

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
DECEMBER 6, 2005**

CALL TO ORDER

Mayor Bernard called the 1971st meeting of the Milwaukie City Council to order at 7:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes Joe Loomis
Carlotta Collette

Staff present:

Gary Firestone, City Attorney	John Gessner, Planning Director
JoAnn Herrigel, Community Services Director	Jay Ostlund, Civil Engineer
Paul Shirey, Engineering Director	Brenda Schleining, Associate Engineer
Kenny Asher, Community Development/Public Works Director	

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS

Update on Economic Development Initiatives

Mr. Asher was joined by Cindy Hagen, Clackamas County, and Charlie Allcock, PGE.

The Economic Development Advisory Committee met about six times and developed a mission statement and several recommendations including next steps. The Milwaukie's quality of life had to do with its citizens having family-wage paying jobs, and its fiscal health depended on its businesses growing and prospering. The strategy focused on supporting existing businesses and welcoming new businesses. The City Council had been active in economic development and adopted a resolution ensuring that Milwaukie was taking part in the regional economic development group. There was also a business visitation program backed by an active economic development advisory group. Many of these efforts were made possible through a Mt. Hood Economic Alliance grant.

A survey of about 40 Milwaukie businesses was completed in December 2004 and were roughly split between professional services, distribution, and manufacturing. Fifty-seven percent of the respondents said that Milwaukie overall was a good place to do business principally because of its location and access to market and customers. In other words, this was a prime location. On the downside was traffic congestion. The Economic Development Advisory Committee made recommendations that could be grouped into

five areas: network building and coordination, local outreach and communication, City government, site improvements, and economic development strategies.

Mr. Asher discussed the three-point strategy: strengthening economic development partnerships, focusing resources and targets, and business retention and outreach. Some of the partners were PGE, Clackamas County, Chamber of Commerce, and Portland Ambassadors. He discussed focusing resources on the North Industrial area, a 300-acre site with limited access and aging buildings but with a lot of latent potential that was of interest not only to Milwaukie but also to the region. Milwaukie was also developing an economic development website, and there were a number of site visits scheduled that addressed the strategy of retention and outreach. He discussed City interdepartmental efforts toward streamlining processes and encouraging economic development. Milwaukie's economic future was intrinsically part of the region's economic future. There was a lot of momentum in Milwaukie with physical redevelopments such as North Main and the McLoughlin Enhancement Project that were all part of the City's strategy.

Mr. Allcock, PGE Economic Development Director, served on the City's Economic Development Advisory Committee. The premise was that a strong economy created a higher per capita income and lowered the poverty rate. When incomes were higher, people were not as afraid to pay taxes and assume some of the burdens associated with social programs. That in turn contributed to good public services and quality of life. The focus was to ensure these elements worked together and that residents and businesses were successful in their endeavors. In any area one saw businesses that served the local economy, but there were a limited number with products or services that were sold outside of the region to bring the fresh dollar. The traded sector businesses drive the economy because every job created likely created one or two others that paid 20% to 30% more. The leveraging effect was a key part of any community's economic development strategy.

Mr. Allock believed the City had taken a major step in creating the Economic Development Advisory Committee. The building blocks of the process were leadership, strategy, services, marketing, and rewards. He provided information on the Regional Economic Development Partners that included cities, counties, and other regional partners who offered a wealth of expertise. The Regional Partners' approach included a mission statement and guiding principles such as the "sum is greater than the parts" and "we are each other's best cheerleaders." Today, businesses were looking for places to thrive – not just survive. Demographics and work force consistently show up as the major issue, and today there were many traded sector businesses with orders but did not have the workforce to fill those orders. Many employees were baby boomers who were approaching retirement age with no young talent coming out of today's school system to meet those replacement needs. He thought Milwaukie could make a significant effort in relationship to the workforce piece by collaborating with the school district and community college. Seventy-five percent of the new jobs would come from existing businesses, so retention was critical. The practice of implementing a continuous improvement process started with ownership and buy-in from key stakeholders and partners, so constant communication was critical. He urged that the City identify its in-charge, go-to person.

The national perception of Oregon and the Portland area was that the planning process was difficult compared to other parts of the country and the world. Many businesses want to make siting decisions in 60-days, and they do a lot of their work on the Internet. The area has not been very aggressive in its outreach and recruitment, and companies felt they were being interviewed to find out if the region wanted them. The Governor has done a lot of work in recruitment and letting companies know that Oregon was open for business.

Mr. Allcock recommended that Milwaukie continue to focus on existing businesses and have certified sites that were shovel ready. The City should be ready to put information about those sites on its website. He stressed the importance of curb appeal as that was a sign that a community cared by spending some of its precious dollars.

Ms. Hagen, Clackamas County Business and Economic Development, addressed business development in the County. Its mission was to "Position Clackamas County as a business destination and leader in the 21st Century economy to grow a sustainable diverse job base." The program was elevated so that it reported directly to the County Administrator and was in partnership with the Tourism Development Council, parks, and libraries. The key point was business retention followed by expansion and recruitment. Other points included business assistance, economic and industrial development, marketing and communication, and economic development leadership. Some of the strengths in Milwaukie were the North Industrial area, the Enterprise Zone, proximity to the Clackamas Industrial area, its leadership in the manufacturing and defense industries, access to transportation infrastructure, rail service and access, and a quality building inventory. Milwaukie's workforce was skilled, educated, and adaptable with low turnover rates. Areas for collaboration were Connect Oregon, rail access, and continued outreach. Milwaukie's recent successes were the expansion of the North Milwaukie Enterprise Zone, the International Way Business Center, the \$25,000 Mt. Hood Economic Alliance grant, and \$90,000 to VW Metal Fab and Oregon Cutting Systems from the Workforce Response Team.

Councilor Collette asked Mr. Asher who he thought the in-charge person should be for the City.

Ms. Asher sensed it ought not to be a person on Council and thought he would probably fulfill that role for the time being as it was too important an issue to delegate. This was a business of relationships.

Ms. Hagen added that was consistent with what was going on in the region.

Councilor Collette asked Mr. Allcock to elaborate on the certified industrial site comments.

Mr. Allcock said it had to do with ensuring the title was clear and that issues such as wetlands and things of that nature had been addressed. This would give the potential businesses an idea of what they were getting into. Those interested in redevelopment were increasingly concerned about what residues might have been left by a previous company. Businesses were also concerned about the curbside availability of water and sewer capacity.

Ms. Hagen suggested taking full ownership of a certified program in the existing building inventory by identifying the top 10 redevelopment or new tenant sites. The City could do due diligence and perhaps remedy something.

Councilor Barnes expressed appreciation to those who worked on the Economic Development Advisory Committee.

Mr. Asher appreciated those who wanted to partner with Milwaukie. The intent is to develop a three-way agreement for calendar year 2006 and to create a checklist. At the top of the list was sustaining the energy of the people in the community who had already contributed time to ensure Milwaukie was hitting all of its marks.

Mayor Bernard discussed North Clackamas Chamber involvement.

CONSENT AGENDA

It was moved by **Councilor Collette** and seconded by **Councilor Barnes** to approve the City Council work session and regular session minutes of October 18, 2005. Motion passed unanimously among the members present [4:0]

AUDIENCE PARTICIPATION

None.

PUBLIC HEARING

- A. Findings and Conditions for Norm Scott Subdivision**
8555 SE 28th Avenue
Appeal File AP-05-03

Mayor Bernard said the Council first heard this matter on November 15, 2005 at which time Council took testimony from the appellant and other interested parties. The public testimony portion of the hearing was closed on that date. The hearing was continued to December 6, 2005 so the Council could consider the findings and conditions in support of the tentative subdivision approval and denial of the street vacation requests. The public comment portion of the hearing has been closed. He asked if any members of Council wished to announce any ex-parte contacts that might have taken place since that November 15, 2005 hearing.

Councilor Barnes stated Mr. Scott's son was in her class and made several comments about it the next day. The son, Andrew, said, "You got my Dad good." Councilor Barnes asked him what he meant, and he said something to the effect that his Dad was before Council and told her his name. Andrew said, "Go get him." That was the entire conversation, and Councilor Barnes told Andrew that she did not want to discuss it any more.

Mayor Bernard was at the same meeting and found out that Andrew was Norm Scott's son. The conversation was about the same.

Councilor Collette recused herself at the previous hearing and had not talked to anyone since.

There were no challenges from the audience.

Staff Report

Mr. Gessner said the details of the revised findings were in the staff report and included in paragraphs 16 – 20. The Mayor had closed the public testimony portion of the hearing. The revised findings were in response to the city attorney's suggestion to address specific testimony regarding the need for the sidewalk along 28th Avenue in relation to the City Codes that required sidewalks as well as establishing that the City had not exceeded its authority that might otherwise be limited by a constitutional decision in *Dolan v. City of Tigard*.

Paul Roeger called a point of order from the gallery to note discrepancies. [Comments inaudible]

Mayor Bernard announced there would be a short break for a discussion with staff after which **Mr. Gessner** recommended tabling the decision to December 20, 2005 in order to work out the details.

Mr. Firestone added that public testimony was closed and deliberation would resume on the date certain of December 20, 2005.

B. Hill Street Reimbursement District for Wastewater Services

Mayor Bernard called the public hearing to order at 8:04 p.m. The purpose of the hearing was to consider public comment on the final assessments for the Hill Street reimbursement district for wastewater service.

Staff Report

Mr. Ostlund provided history on the project. In September 2004, Council awarded the contract for construction, and the project was completed October 2005. Six of the 11 properties in the district connected to the wastewater system. A 20% contingency had been added to address change orders and any unanticipated costs, and because the project was under that amount, the City would refund the six properties that had connected. He indicated the reimbursement district on a map and noted some of the properties were not in the City limits. The lot frontage was used to calculate the numbers, and he compared the estimated and actual costs. Those properties that paid would be refunded the difference. He noted the laterals were connected.

Correspondence – None.

Audience Testimony – None.

Mayor Bernard closed the public hearing at 8:12 p.m.

It was moved by Councilor Barnes and seconded by Councilor Loomis to approve the final assessments for the Hill Street reimbursement district for wastewater service. Motion passed unanimously among the members present. [4:0]

RESOLUTION NO. 53-2005:

A RESOLUTION AMENDING RESOLUTION NO. 22-2004, ESTABLISHING THE FINAL ASSESSMENT AMOUNTS FOR THE SOUTHEAST HILL STREET SANITARY SEWER REIMBURSEMENT DISTRICT AND AUTHORIZING A REFUND.

OTHER BUSINESS

A. Acquisition of Property Located at 2808 SE Balfour for Meek Street Stormwater Project -- Resolution

Ms. Schleining reported this was a four-phase storm project to take some of the load off the undersized Harrison Street stormline. There was a solution in the Master Plan to bypass some of the Harrison line down Meek past the public housing project by the railroad tracks. The City was in the process of getting an easement from the County. This project was built from the top down and probably would have been better to do from the bottom up. The City kind of backed itself into the area. She pointed out the natural storm drainage to Roswell Pond. One would see ponding on the property, and most of the water would be absorbed into the ground. The City wanted a legal easement because it was actually already a storm drain; however, about 2/3 more flow would be added by bypassing part of the Harrison line. This land was unique in that it was about a 65% slope along the railroad tracks. It was a very large lot, and the home was located on the far corner of the lot. It was not really usable, buildable land that could be used for much else without engineered fill that would cost more than the property would ever be worth. It was by the railroad tracks and next to the Hillside low-income housing, so it was not top of the line real estate. The City had an appraisal to negotiate with the owners, and it needed to be entered into the record that the City needed the land.

Councilor Collette asked the status of negotiations with the property owners.

Ms. Schleining replied the owner had been cooperative. The appraisal came in at \$1,000, and the owner wanted 15-times that amount. The City was cautious about setting a precedent of paying that amount, so staff wanted to be careful about taking all the necessary legal steps. These were the same Ann and Jim Burbach who applied to have the large trees removed. It was an unfortunate incident and had nothing to do with the project, but they were not happy.

It was moved by Councilor Barnes and seconded by Councilor Collette to approve the resolution authorizing acquisition of real property for the Meek Street stormwater project. Motion passed unanimously among the members present.

[4:0]

RESOLUTION NO. 54-2005:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, DECLARING THE NEED TO ACQUIRE PROPERTY FOR THE PURPOSE OF STORMWATER RUNOFF.

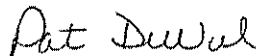
B. Council Reports

- **Councilor Loomis** suggested setting aside a day and preparing a proclamation honoring Milwaukie High School.
- **Councilor Loomis** announced the Winter Solstice event on December 10.

ADJOURNMENT

It was moved by **Councilor Barnes** and seconded by **Councilor Collette** to adjourn the meeting. Motion passed unanimously among the members present. [4:0]

Mayor Bernard adjourned the regular session at 8:21 p.m.



Pat DuVal, Recorder

AGENDA

MILWAUKIE CITY COUNCIL
DECEMBER 6, 2005

MILWAUKIE CITY HALL
10722 SE Main Street

1971ST MEETING

REGULAR SESSION – 7:00 p.m.

I. **CALL TO ORDER**
Pledge of Allegiance

2. **PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS**

Update on Economic Development Initiatives (Kenny Asher)

3. **CONSENT AGENDA** *(These items are considered to be routine, and therefore, will not be allotted Council discussion time on the agenda. The items may be passed by the Council in one blanket motion. Any Council member may remove an item from the "Consent" portion of the agenda for discussion or questions by requesting such action prior to consideration of that portion of the agenda.)*

City Council Work Session and Regular Session Minutes of October 18, 2005

4. **AUDIENCE PARTICIPATION** *(The Mayor will call for statements from citizens regarding issues relating to the City. It is the intention that this portion of the agenda shall be limited to items of City business which are properly the object of Council consideration. Persons wishing to speak shall be allowed to do so only after registering on the comment card provided. The Council may limit the time allowed for presentation.)*

5. **PUBLIC HEARING** *(Public Comment will be allowed on items appearing on this portion of the agenda following a brief staff report presenting the item and action requested. The Mayor may limit testimony.)*

A. **Findings and Conditions for Norm Scott Subdivision (John Gessner)**
8555 SE 28th Avenue
Appeal File AP-05-03

B. **Hill Street Reimbursement District for Wastewater Services – Resolution (Paul Shirey/Jay Ostlund)**

6. **OTHER BUSINESS** *(These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

Acquisition of Property Located at 2808 SE Balfour for Meek Street Stormwater Project – Resolution (Paul Shirey/Brenda Schleining)

7. INFORMATION

A. Park and Recreation Board Minutes, September 27, 2005

B. Riverfront Board Minutes, October 11, 2005

8. ADJOURNMENT

Public Information

- Executive Session: The Milwaukie City Council may go into Executive Session immediately following adjournment at pursuant to ORS 192.660(2).

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

- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503.786.7555
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.



To: Mayor and City Council

Through: Mike Swanson, City Manager

From: Kenny Asher, CD/PW Director

Subject: Update on Economic Development Initiatives

Date: November 21, 2005 for December 6, 2005 Meeting

Action Requested

None. This is an informational update about multiple economic development initiatives in which the city is participating or leading. This report will provide capsule summaries on the City's economic development activities over the last 120 days. It is intended to provide context for Council discussion and to inform Council about the city's economic development work plan going forward.

Background

Over the past several years, the City Council has affirmed its commitment to the City's economic development. Examples include Resolution No. 3-2004 supporting the Regional Economic Development Partners, securing a \$25,000 grant from Mt. Hood Economic Alliance for economic development strategies, creating an economic development website, visiting local businesses to assess the city's economic climate and business needs, and convening an Economic Development Advisory Group.

The staff person assigned to the economic development work program left the city in July 2005. Upon arriving at the city in the same month, the Community Development/Public Works Director committed to overseeing the continuity of this work program, and to updating the Council on the City's progress on the economic development agenda.

After a rapid survey of the city's economic development interests and activities, staff has undertaken a three-pronged strategy for advancing the economic development imperative:

1. Strengthening Economic Development Partnerships
2. Focusing Resources and Targets
3. Business Retention and Outreach

Strengthening Economic Development Partnerships

1. Clackamas County Business and Economic Development Team

Staff has visited with members of the county's economic development team on several occasions. The county has agreed to support the City's economic development website and business retention efforts, and has been professional and responsive when city staff has called with questions or requests. County staff is also educating the city on funding opportunities and streams.

2. Portland Regional Partners for Business

The city has renewed its membership with the Regional Partners, a group of public and private sector redevelopment professionals who collaborate to promote the Portland metro region as a vital economic center. Staff has attended two monthly meetings (the mayor has attended one) and will continue to participate in this organization. It is becoming clear to many in the economic development field that successful economic development at a local level, requires successful coordination at a regional level.¹

3. Oregon Economic Development Association (OEDA)

Community Development and Community Services Staff attended the OEDA "Back to Business" conference on October 3, 2005, attending seminars on web-based business recruiting, workforce development, economic development resources and strategies for small cities. Staff attended a networking dinner hosted by PGE with other practitioners from the Portland metro region. At present, the City is not a member of OEDA, but staff will continue to monitor and attend appropriate OEDA functions.

4. Portland Ambassadors

Staff attended the September 8 meeting of the Portland Ambassadors, another regionally focused organization that links public resources with private companies, while increasing the visibility of the Portland Metro region. The September meeting featured Clackamas County's business and economic development strategies. At present, the City is not a member of the Portland

¹Mark Sweeney, Senior Principal, McCallum Sweeney Consulting, Keynote address: Prepared Communities Win; OEDA Conference, Eugene, Oregon, October 3, 2005

Ambassadors, but staff will continue to monitor and attend appropriate Portland Ambassador functions.

5. North Clackamas Chamber of Commerce

Staff is participating (along with Councilor Collette) in the North Clackamas Chamber of Commerce Leadership program, which has resulted in new relationships between staff and Providence Milwaukie and the North Clackamas School District, and will continue to broaden staff's network with North Clackamas business and civic leaders over the 12 month program duration.

Focusing Resources and Targets

1. Transitioning the Economic Development Advisory Committee (EDAC)

Formed in February 2004 and given a six-month charge, this group of private, public and civic representatives had not closed out its work program when the city's economic development staffing transition occurred in July 2006. To do just this, the EDAC was convened for a final meeting on September 22nd at Milwaukie's City Hall. The results of that meeting were a revised vision statement for Milwaukie's economic development (attachment A), a revised set of recommendations (attachment B), including the recommendation that a similar group pick up the economic development mantle upon cessation of the EDAC. Staff is pursuing the vision, recommendations, and charge to continue. A new working group is being formulated to carry on the EDAC's charge, albeit with a more limited scope and view. A letter thanking the Economic Development Advisory Committee for its hard work is attached for Council Review (Attachment C).

2. North Industrial Area Focus

After consulting with regional, county and city officials, staff is preparing to convene the new working group around a work program focused on economic improvement opportunities in the North Industrial Area. This work will pick up on recommendations described in the 2003 North Industrial Land Use Study, which would help this area attract new public and private investment. Staff does not intend to conduct this work at the expense of economic development opportunities elsewhere in Milwaukie; rather, it is a focus area that will help galvanize property and business owners around a high value work proposition that could potentially result in significant citywide benefit.

3. Staffing

After three months of observation and study, staff has determined that a full time staff person dedicated to resource and economic development issues is critical for the city to successfully nurture its nascent economic development ambitions. Key to this position (*Resource and Economic Development Specialist*) is a comprehension of Milwaukie's economic place in the regional economy, and the tie-in between the City's physical redevelopment and its economic development. The position will be responsible for helping Milwaukie compete for grant funding of all kinds (grant funding typically seeks out economic development leverage factors), and for providing staff support for the myriad economic development efforts underway. Someone will be hired on a temporary basis in this role, and recruitment is underway for a permanent FTE.

4. *Website, Vision and Recommendations*

The city's economic development website, vision and recommendations were all created through EDAC participation, and each have been refined to a point of suitable use. The website is now available to the public (site selectors now routinely look to a city's economic development web page or site prior to contacting any officials). It can be accessed through the City of Milwaukie's official homepage (www.cityofmilwaukie.org). The vision and EDAC revised recommendations (attached) will be foundation documents to guide the new working group and Council in upcoming economic development discussions.

5. *Connect Oregon Funding*

Staff is exploring, along with Tri-Met and Metro, the possibility of applying for funds *ConnectOregon*, a lottery bond-based, \$100 million legislative initiative to invest in air, rail, marine, and transit infrastructure to ensure Oregon's transportation system is strong, diverse, and efficient. These funds will go to projects that can improve Oregon's business environment, ultimately leading to more jobs and a more sound economy

Business Retention and Outreach

1. *Business Visitation Calendar*

The City has been roundly applauded for a series of site visits to large Milwaukie-based employers during 2004-5. Staff's position is that business retention (supported through proactive visitation) is the single-most important plank of any economic development work program. Staff has updated the business visitation calendar (attachment D), by which city officials and economic development partners will regularly meet with Milwaukie business principals to discuss needs, interests and assistance opportunities. At this writing, staff is preparing for the

first such meeting with Portland Mechanical on Hanna-Harvester Drive (76 employees). Staff intends to arrange one business visit a month ad infinitum.

2. Business Recruitment and Retention

Staff is actively working with businesses interested in relocating to Milwaukie, or expanding within city limits. Specifically, staff is working with the county to meet the relocation needs of Mackay Envelope, a current Milwaukie company located in the North Industrial Area, and to service the tenant improvement needs of a new Milwaukie company, Hoya Vision Care, which recently leased space in the International Way business park. Staff is also working closely with Key Bank on a substantial tenant improvement upgrade package for the bank's downtown Milwaukie branch. As staff becomes aware of the needs of individual businesses (and it is hoped that this awareness will increase in proportion with a growing public awareness of the city's economic development initiatives), business requests will be handled with immediacy and creativity. Supporting business expansion in Milwaukie is paramount to the city's economic development goals. The working group and new hire will assist in these efforts, as will existing Community Development/Public Works staff. Some of this work is already underway; Planning and Building officials at the City's JCB facility are currently streamlining issuance of certain tenant improvement permits.

Concurrence

None solicited, as there is no action associated with this item. It is recognized, however, that the Departments of Planning, Engineering, Building, Public Works Operations and Community Services each support the city's economic goals, through execution on departmental work plans and functional areas. Examples include:

- Planning and Building department staff's tenant improvement permitting streamlining project.
- Community Services staff work with the North Clackamas Chamber of Commerce to compete for lottery funds earmarked for tourism, which can be used to support the retail environment in downtown Milwaukie.
- Ongoing and heavy involvement from the Planning and Engineering Departments as the economic development working group focuses on North Industrial areas transportation and land use issues.
- The Building Department and Public Works Divisions must ensure that Hoya Vision Care's heavy water demands can be met in a reliable and cost effective way.

Ultimately all of the city's departments have a responsibility to carry out the city's economic development agenda; the timely and effective provision of city services is in itself, an economic development strategy.

Fiscal Impact

There are fiscal impacts associated with the successful implementation of the economic development work program. All economic development efforts should result in increased tax revenue for the city, either directly or indirectly. However there are no fiscal impacts associated with the material contained in this report. The new FTE is a budgeted position, and there are no material or services costs anticipated for the next quarter. Should the implementation of this work program create fiscal impacts, staff will come back to counsel for a resolution to expend funds.

Work Load Impacts

The workload impacts from this program are being addressed with the hiring of a new Resource and Economic Development Specialist. The Community Development/Public Works Director anticipates dedicating 10-20 percent of his time on this work program. The North Industrial Area focus could create workload impacts for the Planning and Engineering Departments. If these occur, they will not begin until the fourth quarter of the fiscal year, allowing sufficient work planning to occur.

Alternatives

None (no action requested).

Attachments

- Attachment A: Revised EDAC Vision Statement
- Attachment B: Revised EDAC Recommendations
- Attachment C: Letter to EDAC
- Attachment D: Visitation Calendar
- Attachment E: Business Survey (not discussed in this memo, the consulting firm of OTAK completed this survey in March, 2005. The EDAC, at its last meeting, recommended that it be shared with Council).

ATTACHMENT A

City of Milwaukie Economic Development Advisory Committee

REVISED VISION STATEMENT

10/07/05

Milwaukie is a community where business is good, jobs are plentiful, and services are readily available. City leaders maintain this environment by welcoming new businesses, supporting existing business, and guiding economic development efforts that benefit employers, employees, residents and visitors.

ATTACHMENT B

City of Milwaukie Economic Development Advisory Committee

CONDENSED RECOMMENDATIONS

10/07/06

Network Building & Coordination

- Work closely with Clackamas County Office of Business and Economic Development on Milwaukie's economic development issues
- Coordinate with Regional & State economic development efforts (Oregon Business Plan, Regional Partners, Portland Ambassadors, Regional Business Plan, North Clackamas Chamber of Commerce, etc.)

Local Outreach & Communication

- Continue business visitation efforts to ensure open channels of communication between local business and government.
- Look for opportunities to involve more businesses and citizens in the overall discussion on Milwaukie's business climate and economic development.

Site Improvements

- For maximum effect, focus attention sequentially on individual business/ industrial districts or centers.
- Work to bring under-utilized sites as near to "development-ready" status as possible.

City Government

- Maintain an open and friendly attitude toward businesses through a highly responsive permitting and review process.
- Ensure that the economic development imperative stay in the public eye and remain a consideration in local and regional policy-making.

Economic Development Strategies

- Work to create living wage jobs in Milwaukie and regionally, by supporting expansion efforts of both mature and newly establishing companies.
- Support businesses through the provision of suitable infrastructure, including land, utilities, road and transit access, public amenities and a skilled workforce.

Regionalism

- Participate in and support efforts to strengthen the region's economy and bring new public and private investment to the region.
- Be a good partner for public and private organizations with regional interests.

November 22, 2005

Dear Economic Development Advisory Committee Member:

The city would like to thank you for all of your efforts on the Economic Development Advisory Committee and your hard work to promote economic development in the city.

The city is committed to continue to develop activities and programs to assure that economic development is an ongoing activity for the growth of Milwaukie. The city is developing a three-pronged strategy for this growth: 1) Strengthening Economic Development Partnerships; 2) Focusing Resources and Targets; and 3) Business Retention and Outreach.

Your hard work over the last year and a half has helped us get to this place and will help us move forward with our economic development commitment. We invite and welcome your continued participation in the economic development activities taking place in the city. Please feel free to contact me if you have any questions concerning the city's economic development programs.

Sincerely,

James Bernard
Mayor

Cc: City Council
File

ATTACHMENT D

BUSINESS VISITATION CALENDAR				
COMPANY	MEETING DATE	CONTACT NAME	ADDRESS PHONE #	PEOPLE ATTENDING
2005-2006 Visits				
Portland Mechanical 76 Employees	Nov. 2005	Mark Hettervig, Owner	2000 SE Hanna Harvester Dr 503-656-7400	
C & D Technologies 72 Employees	Dec. 2005	Dan Enzone, Site Manager Gary Mallaroy (local) x2428	4607 SE Int'l Way 503-659-7920	
Unified Western Grocers 655 Employees	Jan. 2006	Gary Gabel or Julie Cassidy	644 SE Lake Rd 503-833-1000	
Providence Milwaukie Hospital 435 Employees	Feb. 2006	Jacquelyn Gaines, Chief Administrator	10150 SE 32 nd Ave 503-513-8300	
Johnson Controls 67 Employees	Mar. 2006	Brian Supalla	4011 SE Int'l Way, Suite 605 503-654-8422	
ODS Health Plans 245 Employees	Apr. 2006	David Shaffer, Director of BCA Andrew Franklin VP Operations	10505 SE 17 th Ave 503-948-5564 503-765-3400	
Oregon Worsted Company 60 Employees	May 2006	No information provided on list		
Stoner Electric 130 Employees	June 2006	No information provided on list		
Mackay Photo Pak 37 Employees	July 2006	Dale VanVleet, General Manager	2515 SE Mailwell Drive 503-785-2831	
ADP-Claims Solution Group 100 Employees	August 2006	Julie Verran, Director of Client Services	4211 SE Int'l Way 503-652-3350	
Albertsons 100 Employees	Sept. 2006	Mark Branson Store Director	10830 SE Oak St 503-652-0356	

COMPANY	MEETING DATE	CONTACT NAME	ADDRESS	PEOPLE ATTENDING
WW Metal Fab 95 Employees	Oct. 2006	Mike Rigglesworth, CEO	2200 SE Mailwell Drive 503-513-0590	
Oregon Transfer Co. 95 Employees	Nov. 2006	Gary Eichman, President	9304 SE Main 9696 SE Omark Drive 503-653-2660	
Key Bank 76 Employees	Dec. 2006	Cynthia Roles, Branch Manager	10888 SE Main 503-653-3320	
2007 Visits				
McGrath's Fish House 65 Employees	Jan. 2007	Dan Himes, General Manager	11050 SE Oak St 503-653-8070	
Precision Cast Parts 1300+ Employees	Feb. 2007	Chuck Zwick, Area Manager	5100 SE Johnson Creek Blvd 503-788-6513 503-777-3381	
Blount Inc 1000 Employees	Mar. 2007	James Osterman, President & CEO Ken Saito, Group President	4909 SE International Way 503-653-8881	
OECO 285 Employees	April 2007	Barry Hendricks, President	4607 SE Int'l Way 305-659-5999 x2835	
Team Northwest 172 Employees	May 2007	No name on list	4105 SE Int'l Way #501 503-659-6722	
Bobs Red Mill 115 Employees	June 2007	Bob Moore CEO	5209 SE Int'l Way 503-654-3215	
Marquis Companies 66 Employees	July 2007	Phillip Fogg Jr, President	4560 SE Int'l Way, Suite 100 971-206-5201	
Day Wireless 53 Employees	August 2007	Gordon Day, President	International Way 503-659-1240	

M e m o r a n d u m



17355 SW Boones Ferry Rd
Lake Oswego, OR 97035
Phone (503) 635-3618
Fax (503) 635-5395

To: Jeff King, City of Milwaukie
From: Todd Chase and Charlotte Larson
Copies:
Date: March 15, 2005
Subject: Business Outreach Questionnaire 2004 – Summary of Results
Project #: 12489

Introduction

This memorandum presents the results of the Business Outreach Questionnaire 2004, administered by the City of Milwaukie in December 2004 to gather information about the businesses located in Milwaukie, the Milwaukie workforce, business trends, the business climate and the opinions of businesses on local services. 42 surveys were completed by a diversity of professional services, manufacturing, industrial and commercial businesses.

The survey is not intended to be a statistically valid assessment of business issues or concerns. The survey does, however, provide a representative sample of perceptions from important local businesses about emerging trends and growth-related issues. The survey questionnaire is included in Appendix A. The survey is organized into three sections including:

- Section 1: Background;
- Section 2: Employment and Workers;
- Section 3: Trends and Outlooks;
- Section 4: Business Climate and Local Resources.

Important findings are presented below, and depicted on the following charts and tables.

Section 1: Background

- The survey was completed by a diverse set of business “respondents” with a good representative cross-section of Milwaukie employers by firm type and size (Figures 1-4);
- The majority of respondents service local and regional customers (80%); 18% serve national customers; and only 2% serve international customers. (Figure 5);
- About three-quarters of the respondents reported annual business sales that were consistent with expectations or better than expected. (Figure 6);
- Most of the respondents have been in Milwaukie for over 10 years (90%). (Figure 7);
- Positive business growth was reported for 27 of 35 survey respondents (Figure 8);
- While the majority of respondents (87%) reported satisfaction with their ability to grow in their current location, 13% of the respondents indicated that they “need a different location to grow.” (Figures 9 and 10);

Section 2: Employment and Workers

- The survey respondents reported a wide range in number of workers from 1 to 435 workers per establishment. The average size was 28 workers per establishment. (Figure B-1)
- Over three-quarters of the respondents operate their business on one shift per day, and 23% operate on two or three shifts per day. (Figure B-3)
- Only 3% of the respondents indicated that they do not have the capacity to produce or sell more. (Figure B-4)
- About two-thirds of the respondents employ part-time workers (Figure B-5);
- Most employers felt that employment levels would remain stable or increase over the next year, and 11% felt employment would decline (Figure B-6);
- Workforce training is an important item for the majority of respondents. (Figures B8, B-9, and B-10).
- Surprisingly, nearly three-quarters of the respondents indicated “some” or “quite a lot” of trouble in replacing skilled workers. (Figure B-11)

Section 3: Trends and Outlooks

- Nearly 4 out of 10 business respondents are likely to invest resources at their current Milwaukie operations over the next 12 months. (Figure C-1)
- Most respondents indicated that they can expand operations at their current site (61%). However, 39% indicated that they have no capability to expand at their site. (Figure C-2);
- When asked about the importance of various factors to their operations, respondents listed the most important factors as: domestic competition; changing markets; and labor availability. The least important factors are: foreign imports; outdated machinery; inadequate supply; and transportation problems. (Figure C-3)

Section 4: Business Climate and Local Services

- Respondents are generally positive about Oregon as a place to do business. About half rated Oregon as “good or excellent” and 35% rated it as “fair” and 10% (2 respondents) rated Oregon as a poor place to do business. (Figures D-1 and D-2)
- When asked to rate Milwaukie as a place to do business, respondents were more positive with 72% indicating “good to excellent” and 23% rating Milwaukie as “fair.” Only one responded rated Milwaukie as a “poor” place to do business, with their reason focused on the look of Main Street today. (Figures D-3 and D-4)
- The respondents generally supported Milwaukie as a good site for their business location. The vast majority (80%) indicated that they would site their business in Milwaukie today if they were faced with that decision. (Figures D-5 and D-6).
- When asked about the adequacy of local services, respondents indicated favorable opinions regarding each category in the survey. The most favorable categories include: fire protection; public transit; sewer; water supply; and city government services. (Figure D-7).
- Respondents that had experience with local permitting in Milwaukie generally expressed favorable opinions about the quality of the permitting process. (Figure D-8).

- When asked about the primary strengths of Milwaukie as a place to do business, the respondents cited: location (23%); access to markets/customers (17%); plentiful work force (8%); and commitment of local government to solve problems (7%) as the primary strengths. (Figure D-9)
- A similar question focused on primary weaknesses in Milwaukie as a place to do business highlighted the following weaknesses: traffic congestion (19%); other (17%); crime and public safety (15%); and high utility costs (13%). (Figures D-10 and D-11)

Conclusions

These survey results, while not statistically valid, do indicate general positive perceptions by businesses towards Milwaukie as a place to do business. It appears that Milwaukie's businesses are very diverse in size and type, but are mostly focused on local and regional customers for sales. Hence, Milwaukie continues to play an important role as a regional hub for business and industrial goods and services.

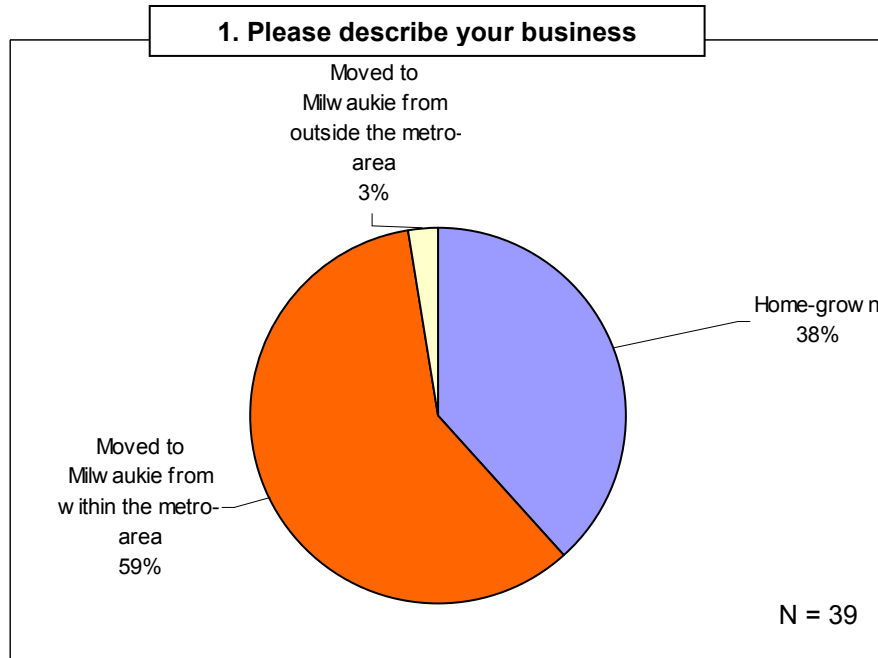
The Milwaukie business and industrial base appears to be relatively mature and established and steadily yet moderately expanding. Specialized workforce training is a concern among growing businesses, especially when replacing skilled workers. The city could proactively work with companies to determine if there is a role the city and/or county can play in facilitating workforce training.

The city can also leverage its good business reputation and capitalize on its perceived strengths in location; access to markets/customers; plentiful work force and commitment of local government to solve problems to help local businesses grow and to attract new family wage employers.

Ongoing efforts to address perceived weaknesses, such as traffic congestion, utility costs and crime/public safety should also be undertaken by city staff. This may entail funding for key transportation freight mobility projects, providing a relative cost comparison of utility rates, and enhancing police presence within industrial areas.

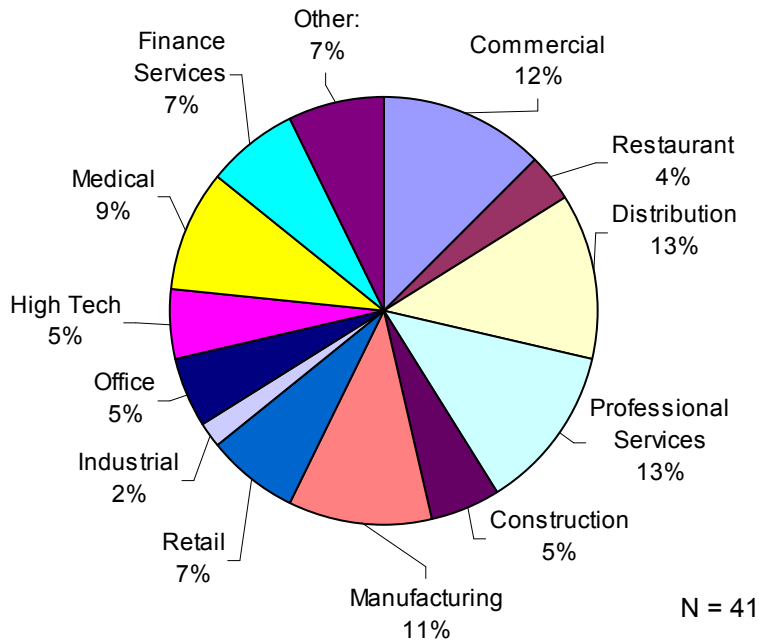
This survey instrument could be conducted every 2-3 years as a means to gauge business and industrial perceptions and ongoing local economic development efforts.

Section 1: Background – Please tell us more about your company

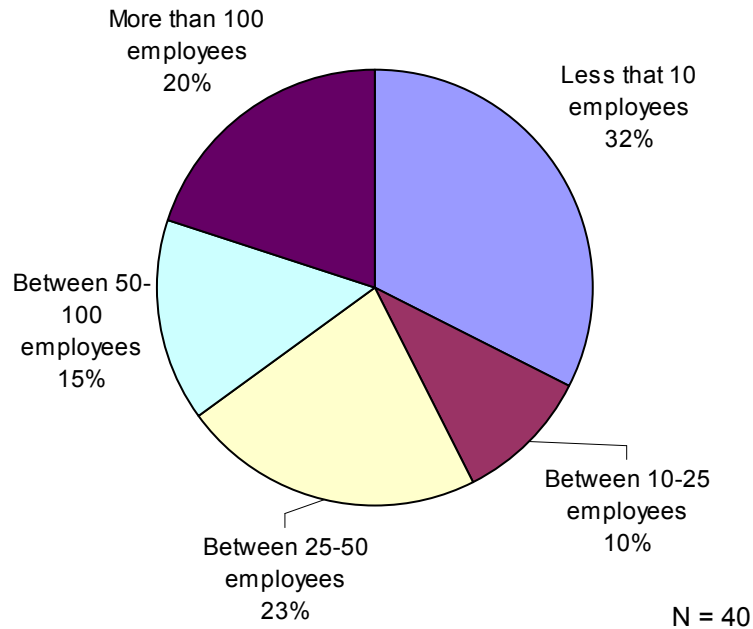


2. Indicate your company's primary product or service:	
Commercial Real Estate Investment Trust	Financial Services
Audio-visual design/build company	Property/Casualty Insurance
Food broker	Metal Testing
Third-party manufacturing	Senior care and services
Distribution of high voltage electrical equipment	Office supplies, stationery, gifts, books
Banking services	Publishing
Law practice	Health Insurance (medical/dental)
State Liquor Agency	Ink jets inks
Warehousing and distribution	Defense electronics
Metal fabrication	Heating Plumbing Sheet metal Construction and Service
Real estate brokerage	Motorola radio sales and service
Recreation	Diesel Engine Accessories
Office Furniture/Space Planning	Commercial and Residential property leasing/renting
Corporate offices for customer contact centers	Commercial food equipment sales and service
Commercial heat treating	Health Care Services (Acute Care and Ambulatory Services)
Public Cold Storage	Floor covering for multi-family property industry
Metal Casting	OHSA Consulting
Coffee	

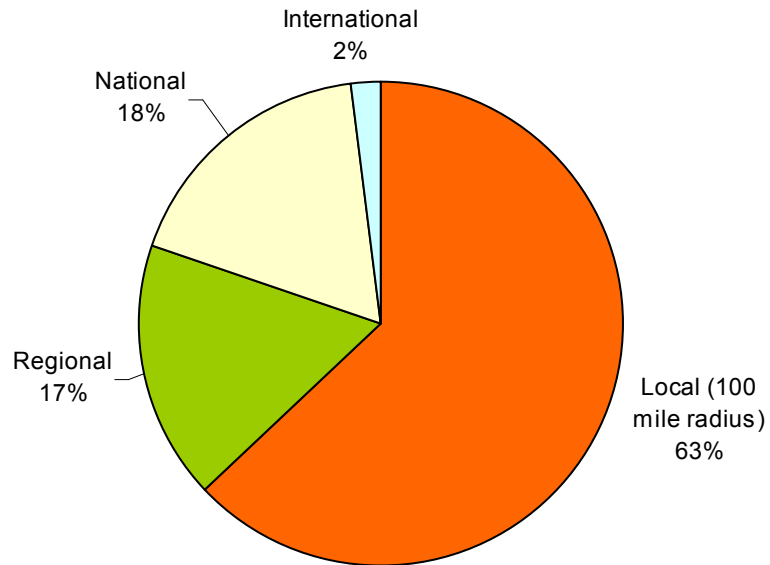
3. Type of Business



4. Size of Business.

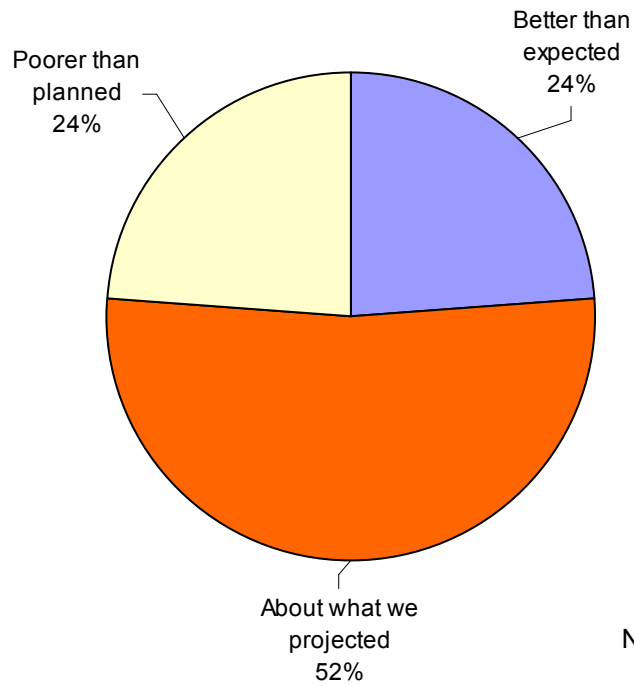


5. What % of your product or service is sold in the following areas? (Average % shown below.)



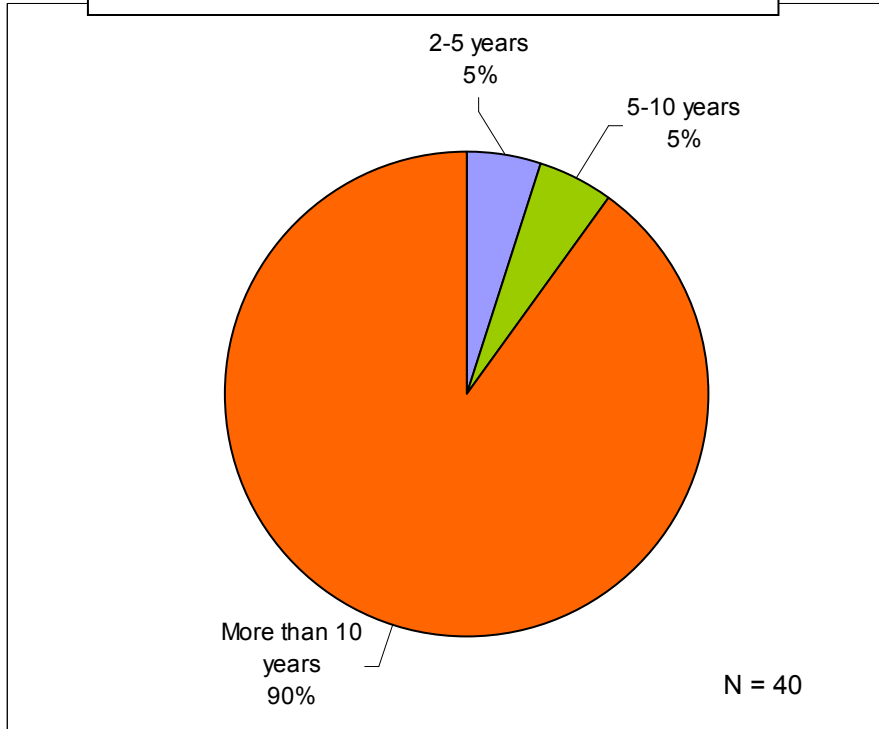
N = 40

6. How would you rate 2004 for business.

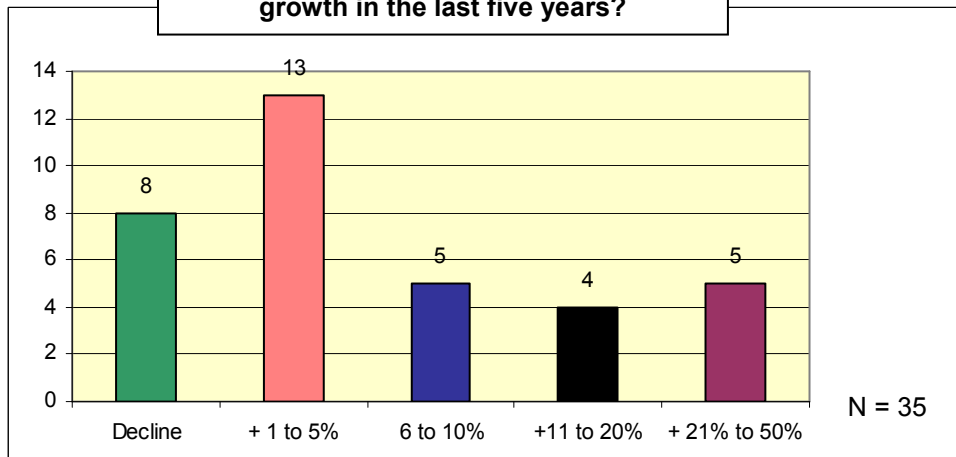


N = 42

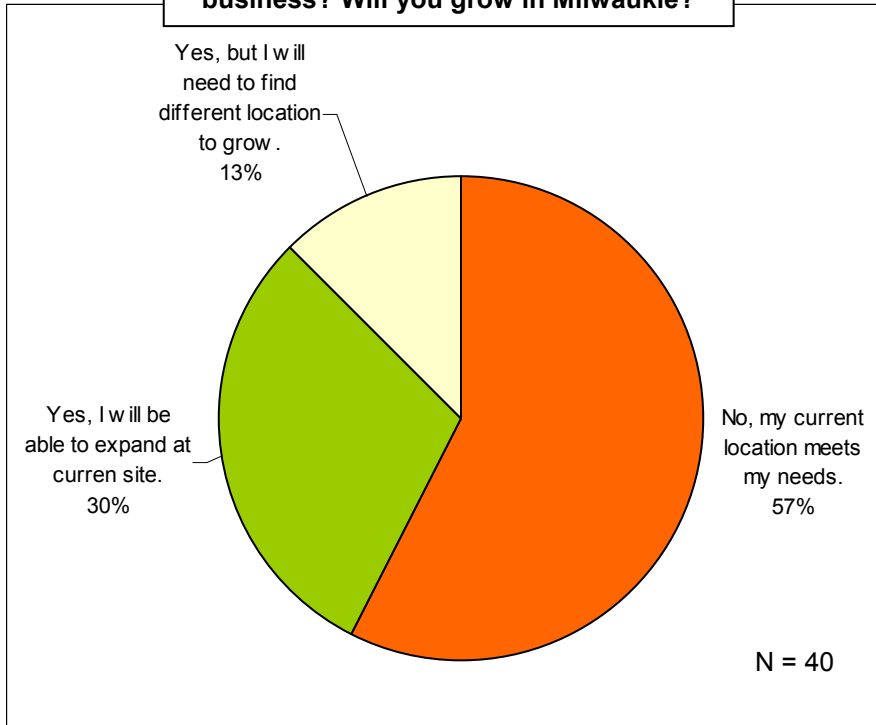
7. How long has your business been in operation?



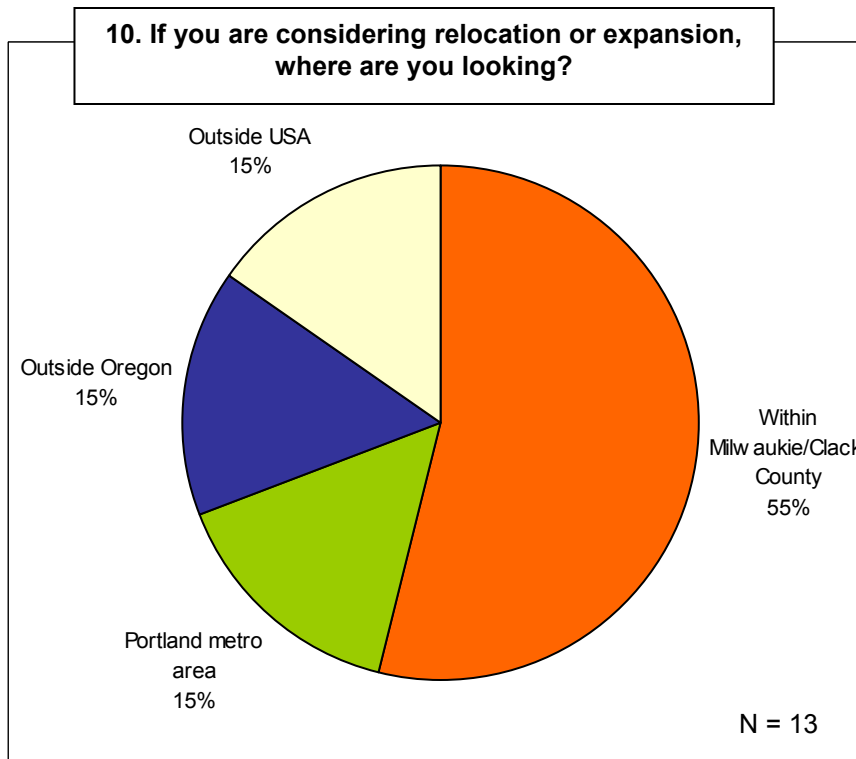
8. What has been your average annual growth in the last five years?



9. Do you have plans to expand your business? Will you grow in Milwaukie?

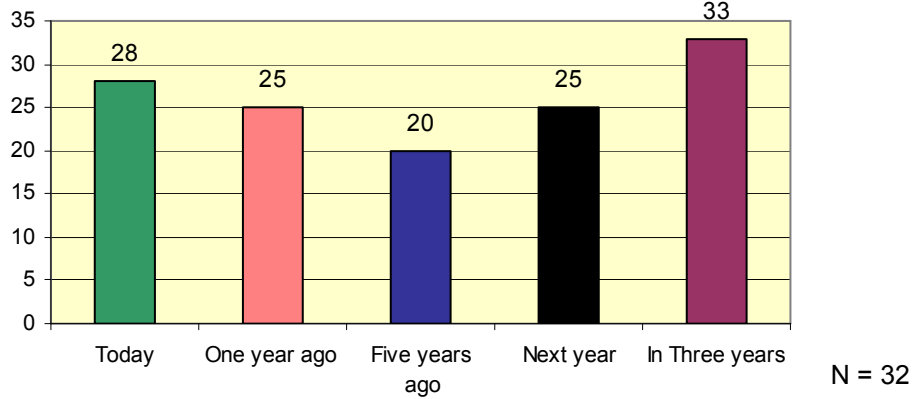


10. If you are considering relocation or expansion, where are you looking?



Section 2: Employment and Workforce

**B-1. Employment History and Employment Projections
(Average # of Employees Shown Below)**

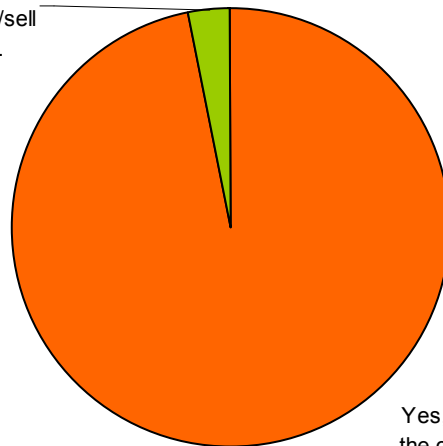


B-3. How many shifts does the company operate?

1 Shift	30	77%
2 Shifts	6	15%
3 Shifts	3	8%
Subtotal	39	100%

B-4. Do you currently have the capacity to produce or sell more?

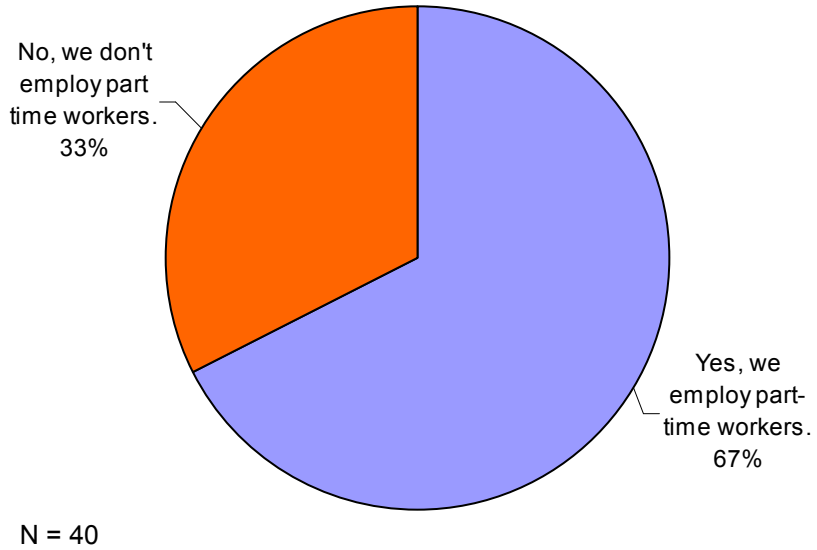
No, we don't have the capacity to produce/sell more.
3%



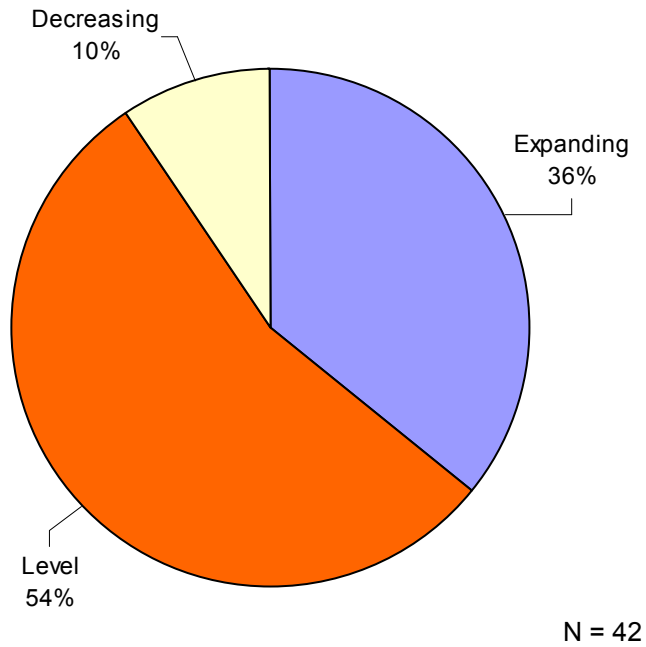
Yes, we have the capacity to produce/sell more.
97%

N = 36

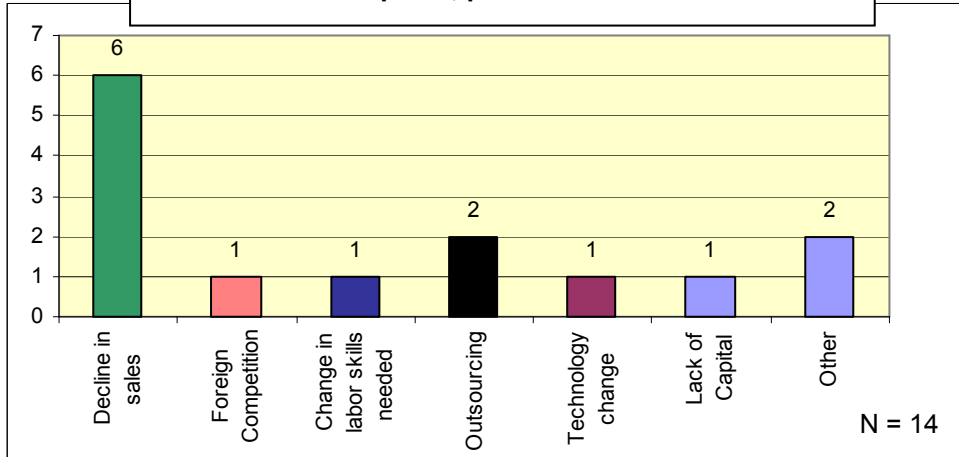
B-5. Does your company employ part-time workers?



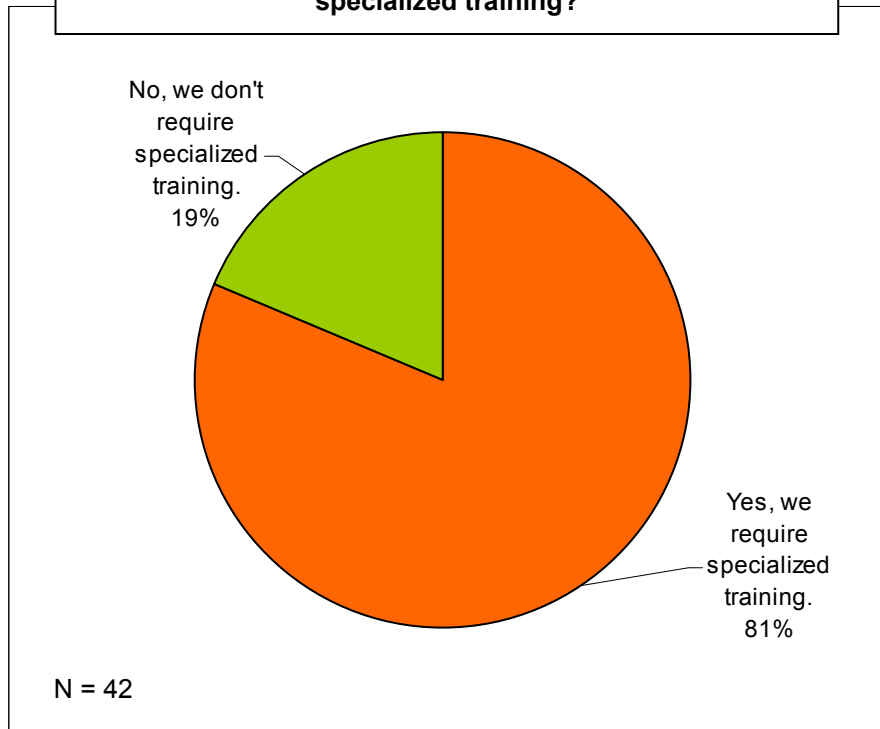
B-6. Employment needs for the next 12 months.



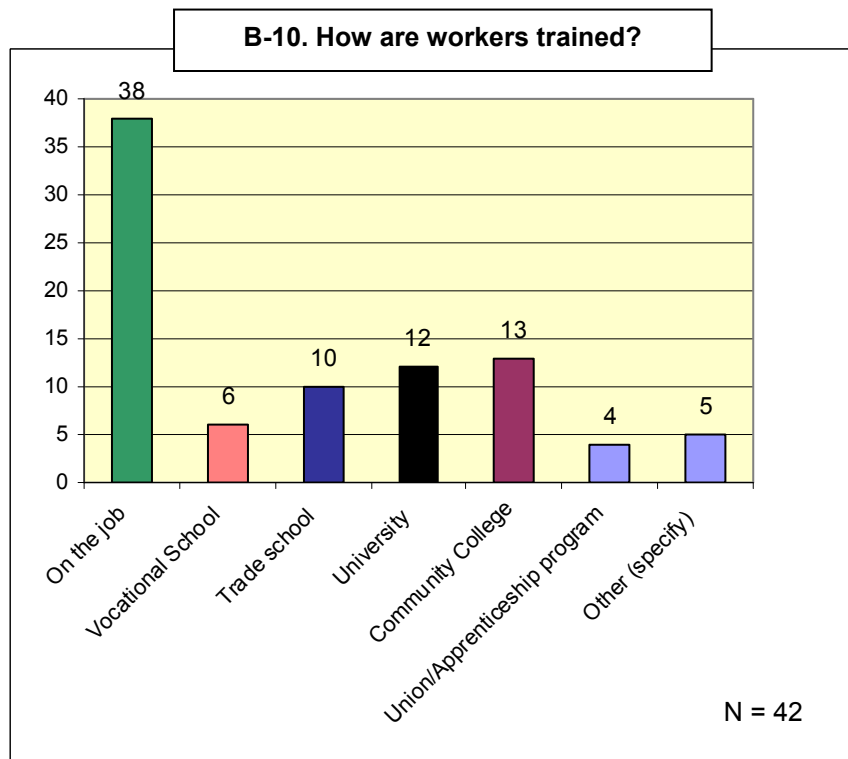
B-7. If employment decreases have been experienced, or are anticipated, please indicate reasons.



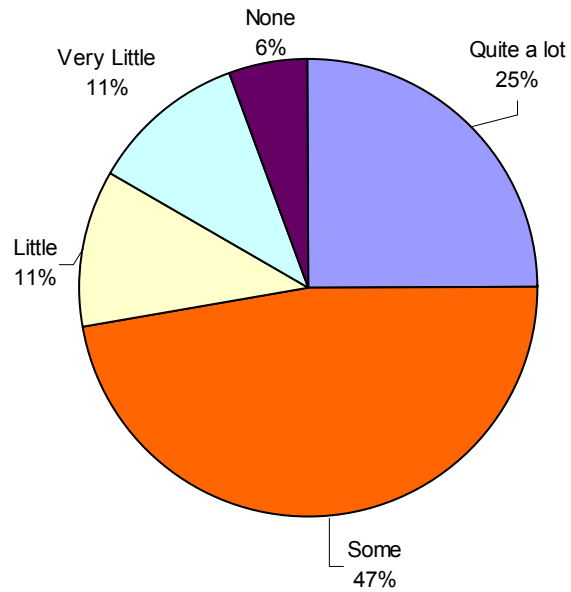
B-8. Does employment at your company require specialized training?



B-9a. Please specify type of specialized training or education.
Machine adjusters must have a good mechanical aptitude
Real estate experience
Electronics, electrical apprenticeship, audio, visual systems
Lift truck skills
We have some engineers, CAA and IT professionals necessary to effectively manage business and sell products to end users.
Retail financial experience
Law degree
We use college grads/law enforcement background for some positions, Accounting for some
Materials handling
Machine operators
Real estate pre-license and post-license training
Mechanics need specialized on the pinsetters
Autocad
Program Materials for inbound customer service reps
Forklift / CSR / Office
Professional degrees and/or licensure/certification for the majority of positions
Financial
Insurance regulation training
Nursing, Therapy, Pharmacist, Health care admin.
On the job
Medical office
Claims processing/medical
Chemistry, color theory
Electrical Engineering/on the job special manufacturing skills
Experience or understand of real estate laws, computers
Food equipment repair or sales experience preferred.
Technical
Coffee skill
OHSA background, Medical or Dental background



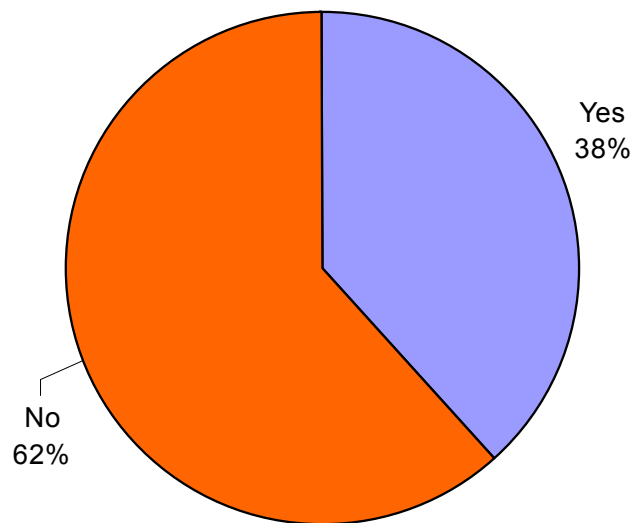
B-11. How much trouble do you have replacing skilled workers?



N = 36

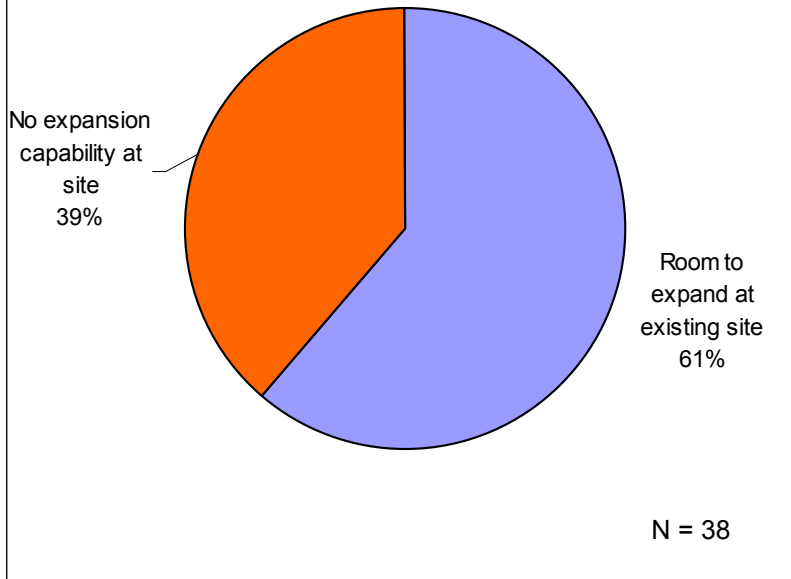
Section 3: Trends and Outlooks

C-1. Is your company planning to increase investment at this site over the next 12 months.

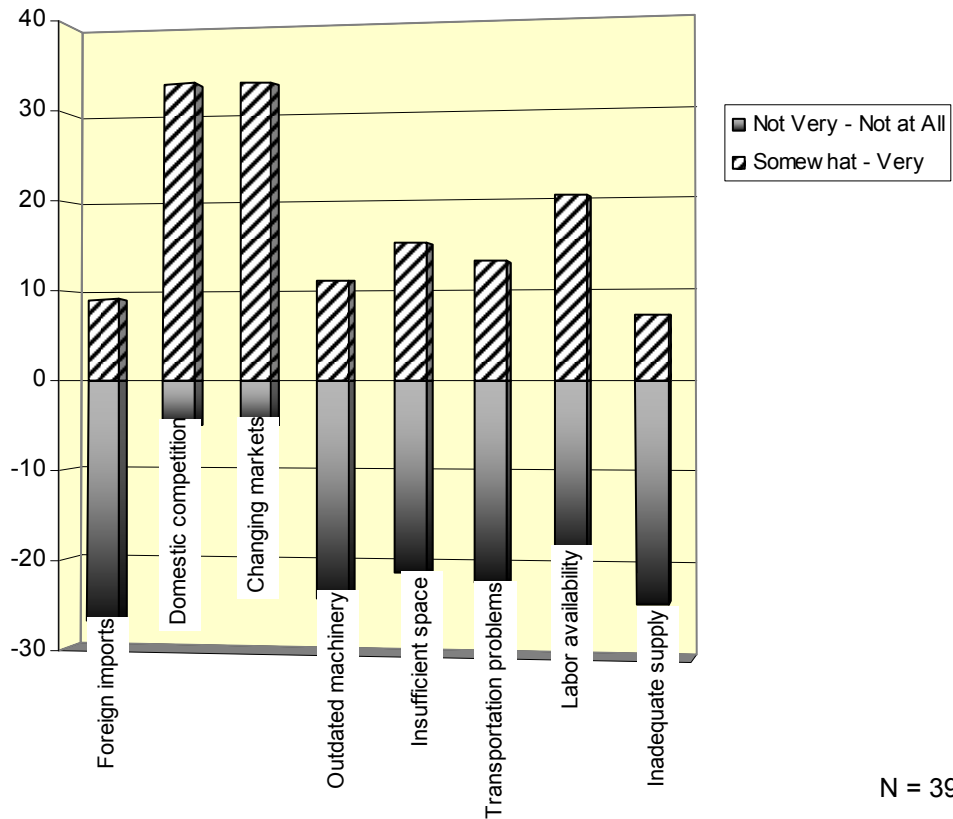


N = 39

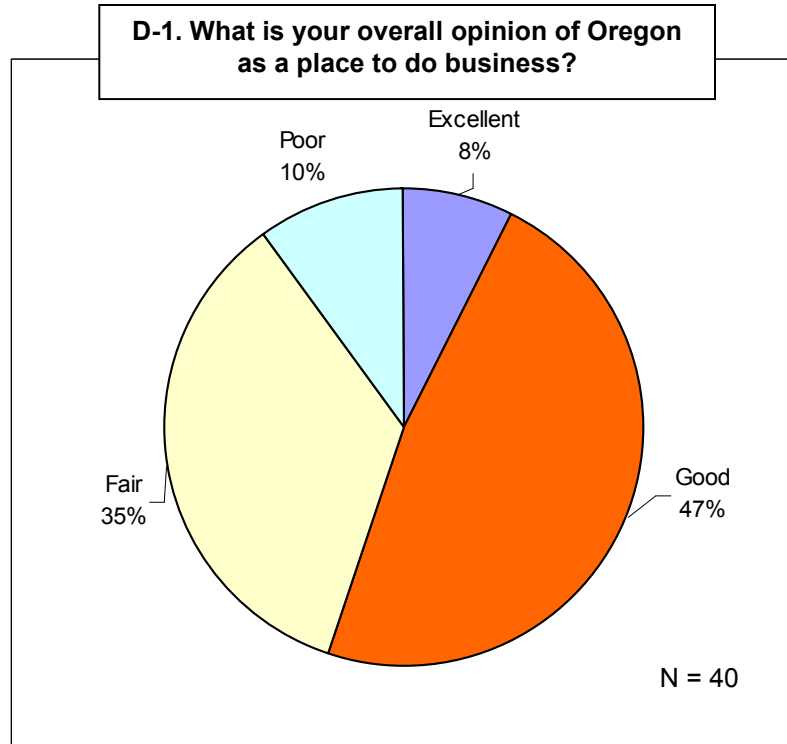
C-2. Current facility status?



C-3. How important are the following factors to your current operation?

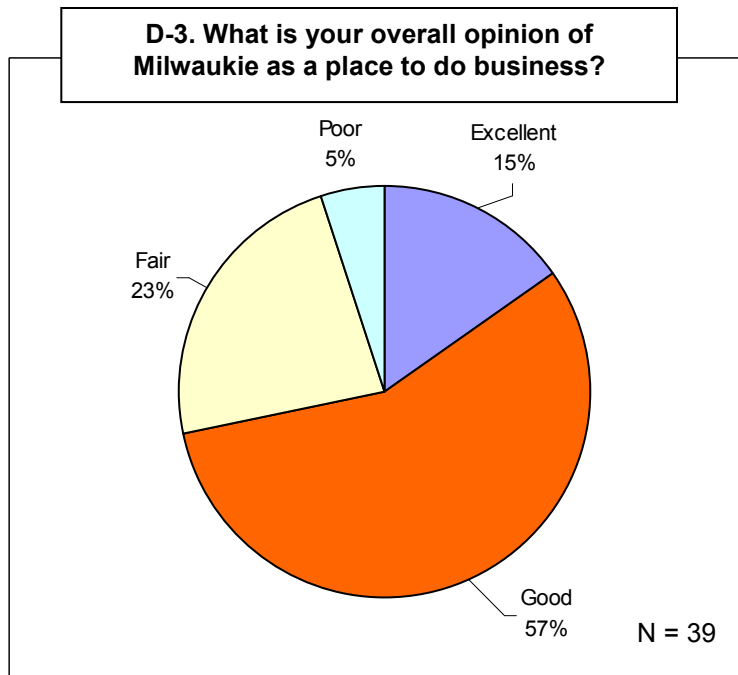


Section 4: Business Climate and Local Services



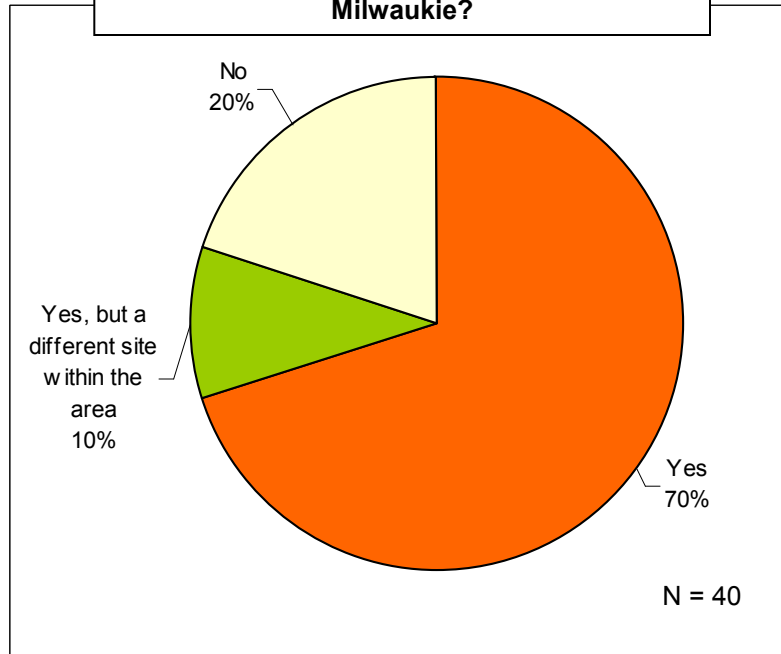
D-2. Why did you say that?

Excellent - ethics
Excellent: Because it's friendly
Excellent: Three major food grocery chains in the area
Good: Because if you don't know what excellent is, you have no way to gauge things.
Good: Comparison to few others I know of
Good: Current economic environment has a significant impact regarding health care choices and utilization
Good: Desirability, transportation work force
Good: Have done business only in Oregon
Good: I live here and have been in this business 39 years
Good: It would be better with lower state income tax and a small sales tax
Good: No problem recruiting
Good: Our business is thriving here
Good: We don't require special attention
Good: We have been fortunate to do well here for 39 years.
Good: We're making it.
Good/Fair: Taxes
Fair: Economy is poor and taxes are high
Fair: Fair economic climate
Fair: Poor tax structure
Fair: Tax burden is onerous and regulation discourages business growth, etc.
Fair: Tax structure/education funding
Fair: Taxes
Fair: Taxes and absence of corporate incentives
Fair: Taxes, process obstacles
Fair: Too many regulations
Fair: Too many taxes
Fair: too much red tape and high taxes
Poor: Appears manufacturing is not accommodated
Poor: Portland



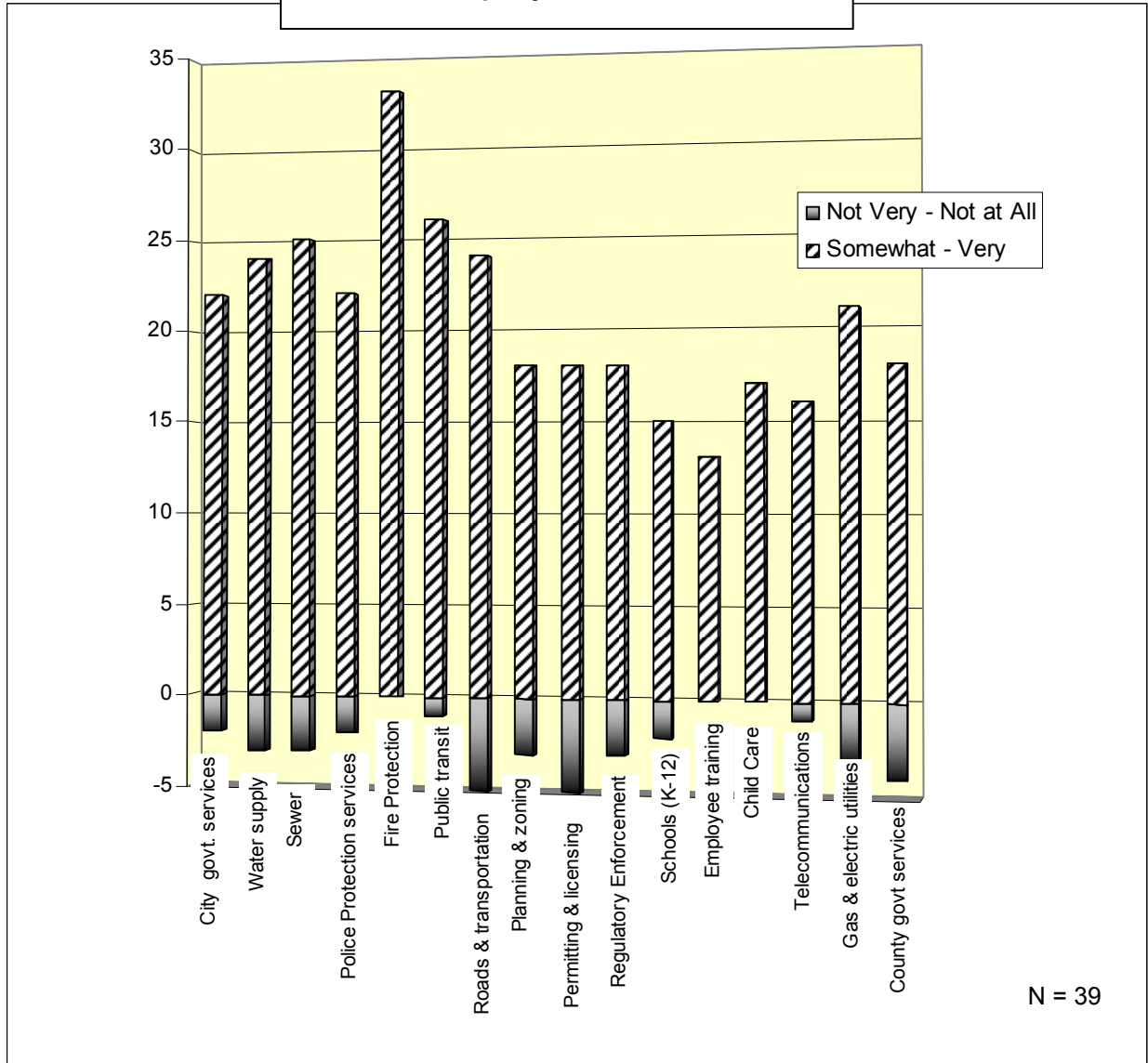
D-4. Why did you say that?
Excellent - active participant in helping Marquis achieve it's goals.
Excellent: Commitment of local governments to solve problems.
Excellent: Easier than Portland - small town capabilities.
Excellent: Location
Excellent: Tax base in Clackamas County
Excellent: Everyone has been (great)
Good: Although a stable community, median incomes challenge the ability to provide affordable healthcare as the cost of providing such care continues to rise
Good: Because it is better than Multnomah County
Good: Clackamas County taxation is much better than Multnomah. We would probably move if Clackamas County added a business tax similar to Multnomah.
Good: Close to shipping terminals
Good: Corporate and training center locations working well for us.
Good: Good location to end for our customers
Good: Good location, very good local government cooperation
Good: Milwaukie is really trying to reach out to the business community, this is very welcome
Good: Nice working class area, close-in, accessible
Good: Small town
Good: we will do much to stay out of Multnomah County as Milwaukie tends to leave us alone and taxes are not as onerous.
Good: Good, central location for labor pool
Good: Trying to improve and help
Fair - Lack of corporate incentives
Fair: City is to involved in bigger issue, not day to day, i.e. transit and expansion
Fair: Don't approve support of metro/light rail
Fair: Downtown business owner do not invest in updating their properties for the most part.
Fair: Fair economic climate
Fair: Too small of a customer base
Fair: property taxes are significantly higher within city
Poor: Look at main street today

D-5. If you were to site your business would you make the same decision to locate in Milwaukie?

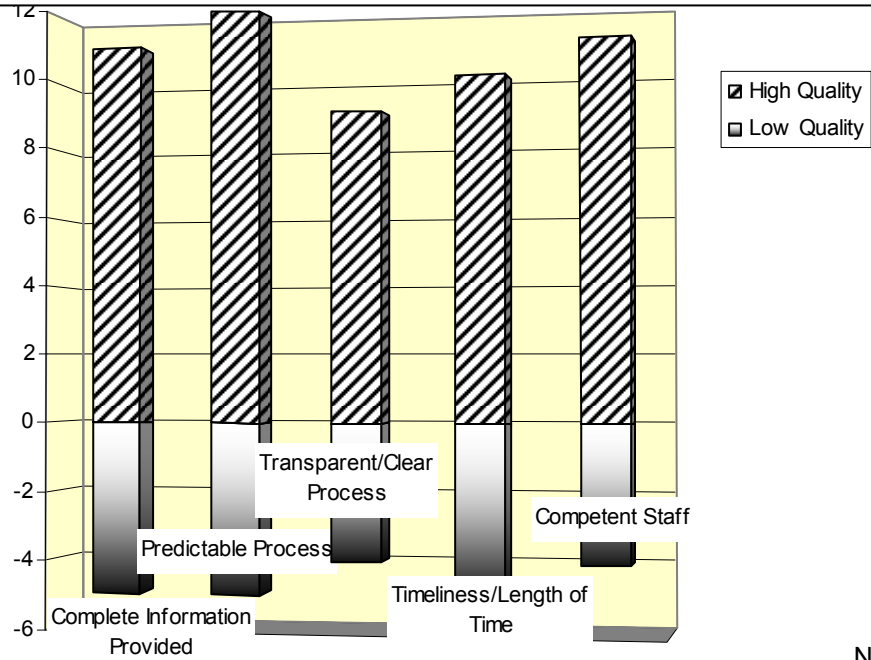


D-6. What economic development programs or business services, if any, has your company utilized?			
	None	16	76%
	Other	5	24%
	Subtotal	18	100%
Programs/Services:			
Training incentives			
Many of the programs/services utilized are contracted regionally and are often located outside of Milwaukie			
I attempted to gain help from Clackamas Community College, guidance assistance.			
Main Street Program			
Economic Zone			

D-7. Adequacy of local services?

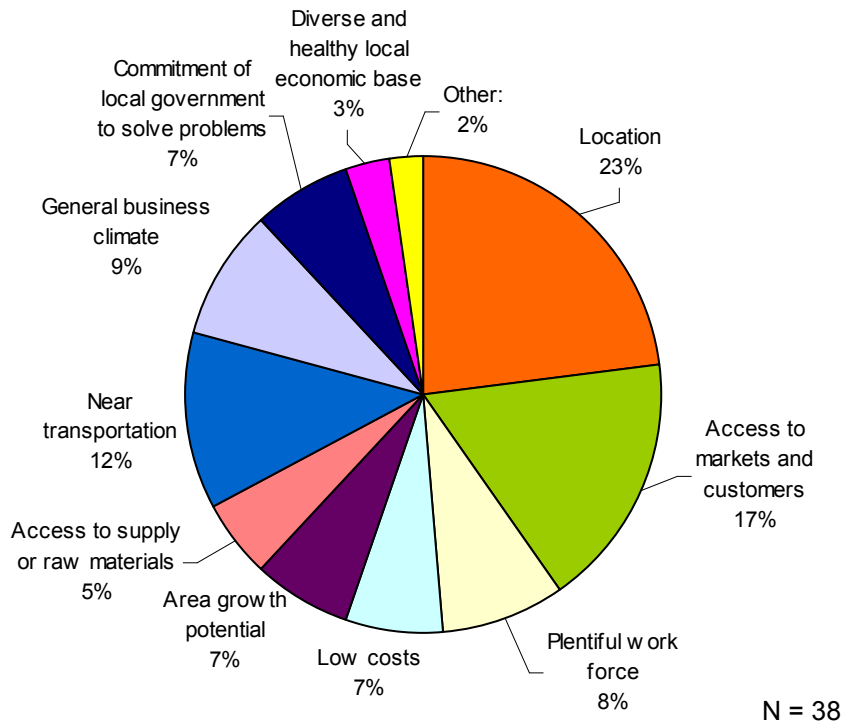


D-8. Please evaluate your experience with the permitting process in Milwaukie.



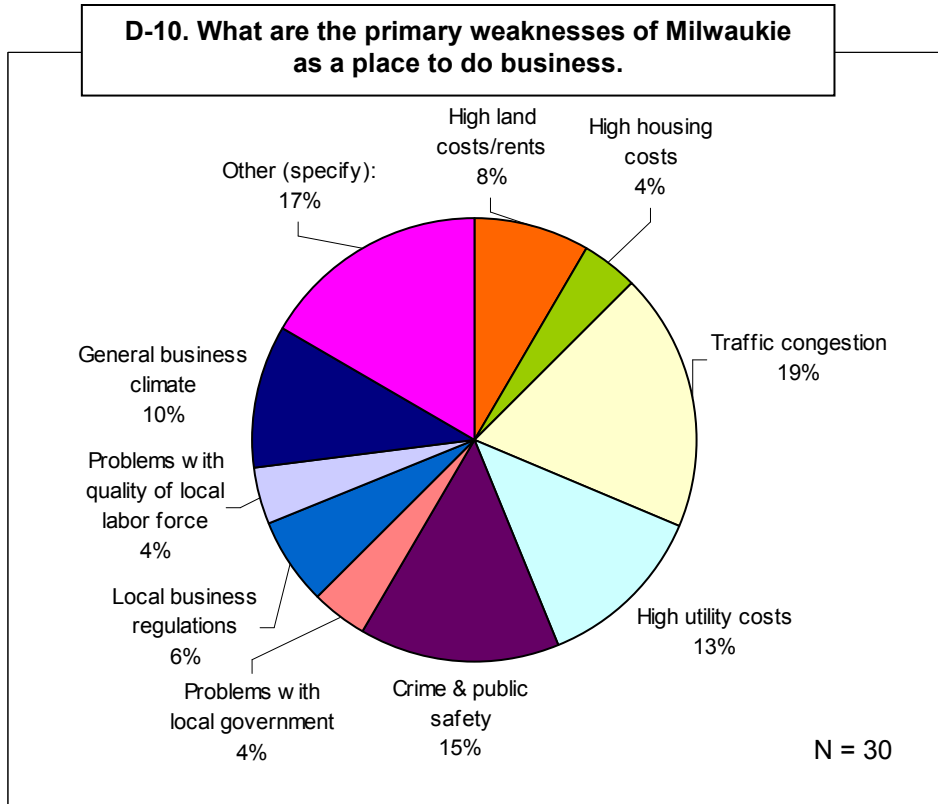
N = 22

D9. What are the primary strengths of Milwaukie as a place to do business.



N = 38

D-10. What are the primary weaknesses of Milwaukie as a place to do business.



D-11. What could be done to improve City of Milwaukie as a place to do business?
You're doing good.
Better attitude from police
Focus more on bureau issues. Seems to be more of a consumer oriented focus.
Probably have an ongoing economic development committee. It has been great to be on the committee. Helping identify sites is very useful. James Bernard seems to have a real concern for maintaining and expanding a healthy business climate. Jobs are so important!
Reduce overhead
Review traffic congestion
Create incentives for businesses to relocate, (i.e. subsidies for property rentals or new construction)
Do away from motorcycle traffic patrols.
Develop downtown including waterfront. Streamline zoning regulations.
Invest money in "old downtown", lighting, plants, decorating like so many other surrounding cities do. Purchasing prime waterfront property or leasing and buying the safeway location for how many years and at what cost? Then you cannot afford hanging flower baskets for \$3,000? Look at the annual budget and put some money into those that bring in business and add value to a "community".
Hi Jeff, While I appreciate your attempt to gather useful data, I am resitant to attempt to give you solid answers. Next month we are scheduled to negotiate a licence with a UK company for them to manufacture product in Europe and sell them to us. I don't know how to answer questions to reflect a future likelihood. Sorry
Doing great now!
Traffic. Riverfront needs to be incorporated into downtown plan - not simply a park adjacent to fomer downtown. Downtown should be the center piece of the community - it isn't. I don't think Milwaukie has a center any larger.
We felt penalized rather than encouraged to build a new facility in Milwaukie. When we were planning to build a new surgery center we decided against Milwaukie due to the problems we experienced in the past.
Bring in some businesses that will stop traffic on McLoughlin to stop and business in Milwaukie.
Making the people that plan and work for the city understand that it costs a lot of money to bring good paying jobs in to the city.
Appeal to a more diverse income groups. Attract more unique retail businesses to bring people from outside Milwaukie to spend \$ in Milwaukie.
Meter parking, attract more of a retail market in downtown to bring customers to downtown. Encourage more arts in downtown.
Tax incentives.

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION OCTOBER 18, 2005

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

Council Present: Councilors Barnes, Loomis, and Stone.

Staff Present: City Manager Mike Swanson; Community Development/Public Works Director Kenny Asher; and Planning Director John Gessner.

Designate Voting Delegate and Alternate for Annual League of Oregon Cities Business Meeting

Mayor Bernard would be the voting delegate and Council President Barnes the alternate.

Annexation Update

Mr. Swanson discussed the draft annexation policy and talking points. Before discussing it with staff, he wanted a sense of direction from Council. Why would the City want to annex? One reason was that it fulfilled the City's mission as a service provider at a more intense level than Clackamas County could offer in urban areas. A second reason was to gain influence in the Legislature. Why would the City not want to annex? Mr. Swanson did not believe annexing others to rescue the existing organization was the proper use of powers. The real purpose was to provide urban services.

Annexation should be pursued in order to provide a continuous urban level of services to an under-served area. It should be pursued if the financial impact was break even or better. He would later stress break even because it was not about making money – it was about providing services. Annexation should not be balanced on the backs of current citizens because it would not be supported and would lead to problems in the current structure.

The City commissioned a report that was completed in September 2005. In part, it updated the 2002 Portland State University (PSU) study, and he commented on some of the more important points.

- "... the City will be able to generate sufficient revenue in the UGMA [Urban Growth Management Area] to pay for the City non-enterprise services, but only when sufficient assessed value of the Clackamas Town Center Urban Renewal District (URD) is unfrozen or returned to the tax rolls for the benefit of overlapping taxing jurisdictions."

As long as the Town Center TIF existed, it was suppressing value to such an extent that Milwaukie could not capture sufficient revenue to cover the costs of providing services. In order to annex and provide services at the appropriate level there would be a \$1.3 million shortage because of the frozen

value. If the entire Town Center urban renewal were unfrozen and Milwaukie could annex everything, then it would be a wash with a shortage of about \$4,431. Under existing conditions, annexation was not financially feasible.

- “In the near term, industrial areas and areas needing sewer services provide the best opportunity for annexations.” These are smaller areas.
- “... the City will need to have the support of its citizens and those in the UGMA to successfully annex and to do so will require engaging both Milwaukie citizens and residents of the UGMA or area to be annexed.” Having been in the area since 1986, Mr. Swanson could not stress the problem presented by this particular area. These were people who were very opposed to annexation, and he believed it would take 7 – 10 years to turn those attitudes around. Residents in the unincorporated voice opinions such as, “why become part of Milwaukie because it has never done anything.” He considered downtown development as part of the annexation strategy and being perceived as an organization that actually accomplished things. Businesses would ask what benefits there were in annexing to Milwaukie?
- “Though the City’s current annexation efforts are limited to lot-by-lot annexations, in the immediate future to move toward broader annexation strategies, the City will need to continue to build organizational capacity, realize successes within the existing city limits, and annex properties requiring sewer service or otherwise desiring to be in the City. Local successes will build confidence in the community and demonstrate the City’s commitment to delivering value to its citizens.”
- The current intergovernmental agreements (IGA) “were found to be insufficient ... and must be updated.” These included the 1990 agreement with Clackamas County that had to do with coordination. It required notification on land use decisions within the dual interest area, which did not always happen. The City needed to work on its Urban Growth Management Agreement with the County as well as its agreements with the special districts and Metro.

Mr. Swanson felt it was important to focus on what came next and made several suggestions:

1. Limit the area at which the City was looking. The current UGMA included land to the south of Hwy 224, and he suggested focusing on the area bounded by I-205, Hwy 224, and the Multnomah County line.
2. In the short term, Milwaukie would be presented with individual or small multiple properties that required sewer service and would best be served by the City. He felt Milwaukie should focus on those small annexations or follow up on requests from people who actually wanted to become part of the City. He recommended developing a set of written materials explaining what it meant to annex and what the process was. He further suggested updating the current agreements.

3. In the long term, he recommended continuing to pursue annexation and support initiatives that enhanced service delivery today. To him it seemed inconsistent to oppose or block efforts that led to delivery of services such as proposed in the Overland Park TIF. If the County were successful, the property value would only be enhanced. He suggested a message from Milwaukie that it was supportive of the effort while noting that every time a service was added, the incentive to annex was reduced. A lot of those incentives had been taken away over the past 20 – 30 years. Mr. Firestone had indicated an agreement could be written that would both have Milwaukie supporting what took place today in providing services, but also at some time in the future attempted to lessen the negative impact that would have on annexation. He could not get around the dilemma of opposing services if it took Milwaukie 7 – 10 years. There was a risk, but Milwaukie had not annexed a lot in the past 20 years. A goal of annexation in the long-term should be meeting the need of existing City residents and not subsidizing services to newly annexed areas. He outlined the tasks:
 - Work with the affected jurisdictions to draft new agreements, specifically with Clackamas County
 - Develop and implement a public information plan that is targeted toward those who would eventually be subject to annexation. At a minimum that would be the newsletter and informational sessions.

Mr. Swanson added this was a shift in his attitude because nothing would happen without taking some risks. If Milwaukie did everything it could to maintain relationships with the County, then he believed it could happen.

Mayor Bernard agreed with most of the comments, but a neighboring city seemed to want to take the cream and abandon areas that were not getting services. He suggested working through the agreement and then sitting down with Mayor Grant and Clackamas County. He discussed the impacts that each community had on the other. He wanted to make it clear that Milwaukie was still interested in annexation and balancing the needs. He discussed land use decisions made in unincorporated Clackamas County that had not involved the Milwaukie Planning Commission. For example, the large, recently-constructed building on Lake Road had potential for impacting the Lake Road/Harmony Road intersection. He discussed the current farmland adjacent to the City that could develop into residential. Levels of service such as police, jails, and public health were already being reduced due to the lack of state shared revenues. Residents in the unincorporated areas were not getting the benefit of their tax dollars. Mr. Swanson convinced him somewhat of the need for the TIF, but it was a small amount of money and would do little for a number of years. He had expressed his concerns to Commissioner Schrader, and he was constantly asked if Milwaukie was going to let Happy Valley take over the Town Center. Happy Valley was battling with Damascus in the courts over a similar issue. He was willing to battle in order to provide people with the quality services they deserved. You get what you pay for – Happy Valley is a discounted city.

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Mr. Swanson thought Milwaukie had to change the discussion and focus on how it can serve that area and get to the point where it can annex. There was a risk that another city could come in and annex, but the reality was he did not think there were many people in the unincorporated areas who thought being part of a city would do them any good. They immediately started pounding on the County Commissioners who then backed off their positions about annexation by cities. He saw a real need for Milwaukie to prove there was value in the City's being part of their lives. In 1986, the cities' mantra was that the laws favored them in annexation issues because they provided urban services. Most people will simply look at the tax increase. They will either say 'no' to the increase or be presented with a reason for paying more.

Councilor Stone asked where the City stood with Happy Valley in terms of annexing the Town Center.

Mr. Swanson replied Mayor Grant suggested that parties talk and come up with areas of interest or future areas of service. He thought that could still be done if new UGMAs were created. That conversation would have to be part of this process, and the County would likely request it.

Councilor Stone asked if it was possible to annex an unincorporated area and make it lucrative in terms of people buying into the idea of annexation. Mr. Swanson spoke about breaking even, and that was good. She had concerns about just breaking even because it could go either way. As a citizen she would be more receptive to annexation if she knew it would benefit the City financially.

Mr. Swanson observed a community was no longer what it was the moment it annexed. In the process of annexing one almost needed to look at the new people as constituents.

Councilor Stone's intent would be to include people within the borders as well as those in annexation areas.

Mr. Swanson would not want to suggest the City pursue annexation for financial reasons and recommended taking the financial piece out of the equation. He thought the City would be much more successful by looking at provision of services as the goal and making sure the existing organization was not saddled with a bill it could not pay. The ideal situation was to bring them in with like rates.

Councilor Stone thought the financial piece was crucial. The City should not annex if it would put it in the hole. She hoped the City would do better than break even. She asked if the current citizens had to support it too.

Mr. Swanson replied politically, yes.

Mayor Bernard understood Mr. Swanson to say that when property was annexed, the City would basically break even. When the City annexed property, value was created because services were enhanced, and people would reinvest in their homes.

Councilor Barnes thought developing a public information plan for those living in a possible future annexation areas was one element. Another information plan

had to be developed for current residents to explain why this was being done. She had not found this a burning issue among Milwaukie citizens. She recommended a two-pronged public relations and marketing campaign that included information for all involved. This was well thought out, and she preferred taking the time to do it correctly.

Mayor Bernard thought 30 years was not acting too quickly. The UGMA was not a good agreement, and it was not enforced. He thought the question was whether or not Milwaukie could provide sustainable services by staying the size it was today? Further, would downtown and riverfront development make enough difference in the long term?

Mr. Swanson thought the issue was more one of influence and power. The larger an entity, the more its voice was heard.

Councilor Barnes asked if Happy Valley had a good reputation at this point and were people liking what they heard? She would rather Milwaukie be known as the City that did it right rather than the City that bothered others. Why would Milwaukie want to act like Happy Valley?

Mayor Bernard thought Happy Valley had thrown out the agreement and was skimming the cream off the top. He agreed with Mr. Swanson but was concerned about what Milwaukie would do if Happy Valley or Gladstone decided they wanted to annex the Town Center?

Mr. Swanson responded there was another agreement with the County that established an UGMA that did include the Town Center, so there were some legal arguments. The Three Cities Agreement was nice, but no one had made much headway over the past 20 years. He was concerned about Overland, but nothing had worked. He commented on the current relationship between the City of Beaverton and Nike. He proposed a consciously deliberate process he thought might be successful. He did not believe the residents in the unincorporated areas saw value in being annexed to any city at this time. He thought Milwaukie should consider itself an entity that would add value and get people to the point of thinking Milwaukie would be a positive force. If Overland had sewers, then that was another reason for not annexing.

Mayor Bernard thought the letter to the County Commissioners was a good one. He wanted it clear that Milwaukie still wanted to annex those areas and to provide good services. He had already heard that Milwaukie did not want Overland. He wanted what was best for that community, but he also wanted the community to know that Milwaukie would do a good job of providing services. Milwaukie had made significant strides over the past 6 years with its police and planning departments. He wanted others to know that Milwaukie cared and was not just giving areas away.

Mr. Swanson replied the City needed to come up with a methodology to avoid the *Sturm und Drang*. Milwaukie has the characteristics of a small town that people liked and wanted retained. That was key to people wanting to be part of the community.

Mayor Bernard commented, as Milwaukie grew people had no place to visit with their neighbors because the downtown had decayed. That bred discontent because people could no longer talk to each other. A town of 30,000 could still be small if people still had opportunity to gather.

Councilor Loomis believed it was a well thought out proposal. He urged the City to continue taking care of business so people would want to become part of it.

Councilor Stone liked the methodical approach. Getting your ducks in a row and making sure there was a plan and strategy was her preferred method.

Financials

Mr. Swanson reviewed the summary financials for the first quarter. A useful way to look at the budget was in terms of 12 months of equal expenditures. The general fund was at 22.4% at this time, so the expenditures were at the right level. The general fund revenues were only at 4.56% because property tax collections would not come in until November and franchise fees from PGE would not come in until spring. He would include the quarterly financial summaries in the "Friday Memo" and encouraged Council to contact staff with questions. The group discussed fleet fuel costs.

Mayor Bernard suggested that the Planning Commission look at a big box square footage limit as other communities were doing. He commented on noticeable air traffic increases this summer.

Mayor Bernard announced the City Council would meet in executive session pursuant to ORS 192.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions.

Mayor Bernard adjourned the work session at 6:30 p.m.

Pat DuVal, Recorder

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
OCTOBER 18, 2005**

CALL TO ORDER

Mayor Bernard called the 1968th meeting of the Milwaukie City Council to order at 7:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Council President Deborah Barnes Joe Loomis
Susan Stone

Staff present:

Mike Swanson, City Manager	John Gessner, Planning Director
Kelly Somers, Operations Director	Paul Shirey, Engineering Director
JoAnn Herrigel, Community Services Director	Tim Salyers, Code Enforcement Assistant
Kenny Asher, Community Development/Public Works Director	

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS

A. Milwaukie High School Student of the Month

Councilor Barnes introduced Shannon Wright the Milwaukie High School Student of the Month for October 2005. She plans on majoring in foreign languages and international affairs, and her career goal is to work as a United Nations interpreter.

Kelly Carlisle, Milwaukie High School Principal, made several announcements including homecoming week events, Living History Day, the opening of the Milwaukie Academy of the Arts Charter School, and fundraising efforts for new band uniforms.

Mayor Bernard thought Celebrate Milwaukie, Inc. or the Farmers' Market might make a donation to the uniform fund if the band agreed to play during the Riverfest events.

B. Hands and Words Are Not for Hurting – Proclamation

Councilor Stone reported this project, established in 1996, was dedicated to educating children and adults about their moral and legal rights to live free of abuse and violence. Anger was a feeling, and abuse and violence was a choice. The project works in partnership with anti-bullying, abuse and violence prevention, conflict resolution, and character building skill programs. The hands were visual reminders that reinforced the personal commitment of non-violence. The pledge was, "I will not use my hands or my words for hurting myself or others." She read a proclamation naming October 16 – 22

as *Hands and Words Are Not for Hurting Week* in the City of Milwaukie. She hoped this program would eventually be in all Milwaukie schools.

C. Transit Center Update

Phil Selinger, TriMet, provided the quarterly update on TriMet/City of Milwaukie projects. He congratulated the City on launching the North Main Village Project. The July 28, 2005 letter from Fred Hansen affirmed support of Milwaukie's work program and expressed appreciation and support of the Council's affirmation of the Working Group's recommendation for the new transit center. Several bus layovers were consolidated to free up about 7 parking spaces to help the parking situation in the near term. TriMet submitted an application for the Milwaukie park-and-ride that he hoped would be before the Milwaukie Planning Commission on November 8. It would convert the former Southgate Theater property back to its much-needed use for the community and corridor as a park-and-ride. The Metro partners would schedule a meeting in early November to discuss the Phase II South Corridor environmental process that would begin early 2006. \$2 million in federal regional flex funds had been set aside for that work program. The total amount was \$4.3 million, and partner jurisdictions were pledging funds to fill that gap.

He discussed the Milwaukie transit center and the priority of establishing off-street parking. The Steering Committee would consider a recommendation that was adopted by the Milwaukie City Council last fall. Federal funds were difficult to find for the early installment of Phase 1, but TriMet was looking. One approach was to use Connect Oregon funds recently established by the legislature. \$15 million of that statewide program was set aside for Oregon Department of Transportation (ODOT) Region 1, which is a five- or six-county area. A project funded using that resource could be constructed through a streamlined process that would occur concurrently with the restart of the South Corridor Phase II environmental process. It would start off looking at the larger light rail project but quickly split off to begin the transit center, ideally within a year's time. One of the criteria for using those funds was that the project be shovel-ready. There would be a competitive process and would be linked heavily to jobs and the economy. A Phase 1 project at the Kellogg Lake site would require local land use review and rezoning. TriMet proposed that the City be co-applicant in seeking those funds to make a much stronger case to the state. It would link that transit center project with other projects happening in the vicinity of the Kellogg Lake property including the Treatment Plant relocation, Creek restoration, and the Trolley Trail. TriMet would make application for funds in that category a top priority.

Mr. Selinger discussed the former Goodwill site at SE Tacoma Street. There was a locally preferred alternative (LPA) and land use final order that identified the light rail project passing through that site; however, those documents did not preclude development from happening on that site. The station and park-and-ride had been consistently part of the discussion about getting light rail to Milwaukie. It provided an important connections to the neighborhoods to the east and west of the line and to the Springwater Trail. There were no reasonable alternatives for making those connections, and TriMet believed the site was critical to a Milwaukie light rail project. A 90-day proposition was made to TriMet to purchase that site which would be about mid-December. TriMet and its partners would have four options with regards to that

property. On one hand, TriMet could do nothing and could look to the City of Portland's develop review process to try and preserve the light rail option through the property. Second, TriMet could seek a lease with an option to purchase at a later date when project funds were available. Third, it could purchase the property outright, but so far the region had not identified funds for that purpose. Lastly, TriMet could master plan the site with adjacent property owners and other stakeholders to identify a combined development and light rail station that could share facilities, parking, public space, and access that would offer the community a greater value. At this time, TriMet did not know if the property owners were interested in pursuing that option. Early conversations had begun, and the matter would go before the Steering Committee

In closing, Mr. Selinger said TriMet needed the City's help in its Connect Oregon application. The transit center site would need to be rezoned. The Federal Transit Administration recently raised the cost-effectiveness standards for light rail projects in general, so TriMet would need to continue looking for ways to achieve that greater value in the Phase II process. It was important for the jurisdictions in the corridor to stay coordinated even before the Phase II environmental process restarted early next year. He was working in assembling a technical committee to ensure TriMet, Metro, and the cities of Portland and Milwaukie were all on the same page. TriMet wanted to continue working with Milwaukie to ensure downtown opportunities would occur.

Mayor Bernard made a proposal to Metro for the use of the Tacoma site, and Metro Councilor Newman would take it to the Council and legal counsel for review. Ninety days was not realistic, and he got the impression from the property owner that he just wanted to see some action or possibly a commitment to some action. This site was not just Milwaukie's site; it would provide transit to the Westmoreland, Eastmoreland, and Ardenwald Neighborhoods. Because it was a portion of a transit corridor, he understood the full alternative had not been adopted.

Mr. Selinger replied both the LPA and Working Group recommendations passed directly through that site although they twisted in slightly different directions. In either case, the coverage of the site, about 42,000 square feet, was about the same with 7.1 acres left for development.

Mayor Bernard understood that the Working Group decision had to be adopted in order for Metro, TriMet, or any party to fund purchasing the site and was the reason for his pushing the South Corridor meetings.

Mr. Selinger replied TriMet got verbal notice from the Federal Transportation Authority (FTA) Regional Administrator that there could be a pre-emptive purchase of the site at this point in the process.

Councilor Stone asked how likely that was to happen and how much TriMet would ask for.

Mr. Selinger responded that TriMet had not discussed that with the property owner and would not know the value of the property until it was appraised. The Southgate property, for example, was about \$3 million.

Councilor Stone said should the Goodwill site not be purchased and private development happen, was it safe to say light rail would terminate north of that site.

Mr. Selinger replied it was safe to say light rail in the corridor would not happen. Without Milwaukie, light rail was not viable. It was unlikely that light rail could be accommodated within the Union Pacific right-of-way. Judging from the property owner's preliminary plans, TriMet did not see a sleeve or a path for light rail. He discussed the notion of combining the Goodwill site with the Pendleton Woolen site for a project that had more value and could accommodate all the needs.

Councilor Stone asked when the Southgate park-and-ride was going to be ready for use.

Mr. Selinger said if things went well, the theater building could be removed this winter and the lot opened early next spring. There were some improvements that needed to be made to the site, but it was already a parking lot.

Councilor Stone asked, since there was already a parking lot there, when the buses could be moved instead of having them in the downtown. The Council wanted that to happen a couple of years ago.

Mr. Selinger responded that TriMet had not embraced that idea because it would be awkward to get the buses on that site. It was not designed for buses, and the pavement would not hold up. The intent of the grant from the federal government was for a park-and-ride facility at Southgate. TriMet was trying to focus its energy on getting the longer-term bus facility Council recommended last fall at the Kellogg Lake site.

Councilor Stone replied that was a long time coming so she wondered why the Southgate site could not be temporarily utilized as a transit center to get the buses completely off the downtown streets.

Mr. Selinger said the federal funds were designated for a park-and-ride facility.

Councilor Stone understood Mr. Selinger to say that they would not allow a transit center.

Mr. Selinger did not think so.

Councilor Stone asked him to find out for sure.

Councilor Barnes discussed the Metropolitan Transportation Improvement Project (MTIP) money. She asked why there was a \$400,000 gap and what needed to be done to make things move forward.

Mr. Selinger said Metro staff prepared an estimate of what it would take to go through the next environmental phase, and it came out to be \$4.3 million. In the earlier process, the partner jurisdictions were asked to match the MTIP dollars. The \$2 million secured in the MTIP process was significant. TriMet was in for \$500,000, Milwaukie was in for a couple hundred thousand, and Portland and ODOT were in for some dollars. At this point those were pledges but no intergovernmental agreements. There was about \$3.9 million total including the pledges. The Steering Committee would have to take up the issue and figure out what to do with the gap.

Councilor Barnes asked how soon the transit center would be built in Milwaukie if everything went according to plan.

Mr. Selinger could not give any timelines because there were no dollars at this point. If the Connect Oregon dollars were secured which would require a nexus of jobs and economic development, then TriMet could get through an expedited environmental process in about a year.

Councilor Barnes understood it came down to dollars. She asked if there was a possibility that a Vancouver/Oregon connection would bump Milwaukie because it linked two states.

Mr. Selinger noted the level of enthusiasm depended on with whom one spoke. He did not think the region had made that determination. The Vancouver project had a major highway component, was complicated by virtue of its being bi-state, and was very expensive. A Milwaukie light rail project had similar considerations but with lower targets. It was a big decision that would have to go before the Joint Policy Advisory Committee on Transportation (JPACT).

Councilor Stone understood it would be one to two years before something started happening with the transit center. That brought her back to Southgate. Obviously, the buses were not going anywhere if there was no place to go. How many acres was the Southgate site?

Mr. Selinger replied it was about 2 acres.

Councilor Stone understood some routes were realigned and eliminated. She did not know how many buses were laying over, but there were not as many as there used to be. Was it possible, since TriMet owned that land, that it could make some provisions to strengthen the infrastructure for buses? Why was that not possible so they could get off the streets?

Mr. Selinger said it would be possible if TriMet had the funds. The grant was capped at \$3.1 million total. \$2 million of that already went toward the purchase of the land, so funds to upgrade the pavement were limited, and that was typically the most expensive part of such a project.

Mayor Bernard thought that was a City Council discussion rather than Mr. Selinger's. The Council already adopted a transit center location by a 4 – 1 vote.

Councilor Stone said the vote was actually 3 – 2. It sounded like funding was a big piece of the puzzle, and the money was not readily available. Getting the buses out of downtown had always been something they wanted to do since she had been on Council irregardless of where the transit center siting was. That was what the City Council wanted to have happen. She understood the concerns about infrastructure, but she would certainly welcome some information on that in terms engineering and structural soundness. Why would that not be possible?

Mr. Selinger agreed to provide that information. He commented on the groundwork being laid for Phase II improvements at the Kellogg Lake site. If similar investments were made at Southgate, which did not have long-term permanence as a transit center, the investment would essentially be discarded after a period of time. It was something everyone would have to weigh carefully.

Councilor Stone figured the buses could simply be moved and parked down the street.

CONSENT AGENDA

It was moved by Councilor Barnes and seconded by Councilor Stone to approve the Consent Agenda:

- A. City Council Regular Session Minutes of September 20, 2005.
- B. Resolution No. 48-2005: A Resolution of the City Council of the City of Milwaukie, Oregon, Amending Resolution 5-1994 and Hereby Modifying Neighborhood District Association Bylaws to Reflect Election Rule Changes for Officers.
- C. Resolution No. 49-2005: A Resolution of the City Council of the City of Milwaukie, Oregon, Extending the Current Franchises of the Seven Franchised Garbage Haulers for a Six-Month Period.
- D. OLCC Application for Kimmy's Market, 3141 SE Harrison Street.

Motion passed unanimously among the members present. [4:0]

AUDIENCE PARTICIPATION

- Ed Zumwalt, 10888 SE 29th Avenue, Milwaukie.

Mr. Zumwalt was happy to hear Mr. Swanson comment on keeping the homey feel of Milwaukie. Many had thought the City wanted Manhattan, and the residents wanted Mayberry. The small town feel was very important.

In 1996, TriMet wanted to run light rail up Monroe Street from downtown to Hwy 224 with 100 feet on each side of the rail for mixed use and basically ravaging a whole residential area. Put on the ballot – defeated. The 1998 North/South light rail vote was a \$1.7 billion fiasco that was trounced badly in Milwaukie 62% to 38%. In 1999 and 2000 pressure was applied by inner southeast Portland neighborhoods for rail, so being upstanding citizens, they worked with our staff, Metro, TriMet, and the County arriving at an alignment and transit center site that would protect livability – Southgate.

Since then, Council chose to ask TriMet to conduct a hugely expensive study of the Kellogg Lake area with the intent of placing the transit center there. One result of this maneuver was a long delay in moving the transit center away from City Hall to anywhere.

Much of the pressure for this action came from the North Industrial businesses. His question was how much would we lose in tax base if the City had the stomach to call their bluff and businesses moved out? Many of them may leave anyway because transportation costs and congestion dictate that they position themselves closer to freeway ramps very soon.

He requested a written staff report of the approximate loss of tax base from affected businesses if Southgate were to remain the locally preferred alternative.

If the City put its planners and economic development people to work designing and marketing the North Industrial with possibilities of mixed use, a desirable area can be designed that would be an attractive address any organization would be proud to sport on its letterhead. A college campus or museum and the type of retail businesses they attract come to mind. These types of businesses and organizational communities would complement light rail and a transit center perfectly, instilling vitality into our City.

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Let's face facts. There was only an outside chance that light rail would be in Milwaukie within 15 years. If Phase I went in at Kellogg, the City would be stuck with nothing but a glorified parking Lake Oswego, an inefficient transit solution for Milwaukie at best. The Phase II goodies promised are years away, if even attainable. In the early 1980's the City decided to put the transit center around City Hall until something better was found. This was 22 – 23 years later, and the City wants the buses off the streets. If the City waits for Southgate and just buses are put at Kellogg Lake, it was just a glorified parking lot.

Get the transit center away from City Hall and free up the parking as you intended in spring 2003. Instruct TriMet to change Southgate from a park-and-ride to our transit center as originally intended. He thanked Councilor Stone for trying. He thought the City was going in the wrong direction.

- **Les Poole, 15115 SE Lee, Milwaukie 97267**

Mr. Poole provided additional comments on the transit center situation. He had been involved in it for a long time and wanted to share some information for the record. It was the June 21 City Council meeting recommendation with an introduction from the City Manager. When the Council advanced its endorsement of the South Corridor Committee's locally preferred alternative (LPA) at Southgate – there was a recommendation to put together a working group. Here was the result, "Council requested that TriMet convene a group of stakeholders to examine access, traffic, and circulation effects should the transit center be moved to a location in the North Industrial Area. A Working Group comprised of staff, Metro, TriMet, ODOT, and the City was convened. It met from September 2003 to February 2004. As the Working Group offered alternative sites for consideration, its membership expanded. After considering nine potential sites, it recommended the adoption of the Tillamook Branch alignment" and the obvious relocation to 2.5 at Kellogg Lake. Nowhere did he see anything by any stretch of the imagination that said a working group had any kind of statutory authority to move a transit center outside the study area. That was what started the whole fiasco. They were looking at eight sites in the North Industrial Area, and the next thing you know they were down here at the post office. When the schools rightly decided 2.4 at the post office was not a good idea, there was no place to shove the train but across the Lake. The LPA was still at Southgate, but he was not here to say he endorsed Southgate. What he did say was that the people needed to think about where they were really going, and the two-year window they just heard about was a pipe dream. All agreed that the town needed to move forward. Things like North Main and the Riverfront needed to happen. Banging heads over this illogical decision that benefited only a few was driving everyone nuts. His motivation was not driven by being a previous landowner. His motivation was to do the right thing. As someone who had extensively studied the site and the background to comment on it, there was nothing that could be done to make that square peg fit in that round hole. He was concerned about the Creek, and maybe if the City knew what it was going to do with the Creek and the Lake, then maybe he would buy off on the site. He had not heard anything about the alleged study from the Corps of Engineers. He heard the only thing that was going to be done was to drain the Lake and get rid of the dam. Maybe that would happen. They did not know what they were going to do there and because of that did not know

how much available land there was or what the environment would be when it came time to build any kind of transit center. His concern was that there be some input on what was going to happen with the Kellogg Creek dam long before it was decided what color to stripe the parking lot. Because he had concerns about how the Working Group conducted its affairs and people had not heard anything about what the Corps was planning if anything, the people needed more answers. The only way he could get them as a concerned citizen was to request all the e-mails and all the correspondence since the working group began – from the time the LPA was selected and the Working Group was formed, he would like to study all the information and make a request to the City and/or TriMet that it be provided.

PUBLIC HEARING

None scheduled

OTHER BUSINESS

A. Downtown Business and Visitor Parking

Mr. Gessner reported staff was looking for a nod from the City Council confirming that downtown parking should be reserved for businesses and visitors. Although the specific policies had not been formally adopted by the City Council, both it and the Planning Commission had reviewed them. He believed they provided the basis for the City Council to confirm the policy, and he reviewed the main points:

- The purpose of, and priority for, on street parking in the downtown was to support and enhance the vitality of the retail core.
- Parking would be provided to ensure convenient, economical, and user-friendly access for customers, clients, and visitors to downtown.
- Off-street parking in the downtown will be balanced to provide a mix of short-term and long-term meeting both short-term visitor and employer needs.

At this time, about 76% of all on-street parking was designated as two hours which created a burden because off-street private parking was not meeting the needs of the employers. There were complaints from some of the larger downtown employers such as Key Bank, Electra Credit Union, and Dark Horse Comics about the commuter presence in the downtown. Most of those commuters arrived earlier than the downtown employees, so the desirable, 8-hour off-street spaces were already taken. The loss of parking to downtown projects such as North Main Village created a greater need to address the competition for longer-term parking. In the future, there would hopefully be a demand for business parking in the downtown.

It was the consensus of Council that staff continue in its current direction and prepare a strategy and implementation plan.

B. Amend Intergovernmental Agreement (IGA) with Oak Lodge Sanitary District for Mutual Sharing of Various Resources

Mr. Somers requested that the City Council approve an amendment to the existing intergovernmental agreement with Oak Lodge Sanitary for equipment sharing. He discussed equipment and maintenance needs that occurred in 2000 as a result of new stormwater regulations. Although the City subsequently purchased equipment, staff

believed it was a good idea to maintain the relationship in the event of an emergency. He reviewed the minor changes to the agreement.

It was moved by Councilor Barnes and seconded by Councilor Stone to approve the amendments to the IGA with Oak Lodge Sanitary for resource sharing services. Motion passed unanimously among the members present. [4:0]

Mr. Swanson announced that he had excused Mr. Firestone from this meeting based on the authority in Resolution 9-2003.

C. Proposed Resolution to Transfer Funds

Mr. Swanson reported this transfer had to do with the North Main project and was an additional amount. After receiving the construction estimate, the developer engaged in value engineering by eliminating expensive pieces or by getting more money. Mr. Kemper applied for an additional \$1 million loan, and Metro came up with an additional \$100,000 to complete the process. He recommended that Milwaukie contribute an additional \$40,000 to offset building permit fees. The developer would pick up the remainder of those fees after the \$40,000 was exhausted. This transfer set up the accounting to accomplish that.

It was moved by Mayor Bernard and seconded by Councilor Barnes to approve the resolution transferring funds.

Councilor Stone asked how much the City had been spent on this project.

Mr. Swanson replied there was a \$750,000 Special Public Works Loan fund, \$300,000 was spent in lease payments that probably could not be attributed to North Main, and a \$40,000 loan payable over a 15-year period. There was a substantial amount of State bond money and the predevelopment loan secured by the City. The final amount of that loan would be paid off at closing.

Councilor Stone noted as this project evolved the City had been asked to step up to the plate again and again. Here we are again. Everyone on Council had shared the concern and enthusiasm for partnering in this project. She hoped this was the last time.

Mr. Swanson met with the family that completed the project in Vancouver and asked them what they came to the table with. It was two blocks real property, vacation of the street between the two properties, 10-year tax abatement, and on-site and off-site improvements up to the building. This was Milwaukie's first significant project, and those were often difficult because there seemed to be no end to the involvement. The next project, he hoped, would be generated by this project.

Motion passed unanimously among the members present. [4:0]

RESOLUTION NO. 50-2005:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPROVING A TRANSFER OF FUNDS.

D. Council Reports

- **Councilor Stone** wanted some feedback on having the Public Safety Advisory Committee involved in the Hands & Words Are Not for Hurting project and incorporating it in the Committee's work plan. She hoped there would be funding

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from Providence Milwaukie Hospital and neighborhood grant funds because each school costs about \$500. She asked for clarification as to whether she should approach the Committee since the Council stipulates the work plan. She had e-mailed Chief Kanzler, so he was aware of the program. The group suggested she contact the Chief to determine if the Committee could schedule that. Mr. Swanson said under Title 2 of the code, the Council was technically to have each advisory group report on an annual basis and present its work plan for Council approval.

- In response to an earlier question, **Mayor Bernard** understood the airplane traffic was different because of the winds and runway work.

ADJOURNMENT

It was moved by Councilor Stone and seconded by Councilor Barnes to adjourn the meeting. Motion passed unanimously among the members present. [4:0]

Mayor Bernard adjourned the regular session at 8:17 p.m.

Pat DuVal, Recorder



To Mayor and City Council

Through: Mike Swanson, City Manager
Kenny Asher, Community Development & Public Works
Director

From: John Gessner, Planning Director

Date: November 21, 2005 for December 6, 2005 Public Hearing

Subject: Norm Scott Subdivision
8555 SE 28th Avenue
Appeal File AP-05-03
Final Findings

Action Requested

Approve findings and conditions in support of Council's November 15, 2005 tentative subdivision approval and denial of the street vacation requests.

Background

On November 15, 2006, the City Council conducted a public hearing and made a tentative decision approving denying the appeal, upholding the Commission decision with conditions, and denying the requested street vacations. The final decision was deferred based on the advice of the City Attorney to prepare additional findings that address the need for pedestrian improvements along 28th Avenue.

The City Attorney has prepared new findings numbered 16 through 20 as shown in italic text in the attachment.

Concurrence

The City Attorney and Engineering Director concur with the recommended findings and conditions.

Fiscal Impact

No fiscal impacts have been identified.

Workload Impacts

Not applicable.

Decision-Making Alternatives

The Council may accept the recommended findings as written or modify them.

Attachments

Recommended Findings and Conditions

Attachment 1

Recommended Findings

1. The applicant proposes to replat the 1.5-acre site at 8555 SE 28th Avenue into 4 residential lots and one wetland tract.¹ The existing single-family house will remain on one lot with 3 new lots being created. The following land use approvals have been requested:
 - a. Replat 4 lots and one wetland tract.
 - b. Variance to not construct road improvements on Depot Street, 28th Avenue and parts of Rockvorst Avenue.
 - c. Water Quality Resource review since the proposed subdivision contains a protected water feature.
 - d. Transportation Plan Review with Transportation Adjustment to not install a landscaping strip and narrow the required sidewalk width from 6 feet to 5 feet.
 - e. Street vacation for 10 feet of right-of-way on Rockvorst Avenue and 15 feet on 28th Avenue.
2. The proposal is subject to the following provisions of the Milwaukie Municipal Code (MMC):
 - a. Title 17 Land Division Ordinance
 - b. Title 19.303 R-5 Zone
 - c. Title 19.322 Water Quality Resources
 - d. Title 19.700 Variances, Exceptions, and Home Improvement Exceptions
 - e. Title 19.1400 Transportation Planning Design Standards and Procedures.
3. The following specific code provisions regarding street and sidewalk improvements apply to this application.
 - a. Subdivisions are subject to Zoning Ordinance Section 1400 – Transportation Planning Design Standards, and Procedures per Section 1403.
 - b. Section 1405.5 specifies that development proposals must comply with street design standards of Section 1400.

¹ Applications includes AP-05-03, S-04-04, TPR-04-10, VR-04-12, WQR-04-04 replat is for reconfiguration of an existing subdivision. The property is within two existing plats, Ardenwald and Burley Acres.

- c. Section 1407.1 and 1407.2 require that streets and sidewalks be safe, convenient, and “adequate” at the time of development.
 - d. Section 1407.4 defines “adequate” as being consistent with prescribed design details contained in Section 1409 and the Transportation Design Manual.
 - e. Section 1409 specifies requirements to comply with adopted street cross sections.
 - f. Section 1410 specifies pedestrian requirements, specifically that *“Public sidewalks are required on the public street frontage of all new development, [and] all land divisions....”*
 - g. Land Division Ordinance Section 17.28 requires streets to conform to Zoning Ordinance Section 1400.
4. On July 26, 2005 the Milwaukie Planning Commission conditionally approved applications S-04-04, TPR-04-01, VR-04-12, and WQR-04-04, but denied the variances to not install street improvements along the site frontage on 28th Avenue. In addition, the Commission adopted a finding recommending the City Council reject the proposed street vacations. Minutes of the Planning Commission proceedings are made part of this record by reference.
 5. The applicant appealed the Planning Commission denial of the variance for relief from the requirement to construct 28th Avenue improvements and right-of-way width of 28th Avenue.
 6. The applicant has not demonstrated compliance with standards of ORS 271.080(2). In addition, the Council finds that there is no compelling public interest to vacate the right-of-way given that it may be needed in the future. The requested street vacation is denied.
 7. The applicant has not demonstrated compliance with approval criteria for the requested variance relieving the requirement to build a sidewalk along 28th Avenue as follows:
 - a. There are physical constraints that might limit the ability to construct sidewalks, thereby potentially satisfying the “unusual conditions” test of Zoning Ordinance 702.1(A).
 - b. However, the applicant has not demonstrated that there are feasible alternatives to the variance as required by Zoning Ordinance Section 702.1(B).
 - c. The applicant has not demonstrated that there will be no adverse impacts of granting the variance. With additional homes there will be additional demand for safe pedestrian facilities along 28th Avenue. The present substandard condition of 28th Avenue,

including narrow pavement width, presents higher risk to pedestrian safety, which would be eliminated by construction of a sidewalk.

It is further noted that the requirement to construct a sidewalk along the new Rockvorst Street within the subdivision south of the new north-south right-of-way extension, is waived to help defer the overall cost of providing sidewalk along 28th Avenue.

8. The applicant has demonstrated compliance with approval criteria for the variance to not install street improvements on Depot Street and a portion of Rockvorst Avenue as follows:
 - a. The variance waiving improvements on Depot Street is warranted due to the unusual condition that the streets are platted over wetland areas that should not be developed.
 - b. Constructing improvements would require filling the wetlands, which is not a feasible alternative.
 - c. Not constructing the improvements preserves the wetlands, which mitigates adverse impacts.
9. The applicant has requested an adjustment to allow a 5-foot curb-tight sidewalk along the new Rockvorst Avenue within the subdivision. Under normal conditions, a 6-foot sidewalk with 5-foot planter strip is required. MMC 19.1404(C) allows adjustments to street improvement standards when an engineering limitation exists and/or when installing required improvements would result in a hazardous or unsafe condition. The applicant has demonstrated that the steep slope of the site creates an engineering limitation to installing the full-width roadway. The applicant's request for an adjustment is approved.
10. The proposal complies with the R-5 zoning standards (Section 19.303) as follows:
 - a. Three parcels, including the parcel that will contain the existing house, exceed the 10,000 square foot minimum lot size for single-family detached and one lot exceeds the minimum 5,000 square feet for single-family detached.
 - b. The front lot line for proposed Parcel 2 is the 40-foot line separating the lot from the street. The rear line is the north property line shown as 109.20 feet. The 3 other lot lines are side lot lines.
11. The proposal is consistent with Land Division Ordinance Section 17.12.040 approval criteria for preliminary plat as follows:
 - a. All parcels comply with standards of the R-5 Zone.
 - b. The land division allows reasonable development of the site and does not create any need for future variances.

- c. The plat name will not duplicate another plat name.
 - d. The street network is already established in the area. The plat conforms to the surrounding street network.
 - e. The applicant has submitted a detailed narrative describing how the proposal meets applicable design standards.
12. As modified by variance and adjustments granted under this decision The proposal is consistent with Chapter 1400 Transportation Planning Design Standards and Procedures which requires compliance with the approval criteria of Section 19.1405.5 as follows:
- a. Proposed street improvements comply with applicable standards.
 - b. A traffic impact study is not required.
 - c. The proposal will not result in a hazardous or unsafe traffic condition or unacceptable level of service.
13. The applicant has demonstrated compliance with MMC 19.322 and will not be impacting the required vegetative corridors (wetland buffers). The applicant submitted stormwater calculations that demonstrate that stormwater flows from the development will not exceed predevelopment flows as required by Zoning Ordinance Section 322.10 (L). The applicant has proposed a restrictive covenant for wetland protection.
14. The Fire Marshal reviewed the plans and indicated that as conditioned the proposal complies with Fire District regulations.
15. The Building Official reviewed the proposal and as conditioned does not have concerns with the proposal.
16. At the City Council hearing, the applicant argued that the City cannot require the sidewalk along 28th Avenue because the subdivision will have no impact on that stretch of 28th Avenue and because the sidewalk requirement is not roughly proportional to the impact of the development.
- a. The sidewalk along 28th Avenue provides pedestrian access to the Springwater Trail, providing a pedestrian connection to the Trail from the subdivision.
 - b. The plan of the subdivision does not provide for an internal connection from the subdivision to the Trail. While some lots might be able to access the Trail directly, depending on topography and whether the trail will be fenced, other lots in the subdivision do not have direct access.
 - c. Two area residents testified at the meeting that residents of the subdivision would use the Trail and would access the trail through

28th Avenue. The City finds the testimony of these witnesses credible.

- d. The applicant testified that residents of the subdivision could possibly access the Trail directly without using 28th Avenue. The Council concludes that although there is some possibility of direct access to the trail for at least some subdivision residents, residents of the subdivision would use 28th Avenue for pedestrian access to the trail. Because residents of the subdivision will use 28th Avenue for pedestrian access to the trail, there is a direct relationship between an impact of the subdivision (increased pedestrian use of 28th Avenue), and the requirement to build a pedestrian way along 28th Avenue.
17. The proposed subdivision divides an existing property into four lots and one tract. The tract will remain undeveloped. There is an existing house on the property that will remain on one of the lots, but has the potential to be converted to a duplex based on lot area.. The other three lots can be developed with additional single-family homes, or, for two of the lots, with duplexes. The applicant's representative testified that each dwelling unit is expected to generate 9 to 10 vehicle trips per day.
- a. Local streets within the City have historically been developed in connection with subdivisions, with subdividers being responsible for construction of local streets. The burden of developing local streets has been borne and continues to be borne by residential properties. The City has followed the approach of requiring subdividers and developers to provide full street improvements within subdivisions and half street improvements on streets adjacent to subdivisions or development. The City's code currently requires that level of improvements.
 - b. The subdivision is not located adjacent to any collector or arterial street. It is adjacent to local streets, and is several blocks away from the nearest collector or arterial. Residents of the subdivision will have an impact of 9 or 10 vehicle trips per day per dwelling unit, not just on the street within the subdivision, but on local streets between the subdivision and the nearest collector or arterial.
 - c. The portion of Rockvorst Street to the west of 28th Avenue, is adjacent to the property to the south and will be used primarily by residents of and visitors to the subdivision.
 - d. Because the lots are being sized to allow duplexes, and the applicant has indicated an intent to develop duplexes on the lots, the impact of this subdivision on the local street system is greater

than one of similar size that would be limited to single-family homes.

- e. The total impact on the local street system in residential areas is the impact of all residential development in the area. Each subdivision or development has a share of that impact. One way of allocating the share of the impact is to make each subdivision or development project responsible for development of internal streets and for development of half street improvements on adjacent streets. This is roughly proportional to the impacts, because the need for street development is based not only on the number of trips generated, but on the length of streets and sidewalks that need to be developed. The total area of the subdivision creates a need for adequate streets to serve and provide access to the subdivision. It is roughly proportional to require full internal street improvements and adjacent half-street improvements.
 - f. The subdivision is for four lots totaling 46,667 square feet excluding areas contained within the proposed street vacations. The City is requiring 175 feet of $\frac{3}{4}$ street improvements (full street width, sidewalk on one side) for the internal street, and 200 feet of $\frac{1}{2}$ street improvements along a portion of Rockvorst adjacent to the property, but not along the full portion of Rockvorst adjacent to the property, and sidewalk improvements only along 28th Avenue. This is far less than the development of full street improvements internally and half street improvements on adjacent streets, which is what the City under normal circumstances per city code, would consider to be adequate street improvements. The internal street is not being required to provide sidewalks on both sides, there is no requirement to provide any improvements on Rockvorst west of the internal street, and no requirement to provide vehicle travel lane improvements on 28th Avenue – only a requirement to provide a sidewalk, which is permitted to be of a substandard size. A portion of the sidewalk on 28th Avenue can be built from alternate materials. The transportation improvement requirements are roughly proportional to the impacts of the development, based on the length of streets and sidewalks needed to provide an adequate street system to serve and provide access to the development.
18. The property currently contains one single-family home. After the subdivision, there will be a total of four lots, three of which could be developed with duplexes, and potential conversion of the existing residence into a duplex. A total of six new dwelling units is made possible by the subdivision approval. Using the applicant's estimates, those six units generate up to 60 total vehicle trips per day. An average single family home generates 10 vehicle trips and the minimum lot frontage on a

public street for a single family home is 50 feet. Many lots have substantially more than 50 feet of frontage. Requiring half street improvements for a normal length single frontage for a single family home is roughly proportional. Therefore, at a minimum, requiring 300 feet of half street improvements would be roughly proportional. The City is requiring 175 feet of $\frac{3}{4}$ street improvements, 200 feet of half street improvements and 190 feet of $\frac{1}{4}$ street (sidewalk only) improvements. This level of requirement of transportation improvements is roughly proportional to the impacts of the development.

19. The Council believes that the correct approach to analyzing the rough proportionality of transportation improvements is to look at the transportation improvements as a whole. The subdivision has an impact on the local street system in the area of the development and all transportation improvements required of the applicant are for local street improvements within and immediately adjacent to the subdivision. However, the Council also finds that the requirement to build the sidewalk is roughly proportionate to the impacts of the development on 28th Avenue.
 - a. As described in other findings, the Council concludes that residents of the subdivision will use 28th Avenue to access the Trail. The proximity of the Trail makes it likely that there will be substantial use of the Trail by residents. The proximity of the Trail will attract potential residents of the subdivision.
 - b. The Council finds that although 28th Avenue will not be a primary access route for vehicular traffic, there will be some vehicular traffic to and from the subdivision on 28th Avenue. This finding is based on testimony that there is currently vehicular traffic on 28th Avenue to and from the property and that vehicular traffic will likely continue during development of the subdivision and after the subdivision is created. The applicant has admitted that 28th Avenue is used and will be used by vehicles going to and from the property.
 - c. The subdivision therefore will have two impacts on pedestrian traffic on 28th Avenue. The subdivision will provide a portion of the pedestrian traffic on 28th Avenue. Also, the increase in vehicular traffic increases the potential conflicts with pedestrians, thereby increasing the need for a sidewalk.
 - d. The City is not requiring vehicle travel lane improvements to 28th Avenue, despite the fact there will be impacts. Providing a sidewalk contributes to mitigation of the increased impacts on 28th Avenue by reducing pedestrian use of vehicle travel lanes.

- e. Pedestrians from the subdivision will use City streets and sidewalks other than those internal to or adjacent to the subdivision when going to or from locations other than the trail, This includes portions of 28th Avenue not adjacent to the property.
 - f. The requirement to build a sidewalk along 28th Avenue adjacent to the subdivision, given the total pedestrian and vehicle impact from the subdivision on that section of 28th Avenue is roughly proportional to the impacts of the development on 28th Avenue. In reaching this conclusion, the Council considered the fact that the sidewalk will not be required to be built to full City standards (can be narrower and of different, less expensive materials) and also considered the fact that the portion of 28th Avenue is not the only portion of 28th Avenue that pedestrians from the subdivision are likely to use. The City Council also took into account that it may be necessary to build a retaining wall to allow development of the sidewalk.
20. At the City Council hearing, the applicant also disagreed with the condition of approval that a fence in the existing right of way be removed. No one has a right to build a fence in City right of way without a permit, and the City has the authority to require removals of obstructions in rights of way. The condition requiring fence removal is valid. The City Council notes that the Applicant may apply for a right of way permit that would allow a fence or other screen to provide privacy for applicant's property.

Recommended Conditions of Approval

- A. The following conditions shall be resolved prior to any earth-disturbing activity and construction of public improvements:
- 1. Erosion control and construction barriers shall be installed and inspected in accordance with an approved erosion control and grading plan, the wetland and stream buffer flagged, and existing vegetation to remain protected and marked. Site preparation and construction practices shall be followed that prevent drainage of hazardous materials or erosion, pollution or sedimentation to the adjacent wetland and buffer. Existing vegetation shall be protected and left in place. Work areas shall be carefully located and marked to reduce potential damage to the water quality resource area.
 - 2. As part of the grading permit application the applicant shall submit plans for a sewage ejector pump system for each lot for review and approval by the Building Department. An engineer licensed in the State of Oregon shall design the system.

3. A geotechnical report shall be submitted to the Building Department. The report shall include provision for on-site disposal of stormwater from the roof drains, footing drains and low-point drains for the proposed houses as shown on the approved subdivision plans. In addition, a soils engineering report shall be submitted prior to road and house construction demonstrating compliance with applicable standards given the recent placement of several hundred cubic yards of fill.
4. A final plat application and fee including full-engineered plans for all the public improvements and a narrative stating how the proposal complies with the conditions of approval shall be submitted within 6 months from when the appeal period ends on this preliminary decision (Title 17.24.040). The final plat shall be in compliance with Title 17.24 of the Land Division Ordinance.
5. The engineering plans and final plat shall be consistent with the plans prepared by Buckel Associates dated March 25, 2005 except as modified by this approval. Required improvements shall include the following:
 - a. Sanitary Sewer Improvements. The developer must install a new 3-inch sanitary sewer force main in the new street to serve the new lots. Separate private laterals and sewer pumps must be installed to serve each of the new lots. Private sewer pumps must be reviewed by the Building Department as stated above.
 - b. Water System Improvements. A new 4-inch water main must be constructed in the new street to serve the four new lots with a 2-inch blow-off at the end for maintenance. One-inch service lines must be constructed to each lot with meter setters and meter boxes. The City will install the meters at the time of home construction after all fees are paid.
 - c. Street Lighting on Rockvorst Avenue. Streetlights must be installed to City of Milwaukie Public Works standards. Streetlights must have cutoff fixtures so light is shown down to the street and not at neighboring properties.
 - d. 28th Avenue Improvements. Frontage improvements must be installed on the west side of the street as follows:
 1. Standard "C" curb and 5-foot wide sidewalk on the west side of the roadway from Rockvorst to the Springwater Corridor. Additional paving to fill the gap between the existing edge of pavement and the new curb to provide for a total of 18 feet of pavement width from Rockvorst to the north edge of the Sherrett Street right-of-way, subject to design flexibility in #2 below. A retaining wall may need to be built to support the sidewalk and a portion of the roadway. Engineering plans

and calculations must be submitted for final approval of the retaining wall. A guardrail must be installed to prevent vehicles from traveling over the steep portions of the roadway. The fence shall be removed from the right-of-way.

2. The curb and sidewalk design may be modified as needed to address drainage and dimensional constraints within the right-of-way. Access to the existing garage at the end of 28th Avenue shall be protected. Trees shall be preserved to the greatest extent practicable.
 3. A guardrail must be installed along 28th Avenue and Rockvorst Avenue to prevent cars from going over the steep slope. The existing wood fence shall be removed from the right-of-way.
- e. Rockvorst Avenue. 28-foot paved roadway with a 2-foot gravel shoulder on the south side must be installed between 28th Avenue and portion of Rockvorst within the subdivision. The west end of the roadway must be graded and a removable gate installed to allow vehicle access into the wetland area for maintenance purposes.

Standard "C" curb and 5-foot wide sidewalks shall be provided on the north side of the proposed Rockvorst Avenue between 28th Avenue and the northerly extension of right-of-way that serves the interior lots: sidewalks are required only along the northerly portion of the right-of-way and easterly side of the proposed extension of the Rockvorst right-of-way. The applicant shall provide a driveway connection to the existing residence on the south side of the roadway.

- f. The applicant shall submit a report prepared by a licensed arborist demonstrating whether some or all of the trees proposed to be removed at the southwest corner of Rockvorst and 28th Avenue can be saved. If recommended by the report, the applicant shall have the arborist on-site during construction to ensure compliance with any recommendations made.
- g. Sidewalks are not required on west side of the proposed northerly extension of the existing Rockvorst right-of-way, between the southerly return of right-of-way along the north side of the Rockvorst.
- h. A guardrail shall be installed along Rockvorst Avenue and 28th Avenue to prevent vehicles from going over the steep slope.
- i. Signage. A stop sign is required at the intersection of Rockvorst and 28th Avenue for traffic heading east from the site. The applicant shall install all signage in the public right-of-way to

accommodate the proposed public improvements and meet standards set forth in the Manual on Uniform Traffic Control Devices (MUTCD) and relevant Oregon supplements. The applicant shall reimburse the City of Milwaukie for any costs associated with the installation.

- j. A pre-construction meeting must be held with the contractor and an inspection fee of 5 ½ percent of the public construction cost paid.
 - k. That a plan be submitted to the satisfaction of the Planning Director showing removal of fill recently placed within the water quality resource buffer, to be executed prior to approval of final plat.
- B. The following conditions shall be resolved prior to approval of the Final Plat.
1. A final plat application shall be submitted within 6 months after the appeal period ends on this application and plat recorded with Clackamas County within one year or this preliminary approval shall expire and a new preliminary approval shall be required. An extension of 6 months may be granted (Title 17.04.050).
 2. All public improvements shall be constructed in accordance with approved engineering plans or bonded with a 20% contingency per MMC Section 17.24.06.
 3. The wood fence located in the 28th Avenue right-of-way shall be removed.

C. The following conditions shall be resolved Prior to issuance of a building permit for the new house:

1. All system development charges (SDC) shall be paid.
2. Applicant's for new house construction shall demonstrate compliance with applicable provisions of this decision.

D. On-going Conditions

Lights from the houses shall not shine directly into the wetland area as required by MMC Section 19.322.10 (I).

~end~



To: Mayor and City Council

Through: Mike Swanson, City Manager
Kenny Asher, Community Development and Public Works Director

From: Jack R. Ostlund Jr., Civil Engineer
Paul Shirey, Engineering Director

Subject: Hill Street Reimbursement District

Date: November 21, 2005 for December 6, 2005 City Council Meeting

Action Requested

Approve the final assessments for the Hill Street reimbursement district for wastewater service.

Background

On July 20, 2004, Council approved a resolution for the formation of a reimbursement district for wastewater improvements on SE Hill Street. A reimbursement district mechanism provides a means to fund public improvements while deferring the cost to owners until they choose to connect to sewer. Typically, reimbursement districts do not place any assessments or liens on the subject properties. Under this resolution, The District funded the cost of public improvements to serve 11 properties. The District consists of lots fronting Hill Street between Stanley Avenue and Hollywood Street (See Attachment 3, Exhibit 1). Annexation to the City of Milwaukie is a requirement for the extension of any utility services. All the lots desiring service were annexed into the City on August 3, 2004. District funded improvements included 491 feet of 8" wastewater mainline from an existing manhole at the intersection of Stanley Avenue and Hill Street to Hollywood Street.

On September 21, 2004, Council approved a contract awarding the construction of the project to Cipriano & Son for \$83,334.90 (included 10% contingency). The project was completed in February 2005 at a cost of \$79,269.00.

The District assessed 11 properties. Six properties annexed to the City and have paid to connect to sewer. Two are within the city limits and will be required to contribute to the District upon connection to the wastewater system. Three lots are located outside the city limits and will be required to annex into the city as a condition of connecting to the wastewater system (See Attachment 3, Exhibit 1).

Under MMC 13.30.050.B, if the reimbursement district is formed prior to construction of improvements a second informational public hearing shall be held after improvements have been accepted by the city. At the hearing, assessments will be changed to reflect the actual costs. Since the actual cost of the wastewater extension is below the estimated costs, a second hearing is needed to acknowledge these actual, lower costs. The difference between the total cost and estimated cost will be refunded to the developer. A map is attached summarizing the estimated cost, final assessment, and amount refunded to each property (See Attachment 3, Exhibit 1).

Concurrence

Engineering staff has coordinated with the Finance Department.

Fiscal Impact

The total cost of this project was \$86,449.25, which includes design, inspection, advertising, testing, and construction. \$33,958.31 has been received for connections to this line. \$34,418.75 will be recovered when the unconnected properties connect to sewer. \$18,072.19 is not reimbursable and is comprised of most of the engineering costs and some construction costs (See Attachment 2).

Work Load Impacts

Once the refunds are made to eligible property owners, no additional staff time is required.

Alternatives

1. Approve final assessments.

Staff would be able to finalize the costs for the project, refund money to the eligible property owners or developer, and close this project.

2. Elect to defer the approval to a later date/Take no action.

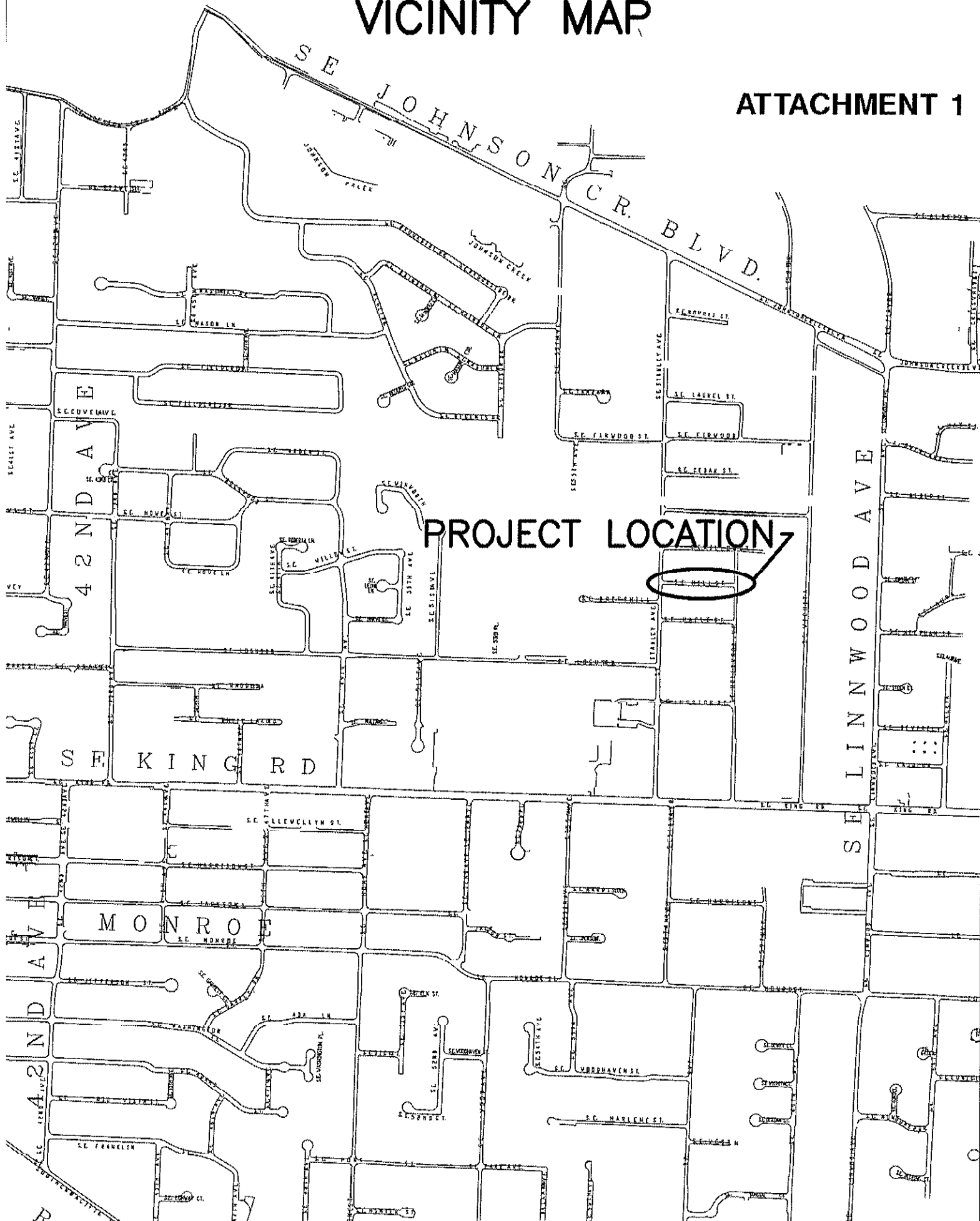
Staff would need to return to Council at a later date and refunds could not be made at this time.

Attachments:

1. Vicinity Map
2. Summary of final costs of reimbursement district
3. Resolution

HILL STREET SEWER IMPROVEMENT VICINITY MAP

ATTACHMENT 1



ATTACHMENT 2

Item No.	Quantity	Unit	Item Description	Hill Street Estimate		Portion Outside District	
				Unit Price	Item Total	Quantity	Item Total
1	1	LS	Mobilization	\$ 6,500.00	\$ 6,500.00		
2	1	LS	Temporary Traffic Control	\$ 500.00	\$ 500.00		
3	252	LS	4" ASTM D 3034 PVC Pipe, 3/4"-0 Bedding & Zone Material, Class B Backfill, >0-17 Feet Excavation	\$ 70.00	\$ 17,640.00		
4	60	LS	8" ASTM D 3034 PVC Pipe, 3/4"-0 Bedding & Zone Material, Class B Backfill, >0-10 Feet Excavation	\$ 60.00	\$ 3,600.00	9	\$ 540.00
5	232	CY	8" ASTM D 3034 PVC Pipe, 3/4"-0 Bedding & Zone Material, Class B Backfill, >10-15 Feet Excavation	\$ 62.00	\$ 14,384.00	38	\$ 2,356.00
6	169	EA	8" ASTM D 3034 PVC Pipe, 3/4"-0 Bedding & Zone Material, Class B Backfill, >15-20 Feet Excavation	\$ 75.00	\$ 12,675.00	16	\$ 1,200.00
7	24	SY	8" ASTM D 3034 PVC Pipe, 3/4"-0 Bedding & Zone Material (CDF), 1-10 Feet Excavation, >15-20 Feet Excavation	\$ 190.00	\$ 4,560.00	24	\$ 4,560.00
8	20	SY	Trench Foundation, Remove & Replace	\$ 35.00	\$ 700.00		
9	11	LF	8"x4" Pipe Tees	\$ 120.00	\$ 1,320.00		
10	1	EA	STD Manhole 6-10 Feet w/ Frame & Cover and Vacuum Testing	\$ 2,700.00	\$ 2,700.00	1	\$ 2,700.00
11	1	SF	Connect to Existing Manhole BA	\$ 1,500.00	\$ 1,500.00		
12	1	SF	STD Manhole 10-20 Feet w/ Frame & Cover and Vacuum Testing	\$ 4,700.00	\$ 4,700.00		
13	1	EA	Shallow Flat Top Manhole w/ Suburban Frame/ Cover & Vacuum Testing	\$ 2,300.00	\$ 2,300.00		
14	166	LS	Trench Resurfacing	\$ 25.00	\$ 4,150.00	22	\$ 550.00
15	1	EA	Clean & Low Pressure Test Existing and New 8" Sewers Between Manholes	\$ 1,500.00	\$ 1,500.00		
			Change Order #1 (Additional MH #1 depth)	0	\$ 540.00		

Total Construction Cost \$ 79,269.00 \$11,906.00

Total Construction Cost \$ 79,269.00
 Design Cost assessed to Reimbursement District \$ 1,014.05
Total Cost **\$ 80,283.05**

Subtract cost outside of district **\$ 11,906.00**

Total Cost within district **\$ 68,377.05**

Total Feet of Frontage = 742.5 ft.
Cost per foot of frontage **\$ 92.0903**

ATTACHMENT 3

RESOLUTION NO. _____
MILWAUKIE, OREGON

A RESOLUTION AMENDING RESOLUTION NO. 22-2004, ESTABLISHING THE FINAL ASSESSMENT AMOUNTS FOR THE SOUTHEAST HILL STREET SANITARY SEWER REIMBURSEMENT DISTRICT, AND AUTHORIZING A REFUND

WHEREAS, the City of Milwaukie established a reimbursement district for sanitary sewer improvements on SE Hill Street from Stanley Avenue to Hollywood Street by Resolution No. 22-2004;

WHEREAS, Resolution No. 22-2004, established a reimbursement fee based on anticipated costs of construction;

WHEREAS, actual costs relating to Hill Street sewer improvements that the reimbursement fee can be based on were less than the estimate;

Now, therefore, the City of Milwaukie resolves as follows:

Section 1: The total cost of the project was \$86,449.25, of which \$68,377.05 can be apportioned among the benefiting properties as a reimbursement fee. The rest of the cost benefits properties outside the reimbursement district and cannot be charged to properties in the District as a reimbursement fee.

Section 2: The reimbursement fee is established as \$92.0903 per foot of frontage. The amount each property is responsible to pay as a reimbursement fee is shown on the map attached hereto as Exhibit 1, which shall serve as Exhibit 1 to this Resolution and to Resolution No. 22-2004. Section 3 of Resolution No. 22-2004 is hereby amended to read: "The reimbursement fee designated for each parcel shall be the amount shown on Exhibit 1."

Section 3: City staff is directed to refund the difference between the reimbursement fee actually paid and the reimbursement fee established by this resolution to those persons who have paid a reimbursement fee.

Section 4: This resolution takes effect immediately on passage.

Introduced and adopted by the City Councils of the City of Milwaukie on _____ 2005.

James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:
Ramis, Crew, & Corrigan, LLP

Pat DuVal, City Recorder

City Attorney

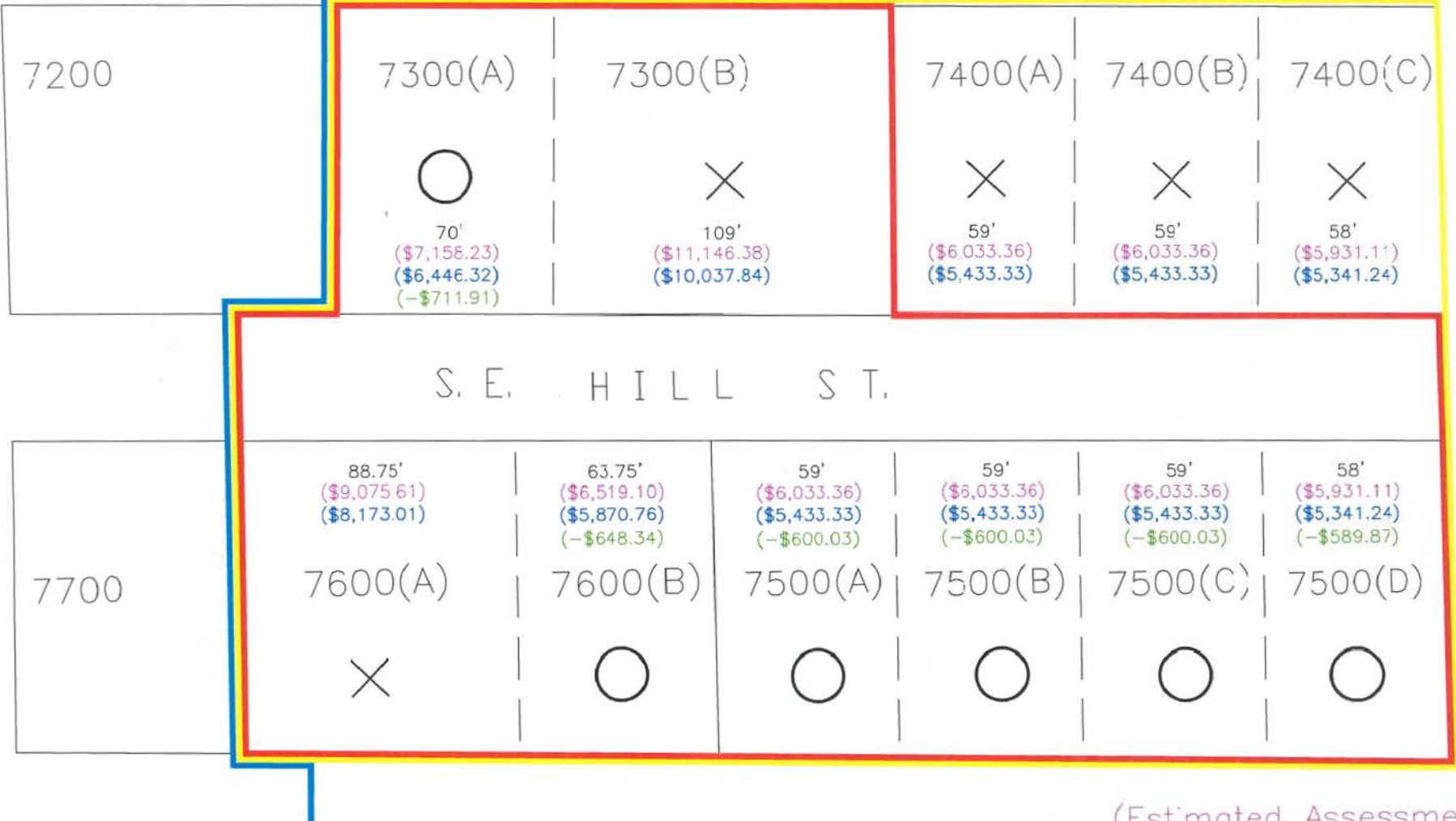
HILL STREET REIMBURSEMENT DISTRICT

TAXLOT ID - 1S 2E 30DA



S.E. STANLEY AVE.

S. HOLLYWOOD ST.



○ = Contribution by Developer × = Contribution by Utility

(Estimated Assessment)
(Final Assessment)
(Difference)

— = Reimbursement District — = Annexation District — = Pre-Annexation City Limits



To: Mayor and City Council

Through: Mike Swanson, City Manager
Kenny Asher, Community Development and Public Works Director

From: Paul Shirey, Engineering Director
Brenda Schleining, Associate Engineer

Subject: Resolution to take legal step necessary to acquire property at 2808 SE Balfour for Meek Street Stormwater Project.

Date: November 21, 2005 for December 6, 2005 City Council Meeting

Action Requested

Approve the attached Resolution Authorizing Acquisition of real property for Meek Street Stormwater Project.

Proposal

A stormwater easement is needed at 2808 SE Balfour, a property owned by Jim and Annie Burbach, as an outfall area for a 3-foot diameter storm line. The public utility easement process includes: identifying the property that the City needs for a utility project, passing a resolution which states the need for the project, informing the property owners of the need, completing a property appraisal, negotiating with the property owners, and acquiring the easement. If staff is unable to negotiate a satisfactory compensation agreement with the owners or if the owners do not wish to grant an easement, then the City must notify the owners and file intent to condemn the property.

Background

The 2004 Milwaukie Storm Water Master Plan identified the Meek Street Storm Project as a high priority for controlling observed flooding problems at 32nd and Harrison streets. The proposed project is the second phase of a four-phase project. Phase One was constructed last year (Meek Street from 32nd to Railroad fence). The Meek Street Storm Projects were designed to relieve storm flow to the Harrison Street storm line that is undersized and often floods. The Meek Street project is a less costly alternative than upsizing the Harrison Street storm line. The Meek Storm Project is identified in the 2005 Capital Improvements Plan (CIP).

This project will install a 3-foot diameter storm pipe from the south end of the public housing authority property to the south end of 2808 SE Balfour, completing the storm system that will drain 32nd Avenue flows to Roswell pond. The pipe will daylight at the south end of 2808 SE Balfour. The discharged storm water will flow from the south to north end of 2808 SE Balfour in a large steep ravine (see Attachment 1). The majority of the storm water will be absorbed into the ground of the ravine. The City conducted soil infiltration testing to verify the adsorption rate and verified the flow rates. During heavy rain events, the water will continue north along the railroad tracks to Roswell pond.

It is important to note that the ravine has historically been a stormwater drainage pathway, operating without a formal easement. The city would be adding more flow to the existing stormwater drainage path. The ravine is very steep (over 60% slope) and is considered unbuildable land. The City Code does not permit land with a slope over 25% to be counted toward lot requirements.

To date the City has paid for an appraisal of the property for acquisition of the land in question, either by fee title or as an easement. An offer, based on the appraisal was presented to the property owners in October. The owners counter-offered at a significantly higher price. Negotiations are on going.

Concurrence

Operations has reviewed and concurs with the plan as described. This project is also listed on the approved Capital Improvement Plan.

Fiscal Impact

The Meek II storm project is in the current 2005/06 approved budget.

Work Load Impacts

The Meek II storm project is included in the work plan for Engineering for this fiscal year.

Alternatives

1. Approve the resolution.

The project will be able to progress as scheduled and the homeowners will be compensated for the land.

2. Elect to defer the project to a later date.

Flooding in areas around Harrison Street will continue periodically.

3. Take no action.

Alternative stormwater plan will need to be developed to re-route to another pipe system that will require an expensive up sizing. In addition, investment in the first phase of the project will be unused and obsolete.

Attachments

1. Project location (4 pages)
2. Resolution

ATTACHMENT 1



open channel path of storm water easement area

Meek II Pipe location

Phase II

MEEK II STORM LINE Project location 1/4

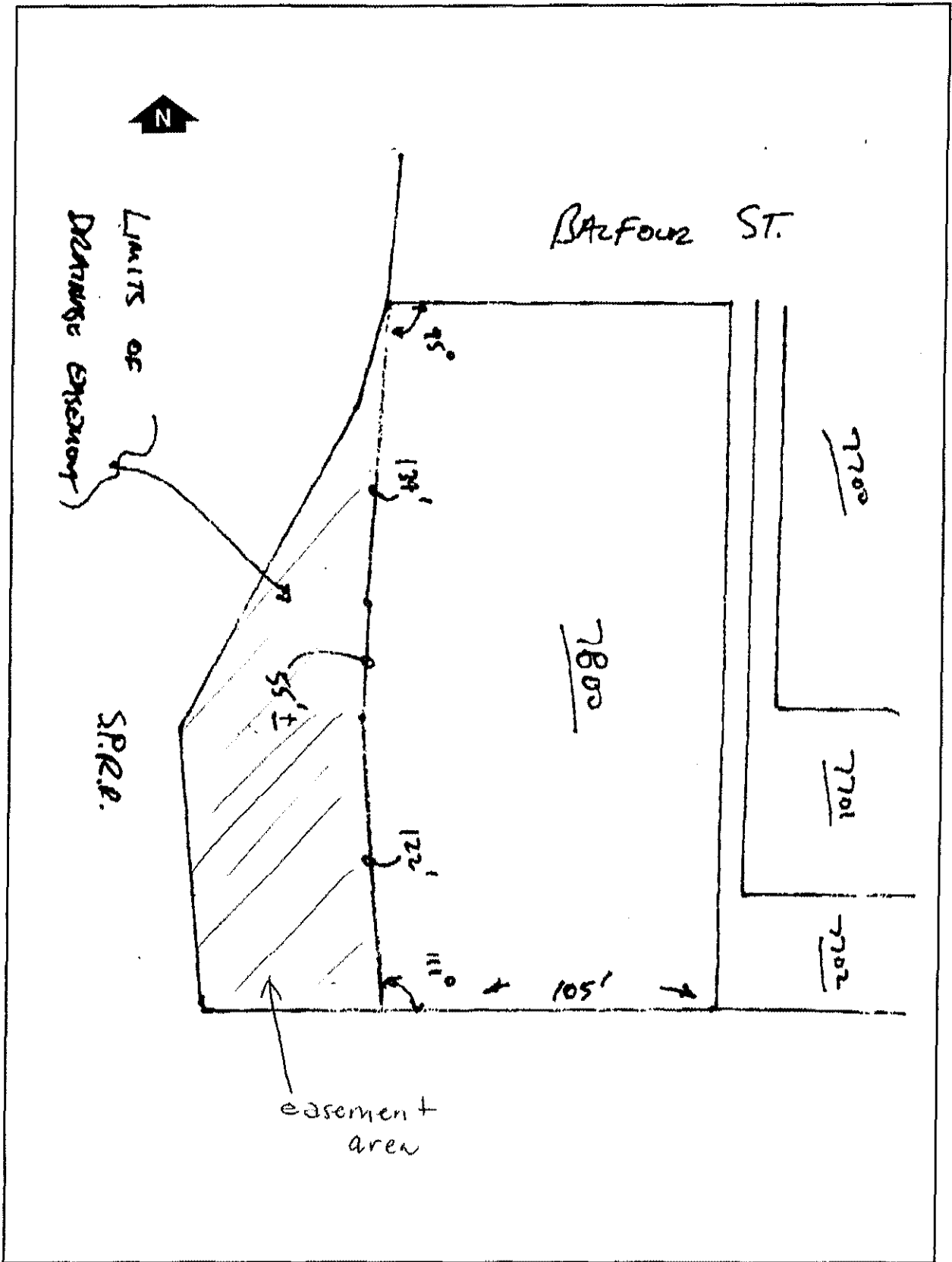
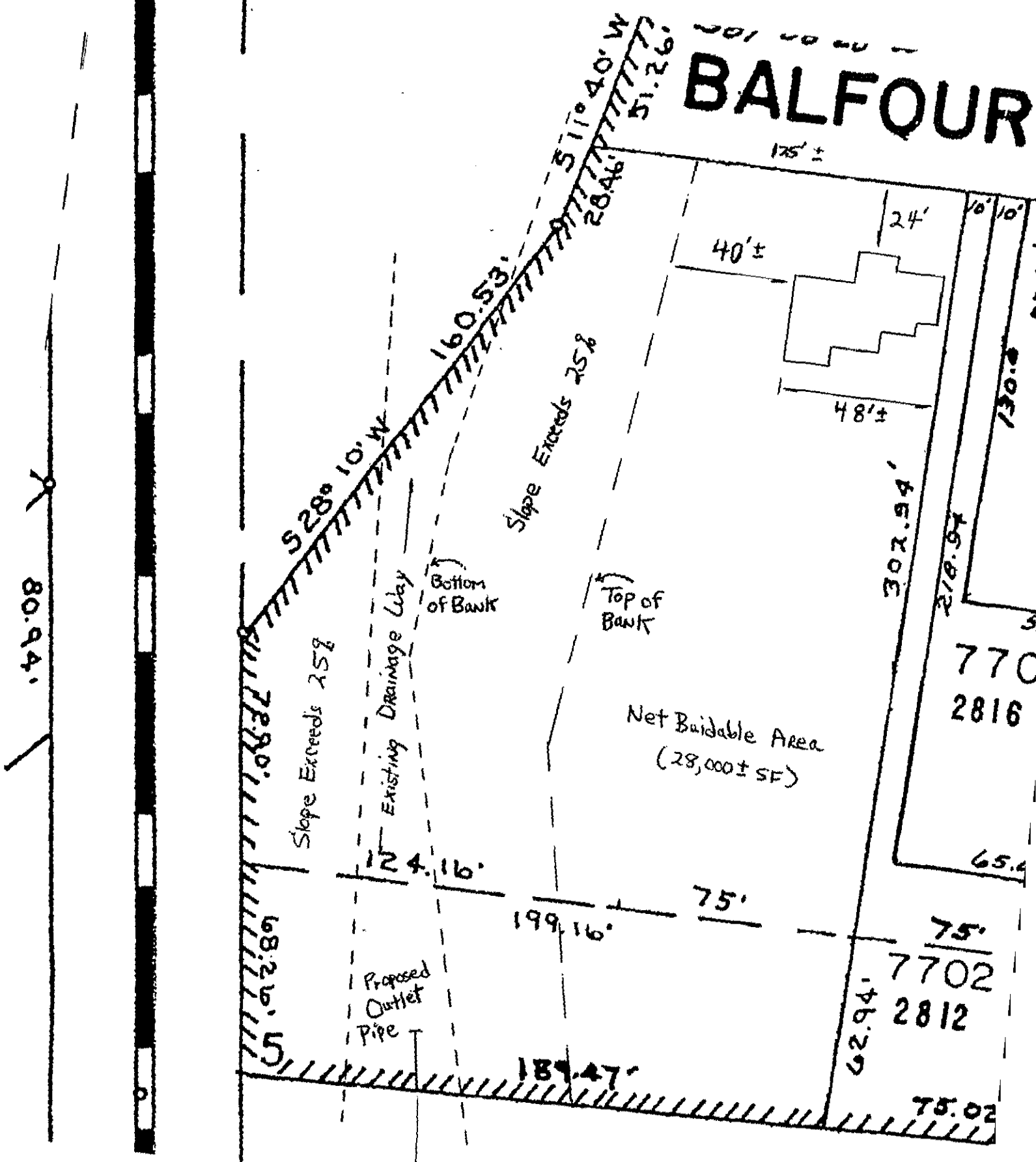


DIAGRAM OF THE TAKING

MEEK II STORM
2/4

BALFOUR



PLOT PLAN

MEEK II STORM

3/4

TOPOGRAPHIC MAP

136.2

10303
* 165.10
TOP BANK

10302
* 164.60
TOP BANK

10351
10350 * 128.40
* 128.53 N.G.
TOP BANK

10349
* 129.04
TOP BANK

10345
* 131.97
TOP BANK

10346
* 130.00
TOP BANK

10301
* 163.44
TOP BANK

10341

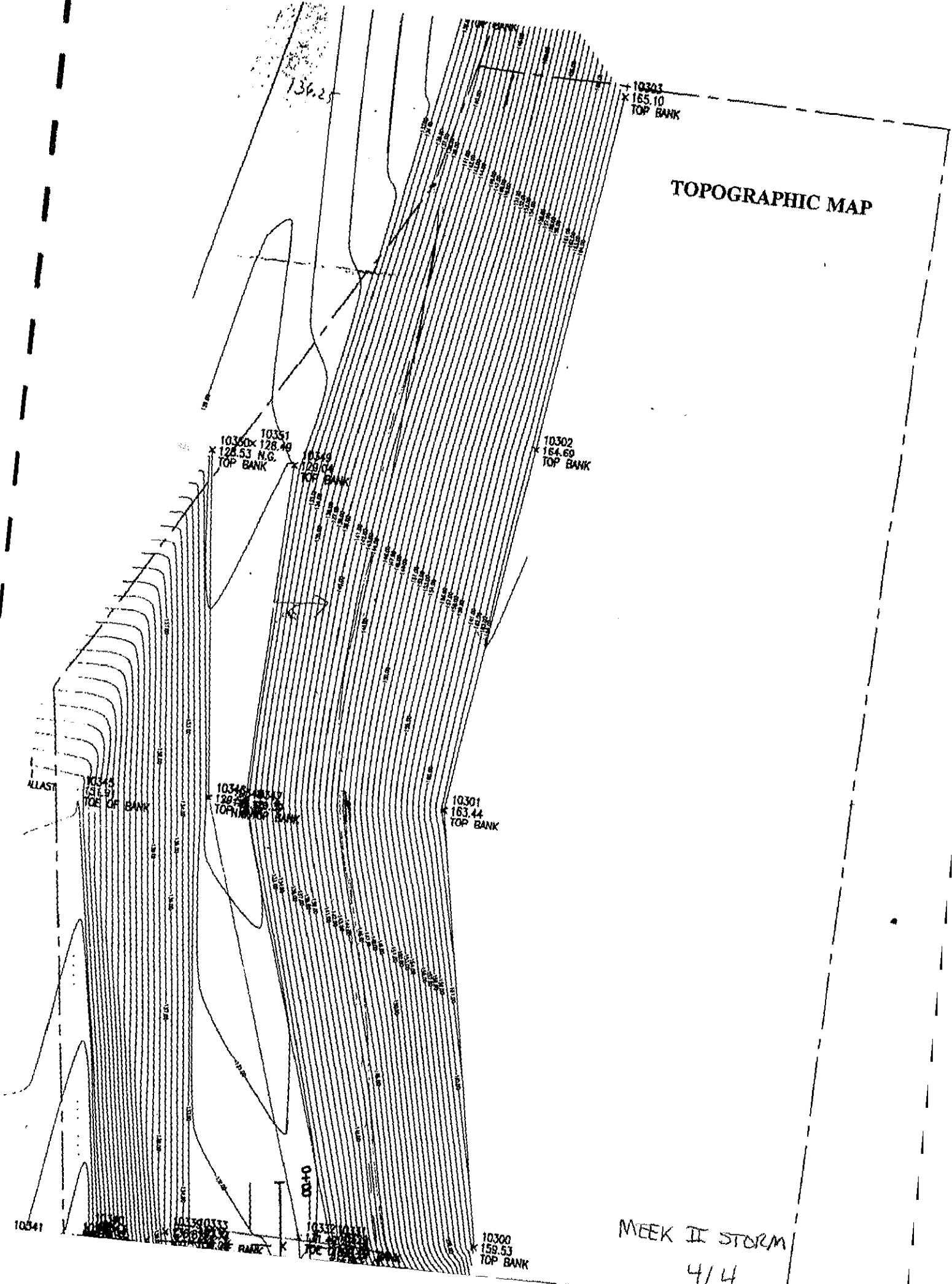
10339
* 130.00
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10332
* 131.40
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10300
* 159.53
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MEEK II STORM

4/4



RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
DECLARING THE NEED TO ACQUIRE PROPERTY FOR THE PURPOSE OF STORM
WATER RUNOFF.**

WHEREAS, the City of Milwaukie is authorized by state statute as follows:

To appropriate any private real property to any public or municipal use or for the general benefit and use of the people of the city, ORS 223.005;

To direct proceedings to be taken under the general laws of this state to procure private property for rights of way for drains, sewers or aqueducts, or for widening, straightening or diverting channels of streams, ORS 223.105; and

WHEREAS, for the public purposes of channeling the storm water runoff for the health, safety, benefit, and general welfare of the public, the City Council has deemed necessary the acquisition of certain property at 2808 SE Balfour.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1: The City of Milwaukie City Council does hereby find and declare that there is needed and required to channel the storm water runoff over portions of 2808 SE Balfour, Milwaukie, Oregon 97222 the boundaries of said acquisitions as shown in "Exhibit A" hereto and incorporated herein by this reference.

Section 2: The Property is required and is being taken as necessary in the public interest and the improvements to the Property will be planned, designed, located, and constructed in a manner that will be most compatible with the greatest public benefit and the least private injury.

Section 3: The City Administrator and their designees are authorized to attempt to agree with the owners and other persons in interest in the Property as to the compensation to be paid for its appropriation, and, in the event that no satisfactory agreement can be reached, proceedings as may be necessary to possess and acquire the Property are authorized to the extent provided by law.

Section 4: This resolution takes effect immediately upon adoption.

Introduced and adopted by the City Council of the City of Milwaukie on _____

James Bernard, Mayor

ATTEST:

Pat DuVal, City Recorder

APPROVED AS TO FORM:
Ramis, Crew & Corrigan, LLP

City Attorney

Exhibit "A"
City of Milwaukie Storm Drainage Easement
1-1E-25CA-07800
SE Balfour Street

A storm drainage easement in Lots 4 and 5, BONNIE VIEW ACRES, Plat No. 4, a duly recorded plat in Clackamas County, Oregon, in the Southwest quarter of Section 25, Township 1 South, Range 1 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, located on property conveyed to John S. Burbach and Arlee E. Burbach, in Instrument No. 79-25162, Clackamas County Deed Records, being more particularly described as follows:

Beginning at the Southeast corner of said Lot 5, said point being on the Westerly right-of-way of SE 29th Avenue; thence South 87° 33' West along the Southerly boundary of said Lot 5, 255.00 feet to the True Point of Beginning of said drainage easement; thence North 23° 27' West, 122.00 feet; thence North 0° 00' East, 60.00 feet; thence North 9° 36' East, 135.01 feet, more or less, to the Northwest corner of said Lot 4, said point also being on the Southerly right-of-way line of SE Balfour Street; thence South 11° 40' West along the Westerly boundary of said Lot 4, 28.46 feet; thence South 28° 10' West continuing along the Westerly boundary of said Lot 4, 160.53 feet; thence South 9° 25' East continuing along the Westerly line of said Lot 4 and Lot 5, 141.16 feet to the Southwest corner of said Lot 5; thence North 87° 33' East, 84.53 feet to the True Point of beginning.



Park & Recreation Board

PARB

Tuesday, September 27, 2005

7:00 PM to 9:00 PM

Regular Meeting

MINUTES

Attendees: Kathy Buss, Kate McCready, Ray Harris, Sherri Dow, Mart Hughes, Rob Gabrish, Sonny Newson

Staff: JoAnn Herrigel, Joan Young

Minutes

The minutes from the August meeting were approved (5-0- 2 – Gabrish and Newson abstaining due to absence at that meeting).

Metro Bond Measure Project List

Herrigel said she'd been attending meetings with Clackamas County, the North Clackamas Park District and other Clackamas County Cities to discuss the distribution of local share funds that may come from a November 2006 Metro Greenspaces ballot measure. She said that each participating jurisdiction was being asked to weigh in on the following:

- How large a bond Metro should ask for
- How large a portion of the bond local parks providers should get, and
- What projects each jurisdiction would complete with the funds.

Herrigel asked if the PARB had any comments on a list of projects she had drafted. The draft list is as follows:

First Cut:

- | | |
|---|------------------|
| • Land Acquisition – West of 32 nd Ave | \$ 150,000 |
| • Land Acquisition – South of Lake Rd. | \$ 150,000 |
| • Milwaukie Riverfront Park Development | \$ 500,000 |
| • Wetland Enhancement + Trail at Spring Park | \$ 100,000 |
| • Play equipment – Homewood Park | <u>\$ 20,000</u> |
| | \$ 920,000 |

Other:

- | | |
|--|-------------------|
| • Trail for Minthorn Wetland | \$100,000 |
| • ADA Ramp for 3 Bridges @ McLoughlin Blvd. | \$ 500,000 |
| • 17 th Street bike lanes/sidewalks | \$ 500 -1,000,000 |

Hughes said he thought we should add a bike trail from the Springwater Trail to the Aquatics Park through Milwaukie (along the rail road). He noted that this could connect the Springwater Trail to the 1-205 bike trail at some point.

Hughes went on to say that he thought the City should adopt a policy to use these funds for land acquisition only. He said it was important to preserve the land now before it is gone.

Dow said she thought it was as important to make properties we already have usable by people. Hughes pointed out the success of Lewelling Community Park that was completed with very little funding from the City.

After some discussion, the group agreed that the City should focus the majority of local share funds on land acquisition (maybe 65%) and spend the remaining dollars (35%) on projects like the Riverfront Park and Spring Park.

IGA Review

Herrigel reminded the group that they'd tabled the review of the Intergovernmental Agreement between the City and the District and said she wanted to start going through the document section by section to see where there were issues the group felt needed attention. The group used the summary version of the IGA that Herrigel had created. Following were the issues covered during this discussion:

- **Term of agreement** – Don't change current language but review internally every year and have major review every five years.
- **Governance** – language describing the make up of the District Advisory Board is now inconsistent with the language in the Happy valley IGA. This should be reconciled.

The group experienced some difficulty using the summary document and Herrigel said she would use the actual document for a continuation of this subject at the next meeting.

Staff Updates:

City of Milwaukie:

- Riverfront Concept surveys were mailed to Milwaukie households that week. Herrigel reminded the group to fill out their surveys and return them. She noted that only those surveys sent to homes will be included in the "Inside Milwaukie" data. The web site surveys and other surveys distributed at City buildings and open houses will be considered "outside Milwaukie". She noted that two open houses will be held: Oct 19 and Nov 9 from 6 to 8 pm at City Hall.
- There will be a Homewood Park ribbon cutting on October 29th at 10:30 am. The event will celebrate not only Homewood Park but all the City projects completed with Local Share funds from the 1995 Metro Greenspaces bond.
- The bid for Lewelling Park construction should go out in January. Council signed the IGA with the Oregon Parks and Recreation Dept allowing funds to be allocated to this project.
- The City has signed an agreement with Clackamas County to transfer property under Kellogg Lake to the City for a little over \$4,000 in administrative costs and back taxes. If the City pursues the removal or modification of the dam at 99E this area will be revegetated and become a natural buffer for Kellogg creek.

District:

- Joan expressed the District's appreciation for the City's enforcement of Park rules at North Clackamas Park
- She handed out copies of the "Healthy Living Guide"
- Bids for construction of the ball field project at North Clackamas Park are expected to go out in February, 2006. Construction will begin in the spring and should be completed by October 2006.

- The District is looking at refurbishing some soccer fields at View Acres and Lot Whitcomb and potentially building new fields at the Feifer property at 139th.
- District is installing artificial turf on a field at Aldercreek Middle School.
- The Happy Valley IGA was approved by the County Commissioners and will go to the Happy Valley City Council in November
- The Aquatics Park is open after 3 weeks closure – there's new carpet in the entranceway.
- The roofing at the Milwaukie center is almost completed.
- The Friends of the Milwaukie Center are being recognized for 25 years of service on Thursday (Sept 29?) at the County Commissioners meeting

Harris moved to adjourn and Dow seconded. The motion passed 7-0.

Riverfront Board Meeting Minutes October 11, 2005

Members present: Wall, Green, Klein and Darling
Absent: Martin, St.Clair, Stacey

Minutes:

Wall motioned to approve the minutes of the August meeting, Klein seconded and minutes were approved 4-0.

Approval of the September minutes was held over until the November meeting.

Update on the Concept Plan Public Review process:

Herrigel reported that the surveys were mailed to homes in Milwaukie and the City was receiving about 500 a day in returns. She said the open houses were scheduled for Wednesday October 19 and Wednesday November 9 from 6 pm to 8 pm at City Hall.

The group agreed that the Riverfront Board should have a role in these open houses. Dave Green volunteered to speak at both events to welcome folks and invite them to give us their input. The group agreed that the tenor of the meeting should be as positive as possible – stating what the history of the project has been to date and what we are looking forward to in the future after public input. The public should be encouraged to “think big” about the next twenty years. Darling noted that a bulleted list of the project’s history should be displayed.

Fundraising:

Herrigel distributed a draft of options she’d developed for the group for accepting donations for the Riverfront. The options consisted of : 1) placing the funds in a dedicated City account; 2) placing funds in a fund created by Celebrate Milwaukie Inc (CMI) and, 3) establishing a foundation for accepting funds. The group indicated they preferred the City account but encouraged Herrigel to discuss the options with potential funders to see which they’d prefer. Wall expressed concerns regarding non-profits and foundations, noting that they typically have high turn over on their Boards and consistency is lacking. Green noted that at least a foundation would have a focus on the Riverfront – whereas CMI had several areas of concern.

The group suggested Herrigel look into the following regarding the City account options:

- Ask potential donors what they look for in organizations they donate to
- How can the funds donated to the Riverfront be restricted in their use – for the Riverfront only.
- Would donations to the City be tax deductible?

Staff Update

Boat Ramp – Herrigel said she had a diver and a civil engineer both recommended to her by the County evaluate the condition of the boat ramp recently and she was working with the Oregon Marine Board to see if a short term fix would be fundable with funds from the OMB and the City.

Clearwater – The City Council has approved the IGA with the District and the County has authorized its staff to move forward on the Clearwater project and established new rates to fund the project. City Council will hold a hearing on Nov 15 regarding a 6% rate increase for the next six years for wastewater customers.

McLoughlin Blvd - sidewalks are done and work will shift from the west side to the east side in December.

North Main – the construction bid for this project was higher than anticipated and the closing has been postponed pending new loan approvals.

Texaco Site – Metro recently closed on the Texaco lot at Harrison and McLoughlin. The City of Milwaukie signed an agreement with metro to combine the City's municipal parking lot with the Texaco lot for sale as one whole block.

Cash Spot - the city is still working on alternatives to access to this site through Dogwood Park. The owners of the cash spot have said that the City would need to pay them \$250,000 if no additional access is provided.

Watershed Council grant – staff is working with the Watershed Council and OWEB staff to develop a grant for Klein Point and the first reach of Johnson Creek. Application has been delayed due to OWEB grant schedules.