

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
MARCH 10, 2003**

CALL TO ORDER

The 1905th meeting of the Milwaukie City Council was called to order by Mayor Bernard at 6:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Deborah Barnes
Larry Lancaster

Susan Stone

Staff present:

Mike Swanson,
City Manager

Jeff King,
Project Manager

Alice Rouyer,
Community Development/
Public Works Director

Kelly Somers,
Facilities & Fleet Manager

John Gessner,
Planning Director

Willie Miller,
Facilities Maintenance Specialist

Mary Rowe,
Human Resources Director

Jack Perry,
Operations Supervisor

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Centennial Flag

Wilda Parks, Centennial Committee Chair, presented a flag that flew over the State Capital on January 20, 2003 in celebration of the Milwaukie's 100th year. The flag was a gift from U.S. Senator Ron Wyden.

Councilor Lancaster suggested posting flag etiquette information on the website.

Employer Support of Guard and Reserve

The City of Milwaukie received an employers' award for supporting the National Guard and Reserves.

Councilor Lancaster attended the award ceremony with Jack Perry and Alice Rouyer. He was extremely impressed by the people there; it was the who's who of military brass. This is the single most prestigious award from the Defense Department to employers who participate in programs assisting the Armed Services. He was very honored to be there to receive the award and thanked Rowe for having a policy that makes this type of support possible.

Swanson thanked Perry for believing in the City as an employer and taking the time to submit the application.

Visitor Recognition

Mayor Bernard presented a Key to the City to Australian guests Tom and Debbie Burt. He is proud of his community and encourages other citizens, at their own expense, to recognize special guests in this manner.

Milwaukie's History

At Mayor Bernard's request, Milwaukie Museum Curator Madalaine Bohl prepared history notes about the second ordinance adopted by the Milwaukie City Council in 1903. It established licensing fees for people doing business in Milwaukie.

CONSENT AGENDA

The consent agenda included:

1. City Council Minutes of February 3, 18, & 23, 2003;
2. Resolution 7-2003: A Resolution of the City Council of the City of Milwaukie, Oregon, Amending Resolution No. 6-2003 Pertaining to a Condition of Sale of the Property Located at 12125 SE 21st Avenue;
3. Energy Loan Program for Energy Saving Projects; and
4. OLCC Application for The Brew Bar & Grill, 10933 SE Main Street.

Councilor Barnes requested the City Council minutes of February 18, 2003 be removed from the consent agenda for discussion. Councilor Stone requested the City Council minutes of February 23, 2003 and the Energy Loan Program be removed from the consent agenda for discussion. Councilor Lancaster seconded. Motion passed unanimously among the members present.

It was moved by Councilor Lancaster and seconded by Councilor Barnes to approve the Resolution of the City Council of the City of Milwaukie, Oregon, Amending Resolution No. 6-2003 Pertaining to a Condition of Sale of the Property Located at 12125 SE 21st Avenue and the OLCC Application for The Brew Bar & Grill, 10933 SE Main Street. Motion passed unanimously among the members present.

Mayor Bernard announced that the city attorney was excused from this meeting pursuant to Milwaukie Municipal Code Section 2.04.120.

AUDIENCE PARTICIPATION

None.

OTHER BUSINESS

Economic Development Policy

King provided the staff report on operationlizing parts of an economic development policy for the City. He provided an outline of issues related to economic development and identified key points: (1) changes in the economy and ways to respond; (2) perspectives; and (3) immediate steps that can take place on a limited budget which would lay the groundwork for a future large-scale policy.

With the current recession, people are scrutinizing how to better respond to economic development. Just as businesses need to respond quickly to economic changes, so must cities be prepared to respond to economic development. Several trends have emerged over the past 10 years: businesses must compete nationally and globally, knowledge has replaced oil and other natural resources as the key asset or resource for many businesses, work force must be educated and have specialized skills beyond a high school diploma, and economic growth and competition are based more in metropolitan regions than states or nations.

The regional economy is built around clusters for competitive advantages, which in the Portland metro region is composed of high technology, metals, machinery, transportation equipment, apparel, sporting goods, agricultural and food products, nursery products, and wood and paper products. Essentially, this is an infrastructure of specialized skills and facilities, venture capital, and a trained quality work force that acts as a knowledge base. Further, to be competitive in a world market, it becomes effective to build on these clusters. Secondary growth could end up in Milwaukie even though a company might be located in Beaverton. The increased use of the technology, Internet, and digital infrastructures enhance productivity.

Quality of life is an increasing factor in supporting and attracting economic success. Ongoing innovation and creativity is necessary as a source of continuing economic competitiveness. Because of its location, Milwaukie is impacted on 3 levels: regionally by things like a technology center, an advanced school of engineering, and transportation; citywide there may be tools or policies such as marketing that can help the economy in general; and finally site or project specific development, for example the Safeway site, can help Milwaukie expand.

More and more success comes through public/private partnerships that provide a team approach that is more efficient for all. He discussed Milwaukie's neighborhood structure that provides outreach, coordination, and support. The foundation of a strong economic development policy is building and sustaining capacity and creating a strategic plan with a vision and goals. Policy implementation should include land use and infrastructure, business retention and expansion, business recruitment and marketing, small business and entrepreneurial development, business climate and regulatory processes,

downtown and waterfront commercial development, a skilled work force, business resources, incentives and network, and regional participation.

Immediate steps to consider are creating a task force to look at some kind of long term capacity such as an economic development commission or a public/private partnership forum. Other immediate steps are to continue with the North Industrial Land Use project, to participate in regional committees, to develop an economic profile and site inventory, to establish an outreach plan with existing business and property owners, to seek grants, to network with other organizations, to proceed with downtown development, and to fund transportation improvements in Milwaukie that will effect future competitiveness.

Councilor Lancaster said it appears this is a good general plan that covers everything but is not so specific it cannot evolve. He agreed with King's suggestion that the economic development committee be heavily weighted with private sector membership. He asked King if he had given any additional thought as to the types of people and geographical location of the membership. In the past, the City has tried to keep as many residents on advisory boards as possible, which may not be appropriate with this group.

King has considered the committee's composition and feels it is important that it be private sector driven with public sector involvement. However, there are distinct categories because of the importance of a skilled work force and different types of businesses.

Councilor Lancaster was thinking of tapping resources in the entire metropolitan area versus restricting the membership to talent within Milwaukie proper.

King felt there should be some members either working or living in Milwaukie. A component to consider is a membership with an expanded expertise to strengthen links. He suggested an ex officio or ad hoc member from the Oregon Economic Development District and Chamber. There are certainly important links with the School District. He has not gotten to the point of thinking of a finished product, but it is important for the community and elected leaders to consider how to shape things. He can filter suggestions as the Council wishes.

Councilor Lancaster said his main concern is getting the right mix of people that can really get something done.

King agreed and said it is important to have someone who is a champion or leader with real energy and vision.

Councilor Barnes appreciated King's effort and is very pleased. She wants to begin moving on this immediately and would be more than happy to forward and do what needs to be done. She wants to begin moving on this immediately.

King said the immediate steps can be implemented at minimal or no costs, and there may be a grant opportunities. He discussed putting together a task force and doing some of the work already started under the rubric of economic development including the North Industrial Land Use Study and the downtown plan.

Councilor Barnes was very supportive of the ambassadors committee that welcomes new businesses to the City. She would be happy to represent city officials on that group.

King has observed a lot of talent in the local businesses and public sector people and partnerships are already beginning. There has been a good message coming from the City, so he feels the pieces are there.

Councilor Stone asked when grant funding might begin.

King believes applications will be accepted in March and April, and he does not think the state will make any further cuts to the Regional Strategies Fund this fiscal year.

Councilor Stone asked King for his vision of the size of a committee.

King thought a 15-member committee would work with a smaller executive committee to provide a mix of perspectives. These are his initial suggestions and are certainly flexible.

Councilor Stone thinks it would be great to get people from all these sectors, but her concern is getting that many people together for meetings.

Councilor Lancaster asked how any perceived or actual conflicts of interest would be handled.

King did not have any thoughts on that issue at this point.

North Industrial Land Use Study Update

Gessner provided the staff report on the North Industrial Land Use Study (NILUS) and noted it was for information only. There has been good feedback from area business and property owners. The NILUS open house was well attended with excellent representation, and staff feels it is really beginning to understand business issues related to this project. Some of the most important concerns are coming from the major land uses in the area, which are warehousing and distribution concerns. The north industrial area is home to about 3.7 million square feet of floor area, and a good deal of that is in warehousing and distribution. One of the things learned recently is the importance of the rail spurs to both the historical development of the area and the future. Representatives from Oregon Transfer, Holman, and Rudie Wilhelm indicated their companies receive inbound freight on rail cars and then distribute throughout the

greater northwest region by truck. One of the company presidents said it is their lifeblood.

When this project started there was a possibility that some of the larger buildings would transition to another type of land use. What was learned is that because of the scarcity of comparable sites and the importance of rail access, these companies plan to be where they are for the next 20 years. As a result, staff changed its perspective on what parts of the north industrial area might redevelop. Some of the sites that will likely be subject to redevelopment pressures are on the southern end, particularly the Harvester Drive site. A big question about redevelopment hinges on when light rail will happen and the resulting market interest. The work that has been done to date shows there will be a market demand for office type uses and a move from warehousing, distribution, and manufacturing.

On the west side of McLoughlin Boulevard there are several sites that have been vacant for some time that formerly housed manufacturing companies. To provide encouragement, a recently completed industrial land use study shows good prospects and high demand for industrial land well into the next 20 years. If these projections are correct, people will be looking for sites in the greater metropolitan area. Not all industrial locations are the same. Milwaukie's location serves many interests because of its proximity to Portland. The current manufacturing zone regulations are very restrictive, and staff is considering broadening the types of uses in the north industrial area to allow greater flexibility. The first thing heard was that existing businesses must be protected, and staff believes it can make the zoning more permissive without adversely affecting the existing businesses.

The Council had no questions on Gessner's report. He added a few comments about SamTrack which provides an important service to Milwaukie's industry.

Metro Affordable Housing Reporting Requirements

Gessner provided the staff report on the Metro Functional Plan Title 7 requirement related to increased opportunities for affordable housing. Metro established certain reporting requirements, and the City missed 1 reporting deadline by about a year. At this point in time, there are no requirements other than to consider various options including the current conditions and secondly to consider strategies. Staff is seeking direction on whether it should conduct this work and do the reporting and submit it to Metro after City Council approval.

He estimated it would take about 50-60 staff hours over a 5-month period. There is another deadline in December, which is to adopt a Comprehensive Plan policy encouraging and supporting a diverse range of housing; however, Gessner doubts it will be met. Milwaukie did fairly well by comparison with its stock of affordable housing. He discussed voluntary affordable housing goals which Metro set at 102 housing units with incomes at less than 30% of the regional median household income. For instance, that would be \$429 per month for housing costs and is probably subsidized housing of some

kind. One procedural issue he will investigate if Council directs is how Metro arrived at that number. Gresham reported and raised a number of questions about whether or not Title 8 was considered in the voluntary housing goal. If that was not considered as it appears, it may turn out that Milwaukie has already met its voluntary target if public sector supported housing is counted.

Mayor Bernard said everyone realizes there is already a lot of affordable housing in Milwaukie, probably more than its share, and he is confident the report will show that.

Councilor Lancaster said, in addition, the emphasis should be on the appropriate mix of housing opportunities which means more other types of housing than affordable. Another element that should be in the mix is the percentage of public entities within a jurisdiction. He believes Milwaukie has a high percentage per capita of non-taxpaying entities.

Councilor Stone asked Gessner to clarify the methodology Metro uses in coming up with their figures and what the median income is for Milwaukie.

Gessner said Metro looked at the entire region and made assumptions about what affordable housing is or is not. Affordable housing is housing for which residents spend no more than 30% of their median income. He thinks Metro probably collected data from mortgage companies. Metro looked at the data and came up with a shortfall of 90,000 units region wide over the next planning period and decided the region should come up with 10% of that shortfall over the next 5 years.

Councilor Stone believes Gresham made a good point about considering Section 8 housing. Milwaukie certainly has absorbed a huge share of Clackamas County's low income housing. She would like to know those numbers and pursue the issue with Metro.

Councilor Lancaster thought some of these assumptions were arbitrary. He is not convinced that a high percentage of people who have low overall income may live in a particular area, which drives that percentage much higher. People living in Lake Oswego, for example, probably pay a disproportionately large amount of their income for housing. The numbers can be easily skewed by demographics, which may weigh in Milwaukie's favor.

Councilor Stone asked Gessner to explain the density bonus.

Gessner said a density bonus is typically done through a land use approval where the developer provides a certain percentage of affordable units and would be given an overall density bonus. This is an incentive to provide affordable housing. It can be done in a number of different ways, either by cost or by unit.

Councilor Stone referred to staff report page 7 having to do with fast track affordable housing and asked for a definition of that term. It seems fast track development does

not necessarily enhance the neighborhood and may in fact lower values. She wants to raise the standard of living and not lower it. The City needs to strive to raise the bar.

Gessner said this refers to the amount of time, particularly in Portland, it takes to get a project completed. This is not the case in Milwaukie, however. If the developer is able to cut 6 months out of the approval process, then he saves money.

Gessner affirmed staff was directed to proceed with the reporting, and City Council confirmed that.

City Council Minutes of February 18, 2003

Phillip Reich, 5650 SE King Road, Milwaukie. There were few corrections to the minutes. Most of his discussion had to do with the result of the minutes, and what was given to him by the City did not necessarily reflect Council's decision.

His changes to the minutes were on page 13, paragraph 2. He had said, "The owner as well as her daughter did appear..." The minutes says "daughters"; she only has one. The daughter's daughter did appear as well. Later it says, "He felt they had been a misrepresented." This does not make English sense. He stated, "He felt there had been a misrepresentation that they were owners in the minutes of the Planning Commission." The daughter is not an owner.

Mayor Bernard said the daughter would technically be an owner. He received a call after this meeting, and she was very upset. This property is being held in trust in her name.

Reich said that is not what her mother told him when he talked to her previously.

Swanson said what was said at the hearing cannot be changed regardless of a misstated fact that evening. The minutes should reflect what was stated that evening.

Reich was talking about what he stated in the last meeting. He received a notice of decision based on the City Council's decision. There are some inaccuracies, and he also received it late. He did not receive it in the mail; he had to call the planning department and ask Kenneth Kent to fax it to him. This was 9 days after the Council meeting. The notice states the Council voted unanimously. That is not true. Then it goes on, "according to the denial the appeal shall be voided on occurrence of the following..." According to the minutes the motion as restated by Firestone was to "deny the appeal but allow the applicant 21 days to submit a revised application to the Planning Commission; if nothing is submitted within those 21 days, denial would be final and permanent." That was Council's decision. However, the notice of decision goes well beyond the decision of the Council, and Reich believes it is inaccurate. It states, "accordingly, the denial of the appeal shall be voided on occurrence of the following: submission of new and complete application no later than March 13, 2003, with one-half

of the applicable fees paid at time of submission." The one-half payment was not in the motion, but Reich agreed to it.

It goes on to state in item number 2 of the notice, "submission of the revised partition plan showing dedication of a public street with construction of street improvements in accordance with City design standards including provisions for vehicle turnaround and fire access described in the staff report presented to the Planning Commission October 22, 2002." There is no language anywhere in the minutes which reflect this statement; however, he is in agreement the intent was that the plans he produces include provisions following City guidelines and standards. He has no problem with that; however, this goes much further by saying you are adopting the staff's report as stated in the Planning Commission meeting. This was not specifically voted on or accepted by the City Council at its February 18 meeting. On page 2 of the notice of decision, it says, "Findings in support of denial were adopted by the Planning Commission on October 22, 2002, are adopted as part of these findings." Again the City Council did not make any motions to adopt findings. The clear decision was to "deny the appeal, but allow the applicant 21 days to submit a revised application to the Planning Commission; if nothing is submitted within 21 days, denial would be final and permanent." That was the motion. His point is, this goes well beyond what the Council decided, and he is concerned with it and would like to see something that reflects the Council decision rather than what was generated by staff.

Swanson asked if the minutes were correct with the exception of the plural of daughters and grammatical correction.

Reich said that is correct. The problem is the notice of decision which should reflect the minutes.

Swanson said the action before Council has to do with the minutes.

Reich contacted Councilor Barnes and mentioned both of these things and asked her the proper method for dealing with them. She agreed to pull the minutes for discussion. The minutes would be correct with those 2 changes.

It was moved by Mayor Bernard and seconded by Councilor Barnes to adopt the City Council minutes of February 18, 2003 with the 2 changes. Motion passed unanimously among the members present.

Swanson will discuss the notice of decision with the city attorney.

Reich is concerned because the deadline is coming up this week. As he mentioned to Councilor Barnes, he attempted to have a discussion with City staff during its regular Thursday meeting and was told it was cancelled because of Gessner's interpretation that unless he submitted exactly what the city engineer recommended, they would not discuss it. He did not even have a chance to discuss it. He is not trying to fight putting in a street. He is trying to come up with some reasonableness in what that means. He

had talked with Ken Kent about various options for doing that. The meeting was cancelled on Gessner's authority. He did not have a chance to talk with staff, and it is all based on this. Time is of the essence. If he waits for another Council meeting, it will be beyond the March 13 deadline. He suggested either the deadline be extended by 1 week to allow the City to deal with this issue or that this be dealt with tonight.

Swanson thought the minutes and decision that night was a final decision. The issue of whether or not it is correctly stated in the notice of decision could be raised in front of the next body on appeal. The final order of decision was entered that evening by the Council and is reflected in the minutes. He will speak with the city attorney, but he does believe the final order was entered that night.

Reich's concern is that anything he supplies will be rejected outright if it does not exactly meet what was stated in the notice of decision.

Mayor Bernard added at which time there is an appeal.

Reich was concerned this would be an additional process.

City Council Minutes of February 23, 2003

Councilor Stone clarified the intent and rephrased 3 of her comments in the draft minutes. The first was on page 35 in reference to the analogy of deployable police officers and nurses: "All RN's can respond to a crisis or disaster but perhaps not perform at the same level of service and be as effective as those trained to do so." Her point was that each has specialties and certain levels of basic training. The second change was on page 37 regarding the adding the neighborhood grant roll over to the motion: "Councilor Stone thought the 'rollover' addition to the motion was inappropriate. The motion was about a 1995 policy decision regarding community policing." The third was on page 38 regarding her comments on teambuilding: "Councilor Stone agrees teambuilding is important. When she sat down at this meeting, it was apparent a 'fast one' was being pulled by 3 members of the Council."

It was moved by Councilor Stone and seconded Councilor Lancaster accept the February 23, 2003, Council work session minutes as amended. Motion passed unanimously among the members present.

Energy Loan Program

Miller and **Somers** were present to provide information on the program.

Councilor Stone noticed that recouping the cost of the program would take 2 to 6 years depending on the department, and the term of the loan was 15 years. She asked if the repayment period could be shorter at a lesser percentage rate and if there was a penalty for early repayment.

Somers said 15 years is the maximum term, and there is no minimum, and there is no prepayment penalty. This project is included in next year's Capital Improvement Plan (CIP) and shows the loan coming in and payments in the facilities department spreadsheet for affected departments. The maximum interest rate is 5.1% and can go as low as 2%.

It was moved by Councilor Stone and seconded by Councilor Lancaster to sign all documents required to apply for and execute a \$170,000 energy loan from the Oregon Office of Energy. Motion passed unanimously among the members present.

Adjournment

It was moved by Councilor Lancaster and seconded by Councilor Barnes to adjourn the meeting. Motion passed unanimously among the members present.

Mayor Bernard adjourned the meeting at 7:15 p.m.

Pat DuVal
Pat DuVal, Recorder

**CITY OF MILWAUKIE
CITY COUNCIL AGENDA
MARCH 10, 2003**

MILWAUKIE CITY HALL
10722 SE Main Street

1905TH MEETING

REGULAR SESSION - 6:00 p.m.

I. CALL TO ORDER
Pledge of Allegiance

II. PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

III. 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.)*

- A. City Council Minutes of February 3, 18, & 23, 2003**
- B. Correct Resolution 6-2003/Sale of Property Located at 12125 SE 21st Avenue -- Resolution**
- C. Energy Loan Program for Energy Saving Projects**
- D. OLCC Application for The Brew Bar & Grill, 10933 SE Main Street (Change of Ownership)**

IV. 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.)*

V. 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.)*

None Scheduled

VI. 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.)*

- A. Economic Development Policy (King)**
- B. North Industrial Land Use Study Update (Gessner)**
- C. Metro Affordable Housing Reporting Requirements (Gessner)**

VII. INFORMATION

- A. Library Board Minutes of January 27, 2003**
- B. Park and Recreation Board Minutes, January 28, 2003**
- C. Riverfront Board Minutes, January 27, 2003**
- D. Citizens Utility Advisory Board Minutes, February 5, 2003**

VIII. ADJOURNMENT

EXECUTIVE SESSION -- *At the end of the regular meeting, the Council may hold an Executive Session under the authority of Oregon Revised Statutes 192.660 as needed.*

For assistance/service per the Americans with Disabilities Act (ADA), dial TDD 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

FROM: Mike Swanson, City Manager

DATE: February 28, 2003

RE: FYI Memo for the Weeks of March 3, 2003 through March 14, 2003

It seems as if this memo is somewhat abbreviated with the change in hearing dates from the usual first and third Monday/Tuesday of the month as well as the sudden lack of Budget Committee meetings. We will return to the normal Council schedule in April, and, of course, the FY 2003-04 budget process will soon begin to heat up.

The main event during these two weeks is the one Council hearing scheduled for March 10. A couple of notes of interest follow that.

MARCH 10, 2003 COUNCIL MEETING

1. **CORRECTION OF RESOLUTION 6-2003:** Staff is requesting that Council approve the resolution correcting an error in the resolution approving the sale of the Heckmann property. That previous resolution stated that the seller bore the burden of removing the home from the property. It was Council's intention that the buyer bear that burden, and the proposed resolution makes that correction.
2. **ENERGY LOAN PROGRAM PROJECTS:** Staff is requesting that Council authorize the City Manager to sign all necessary documents required to apply for and execute a \$170,000 energy loan from the Oregon Office of Energy. The funds from the loan will be used to replace old, inefficient HVAC equipment and controls. The new equipment and controls will reduce energy use and save money at the Ledding Library, the Public Safety Building, and the Public Works Building.
3. **ECONOMIC DEVELOPMENT POLICY:** This is intended as an opportunity to discuss a direction for economic development policy and to give staff direction in the development of future programming. Traditionally we would have scheduled this for a work session, but given the fact that we have none scheduled for this week, I thought it better to go ahead with this discussion in order to move forward.

4. **NORTH INDUSTRIAL PROJECT UPDATE:** As with the above item, this would normally be a work session item. Staff will brief Council on the progress and issues that have arisen thus far. The North Industrial Land Use Study project is well under way and nearing completion of the analysis phase. Preliminary results show that the area will support continued industrial uses and a broader mix including offices. Based on possible employment increases some intersection improvements will be required in the future. It has also been learned that area will remain a strong location for warehousing and distribution in the years to come. In order to take advantage of projected market demand for non-manufacturing jobs, staff will most likely propose changing the area's zoning to accommodate a wider mix of uses similar to the City's Business Industrial zone located along International Way. Staff will present an update of the project status and report of the results of the February 26, 2003 Open House to the Council on March 10, 2003.
5. **METRO AFFORDABLE HOUSING REPORTING REQUIREMENTS:** Staff is seeking Council direction to proceed with reporting on affordable housing as required by Metro's Title 7—Affordable Housing to the Urban Growth Management Functional Plan. The project will include basic research, an audit of City codes and planning documents, and a definition of policy choices.

OTHER ISSUES OF INTEREST

1. This year's Down to Earth Day is scheduled for May 3. This is the 19th year the City of Milwaukie and the local waste haulers have hosted this citywide cleanup event. Please see the attached flyer for more details.
2. Please mark your calendars for May 18, 2003. That's the date of the NAMIWALKS for the Mind of America benefiting NAMI—Oregon, an affiliate of NAMI (National Alliance for the Mentally Ill). Steve Loaiza is the Executive Director of NAMI—Oregon and the Chair of our Riverfront Board. Both are volunteer positions to which he gives of his time and energy. Steve works pretty hard for us. I hope we can make a good show. JoAnn is putting a Milwaukie Team together.



MAY 3 DOWN TO EARTH DAY



On Saturday, May 3, 2003, the City of Milwaukie and your local waste haulers will host the 19th annual Down to Earth Day. City residents are welcome to bring the following materials to the collection day event: discarded furniture, unmounted tires, scrap metal, yard debris and general trash. Sites for the collections will be located at Linwood Elementary at 11909 SE Linwood, Ardenwald Elementary at 8950 SE 36th, and Seth Lewelling School at 5325 SE Logus. Collection sites will be open to the public from 8:30 a.m. to 1:30 p.m. *Cars arriving at the sites after 1:30 p.m. will be turned away.*

Hazardous materials, including paint, will NOT be accepted at the clean up sites.

The Household Hazardous Waste Facilities in Northwest Portland and Oregon City will accept your hazardous materials at no cost. Please save your household hazardous waste for a trip to one of these facilities.

The following fees will be charged at Down to Earth Day to offset disposal costs:

Unmounted Tires	\$ 1.50
Car load	\$ 2.00
Station Wagon	\$ 2.00
Small/Short bed pick up	\$ 5.00
Small Trailer	\$ 5.00
Large Trailer	\$ 6.00
Standard Pickup	\$ 6.00
Large Truck	\$ 8.00

The following materials will **NOT** be accepted: kitchen garbage, liquids, motor oil, mounted tires, car bodies, asbestos, animal wastes, drums, sod, dirt, stumps, rock, concrete, commercial waste, industrial waste, commercial waste, large appliances. Some items may not be appropriate and may be refused.

The program is available to City of Milwaukie residents only.

Curbside service for seniors and disabled residents is available on a limited basis.

For further information, please call JoAnn Herrigel at 786-7508.

CITY OF MILWAUKIE
CITY COUNCIL MEETING
CENTENNIAL OPENING CEREMONY
FEBRUARY 3, 2003

CALL TO ORDER

The 1903rd meeting of the Milwaukie City Council was called to order by Mayor Bernard at 5:40 p.m. in the City Hall parking lot following the reenactment of the first Milwaukie City Council meeting held in 1903. The Portland Waldorf School Horn Players had provided the prelude of horns and the Boy Scout Troop 911 acted as Color Guard. The following Councilors were present:

Deborah Barnes
Larry Lancaster

Susan Stone
Jeff Marshall

Mayor Bernard called for a moment of silence for the astronauts lost in the crash of the Space Shuttle Columbia and their families.

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Recognition of the Schindler Family

Mayor Bernard recognized descendents of Milwaukie's first Mayor, William Schindler, present in the audience for the Centennial Event.

Recognition of Honored Guests

Mayor Bernard recognized former Milwaukie Mayors in the audience Joe Bernard, Don Graf, Bill Hupp, and Carolyn Tomei as well as several other honored guests from the region.

Oregon State Senator Kate Brown, State Representative Carolyn Tomei, Metro President David Bragdon, and Clackamas County Commissioner Bill Kennemer were guest speakers.

OTHER BUSINESS

Public Process for Naming Park on Riverfront

Council announced the upcoming contest for naming the riverfront park with details in the next edition of *The Pilot*.

There was no further comment from the attendees. Mayor Bernard and Council invited visitors to join them in singing the birthday song and enjoying refreshments.

Mayor Bernard adjourned the meeting at 6:00 p.m.

Pat DuVal, Recorder

**CITY OF MILWAUKIE
CITY COUNCIL MEETING
FEBRUARY 18, 2003**

CALL TO ORDER

The 1904th meeting of the Milwaukie City Council was called to order by Mayor Bernard at 6:00 p.m. in the City Hall Council Chambers. The following Councilors were present:

Deborah Barnes
Larry Lancaster

Susan Stone
Jeff Marshall

Staff present:

Mike Swanson,
City Manager

John Gessner,
Planning Director

Gary Firestone,
City Attorney

JoAnn Herrigel,
Program Administrator

Alice Rouyer,
Community Development/
Public Works Director

Paul Shirey,
Engineering Director

Steve Smith,
Finance Director

PLEDGE OF ALLEGIANCE

PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS

Milwaukie's History

At Mayor Bernard's request, Milwaukie Museum Curator Madalaine Bohl agreed to prepare historical comments for each regular Council session during the City's Centennial Year. For this meeting Bohl prepared the following:

"...The gentlemen on that first Council and the people of Milwaukie fought for two years to become incorporated. The concern over amounts of explosives being stored along the railroad tracks and the condition of roads, sidewalks, central water supply, sewers, etc. pushed these men to act. To give this newly formed City the money to operate, a treasury was started by each of these men donating \$1.00 to the City. Eight dollars was all it took to begin, and poll tax receipt books and a City seal were ordered. With the City limits set to include the railroad tracks to the east, Milwaukie was able to control the amount of explosives stored in the powder houses as well as tax them. Now we look forward to creating a better City for all."

III. A. 3

Commendation for Milwaukie Police Officer Billy Wells

Kanzler presented a Certificate of Commendation to Officer Wells for his selfless action while off duty and use of his knowledge and training to save the life of a fellow human being, Mr. Richard Austin, on January 21, 2003.

Capt. Ron Schumacher, Clackamas County Fire District #1, presented Officer Wells with the Award of Merit for lifesaving volunteer care and giving assistance to another person.

Auditor's Report for Fiscal Year Ending June 2002

Charles Swank, Grove, Mueller & Swank P.C., Certified Public Accountants, provided a brief overview of the audit report.

It was moved by Mayor Bernard and seconded by Councilor Barnes to consider the Other Business agenda item at this time. Motion passed unanimously.

OTHER BUSINESS

Agreement with Clackamas Cable Advisory Board

Herrigel provided the staff report in which the City Council was requested to authorize the city manager to sign a personal services agreement with the Clackamas Cable Access Board (CCAB) to manage and operate Milwaukie's Public Access studio located at 6596 SE Lake Road.

In response to projected general fund shortfalls, the City's Public Access Studio Board considered ways to reduce expenses. It recommended the City terminate its existing studio manager contract in December 2002 and prepare a request for proposals (RFP). Seven qualified proposals were submitted, and a review panel recommended an agreement with the CCAB. The agreement keeps the Lake Road studio open 4 hours per day 5 days a week, offers Milwaukie users full privileges at the Willamette Falls TV (WFTV) Station in Oregon City, meets the City's contractual obligations to the Clackamas County Fire District, and provides for additional staff if necessary to meet obligations. The City's total expense for the remainder of FY 2002 – 2003 is not to exceed \$17,000.

Councilor Barnes asked if the CCAB would continue to use interns and how quickly it would respond to system problems.

Herrigel said the RFP addressed the use of interns, and the CCAB indicates it would welcome interns at both facilities. The system will be monitored from the WFTV facility, and Milwaukie will have equal access to studio engineers in the event of a system outage. She discussed using PEG funds to upgrade or modify the playback system.

Councilor Barnes discussed the feasibility of installing monitors in the City Hall lobby to run cable programming.

Herrigel said this would require 2 monitors: one for the public access station and one for the government channel.

Councilor Lancaster asked if studio users, including Fire District personnel, would be supervised.

Herrigel said, with the exception of those authorized by her or WFTV, that is correct.

Councilor Lancaster understands upgraded equipment would make it easy to program several days in advance.

Herrigel responded the playback system would be the next phase of the equipment upgrade.

Councilor Lancaster is mainly concerned about the quality of the City Hall transmission and hopes both the audio and video will be improved before the system is expanded.

Herrigel reported PEG fees would be used to review the entire system and to upgrade the transmission quality.

Stone asked why Gladstone is withdrawing from the WFTV agreement.

Herrigel replied the City of Gladstone is facing budget constraints and has decided to spend its money elsewhere.

Stone was curious if Milwaukie had ever done a survey to determine how many people watch the cable stations. She noted that Part II – System Concept and Solution refers to hiring another employee.

Herrigel says WFTV has an extensive operation, but the addition of another entity with a separate studio may require an additional employee. This would not result in any additional cost to Milwaukie.

Stone understands CCAB will assist the Fire District.

Herrigel explained the Fire District allows the City to use the Lake Road facility at no cost in exchange for 30 hours of studio assistance per month.

Stone said the figures in Part VII – Budget should be checked for accuracy.

Mayor Bernard suggested continuing the Milwaukie Cable Access Studio Board and assigning 1 of the members to participate on the CCAB. He asked who participated on the RFP review panel.

Herrigel said the final review panel was Board member Sherri Campbell, 2 volunteers from other area cable access programs, and herself.

It was moved by Councilor Barnes and seconded by Councilor Marshall to authorize the city manager to sign a personal services agreement with the Clackamas Cable Access Board to manage and operate Milwaukie's Public Access Studio located at 6596 SE Lake Road. Motion passed unanimously.

CONSENT AGENDA

The consent agenda included:

1. **City Council Minutes of January 21, 2003;**
2. **Authorize Equipment Purchase for Lake Oswego Dispatch Transition;**
3. **Acceptance of 2001 – 2002 Sewer Replacement Project; and**
4. **OLCC Application for Plaid Pantry – 10598 SE 32nd Avenue.**

Councilor Barnes referred to the request to purchase mobile data terminals (MDT) from the City of Portland and asked how many vehicles would be equipped and if the equipment would be transferable when new vehicles are purchased.

Kanzler said this purchase order provides for 10 patrol vehicles; however, that is not the entire fleet. The equipment is anticipated to surpass the 5-year expectancy of patrol cars and will be installed in new vehicles. MDT's do not replace voice radio. In response to another question from Barnes, Kanzler said the ancillary equipment referred to in the staff report includes, among other things, transmission lines between Milwaukie and Lake Oswego and geo-based emergency information that must be upgraded and transmitted to Lake Oswego. He hopes these 10 MDT's will be operational by the second week of April with the full fleet online in 2 years. The cost of the new cars includes the MDT's. He believes Motorola offers a 1-year warranty.

It was moved by Councilor Marshall and seconded by Councilor Lancaster to adopt the consent agenda. Motion passed unanimously.

AUDIENCE PARTICIPATION

Ed Zumwalt, 10888 SE 29th Avenue, Milwaukie. On Thursday he attended an event at ODS with downtown merchants and property owners. These people have a right to realize a profit on their properties, but he urged the City not lose sight of neighborhood livability as the downtown develops. The North Main Development is not that far in the future, and traffic and parking will become issues. He is keenly interested in healing the split between downtown development interests and the neighborhoods. He reminded the Mayor and Council that they are elected by the neighborhoods, not by downtown businesses.

Annaliese Hummel, Monroe Street resident, is outraged. Monroe Street needs traffic calming devices. She requested the person who took the decorative designs from her yard to return them. Today Los Angeles joined 90 other cities in adopting resolution in opposition to the Patriot Act. Civil liberties are being taken away. War is obsolete; this is a war of fear. She read a speech prepared for the Organization for the Liberation of the Sabitistas. The war is not about defeating Iraq; it is about demonstrating the North American government can commit its crimes in any part of the world at any time with impunity. How are the American people convinced that Hussein is the enemy? The government does not want to find Bin Laden, and he would never have come back to the United States alive. She showed an upside-down flag symbolizing distress.

Councilor Stone asked if and when the City Council would discuss the resolution Hummel has put forward.

Councilor Lancaster is not in favor of discussing it at all.

Councilor Barnes believes this is a personal issue, and the City Council should not get involved.

Mayor Bernard does not intend to bring it up in respect to a Councilor whose son is there.

Stone feels strongly that local government should have a voice because change begins at the local level in our country. Although she respects other Councilors' reasons, she is saddened the issue will not be discussed.

Mayor Bernard said there is a group of people who wish to speak in support of the Providence Milwaukie Hospital's nurses union. He explained the Council listens to statements about issues that are properly the object of its consideration. He announced his father is a member of the Hospital Board.

Bill Reese, 6335 SE Deering Court, Milwaukie, spoke as a concerned resident, health care professional, and union member. The nurses have been negotiating for some time, but progress has been slow. Those who provide the service know best what needs to be done. He asked the Council to encourage both sides to come to a resolution soon.

Richard Toll, St. John's Episcopal Church, spoke on behalf of the nurses. The health care crisis leaves nurses at the bottom of the heap. He has worked with the hospital for 19 years and knows the nurses serve well, and they have needs that must be considered by the hospital and community. This is a community concern that needs to be resolved quickly.

III. A. 7

Barbara Cole, 4828 SE Caruthers, Portland. She has been a Providence employee for 20 years, and her primary interest is patient well-being. There is a nursing shortage, and she wants Providence Milwaukie to attract the best workers. The issues need to be resolved so people can get on with their work. Her intent for addressing Council was to provide information and ask Council to support a speedy closure to negotiations.

Advisory Board Appointment

With Council consensus, **Mayor Bernard** appointed Jane Hanno to Center/Community Advisory Board position #3 as recommended by the Board.

PUBLIC HEARING

Appeal of Planning Commission Denial of a Three-Lot Minor Land Partition with Two Flag Lots, File No. MLP-02-07

At 7:00 p.m. **Mayor Bernard** announced the continuation of the public hearing called to order on January 7, 2003 on the appeal of the Planning Commission's denial of a request for a minor land partition, File No. MLP-02-07, for the property located at 5650 SE King Road.

The purpose of the hearing was to consider the appeal of the Planning Commission's denial of an application for a minor land partition, File No. MLP-02-07. Phillip Reich made this appeal. The appellant requested City Council consider the Planning Commission's denial of his application to develop a 3-lot minor land partition with 2 flag lots. The applicable standards to be considered are Zoning Ordinance, Section 1002 (Appeal from Ruling of Planning Commission), Subdivision Ordinance Section 17.32 Partitioning, and Zoning Ordinance Section 1011.3 Minor Quasi-Judicial Review.

Mayor Bernard reviewed the order of business. The applicant has the burden of proving that the application complies with all relevant criteria of the Comprehensive Plan and Zoning Ordinance. The appellant must demonstrate that the Planning Commission erred in its decision in the particulars they allege. The City is in receipt of the appeal, which identifies the issues and the reasons for the appeal.

All testimony and evidence must be directed toward the applicable substantive criteria. Failure to address a criterion precludes an appeal based on that criterion. Failure to raise constitutional or other issues related to proposed conditions of approval with sufficient specificity to allow a response precludes an action for damages in circuit court. Any party with standing may appeal the decision of the City Council to the State Land Use Board of Appeals according to the rules adopted by that Board. Persons with standing are those who testify or sign the City Council Attendance sign-up sheet on the information table in the hall.

Mayor Bernard reviewed the conduct of the hearing.

Conflicts of Interest and Site Visits

There were no conflicts of interest declared. All Council members had visited the site.

Ex Parte Contacts

Councilor Barnes announced she spoke with Reich to request entry to the back of his property to view it more closely, and that was the full discussion. Reich confirmed that.

Challenges to Impartiality or Ability to Participate in the Decision

No member of the audience made any challenge to any Council member's impartiality or ability to participate in the decision.

Jurisdictional Issues

There were no objections to the Council's jurisdiction to consider this matter.

Staff Presentation

Gessner presented the staff report. The Planning Commission denied a 3-lot partition Reich submitted on the basis the application did not comply with applicable substantive criteria that require streets be provided in lieu of flag lot development when possible and feasible.

Reich states his reason for the appeal is "denial by board in contradiction to allowed partition requirements for this partition. Documentation to follow." The contest was over whether or not a new street must be provided in lieu of actually constructing flag lots. The applicant has not submitted additional documentation other than the appeal.

The subject property, which Gessner indicated on a map, is on King Road south of Stanley Avenue. Both the Reich property and the neighboring property are 100 x 460 feet, and each has development potential, which the Planning Commission took under consideration. The Commission applied a section of the partitioning regulations that speaks to actual submission requirements. Applicants must expressly address access to the subject site and adjacent underutilized property in a comprehensive manner. Additionally, a plan is required that demonstrates access ways and new street development have been investigated for the purposes of minimizing the number of new flag lot driveways.

The specific flag lot partitioning requirements are very clear. Staff believes the Planning Commission's findings were accurate, and regulations were applied in accordance with the intent and letter of the subdivision ordinance. The ordinance states, "applicants for flag lot partitioning must demonstrate that access by means of a dedicated street is not possible." The applicant bears the burden of demonstrating compliance with applicable

III. A. 9

regulations and furthermore must demonstrate the Planning Commission erred in applying these specific code requirements.

Development potential of adjoining properties is important in that the Commission must consider whether a jointly dedicated right-of-way could provide suitable access and avoids additional flag lots. When potential exists for future development, flag lots may be allowed as an interim measure; however, in this case, the Planning Commission made specific findings that flag lots as an interim measure were not suitable. Finally, flag lots must be designed to allow for future street development, and right-of-way dedication must be part of the final plat.

Gessner summarized the Planning Commission's findings for denial which included: there is development potential on the adjoining lot which falls under the criteria; the applicant has not demonstrated that access by means of a street is not possible; creation of the flag lot is not an appropriate interim measure to avoid other flag lots; and the applicant's proposal does not assure future street development. A full copy of the Commission's decision is in the staff report.

Based upon the Planning Commission's decision and the manner in which the Commission applied the regulations, staff recommends the City Council deny the appeal and adopt findings in support of the denial similar to those adopted by the Commission. Specifically, the applicant has not demonstrated that the Planning Commission erred in applying the subdivision ordinance. The applicant has submitted no documentation beyond the appeal itself that would indicate how the Commission erred in applying the street requirements for flag lot partitioning. Future development on the adjacent property can be served by creating a dedicated street and should be required as a condition. Flag lots as an interim measure do not assure development. Staff believes the Planning Commission did properly apply the regulations and recommends the City Council deny the appeal based on the findings listed in the staff report. The engineering director Shirey was present to provide information on new street development.

Additional Correspondence: None.

Appellant Testimony

Tom Rastetter, 294 Warner-Milne Road, Oregon City, Oregon 97045, attorney representing appellant Phillip Reich. As staff indicated, the property is approximately 1.06 acres. The proposal is a minor partition into 3 lots, 2 of which are flag lots. Access to the 2 rear lots would be across two 15-foot flagpole portions of the lots with a 12-foot paved driveway consistent with City code requirements. When the application was originally submitted, City staff interpreted the first sentence of 17.32.040(A) to mean that applicants for flag lot partitioning must demonstrate access is not possible by means of a public roadway. The interpretation of that sentence and its application to Reich's proposal is what the appellant wishes the Council to consider. There can be at least 2 interpretations of that sentence, which he believes Firestone acknowledged during the

Planning Commission hearing. The first interpretation is the one that has been adopted by staff that essentially says instead of creating a flag lot or flag lots, one must dedicate and build a public street if possible. He believes this is a plausible interpretation. The other interpretation, which in the appellant's mind is correct, says a flag lot cannot be created if the lot already has means of access to an existing public street. Under the former interpretation, the applicant would have to dedicate and build a public street if possible. Under the latter, which he urged Council to adopt, the applicant would just have to show that there is no current access to a public street.

There are various reasons why the second interpretation makes more sense. First, it does not make sense that the City would always require a public street for every potential flag lot. The code simply makes the statement that the applicant must show access by a dedicated public street is not possible. Suppose someone is creating 1 flag lot behind a parent lot. Does it make sense the City would intend a public roadway be installed for that 1 flag lot? Under staff's interpretation, that would apply to the creation of only 1 flag lot and does not make sense in that situation. The code provision under which this language appears comes right after the heading "future development." He supposes the City could make the argument that that language only applies in situations where there is potential for future development on adjoining properties, and, because of that, creation of a public roadway is desirable. He referred the City Council to the exact language in Ordinance 1440 that does not contain the words "future development." He submitted that was not the original intent of the ordinance.

Secondly, as a matter of policy, the planning codes of many jurisdictions seem to have provision saying a flag lot cannot be created unless there are no other means of access to the property. This makes sense if there is access from the other side of the block. The Milwaukie code should have a provision to that effect, but nowhere in the code is there a mention of the issue. Rastetter suggested this was because it was never intended to require construction of a road for just any proposed flag lot.

Third, the code already requires flag lots with adjoining access ways to have a combined width of the 2 access strips of not less than 30 feet. As shown by the city engineer's comments in this application, which indicate the 30-foot width is sufficient width for a roadway of modest size. Two flag pole sections are already wide enough for a roadway, so when would there be flag lots if there are already access ways required by the code which are wide enough for a public roadway? His point is, if the quoted language is about access to a dedicated public street, then when would there be 2 flag lots with adjoining access strips? There would not be; there would always be a dedicated public road instead. The interpretation proffered by staff would render meaningless the language in the code about the adjoining 30-foot access ways. Therefore, it cannot be the right interpretation.

Finally, the City has historically approved many flag lots without dedication of a public roadway. He offered maps into the record of other partitions in the City showing adjoining flag lots with configurations similar to his client's.

III. A. 11

Rastetter said this application could be approved without a street dedication since there is no other access to the proposed flag lots. If Council is so inclined that the code provision does require the dedication of property for a public street, then he could proceed with that despite the disagreement with that interpretation. City staff suggested Reich apply under the provisions of the code that do allow interim flag lots. This provision says where there is potential for development on adjacent lots, flag lots may be allowed as an interim measure. The application was prepared under interim provisions, but there were problems from the perspectives of the applicant, staff, and Planning Commission. The City is concerned about the impact of allowing a minor partition with flag lots and driveway access on its ability to identify a funding mechanism for new roadway construction if future development does occur on the adjacent lots. As a condition of approval of any land use application on those adjacent lots, the property owner could be required to construct that half of the roadway. How could this be required of the owners 15 years from now? He has concerns with it as well because essentially all but 2 feet of the roadway would be on Reich's property. The roadway would be almost entirely on the subject property, and this is a real concern. It also puts the roadway close to the applicant's house with about 8'8" between the sidewalk and the applicant's house. Additionally, putting the roadway almost entirely on the applicant's property would require the removal of some mature trees.

Rastetter further submitted that the applicant bears the undue burden of accommodating the roadway, 26.5 feet of a 28-foot road width, and this is not directly proportional to the impact Reich's 2 additional lots would create. The applicant also submits this would violate the spirit if not the letter of the code. The code does speak to access when there is potential development on adjoining properties and does talk about access by means of a "jointly dedicated right-of-way." He does not think requiring the applicant to assume 26 of the 28 feet is a joint dedication.

Rastetter appealed to the Council's sense of fairness on this issue and consider the following compromise: dedicating and constructing half-street improvements at this stage up to the property line so that half of the roadway is already built to City standards. It would be about 14-feet wide and would accommodate essentially half-street improvements. If the adjacent property to the east develops, at that point the City, as a condition of approval, can require that property owner to build the other half of the roadway. This would solve the City's concerns about how to require the flag lot properties to pay for the roadway development. Reich had previously talked about just putting in a driveway on his property, and, if the adjoining property ever developed, then both property owners would join together and build a roadway. This, however, would present a funding mechanism problem; however, the compromise could solve that problem. The roadway on the Reich property would already be developed. It also puts the roadway in jointly dedicated rights-of-way as mentioned in the City code and not put an undue burden on Reich. Half-street improvements are more than adequate for access to these 2 rear flag lots and are half of what the engineer would require for the permanent roadway. This solves the issues and makes a lot of sense. He does suggest that construction of sidewalks and the hammerhead be deferred. The applicant would be willing to dedicate that property to the City at this time as part of the approval,

but these improvements do not seem necessary for 2 flag lots. Apparently the adjoining property owner does not have any plans to develop at this time.

He submitted materials for the record. These were not submitted prior to this hearing because the architect passed away.

Phillip Reich, 5650 SE King Road, Milwaukie. This has been a frustrating process. He has tried to work repeatedly with staff on this application and endeavored to do it properly. The Planning Commission did not discuss the application at all but simply adopted the staff report. What the Council has seen reflects no discussion by the Commission. He and Associate Planner Kenneth Kent discussed in concept this proposal of abutting the roadway to the property line and developing it in this manner. Kent did not indicate there would be any problems but that he would have to see the drawings. He hoped to come to this meeting with the staff's saying this proposal is workable and that the City Council would approve. He was unable to contact his project manager for several weeks and finally learned today that he had recently died of a heart attack. He apologized for bringing the material late, and if Kent were here he could validate the discussion that took place weeks ago.

Other Testimony in Support of the Appeal

None.

Testimony of Those Opposed to the Appeal

Karen Liebert, 5640 SE King Road, Milwaukie, west of the subject property. She is concerned with the interim issue because there is no deadline. The neighbors have no intention of developing their properties. What happens if Reich sells his property, and this is still an interim issue?

Firestone reminded Council and the audience this hearing is about whether or not to allow the minor land partition.

Neutral Testimony

None.

Staff Comments and Recommendations

Gessner showed the site plan and said this is the type of case regulations anticipate for the creation of streets. There is significant development potential both on this lot and the adjoining lot that warrants street construction as opposed to having substandard driveways. Each property could potentially develop 4 lots. The applicant is proposing a 3-lot division at this time with 2 flag lots, but the remaining area could be divided again. Mirror that on the adjoining property, and there is a potential for 8 lots. The code section that requires consideration of adjacent underutilized or vacant properties for the

purpose of determining whether or not a street should be provided was adopted by Ordinance 1440 in 1981. He cannot agree with Rastetter's representation that it was not under the heading of future development and should therefore not be considered. He believes it was specifically placed in the ordinance to address incremental partitioning. In this appeal, the Council is considering the context and letter of development regulations, and it is appropriate for the body to evaluate whether development of oversized properties should be done in a piecemeal, flag lot pattern or if streets should be provided.

Gessner responded to Rastetter's testimony. The first item had to do with addressing access issues in a comprehensive manner. There is a requirement that new street development be investigated as part of the application review, and the applicant has the burden of demonstrating that a street cannot be constructed. To substantiate this, he pointed out the size of the parent lot and the feasibility of creating additional lots as well as the development potential of the adjoining lot. The code was written for this type of property and speaks to giving consideration to adjacent or nearby properties that could be served by a jointly dedicated right-of-way. Lastly, the code addresses dedication of future street rights-of-way as a requirement of the final plat approval.

Gessner addressed other statements made during the testimony. Reich opined the Planning Commission had adopted the staff without any discussion; however, the meeting minutes indicate extensive Commission discussion on the technical requirements of the code. There was discussion of the adequacy of a shared driveway as well as the code requirement for a dedicated public street where possible. The engineering division has looked at a compromise right-of-way cross section which is specifically designed to 26.5 feet as the minimum width necessary to ensure safe and convenient access for homeowners. In order to allow for on-street parking on 1 side, it is a common practice for the City to require a minimum width of 28-foot to ensure a 20-foot clear aisle for emergency and service vehicle access. The compromises allowed by the engineering division include putting a sidewalk on an easement so lot area is not reduced. Staff approached the issue from the perspective that the roadway will serve 6 additional lots in the future beyond the 2 in Reich's proposal. In that instance, the applicant's proposed 14-foot driveway does not meet on-street parking needs, does not provide a clear 20-foot accessway as required by the fire department, and does not meet the intent of the regulations.

Applicant's Rebuttal

Rastetter submitted a copy of Ordinance 1440, adopted in 1979, into the record to show the words "future development" do not appear as a heading. The applicant agrees there is potential for future development on the adjoining parcel. If Reich builds half of the roadway at the time, the issue will be taken care of. Gessner argues a 26.5-foot minimum road width is required for on-street parking. It will not be used as a public street yet. If the adjoining parcel is developed, that is the point at which a public street will be needed. The code only requires 12-feet of paved access for flag lots, and the applicant has exceeded that. He understands the fire marshal originally approved the

12-foot access width. The applicant does not believe a roadway is needed for 2 flag lots. Liebert was concerned about interim solutions with no deadlines. The only thing interim with this proposal is the condition of the roadway. When the adjoining parcel develops, the roadway will be permanent. He stated this hearing is about a minor land partition, not site development.

Reich mentioned there are 2 inaccuracies in the Planning Commission minutes. The Linwood Neighborhood District Association (NDA) stated that both neighbors had complained and opposed the application. The neighbor to the east indicated he had not spoken with NDA representatives. The people to the west are renters, and the owner did not appear at this Council hearing. The owner as well as her daughters did appear at the Planning Commission hearing and gave testimony to their concerns. He felt they had been misrepresented. He asked if those representing the NDA were elected representatives at this point. As reported at the Planning Commission meeting, the then-president of the NDA in a phone conversation with the Planning Director indicated no objections to the project. It was only later that the acting president issued this letter, likely at the Liebert's request. Reich researched recently-developed partitions and flag lots in the City which did not require street development. These were done after Ordinance 1440 was adopted in 1979. It is his contention that the standard has undergone interpretive changes since 1979. He does not believe changing interpretation mid-stream is appropriate. If, in fact, the desire is to eliminate flag lots by requiring roadways, then certainly the standard itself should be changed. He proposed that abutting the street to the property line would eliminate any concerns about future street development. He felt taking 14-feet from his property is reasonable, and the other property owner would fund development of his side of the street.

Questions from Council to Staff

Councilor Marshall understood the 28-foot right-of-way is just for the roadway and does not include sidewalks.

Gessner said that was correct. The sidewalk would need to be placed on an easement next to the right-of-way. An additional dedication of 9 – 10 feet would be obtained at the time the adjoining property to the east develops to complete the roadway surface and sidewalks. It would be a condition of approval under the provisions the City Council is reviewing at this meeting. The property to the east would be subject to the same considerations regarding construction of adequate streets. The reason for not requiring sidewalks at this time is that the lot is only 100 feet wide, and even the narrowest right-of-way with sidewalks on both sides and full travel width would eat up so much of the lot that development would not be feasible without substantial variances of lot depth.

Gessner made several additional comments. He looked at the materials submitted by the applicant at this hearing demonstrating that the City has had a practice of approving flag lots without requiring streets to be constructed. These materials suggest that in most if not all of the cases, the lots being partitioned were not large enough to support future development. The partitioning itself exhausted the development potential.

III. A. 15

Additionally, there was no comparable condition next to the subject lot that demonstrates the need to accommodate future development. In the case being considered at this hearing, there is development potential on the subject site as well as the adjoining lot. He also notes one of the examples is outside the City limits. He did not believe these were comparable cases and should not be used to consider whether or not the City has consistently applied this section of the code. From his experience since 1998, it has been a practice for all applicants to demonstrate whether or not a roadway is needed by virtue of the size of the lot and its immediate surroundings. Consideration of street development is required for applications where there has been excess development potential on the subject site or adjoining sites. There was an issue raised that Reich's paying for street construction was an undue burden on the applicant. On one hand the code says the applicant shall bear the burden in the public interest for assuring safe, convenient, and appropriate development. In that case it becomes an obligation of the developer by virtue of the specific code requirements under review by the City Council. On the other hand, there are code provisions that allow the developer to oversize utilities in anticipation of future development and later recover the cost for the excess design. This mechanism is called a reimbursement district and is an option for the applicant to recoup costs from the adjoining property if developed in the next 15 years.

Firestone said, procedurally, since Gessner made additional comments, the applicant may make additional comments. There were no further comments by the applicant.

Close Public Hearing

Mayor Bernard closed the public testimony portion of the hearing at 7:50 p.m.

Council Discussion

Councilor Lancaster was persuaded the Planning Commission did not err in its decision, and the appellant's case was not compelling. He will vote in support of the Planning Commission's decision.

Councilor Marshall agreed with Lancaster. He was disturbed by the fact this case has been going on for so long and at the last minute the applicant submitted auxiliary information. He was not impressed by this tactic. He suggested the City Council consider another option if there is sufficient time.

Firestone said the applicant has until March 4 for further action, so time is limited.

Reich indicated he would be willing to extend it for as long as it takes.

Councilor Marshall said he would vote to uphold the Planning Commission's denial unless the applicant amended and resubmitted his proposal.

Councilor Barnes said, if it is a case of interpretation, then communication should be improved and code language clarified.

Firestone commented an attorney could always find more than one interpretation for anything. Part of the role of the Council is to interpret the code, and under existing land use laws, the Council interpretation of pure city code is entitled to a great amount of deference. In this case, the one bit of language that has been discussed is, "applicants for flag lot partitioning must show that access by means of a dedicated public street is not possible." Interpretation of that statement is part of Council's decision. Staff and the Planning Commission interpreted it to say the applicant must show he could not create a dedicated public street to serve these lots. That is a perfectly reasonable interpretation. Contrary to Rastetter's opinion, from Firestone's point of view, that is probably the best interpretation. He recommended looking at the language and deciding whether code requires the applicant to show that a dedicated public street cannot be extended to these lots. It is Council's decision on interpretation.

Councilor Stone, asked, if right-of-way would have to be obtained from the neighboring property if the applicant were willing to build a dedicated public street.

Firestone said not necessarily. If there is sufficient width on this property as staff believes there is, and to some extent he thinks the applicant also believes there is, then there is a difference of opinion between staff and applicant as to the how wide it would have to be for a dedicated public street. That is all staff and the applicant are talking about at this time -- that the right-of-way dedication goes to the property line and not beyond.

Councilor Stone asked if the applicant's dedicating right-of-way would comply with staff's requirements.

Firestone said that is correct provided that the width satisfies the acceptable street width standards under the circumstances. That would also include the necessary improvements.

Councilor Stone concurred with Lancaster's and Marshall's comments based on Firestone's clarifying remarks. She does not think the Planning Commission erred, and at this time she recommends the applicant go back to the Planning Commission. Otherwise she would vote to uphold the Commission's decision.

Firestone suggested a recess so staff could determine if the applicant is willing to grant an extension to submit additional materials for Planning Commission decision.

The City Council took a 5-minute recess.

III. A. 17

Decision

Firestone said the applicant indicated he would submit revised materials to staff for consideration by the Planning Commission. The applicant further agreed to a 120-day extension from today. The City Council may decide to grant, to deny, or to allow the applicant to submit additional materials for consideration by the Planning Commission. The public testimony portion of this hearing has been closed, and the Council will make a decision that closes the hearing at the Council level for now. The applicant has also agreed to submit the revised application within 21 days and further agreed the application would be considered denied if additional materials were not submitted within 21 days.

It was moved by Mayor Bernard and seconded by Councilor Lancaster to deny the appeal but allow the applicant 21 days to submit a revised application to the Planning Commission; if the materials were not submitted in 21 days the denial would be final.

In response to a question from Marshall, **Firestone** said the 120-day clock begins immediately with tomorrow being day 1 of the 120 days.

Gessner said the City would not be receiving new application fees to review the revisions. Reich's application has been in house for a long time, and the conversation and the issues with the applicant have not changed. The applicant has not found himself to be able to agree with staff and the Planning Commission as to the improvements needed. There is no prospect of the applicant's making revisions that will meet staff's recommendations having to do with roadway improvements. His concern is staff may see something far less and spend more time without being able to come up with a plan that could be recommended to the City Council for approval. The Council has the ability to make a decision on the application at this meeting. There is nothing that prohibits the applicant from submitting a new application that would be at Reich's expense. The application fee is about \$1,400.

Councilor Lancaster is in favor of the applicant's having an opportunity to prepare a proposal that works. Unless Reich's submission passes staff and Planning Commission scrutiny, which is consistent with what Council has tried to develop and fine tune over the past several years, it will not get past him.

Councilor Marshall appreciated Gessner's comments and moved to bill Reich half fees.

Mayor Bernard accepted the amendment.

Councilor Stone asked if half fees would be adequate.

Gessner said adequacy depends on the quality of the information submitted. The burden on staff is reduced when applications are complete with all engineering and design details.

Firestone suggested accepting a deposit for costs as another option.

Councilor Lancaster felt a fee discount was fair. He wanted to add the qualification that anything less than a complete application would not be considered.

Councilor Marshall said the applicant needs to come back with something that is substantially within the bounds of what has been laid out by the Planning Commission. It has to do more than simply move the issue forward a couple of inches.

Mayor Bernard agreed and indicated he would not accept an appeal if the application changes were not in line with the Planning Commission's findings.

Councilor Marshall said it must be clear this Council would have denied the appeal but is trying to work with the applicant.

Councilor Lancaster seconded the amendment.

The main motion passed 4 – 1 with the following vote. Mayor Bernard, Councilor Lancaster, Councilor Marshall, and Councilor Stone aye; Councilor Barnes nay.

Firestone restated the motion: to deny the appeal but allow the applicant 21 days to submit a revised application to the Planning Commission; if nothing is submitted within those 21 days, denial would be final and permanent.

LUBA Appeal Information

Any party with standing may appeal the decision of the City Council to the State Land Use Board of Appeals according to the rules adopted by that Board. The written decision will contain an explanation of the appeal rights. If you have questions, please call the Planning Department staff.

Sale of Surplus Property Located at 12125 SE 21st Avenue -- Resolution

Firestone presented the staff report in which the City Council was requested to approve a resolution declaring the property located at 12125 SE 21st Avenue surplus, authorizing its sale as 2 separate lots, and setting minimum terms. The minimum terms are outlined in the staff report. The City obtained this property after a foreclosure action and the judgment became final. The City owns the property outright although the former owners continue to make statements that they have some rights. The City recently received communication from the former owner, but the papers submitted have no legal effect. There is a structure on the property that straddles the lot line, and staff recommends selling the property as 2 separate lots and requiring removal of the house

III. A. 19

by the purchaser. The minimum price for tax lot 1400 is \$53,000 and a requirement to allow access to the site in order to remove the structure. The minimum price for tax lot 1401 is \$48,000 and a requirement that the structure be removed.

A resident at 12107 SE 21st Avenue heard discussion of this property at the Island Station Neighborhood Association meeting. There was consensus among the residents that the property should be sold. He understood there were 3 lots.

Firestone responded technically there are 3 lots, and 2 would be consolidated to make them adequate size for development.

Councilor Stone asked how costly this process had been to the City.

Firestone said the actual costs, not including fines and penalties, are about \$41,000.

Swanson said a portion of the costs related to satisfying a Department of Veterans' Affairs lien in the amount of approximately \$30,000. The City paid this about 6 months ago in order to take clear title.

It was moved by Mayor Bernard and seconded by Councilor Stone to adopt the resolution declaring the property located at 12125 SE 21st Avenue surplus, authorizing its sale as 2 separate lots, and setting minimum terms. Motion passed unanimously.

RESOLUTION 6-2003:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, DECLARING PROPERTY LOCATED AT 12125 SE 21ST AVENUE TO BE SURPLUS, DIRECTING THE SALE OF THE PROPERTY, AND DETERMINING MINIMUM ACCEPTABLE TERMS.

Discussion of Core Values and Cost Analysis

Councilor Lancaster had 3 items for discussion. The first had to do with recent budget discussions about how many people read *The Pilot* and its value as a communication tool. It seemed to him this would be a great opportunity to do a front-page budget article and ask people if *The Pilot* is important to them and if they wish to continue receiving it. This would be valuable input to find out how important the newsletter is to the people who actually read it.

Mayor Bernard suggested also asking people if they would read it on the web.

The group discussed other options for reader responses including mail, phone, fax, or e-mail.

Mayor Bernard asked if the City would be going out soon with a request for proposals (RFP) for printing *The Pilot*.

Swanson was not sure this would be done within a month because of Centennial Event obligations.

Councilor Lancaster said this would be helpful before making any decisions related to *The Pilot*.

Councilor Barnes was concerned because people are frequently not interested in spending the time to respond. She feels a lot can be saved in printing costs.

Councilor Stone suggested prefacing it with comments on the budget constraints and the proposal before the Budget Committee about minimizing circulation. She believes it would get people's attention if there is a possibility of *The Pilot* going away.

Councilor Lancaster agreed; however, the City continues to try to find out how effective communication efforts are. There needs to be an effort to get some sort of measurement.

Councilor Marshall does not disagree with conducting a survey. If 100 people respond, what does that really say? *The Pilot* is like neighborhood meetings. It is not fair to base participation how many people respond to the survey, just like basing neighborhood participation on the number of people attending the meetings. He recommended being cautious when interpreting this information.

Councilor Lancaster agreed. There are credible numbers from the past used by senators and representatives who take the approach that for every response there is a greater number who feel the same way but will never respond.

Mayor Bernard offered to take a family of 4 out to dinner as an incentive.

Councilor Lancaster had 2 other issues. One is really important, and he has said it repeatedly during the Budget Committee meetings. It is absolutely critical that the Council, as the policy setting body, determine what the core services are this City should be providing and establish some sort of benchmark that identifies what the minimum level of service is going to be.

It was moved by Councilor Lancaster and seconded by Councilor Stone that the Council will determine as a matter policy what the core services are that the City should be providing based on its revenue ability and determine a minimum level of service for those core services.

Mayor Bernard's concern is minimum level of service at what budget level.

III. A. 21

Councilor Lancaster said the budget would drive what is done. The Council must make this decision. It has been clear in budget discussions for several years, and now even more so that priorities must be set. The Council must determine right away what these priorities are to provide a definitive guide for decisions from this point forward.

Councilor Barnes said when she ran for office she made 3 promises, and she believes she was elected based on these promises. The library is a core service, and she will support it. She also supports communication, which includes *The Pilot*. Anyone who campaigned and said something was important should back that up or answer to the electorate why this change was made.

Mayor Bernard agreed, and he feels every service in the City is core. It is the level that he debates.

Councilor Lancaster added it is the Council that needs to do this.

Councilor Stone said the Council must to identify and reach an understanding of what core essential services means. To her, these are the services that affect citizens' lives on a daily basis. They are the services, which, if not provided, would negatively affect community livability or one's safety. For her core essential services have everything to do with public safety including police, fire and code enforcement. She supports the library. In her campaign she used the terms "fight to the death" to support police and code enforcement. She feels if the average citizen were asked to choose between having another police officer and putting more money into *The Pilot* or library, they would opt for the officer given Milwaukie's crime rate and reductions in state and county officers. This is not the time to reduce Milwaukie's police force; it is time to really beef it up. Citizens expect Council to manage their money so they are getting the core services that protect and enhance their lives.

Councilor Barnes said a majority of the people speaking at the Budget Committee meetings spoke on behalf of the library and *The Pilot*.

Councilor Stone said that does not mean necessarily they do not want public safety supported. That is a given and is taken for granted money will be spent there first.

Councilor Marshall made a motion to have this discussion at a later date.

Councilor Lancaster seconded the motion and suggested meeting on a Saturday to develop a list of core services and identify levels of service. This would provide direction to the Budget Committee.

The motion passed 3 – 1 – 0 with the following vote: Councilor Lancaster, Councilor Marshall, and Councilor Stone aye; Councilor Barnes nay; Mayor Bernard abstained.

The group agreed to meet Sunday afternoon February 23 at 1:00 p.m. in the City Hall conference room.

Councilor Lancaster commented on the numerous discussions about determining costs of services. Marshall has raised this issue many times over the past several years, but the Council has not gotten to the point of how to go about it or give direction on creating a system or process to determine what those costs really are. Marshall has wanted to know for some time if it is cheaper to provide a service in house or to contract it out. The only way to find out is to do some sort of cost analysis of the services the City provides. It will be critical for Council to know costs when looking at drastic cuts.

It was moved by Councilor Lancaster and seconded by Councilor Stone to direct the City Manager to begin the process of cost analysis to determine actual costs of providing services.

Councilor Marshall said, although he did not necessarily disagree with the proposal, he had concerns about the financial impact as well as the impact on staff time. He does not wish to create an undue burden.

Councilor Lancaster has provided detailed information on how cost analysis are done both by public and private organizations, and some approaches can be very costly.

Swanson said the biggest challenge to him in costing services is the ability to make a meaningful comparison.

Councilor Lancaster agreed. He wants to understand clearly how much it costs to provide each service. The City has been struggling over the general fund, but how much does it cost to provide public works services? Once this is determined, then the next phase would be the comparison with other local governments and the private sector. Nothing can be compared until costs are known.

Mayor Bernard did not feel there needed to be a motion but agreed it is important to find out how much services costs. There is also the issue of customer service levels.

Councilor Stone asked Swanson to comment on the soundness of this idea and looking at whether the City is getting the most "bang from the buck" from each department.

Swanson said the new accounting system makes it easier to extract information, but the difficulty comes in meshing that information to get meaningful results.

Councilor Lancaster thought certain services would be easy to cost, for example, there are requirements for sweeping the streets a certain number of times per year. It should be easy to determine how much a contractor would charge versus how much it costs the City to own the sweeper and hire the operator. He believes there are certain activities that could be easily measured and compared. He wants a clear picture that

III. A. 23

can be validated to the residents when good programs are being cut. This would be phase 1.

Mayor Bernard agreed this is needed information, but he did not feel the motion is necessary.

Councilor Lancaster said from his experience the only way to get things moving is to make a motion and provide direction. He does not want to create a burden, and he is not opposed to Swanson's making a proposal on how to accomplish the project.

Swanson says this is not a function of the software. He can identify many costs, but the real question is how Council wants to base the costs.

Councilor Marshall moved to table the current motion until Council adopts the community goals.

Councilor Lancaster was willing to amend his motion that Swanson prepares a proposal on doing the cost analysis to begin this year.

Mayor Bernard seconded Marshall's motion to table the motion.

Councilor Lancaster was willing to withdraw motion and **Councilor Stone** agreed.

Councilor Stone thought Swanson could solicit help from department heads and ensure the City is getting the bang for its buck from its employees.

The group agreed to give direction to Swanson.

Adjournment

It was moved by Councilor Marshall and seconded by Mayor Bernard to adjourn the meeting. Motion passed unanimously.

Mayor Bernard adjourned the meeting at 9:10 p.m.

Pat DuVal, Recorder

**CITY COUNCIL WORK SESSION
FEBRUARY 23, 2003**

The work session came to order at 1:05 p.m. in the City Hall Conference Room.

City Council present: Mayor Bernard, Councilors Barnes, Lancaster and Marshall, and Stone.

Mayor Bernard read a statement regarding his disappointment in the recent direction Council has taken. Comments have been made that would make one think the City has been doing business all wrong, but he feels the community has come a long way over the past few years. He cited the North Main Street Project, the South Corridor Project which would as part of phase 1 move the Milwaukie transit center from downtown streets, the prospects for decommissioning the Kellogg Treatment Plant, and good relationships between citizens, City management, and employees. This has been accomplished through good communications, but he has not seen the same resolve in the past few weeks. The city manager prepared a recommendation for meeting the \$1.1 million general fund deficit. Everyone will share the pain, and, although no one likes all of the recommended cuts, people feel they are fair and on track. Mayor Bernard took his share of responsibility for what has been taking place with the City Council and will work to redirect the group's efforts and bring about successful conclusions.

Councilor Marshall agreed with Mayor Bernard's concerns especially in regard to neighborhood services and all the work done over the past 5 years to bring the community together and bridge the communication gap between citizens and their government.

It was moved by Councilor Marshall and seconded by Councilor Barnes that this Council recognize communication and citizen participation as the most important service it provides.

Mayor Bernard called for discussion.

Councilor Lancaster asked Councilor Marshall to repeat his motion.

Councilor Marshall repeated his motion: this Council recognizes communication between government and citizens and encouraging participation in government with its citizens as the most important service it provides.

Councilor Stone did not disagree that communication is important but did not consider it the most important service. Communication is important, and the Council has done things that have won back citizens' trust. She did not think a motion was needed because all agree on its importance. She understood Council was meeting to figure out how the available money will be spent. Some

III. A. 25

members have discussed cuts in the neighborhood services area, but that does not negate communication. Council needs to be realistic about what the City can and cannot afford. She did not think a motion was necessary.

Mayor Bernard said a motion was made and seconded, so a motion is on the table.

Councilor Lancaster believes there are 2 issues. He agrees totally with what was just said in respect to how the City communicates and gets citizens involved with their own government. Communication is a fundamental in the conduct of business; it is not a standalone service. To a degree, funding neighborhood services is separate. He understands Marshall is getting at funding neighborhood services, but while neighborhood services feeds communication and participation, it is separate. He agrees but with one exception. He sees communication as a way the City operates as an organization not as a standalone service.

Councilor Stone agreed with Lancaster's comments.

The motion passed 3 – 2 with the following vote: Mayor Bernard, Councilor Barnes, and Councilor Marshall aye; Councilor Lancaster and Councilor Stone nay.

Councilor Lancaster asked what that means exactly.

Mayor Bernard said basically the motion means *The Pilot* is very important and needs to continue and preserves neighborhood services as much as possible. Everyone knows adjustments will need to be made, but the Council believes communication is the most important service provided. The motion provides direction for the Budget Committee and the community.

Councilor Marshall understood this meeting was to set priorities for services the City offers its citizens and to give that information to the Budget Committee so it can do its job.

Councilor Lancaster asked if there was going to be a motion on each item, and **Councilor Marshall** responded if necessary.

It was moved by Councilor Barnes and seconded by Councilor Marshall that all services provided by the City are essential and core services and that the Council forward this information to the citizen members of the Budget Committee in consideration of the city manager's budget proposal.

Mayor Bernard asked if there was further discussion.

Councilor Stone said this meeting is a waste of her time. She feels 3 members of Council have been talking, and this is coercion. This has been set up, and she does not think it is ethical. Everyone agrees that neighborhood services is important and communication is critical, but she does not like backhanded politics. She feels that is what is going on and will not stand for it. She knows this comes directly from the Mayor, and 3 Council members have been collaborating. There are 5 people on Council and discussions need to come before the group. The motion process has been cleverly used to get things passed. She will not sit on a Council that does that; this is not representative of the community and what citizens want. She has not heard a definition of core essential services.

Councilor Barnes said she submitted her list of essential core services to the city manager.

Councilor Stone was not asked to submit a list because she was not at the Budget Committee meeting. People are pretty aware of what she considers core essential services.

Councilor Lancaster asked if this was the way the meeting was going to be run.

Councilor Stone did not want to be in the meeting if that is all that is going to be done.

Councilor Lancaster has no problem agreeing that fact that all of these services are important. They would not have been put in place if they were not. However, to pass a motion that says everything we currently provide is core and essential is pointless. The Council needs to decide what will be funded.

Mayor Bernard said the group is not suggesting funding but is identifying core essential services. Councils have worked many years to develop services they feel are essential to the community and urged continued funding.

Councilor Barnes has not changed her position since she campaigned for office. She asked the voters to believe in her, and they hired her to do this job. Everything she said she believed in is exactly what she is saying today.

Councilor Stone said during her campaign she said she would fight to the death to protect public safety – police and code enforcement. Webster's definition of essential is: "relating to or constituting essence; inherent; of the utmost importance; basic, indispensable, and necessary." When looking for places to make budget cuts, on one hand is neighborhood services which incorporates a variety of things including *The Pilot* and the neighborhood grant program. On the other hand she looks at police and code enforcement, for example. She asks herself what is basic and indispensable. Yes we do need communication, but maybe it can be done on a better budget. Will an issue of *The Pilot* respond if a

III. A. 27

burglar is breaking into her house? What matters to the people of this community is safety and livability.

Mayor Bernard said Stone's definition is exactly how he feels, but he considers every service this City provides is essential.

Councilor Stone said all services are important but they are not all basic and indispensable. A police department is indispensable, but there could be less in the neighborhood services area, *The Pilot*, and neighborhood grant program. People must have public safety.

Councilor Marshall said no one talked about eliminating the police department.

Councilor Stone said there is discussion about not filling a couple of positions, which the department is authorized to fill. She is looking at essential services; not important services. Essential services are like oxygen, and citizens cannot live without them.

Mayor Bernard agrees with her totally, but opinions of essential services are different. Police is a budget consideration. What is being said is that all services should be considered as essential.

Councilor Stone said that does not give direction to the Budget Committee.

Councilor Marshall believes it does.

Mayor Bernard asked for any further discussion. There was none.

Motion passed 3 – 2 with the following vote: Mayor Bernard, Councilor Barnes, and Councilor Marshall aye; Councilor Lancaster and Councilor Stone nay.

Councilor Lancaster, because he supported the motion that brought the Council together, shared what he envisioned the group would do. The City cannot go bankrupt because it has a tax base. A certain amount of revenue is guaranteed unless the City dissolves. The issue for him is, based on that revenue, what services will the City fund. His intent in establishing the core and essential services is to set a prioritization. When dollars are the leanest, what will be funded? This would be a prioritized schedule of the singular most important services. The Council is here to make these tough decisions. For example, if fire service is critical, the City will always ensure it is provided. The service is either purchased or the City annexes to the Fire District. Either way, the citizens get critical fire services. Police is another one. From there, the Council builds out based on available funds. It becomes more problematic in terms of providing planning, community services, and code enforcement across the board at some acceptable level. It was his intent to determine the minimum acceptable level of

service provision. Otherwise why provide something halfway versus doing a good job at something based on available resources. He suggested looking at the easiest ones that are virtually funding self-sufficient. He thought it would be important to start with the general fund because that is the critical issue and move forward until every City service is covered.

Mayor Bernard suggested starting from the perspective of knowing something works at its current level and determining if it would continue to work at a reduced level. He supports the police department, but if it works at the level it is, then why consider bumping it up more? Maybe a goal could be set, but should the service not be at a level that works?

Councilor Lancaster asked for a definition of what works.

Mayor Bernard did not believe the Council has the data to make a decision. Where is crime taking place? It is his understanding that 70% of the crime in Milwaukie takes place in the high school.

Councilor Lancaster was concerned that Mayor Bernard could not substantiate his source for that information.

Councilor Barnes said just before the election she interviewed Chief Kanzler and the Ardenwald-Johnson Creek neighborhood leader; this is on tape. She asked him if crime were on an upswing in the area, and Kanzler responded crime was actually on a decline in the City of Milwaukie. He told her the biggest problem was that people do not maintain their yards. Based on what he told her, she did not get the same information she hears from others about increased crime. The only possible explanations could be that Kanzler did not have the right information for the interview or something has changed dramatically.

The group discussed identity theft and who is responsible for investigating.

Councilor Lancaster said the Council needs some credible crime statistics to decide what level of crime is acceptable in the City. No one has hard statistics at this time and believes the chief was charged with doing that. He felt the Council needs to decide the minimum level of acceptable crime, and although comparisons with other cities are useful, he does not really care.

Mayor Bernard added the Council might also consider the types of crimes. He totally agreed with Lancaster, but the Council needs to focus on neighborhoods, the downtown, and the schools -- wherever crime is actually taking place.

Councilor Marshall said the Council is meeting to set priorities, and the first has been set -- communication.

Councilor Stone did not agree.

III. A. 29

Councilor Marshall said the motion was made whether Stone agrees or not. Communication is the first priority of this Council.

Councilor Lancaster suggested identifying what priority # 1 means to determine what it entails.

Councilor Marshall thought Council was here to set priorities, not discuss what crimes are acceptable.

Councilor Lancaster said his point is that minimum levels must be decided.

Mayor Bernard felt the Budget Committee should decide this.

Councilor Marshall was disturbed that Council is setting community priorities without input from the neighborhood associations.

Councilor Lancaster said, to a degree, Council has gotten all the needed input because it determined every service currently provided are the ones we have to have. That is what the neighborhoods told us they wanted.

Councilor Marshall said the neighborhoods have been asked many times in the past, but a leadership meeting is scheduled for next week.

Councilor Lancaster feels it is appropriate to ask the neighborhoods again. He commented he was a proponent of having all the appointed Budget Committee members submit their lists of core essential services as well as Council. The neighborhood chairs should do the same. In terms of services, what does communication entail? All he has heard so far is *The Pilot*, neighborhood grants, and code enforcement. He would like to get an idea of the programs involved, unless the intent is to scrap all the existing programs.

Councilor Barnes said communication is partially neighborhood services and includes *The Pilot*, neighborhood grants, public access studio, the website, and anything that brings the community together and enhances two-way understanding between citizens and their government.

Mayor Bernard said no one is suggesting service levels at this point. The planning department is also responsible for providing information. The list will probably not be complete at this time.

Councilor Marshall said the purpose is to make a statement that citizen communication and participation is the first priority, not to come up with a complete list of who provides that service.

Councilor Lancaster wanted to clarify that communication comes before police, fire, and everything else.

Councilor Marshall said if someone's house were on fire, how would the fire department find out.

Councilor Lancaster said his point is the number one priority is communication, so anything that falls under communication is funded first. He needs to know what this entails, and so far he has *The Pilot*, neighborhood services, the public access studio, the website, and legally required planning notices.

Councilor Barnes added the communication from citizens has an equally high priority and is tied to funding personnel who listen to resident concerns. The Council must make sure it hears what citizens want and share responses.

Councilor Lancaster did not disagree but wants to understand what that means in terms of personnel, programs, funding, etc.

Mayor Bernard pointed out that neighborhood associations also do mailings, so their funding needs should be taken into consideration. These mailing are part of the grant package and separate from *The Pilot*. He referred to a recent report on the grant program that indicated 22,000 volunteer hours, or about \$340,000, and \$128,000 in-kind contributions. The grants awarded over the life of the program amounted to \$178,000. This is an incredible leveraging of dollars.

Councilor Lancaster said the program is not on trial. The only issue is at what level it is funded and at what expense to other programs.

Mayor Bernard suggested asking the neighborhood leadership at what level they felt *The Pilot* should be funded. Could the size be reduced? Would people read it on the website? Would people pick it up instead of using direct mail?

Councilor Stone suggested looking at the cost of freelancing out *The Pilot* instead of having it done by an employee who gets PERS and medical and dental benefits.

Councilor Marshall said the Council is here to set priorities. This is not setting a priority.

Councilor Lancaster said he would have expected the city manager to have asked all his staff about doing things differently. He agrees with Marshall and wants to identify key priorities and not brainstorm on cutting things. Hopefully, all the ideas from Juli Howard will be pursued. What else would apply to communications?

Councilor Marshall did not think this was the time to make a definitive list.

III. A. 3/

Councilor Barnes said a public information officer to act as the official spokesperson needs to be included on the list.

Discussion of Priority #2

Councilor Lancaster believed, if using general titles, #2 should be public safety, although he thinks it should be #1. This includes police, fire, and to a degree code enforcement. He asked if code enforcement was part of communication.

Councilor Marshall said only as under the heading of neighborhood services.

The group agreed public safety is police, fire, and code enforcement.

Discussion of Priority #3

Councilor Barnes feels the library should be included.

Councilor Marshall said water and sewer would be next.

Councilor Stone thought the discussion was only about the general fund.

Mayor Bernard thought the group was discussing everything.

Councilor Lancaster said based on his earlier comments he hoped to focus as much as possible on general fund items because that is where the Budget Committee needs direction right now.

Councilor Stone questioned the #1 priority if things are going to be grouped in this manner.

Councilor Lancaster understands from the city attorney that only an election process is mandated. The rest can be done by other service agencies. For the purpose of prioritizing in general categories, he suggested public works as a general category.

Swanson said there are 2 public works functions: public works/health which is water and sewer and infrastructure which includes land use, transportation, and structural.

Councilor Marshall believes, in that case, there are 2 priority levels.

Councilor Stone suggested public works as priority # 3 with water and sewer as "A" and roads and land use as "B".

Councilor Lancaster suggested the general category be utility services.

Mayor Bernard thought the Council decided all of these services are important and now needs to determine a fair, honest and focused way to continue to provide them. The group knows sewer and water are dedicated funds and that roads and the library are under funded. He sees *The Pilot*, grant program, and planning as one big package.

Councilor Marshall agreed that the Council came to that determination according to the motion.

Swanson said Lancaster's earlier comment was correct. The City will not go bankrupt because it will continue to collect taxes. If the City gets to the point where tax revenues are only sufficient to support a very discreet number of services, he, as a public official having to decide between public safety and communications, would choose public safety if only 1 service could be funded. This, however, is not the situation facing the City. The dilemma would come if the Council has to make a policy decision about whether to submit a road measure or a law enforcement measure to the electorate. There is a limited amount of money with a limited number of services using that money. So far, some level can be funded. When he put his recommendation together, he did not do so in a vacuum. He talks to affected department heads before hand. For example, he would give Grady \$35,000 and tell him to get *The Pilot* to as many people as many times as possible. The classic dilemma will be what to put on the ballot. He knows what he wants to do in the general fund.

Councilor Lancaster said a motion was passed saying everything is important, so let's go home. Where will the cuts come from?

Mayor Bernard said reductions would come from the city manager and department heads deciding how to provide acceptable levels of service with less money.

Councilor Marshall had 2 comments. While he appreciates the city manager's position, he would argue communication with citizens is necessary. Second, the Council hired an experienced professional; so let him do his job. Evidently, the Council is here today because some people feel Council needs to prioritize things differently than the city manager.

Councilor Lancaster said that was certainly not his understanding of what Council expected to accomplish. It was clear this meeting was a waste of time. The decision was made that everything is a priority, and Council will follow the city manager's recommendations.

Mayor Bernard believes all services are equal. The city manager is a professional, and the community will provide input on service levels. There was a lot of public testimony at the Budget Committee meetings.

III. A. 33

Councilor Lancaster said, for clarification, the direction to the Budget Committee is that the neighborhood grants program, *The Pilot*, and the public access studio will be funded before any other City service.

Mayor Bernard said the Council has been talking about communication as the #1 priority. No levels are being suggested only that the city manager makes a recommendation for providing that service at the least possible cost.

Councilor Lancaster said, based on that, the Council's policy statement is that whatever the city manager provides, as long as it keeps all of these services alive, is what the Council will go with.

Councilor Stone heard Councilors say just adopt what Swanson has recommended. Interestingly, Swanson met individually with each Council member before the last Budget Committee meeting and presented his proposal. He told her these were his ideas and certainly Council was to have input with other suggestions. He told her he would be worried or scared if Council went along with everything. She understood he did not expect Council just to bend over and agree. That would not follow Council's obligation to the community.

Mayor Bernard said Council and the community provide input, and Swanson makes adjustments. The reason for this work session is consider policies for the Budget Committee and neighborhood leadership

Councilor Marshall said to let Swanson do his job and propose a budget.

Councilor Stone understood Council was going to set its funding priorities, but it looks like everything is a priority.

Mayor Bernard feels everything is essential and core, but communication was set as a priority. Basically, the direction to the Budget Committee is to not get rid of any departments and that good communications is important.

Councilor Lancaster agreed with the communication piece because it is separate from community services. To pass a motion that says just keep doing everything we are doing shows a lack of Council leadership and tells the Budget Committee absolutely nothing. The shortfalls will continue.

Mayor Bernard said the direction was not business as usual. What was said is that all services are essential and communication is a priority.

Councilor Lancaster said the message he understands from this group is that the City will continue to fund every existing program because each is core and essential. The problem will be at what level, but Council decided it did not want to talk about that. He thought the general fund would be discussed because it is

the first one hit. The reason he pressed for this early meeting was to give definitive direction to the Budget Committee. In his opinion, the Budget Committee is not being told anything other than everything is important.

David Aschenbrenner, Budget Committee Chair, had several questions and comments. Swanson has not prepared the proposed budget for fiscal year 2003 – 2004. What he did prepare were budget adjustment recommendations. He understands from the motion that Council considers all services essential, which is how he has felt all along. He believes it is the Budget Committee's responsibility, not just Council's. It is up to the Committee to consider the budget officer's recommendation and make any necessary adjustments to ensure it is a balanced budget before approving it for Council adoption. He has a problem with the Budget Committee's not being involved with decisions on funding levels. Council cannot expect the Committee to rubber-stamp what it sends them. He understands departments will make their proposals, Swanson will put his proposed budget on the table, and the Committee will tear it apart. The Committee understands there are funding problems and that there is a \$1.2 million general fund shortfall. It is also understood some changes will have to be made, and the Committee is willing to take on that task. If the Council says communications is important and every department is important, that is fine. But the Committee would not be willing to rubber-stamp Council direction on funding levels. He expects data from all the departments, particularly from Chief Kanzler, status reports on last year's goals, and goals set for 2003 – 2004 if there is less money.

Joe Loomis said it seems the Council should set priorities for what services it feels are most important. He asked if Swanson had prepared a list of priorities. The issue is what citizens think is important, not what each Councilor thinks is most important. The tone set at the beginning of the meeting was not good, and the motion could have been made after there was more discussion. Most residents would say public safety is the highest priority, and Swanson reiterated that. The question is at what level it will be funded. People need to work together and keep in mind all those things that are important to the community. When the police department is 45% of the general fund budget, it needs to be looked at hard. The chief needs to be involved to determine if residents can be kept safe without the additional officers. Ideally, the goal of 1.5 officers per thousand is important, but everything needs to be considered.

Councilor Lancaster said Council needs to make a decision as the policy-making group. A resolution was passed in 1995 that adopted the community oriented policing plan. At the time it was adopted, 1.5 officers per thousand was the minimum number it took to make community policing work. The City has never attained that goal, and there has never been an explanation. The easy way out is to say the former administration never got us there. The City Council must decide if it will meet the obligations of that resolution or adopt a new resolution. From his perspective, there would be no more reason to pass

III. A. 35

resolutions because they are meaningless. The adoption of that plan needs to be considered before making police department funding decisions.

Councilor Marshall wanted input to find how the ratio is determined.

Councilor Lancaster said the ratio was developed from what is actually needed to do crime solving. Officers need to go into the community and talk to residents to determine what causes crime it. This is why the staffing level is needed. The numbers are arguable because cities are getting different results. He does not intend to dictate service levels to the Budget Committee. From his perspective if a priority is, for example, police services, then there needs to be a clear understanding of the level it will be provided. There needs to be a policy that says below that something below that degrades to community to such a degree it is intolerable.

Councilor Marshall agreed this is the policy Council needs to set.

Mayor Bernard felt there should be some flexibility. The City must provide good service, but is 1.5 officers per thousand the correct level?

Councilor Marshall said that is what this community bought into.

Councilor Lancaster said this is what the Council said at that time it would do, and that ratio has never been accomplished.

Councilor Marshall has heard the police department has been at 1.7 officers at certain times. It depends on how the officers are counted. The policy this group needs to make is how to determine that 1.5 ratio.

Councilor Lancaster said the key verbiage the Council needs to focus on to establish a policy is "deployable resource". This means the officer can immediately respond to a call. The school resource officer is not deployable because he is 100% dedicated to the high school. The chief and captain are not deployable because they have other administrative duties. The issue is the City is currently at 24 – 25 deployable officers. Milwaukie is not at 1.5 deployable officers. His point is, as a matter of policy, either the 1995 resolution should be repealed or the City should live up to its own policy.

Mayor Bernard would argue the officers in the schools provide service to a specific portion of the population. In a big emergency, these officers as well as the detectives are deployable.

Councilor Stone used the analogy of the medical profession, RNs can respond but not perform at the same level of service and cannot be as effective. She believes that is why the distinction is made. An officer in the school is certainly

doing different things and is not on the street involved in the kind of crime that occurs on a day-to-day basis. They are not up to speed to respond.

Mayor Bernard understands the school resource officers are on the streets during the summer. These officers have come up through the ranks as have detectives.

Councilor Lancaster understands the detectives are investigating serious crimes.

It was moved by Councilor Stone and seconded by Councilor Lancaster to uphold the 1995 policy decision and uphold the standard of community policing to be 1.5 officers per thousand population.

Mayor Bernard called for further discussion.

Councilor Barnes felt she needed more information on who is an officer and who is not before making a decision. In her mind, the officer at Milwaukie High School is a real police officer.

Councilor Marshall and **Mayor Bernard** agreed more information was needed. This discussion needs to take place with the chief and city manager.

Councilor Stone thinks as city policy makers, the Council needs to consider what its standard will be. Why would standards have changed from 1995?

Mayor Bernard did not feel he could make this type of decision without knowing what is needed.

Councilor Lancaster proposed a friendly amendment: the minimum level for police services will be set once the minimum level of deployable resources required to effectively do community policing is established, based on the information Council get from the chief.

Councilor Stone accepted the amendment.

Councilor Barnes asked how this would be funded if the number of officers is higher.

Councilor Lancaster said that would be part of the budget prioritization for public safety. If the number of officers goes up or down, based on credible criteria used to define deployable resources, then an adjustment is made if warranted.

Mayor Bernard wants to spend more time on community policing to find out about changes since 1995. In general he agrees with Lancaster.

III. A. 37

Councilor Marshall tended to agree with Lancaster. He made a friendly attachment to the motion, which is to continue to roll over neighborhood grant funds. This was a commitment Council made to the neighborhoods and is just as important and the 1.5 officer promise.

Councilor Lancaster is completely dedicated to the grant fund roll over commitment. It becomes another issue, however, if it is determined the program cannot be fully funded as it has in the past.

Mayor Bernard is concerned this tells the Budget Committee what funding levels should be and recommended letting the Committee and neighborhoods decide.

Councilor Marshall said the issue is the promise Council made. He would need to see a vote from the neighborhoods saying they do not want the roll over funding.

Aschenbrenner thought neighborhoods would probably be more willing to give back a certain amount of money rather than giving up the roll over.

Councilor Stone did not think the roll over addition to the motion, which was about a 1995 Council policy decision, was appropriate.

Councilor Marshall argued the grant fund roll over was also a policy decision.

Councilor Lancaster would support a separate motion on the roll over.

Councilor Lancaster repeated his friendly amendment to the motion: once the Council determines the minimum level of deployable resources required to do community policing, then that is accepted as the minimum level of police services provided by the City. The ratio would be based on all available information to determine deployable resources. The Council will determine to criteria to assure the number is valid.

Stone seconded the friendly amendment. The motion passed unanimously.

It was moved by Councilor Marshall and seconded by Councilor Lancaster to honor the neighborhood grant roll over.

Councilor Stone did not agree with this unless the neighborhoods have a plan. The grant program is a great value to this community, but people need to be motivated to have a project. Taxpayer money should not be just left sitting.

Motion passed 4 – 0 – 1 with the following vote: Mayor Bernard, Councilor Barnes, Councilor Lancaster, and Councilor Marshall aye; no nays; Councilor Stone abstained.

Aschenbrenner asked what the timeframe was on determining the police officer ratio because Swanson needs it to develop the proposed budget.

Councilor Lancaster guessed all the relevant criteria could be put together quickly and done for use in this budget cycle. He does not intend to hold up the budget process.

Councilor Barnes urged better communications between Council members and urged that no member bring up something in a meeting without letting all members know beforehand.

Councilor Marshall believes a teambuilding retreat is critical. The group discussed the importance of bonding and keeping each other informed.

Councilor Stone agrees teambuilding is important because when she sat down at this meeting, she thought a fast one was being pulled. At the last meeting, she did not feel it was appropriate for the nurses to address Council. The group discussed public meetings and allowing members of the public to address Council. She did not feel it was appropriate for Barnes to discuss her union affiliations in Council meetings.

Councilor Lancaster commented that things Council says can be interpreted and have unintended consequences, so it is judicious to consider what is being said in the public arena.

Councilor Lancaster asked how the priorities would be established. His it would be easier for the Budget Committee if it has a clear priority of the services the City should provide. If the smallest group of services is identified, then those will be the ones on which the City spends its money in the worst funding years.

Councilor Barnes understood from Swanson the City is not in the worse case scenario funding year.

Councilor Lancaster said in this immediate budget, the City has the ability to spread the pain and still provide everything. It can be reasonably predicted that things will get much worse, so the Council should establish its leadership and focus on critical services. This is what he hoped to do, and what was begun today should continue.

Councilor Barnes urged grant writing begin as soon as possible and working as a team with the School District.

The group determined the first thing to do is schedule a retreat after the new councilor is elected.

III. A. 39

Councilor Lancaster said from his perspective the Budget Committee has as much direction as it is going to get. The important thing to do is focus on priorities and keep that moving until all priorities are discussed. He could wait until the new councilor is elected and a retreat is held.

Councilor Marshall hopes part of the direction to Swanson is that adequate time be given to the police chief's budget presentation to discuss the police officer ratio.

The work session ended at 2:50 p.m.

Pat DuVal, Recorder



TO: Mayor and City Council

FROM: Mike Swanson, City Manager

SUBJECT: Correction of Resolution 6-2003/Sale of Property Located at
12125 SE 21st Avenue, Milwaukie

DATE: February 28, 2003

ACTION REQUESTED

Approval of the resolution correcting the resolution adopted at the February 18, 2003 Council meeting in order to correctly reflect that the **buyer** will be responsible for removing the existing building located on Tax Lot 1401.

BACKGROUND

At your February 18, 2003 meeting you declared the property located at 12125 SE 21st Avenue surplus, and you authorized its sale pursuant to the City's surplus property ordinance. (Milwaukie Municipal Code Section 3.15.015 *et seq*) Your authority also includes the ability to set terms of the sale. Among the terms that you intended to set was the requirement that the buyer of Tax Lot 1401 be required to remove the existing structure. The reduced minimum price for Tax Lot 1401 reflects this requirement.

However, Resolution 6-2003 as adopted mistakenly requires that the seller remove the structure. This error was not caught in the proofreading process. The proposed resolution before you corrects that error.

The next step in the surplus property ordinance is contained in Milwaukie Municipal Code Section 3.15.015(F). A notice of sale, together with the terms of sale, is required to be published. That step has not been taken and awaits passage of this resolution. Therefore, no one has relied to their detriment on the mistake made in Resolution 6-2003, and the notice required by the City's process will be made with the correct information.

III. B. 2

FISCAL IMPACT

From the outset it has been deemed advisable that the structure be removed. It is in poor repair. In addition, it represents a history that the neighborhood would rather put in the past. The City has already expended considerable resources getting to this point in the process, but an additional \$5,000-\$10,000 would be needed to complete the process. (One might argue that this is only a "scrivener's error" and that this action is unnecessary. However, I prefer to leave no stone unturned in this issue.)

WORK LOAD IMPACTS

None

ALTERNATIVES

1. Proceed with the notice and require the buyer to remove the structure (consider the error to be a "scrivener's error" that does not require formal correction but which can be made based on the record).
2. Proceed with the notice and require the seller to remove the structure at a cost of \$5,000-\$10,000.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON
AMENDING RESOLUTION NO. 6-2003 PERTAINING TO A CONDITION OF SALE
OF THE PROPERTY LOCATED AT 12125 SE 21ST AVENUE**

WHEREAS, Resolution 6-2003 adopted by the City Council on February 18, 2003 declared property located at 12125 SE 21st to be surplus, directed the sale of the property, and determined the minimum acceptable terms; and

WHEREAS, the final sentence of Section 2 of Resolution 6-2003 set forth the terms of sale for Tax Lot 1401 as follows: "For Tax Lot 1401, the minimum terms for the sale shall be a sale price of \$48,000 and a requirement that the seller remove the existing structure on the property."; and

WHEREAS, it was the original intention of the Council that a term for the sale of Tax Lot 1401 be that the buyer remove the structure, and that the term as stated above in Resolution 6-2003 was an error that should be corrected prior to offering the property for sale; and

WHEREAS, the property has not yet been advertised for sale pursuant to Milwaukie Municipal Code Section 3.15.015(F), there is no harm occasioned by this change.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILWAUKIE THAT:

SECTION 1: Section 2 of Resolution 6-2003 adopted on February 18, 2003 is amended to read as follows: "City staff is directed to sell the property located at 12125 SE 21st Avenue in two separate parcels, consistent with Milwaukie Municipal Code Section 3.15.015. For Tax Lot 1400, the minimum terms for the sale shall be a sale price of \$53,000 and a requirement to allow access to the site for purposes of removing the existing structure. For Tax Lot 1401, the minimum terms for the sale shall be a sale price of \$48,000 and a requirement that the buyer remove the existing structure on the property."

SECTION 2: The resolution becomes effective upon adoption.

Introduced and adopted by the City Council of the City of Milwaukie, Oregon on _____, 2003.

James Bernard, Mayor

ATTEST:

APPROVED AS TO FORM:

Pat DuVal, City Recorder

Ramis, Crew, Corrigan & Bachrach, LLP

Resolution No. _____



To: Mayor and City Council

Through: Mike Swanson, City Manager
Alice Rouyer, Community Development and Public Works Director
Kelly Somers, Fleet and Facilities Manager

ACR

From: William Miller, Facilities Maintenance Specialist *WJM*

Subject: Energy Loan Program for Energy Saving Projects

Date: February 24, 2003 for March 10, 2003 Meeting

Action Requested

Authorize the City Manager to sign all documents required to apply for and execute a \$170,000 energy loan from the Oregon Office of Energy. The funds from the loan will be used to replace old inefficient HVAC equipment and controls. The new equipment and controls will reduce energy use and save money at the Ledding Library, the Public Safety Building, and the Public Works buildings.

Background

The following projects are proposed to be completed with the funds obtained through the energy loan from the Oregon Office of Energy. The Energy Loan Program is through the Oregon Office of Energy who works in conjunction with the Energy Trust of Oregon to help Oregon businesses and governments implement projects that help reduce energy use.

The intent of these projects is to reduce energy use and heating and cooling costs at the Library and Public Safety Building. At the Public Works Buildings these projects would reduce energy use; heating and cooling costs; and lighting energy use. All of these projects would improve indoor air quality for the building occupants. The energy

III. C. 2

savings over time will be significant. Because of the extent of these projects at these buildings it will be necessary to budget funds to help repay the loan.

Library:

Project 1 – Replace the two-rooftop HVAC units that are approximately 16 years old. Their service life is 15 years. These units had problems this past summer and were unable to maintain the level of cooling required for the facility. These units may not survive through this year. Repair of these units would not be cost effective. Two new units and controls would replace the existing units that are one year past their service life with more energy efficient units. The new units would also have the energy saving mode of utilizing outside air for cooling when available, thereby achieving maximum energy savings.

Project 2 – Replace the fan motor for the air handler in the basement, which is 39 years old. The replacement motor will be more energy efficient.

The estimated energy savings payback period for this project is two years.

Public Safety Building:

Project 1 - Install variable speed drive on the fan motors in the two large HVAC units on the roof. This would save energy and money.

The estimated energy savings payback period for this project is 4 years

Project 2 - Install the controls to operate the drives listed above and get the most energy savings from them.

Johnson Creek Facility:

Project 1 - Replace the 3 attic mounted HVAC units, which are located in the front office area. The units are 13 years old and inefficient. The 3 new units including controls would be more efficient and improve indoor air quality. The outside air would be mixed with the indoor air to improve overall air quality.

Project 2 - Replace the shop heating system with an energy efficient system called radian tube heat.

The estimated energy savings payback period for this project is 5 years.

Project 3 - Add a make-up air unit in the shop.

The estimated energy savings payback period for this project is 4 years.

Project 4 - Replace lighting in the wash bay, gas island, and covered parking area with very efficient fluorescent lighting and motion detection equipment.

The estimated energy savings payback period for this project is 6 years.

Concurrence

The Director of Community Development and Public Works and City Manager support moving forward with the loan applications.

Fiscal Impact

Staff is proposing to borrow money from the Oregon Office of Energy – Energy Loan Program. The loan can be used for the cost of engineering, design, permits, commissioning, and construction of the projects. The terms of the loan are an interest rate of 5.1% APR and maximum payback of 15 years.

The cost estimate for design and construction of these projects are as follows:

Ledding Library	\$24,000
Public Safety Building	\$45,000
Johnson Creek Facility	\$96,000
Electrical Installation – All Projects	<u>\$ 5,000</u>
Total Cost	\$170,000

The annual cost would \$16,238.64, including interest.

If the loan is approved the City would need to budget this amount over the 15 year loan period.

These projects would include design of the systems, purchase and installation of the equipment, and programming of the controls.

III. C. 4

Work Load Impacts

These projects will require approximately 80 hours of Facilities staff time to complete.


Alternatives

The City Council has the following decision-making options:

1. Direct staff to proceed with the project.
2. Direct staff to not proceed with the project, and evaluate other ways to pay for these improvements.



III. D. 1

To: Mayor Bernard and Milwaukie City Council
Through: Mike Swanson, City Manager
From: Larry R. Kanzler, Chief of Police 
Date: February 12, 2003
Subject: O.L.C.C. Application – The Brew Bar & Grill – 10933 S.E. Main Street

Action Requested:

It is respectfully requested the Council approve the O.L.C.C. Application To Obtain A Liquor License from The Brew Bar & Grill – 10933 S.E. Main Street.

Background:

We have conducted a background investigation and find no reason to deny the request for liquor license.



To: Mayor and City Council

Through: Mike Swanson, City Manager
Alice Rouyer, Community Development and Public Works Director *ACR*

From: Jeffrey King, Project Manager *JK*

Subject: Economic Development Policy

Date: February 14, 2003, for the March 10, 2003, meeting

Action Requested

Begin discussion and provide feedback on the attached draft economic development strategy outline for Milwaukie.

Background

In response to City Council's goals promoting economic development in Milwaukie, staff has prepared a draft strategy outline to begin the discussion about how this service could be provided by the City. To begin brainstorming possible strategies, staff reviewed existing City Comprehensive Plan policies. The Comprehensive Plan lays out 12 objectives that support economic and commercial development. These policies are, for the most part, still valid. They provide a good starting point. The City can now review and expand upon these goals and objectives. A further question is how do we implement economic development and what vehicle or structure do we use? Staff has prepared the attached report, providing some ideas for consideration. Please review the attachment. Staff will be prepared to discuss this with Council at the meeting.

In the report, staff looks at long-term, short-term, and immediate economic development strategies. Staff recognizes that the City budget limits resources and staff. Thus it may not be possible to implement all elements of a long-term and short-term economic development strategy at this time. However, the immediate strategies take this limitation into account and would be able to be implemented. These are:

VI. A. 2

1. Create an ad hoc Public/Private Economic Development Strategic Planning Committee or Task Force that formally reports to City Council. The committee could:

- Recommend a long-term citywide economic development entity;
- Develop an economic development strategic plan;
- Review the existing Milwaukie Comprehensive Plan economic development goals and objectives;
- Begin recruiting volunteers; and
- Take on other tasks as directed by Council.

The committee should also coordinate with the Planning Commission. This committee should have a heavy private sector membership.

2. Proceed with North Industrial Land Use Study (NILUS) and implementation and seek grant for a future “Phase II” which might include individual building assessments, marketing, and other elements identified but not completed in the original study and subsequent implementation.
3. Participate/Attend in regional policy and strategy committees:
 - a. Regional Economic Development Partners—Portland Development Commission
 - b. Metropolitan Economic Policy Task Force—Institute of Portland Metropolitan Studies (meets monthly)
 - c. North Clackamas Chamber of Commerce
 - d. Metro, Tri-Met, and ODOT (transportation issues)
 - e. Clackamas County Economic Development Commission (CCEDC)
 - f. Clackamas County Business Development Committee of CCEDC
 - g. Statewide Oregon Economic Development Association (OEDA) (join)
 - h. Regional Transportation-JPACT, Metro, and Clackamas County Technical Advisory Committees
4. Develop Basic Economic Profile for City and Available Site Inventory. Create economic development section for City website.
5. Begin outreach process with existing businesses and property owners to establish a relationship, gain support, and to “know what we don’t know.” Use face-to-face meetings and survey instrument.
6. Seek grants or fundraising to assist with economic development strategic planning and marketing.
7. Access and leverage a wide network of state, regional, and private sector economic development and business service providers to assist Milwaukie.

8. Proceed with downtown development:
 - a. Safeway/North Main redevelopment project
 - b. Downtown infrastructure grant opportunities
 - c. Implementation of downtown design guidelines
9. Promote and seek funding for transportation improvements.

Concurrence

Consistent with City Council goals. Community Development and Planning support the development of economic development, planning, strategies, and action steps.

Fiscal Impact

Work will be performed by existing staff. Staff will be seeking grant opportunities to fund the development of a plan and other economic development strategies.

Workload Impacts

Initial policy, projects, and planning can be handled by existing staff.

Alternatives

1. Proceed with economic development planning and efforts.
2. Suggest other ways to provide economic development services.
3. No action on economic development at this time.

An Outline for an Economic Development Strategy in Milwaukie

Economic Development is often seen as its own distinct program with specific personnel, tools, incentives and strategies. If successful, it creates new industrial facilities, tax revenue, investment and jobs as the end game. Part of this equation is true; however, in reality, there is much more to economic development. A wider perspective is needed to understand how much economic development is a key component woven into overall livability and quality of life of the region. In today's global economy, strategic investments include not only land and tax incentives but also an educated and trained workforce, planning and transportation, water supply, digital infrastructure, environment, housing, and health care. On the output side, economic development includes jobs and investments but also contributes to a tax base to pay for services, a vibrant region, and the overall quality of life and livability.

Effective economic development today is based more on public-private partnership and other strategic alliances. A thriving local economy can be seen as a win-win proposition for both sides. The public sector receives jobs for its residents, reduces commuting, creates positive net property tax revenue, balances the tax base, contributes to the vibrancy of a city, and contributes to civic events and strength. The private sector receives the opportunity to create wealth and profit, jobs, and sites that can be developed for operations.

The City of Milwaukie is a significant industrial center within the metropolitan area. The North Milwaukie Industrial Area, the International Way/Omark Industrial Park and the Johnson Creek Industrial Area comprise over 300 acres of industrial land within the city. Commercial centers include the downtown/town center area, Milwaukie Marketplace, and the King Road area. Because of its location, success of the local economy is significantly affected by regional metropolitan policies and actions. It is also impacted by national and macroeconomic trends.

Locally, Milwaukie is facing some unique economic challenges. Some of this is due to the ongoing statewide recession, but much is not:

- A growing vacancy rate of industrial, distribution, and office space.
- A stagnant and underperforming downtown.
- An older north Milwaukie industrial area where a number of structures and site designs and infrastructure are becoming obsolete and non-competitive.
- Very little available land left to accommodate future economic growth.

In an effort to address economic development, the City has taken a number of steps. These steps include:

- Development of a high quality Downtown and Riverfront Plan to encourage revitalization and guide future development of the Milwaukie downtown area.
- Received a grant to complete a North Industrial Land Use Study (NILUS). The goal of this study is to develop strategies and actions to help revitalize this area to help make it an economically competitive area.
- Prepared an Economic Base and Industrial/Commercial Land Use section in the City of Milwaukie Comprehensive Plan. The section lays out policy and economic development goals and objectives in a number of economic development areas as part of Statewide Planning Goal #9-Economic Development.
- City Council has added economic development to its draft priority work plan for 2003.

The City of Milwaukie has worked hard to create successful neighborhood policies. The result has been a strong and participatory link between City Hall and the residential neighborhood community. A program is in place that has helped stabilize and create advocacy for neighborhood needs and issues. Similarly, a citywide economic plan could do the same for the business community in Milwaukie. A public-private partnership would increase communication and coordination leading to more successful and lasting economic and business development results. Such a partnership could also include joint participation in paying for program costs, thus taking the full burden off the city.

The proposed economic development outline takes into account the current City of Milwaukie fiscal constraints. Thus, some of the longer- and middle-term elements may have to be postponed or phased in a later date as staff and financial resources allow. However, staff believes all of the immediate steps, as proposed, can be implemented.

Guiding Principles

In proposing economic strategies and services customized to Milwaukie and within the context of its location, Staff proposes the following guiding principles to keep in mind:

- Acknowledge the mega-trends in the "new" economy and adapt strategies to take advantages of these changes.
- Economic Development must ultimately be driven by the private sector. The City should have strong outreach, communication, and partnership with the private sector.
- Economic Development is much broader than land use policy and regulatory issues. However, land use policy needs to be a central and key component.

VI. A. 6

- Economic Development affecting Milwaukie should be seen as operating in three spheres. All are equally important.
 - **Regional (Portland Metropolitan)** including Clark County. There are a number of critical elements needed for successful economic growth and competitiveness that transcend the City of Milwaukie boundary.
 - **Citywide**—policies, tools, and tactics that support citywide economic growth and redevelopment.
 - **Site- or Project-Specific**—examples include specific site improvements, land use policies or infrastructure affecting a particular site or sub-area. Assisting a specific company that may also include the interest in locating to a specific site.
- A Business Retention and Expansion Plan is critical. Often up to 80% of new jobs are due to expansion and retention of businesses already in a community, along with homegrown businesses (new local start-ups).

Why Economic Development Now?

The regional and local economy is facing distinct challenges. One challenge is to recover from the current recession. However, the current downturn was not caused exclusively by national cyclical trends. To fully recover and resume growth in Oregon, the City and region must reexamine what their competitive advantages and weaknesses are in today's economic arena. We are transitioning to the "New Economy." The City and the region must also review their current economic strategies and tactics. What may have worked for the last 15 years may not work now. Times change; the businesses within our economy have had to change even faster. In the old economy, bureaucracy was how we addressed many major public policy problems. In the New Economy, we must rely on new public-private partnerships and alliances. If the region and City are to remain economically competitive and vibrant they must update strategies to adapt to these changes. The first place to look is at more macro or regional trends and transitions that have been underway in the economy for some time now.

Dominant elements of a successful 21st Century New Economy are:

- Businesses must compete both nationally and globally.
- Knowledge has replaced oil and other natural resources as the key asset or resource for many businesses.
- The workforce must be educated and have specialized skills beyond a high school diploma.
- Economic growth and competition is based more on metropolitan regions than states or nations.
- A regional economy is built around clusters for competitive advantage.

- The increased use of technology, Internet, and digital infrastructure to make productivity gains. While not all or even most companies are high-tech, many "old-line" companies are incorporating technology into their operations.
- Quality of life is an increasing factor needed to support and attract economic success.
- Ongoing innovation and creativity is necessary as a source of ongoing economic competitiveness.

The challenge in Milwaukie is not only to create an effective economic development policy but also to be able to implement strategies and actions and to insure a sustainable economic development program. In developing an economic development plan that covers both short and long-term strategies and actions for Milwaukie, the following components should be considered:

I. The Foundation

A. Building and Sustaining Capacity

1. Building public and private support and partnership.
2. Education and outreach.
3. Sustainable and visible economic development function.

B. Strategic Plan

1. Economic development vision and goals for Milwaukie.
2. Long-term and short-term strategies.
3. Strategies, tools, and action steps.

II. Implementation

A. Land Use and Infrastructure

1. Supportive zoning and development code.
2. North Industrial Land Use Study (NILUS).
3. Transportation enhancements.
4. Maintain environmental and design standards.
5. Adequate land for future commercial and industrial growth.
6. Support redevelopment opportunities.
7. Competitive telecommunications infrastructure.
8. Upgraded infrastructure and utilities access.

VI. A. 8 Economic Development Strategy in Milwaukie

B. Business Retention and Expansion

1. Build relations with companies. Establish liaison role.
2. Leverage local, regional, state, and private economic development resources and incentives.
3. Supportive City permitting and regulatory process.
4. Adequate land for commercial and industrial expansion.

C. Business Recruitment and Marketing

1. Marketing strategy.
2. Site information profiles.
3. Maintain inventory of business-related information.
4. Leverage local, regional, state, and private economic development resources and incentives.

D. Small Business and Entrepreneurial Development

1. Potential incubator space.
2. Small business assistance resources.
3. Supportive permitting, licensing and regulatory process.
4. Identify/access to financing.

E. Business Climate and Regulatory Process

1. Supportive, efficient permitting, licensing and regulatory process.
2. Strategies for welcoming business.
3. Business ombudsman.

F. Downtown and Waterfront Commercial Development

1. Work to continue implementation of Milwaukie Downtown and Riverfront Plan.
2. Develop public catalyst projects.
3. Encourage private sector redevelopment.
4. Approve Downtown Design Guidelines.

G. Skilled Workforce

Strengthen business-education links.

H. Business Resources, Incentives and Networks

1. Provide incentives and economic development tools to achieve City goals.
2. Coordinate and leverage economic development partners such as County, OECD, CST, Metro, and North Clackamas Chamber of Commerce.

I. Regional Participation

Actively participate in Portland Metropolitan Region committees, task forces, and organizations on policy and strategy development.

III. First Steps: Within a Financially Constrained Environment—Short-Term Plan Outline

A Short-Term Plan Outline will implement strategies and actions over 12-24 months. Several initial steps can be carried out using very little City funding by using grants, existing staff, regional partners, volunteers and private sector and in-house staff. A number of the longer-term items may have to be delayed or phased in as staff time as financial resources allow.

A. Building and Sustaining Capacity

1. Create citywide ad hoc committee to oversee the development of a longer-term economic development entity, strategic plans and other tools and policies and report back to City Council.
2. This ad hoc committee and any permanent entity, such as a City Economic Development Council, should have heavy private sector participation. Included for consideration should be representatives of City Council, Planning Commission, a large manufacturer/distributor, a small manufacturer/distributor, an entrepreneur/start-up business, a retail business, a service business, a financial institution, real estate, organized labor, an education institution, a workforce development institution, Clackamas County Economic Development, PDC or Metro, North Clackamas Chamber of Commerce, and Milwaukie neighborhoods, along with a representative from Community Development and Public Works Department, serving as staff. Also insure that each industrial area is represented—North Industrial Area, International Way, Johnson Creek, and Downtown.

B. Strategic Plan

1. Seek a grant to develop an economic development strategic plan for the City of Milwaukie. Grant may also include the development of an organizational structure and marketing.
2. Develop a survey for Milwaukie businesses as well as face to face interviews in order to get their input , understand their needs and develop a relationship. A significant part of economic development is through retention and expansion of businesses already here.
3. Create an "Ambassador's Committee" of business, elected, and other civic leaders to help welcome and assist companies looking to locate in Milwaukie.
4. Coordinate and leverage existing economic development resources such as Clackamas County Economic Development, Oregon Economic and Community Development Department, Small Business Development Center, realtors, Port of Portland, and Portland Development Commission. Designate existing staff.

C. Business Recruitment and Marketing

1. Add an economic development section to the Milwaukie web site. Include list of available sites.
2. Work with utilities, brokers/realtors, developers, and large businesses to raise funds for marketing. Coordination in developing marketing materials including electronic media. Promote enterprise zone incentives.
3. Develop basic profile of City and development related information.
4. Inventory and maintain profile of available sites.

D. Regional Participation

Coordinate with regional economic development action and planning efforts. Significant issues critical to revitalizing our economy are regional and beyond the scope of Milwaukie to handle alone. These items include infrastructure improvements, upgrading our educational institutions, creating more venture capital, creating a first class engineering school in Portland metro area, improving University R&D and patent development, regional industrial land use strategies, and more. The important role for Milwaukie is to get a seat at the table not only to support such efforts but also to increase the profile of Milwaukie as a city that supports reasonable economic development. Naming a liaison(s) to regional boards or activities.

E. Land Use and Infrastructure

1. Proceed with North Industrial Land Use Study. Implement new zoning and code changes that may enhance the marketability of this area. Seek a grant to proceed with Phase II, which would include assessment of reuse/redevelopment of each site, infrastructure upgrade planning and master planning of sections of the area.
2. Create a task force advisory committee or public-private association in the North Industrial Area. Work in partnership to understand common needs, sharing information and developing strategies to revitalize the area, support existing business, and promote economic growth.
3. Begin to identify potential land to accommodate future business development growth needs.

F. Business Climate

1. Insure that City permitting process and regulations are clear, understandable, reasonable and supportive of business development while still maintaining standards of quality and livability
2. Name a City staff ombudsman, liaison, and/or team to respond to the needs of business in Milwaukie.
3. Take symbolic and other more substantive steps to show that Milwaukie is supportive of business development and redevelopment.
4. Welcome new business by City officials.
5. Work to reach out to the private sector for their participation and coordination in developing economic development policy and services design. Build a strong two-way relationship.

IV. Immediate Steps

A. Planning & Organizing

Create an ad hoc public/private Economic Development Strategic Planning Committee (or Task Force) that formally reports to City Council. The committee could:

- Recommend a long-term citywide economic development entity;
- Develop an economic development strategic plan;
- Review the existing Milwaukie Comprehensive Plan economic development goals and objectives;

VI. A. 12 Economic Development Strategy in Milwaukie

- Begin recruiting volunteers; and
- Take on other tasks as directed by Council.

The committee should also coordinate with the Planning Commission. This committee should have a heavy private sector membership. It could be effective in reaching out, coordinating and building a partnership with the private sector. Possible members include representatives of:

- City Council;
- Planning Commission;
- A large manufacturer/distributor;
- A small manufacturer/distributor;
- An entrepreneur/start-up business;
- A retail business;
- A service business;
- A financial institution;
- Real estate;
- Organized labor;
- An education institution;
- A workforce development institution;
- Clackamas County Economic Development, PDC, or Metro;
- North Clackamas Chamber of Commerce; and
- Milwaukie neighborhoods; along with
- A representative from Community Development and Public Works Department, serving as staff.

Also insure that each industrial area is represented-North Industrial Area, International Way, Johnson Creek, and Downtown.

B. NILUS

Proceed with North Industrial Land Use Study (NILUS) implementation and seek grant for a future "Phase II" which might include individual building assessments, marketing, and other elements identified but not completed in the original study and subsequent implementation.

C. Regional participation

Participate in regional policy and strategy committees:

1. Regional Economic Development Partners-Portland Development Commission
2. Metropolitan Economic Policy Task Force-Institute of Portland Metropolitan Studies (meets monthly)
3. North Clackamas Chamber of Commerce
4. Metro, Tri-Met, and ODOT (transportation issues)
5. Clackamas County Economic Development Commission (CCEDC)
6. Clackamas County Business Development Committee of CCEDC
7. Statewide Oregon Economic Development Association (OEDA) (join)
8. JPACT, Metro, and Clackamas County Technical Advisory Committees (regional transportation)

D. Economic Profile and Site Inventory

Develop Basic Economic Profile for City and Available Site Inventory. Create economic development section for City website.

E. Outreach

Begin outreach process with existing businesses and property owners to establish a relationship, gain support, and to "know what we don't know." Use face-to-face meetings and survey instrument.

F. Grants

Seek grants or fundraising to assist with economic development strategic planning and marketing.

G. Networking

Access and leverage a wide network of state, regional, and private sector economic development and business service providers to assist Milwaukie.

H. Proceed with Downtown Development:

- Safeway/North Main redevelopment project
- Downtown infrastructure grant opportunities
- Implementation of downtown design guidelines

I. Transportation

Promote and seek funding for transportation improvements in Milwaukie.



To: Mayor and City Council

Through: Mike Swanson, City Manager
Alice Rouyer, Community Development & Public Works Director

From: John Gessner, Planning Director *JG*

Subject: North Industrial Land Use Study Update

Date: March 10, 2003

Action Requested

No action is requested. This report is for information sharing.

Background

Over the past several months Planning and Engineering staff have been working with the consultant team and project's technical advisory committee on issues affecting redevelopment of the City's North Industrial Area. The project, which is funded by a state grant, has been of long standing interest to the Planning Commission and the City Council. Concerns about future redevelopment include strengthening the city economy and tax base and fulfilling Comprehensive Plan policies for industrial land use. This report highlights key findings and issues to date. Additional work, which is under way, is needed to determine policy choices for city action.

What does the Technical Advisory Committee do and who are its members?

The technical advisory committee reviews reports prepared by the consultant team and provides technical comments and direction. The team is composed of city staff, private sector representatives, and staff of ODOT, Metro and Clackamas County.

VI. B. 2

What are the key elements of the project?

There are four key elements as follows:

1. Market Study to identify demand for future industrial and commercial uses.
2. Possible zoning changes to expand uses that are supported by the market study.
3. Analysis of traffic and transportation issues that may affect the ability to manage future traffic associated with redevelopment.
4. An implementation strategy that will guide future planning, capital improvement, and economic development actions.

What are the key findings to-date?

1. The market study concludes that there will be healthy demand for industrial and commercial land uses over the next 20 years and that the study area will capture some of that demand. This city can enhance the attractiveness of the area for future development through targeted actions.
2. Existing uses should be protected but zoning should be changed to allow for a broader mix of uses including office and limited service and retail uses in order to improve opportunities for future redevelopment.
3. Traffic conditions and access issues along McLoughlin Boulevard, especially at its intersections of Milport Road and Ochoco Street will most likely need some type of improvement.
4. The light rail option along Main Street that includes a transit station at the Southgate Theatre location presents enhanced opportunities for redevelopment but also poses important traffic and access challenges.
5. The turning restrictions at McLoughlin and Ochoco and Milport limit access into the industrial areas.

What feedback has been received from area property owners and business operators?

1. The following summarizes the concerns of the recently organized North Industrial Land Owners Committee¹. All of these issues will be addressed by the project team, which will be seeking policy recommendations and direction from the Planning Commission and City Council within the next month.

¹ See the attached January 17, 2003 letter from the North Milwaukie Industrial Land Owners Committee.

- Truck access needs to be considered and protected.
 - The intersection of Main Street and Milport needs to be improved to reduce accident risk.
 - The intersection of Milport and Main Street/McLoughlin is a gateway to the industrial area. A possible park and ride facility at Southgate Theatre will generate additional traffic.
 - The Main Street light rail alignment will adversely affect existing businesses.
 - The existing warehouse and distribution businesses should remain.
 - The Pendelton and Goodwill sites should be rezoned to retail.
 - Residential and commercial uses should be allowed south of Milport, west of McLoughlin.
2. At the Mayor's February 13, 2003 forum on city development, staff spoke with a number of business operators, some of whom are members of the North Industrial Land Owners Committee. The following feedback was received.
- The north industrial area is viable location for existing businesses but changes to the area streets can be adverse if access is not protected.
 - Transportation issues are key to the success of any business location in the study area. Care must be taken to not degrade future access.
3. Staff has also spoken with representatives of two of the area's major warehouse and distribution firms who reported that the area will remain important to their businesses, especially due to existing access to rail freight.

Where does the project go from here?

1. Staff will present this report to the Planning Commission on February 25, 2003 for feedback and direction.
2. A public open house will be conducted at 6:30 p.m. to 8:30 p.m. on February 26, 2003 at the Public Safety Building to get feedback and comments. Staff will report on the open house to the Council on March 10, 2003.

VI. B. 4

3. Technical work on traffic and transportation issues is still under way. This work should be completed shortly, and will be reported to the Council, Planning Commission, and stakeholders. Once traffic and transportation issues have been clearly defined, policy direction on land use and transportation will be sought from the Planning Commission and City Council.
4. Future work session and adoption hearings will be scheduled on completion of technical work.

North Milwaukie Industrial Land Owners Committee

VI. B. 5

January 17, 2003

John Gestner
Planning Director
City of Milwaukie

RECEIVED
JAN 21 2003
CITY OF MILWAUKIE
COMMUNITY DEVELOPMENT

Re: North Milwaukie Industrial Area

Dear Mr. Gestner;

We have been asked to formulate our thoughts regarding the future development plans for the area bounded by the Expressway and the SOP tracks, S.E. 17th Avenue and the County Line.

We own a majority of the privately owned property in the subject area.

The location of the area is ideal for the distribution of products sold in the retail Portland market. The key to distribution is transportation. Truck transportation does not mix well with local automobile traffic.

The properties north of Milport are serviced by Main Street.

- The use of this street should be predominately truck traffic.
- The shoulders are presently covered with parked automobiles. We feel that the parking situation here should be looked at carefully. There is a need to preserve some on street parking for several of the businesses' employees and to eliminate any danger.
- The intersection of Main and Milport needs to be modified so that the various truck and automobile movements can be performed without the current accident risks. This intersection is vital to connect the properties west of McLoughlin to the properties east of McLoughlin.

We are concerned with the proposed Park & Ride facility at Southgate. This type of facility would generate a large number of automobiles to use Main Street and the Milport intersection. This intersection is the gateway to our properties.

Light Rail

When the Light Rail issue came before the City, we recommended that the Rail go along the SP Line. We recommended this because the McLoughlin alignment would have devastated our businesses and properties. Additionally by taking the SP Line, the overall cost of the project was greatly reduced.

Land Use East of McLoughlin Boulevard

We feel that our properties are zoned best as they are now.

In most cases the existing distribution buildings south of Ochocco and north of Milport should remain in their distribution use because they do not have enough land to support manufacturing uses. The land

north of Occhoco and south of the old railroad over crossing does have enough land to support manufacturing.

The Pendelton and Goodwill site should be developed for retail as the Portland site is zoned to allow retail and the Pendelton site should be similarly zoned. Both sites are now used for retail.

It has to be suggested that the entire site be redeveloped as a high employment area. The redevelopment of the area for high employment will not occur for at least ten (10) years, as most properties are fully developed and not large enough to support modern needs. The current buildings have at least a ten (10) year economic life left in them.

Land Use West of McLoughlin

The property south of Milport is all in the flood plane. The entire site should be redeveloped to allow for high-rise residential and Commercial/Office use.

The properties south of Milport and west of McLoughlin are located in the flood plain. They should be rezoned to allow for high-rise residential or office use. This use will not disrupt the transportation and could help support downtown Milwaukie businesses as well as the Downtown development.

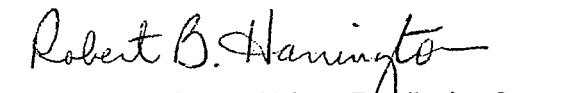
The properties north of Milport generally have enough outside land to allow for manufacturing. The further expansion of the Correction facility should be prevented, as it is not compatible as it causes foot traffic with the truck traffic. Sidewalks should not be installed on these streets. Theft of cars is also a problem caused by the correction facility.

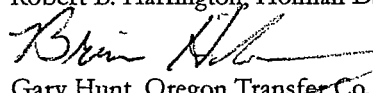
We believe that transportation is the most important issue. We want to continue our businesses with the current zoning and to be able to operate in a safe fashion.

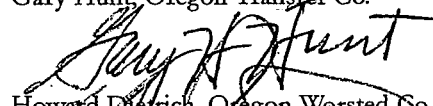
Sincerely,

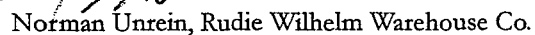
George G. Andersen, Anderson Die & Mfg. Co.

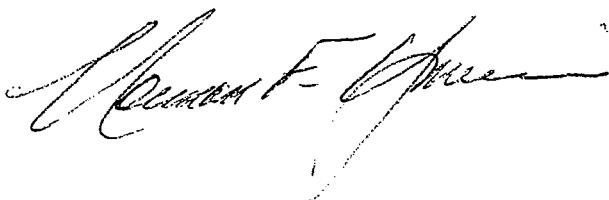

Bruce & Brian Heiberg, Heiberg Garbage & Recycling


Robert B. Harrington, Holman Distribution Center


Gary Hunt, Oregon Transfer Co.


Howard Dietrich, Oregon Worsted Co.


Norman Unrein, Rudie Wilhelm Warehouse Co.





To: Mayor and City Council

Through: Mike Swanson, City Manager
Alice Rouyer, Community Development & Public Works Director

From: John Gessner, Planning Director *JG*

Subject: Metro Affordable Housing Reporting Requirements

Date: March 10, 2003

Action Requested

Provide direction to staff regarding the Metro required report on affordable housing.

Background

In 1998, Metro created the Affordable Housing Technical Advisory Committee. The Committee was charged with making recommendations to Metro Council for adoption of a regional affordable housing strategy. Based on a two-year process, the Committee developed the following:

1. Estimate of regional need for affordable housing.
2. Allocation of the regional need to individual counties and cities.
3. Recommended land use strategies to encourage affordable housing.
4. Non-land use strategies to develop affordable housing.

After review of the Committee's recommendations by various regional groups, Metro Council adopted the Regional Affordable Housing Strategy. The purpose of the strategy is to address the need for affordable housing through measures including the following:

1. Ensuring a diverse range of housing types for households of all incomes.
2. An appropriate balance of jobs and housing of all types.

VI. C. 2

3. Addressing current and future need for, and supply of affordable housing.
4. Minimizing concentrations of poverty.

Metro Adoption of Title 7

In January of 2001, Metro Council adopted Title 7-Affordable Housing to the Urban Growth Management Functional Plan. The Title is based on work of the Housing Technical Advisory Committee and includes the following key elements that the City is required to report to Metro:

1. Status of voluntary adoption of affordable housing production goals.
2. Planning requirements to ensure a diverse range of housing types, measures to preserve housing, and increasing housing opportunities.
3. Required consideration of various affordable housing strategies including density bonuses and transfer of development rights.

What does Title 7 mean to Milwaukie?

The City has some planning policies and zoning provisions that support lower cost housing and increasing opportunities for housing diversity. It's not known when the City last addressed affordable housing as a policy issue.

Affordable housing can be a "hot button" issue in any jurisdiction. The policy challenges are suggested by the very low rate of response to reporting requirements by cities within the region. Only 9 of the 24 local and county governments have reported to Metro on their Title 7 efforts.

Staff believes that the Title 7 reporting requirement may generate discussion within the community, but the actual impact of reporting is minimal since there is no requirement to adopt any code or plan changes at this time.

Staff seeks Council direction

Staff is seeking Council direction to proceed with reporting on affordable housing as required by Title 7. The project will include basic research, an audit of city codes and planning documents, and definition of policy choices.

What will staff look at in preparing the report?

Staff will look at the following:

- a. Policy direction of the City Council and Planning Commission.
- b. Existing city affordable housing policy and code.
- a. Existing affordable housing and household incomes.
- b. Existing affordable housing.

- c. The method used by Metro to determine Milwaukie's "fair share".
- d. How other communities have responded to Title 7.

What the report will **not** do.

1. The report is not intended to change the Comprehensive Plan or Zoning Ordinance.
2. The report will not require adoption of an affordable housing goal.

How does Metro define affordable housing?

According to Metro, affordable housing is housing that costs no more than 30% of a household's income. Based on this definition, Metro estimates that 90,000 additional affordable units would be required region wide for the 1997-2017 planning period. Metro then established a voluntary goal of providing 10% of that need for a five-year period.

What is Metro's voluntary affordable housing goal for Milwaukie?

Metro has set Milwaukie's voluntary goal of 102 housing units for households that are less than 30% of regional median household income for the 2000-2005. No need was identified for other ranges of median income (e.g. 30% and greater). This estimate is based on Metro's "fair share" method that was designed to distribute regional need to all cities and counties. The Portland area median income for 2002 is \$57,200 for a family of four according the Portland Development Commission. Annual housing costs at 30% of the regional median income is \$17,160.

Functional Plan Compliance Requirements

Title 7 requires adoption of comprehensive plan and zoning changes to meet the following by December 2003. The reporting project is the first step towards identifying whether any changes to city plans are needed.

- Plans and implementing measures to ensure a diverse range of housing types and to preserve affordable housing.
- Plans and implementing measures to increase housing opportunities of all income levels in the city.

Process

The project would likely follow the process shown below subject to Council direction or coordination with other work program items.

Month 1

*City Council Authorization to Proceed
Housing Research
Audit Comprehensive Plan and Code*

Month 4

City Council Review and Refinement

VI. C. 4

Month 2

Check-in with City Council
Check-in with Planning Commission
Issue Identification & Policy Definition

Month 5

Preparation of Final Report
City Council Acceptance of Final Report
Submission to Metro

Month 3

Planning Commission Recommendation

Concurrence

None needed at this time. City Attorney concurrence will be needed at the time the report is issued if the Council authorizes the project.

Fiscal Impact

There will be no fiscal impact associated with completing the reporting project.

Work Load Impacts

The project will require approximately 50-60 hours of staff time to complete. This estimate includes the following staff: Planning, City Attorney, Neighborhood Services, and Administrative Services.

Alternatives

The City Council has the following decision-making options:

1. Direct staff to proceed with the project.
2. Direct staff to not proceed with the project.
3. Take no action.

Attachments

1. Metro Code, Title 7

TITLE 7: AFFORDABLE HOUSING3.07.710 Intent

The Regional Framework Plan stated the need to provide affordable housing opportunities through: a) a diverse range of housing types, available within the region, and within cities and counties inside Metro's urban growth boundary; b) sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and subregion; c) an appropriate balance of jobs and housing of all types within subregions; d) addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and e) minimizing any concentration of poverty. The Regional Framework Plan directs that Metro's Urban Growth Management Functional Plan include voluntary affordable housing production goals to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies. The Regional Framework Plan also directs that Metro's Urban Growth Management Functional Plan include local governments' reporting progress towards increasing the supply of affordable housing.

Title 1 of this functional plan requires cities and counties to change their zoning to accommodate development at higher densities in locations supportive of the transportation system. Increasing allowable densities and requiring minimum densities encourage compact communities, more efficient use of land and should result in additional affordable housing opportunities. These Title 1 requirements are parts of the regional affordable housing strategy.

(Ordinance No. 97-715B, Sec. 1. Amended by Ordinance No. 00-882C, Sec. 2.)

3.07.720 Voluntary Affordable Housing Production Goals

Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7 for their city or county as a guide to measure progress toward meeting the affordable housing needs of households with incomes between 0% and 50% median household income in their jurisdiction.

(Ordinance No. 97-715B, Sec. 1. Amended by Ordinance No. 00-882C, Sec. 2.)

VI. C. 6

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

- A. Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:
 - 1. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.
 - 2. Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.
 - 3. Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.
- B. Cities and counties within the Metro region shall consider amendment of their comprehensive plans and implementing ordinances with the following affordable housing land use tools and strategies identified below. Compliance with this subsection is achieved when a city or county undertakes and completes its consideration of the plan or ordinance amendment.
 - 1. Density Bonus. A density bonus is an incentive to facilitate the development of affordable housing. Local jurisdictions could consider tying the amount of bonus to the targeted income group to encourage the development of affordable units to meet affordable housing production goals.
 - 2. Replacement Housing. No-Net-Loss housing policies for local jurisdictional review of requested quasi-judicial Comprehensive Plan Map amendments with approval criteria that would require the replacement of existing housing that would be lost through the Plan Map amendment.
 - 3. Inclusionary Housing.
 - a. Implement voluntary inclusionary housing programs tied to the provision of incentives such as Density

Bonus incentives to facilitate the development of affordable housing.

- b. Develop housing design requirements for housing components such as single-car garages and maximum square footage that tend to result in affordable housing.
- c. Consider impacts on affordable housing as a criterion for any legislative or quasi-judicial zone change.

4. Transfer of Development Rights.

- a. Implement TDR programs tailored to the specific conditions of a local jurisdiction.
- b. Implement TDR programs in Main Street or Town Center areas that involve upzoning.

5. Elderly and People with Disabilities. Examine zoning codes for conflicts in meeting locational needs of these populations.

6. Local Regulatory Constraints; Discrepancies in Planning and Zoning Codes; Local Permitting or Approval Process.

- a. Revise the permitting process (conditional use permits, etc.).
- b. Review development and design standards for impact on affordable housing.
- c. Consider using a cost/benefit analysis to determine impact of new regulations on housing production.
- d. Regularly review existing codes for usefulness and conflicts.
- e. Reduce number of land use appeal opportunities.
- f. Allow fast tracking of affordable housing.

7. Parking.

VI. C. 8

- a. Review parking requirements to ensure they meet the needs of residents of all types of housing.
- b. Coordinate strategies with developers, transportation planners and other regional efforts so as to reduce the cost of providing parking in affordable housing developments.
- C. The "requirement to consider" means local governments shall report what actions were taken or not taken, including but not limited to the seven land use tools listed above in order to carry out Comprehensive Plan affordable housing policies, and also report on tools considered but not adopted, and why these tools were not adopted.

(Ordinance No. 97-715B, Sec. 1. Amended by Ordinance No. 00-882C, Sec. 2.)

3.07.740 Requirements for Progress Report

Progress made by local jurisdictions in amending comprehensive plans and consideration of land use related affordable housing tools and strategies to meet the voluntary affordable housing production goals shall be reported according to the following schedule:

- A. Within 12 months from the adoption of this requirement, cities and counties within the Metro region shall submit a brief status report to Metro as to what items they have considered and which items remain to be considered. This analysis could include identification of affordable housing land use tools currently in use as well as consideration of the land use tools in section 3.07.730(B).
- B. Within 24 months from the adoption of this requirement, cities and counties within the Metro region shall provide a report to Metro on the status of their comprehensive plans amendments and adoption of land use-related affordable housing tools.
- C. Within 36 months from the adoption of this requirement, cities and counties within the Metro region shall report to Metro on the amendments to their comprehensive plans, the outcomes of affordable housing tools and implemented, and any other affordable housing developed and expected.

(Ordinance No. 00-882C, Sec. 2.)

3.07.750 Metro Assessment of Progress

- A. Metro Council and MPAC shall review progress reports submitted by cities and counties and may provide comments to the jurisdictions.
- B. Metro Council shall, in 2003:
 - 1. Formally assess the region's progress toward achieving the affordable housing production goals in Table 3.07-7 using 2000 U.S. Census data and local data;
 - 2. Review and assess affordable housing tools and strategies implemented by local jurisdictions;
 - 3. Examine federal and state legislative changes;
 - 4. Review the availability of a regional funding source; and
 - 5. Re-analyze affordable housing need and decide whether any changes are warranted to the process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.

(Ordinance No. 00-882C, Sec. 2.)

3.07.760 Recommendations to Implement Other Affordable Housing Strategies

- A. Local jurisdictions are encouraged to consider implementation of the following affordable housing land use tools to increase the inventory of affordable housing throughout the region. Additional information on these strategies and other land use strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes.
 - 1. Replacement Housing. Consider policies to prevent the loss of affordable housing through demolition in urban renewal areas by implementing a replacement housing ordinance specific to urban renewal zones

VI. C. 10

2. Inclusionary Housing. When creating urban renewal districts that include housing, include voluntary inclusionary housing requirements where appropriate
- B. Local jurisdictions are encouraged to analyze, adopt and apply locally-appropriate non-land use tools, including fee waivers or funding incentives as a means to make progress toward the Affordable Housing Production Goal. Non-land use tools and strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes. Cities and Counties are also encouraged to report on the analysis, adoption and application of non-land use tools at the same intervals that they are reporting on land-use tools (in section 3.07.740)
 - C. Local jurisdictions are also encouraged to continue their efforts to promote housing affordable to other households with incomes 50% to 80% and 80% to 120% of the regional median household income.
 - D. Local jurisdictions are encouraged to consider joint coordination or action to meet their combined affordable housing production goals.

(Ordinance No. 00-882C, Sec. 2.)

Table 3.07-7
Five-Year Voluntary Affordable Housing Production Goals
 (Section 3.07.720)

Jurisdiction	2001-2006 Affordable Housing Production Goals		
	<i>Needed new housing units for households earning less than 30% of median household income</i>	<i>Needed new housing units for households earning 30-50% of median household income</i>	<i>Total</i>
Beaverton	427	229	656
Cornelius	40	10	50
Durham	6	4	10
Fairview	42	31	73
Forest Grove	55	10	65
Gladstone	43	10	53
Gresham	454	102	556
Happy Valley	29	28	57
Hillsboro	302	211	513
Johnson City	0	0	0
King City	5	0	5
Lake Oswego	185	154	339
Maywood Park	0	0	0
Milwaukie	102	0	102
Oregon City	123	35	158
Portland	1,791	0	1,791
Rivergrove	1	1	2
Sherwood	67	56	123
Tigard	216	103	319
Troutdale	75	56	131
Tualatin	120	69	189
West Linn	98	71	169
Wilsonville	100	80	180
Wood Village	16	1	17
Clackamas County, Urban, Unincorporated	729	374	1,103
Multnomah County, Urban, Unincorporated	81	53	134
Washington County, Urban Unincorporated	1,312	940	2,252
Total	6,419	2,628	9,047

(Ordinance No. 00-882C, Sec. 2.)



Ledding Library Board

January minutes

January 27, 2003, 6:30 PM
Ledding Library

Meeting called by:

Tom Hogan

Attendees:

Attendees: Tom Hogan, Sue Trotter, Michael Welling, and Ed Zumwalt.

Absent: Pat Healy, Mark Docken

Staff: Cynthia Sturgis

Agenda topics

Approval of minutes

Approved as written.

Librarian's report

Senior Librarian, Paula Mishaga, will retire on February 14th. There will be a reception for her at the library on Thursday, February 13th. Someone from city administration will present her with a gift during the reception. Cynthia will notify board members when the time for the presentation is scheduled.

The network has been making a study of fines and loan periods with the intent of consolidating and standardizing computer codes for these two functions. Board members requested that a list of present fine codes be available at the next meeting.

VII. A. 2

Library budget

The next budget hearing is scheduled for January 28. Several letters from board members have been forwarded to the city recorder for Council packets. Michael Welling and Ed Zumwalt plan to make presentations during the public comment section. Carol Kay from the Friends will also attend.

Facility planning

The Facility Planning Committee decided to continue the planning process, complete the cost estimate report, but put capital fundraising on hold until the present financial downturn improves. Members also plan to write to the Council in support of the library during the present budget discussions.

Sue shared drawings and schematics of two bids for the North Main project.



Park & Recreation Board PARB

Tuesday, January 28, 2003

7:00 PM to 9:00 PM

Neighborhood Services Office

MINUTES

Attendees: Mart Hughes, Kathy Buss, Joe Loomis, Sherri Dow, Ray Harris

Staff: JoAnn Herrigel, Joan Young

Meeting called to order by Chair Hughes at 7:00 PM

Open Period: No audience

Minutes:

Dow motioned to approve minutes of the November 26 minutes, Buss seconded and minutes were approved 4-0 (Loomis absent).

Recap of Solstice Event: Herrigel reported that the December 21 Solstice event had been well attended (200 or so folks attended). The weather was great, the Choir was great, the Fire was HOT and great and the food, sold by Lewelling NDA, was fabulous and sold out. The Christmas boats, of course, were very cool. Members that had attended agreed that it had been a very fun event, enjoyed by all. Lots of thanks to Joe Loomis for all his hard work on this. Herrigel said the Centennial Committee has asked if the Closing Ceremony for the Centennial could be the next Solstice celebration in December 2003. Herrigel has indicated that PARB would be willing to work on this.

Update on Projects

Herrigel spent the BULK of the meeting providing the group with updates on all the Park projects the City is currently involved in and status of each. A summary of this (lengthy discourse) follows:

Three Bridges

- Springwater extension
- Trail owned by Metro and Project Directed by Portland
- City paying 28,000 in match = IGA signed
- Brian Newman on Leadership group I attend too)
- February 5 NDA leadership meeting
- May be working group meeting in February – PARB should attend if possible
- May – Public meeting
- Hold ups caused by ODOT

Trolley Trail

- Trail runs from Jefferson Street south to Gladstone
- Mart and I are on the Working Group
- I am on the Leadership group (Metro, NCPRD, Consultants)
- Open House tomorrow evening from 5 to 8 (show alignment and discuss safety issues)
- Master Plan complete in May/June – will bring to PARB for review

VII. B. 2

- MTIP has been applied for – prelim engineering + first three sections
- If successful - \$ not available till ~ 2006
- Interim plan for how to maintain and whether to open trail up a big issue right now

Lewelling

- Located at Stanley and Willow in northeast corner of City of Milwaukee
- Master Plan and CSO completed
- Final design being massaged slightly
- Fence just went up
- No substantial development can happen until half street improvements completed
- Some “soft” elements of plan could be done (landscape, irrigation etc)

Homewood

- Located on Home Ave south of Monroe
- Master Plan complete and adopted
- CSO in progress – volunteer architect working on now
- Work parties continue

Riverfront Park

- Council to announce park naming on Monday
- PARB and Riverfront Board will review and forward ideas to Council (timeline TBD)
- Sign going up next month (after Feb 11 approval) (may bring funds)
- Grant for Active Living By Design

Local Share Grants (from 1995 Metro Open Space Bond funds)

Minthorn

- Fence up
- Dirt gone
- Trenches filled and wetland spread
- Plants planted
- Path installed
- Next step sign installation and plant plaques
- Complete by December 2003

Springwater Entrance

- 28th and Sherret
- Sign gone
- No Parking signs up soon
- Left over money either to Minthorn or back to Metro

Meeting Schedule:

Herrigel noted that there were only a few areas where PARB would need to weigh in over the next few months and asked PARB members how they felt about meeting monthly or whether a less frequent meeting schedule would be better.

Kathy Buss suggested that the PARB could meet quarterly and simply share e mail information in between. She noted that while she enjoyed going to meetings, she wondered whether others would rather not meet so frequently.

To a person, all other members present said they would like to keep meeting monthly. They felt that the meetings were informative and helpful. It was agreed that meetings would stay on the regular monthly schedule.

District Update: Joan Young noted that the District is facing a \$500,000 deficit for 03-04 and that budget discussions are beginning on what and who to cut. She said Recreation and leisure programs are slated for some funding cuts. She said there would be a draft budget in early March. She said there were a couple open meetings planned to get input, including input from Milwaukie City Council and PARB. She noted that June Southworth, of the District's Admin Office, would be leaving for a new job on February 10.

Joan noted that the MTIP application for the Trolley Trail was in (at the 200% funding level) and that the next cut would bring the MTIP down to 150% funding. She noted the open house that was coming up on January 29th at Oak Grove Elementary.

Joan said the purchase of the Fifer property was complete. This property is east of I-205. She also noted that the discussion about how to move forward with the District Trail is on-going. The funds from ODOT have been determined to be too few to complete the project. Engineering costs for the project are higher than originally projected.

Harris motioned to adjourn the meeting, Buss seconded and the meeting adjourned at 8:30pm.

Minutes of
Riverfront Board Meeting
January 27, 2003

Members Present: Loaiza, Verbout, Martin, Green, Klein, Wall, Stacey

Staff: Herrigel

Guests: Ron Rhodehamel, Oregon Marine Board

Minutes

The minutes of the December 17 Riverfront Board meeting were approved 7-0.

Park Naming Proposal

Herrigel described a Park naming process for the Riverfront that Council was considering announcing at the February 3 Opening Ceremony for the Centennial. She noted that the Riverfront board would be included in the review of the names for the park. No opposition to the process was expressed. Herrigel said she would keep members posted as to the timeline for this process.

Treatment Plant Update

Herrigel handed out copies of a memo from Mike Swanson, Milwaukie's City Manager, regarding the current status of the sewage treatment plant and the move toward its decommissioning. She also distributed an executive summary of a report by Shaun Pigott Associates containing a rate and economic analysis for the decommissioning process. She said this analysis indicates that the cost of the plant decommissioning may be more affordable than previously indicated.

Discussion of Boat Ramp Criteria with Oregon Marine Board (OMB)

Herrigel began the discussion by going through the history of the Riverfront Board and the relationship of the Board to the Riverfront Plan and Oregon Marine Board.

Following is a summary of these remarks:

- This Board has been in place since March of 1999 (only two members turned over in that time)
- This Board's role was to guide the development and implementation of the Riverfront and Downtown Plan and to provide continuity to address the bigger picture
- The original goals of the Riverfront Plan as dreamed of by the Council that convened this group included:
 - + Connecting the downtown with the Riverfront
 - + Getting rid of Kellogg Treatment Plant
 - + Moving the boat ramp
 - + Not wasting the riverfront on parking

VII. C. 2

- Underlying the Riverfront Plan is the concept that Milwaukie's Riverfront property is valuable real estate and open space property to the City and could change the very nature of what Milwaukie is
- The longest standing members of this group have held onto the above concept and goals since the Board convened
- They take them very seriously, and believe that they are good goals
- This group understands that there are no known alternatives for a boat ramp on the east side of the River.
- This group also understands that your organization, as advocates for boaters and boating facilities, has a great interest in keeping the Milwaukie facility open
- In 2000, Dave Obern of the Oregon Marine Board came to Milwaukie to discuss OMB proposals for modifying the existing boat ramp
- Now, at that time, in the context of a recently dashed goal of moving the boat ramp and having all but finalized a Riverfront Plan with no boat ramp shown, his (Obern's) proposal to increase the size of this facility (especially the asphalt part) was, frankly, alarming.
- Since Dave's last visit to Milwaukie, many changes have occurred at both OMB and the City.
- This board realizes that the boat ramp is important to many folks in and around the City and that, for at least the next few years, the facility will remain in place
- We find ourselves, however, now with an optimistic outlook for moving the treatment plant potentially by 2010. Further, the Centennial (2003) has re-ignited an enthusiasm for the Riverfront that may result in long awaited park development at least in the northern section.
- In this context, the Riverfront Board has developed a list of criteria that could fit a boat ramp that might meet many of the objectives of both the OMB and the City
- The list of criteria they sent you is a vision that they hope you will help us move toward.

Dave Green then reviewed the criteria the Board had developed and tried to described what the group was thinking when they developed the list. He noted that there is some momentum on the Kellogg Decommissioning. He also stated that the Riverfront Board understands that there is interest in the boat ramp and that they take that seriously.

Issues he highlighted were:

- Interest in accommodating non-motorized boating such as canoes and kayaks
- Good pedestrian access to the river itself is important
- Minimizing pavement in the center of the Riverfront is important (At most, parking should be 30 spaces TOTAL for all vehicles)
- Interest in having boat ramp modifications mesh with the McLoughlin project
- Use of the specifications for public infrastructure from the Riverfront Downtown plan would be necessary

Rhodehamel said that the OMB's revenue is generated by motorized boats but that other projects they've worked on have accommodated non-motorized craft. He listed Oregon City's fishing platform, and projects in Salem and Coquille

Green stressed that OMB would need to work cooperatively with the Riverfront Board and other riverfront users if a boat ramp upgrade were to move forward. As an example, the City would want at least the design of the dock to accommodate non-motorized craft whether the OMB could fund the construction for it or not.

Rhodehamel said he'd been in his current position for 16 months. He's been at OMB since 1988. He said the OMB has five members with 4-year terms. He described the OMB members as boaters not politicians. The OMB, he said, does not own or operate the facilities they fund, rather they work in partnership with local jurisdictions or districts. They need to be willing partnerships, he noted.

He said he did not feel that the Jefferson Street Boat facility was incompatible with an open space and park plan for Milwaukie. He was concerned about the amount of parking the Riverfront Board had proposed. He said that below a certain number of parking spaces, the OMB might not feel investment in the facility would be worthwhile. Funds from the OMB generally go where the most boaters per dollar are accommodated. He noted that in addition to the parking stalls themselves there are standards for backing up trailers and turning radii that need to be integrated into parking lot design. There was general discussion of what alternative locations on the east side of McLoughlin might be used for parking.

Green asked how important the Jefferson Street facility was to the OMB.

Rhodehamel responded that it's hard to find new ramp sites given all the environmental regs and permitting issues existing today. He said the OMB is interested in the site – and he referred to the files the OMB have on the site going back to 1987 as evidence of their interest.

A board member asked if the facility was in the optimum location. Rhodehamel responded that it seemed good at that location and that the current site has all the right conditions (not to mention permits). He noted that new ramps are very long. He also noted that these facilities don't *have to be* ugly.

With regard to using paving stones instead of asphalt, Rhodehamel noted that they'd tried using pavers but they hadn't been too successful. (He referred to Sauvie's Island as an example.) Later the issue of graveled parking areas was raised and Rhodehamel noted that this was okay with him but it was hard to maintain.

Rhodehamel said below 30 spaces for boats and trailers made "people get nervous". He noted that a boat space is 10' x 40' (plus road) and regular car spaces are 7.5' x 18' (plus road.)

A board member asked if cars would be ticketed for parking in the Jefferson Street lot. Herrigel said that parking at the boat ramp was enforced by the City and that tagging in

VII. C. 4

off season for parking in boat spots doesn't occur. (She later confirmed that even during high fishing season ticketing only occurs if a complaint is lodged.)

Various ideas for arranging parking were discussed: lottery, shuttling boaters from off site locations, and allowing non-season use of boat slots for regular vehicles.

Rhodehamel noted that once you allow folks to use a facility a particular way, it's hard to break them of a habit.

Rhodehamel stated that a 20-year agreement is a policy of the OMB.

Wall asked if Rhodehamel knew where the Jefferson Street facility was with respect to the end of their current grant terms. Rhodehamel said he thought maybe it was within 5 years of the end of the term.

Wall said he'd like to know what course of action the Riverfront Board should take. He asked what the next step might be.

Rhodehamel said the OMB is interested in the urban area. He said their grant program runs on a biennial schedule. Applications for funding would need to be submitted in the spring of 2003 for funding available July 1, 2003. The next funding cycle would be 05-07. He noted that the OMB funds 100% of most projects they accept (no local match required.) The funds for these grants come from boater registration and motorboat gas tax ($\frac{1}{2}$ and $\frac{1}{2}$.) Once funds are granted, permits take 6 months to a year and construction takes three to six months (Total of about 1 $\frac{1}{2}$ years). The City would be the contracting agency for construction but the OMB would do the engineering and design. He noted that 70% of the funds are granted for larger projects and 30% for smaller ones.

Rhodehamel said if the City wanted to pursue a boat ramp project this cycle, an application would need to be submitted by April, 2003. He said it was a fairly simple form.

The group thanked Rhodehamel for coming to Milwaukie.

The Board discussed what their next steps might be. Several questions were raised, including:

- Who owns the road to the treatment plant?
- Would the City have to modify the comprehensive plan to integrate the boat ramp into the Riverfront plan?
- What are the options for using property to the east of McLoughlin for Boat ramp parking?
- What are the lengths of the current grant terms?

The group agreed to meet in February to discuss what actions might be taken regarding the Boat Ramp and the Oregon Marine Board grant program.

Next Meeting

The next meeting was set for Monday, February 24 at 6:00 pm. Dave Green offered to pay for the dinner that evening. Mike Stacey was thanked for having hosted the January dinner.

Loaiza motioned for adjournment, Wall seconded. Meeting adjourned 7-0.

CUAB MEETING MINUTES
Wednesday, February 5, 2003
Johnson Creek Facility Conference Room
6101 SE Johnson Creek Blvd.

Members Present

Bob Hatz, Chair
Charles Bird, Vice Chair
Betty Chandler
Ed Miller

Members Absent

Staff Present

Paul Shirey, Engineering Director
Paul Roeger, Civil Engineer
Brion Barnett, Civil Engineer
Ruthanne Bennett, Civil Engineer
Jay Ostlund, Associate Engineer

I. CALL TO ORDER

Chair Hatz called the meeting to order at 6:01 p.m.

II. INTRODUCTIONS

III. CONSENT AGENDA

January 8, 2003, Minutes approved unanimously.

IV. REPORTS

2004-2008 Capital Improvement Plan (CIP). Each department engineer presented the CIP for their respective utility. Revenue sources and project priorities were discussed in overview prior to a project-by-project description for water, storm water, sewer, and transportation.

- A. Paul Roeger presented the CIP for Water. One of the needs of the water system is to replace lead-joint pipes and a question was raised concerning the location of the lead-joint pipes. Locations were pointed out on the map. A follow-up question was raised concerning the extent of lead contamination that lead-joints contribute to the system and whether it was a "detectable" or measurable problem or not. **Staff will get back to the Board with an answer to this question.**

Another Board member asked why there were no projects to be financed with SDC funds as in last year's Plan. The City is in the process of

VII. D. 2

retaining a consultant to assist with an update of the CIP, and they will assist with determining which projects are eligible for SDC funding and how to prioritize the SDC-funded projects. Mr. Bird asked whether we prioritize projects within each plan year and the answer is generally only when necessary.

- B. Ruthanne Bennett presented the CIP for Stormwater and passed around photos of stormwater problem areas taken during the previous week's storm. Mr. Bird wondered why the Spring Creek fish passage was in the "unfunded" category and also wondered how the City factors in the environment in determining priorities for investment. He noted that Spring Creek is part of the Downtown Plan as part of the overall redevelopment scheme for downtown Milwaukie. This led to a fairly extensive discussion about Spring Creek restoration. In summary, Spring Creek will be included in the Stormwater Master Plan update to give staff a baseline to begin analysis of how the project could be implemented. All the open water conveyance systems will be inventoried and best management practices applied. Replacing culverts with clear span bridges to enhance fish passage is very capital-intensive and would take many years to implement.
- C. Jay Ostlund presented the CIP for the Sanitary Sewer system. A question was raised about infiltration and what the City knows about the extent of the problem. Mr. Ostlund indicated that when we know it's a problem, it gets fixed, but that the source of the greatest amount of infiltration is residential laterals. Since these lines are on private property and not subject to public maintenance, they are usually fixed only when breaks occur and at the property owner's expense.
- D. Brion Barnett presented the CIP for Streets. The last time the City was able to do a systematic analysis of street conditions was in 1995 as part of a Pavement Management System project. The information generated as part of the study is still used today to help us determine our priorities for the Streets CIP. Although the City of Milwaukie has collected SDC revenue since 1998, the methodology used to calculate the SDC contribution to each project results in a relatively low portion attributable to growth. The balance must be funded by other means and, since the gas tax available is very limited and used primarily for maintenance, the remaining balance for capital projects is very small. SDC revenue is therefore is not being tapped for capital improvements. The City of Milwaukie is currently reviewing this issue and will modify its SDC ordinance by the end of the fiscal year to address this problem.

Concern was expressed over the number of cuts to street pavement surfaces required to install and/or repair underground utilities in the right-of-way. Very often it seems that the repair and patching of the cut is done poorly and results in very uneven and deteriorated roadway surfaces. Mr. Barnett noted that the City has the authority to require that contractors

meet minimum standards when repairing the street surface, including warranty requirements. The problem has been lax enforcement against contractors that have done a bad job of replacement and patching.

One Board member pointed out that in order to make a convincing case to the public of the need for additional funds for streets, a quantitative and measurable baseline must be implemented through use of a pavement management system or something similar. A project to develop such a system is on the Board's workplan and is a priority for the Engineering Department.

V. DISCUSSION

Mr. Shirey noted that the City is continuing to work with Clackamas County to explore the Transportation Systems Utility Fee and will report to the Board on substantive progress.

VI. MATTERS FROM THE BOARD

None.

VII. OTHER

Mr. Shirey asked the Board if they would like to do a tour of City facilities as a group at some time in the near future. Everyone was enthusiastic about the idea and suggested that a tour of maybe an hour or so be scheduled at 5:00 p.m. the day of the monthly meeting followed by the regular meeting. Mr. Shirey agreed to come back next month with a specific proposal for the April and May meeting dates.

VIII. INFORMATION SHARING

None.

IX. FUTURE MEETING DATE/AGENDA ITEMS

Wednesday, March 5, 2003

X. ADJOURN

The meeting adjourned at 8:48 p.m.

Bob Hatz, Chair

Paul Shirey, Scribe