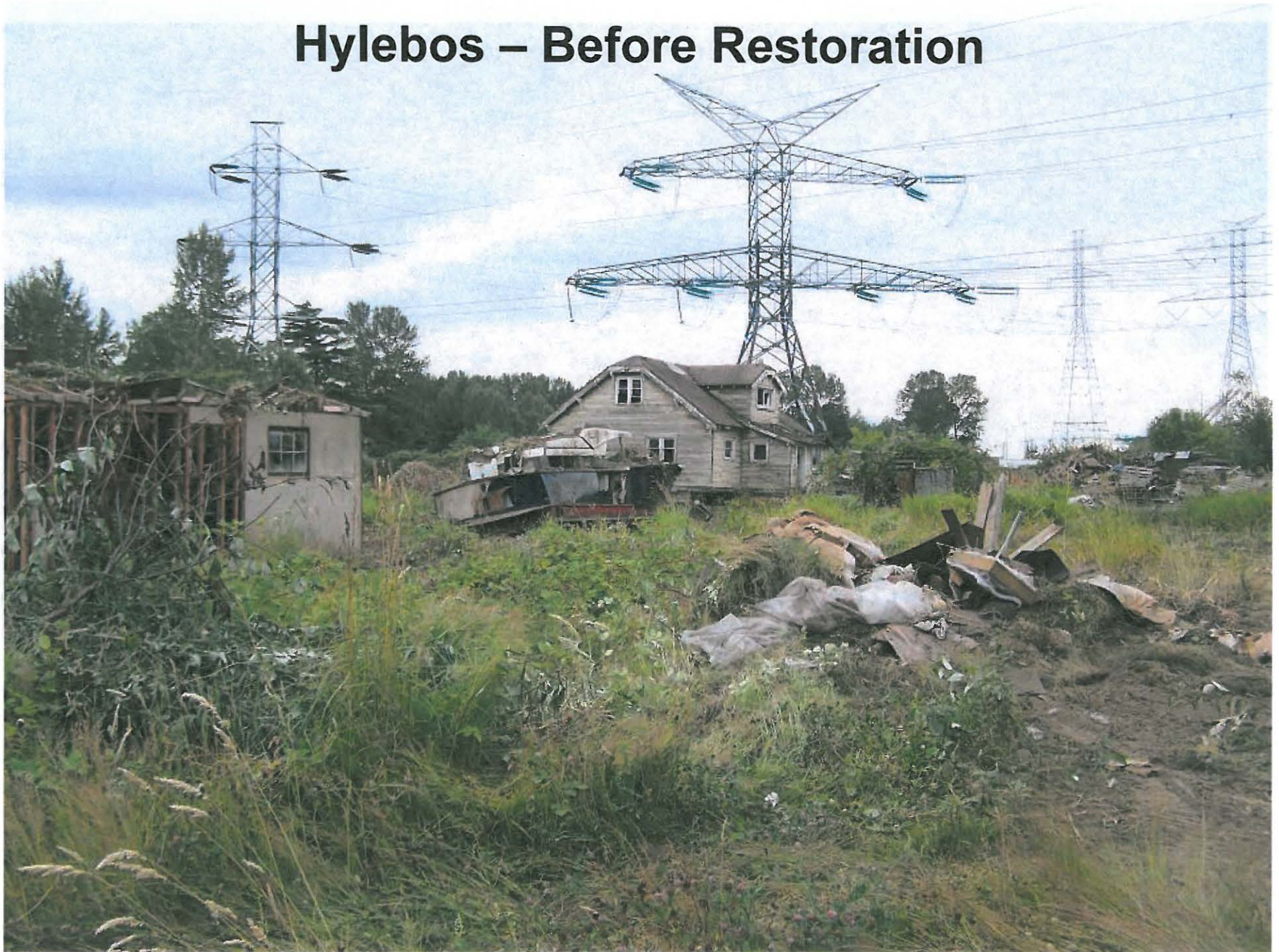
Hylebos Creek Restoration Site

(An Example of NRD Restoration)



- 6.67 acres along Hylebos Creek near Commencement Bay, Pierce County
- Contained numerous structures, debris piles, and an unpermitted salvage yard
- Site was hydrologically isolated by an earthen berm and existing wetlands were degraded from years of incompatible uses
- Restored in 2009 for Chinook salmon, steelhead, and bull trout

Hylebos – Before Restoration



Post- Restoration 2009



Post- Restoration 2010





Post- Restoration 2011



Post- Restoration 2011

Hylebos – Before Restoration



Post-Restoration (2010)



Post-Restoration (2011)







Nookachamps Wetland Mitigation Bank

- 285-acre site along the Skagit River
- Primary goal: Re-establish critical functions of wetlands and riparian habitats along the Skagit River in an historic floodplain
- Habitats: riparian floodplain forest, channel, and floodplain wetland habitat
- 101 wetland credits for use as mitigation for impacts within the watershed
- Currently pursuing salmon conservation credits with NOAA



Nookachamps Mitigation Bank



Nookachamps Mitigation Bank during construction



Nookachamps Mitigation Bank immediately following construction



Nookachamps Mitigation Bank one year after construction



Portland Harbor NRDA Facts

- The Portland Harbor Superfund Site is the result of over 100 years of industrial use along the river
- Water and sediments are contaminated with heavy metals, PCBs, PAH, dioxin, and pesticides.
- 2000 - Portland Harbor added to EPA's National Priorities List
- 2002 – The Trustee Council was formed
- August 2011 – completed Remedial Investigation
- March 2012 – The LWG submitted a Feasibility Study for EPA review to document options available for contamination cleanup and how much it will cost.

Portland Harbor NRDA Process

The Trustee Council will:

- Assess natural resource injuries caused by contaminants.
- Quantify those injuries.
- Seek compensation from the parties responsible for the contaminants.
- Use compensation funds to restore, rehabilitate, and/or replace those injured natural resources, or direct the responsible parties to do so.

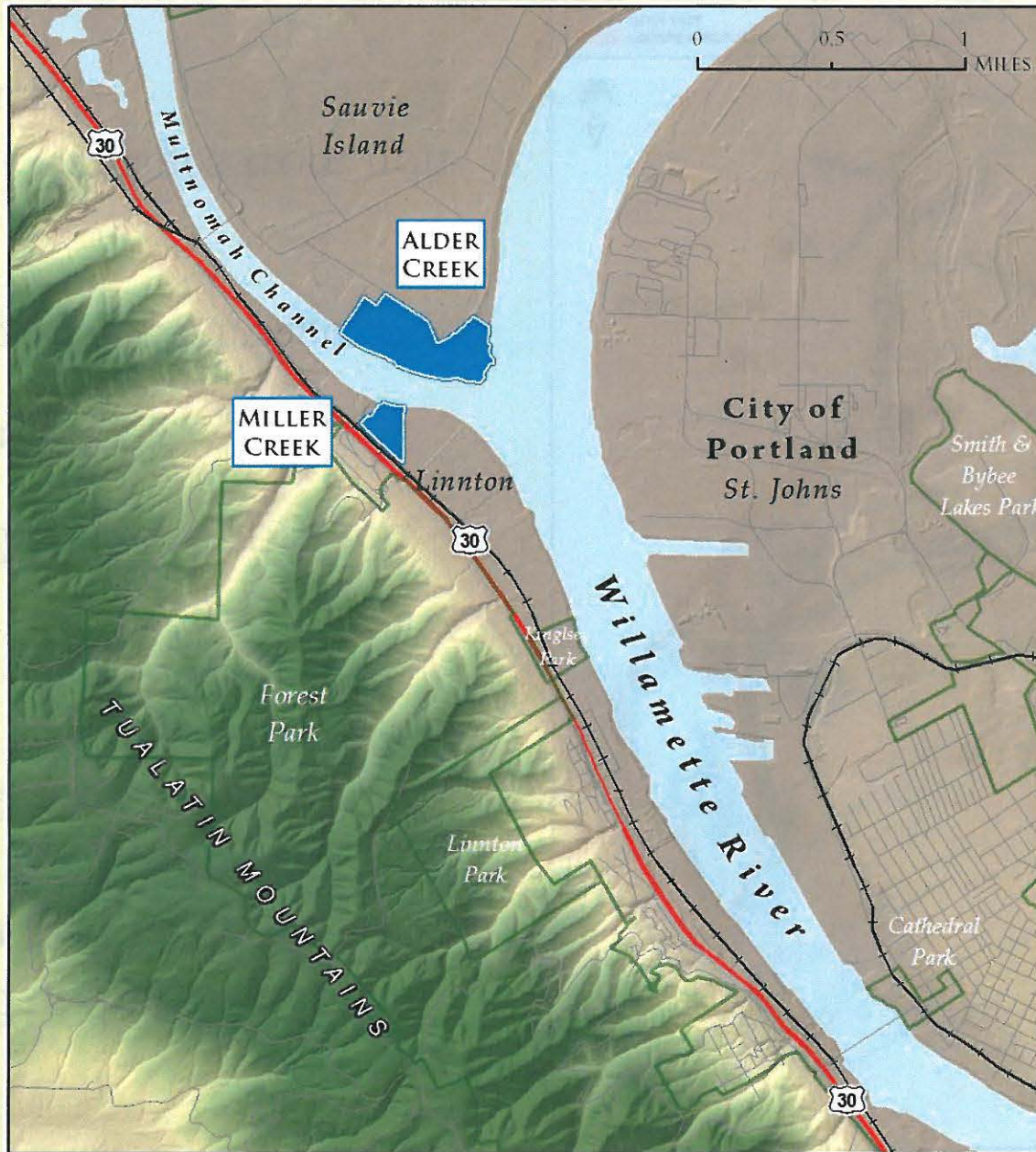
Portland Harbor Superfund Study Area and Broader Focus Area for Ecological Restoration

Phased NRDA Approach

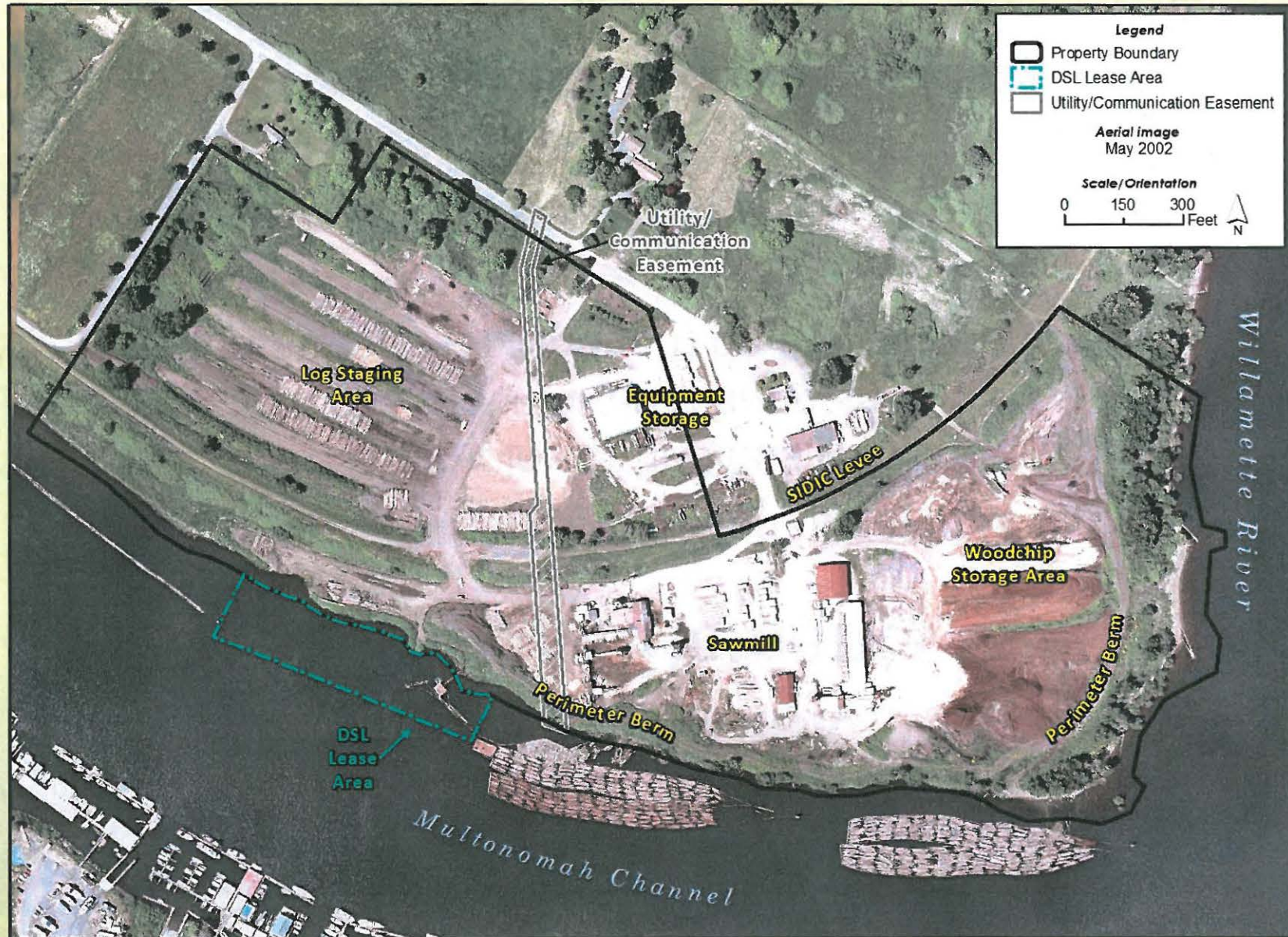
- Early settlements
- Litigation-oriented damage assessment
- Recovery of damages from non-settling parties



Alder Creek and Miller Creek Sites



Alder Creek Existing Conditions





Alder Creek Project Elements

- Remove sawmill facility and private berm
- Create a complex of habitats within the active channel margin (channels, marsh/mudflat, riparian) on the outboard side of the SIDIC levee
- Create upland forested habitat
- Install LWD in channels
- Protect and enhance existing habitats

Alder Creek Design



Illustration of Alder Creek Site after Construction



Alder Creek portion

Miller Creek Project Area



Miller Creek Design





Partnership

City of Milwaukie and Wildlands

City of Milwaukie and Wildlands working together towards the goal of restoring Kellogg Creek for the benefit of native salmonids and lamprey.

City of Milwaukie

- The restoration property
- Previous technical studies and information
- Relationship with ODOT, railroad, and other stakeholders
- Public outreach

Wildlands

- Project development and expertise
- Financing
- Additional technical studies
- Coordination with the Trustees, Regulatory agencies



**Kellogg Creek
Restoration Project**

Willamette
River

SE Washington St

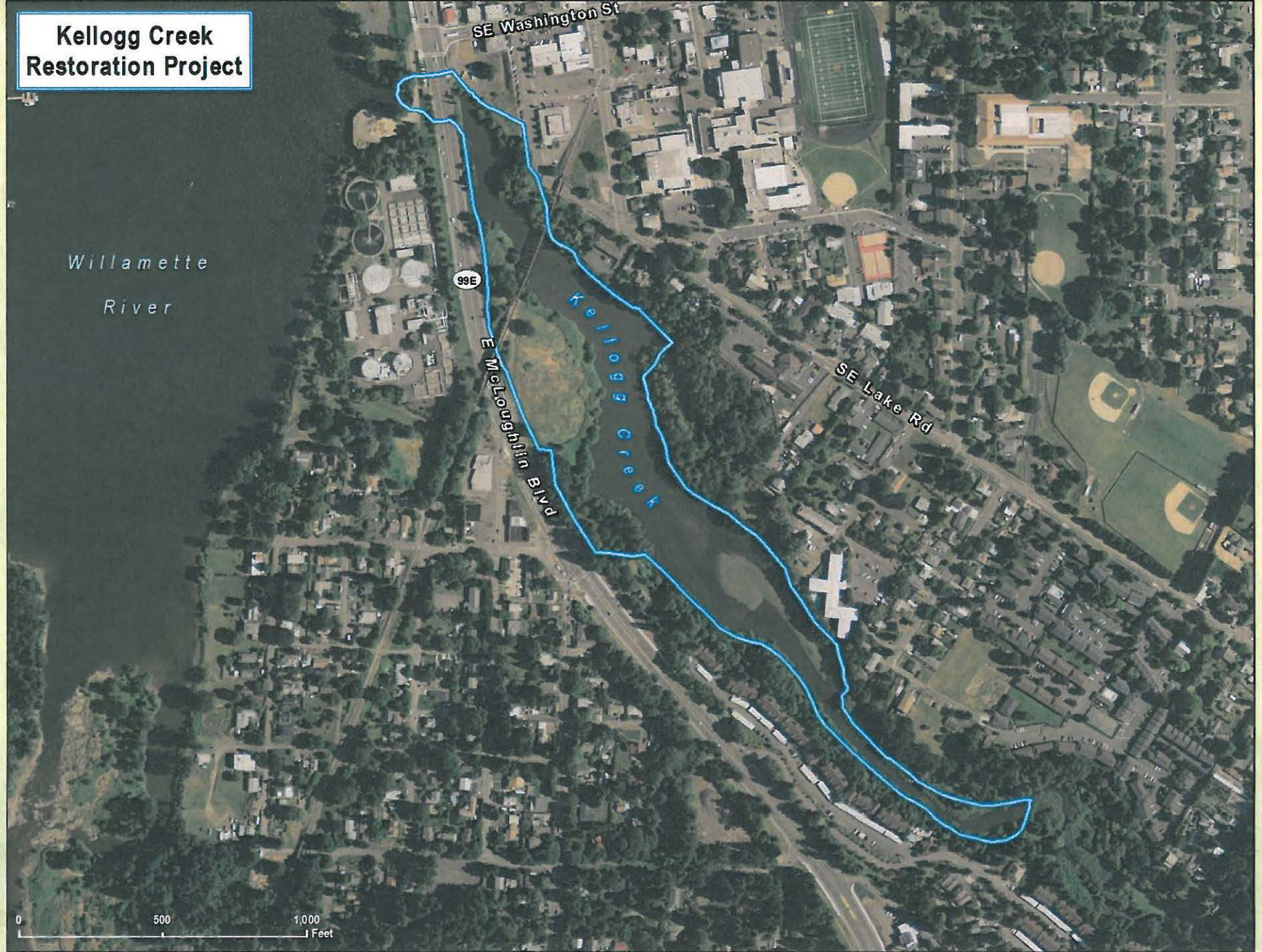
99E

E McLoughlin Blvd

Kellogg Creek

SE Lake Rd

0 500 1,000 Feet





Wildlands' Process

Feasibility

- Data review
- Preliminary design
- Additional technical studies
- Trustee and agency coordinations
- Determine potential credit generation

Permitting and Entitlement

- Finalize design
- Engineering considerations, drawings, approvals
- Apply for and obtain construction permits
- Entitlement documents

Construction

- Demolition
- Earth work/grading
- Planting/seeding

Monitoring and Maintenance

- Establishment Period
- Long-term





Wildlands' Contact

Julie Mentzer

Director of Environmental Operations

503-241-4895 (office)

jmentzer@wildlandsinc.com



**MILWAUKIE CITY COUNCIL
WORK SESSION
SEPTEMBER 4, 2012**

MILWAUKIE CITY HALL

Conference Room
10722 SE Main Street

A light dinner will be served

WORK SESSION – 5:00 P.M.

		<u>Presenter</u>	<u>Page #</u>
1.	5:00 p.m.	City Manager's Report	Bill Monahan
2.	5:30 p.m.	Kellogg for Coho Initiative	Kenny Asher 1
3.	6:00 p.m.	Response to Metro on Construction Excise Tax (CET) Grant	Kenny Asher 6
4.	6:30 p.m.	City Council Position on Coal Train	Grady Wheeler 19
5.	6:45 p.m.	Adjournment	

Information

Executive Session: The Milwaukie City Council will meet in executive session immediately following adjournment of the regular session pursuant to ORS 192.660(2)(i) performance evaluations of public officers and employees. 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.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.
- The City of Milwaukie is committed to providing equal access to information and public meetings per the Americans with Disabilities (ADA). If you need special accommodations, please call 503.786.7502 or email ocr@ci.milwaukie.or.us at least 48 hours prior to the meeting.



Agenda Item: WS 2
Meeting Date: 9/4/12

COUNCIL AGENDA ITEM SUMMARY

Issue/Agenda Title: Kellogg-for-Coho Initiative

Prepared By: Kenneth Asher, Director of Community Development and Public Works
Dept. Head Approval: Kenneth Asher
City Manager Approval: Bill Monahan
Reviewed by City Manager: 8/27/2012

ISSUES BEFORE THE COUNCIL

This is a work session item to introduce Wildlands officials to the Milwaukie City Council, and to discuss the prospects for a public-private partnership to complete the Kellogg-for-Coho Initiative (KFCI).

STAFF RECOMMENDATION

No action is being sought at this meeting.

KEY FACTS & INFORMATION SUMMARY

The KFCI is a significant Community Development project and a City Council goal. **Wildlands** is a habitat development and land management company that is active in environmental solutions to restore and protect wetlands and wildlife habitat who are interested in the KFCI project in Milwaukie.

OTHER ALTERNATIVES CONSIDERED

n/a

CITY COUNCIL GOALS

Council goal 4.c is to complete Kellogg for Coho Project by January 1, 2016.

ATTACHMENT LIST

None.

FISCAL NOTES

n/a



To: Mayor and City Council

Through: Bill Monahan, City Manager

From: Kenneth Asher, Community Development and Public Works Director

Subject: Wildlands and the Kellogg-for-Coho Initiative

Date: August 22 for September 4, 2012 Work Session

ACTION REQUESTED

None. This is a work session item to introduce Wildlands officials to the Milwaukie City Council, and to discuss the prospects for a public-private partnership to complete the Kellogg-for-Coho Initiative (KFCI).

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

October 2010 Council authorizes, by Resolution (No. 79-2010), award of a contract for a bathymetric survey and flow monitoring of Kellogg Lake.

July 2010 Staff briefed Council on progress to date including presentation of the Oral History of Kellogg Lake, completed by the Community Development Department.

January 2010 Council authorizes, by Resolution (No. 04-2010), execution of a grant agreement with American Rivers to support a planning phase for the Kellogg-for-Coho Initiative.

April 2009 Council authorized, by Resolution (No. 20-2009), execution of a three-party agreement with Metro and the Oregon Department of Transportation to expend local and federal money on a planning phase for the Kellogg-for-Coho Initiative.

February 2009 Staff briefed Council on recent public involvement and project development efforts.

June 2006 Council approved, by Resolution (No. 27-2006), an application for Regional Flexible Funds ("MTIP") to pay for planning and design under a City of Milwaukie-led effort to remove the Kellogg Lake dam and restore fish passage.

February 2002 Council authorized City Manager to commit to City participation in a U.S. Army Corps of Engineers-led study on dam removal feasibility.

September 2000 Council adopted, by Ordinance, the “Milwaukie Downtown and Riverfront Land Use Framework Plan” as part of the Comprehensive Plan. The restoration of Kellogg Creek is listed as an element of the “Amenities and Open Space Framework” (pp. 20-21).

BACKGROUND

As described to City Council in previous updates, the Kellogg-for-Coho Initiative builds on a number of years of City, County, and Federal watershed recovery planning. The primary goal of the project is restoration of fish passage for endangered species to the Kellogg/Mt Scott watershed and the creation of backwater rearing and refuge habitat via removal of the Kellogg Lake dam/box culvert and significant riparian/wetland habitat enhancements within the drained Kellogg lakebed. Additional goals are to use the KFCI as a springboard project for launching a) implementation of the South Downtown Concept Plan; b) revitalization of Main Street, and c) the long awaited integration of downtown with Kronberg and Riverfront Parks.

The most promising funding opportunity to complete the project comes by way of the Portland Harbor Natural Resource Trustee Council. The Trustee Council is comprised of multiple state, federal, and tribal representatives charged with developing and coordinating natural resource damage assessment (NRDA) and restoration planning actions within the Portland Harbor Superfund Site. The Trustees are currently moving toward compensation settlements for the parties responsible for contaminating the harbor’s natural resources. Funds from the settlement agreements will be used for projects in and near the Portland Harbor that can restore and/or replace those injured resources. City staff have been carefully tracking the NRDA process, attending several Trustee meetings and presenting the KFCI to Trustee members and responsible parties on more than one occasion. The Trustees view the Kellogg-for-Coho Initiative as one of the most promising restoration opportunities in the Portland Harbor restoration area.¹

One mechanism for achieving restoration projects is for a third party to complete the project and “sell” the habitat value created by the project (measured, in the NRDA process, with credits called “DSAYs”)². Responsible parties can then purchase DSAYs from third parties to resolve their liability, rather than signing up to complete projects themselves. A profit margin is built into the sale price, allowing the project developer to recoup its investment. This is a form of conservation banking that is starting to appear in the Portland Harbor.

¹ Originally, the restoration-eligible area was restricted to the harbor itself, between the Ross Island Bridge and the Columbia River. However, after an analysis of the limited restoration potential and extraordinary costs associated with doing work within the harbor, the eligible project area was extended to encompass everything north of Willamette Falls.

² Discounted Service Acre Year – a measure of habitat enhancement created per acre per year.

Wildlands is a habitat development and land management company that is active in this kind of business, with more than 75 completed mitigation and conservation projects throughout the Western United States. Wildlands created the first mitigation bank west of the Mississippi in 1994. The company focuses on creating open market solutions to protect the environment. Established in 1991, Wildlands is a national leader in establishing conservation banks that enhance water quality and protect wildlife habitat in perpetuity. Although Wildlands is based in Rocklin, California, it has regional offices in California and in Portland. Wildlands provides an array of environmental solutions to provide compensatory mitigation to restore and protect wetlands and other sensitive habitats, thereby allowing liable parties and builders to save time and money, and avoid regulatory uncertainty.

Wildlands is a one-stop shop for public and private developers who have impacted environmentally designated areas and need mitigation, conservation or restoration credits. The company has the capacity to carry out land acquisition, biological design, engineering, and construction, which helps to ensure the ecological and financial success of the projects it undertakes. Many of these functions are done in-house, and others, like structural engineering, are contracted-out locally.

Conservation banks are permanently protected lands that contain natural resource values and are managed in perpetuity for species that are endangered, threatened, or otherwise at risk. The Kellogg/Mt. Scott watershed is valuable habitat for spring Chinook, Coho, steelhead, pacific lamprey, mink and other important native species. Conservation banks benefits species like these by establishing large reserves that usually cost less per acre to manage, compared to the equivalent acreage divided among many small isolated restoration sites. Larger projects are also more likely to ensure ecosystem functions, foster biodiversity, and provide opportunities for linking habitat.

Wildlands and city staff have been in discussions for several months about the Kellogg-for-Coho Initiative. The project is attractive to Wildlands because of the number of DSAY credits it is likely to generate, and the support it has from the City of Milwaukie and the numerous stakeholders who have been tracking the project through the years. The City's ownership of the lake and leadership in spearheading the KFCI, including the current City-led effort to analyze the extent of the contamination in the lakebed, has raised the confidence of Wildlands and the Trustees that the City is serious about shepherding the project through completion.

After the City Council presentation, Wildlands and City officials will begin negotiating a Habitat Development Agreement to define the terms of a public-private partnership. The City would be the project owner and Wildlands will be the project developer. In that role, Wildlands will process all regulatory permits and approvals, design and engineer the new creek and bridge, and prepare the documents that would guarantee how the project would be permanently held and managed as a conservation or mitigation bank. Wildlands would advance all the costs associated with the project, including funding the endowment that would be necessary to permanently maintain and monitor the value and function of the new habitat. The City would be agreeing to protect the area as

habitat for all time. Both the City and Wildlands will look to be indemnified for possible environmental liability associated with the known contamination in the area.

Importantly, Wildlands will be incorporating into the project scope the design and development of Kronberg Park, and the undercrossing from the South Downtown to Riverfront Park under the new (or modified) bridge on 99E. The final scope of the KFCI project has not yet been determined, and could grow to include additional upstream and/or shoreline riparian enhancements.

Wildlands is in a due diligence period, and is beginning to investigate property rights around and within the lake, topography, permitting requirements, and of course, the City's sediment analysis. However, Wildlands requires a Habitat Development Agreement (HDA) with the City prior to committing substantial staff time and expense on the due diligence. Unless Council directs otherwise, staff will return in October seeking Council authority to execute the HDA with Wildlands.

CONCURRENCE

There is no action with which to concur, however the City has the support of multiple federal and state agencies in the possible public-private partnership with Wildlands. Wildlands itself is preparing to partner with Milwaukie, and is preparing a presentation for the Council which it will make at the work session. ODOT is familiar with the project, along with TriMet and, to a lesser extent, the Union Pacific Railroad.

FISCAL IMPACTS

Not applicable, as no action is sought.

WORK LOAD IMPACTS

Not applicable as no action is sought. The KFCI is a significant Community Development project and a City Council goal. The work load impacts will be discussed in a future report on the HDA, however the CD Department has been planning on accommodating this project within available resources for some time.

ALTERNATIVES

Not applicable, as no action is sought.

ATTACHMENTS

None



Agenda Item: WS 3
Meeting Date: 9/4/12

COUNCIL AGENDA ITEM SUMMARY

Issue/Agenda Title: Metro CET Grant

Prepared By: Kenneth Asher, Director of Community Development and Public Works

Dept. Head Approval: Kenneth Asher

City Manager Approval: Bill Monahan

Reviewed by City Manager: 8/27/2012

ISSUES BEFORE THE COUNCIL

Staff is requesting that Council provide guidance for response to Metro regarding the City of Milwaukie's \$224,000 Construction Excise Tax (CET) grant award for work related to the Commercial Core Enhancement Program (CCEP).

STAFF RECOMMENDATION

Staff has provided four options for Council to consider. Option A recommends the City not enter into further IGA negotiations with Metro and that the CCEP not be started until funding and staffing becomes available. Option B recommends staff begin IGA negotiations with Metro on the scope of work for the grant award and to launch the Commercial Core Enhancement Program as was initially planned.

KEY FACTS & INFORMATION SUMMARY

There are substantial workload impacts associated with pursuing the CCEP as it was originally conceived. The CD and Planning Departments do not currently have adequate staff to handle the project under its original design.

OTHER ALTERNATIVES CONSIDERED

There are two additional options available to Council. Under Option C Council can direct staff to seek to enter IGA negotiations with Metro under a reduced work scope. With Option D Council could direct staff to either seek local funding in future budgets or utilize existing resources by deprioritizing other Council goals to accomplish, over time, elements of the CCEP.

CITY COUNCIL GOALS

2012 Council Goal 2.b – promote development of neighborhood-centered commercial centers.

ATTACHMENT LIST

1. Downtown Urban Renewal Plan History Memo from COM Planning Department
2. Summary of the CET/CCEP grant-approved scope of work (January 2010)

FISCAL NOTES

\$224,000 in grant revenue and \$30,000 in general fund match were included in the 2012 adopted budget but removed from the biennial budget recently adopted by Council.

Electing to pursue the CCEP with CET funding would require a budget amendment to accept the grant funds and possibly to restore matching funds.



To: Mayor and City Council

Through: Bill Monahan, City Manager

From: Kenneth Asher, Community Development and Public Works Director

Subject: Response to Metro's Inquiry on Milwaukie's CET Grant

Date: August 20 for September 4, 2012 Work Session

ACTION REQUESTED

Provide guidance to staff for response to Metro regarding the City of Milwaukie's \$224,000 Construction Excise Tax (CET) grant award from Metro for work related to the Commercial Core Enhancement Program (CCEP). The award has not been accepted by the City.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

June 2011 – Council conducted a work session with staff to evaluate the risk of proceeding with the CCEP program under the CET grant. Because of financial risks at the time and Council's lack of consensus about the urban renewal aspect of the scope of work, Council directed staff to refrain from entering IGA negotiations with Metro for CET funding.

March 2011 - During a study session, staff presented Council with the proposed ensemble of projects that comprise the Commercial Core Enhancement Program.

January 2010 - Council directed staff to request grant funds from Metro's Construction Excise Tax planning grant program to support urban renewal and related planning efforts (Resolution 06-2010).

BACKGROUND

The City has several community development efforts pending, all of which seek to address the need to strengthen the core commercial areas of Milwaukie (downtown, the Highway 224/Marketplace vicinity, and other neighborhood nodes). These efforts include the South Downtown planning effort, the CET grant from Metro, and interest on the part of Council and neighborhoods to attract and support new or expanding

businesses in town. The City's economic and community development goals are more likely to succeed under a clear and coordinated effort. The Commercial Core Enhancement Program is envisioned to provide this coordination. The CCEP was presented to Council as an integrated planning and redevelopment approach that would engage community members and property owners; gain professional input from urban designers, zoning code experts, developers and real estate economists; achieve updated plans, codes; and deliver catalytic, community-supported projects using tax increment funding. The CCEP concept was the latest installment of a 40-year conversation about using urban renewal in the city (see Attachment 1).

Under the CCEP umbrella, the City would also take a holistic look at Milwaukie's downtown streetscape and design standards, incentives and regulations, and "refresh" the code to make it more helpful in achieving the downtown vision described in the *Downtown and Riverfront Framework Plan (2000)*.

The CCEP program was described in a CET grant application that the Community Development and Planning Departments submitted to Metro in January 2010 (see Attachment 2). In June of that year, Milwaukie received notice of a \$224,000 award to conduct this work. However, a variety of challenges have impeded the City's progress on this program.

- Metro's CET program was brought to court by the Homebuilders Association of Metropolitan Portland. The case was dismissed at Oregon Circuit Court and last month, the Oregon Court of Appeals upheld the legality of the Metro program. However, in June 2011, the Council cited the legal uncertainty over the program as one reason to wait before accepting the grant and beginning the program.
- The Council also voiced concern over the urban renewal element of the program, with two Councilors expressing a desire to remove this component from the grant scope. Staff followed up on this request by checking with Metro's Planning and Development Grants Project Manager about the feasibility of such a modification. The Metro staff opinion was that such an adjustment would require a Metro Council vote, and the Metro staff would be unlikely to support the action or even take the question to its Council because the CET awards were made to cities on the basis of the municipality's commitment to implementation. Milwaukie's grant application stated the City would study urban renewal as its implementation mechanism.
- Staffing for the CCEP has been cut and work plans have shifted. The grant application included an in-kind match component of \$53,000 to be provided by the Community Development, Planning and Engineering Departments. Of this total, 30 percent was to be provided by the Resource and Economic Development Specialist in the Community Development Department – a position that no longer exists. This position was to be the point of contact for Metro and the project manager for the program. Additionally, 55 percent of City staffing was to be provided by the Planning Department through the Planning Director and an

Assistant Planner. Two and a half years ago, when the City applied for the grant, these hours were factored into the Planning Department's 2010-2011 work plan. Since that time, the Planning Department's workplan has filled up with competing priorities, and in 2012, key staffing losses further reduced the department's capacity. Whether and how the department could find the 500-plus hours of Planning Department staff time required for the CCEP project (as described in the 2010 grant application) is an open question.

On August 8, Metro contacted CET grant recipients with a request to begin IGA negotiations and asking questions about the projects themselves. Specifically, Metro asked if projects had changed in six areas, which staff has drafted responses to below. The purpose of the work session discussion is to review these six replies and for Council to direct staff on an official response from the City to Metro on the pending CET grant award.

Metro is asking whether any of the following have changed:

1. Governing Body Support for the Project
Governing body support for the project has changed. In January 2010, Council directed staff to request grant funds from Metro's Construction Excise Tax planning grant program to support urban renewal and related planning efforts via Resolution 06-2010. However, in August 2012, the Milwaukie City Council does not support the urban renewal component of the program. Other aspects of the Commercial Core Enhancement Program are still supported by the Council, including planning for opportunity sites (although the sites themselves could be revisited) and refreshing the Downtown Plan and Zoning Code.
2. Goal of the Work Scope
The goal of the work scope has changed. In January 2010, the goal of the work scope was to allow Milwaukie to take the next step in its investigation of urban renewal exploration, and to fund planning work needed to remove regulatory obstacles to redevelopment of brownfield, underutilized and vacant parcels in downtown and central Milwaukie. The current City Council has not indicated that exploration of urban renewal is a Council goal, nor a goal of this work program.
3. Matching Cost (Financial and In-Kind)
The grant match has changed. In January 2010, the City committed \$30,000 in hard cash and \$53,521 in in-kind match through staffing allocations. The \$30,000 is not in the City's biennial budget, and the staffing resources have been significantly reduced through the loss of a key position and the reallocation of Planning Department staff priorities.
4. Staff Capacity/Project Management Capability
The staff capacity/project management capability has changed. The CCEP/CET Grant was to be managed by a position that is no longer in the City's budget. An alternative project manager has not been identified, and would not be available without redefining current Council priorities. There are fewer staff available to

work on this program than in 2010, and one of the staff reductions was in a position critical to the management of the grant.

5. Partners Commitment

The collaboration described with partners on the project has not changed. The City identified TriMet, Clackamas County Main Streets program and the Metro TOD program as partners in the program. TriMet and Metro have real estate interests in two of the downtown opportunity sites, and the Main Streets program continues to be available to provide technical assistance to the Main Street Milwaukie group. The City also included letters of support from property owners including Robert Dant, Dark Horse Comics, and the Shipley family. As these property owners retain their holdings of key Milwaukie parcels, staff has no reason to believe their commitment to the project has waned.

6. Boundaries of the Project Area

The project area boundaries have not changed. The project area was described as Milwaukie's regionally-designated Town Center area comprising the downtown commercial/retail/residential core, the Historic Milwaukie residential area, and the Central Milwaukie commercial and mixed use area. There has been no discussion of altering the project area, although opportunities to bring tax increment financing to other properties, like the ODOT site in the North Industrial District, have come up in other project discussions.

Metro is seeking to conclude IGA negotiations with Milwaukie by September 28, 2012. The work session discussion can provide direction for responding to Metro, possibly as part of an IGA negotiation.

CONCURRENCE

No concurrence has been sought on this item. Earlier versions of the IGA were reviewed and approved by the Finance and Legal departments. Staff would recommend sharing any future efforts on the CCEP with the incoming Planning Director upon his arrival in mid-September.

FISCAL IMPACTS

\$224,000 in grant revenue and \$30,000 in general fund match were included in the 2012 adopted budget but removed from the biennial budget recently adopted by Council. Electing to pursue the CCEP with CET funding would require a budget amendment to accept the grant funds and possibly to restore matching funds. Matching funds could possibly be entirely or partially covered from the Community Development materials and services budget.

WORK LOAD IMPACTS

The CCEP as envisioned was estimated to require approximately 1000 hours from the Community Development and Planning Departments, and that estimate was

conservative. There are substantial workload impacts associated with the Council's decision to pursue the CCEP as it was originally conceived and under which CET funding was awarded. The CD and Planning Departments are not currently staffed to handle the project under its original design, and similar to how the Planning Department tapped Portland State University students to handle the Neighborhood Main Streets element in 2011-12, alternate and piecemeal approaches to this work might be the City's only real option at this point.

ALTERNATIVES

Council may want to structure its discussion around the following alternatives:

- A. Confirm the staff's understanding of the changes that have occurred between the time of the grant award and today. Respond to Metro that the City will not be entering IGA negotiations for the CET grant. Acknowledge that the Commercial Core Enhancement Program is an unfunded priority that cannot be started until funding and staffing becomes available.
- B. Amend the staff's understanding of the changes that have occurred between the time of the grant award and today. Direct staff to begin IGA negotiations with Metro on the scope of work that was approved by the January 2010 City Council, and under which Metro made the grant award. Direct staff to modify work programs to launch the Commercial Core Enhancement Program as was initially planned.
- C. Amend the staff's understanding of the changes that have occurred between the time of the grant award and today. Direct staff to engage Metro on an amended scope of work, to be described by Council at the work session. Enter IGA negotiations under the amended work scope. Seek to initiate the Commercial Core Enhancement Program using CET funding, but under a more limited scope. Amend budget to provide local match.
- D. Confirm the staff's understanding of the changes that have occurred between the time of the grant award and today. Respond to Metro that the City will not be entering into IGA negotiations for the CET grant. Acknowledge that the Commercial Core Enhancement Program is an unfunded priority. Direct staff to either seek local funding in future budgets, or utilize existing resources by deprioritizing other City Council goals. Seek to accomplish, over time, the following CCEP elements:
 - 1) Urban Renewal planning for community and Council consideration
 - 2) Development Planning for Opportunity Sites, including:
 - a) Murphy Site
 - b) McFarland Site
 - c) Texaco Block

- d) Triangle Site (already under study)
 - e) Kellogg Treatment Plant Site
- 3) Downtown Plan and Code Refresh, including:
- a) Technical report on downtown code for policy effectiveness
 - b) Technical report on downtown code for financial and market feasibility
 - c) Downtown code and plan amendments to correct deficiencies identified from above analyses

The CCEP work elements support and inform one another, which is why the program was conceived as a coherent, unified effort. Especially given the extent of public involvement and information sharing that is necessary on any one of the CCEP elements; it is the view of the staff that the components work better together than in isolation. Consequently, the staff recommends Options A or B over Options C or D.

ATTACHMENTS

1. Downtown Urban Renewal Plan History Memo from COM Planning Department
2. Summary of the CET/CCEP grant-approved scope of work (January 2010)



Memorandum

To: Kenny Asher, Community Development and Public Works Director
Scot Siegel, Interim Planning Director

From: Li Alligood, Associate Planner

Date: August 20, 2012¹

Re: Downtown Urban Renewal Plan History

The purpose of this memo is to provide an overview of historical and current urban renewal plans for downtown Milwaukie. This memo includes a brief history of the development of these plans and highlights key dates and policy decisions.

BACKGROUND

Urban renewal has been a topic of discussion in Milwaukie for more than 40 years. The first urban renewal plan was proposed in 1970, at the height of the nation's urban renewal activity. Additional urban renewal plans were proposed in 1987 and 1988; after voters rejected both of those urban renewal plans, the conversation paused until recently.

Timeline of Urban Renewal Plans and Studies for Downtown Milwaukie

- **1968:** "Downtown Milwaukie: Beginning a Program for the Improvement of the Central Business District" report prepared by Cornell Howland Hayes & Merryfield at the request of City Council.
- **1970:** *Downtown Milwaukie Development Plan and Program* prepared by Cornell Howland Hayes & Merryfield. This plan was never adopted by City Council.
- **1977:** "Community Development in Milwaukie: Problems, Prospects, Policies" study completed by Lord and LeBlanc.
- **1979:** Adoption of the updated Milwaukie Comprehensive Plan.²
- **1983:** "A Proposal for Downtown Milwaukie: New Gateway to Clackamas County, New Transiting, New Waterfront, New Vitality!" report completed by the Clackamas County Department of Environmental Services Policy and Project Development Division.
- **1987:** Milwaukie Redevelopment Plan adopted and Milwaukie Redevelopment Commission established by City Council.³
- **1988:** Milwaukie Redevelopment Plan rejected by voters.⁴

¹ This memo was originally drafted in May 2010, and updated in August 2012.

² Ordinance 1437, adopted November 5, 1979.

³ Ordinance 1623, adopted March 17, 1987.

⁴ Voters rejected the plan on March 22, 1988 by a vote of 2,820 to 2,120.

- **1989:** Milwaukie Riverfront Urban Renewal Plan adopted by City Council.⁵
- **1989:** Milwaukie Riverfront Urban Renewal Plan rejected by voters.⁶
- **1989:** Adoption of the updated Milwaukie Comprehensive Plan.⁷
- **2000:** Adoption of Downtown and Riverfront Plan Land Use Framework Plan (“Framework Plan”), Public Area Requirements (PARs), and Downtown Zones (DC, DO, DOS, DR and DS).⁸ The downtown zones rendered many of the uses downtown nonconforming; the PARs established a high level of public amenities to be provided by developers
- **2003:** “Milwaukie’s Next Steps Project: An Implementation Plan for Downtown Revitalization” report completed by SERA Architects, Inc. The report suggested urban renewal as a means of lessening the burden of PARs on private property owners.
- **2007:** City Council directed staff to consider steps to rebalance the relative financial burden of implementing the downtown public area improvements required by the 2000 Framework Plan.
- **2009:** City Council approved a contract with Tashman Johnson to conduct an urban renewal feasibility study.⁹
- **2010:** Community Development Department received a Metro CET Grant to draft an urban renewal plan and site-specific development strategies for key development sites in the Town Center.

Discussion of Urban Renewal Plans

Urban renewal has been a long-standing and contentious topic in Milwaukie. It was first introduced in a 1968 report titled “Downtown Milwaukie: Beginning a Program for the Improvement of the Central Business District” (Cornell Howland Hayes & Merryfield). The report was prepared at the request of the Milwaukie City Council, and proposed several improvements including rezoning of downtown and the widening of McLoughlin Blvd.

The report was completed before the Kellogg Treatment Plant was constructed, and it notes:

“Initial studies indicate that the riverfront west of the mouth of Kellogg Creek is the location most suitable for a sewage treatment plant serving the Clackamas-Milwaukie drainage basin. A treatment plant can be designed in a manner compatible with park development.”¹⁰

This proved to be an optimistic view; today, the City and County continue to negotiate to reclaim that piece of the City’s valuable waterfront.

A 1970 plan titled “Downtown Milwaukie Development Plan and Program” (also prepared by Cornell Howland Hayes & Merryfield) built on the 1968 report. The plan specifically called for urban renewal as a funding mechanism for downtown improvement. It featured a number of ideas that were popular in urban renewal plans of the time, including a great deal of surface parking downtown and a pedestrian shopping mall on Main St. The plan was never adopted by City Council and it didn’t appear to influence later plans.

A 1977 study, titled “Community Development in Milwaukie: Problems, Prospects, Policies” (Lord and LeBlanc) was conducted to inform the City’s 1979 Comprehensive Plan update. While the study focuses primarily on industrial growth and retention, it also addresses issues of

⁵ Ordinance 1664, adopted September 8, 1989.

⁶ Voters rejected the plan on November 7, 1989 by a vote of 3,197 to 2,489.

⁷ Ordinance 1666, adopted November 7, 1989.

⁸ Ordinance 1880, adopted September 19, 2000.

⁹ Resolution 54-2009, adopted September 1, 2009.

¹⁰ Cornell Howland Hayes & Merryfield. 1968. *Downtown Milwaukie: Beginning a Program for the Improvement of the Central Business District*, p. 9.

commercial land use in downtown Milwaukie. The study refers to the 1970 urban renewal plan, and suggested several modifications to the 1970 plan, including:

- Encouraging other types of land use in the central area to reflect the shifting economic reality, such as convenience retailing and office use;
- The creation of a buffer between the service stations and row of buildings along the western edge of Main Street.

The study strongly recommended the adoption of Tax Increment Funding (TIF) to implement downtown upgrades and aesthetic improvements, but at a more modest scale than suggested in the 1970 plan.

The 1987 Milwaukie Redevelopment Plan (Beckendorf Associates, Moore Breithaupt & Associates, and Kittelson & Associates) was an urban renewal plan focused on development of the riverfront as a park, and supporting downtown infrastructure. The plan's "Statement of Purpose" posits that the previous plans, such as the 1970 urban renewal plan and the 1979 Comprehensive Plan, had not given sufficient consideration to the amenity provided by the Willamette River.

The City Council created the Milwaukie Redevelopment Commission in 1987 to present the plan to City Council and to administer the plan upon its adoption. The projects described in the Plan were expected to be completed in 19 years, at which point the redevelopment district would be terminated. However, the urban renewal district was rejected twice by voters, in 1988 and 1989, and the plan was shelved.

In 2000, the Downtown and Riverfront Framework Plan ("Framework Plan") was adopted. Initial implementation of the plan was slow. In October 2003, the Oregon Downtown Development Association (ODDA) and SERA Architects conducted a study titled "Milwaukie's Next Steps Project: An Implementation Plan for Downtown Revitalization."¹¹ The study reviewed the progress of the Downtown Plan, and suggested that the City's "business as usual" approach be abandoned for a more comprehensive and participatory approach in order for the plan to be implemented.

The study identified outdated assumptions contained in the Framework Plan, and suggested an annual update of the plan to reflect current realities while keeping true to its overall vision. The team suggested the City revisit the plaza, underpass, and parking garage proposed by the Framework Plan for two reasons: the proposed plaza location would eliminate one of the strongest blocks along Main Street ; and these components of the plan seemed unlikely to be implemented because of the extremely high cost and lack of public support.

The report recommended the City undertake three additional studies:

1. Feasibility Study for Urban Renewal
2. Feasibility Study for Performing Arts Center
3. Comprehensive Study for Restoring Downtown Creeks, Streams, and Springs.

To date, the first study has been completed. That study also strongly suggested adoption of an urban renewal district to fund the desired improvements.

The urban renewal discussion paused until 2009, when City Council approved a contract with Tashman Johnson to conduct an Urban Renewal Feasibility Study. The study documented

¹¹ Funded by the Oregon Housing and Community Services Department and the City of Milwaukie, October 2003

potential for the development of key opportunity sites and substantial tax increment finance revenues over a 20-year horizon.¹² The consultant team emphasized the importance of prioritizing early-year investments on activities to support immediate development opportunities, particularly the triangle site in South Downtown. *Pro forma* development analysis demonstrated that expected rents in downtown are substantially below levels required to justify market-driven new construction.

NEXT STEPS

The City received a Metro CET Grant in June 2010 to draft an urban renewal plan and perform site-specific planning on several target sites, including the Murphy and McFarland sites, the Metro TOD site, and the light rail station site. The grant was in limbo pending the outcome of a lawsuit with the Portland Metropolitan Homebuilders Association. The Multnomah County Circuit Court dismissal of the lawsuit was recently affirmed by the Oregon Court of Appeals,¹³ and the grant funds are now available.

¹² \$40-45 million in net present value.

¹³ *Homebuilders Association of Metropolitan Portland v. Metro*. Available online at <http://courts.oregon.gov/Publications/A146059.pdf>.

ATTACHMENT 2

Jan. 2010 CCEP Workplan (Grant Approved)

- **Develop community plans for the neighborhood commercial streets on Harrison St., 32nd Ave., and 42nd Ave. / King Rd.: Action Plans, code amendments, and potential rezoning.**
- **Create a land use/ transportation plan for Central Milwaukie: Action Plans, code amendments, and potential rezoning.**
- **Adopt the South Downtown Refined Concept Plan.**
- **Refresh the Downtown Plan and fix development policies to facilitate effective implementation of the community's vision for downtown.**
- **Develop an urban renewal plan to clarify where public efforts might stimulate additional desired private development. Would establish an ongoing structure for Milwaukie to discuss, support and capture desired investments in the core commercial areas.**
- **Establish City-wide design standards for commercial properties.**





Agenda Item: WS 4
Meeting Date: 9/4/12

COUNCIL AGENDA ITEM SUMMARY

Issue/Agenda Title: Continued Coal Train Discussion

Prepared By: Grady Wheeler, Public Affairs Coordinator

City Manager Approval: Teri Bankhead, Assistant City Manager

Reviewed by City Manager: August 22, 2012

ISSUES BEFORE THE COUNCIL

Consider additional information regarding a proposal that would lead to the shipment of coal in open-aired freight cars through Milwaukie on the Union Pacific Railroad.

STAFF RECOMMENDATION

This report is for the Council's information only.

KEY FACTS & INFORMATION SUMMARY

Upon hearing staff's report at its Aug. 7, 2012 Work Session on a proposal that would result in the transport of coal in open-aired freight cars on the Union Pacific Railroad through Milwaukie, the Council directed city staff to:

1. Develop information the Mayor can share with the Oregon Passenger Rail Leadership Council.
2. Have a conversation with Port of Coos Bay representatives to learn the particulars of "Project Mainstay" and to get an update on the project's progress.
3. Gather information about how coal trains have impacted other municipalities.
4. Contact other jurisdictions who have put together resolutions to see what they've learned about potential effects.

This report is a summation of what has been accomplished to date with regards to these directives.

OTHER ALTERNATIVES CONSIDERED

Not Applicable

CITY COUNCIL GOALS

Not Applicable

ATTACHMENT LIST

None

FISCAL NOTES

Not Applicable



To: Mayor and City Council

Through: Bill Monahan, City Manager

From: Grady Wheeler, Public Affairs Coordinator

Subject: Continued Coal Train Discussion

Date: August 22, 2012

ACTION REQUESTED

Provide staff with direction as to how to proceed in monitoring and responding to Project Mainstay in particular, and other coal freight projects generally, that would result in the transport of coal in open-aired freight cars through Milwaukie and the Pacific Northwest.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

On July 13, 2012 staff prepared a memorandum for the review by the City Manager and the City Council that outlined the current status of a proposal that would result in the transport of coal in open-aired freight cars through the City of Milwaukie. The memorandum summarized the health, traffic, and safety issues that have been raised regarding this specific, and similar proposals, and reported other actions jurisdictions have taken with regards to this issue.

Staff provided a report on this information at the Aug. 7, 2012 work session and Council directed City Staff to:

1. Develop information the Mayor can share with the Oregon Passenger Rail Leadership Council
2. Have a conversation with Port of Coos Bay representatives to learn the particulars of "Project Mainstay" and to get an update on the project's progress.
3. Gather information about how coal trains have impacted other municipalities.
4. Contact other jurisdictions who have put together resolutions to see what they've learned about potential effects.

At the August 21, 2012 work session, Mayor Ferguson discussed with Council his recent activities related to coal train discussions. He recently met with a citizen-led group, Milwaukie Coal Task Force. He also met with David Koch, the Port of Coos Bay CEO, who provided additional information about the Port and Project Mainstay. The Mayor proposed a revised schedule for continued discussions and consideration of this topic. Council agreed to schedule:

September 4: Staff will provide an update to council at work session
Sept. 25: Invite Mr. Koch of the Port of Coos Bay to give a presentation to Council
Oct. 2: Discuss a resolution at work session
Oct. 16: Make a decision on a resolution at regular session

BACKGROUND

The following are the findings at the time the Council report was submitted. The Public Affairs Coordinator will have additional information to share at the work session.

Develop information the Mayor can share with the Oregon Passenger Rail Leadership Council

The Public Affairs Coordinator is working with the Mayor to develop a one-page handout summarizing Project Mainstay and related projects to distribute:

- Among the Oregon Passenger Rail Leadership Council at its October meeting (The August meeting was canceled and rescheduled to October.)
- To the mayors of the Portland, tri-county area at the September Metro-Region Mayors Forum.

Have a conversation with Port of Coos Bay representatives to learn the particulars of “Project Mainstay” and to get an update on the project’s progress.

David Koch, the Chief Executive Officer of the Port of Coos Bay, contacted Mayor Ferguson and requested a meeting after reading a press article about the Mayor’s attendance at a citizen-led meeting on the topic. Mr. Koch and the Mayor met on August 20, 2012, and the Mayor received additional information that he shared with council at the August 22nd work session.

On Aug. 21, 2012 the Public Affairs Coordinator also had a conversation with Mr. Koch, who provided additional clarifications since the previous report:

- The party conducting the feasibility study for Project Mainstay is a combination of three entities: Mitsui USA, Metro Ports, South Korean Electric Power Company.
- Coal from the Project Mainstay project would be exported to South Korea.
- Project Mainstay describes the Coos Bay Bulk Terminal Project, which would not only lead to the increased exportation of coal, but other commodities, that would use mile-long unit trains.
- A decision on whether or not Project Mainstay is feasible is not expected until the end of November or early December. If the entities decide to move forward there would be two years of permitting followed by two years of construction.
- The Grey’s Harbor proposal, one of the five other port projects discussed at the Aug. 7, 2012 Work Session is no longer moving forward.

The Port of Coos Bay has employed David Evans and Associates (DEA) to conduct a literature search on coal transportation to better understand fugitive dust emissions, traffic impacts, diesel emissions, rail car technology and future energy and environmental standards that might come into play. DEA is expected to deliver its report

in September, and the Port of Coos Bay has agreed to share the findings with the City of Milwaukie.

The market is driving advances in surfactant and freight car technology to reduce the amount of coal that is lost in transfer and more gains are expected in the coming years.

Gather information about how coal trains have impacted other municipalities.

- According to Ben Shumaker, the Planning Director of Stevenson, Washington, existing coal trains present more traffic and sound impacts than environmental impacts.
- A phone interview with the Council President of the City of Spokane is scheduled for Aug. 28, 2012.

Contact other jurisdictions who have put together resolutions to see what they've learned about potential effects.

- In the cases of Hood River, Oregon and Stevenson, Washington, a group of citizens approached Council and raised the issue.
 - As stated before, the driving concerns in Stevenson were additional unit trains would inhibit emergency vehicle access, create traffic congestion near at-grade crossings, and additional sound pollution from train whistles.
- Staff will gather more information from Hood River and Spokane by the time of the Work Session.

CONCURRENCE

None

FISCAL IMPACTS

None

WORK LOAD IMPACTS

Staff will continue monitoring the progress of Project Mainstay and other related projects.

ALTERNATIVES

1. Council may consider issuing a resolution similar to the jurisdictions cited above at the October 16, 2012 meeting, giving the Mayor the opportunity to share information with the Oregon Passenger Rail Leadership Council and the Metro-Region Mayors Forum, and before Project Mainstay passes out of the feasibility study stage.
2. Council may consider not issuing a resolution but direct staff to continue monitoring Project Mainstay and other proposals.

ATTACHMENTS

None