

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION
JUNE 6, 2006

Mayor Bernard called the work session to order at 5:30 p.m. in the City Hall Conference Room.

Council Present: Councilors Barnes, Collette, Loomis, and Stone.

Staff Present: City Manager Mike Swanson, Resource and Economic Development Specialist Alex Campbell, Community Development/Public Works Director Kenny Asher, and Engineering Director Paul Shirey.

Metropolitan Transportation Improvement Plan

Mr. Campbell reported the City of Milwaukie submitted three pre-applications for this federally-funded Transportation Enhance (TE) grant program. These were the 17th Avenue bike/pedestrian connection, Lake Road Multi-Modal Phase 2, and Kellogg Lake dam removal. Metro was enthusiastic about the dam removal that would create seven miles of access to creek habitat for endangered and threatened species. Metro looked at projects throughout the region, and there was significant value placed on the dam removal project.

The Army Corps of Engineers had found that the habitat benefits were very high because the ladder did not allow fish passage during most of the year, and the dam made the Lake very warm. The Corps looked at the dam as being integral to the bridge. He noted the funds that Congressman Blumenauer had secured were not spent because the Corp was so backed up with its projects. If the Corp were able to continue, its next step would be a cost benefits analysis between the expense to replace or reinforce the bridge and the habitat benefits. They felt there would be some savings in doing the tie back or reinforcement approach. One of the additional benefits from reconstruction would be buy-in from the Oregon Department of Transportation (ODOT) if it got a new bridge. This project would improve the possibility of a below-grade pedestrian connection under the bridge with improved curbs and sidewalks.

Councilor Stone asked if that was why the project qualified for Metropolitan Transportation Improvement Program (MTIP) funds.

Mr. Campbell said as a project the dam removal was very competitive. The feds fund projects that ameliorate habitat destruction as part of a transportation infrastructure.

Councilor Stone asked what fish and a dam had to do with transportation funding. She was trying to tie it in to all of the other stuff.

Mr. Campbell said the dam was integral to the bridge making the project eligible. It was not the case that the dam was there and a bridge was built over it. That was why it was eligible.

Councilor Loomis thought it seemed strange to him also for a couple of reasons. One was that they just talked about the Milport intersection, Island Station, Harmony Road, and King Road. The City was applying to restore habitat with transportation money. It sounded like it qualified, so he guessed it was not Milwaukie's problem but at the direction of Metro. The City was going to ask citizens for money to fix roads, but it was spending money on things like this. The whole Kellogg and removing the dam was the previous Council, and this Council had not talked about it.

Councilor Stone agreed.

Councilor Loomis had concerns with people who lived on the Lake but had not been involved. He knew some people, his son's friends, who lived on the Lake. He did not think people knew the difference in the view from those properties and what it looked like from McLoughlin Boulevard. Transportation money to remove the dam seemed bizarre to him.

Mayor Bernard said most money that went into transportation dollars was set aside for use on specific projects such as bike paths or sidewalks. He discussed culvert replacement projects that were required by law to improve fish habitat or access.

Councilor Loomis understood the MTIP money would not qualify on King Road.

Mayor Bernard replied it was a pocket of money that had to be spent in a certain way.

Councilor Stone asked why streets such as King Road would not qualify.

Mr. Campbell replied there was a pocket of money devoted to this type of culvert restoration. The City was not limited to applying for that pocket of money. Through this program, Milwaukie could look for other pockets of money, but this one was very competitive. He understood street maintenance concerns, but those were surface maintenance.

Councilor Loomis asked if this was a new Metro program.

Mr. Campbell said within the larger group of MTIP funds there were 13 programs. There was no program where a \$500,000 surface maintenance request would be competitive.

Councilor Loomis asked if these were federal or Metro-created programs.

Mr. Campbell Metro worked within the federal guidelines and set up buckets of money.

Councilor Loomis understood that if Metro wanted transportation money to fix roads, then they could do that.

Mr. Campbell replied Metro did have limitations. It was required to spend about half of the money on congestion management and air quality projects that encouraged people to get out of their vehicles. That was one of the hard and fast federal government rules. Half of the money could go to streets, but regionally surface maintenance was very different from something like an intersection improvement. He thought it was possible to go after money for intersection improvements with this pot of money but not surface maintenance.

Councilor Loomis pointed out there was no pedestrian and bike access on Harmony Road, and it was unsafe and asked if that would qualify for MTIP funds?

Mr. Asher explained there was a category for bike/pedestrian projects. So if one were talking about adding sidewalks and bike lanes, that was the 17th Avenue project for which staff was submitting a grant application. In Clackamas County there were about six other competitive projects. There was also a category for capacity enhancement, and Clackamas County was proposing additional lanes on Harmony Road. In that circumstance one of the criteria was that the project had to be in the Regional Transportation Plan (RTP) as well as in the local Transportation System Plan (TSP). One of Milwaukie's constraints was that some of the projects named by Council were not in the TSP or RTP. The dam removal project, while it might be unusual, was competitive and eligible. As to its desirability, the City and Corps had been working on the project for the past five years. The process of consensus building would start to make sure this was something the Council and property owners wanted to see happen. The Corps had done some outreach, but there would be more to come in the process.

Councilor Loomis was not quarreling on that point. He was trying to make it clear the Metro had set up a pot of money for removing a dam rather than fixing a road, and with this project Milwaukie was eligible.

Mr. Asher explained there was a small percentage of federal funds set aside for that purpose.

Councilor Stone understood the City had sought money for Lake Road for many years, and the project had been on the back burner for at least 10 to 12 years. She had to wonder why Lake Road was not a priority because money was still needed for phase 2 preliminary engineering.

Mr. Campbell replied the City was still in the process of scoping the first phase, which made it a challenge to request money. It was a challenge staff could work to overcome if Council directed.

Councilor Stone said several years ago the Council testified for that particular project and had been trying to get money. Some money was earmarked for it. It was bike and pedestrian enhancing, and she wanted to see it get done. She wanted to see it as a priority.

Mr. Asher said this was a priority discussion the Council needed to have. Sidewalks and turn pockets and safe routes to schools would be created on Lake Road with last year's federal earmark. Part of the strategic thinking was that while it was not totally funded, it at least went over the threshold to make Lake Road happen. It might not happen with as many street trees and may not happen for the entire length, but \$4 million would help a lot. The City could ask for more, but it might be less competitive because the City was not sure what it was going to do with the first \$4 million.

Councilor Stone asked how this could be less competitive. She understood phase 2 was not very clear, but how could it be less competitive if the City was trying to finish up a project. The City got the money and was doing the project but needed additional funds to finish it.

Mr. Asher replied there was a competitive advantage because the City already got some funds. The consultant was working on a prospectus to determine what could be done with those funds. There might be fewer improvements over the entire length, or it might be a shorter project with all of the improvements. Outreach with the neighborhoods had not taken place yet. That project was happening now, so it was difficult to make strong claims there was a phase 1 that outlined the steps in phase 2. Anyone who looked into the project would know that the City still had work to do.

Councilor Stone asked how much time the City had to spend the money.

Mr. Campbell replied that it depended on the program.

Mr. Asher added this was 2010 – 2011 funding, so projects were programmed into one of those years. He would look into the expectations regarding use of the funds.

Mr. Campbell thought the other challenge with Lake Road was that the high priority parts of the project would be done in phase 1 that addressed safety issues around the school and resurfacing. The City would not be terribly credible going for phase 2 because the most critical parts of the project would likely be done.

Mr. Asher commented Lake Road could be a priority. It was on the short list, but staff felt spreading out the money might be a better way to go.

Councilor Barnes thought it might be a policy issue. She asked how staff came up with these three projects to begin with and was there a way Council could sit down with staff and talk about key areas for funding. She understood the issues of this situation. When one applied for a grant and got only part of it, then the decision had to be made on how to use the funds. She thought staff would go after additional funds to finish the project.

Mr. Asher said the City could look for additional funds through Blumenauer's office since it was a federal process that repeated. As to the policy question, Mr. Campbell had spoken with Council on previous occasions to keep the members abreast of the decision-making at

the staff level. Staff did address the Council not the three projects that were being considered. When one looked at the eligibility criteria, the list was short. He thought there was some creative thinking just to have three. The projects had to be multi-modal, in the financially constrained RTP, and competitive. When those three filters were applied, the list was not long. He asked if Council wanted to discuss this at a regular meeting.

Mr. Campbell added that the City would update its TSP, which was the ideal forum in which to identify priorities. The current TSP was outdated making this round a little more ad hoc.

Mr. Asher said the application process occurred every two years, and Mr. Campbell was correct that the new TSP that would benefit from not only Council discussion but also the entire community.

Mayor Bernard explained the process began with 200% of the money already spent, and it was worked down to 100%. The only reason this project got on the list was because staff specifically went after it through Congressman Blumenauer. He liked Milwaukie and this project, so it was funded. The next round would go through a lot of scrutiny. Milwaukie applied for the dam removal project because it understood it was eligible.

Councilor Loomis thought it was clear why 17th Avenue and Kellogg were on the list. His frustration was that the streets in the whole area were bad, and money was being spent on these projects. He understood this was how to qualify and that there was a benefit, but he was frustrated because staff was going to come to Council and say the City needed to go to the citizens for money to fix the roads. Here transportation money would be used to remove a dam. There might be homeowners living on that lake that would not be happy with that project anyway. He understood, but that did not mean he had to like it.

Councilor Stone asked who made the determination about all of these little categories. Was it the federal government issuing the funds or was it Metro who was dispersing the funds?

Mr. Campbell replied it was both. Metro worked within a set of guidelines established by the federal government. Metro looked at those and created a program that would remove culverts and dams to improve habitat.

Mr. Asher added this money was part of the State Transportation Improvement Program (STIP), which was ODOT. It was federal money allocated to the states. The states then carved out funds for each region, and the regional government administered those funds. Metro had a policy agenda that it clearly applied to those flexible funds. If Milwaukie were in a different region, then perhaps capacity projects would be apportioned for 80% - 90% of the projects. Milwaukie was not in a rural region. It was in the Metro region so there was a premium on multi-modal projects and other that met metropolitan goals. He did not believe local street maintenance was eligible from the start.

Councilor Stone thought there might need to be some policy adjustment at the regional level so these funds could be applicable to roads. The City was hurting and looking at raising taxes as Councilor Loomis said. Maybe there needed to be some policy discussion of how the funds were utilized.

Mr. Asher explained that was what the Joint Policy Advisory Committee (JAPCT) did twice each month. Funds were typically used for capacity needs, so Clackamas County got more roads while the City of Portland's street network was crumbling like Milwaukie's. There was a lot of attention on the policy level. At the end of the day there were 30 people sitting around that table with 30 different points of view with the Metro Council setting regional priorities. There were ways to influence the process, and Mayor Bernard attended the JPACT meetings regularly.

Mayor Bernard commented that Washington County was very good and well organized. That was why Clackamas County Coordinating Committee (C4) was created, but typically the

County got everything while the cities were knocked off the list. Blumenauer liked Milwaukie and its project, and that was why Milwaukie got the funding.

Councilor Stone agreed with Councilor Loomis in that federal money belonged to everyone and did not grow on trees. Everyone worked hard for his or her money, and now the City was asking people to pay more money to fix the roads. Their money was being channeled into other projects that were not really priority projects. She thought they needed to look at basic stuff and make sure maintenance needs were in hand before looking at this other stuff.

Councilor Barnes asked Councilor Stone if she did not wish to proceed with these projects.

Councilor Loomis said that was not what he was saying. He thought he had been clear that he understood the process. He was just trying to air his frustrations, and the question was answered that it was Metro's direction. It would be different if Milwaukie were in a different region, and that was the answer he wanted to hear.

Mr. Asher responded further to Councilor Stone. At the last JPACT finance meeting there was a lengthy discussion about how the region could put a package together for the legislature to consider in 2007 to raise the gas tax and/or vehicle registration for the first time in 13 years to go toward operations and maintenance. This was a discussion that had been going on for some time, but the region had never been successful in doing it. The point was that those discussions did happen. They were happening at high levels of staff, ODOT, Metro, TriMet, Portland, and the cities of Clackamas County. These were difficult discussions, and the track record was not very hopeful. He agreed it was a crying need in the area, and everyone needed to do better to get the dollars in place. The City of Milwaukie was a little guy in this, and it was only as good as its partners. He thought the City's job was to be as entrepreneurial as possible to take advantage of the opportunities it saw and to do its best to be heard.

Mr. Swanson said technically it was the Metro Council that made the decisions based on the input from all of the local jurisdictions. It was rare the Council went against those. JPACT was made up of local elected officials in the region who in the end did in fact control the Metro Council decision.

Mr. Asher added that the Clackamas cities' representative was Lynn Peterson, Councilor from Lake Oswego, and County Commissioner Bill Kennemer also sits on the Committee. Mayor Bernard is the alternate.

Councilor Stone thought Metro should send out a survey to citizens in terms of what they saw as priorities for this kind of money.

Mr. Asher added the RTP would be going through a significant update. He attended the C4 Technical Advisory Committee (TAC) where they got to the 200% list that included about \$16 million for Clackamas County that would probably ultimately net about \$8 million or less. These two projects were on the list in the amounts described in the staff report subject to a resolution. The 17th Avenue and Kellogg Lake Dam projects were the two that were supported. There would be two resolutions at the next meeting unless Council directed otherwise. Staff would seek letters of support from the neighborhoods, property owners, and other interested stakeholders.

Councilor Loomis wanted to make sure that people living on Kellogg Lake were included.

Councilor Stone said her top two would be 17th Avenue and Lake Road. She really wanted to see Lake Road get completed. If it meant that with the money earmarked now then the project would have to be tweaked so that not all of it could be completed or not all the amenities, then it should be looked at. It should be a priority. The Lake Road Multi-Modal Study was done years ago, and the City had been after funding for the past several years. It was finally getting somewhere.

Councilor Barnes agreed but understood the political position. She was sure the City could look for and move forward on seeking additional funding sources for Lake Road.

Mr. Asher said the City could go back at the next authorization bill. Those were also very competitive, but staff would take any Council direction.

Councilor Loomis asked when the consultant would have a report on Lake Road.

Mr. Shirey replied at the end of June.

Mr. Asher said this application was due June 30, so staff needed to know which projects to carry forward.

Councilor Stone had reservations about the Kellogg Lake Dam removal and understood staff's explanation of why it qualified. She did have concerns that the City was going for this money before there was even any outreach.

Mr. Campbell understood there were some public meetings in 2002 when the Corps project was first begun.

Councilor Stone said that was four years ago. That seemed like it was old data. She was concerned about that. She had reservations because people bought their property because it was on the Lake.

Mr. Asher said he and Mr. Campbell had been working with Ms. Herrigel who managed the Corps project. She was the conduit of public opinion that there were people on the Lake who supported the proposal although it was likely not unconditional support. Ms. Herrigel had not said she knew there were people living on the Lake who did not want to see this happen. He heard there was support for a restoration project that would include trails and wildlife habitat. Councilor Stone was correct that there had not been an outreach on this application, but there was a history provided by Ms. Herrigel. It was entirely possible that neither of these projects would live to see the 100%. The reality was that Milwaukie would be hard pressed to keep both projects on the list. Just because it was put in did not mean the City was going to get it.

Councilor Stone said the fact that Metro liked the Kellogg dam removal sent some pretty positive vibes that it was going to get picked.

Mr. Asher said Metro staff liked it and hopefully the Metro Council would too, but it had to go through JPACT which had 28 people who were fighting for their own projects. The fact that staff sent some positive signals was hopeful, but it was hardly a slam-dunk. Milwaukie could try for it or pull it now. That was up to the Council.

Councilor Stone understood the consultant would be done at the end of June on the phase 2 examination of the Lake Road project.

Mr. Campbell replied it would be the prospectus for phase 1.

Councilor Stone said the City would then know what it needed in terms of money for phase 2. She asked if it was impossible to meet that deadline and apply for the Lake Road project by the end of June.

Mr. Asher replied staff could prepare three applications and submit two. It was a lot more work for staff, but that was what would happen if that was what Council wanted. Some other projects would not get done.

Councilor Stone asked if the applications had been started.

Mr. Campbell replied he had been working on all three but given the uncertainty of Lake Road, he had not done that much.

Councilor Stone said if the City could home in on some certainty by the deadline, she would support it.

Mayor Bernard thought there was no question that trying to improve the environment by restoring the creek was a priority. There was a park named on that site, so it was a priority. 17th Avenue would be a priority because of the trail and had a better chance than Lake Road although he supported that project. He thought staff was making the right recommendation and urged staff to do what it could. He asked what would not get done if staff prepared the three applications?

Mr. Campbell would spend less time on business outreach in the next three weeks.

Mr. Asher said the other risk was that Milwaukie might spread itself thin in terms of performance on the applications. They were not easy to write, and the pool was very competitive. The same resources would go into either two applications or three, and he was not sure the City would be putting its best foot forward by spreading itself too thin.

Councilor Stone asked if the consultant would help.

Councilor Barnes said if it came down to it, she would agree that Lake Road had a higher priority than 17th Avenue, yet this was politically more advantageous. She understood the City would look for other funding sources and was not giving up on Lake Road. As for the Kellogg Lake situation plenty of people said they loved the area and wanted it restored for the habitat. Council heard that for some time, and she understood many people living in that area were supportive. She supported 17th Avenue and the Kellogg Dam removal because that was where the City had to be politically at this time. She felt the City should commit to following up on additional funding for Lake Road. She agreed with Mr. Asher that these applications took an incredible amount of time to prepare, and she appreciated staff's work.

Mr. Asher understood Mayor Bernard and Councilor Barnes supported 17th Avenue and the Kellogg Dam removal. Councilor Stone prioritized Lake Road and 17th Avenue.

Councilor Loomis would support 17th Avenue and the Kellogg Dam removal as long as there was outreach to the homeowners with reports to Council. He requested an update on the entire project as he was not on Council when that took place.

Mr. Asher would keep Council informed of any outreach meetings.

Texaco Site Committee Process

Mr. Asher provided the latest schedule for the development offering process on the Texaco block. This was the point at which the Council was asked to authorize a process for putting an advisory group into place. They were in the middle of setting up the advisory group with a kick-off meeting/tour on July 20 with a draft request for proposals (RFP) prepared this month for distribution at the beginning of August. Developer interviews would be on September 22 and a recommendation on September that would go to the Council at the beginning of October. Milwaukie owned half the site on the Main Street side, and Metro owned the other half of the site that abutted McLoughlin Boulevard. Neither Metro nor the City wanted to develop one half without the other, so they were in this together. The City had goals it would like to meet in the development of that block, and Metro had its goals.

The idea for the Advisory Committee was to help Mr. Asher and Mr. Whitmore. It would ensure there were another set of eyes as they went through the process and reviewed the development proposals. The Committee would also look at the proposals let the project management group know what the members did and did not like. Part of the process involved getting up to speed with what type of project this would be. This was a mixed-use project in a town center, which was not quite urbanized yet. It was a really high profile project for both Metro and the City. It had two important sides – Main Street and McLoughlin Boulevard – in terms of high visibility. Being mixed-use there would be retail/commercial on

the ground floor and housing above plus whatever else might be proposed. For all those reasons, it was not the suburban office building or a tract housing project, so it would take some education in how to go about going out to the development community. The Milwaukie and Metro Council's would share on making the final decision. There would be no project on the site unless both agreed to a development proposal.

This Committee was to ensure that staff was not on some wayward path and not taking into account the community. Committees were good for that sort of thing, but that was not the only base-touching that needed to happen during the process. A similar structure was used during the North Main Village process and done successfully. This partnership is unusual in that it was 50/50 between the City and Metro. The City would not be able to develop a project without Metro's agreement, and the same held true for Metro. While he thought most of the goals were compatible there may be some tension around the height and size of the building and maybe parking. From a policy objective Metro wanted to create regional centers and town centers and corridors that worked between them. The region did not want to expand the urban growth boundary (UGB) every ten years or have infill in all the neighborhoods. It wanted to create centers, and Milwaukie was a town center. To the extent that the Milwaukie town center can thrive with buildings of some height and a certain amount of density to accommodate some of those million people who will come to the region to live. The City also wanted a vibrant downtown and without a certain amount of density that cannot happen. At the same time Milwaukie was not a high-rise place. Main Street had a certain scale. The history and culture were a certain scale with certain expectations and feel downtown even today. Traffic and parking were on everyone's minds. Mr. Asher thought there needed to be a place where people could talk about that sort of thing and make sure it was straightened out before it ever came to the City Council or the Metro Council. The idea was hatched that there would be an advisory committee that would have representation from both the City and Metro. He was seeking authorization to find four people in the City who would be nominated by the Council and Planning Commission and appointed by the Mayor and Planning Commission chair with Council ratification. He thought the manner in which these people were selected was important. He did not want to have a situation at the end of the day when some people were making a recommendation if the Planning Commission and half the Council did not feel the process had been legitimate or transparent. This was a little more process than he would typically rely upon, but he felt this site had the potential of raising concerns. It had the potential of being a controversial project. He hoped it was not. He hoped the community could rally and unify around a concept. What was there today – a parking lot and market with nice trees – would not be there any more. He thought it was his job to make sure everyone including the Planning Commission was in agreement on important steps of the process. He outlined the proposed process. He would ask the Council to ratify the appointees at the next June meeting that Mayor Bernard and Planning Commission Chair Klein selected. Metro would go through a similar process. The staff report spoke to an equal distribution of members. He had already heard concerns from the community about that balance, and he had tried to discover what that concern was really about because there was no controversy yet. It was not as though the City had been pushed around by Metro on this project in any way. So far it had been nothing but collaborative. He felt the City should continue to assume the best. Because this was not a voting committee and was advisory to staff, he felt secure that whether there were three people from Metro or four people from Metro the job would get done. He felt it was most important to ensure there were four good people representing Milwaukie. Because of the concern he heard in the community, Mr. Asher asked Metro how it felt since this was not a voting committee. Metro staff took the question to the planning director and Metro Councilor Newman. Already he thought there were some concerns about the partnership. He thought four was a good number for Metro to appoint, and the process outlined in the staff report would be a good one and keep the project on schedule.

Councilor Stone asked what the qualifications were.

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Mr. Asher referred to the charge and job description on the last page of the staff report. It did address qualifications, but the Council could discuss what it thought was important. The most important thing to him in terms of qualifications was that these were people the Council believed had integrity and who at the end of the day the Council could hear a recommendation without wondering if there were another agenda operating. He did not think an architectural background or real estate development knowledge and skills were quite so important as the quality and character of civic commitment, fair-mindedness, and being able to participate in a committee structure where people were not pushing agendas and were willing to recognize the partnership with Metro. He would want good people who would do right by the City and who the Council believed in.

Councilor Stone said with all due respect – she did not mean to be antagonistic – Metro has its agenda and certainly had stuff they would be pushing. So when Mr. Asher said that she chuckled because Metro did have its own ideas about what it would like to see.

Mr. Asher wanted to make one point clear. Metro's agenda was not going to be to push the building as tall and as dense as it can. The intergovernmental agreement (IGA) says the building will be between four and six stories. He did not want to minimize that difference but he believed Metro wanted a well-designed project that got built and sold. It was looking to make a market here and taking the next step from what Tom Kemper was able to do with North Main Village to make this town center work. From what he gathered they wanted a successful collaboration with the City of Milwaukie. It would not help them in any way to be sword fighting with a local jurisdiction where it was trying to create a center. He appreciated to point and did not mind debating it. He did not think there were any pedagogical or ideological agendas that Metro was trying to foist on Milwaukie where it had to be in a defensive posture. He thought Metro wanted what Milwaukie wanted which was a high quality project of four to six stories that they could be proud of.

Councilor Stone said if everything stayed on track then developers would be interviewed with a recommendation by the end of September. She understood this was only about this one block.

Mr. Asher said that was correct barring some unforeseen proposal.

Councilor Stone said Stan Link came to the City in November and wanted to show his design for two blocks.

Mayor Bernard said that block had been purchased.

Councilor Stone was getting back to what was discussed at that work session about whether that would be feasible that Metro might consider collaborating with a private developer on that block too and Mr. Asher had said 'yes.'

Mr. Asher recalled that it was said that if someone could assemble the two blocks – the request for proposals (RFP) would be written to allow for a larger project. If someone were capable of doing that it would be considered. That was the discussion he recalled. That possibility would not be foreclosed upon when it came time for the competition. The answer to Councilor Stone's question was 'yes' that could be done. The RFP would still allow for that.

Mayor Bernard said another suggestion was that Metro might have someone in its group that lived in Milwaukie.

Mr. Asher said that was discussed. Metro's participants would be people who somehow represented or helped in the Centers Program. It could be developers who had done similar projects or someone from the transit-oriented development (TOD) steering committee. It could be architects who had done these types of project. He believed the group would be made up of professional types who understood this kind of development as opposed to Metro

staff or employees. It might also be that Metro would have a hard time coming up with someone so could use staff.

Councilor Stone asked if the Council would get to see a list of candidates before Metro actually appointed people and vice versa.

Mr. Asher replied that had not occurred to him. He told Metro the City would have its committee members by the end of June. This was a little farther out of the box than for Milwaukie because Metro did not have a geographical community to draw on. Metro committed to having its members appointed by July 5 so the project would be kicked off in the middle of the month. He asked that any nominations be sent to him for Mayor Bernard and Jeff Klein's review.

Councilor Loomis still had questions on the committee itself. It seemed unusual. He understood four people would be chosen to represent Milwaukie's interests.

Mr. Asher thought the Council would be selecting four people who could help with this job.

Mr. Swanson said the City wanted four people who would discharge the responsibilities. The responsibilities did not really speak to any one organization. The group would be made up of eight people who were going to be able to respond to those tasks.

Councilor Stone asked how many meetings there would be.

Mr. Asher anticipated there would be five meetings.

Councilor Loomis understood Mr. Asher said there was a possibility of this being controversial. He asked why Council was not more involved. Why was it not being done like regular committee people? Why would they not come before Council for an interview and Council select them? Why were we recommending and sending the names to the Mayor and Planning Commission Chair? It seemed unusual to him.

Mr. Asher said it probably was unusual in the sense this had not been done that many times before and there was no process. There were an infinite number of alternatives, and he was open to any of them. If the Council wanted a more formal process that would stay with the process that was great. He did not have any issue there at all. He was looking for a process that would allow the City to move forward on the schedule and give enough transparency and involvement from Council without having to wait for nominees, interviews, and appointments.

Mayor Bernard commented there was only one meeting to do that in.

Mr. Asher was not opposed to any alternative. This was just one.

Councilor Stone said in keeping with the charter in terms of how the City Council appointed people to other boards and commissions that was with the consent of Council.

Councilor Barnes understood this was a working group.

Councilor Stone this was still consistent. She would feel fine with that to do it that way.

Councilor Loomis asked why he did not want Council involved in the process. Why did he want four citizens rather than Council involved?

Mr. Asher said ultimately the Council would need to vote on the recommended development at the end of the process. He thought it would be more difficult to be involved in the process and the recommending of the developers and talking to the developers and getting into that kind of work and then being an objective representative of the community at the end of the day to make the selection. He thought that was starting to cross roles that he would not recommend.

Councilor Loomis said being on Council was not comfortable with a lot of situations. One that has come up a lot was when Council did give things to committees that were

controversial, they did not have all the background. They were searching through things and trying to find out what the issue really was. He had concerns about that. He had concerns about not being more involved in picking who was on this committee. If it was going to be four people and this had the potential for being controversial, then he would like to have more input instead of just the Mayor and the Planning Commission Chair making the appointments.

Councilor Barnes thought as Councilors it was important to explain to those two people why they thought the people they were nominating were important and why. It was a matter of letting Mayor Bernard and Jeff Klein know why this person was important to be on the committee. She thought the process would be really clear that way.

Councilor Loomis said it was people the Council knew. Why was it not open to any one who wanted to be considered?

Councilor Barnes just come up with people you thought would come to the table with an open mind and who would understand the conditions leading to a good decision. Go through the process in a way that there was no agenda, and that people on the committee could be trusted to bring information to the Council to make its decision based on clear thinking – no agendas. Was there someone in Milwaukie you knew who would go through the process with a clear head and a clear mind with the best representation of Milwaukie as possible. Recommend that person to Mayor Bernard and Mr. Klein and move forward. She could think of several people she would recommend.

Councilor Stone did not think that was Councilor Loomis's point. He was wondering why people could not just put their name in the hat for the committee.

Mayor Bernard said the process was open.

Mr. Asher said that was what was happening. He proposed the appointees were brought back to Council so that Council, not the Mayor and the Planning Commission Chair, would have the final say. He thought that was important. When talking about people in the community and the debate of who was and who was not qualified might not be the best thing. He thought a less formal process might get the same result with a little less public interrogation of people's qualities. It was for the Council to decide. He believed it gave Council enough control, he hoped, to feel like the committee members would do a good job.

Councilor Stone asked when they came forward with the list then the Planning Commission would appoint one or two. Is that what was envisioned?

Mr. Asher said Mayor Bernard and Mr. Klein would come up with four names they were comfortable with.

Councilor Stone would like to see more than four if the Council had the ultimate decision there may be other names ... If they came with four, then you had to accept them. She would like to see the roster and do that together as a Council and do it with consensus as a Council. That was the process she would like to see.

Mr. Asher was happy to do any process the Council directed. That was a different process than being proposed, but he wanted to know what Council wanted.

Councilor Loomis liked that idea better – that Council made a recommendation to Mayor Bernard and Mr. Klein that those people met the criteria and came back before Council. Then the Council would pick the four. The Council would send recommendations to Mayor Bernard and Mr. Klein, and they could look through them. They could look at the list and pick as many as they felt were qualified.

Mr. Asher understood Mayor Bernard and Mr. Klein would narrow the list, and Council would ultimately select four.

Councilor Stone wanted to see the list.

Mr. Asher said the Council in a consensual way would narrow the list down to four.

Councilor Stone said it should be done in a public work session.

Councilor Loomis suggested just bringing back those names that met Mayor Bernard's and Jeff Klein's standards and interviewing them followed by a discussion.

The group discussed the application process.

Library Board Work Plan

Pat Lent, Ledding Library Board Chair, provided a brief summary of the work plan process and goal status. The process was truly a team effort on the part of the Library Board. At the first meeting of 2006, Ms. Lent asked each board member to submit a draft of a work plan via e-mail to be compiled at the February meeting. The drafts were to include long- and short-term goals and accomplishments. When the Board met in February, it used the time as a work session, and the final draft contained each member's suggestions. Ms. Lent reviewed the goals.

At its March meeting, the Board chose to develop details for short-term Goal #1 – reactivating the advocacy program, which meant giving talks at the various neighborhood association meetings. At the April Board meeting, a formal schedule was devised for the year with two talks per neighborhood per year and a talking point slate. The monthly newsletter would be used to give action steps to Goal #3 – distribute the monthly newsletter on a wider basis. Goal #2 – review of the proposed budget was completed, and almost all of the members attended the first Budget Committee hearing where Ms. Lent presented staff and Board expectations and explanations of the budget items. Library staff was working on wider distribution of the newsletter by putting it on the website and putting copies on local businesses. The Board believed that if the general public was educated as to the services available at the Ledding Library that it would be more willing to give financial support when the time came. The 4th short-term goal was to have one fundraiser for operating expenses, and 7th was to use cable TV access extensively. Those two goals were scheduled for action steps at upcoming Board meetings. Goal #5 was to improve Library staff appreciation, and #6 was to develop a City staff appreciation plan. Goal #8 was to coordinate with facilities for Library access. Kelly Somers or someone from his staff has spoken to the Board about the parking lot expansion, the North Main project, planning for street repairs, and possible library expansion.

The Ledding Library Board has been highly supportive of LNIB and will continue to participate and cooperate in the Friends of the Ledding Library efforts. Goal #4 was to complete the Ledding Library Foundation that was initially set up to help finance expansion and secondarily operations. The Board was waiting under the guidance of the Foundation Chair Greg Chaimov for the IRS response to the application for non-profit status. The Board would meet in September to review and revise the Ledding Library long-range plan formed in 1999-2000. The Board would specifically revisit the expansion plan published in 2001 and the preliminary drawings that showed using the current footprint and extending to Harrison Street. Obviously many changes had taken place to alter that vision and particularly the recent purchase of the house across the pond. The Board has chosen to have several workshops reassessing the expansion program. Once the modifications were made for the house to be ADA compliant, the hopes for a meeting space and Friends' store may be fulfilled until further details were studied.

Councilor Stone asked what kind of programs were envisioned for cable television.

Ms. Lent replied the Board would develop some action steps related to that goal, so that had not been discussed.

Councilor Loomis asked why there was a tarp on the house.

Mr. Swanson thought it was part of the ADA remodel.
Mayor Bernard adjourned the work session at 6:45 p.m.

Pat DuVal

Pat DuVal, Recorder



AGENDA

MILWAUKIE CITY COUNCIL WORK SESSION JUNE 6, 2006

MILWAUKIE CITY HALL

Second Floor Conference Room
10722 SE Main Street

WORK SESSION – 5:30 p.m.

A light dinner will be served.

Discussion Items:

	<u>Time</u>	<u>Topic</u>	<u>Presenter</u>
1.	5:30 p.m.	Advisory Board Interview	
2.	5:45 p.m.	MTIP Grant Application	Alex Campbell
3.	6:00 p.m.	Texaco Site Committee Process	Kenny Asher
4.	6:15 p.m.	Library Board Work Plan	Board Members & Library Staff
5.	6:45 p.m.	Adjourn	

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.
- Executive Session: The Milwaukie City Council may go into Executive Session pursuant to ORS 192.660. 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.
- For assistance/service per the Americans with Disabilities Act (ADA) please dial TDD (503) 786-7555.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.



To: Mayor and City Council

Through: Kenny Asher, Community Development & Public Works Director

From: Alex Campbell, Resource and Economic Development Specialist

Subject: Update on MTIP, 2010-2011 Federal transportation funding

Date: May 22, 2006 for June 6, 2006

Action Requested

Council update on MTIP process for 2010-2011 federal transportation funding. Staff seeks Council support as proposals move into the next stage of deliberation.

Background

On May 23, 2006, Metro provided feedback on “pre-applications” for 3 possible projects:

- 17th Ave. bike/ped connector, engineering design and construction (\$1.84 million total cost; \$1,650,000 requested);
- Lake Road Multi-Modal Improvements, Phase 2, preliminary engineering (\$475,000 total cost; \$425,000 requested);
- Kellogg Lake dam removal, preliminary engineering (\$957,000 total cost; \$858,000 requested).

Metro staff was enthusiastic about the 17th Ave. and Kellogg Lake projects. They encouraged the City of Milwaukie to include all necessary feasibility and environmental analyses in the Kellogg Lake request. Metro will investigate the possibility of including design for habitat restoration elements as part of this application. In regards to the 17th Ave. project, Metro was confident that simultaneously applying for Transportation Enhancement and MTIP funding for the same project was a sound strategy. Metro and ODOT staff consult closely as they are developing final approval lists and there is not a risk that submitting the same project to both programs would reduce its competitiveness.

As a first step in matching demand to funds available, Metro assigns application limits to each sub-region. Clackamas County jurisdictions have an overall application limit of \$16 million for MTIP regional flexible funds (the equivalent of 200% of the County's proportion of total funds available). The Clackamas Technical Advisory Committee meets June 6, 2006 to discuss the relative merits of various proposals and to develop a consensus recommendation. City of Milwaukie staff will seek the inclusion of both the 17th Ave. and Kellogg Lake projects on the recommended list.

Staff will provide an oral report to Council on the results of the June 6 meeting.

Concurrence

Planning, Engineering, Streets and Community Services have been consulted and have provided input on the proposed projects. The Army Corps of Engineers provided City staff a briefing on their findings on Kellogg Lake dam removal, and has documented significant fish habitat benefits to restoring Kellogg creek. The Army Corps project management team was pessimistic about the prospect of further funding for project design and planning within the Corps. The Corps has been briefed on our intent to explore new funding sources for this project and is supportive.

Fiscal Impact

Fiscal impact is variable depending on the project and funding levels ultimately approved. Minimum project match is 10.27%. Staff anticipates pursuing up to \$2 million in total funding.

During consultations on the 17th Ave. and Lake Road projects, the Streets Department raised concerns about the potential impact of new match requirements on the streets budget. These will be taken into account in preparing the grant application(s).

Work Load Impacts

Applications would be completed as part of regular Community Development and Engineering staff duties.

Alternatives

Given the current stage of consultations with other Clackamas County jurisdictions, pursuit of additional or replacement projects for this stream of funding would be politically difficult. Staff recommends moving forward with the 17th Ave. and Kellogg Dam projects given their strong possibility of attracting Federal funds and high potential benefit to the City.



To: Mayor and City Council

Through: Mike Swanson, City Manager

From: Kenny Asher, Community Development and Public Works Director

Subject: Texaco Site Advisory Committee: Purpose and Process

Date: May 25, 2006 for the June 6, 2006 Council Meeting

Action Requested

Review and confirm charge and process for selecting representatives for a Joint Milwaukie/Metro Advisory Committee for the Texaco site redevelopment process.

Background

On March 7, 2006, City Council heard a report from staff on the development offering process for the property at 10700 SE McLoughlin Boulevard (Metro-owned) and 10721 SE Main Street (City-owned). At that time, Shiels Obletz Johnson had been selected as the city's consultant to help facilitate the offering process, scheduled to include a Request for Proposals in August 2006.

Since that report, the consultant has convened four meetings with City and Metro staff (called the "Project Management Group"). The meetings have covered topics ranging from the Request for Proposal process to the design and development constraints of the site.

At its May 4 meeting, City staff and Metro staff agreed to facilitate the creation of an Advisory Committee, to be comprised of half representatives from the City of Milwaukie, and half representatives of Metro's Centers program.

Committee Purpose

The charge and job description for the Project Advisory Committee (attached) generally describes an advisory role to the Project Management Group (staff from the City and Metro). Specifically, the committee will: review the site's objectives and constraints; review proposals against the partners' goals; and help the decision-making bodies (City

Council and Metro Council) understand how viewpoints are taken into account through the offering process.

A similar committee was utilized on the North Main Village process, with positive results. On the Texaco site, however, the City has a 50 percent partner in Metro, which acquired its half of the property using funds dedicated to increasing density and mixed use development in urban centers. The unique 50-50 land ownership structure calls for a committee that can work through any divergent interests between the two partners prior to the release of an RFP and selection of a development proposal. The Advisory Committee's involvement should give confidence to both decision-making bodies that the objectives of each (the City's and Metro's Centers Program) have been carefully considered throughout the process and have the best chance of being implemented through the selected development proposal.

Committee Formation

The Project Management Group has settled on an eight-person committee, with four seats for City representation and four seats for Metro representation. Staff recommends the following process for selecting Milwaukie's committee members:

- Beginning June 7 (after this work session item is discussed), staff will solicit names of potential committee members from members of the Planning Commission and the City Council, excluding the Planning Commission Chair and the Mayor (or their delegates).
- Prior to June 20 (the second City Council meeting of the month), staff will ask for the Mayor and Planning Commission Chair (or their delegates) to appoint four representatives from the list of names provided.
- At the June 20 Council meeting, staff will ask the City Council to ratify the representatives appointed by the Mayor and Planning Commission Chair (or their delegates).

The Committee, once activated, is expected to remain engaged with the offering process at least through the selection of the developer, and potentially through the disposition of the property.

Concurrence

The Committee structure and purpose has been agreed to by Metro staff. The Committee formation proposal has been reviewed and agreed to by the Mayor, Planning Commission Chair, Planning Director and City Manager.

Fiscal Impact

None.

Work Load Impacts

The Community Development Director has already accounted for the workload associated with the Advisory Committee and its formation. There is no additional

workload associated with this work session item, and the implementation of this Committee and process will require no additional City resources.

Alternatives

There are many alternatives that Council could consider: the Advisory Committee is not essential to the City's business of selling the site for development. Council could elect to proceed without an Advisory Committee. The committee's charge could be modified by Council (assuming Metro's consent) to be more or less or otherwise focused. The formation of the committee could occur in an almost infinite number of ways. Staff is recommending this formation process because it is open, fair, and straightforward. The Committee must have Council's confidence, as Council will ultimately select the development proposal based in part on what it hears from the Advisory Committee; it is therefore important that the Committee is formed through a process that likewise has the Council's involvement and confidence. These same principles hold true for the Metro Council, which also seeks representative advisors for this project.

Attachments

Advisory Committee Charge and Job Description, as drafted by the Project Management Group

ATTACHMENT

Joint Milwaukie-Metro Project Advisory Committee Charge and Job Description 15 May, 2006 - Draft

The City of Milwaukie and Metro each own half of a full city block at the heart of downtown Milwaukie and are partnering to attract a development project that meets multiple public goals. Control of this property provides an opportunity for attracting development that meets multiple public goals. City and Metro staff have identified a development process that combines the perspectives and priorities of both agencies as well as the local community.

To support this process, the City and Metro recommend formation of an 8-member Project Advisory Committee whose charge will be to participate in a consensus-based process to identify a preferred development team to:

1. Review development proposals and developer qualifications submittals against project selection criteria identified in a Request for Proposals document.
2. Interview development teams for their responsiveness to City and Metro goals and values.
3. Report its observations and recommendations to the Project Management Group, which will forward a recommendation for approval by City Council, the Metro TOD Steering Committee and Metro Council.

Job Description

Advisory Committee Members should be prepared to participate as follows:

- Attend kick off Committee meeting to be briefed on project goals and development considerations. This meeting may include a driving tour of comparable buildings.
- Attend a meeting to receive proposals and review RFP criteria.
- Review proposals thoroughly based upon the review criteria.
- Attend meeting to discuss proposals with Committee members and identify a short list of candidate firms for interviews. Staff to provide technical summary of proposals to support discussions.
- Attend public open house intended to solicit community input on proposals and teams.

Participate in team interviews, discuss strengths and weaknesses of proposals, identify any additional review information needed from proposers and review summary comments prepared by Project Management Group.

LEDDING LIBRARY WORK PLAN FOR 2006

ACCOMPLISHMENTS IN 2005:

1. Reviewed the proposed budget for library services and supported the budget through testimony at budget hearings.
2. Have initial Foundation members and have applied to IRS for non-profit status.
3. Have sponsored two months (September and December) of Giving Tree and gained \$500 in donations for Ledding Library materials and supplies.
4. Were noted by Himmel and Wilson (County consultants) as the only Board with 100% participation.
5. Participated in the North Main Street Development process in support of the Downtown Development Plan and the Ledding Library's key role in the plan.
6. Achieved 100% membership in the Friends of the Ledding Library.
7. Aided Friends of Ledding Library in the Annual Book Fair.

SHORT TERM GOALS FOR 2006:

1. Reactivate the advocacy program started in 2004, by having a Board member give a five minute talk about the library's services at least twice a year at one of each of the neighborhood association's meetings.
2. Review the proposed budget for library services and support the budget through testimony at budget hearings.
3. Distribute the monthly library newsletter through a wider distribution.
4. Have one fund raiser for Ledding Library operating expenses.
5. Improve Library staff appreciation.
6. Develop City Staff appreciation plan.
7. Use cable TV access extensively.
8. Coordinate with Community Development Staff to facilitate library access.
9. Give action steps to the above goals at each Library Board monthly meeting and develop details for achievement of these goals.

LONG TERM GOALS FOR 2006 AND BEYOND:

1. Continue distribution of library monthly newsletter.
2. Participate and support LNIB
3. Continue to review and support the budget and its process.
4. Complete the Ledding Library Foundation and begin a capital campaign.
5. Hold at least one fund raiser per year for Ledding Library operating expenses.
6. Revisit and revise the Ledding Library long range plan.
7. Continue to urge participation and cooperation with the Friends of the Ledding Library.
8. Continue to support and participate in plans for facility expansion, including those for newly purchased house in Milwaukie.
9. Continue to raise awareness of the services offered by the Library through advocacy and cable television access.