



**The State of the City Address
As presented by Mayor Jeremy Ferguson
on Tuesday, September 14, 2010**

Thank you Milwaukie Rotary for inviting me to speak with you today and thank you for your continued and dedicated service to the community.

I applaud your efforts both local and international to “build communities and bridge continents.” Whether it’s raising funds to help earthquake victims in Haiti, adopting Elk Rock Island for clean up and invasive removal, helping with the Milwaukie Daze parade, purchasing computers for schools in Honduras, or supporting the Milwaukie Center Meals on Wheels program-- it’s the dedication of civic organizations like yours that helps make Milwaukie a great place to live.

I would also like to take this opportunity to thank the many citizens that who volunteer with the City: Thank you to those who give their time on Boards and Commissions, Neighborhood Associations, within the Police Department (as Cadets and Reserve Officers) and at the Ledding Library. Annually, these leaders volunteer more than 64,000 hours!

Also, thank you to the City’s employees who work tirelessly to serve all of us. Our employees keep our streets maintained, our city safe, and our livability protected. Milwaukie is considered a model in the region for citizen involvement thanks to our neighborhood association program, our neighborhood grant program, and through the many other project-specific involvement activities we provide our citizens. Within the last few years we won a prestigious award from the American Planning Association for the community involvement invested in our Transportation System Plan and the “Good Governance Award” from the League of Oregon Cities for our

community booth—featured at the Sunday Farmer’s Market. We are currently engaging about 30 citizens in an in-depth visioning process for our South Downtown and we are holding monthly meetings for citizens to provide input on the Portland-Milwaukie Light Rail line. Milwaukie residents want to be involved and heard and I’m proud to say that City staff and City Council make this a top priority.

To my City Council members and partners in the State Legislature, thank you for your hard work and dedication to ensure that our city moves forward even in our tough economic environment.

Thank you also to the men and women of our United States Military. The City of Milwaukie has dozens of citizens deployed around the world and we thank all of them and their families for their service and sacrifice.

I want to also thank my wife, Lisa and my family for their love and support.

I am honored to speak with you today and I’m honored to serve as the 28th Mayor of the City of Milwaukie.

The City of Milwaukie, like so many agencies, is facing one of the most challenging economic environments in recent history. However, over this past year, despite changes and challenges, we have discovered opportunities to prepare for our future, our citizens and our community. No matter what we may have encountered along the way, we have been able to modify our course allowing us to continue to move our City forward.

City Budget and Technology Upgrades

Even in this economic environment a vital component to our success is the need to continue to invest in our people, facilities and technologies. This is essential to our purpose to provide services that we are proud to deliver to our citizens. We adjusted our spending plan to eliminate a \$1.6 million spend down in the general fund and were able to produce a balanced budget which maintains staffing so we can continue providing quality service to our citizens. We are ensuring our financial audits are current and have been working on improving the utility billing process.

We have also conducted a technology needs assessment to ensure the City continues to have a solid information and technology foundation. We launched a new web site effort—to go live

very soon—which will allow us to better communicate with our citizens, community and staff, and we are testing software to allow us to collaborate on projects more effectively and efficiently. Check the City webpage at www.cityofmilwaukie.org later this month to see the results!

Prior to making significant investments in our buildings and facilities, we have initiated a space planning project which will determine the best use of our resources. This study considers holistically the City's space domain including staff work relationships, production processes and space requirements together. We expect the space assessment to be complete soon.

Every plan we make, every action we implement, is driven by the desire to continue to make Milwaukie a great place to live and work and to meet and exceed our community's expectations for providing comprehensive services. Looking ahead, I am confident that the City of Milwaukie is well positioned to meet our citizens' needs. It is an exciting time for us and we are ready to move into the future.

Stimulus & Grant dollars brought into the City:

While our entire nation has been hurting in this economic climate I'm proud to report that we have done an excellent job bringing in money to Milwaukie to stimulate economic growth and job development. We received almost 1 million dollars in stimulus funds for the reconstruction of Jackson Street. We received 2 million in stimulus funds to create a 0% interest loan program for residents in the NE Sewer Extension area. TriMet brought 1.5 million in stimulus funds to construct the park and ride at the former Southgate Theater that serves bus commuters along the McLoughlin corridor. That is almost 4.5 million in stimulus funds brought in by staff and City partners.

Public Safety

The Milwaukie Police Department continues to provide exceptional public safety services to the community. We have expanded the number of partnerships with other law enforcement agencies to increase our effectiveness. We currently participate in the regional Metro Gang Task Force (MGTF), where a Milwaukie Police Captain is the Commander. The Metro Gang Task Force is a federally funded regional effort to combat the gang problem in the area. The Milwaukie Police Department also participates in the Clackamas County District Attorney's

Major Crimes Team; the Clackamas County Sheriff's Department SWAT Team and the Northwest Regional Computer Forensic Laboratory. In addition, our Chief serves on the Executive Board of the Joint Terrorism Task Force. We also have three officers assigned to the TriMet system where the City of Milwaukie is reimbursed for their salaries. These relationships serve as "force-multipliers" to form a network that provides the best of law enforcement services to the City.

City Manager Search:

As you know, the process of finding a new City Manager has been ongoing for several months. At the time the position closed in August we had 51 applicants from around the United States. After a vetting and interview process, the candidate pool has been narrowed to six candidates that are currently being considered.

Last week we held an open house for five of the six candidates to meet and greet the public. We are currently working on final interviews and background checks as part of the standard City hiring process. Should Council make a decision to offer the position to one of the candidates, and the candidate accepts the offer; an announcement will be made after the terms of a contract are agreed upon.

Light Rail:

The City of Milwaukie has been working in partnership with TriMet for the last 18 months on the preliminary engineering of the Portland-Milwaukie Light Rail project. The Portland-Milwaukie line will provide a vital and reliable transportation link for the region and spur revitalization in Milwaukie. The line will run the south waterfront/OHSU campus, across the Willamette River on a new bridge that will include pedestrian and bike ways, land next to OMSI then travel south between McLoughlin and the current Union Pacific rail line into Milwaukie, across Kellogg Lake then south to Park Avenue in Oak Grove. There will be three stations in the Milwaukie area—one at Tacoma near the Pendleton Woolen Mills; one in downtown Milwaukie on the vacant triangle lot at Lake Road and 21st Avenue, and one in Oak Grove at Park Avenue.

City staff has coordinated regular monthly meetings over the 18 months to provide a consistent way for residents and businesses to interact with the project. These monthly meetings are held

the third Monday of every month from 6:00pm-8:00pm at the City's public safety building at 3200 SE Harrison. Please join us at the October meeting on Monday October 18th.

We are also pleased that the Federal Transit Administration has agreed to provide a 50% match for the project. This is a higher match than typical—most projects receive 30-35% in matching funds from the FTA. This speaks to the very high rating the FTA gave the Portland-Milwaukie Light Rail project.

TriMet is currently working on a financing plan for the project. The next milestone for the project is to receive approval from FTA to enter final design--which we expect to receive in December. Construction on the big bridge across Willamette River will start next summer with some early work beginning in Milwaukie such as utility relocations in about a year. The line will open some time in 2015.

City Staff and City Council are committed to advocating for the best possible Light Rail project in Milwaukie. We are optimistic that TriMet will partner with us to provide better bus and transit service in Milwaukie now and well into the future.

South Downtown:

Over the last two years City staff has been working in-depth with a group of citizens to develop a vision for our south downtown area. An integral part of the South Downtown Plan is the Light Rail station that will be located at 21st Avenue and Lake Road. The great thing about the plan is the way it has been derived. Work began with more than 30, one hour-long interviews with Milwaukie citizens about what they like about Milwaukie and its downtown – what should be preserved, and what should be improved upon and enhanced. From this work a series of 13 general principles were created, and it's these principles that will shape future development. From there a group of nine volunteers were brought together over two intensive weekend workshops to refine the vision.

The South Downtown won't be built as a single development by a single developer, but will be pieced together over time in such a way that each piece will help inform the next piece so that taken together, the place will feel like it's been that way for years. The vision ties the Light Rail station together with a plaza that will not only be beautiful but could be a place for the Farmer's Market in the future as well as an area for other festivals and events. City staff is now working

on the nuts and bolts how to make this vision a reality in coordination with property owners in that area, through grant funding, and other private-public partnerships.

Jackson Street:

The Jackson St. project is a good example of the positive momentum around transit facilities in Milwaukie. For years we've been working to improve the transit area outside City Hall. The shelters were old, too many buses were conducting layovers outside City Hall and on 21st Avenue across from the Waldorf School, and it just didn't feel inviting.

Thanks to almost 1 million dollars in federal stimulus funding, \$497,000 in TriMet funding, and a \$40,000 allocation from the City, we are almost done overhauling Jackson Street in a major way.

The plan consolidates current bus activity by removing stations and layover locations on 21st Ave, and Jackson Street will receive full street improvements. Work will include 2 state of the art bus shelters—to be installed next month in November. The street will feature new sidewalks, curb extensions at all four corners, ornamental lighting on both sides of the street, new benches and trash cans, bicycle facilities, flat panel schedule displays and under ground utilities.

Arts, Culture, and Heritage in Milwaukie:

A related project I'm also excited about is the City Hall Sculpture Garden project. This project is almost complete with sculpture pieces to be installed before the end of the month. The project, sponsored by artMOB, has converted the south lawn of City Hall along Jackson Street into a landscaped garden with six permanent sculpture pedestals. The garden will feature a rotating collection in which half of the sculptures are new every year. The City of Milwaukie was awarded an \$18,000 grant from the Clackamas County Tourism and Cultural Affairs Commission and about \$4,000 from TriMet's Jackson Street Improvement Project construction budget. Between Jackson Street and the new garden that area of downtown will be dramatically improved for all of us to enjoy.

If you haven't heard of "artMOB" yet then let me explain: Based on the community's suggestion, the Milwaukie Arts Committee was created and appointed by Milwaukie City Council in the spring of 2008. The committee quickly adopted the name "artMOB". This name is an acronym for "Art--Milwaukie on Board". The name also represents the grassroots values of our members. The artMOB works to connect artists with resources and to connect the

community with art. The artMOB values being inclusive, involving kids, and inspiring others to explore new ways of thinking.

In addition to the City Hall Sculpture Garden, artMOB coordinated a wonderful art show with Dark Horse Comics this June called “Hometown Superhero: The Exclusive Comic Art Collection of Mike Richardson.” The art show included a student portion with a “Design a Comic Book Cover” contest, a wine and cheese social, artist speaker panel, and a personal tour of the artwork and memorabilia from Mr. Richardson himself. The event highlighted one of Milwaukie’s most unique businesses—Dark Horse Comics and our niche market in the arts world. Special thanks to Mike Richardson for loaning us his rare and invaluable work and for making Milwaukie the home of Dark Horse Comics for all these years.

Indeed, Milwaukie is emerging as an exciting place to enjoy arts and cultural activities. Recently a core group of downtown business owners and neighborhood leaders have started “Art a la Carte”—our First Friday art walk in Milwaukie. Come downtown between 4:00pm and 8:00pm the first Friday of every month and visit local shops and restaurants and enjoy wonderful art, handcrafts, live music, kids activities and free samples! The group has created a website and publishes walking maps every month listing the events and artists at each location. Special thanks and recognition go to Kim Keehner of Enchante’, Carmen Meyer of Cha Cha Cha, Alicia Hamilton of the Island Station NDA, and Ed Zumwalt of the Historic Milwaukie NDA—all of whom have work tirelessly each month to make the Art a la Carte a success.

One of Milwaukie’s treasures that often flies under the radar is the Milwaukie Museum. Operated by volunteers and sustained by donations, the museum is open on Saturdays and by appointment. The museum is located at 37th and Adams. Make sure you look it up and plan a visit.

On another historical note, the City of Milwaukie recently completed gathering an oral history of Kellogg Lake. Staff saw a need to capture this history now—while we still have many of our long time residents with us and before the Lake is restored as part of the Kellogg for Coho project. This was an effort to capture the people’s personal stories and memories of Kellogg Lake through research and interviews with long-time Milwaukie residents. The document tracks the Lake’s evolution; from early settlement when it was originally dammed to provide power to the Old Standard Mill, through the first half of the 20th century when it was a cherished skating pond and a place where children still dared to swim, to the last 60 years of it’s steady decline and the

ongoing citizen efforts to maintain its scenic integrity and habitat. The history is available at the Ledding Library, Milwaukie Museum, or on the City's website.

Kellogg for Coho:

The City of Milwaukie is leading a broad-based effort to restore Kellogg Creek to its natural free-flowing condition with water levels rising and falling naturally. The project would likely create a creek with a series of ponds connected by a stream. Currently the US Army Corps is finishing a feasibility study which should be done by next Fall 2011. The project has been included on potential mitigation projects for Portland Harbor clean-up—which could provide some funding. Grant funds will be sought for the project once the Army Corps is done with their study in a year or so.

The project will remove the Kellogg Dam, address contaminated sediments, re-establish fish passage, and restore riparian habitat for endangered salmon and native wildlife. Above all it will demonstrate how community development in the 21st century can improve public spaces for fish, wildlife, and people.

The project has wide support including Rep. Blumenauer, Gov. Kulongoski's Economic Revitalization Team, Sen. Merkley, ODOT, Metro, Clackamas County Water Environment Services, the Oregon Dept of Fish and Wildlife (ODFW), TRIMET, and the US Fish and Wildlife Service (USFWS) and the Friends of Kellogg Creek.

Restoring Kellogg Creek fit with our goals to be sustainable—both environmentally and economically. A beautiful and sustainable Kellogg Creek, Riverfront, and downtown core will bring the kind of investment in Milwaukie that we want and need.

Commercial Core Enhancement Program:

I share the view with the rest of the Council that while new development is evident downtown and in central Milwaukie, there continues to be too much underutilized land and square footage in our core commercial areas. That's why I am proud to launch the Commercial Core Enhancement Program – a focused effort to breathe more vitality into the downtown and central Milwaukie commercial areas. The program will do several things over the next couple years; it will help the neighborhoods imagine possible development scenarios on the two largest redevelopment parcels in the City (the Murphy and McFarland sites), along with several other

core commercial sites downtown. It will get rid of commercial zoning code provisions that make it difficult or impossible for new tenants to fix up or inhabit older buildings. And it will form a task force of community and council members to study urban renewal as a mechanism for stimulating business development, job growth, economic vigor, and community assets in our Commercial Core. Best of all, the City will accomplish this work with a quarter million dollar grant that we successfully won through Metro earlier this year.

Trails and Parks:

The design for our Riverfront Park is 70% complete and has been submitted to state, local and federal regulators for review and approval. The City expects to get an approved Joint Permit Application from the Corps of Engineers and Department of State Lands Approval in December 2010 and then work on finishing the design.

The Milwaukie Riverfront Park will include: An Amphitheater, Children's Play area, Restrooms, a Boat Launch at the southern end of the park, Transient Dock for boat tie ups, Scenic overlooks at north and south ends, a Pedestrian bridge over Kellogg Creek, Fountain, Festival Lawn, Parking areas north and south of Kellogg Creek (30 spaces), Access south of Kellogg Creek closing Jefferson & Washington entrances.

Staff expects to submit grants to the Oregon Marine Board and Oregon Department of Park and Recreation in the spring of 2011.

Wastewater and Kellogg Treatment Plant:

Speaking of our riverfront, the community has been talking for years about 'big stinky' and removing or reducing its impact on our riverfront. This issue of sewer treatment and the Kellogg site will be one of top priorities as Mayor over the next two years.

In February the City and County agreed to sit down with an arbitrator and negotiate a mutually acceptable treatment rate—after a long dispute. Currently the City of Milwaukie and Clackamas County have reached a tentative agreement on new sewer rates for residents of the City that will open the door for a series of rate increases over the next three years. The new rate increases will equate to doubling the charges currently paid by users by 2012, but brings to an end an ongoing dispute. We have reached a tentative agreement that reduces the County's original proposal to charge residents \$25 per equivalent dwelling unit (EDU) per month down to

\$20 per month and brings to a close a costly legal process and stabilizes sewer rates in Milwaukie for the next three years.

Under a tentative three-year agreement announced by Clackamas County Commissioner Ann Lininger, that reduces the County's original proposed rate from \$25 treatment rate to \$20 per household per month for August 2009 through June 2010. The rate goes up to \$23 for 2010-11 and to \$26 for 2011-12.

The latest agreement also requires the City to pay \$650,000 to the County as a one-time "true up" charge. A "true up" charge is the term that is used to identify the final fees that bring the account between the City and County to a zero balance at the end of a service period.

The agreement still leaves many issues unaddressed, such as what the rates will be after three years. It also does not determine the methodology for assessing the rate will be in the future or provide any solution to the status of the Kellogg Creek Treatment Facility. We still must settle how improvements to the Kellogg Facility will be resolved and what happens to the rates after year three years.

The City and the County will continue talking and we're hopeful we'll find a resolution. I am confident that the City and County can make positive progress on these issues and build on our common interests.

The exciting news is that we've already begun vision what could be done on the Kellogg site if the footprint were dramatically reduced. In January we held a one day workshop with local experts in water treatment and environmental issues. Out of that workshop came a vision for the Kellogg Creek Center for Water Resources — a multi-use living, working and learning institution to demonstrate how Oregon communities balance ecology and utility. This vision is laid out in "The Kellogg Creek Center for Water Resources." This document is a tool to stimulate conversation with our partners at the County and with the residents of Milwaukie. The vision lays out some options for the site including:

- A Center that treats the same amount of sewage as today, but with outflow so clean it can be reused without concern, to relieve pressure on local drinking water sources such as the Clackamas River.

- A Center that opens up seven acres of the site for the benefit of residents, visitors, neighbors and wildlife.
- A site that no longer generates up to twenty daily truck trips hauling bio-solid waste off-site.
- A Center that brings people to water, and water to people, with a restored natural bank at its edge.
- A Center that shows off the entrance of Kellogg Creek – the preeminent example in the state of how urban streams can be restored to support endangered salmon runs.
- A Center where people live, close to nature, city life, and regional transportation amenities.
- A Center where tomorrow's technicians and environmental engineers are trained for jobs in a green economy.

Many believe that water will be to the 21st century what oil has been to the 20th – the great disappearing resource over which a new set of conflicts and challenges will arise. Here in north Clackamas County, at the foot of Milwaukie Bay, can be Oregon's answer to our coming reckoning with water. We share the resource. We already share the site. Let's all work together to understand that future and prepare for it together.

As we move forward with our negotiations with the County on the rate and as we move forward working as part of the regional advisory committee, we will continue to put the future of Kellogg on the table and will be working diligently to diminish its effects on Milwaukie.

Ledding Library:

If you are interested in water quality issues why not stop by the library and check a book or do some online research on the topic? We are proud of our library and pleased that over the last year the Library has expanded its hours which has made it possible to offer more children's programs, including morning storytimes. During the past fiscal year, 8803 people attended children's programs presented by Ledding Library staff. In addition, 1900 children and teens participated in this summer's reading program at the library. That represents a 20% increase over the number of summer reading participants in 2009.

The Library would not thrive without the help of volunteers and the dedication of the Friends of the Library. The Friends of the Library raised over \$10,000 at their annual book sale this year! Special thanks to Carol Kay for her work. Also special thanks to Kim Olsen, our amazing library aid who coordinated the annual plant sale at the Ledding Library. The plant sale also had a record year with almost \$9,500 dollars raised in just one day!

Volunteerism in Milwaukie

The volunteers supporting the Library are an example of the tremendous amount of volunteerism in Milwaukie. The Milwaukie Daze festival is another proud tradition—mainly run by volunteers. Special thanks and recognition go to Celebrate Milwaukie Inc. who sponsored the festival and fireworks this year. They are also the non-profit group that operates our wonderful Sunday Farmers Market. Also, thanks to Lisa Shippy who worked tirelessly on coordinating the festival this year. Without her efforts the festival would not have happened or been such a success. Also, special thanks go to Life Christian Center who has brought 100+ volunteers for the festival for the last three years, coordinated the field games and provided inflatable bouncy houses.

Our City Councilors volunteer much of their time as well-- investing in positive community relationships, too and is an influence in the region. Collectively, we sit on nearly a dozen regional committees. Two of the most recent appointments are those of Council President Chaimov's to the League of Oregon Cities Legal Advocacy Committee and my appointment to the League of Oregon Cities Transportation Committee. Councilor Stone volunteers for "Hands and Words are not for Hurting" and also represents the city on the Portland-Milwaukie Light Rail Steering Committee. Councilor Loomis volunteers countless hours with youth sports in the region and is Milwaukie's representative on the Clackamas County Coordinating Committee (C-4). Councilor Barnes serves on the Board of Directors of the Oregon Education Association and represents the city on the Regional Wastewater Partnership. Councilor Chaimov represents the Clackamas County Cities on the Sellwood Bridge Policy Advisory Committee and serves on the Executive Board of the North Clackamas Chamber of Commerce.

How you can get involved:

There is so much to be excited about in the City of Milwaukie and there is a lot of work yet to be done. But what's special about our town is that there are so many citizens that fuel this excitement and are active partners in building a better Milwaukie.

We have seven Neighborhood District Associations in the City of Milwaukie. Each NDA serves to provide better communication between the city and residents. But being involved in an NDA means much more than that. Each year our NDA's receive grant money to make improvements in their community as well as donate money to worth while community projects and causes. The NDAs use grant money to fund things such as the concerts held in Ardenwald, Lewelling, and Historic Milwaukie every summer, Linwood's "Movie Under the Stars", Ardenwald's reading program, Island Station's restoration of Spring Park and wetlands, Hector Campbell's neighborhood picnic, and Lake Road's awesome pirate-theme float in the Milwaukie Daze parade.

We have 10 different Boards and Commissions that advise Council on a far range of important issues. In case you're interested in serving, there positions open on several of the committees. If you are interested in a committee or board or more information on the City's neighborhood associations you can check the City website or contact Beth Ragel in our Community Services Office at 503 786-7568.

You can also get involved with downtown enhancement efforts through the Main Street Program or help volunteer at a City event or activity such as the Milwaukie Poetry Series, the Umbrella Parade, the Winter Solstice Event, or efforts to improve our emergency preparedness.

Finally, I speak for all of us on City Council when I say that we are always willing to hear your thoughts. You can always speak to the Council directly during a regular session meeting or contact us by phone or email. Our contact information is on the City website or in the Pilot newsletter. You can find a short FAQ section on the website about how to give testimony at a Council meeting.

It takes all of us working together to make Milwaukie a great place to live, work and play. Thank you for being here with me today. I encourage you to be a part of our positive change, and find a way to help move our city forward.