



Regular Session

RS

Milwaukie City Council

COUNCIL REGULAR SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

2299th Meeting**AGENDA REVISED**

SEPTEMBER 17, 2019

Note: times are estimates and are provided to help those attending meetings know when an agenda item will be discussed. Times are subject to change based on Council discussion. **Page #**

1. CALL TO ORDER (6:00 p.m.)**A. Pledge of Allegiance****2. PROCLAMATIONS AND SPECIAL REPORTS****A. Milwaukie High School (MHS) Outstanding Student Achievement Award for September (6:01 p.m.)**

Presenter: Carmen Gelman, MHS Principal

B. National Preparedness Month – Proclamation (6:10 p.m.) 2

Presenter: Wilda Parks, Councilor, and
Luke Strait, Police Chief

C. Distraction Free Driving Awareness Day – Proclamation (6:15 p.m.) 3

Presenter: Mark Gamba, Mayor

3. CONSENT AGENDA (6:20 p.m.)

Consent items are routine matters that are not discussed during the meeting; they may be approved in one blanket motion and any Councilor may remove an item from the Consent Agenda for separate consideration.

A. Approval of Council Meeting Minutes of: 5

1. August 6, 2019, Work Session;
2. August 13, 2019, Study Session;
3. August 20, 2019, Work Session; and
4. August 20, 2019, Regular Session.

B. Appointment to the Park and Recreation Board (PARB) – Resolution 29**C. Affirmation of the Enterprise Zone Re-Authorization – Resolution 32****4. AUDIENCE PARTICIPATION (6:25 p.m.)**

To address Council, complete a comment card and submit it to staff. The Mayor will call for comments regarding City business. Per the Milwaukie Municipal Code (MMC) only issues that are “not on the agenda” may be raised; issues that await a Council decision and for which the record is closed may not be discussed; “all remarks shall be directed to the whole Council, and the presiding officer may limit comments or refuse recognition.” The presiding officer may limit the time permitted for comments and may request that a spokesperson be selected for a group of persons wishing to speak. **The public is also invited to make comments in writing and may submit comments before the meeting, by mail, e-mail, or in person to City staff.**

5. PUBLIC HEARING

Public Comment will be allowed on items under this part of the agenda following a brief staff report presenting the item and action requested. The presiding officer may limit testimony.

- A. **Disposition of the City Owned Property located at 2215 SE Harrison Street (the Pond House) – Resolution** (6:30 p.m.) **38**
(additional packet materials added 9/16/19)

Staff: Leila Aman, Community Development Director

6. OTHER BUSINESS

These items will be presented by staff or other individuals. A synopsis of each item together with a brief statement of the action requested shall be made by those appearing on behalf of an agenda item.

- A. **Dangerous Building Code Amendments – Ordinance** (7:00 p.m.) **51**

Staff: Samantha Vandagriff, Building Official, and
Tim Salyers, Code Compliance Coordinator

7. INFORMATION (8:00 p.m.)

The Council and City Manager will provide reports on City events, projects, and programs.

8. ADJOURNMENT (8:05 p.m.)

Americans with Disabilities Act (ADA) Notice

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Executive Sessions

The City Council may meet in Executive Session pursuant to ORS 192.660(2); all discussions are confidential and may not be disclosed; news media representatives may attend but may not disclose any information discussed. Executive Sessions may not be held for the purpose of taking final actions or making final decisions and are closed to the public.

Meeting Information

Times listed for each Agenda Item are approximate; actual times for each item may vary. Council may not take formal action in Study or Work Sessions. Please silence mobile devices during the meeting.



COUNCIL REGULAR SESSION

City Hall Council Chambers
10722 SE Main Street
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2299th Meeting

MINUTES

SEPTEMBER 17, 2019

Mayor Mark Gamba called the Council meeting to order at 6:07 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Staff: Building Official Samantha Vandagriff
City Attorney Justin Gericke
City Manager Ann Ober
City Recorder Scott Stauffer

Code Compliance Coordinator Tim Salyers
Community Development Director Leila Aman
Library Director Katie Newell

1. CALL TO ORDER

Pledge of Allegiance.

2. PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS

A. Milwaukie High School (MHS) Outstanding Student Achievement Award for September 2019

Carmen Gelman, MHS Principal, introduced MHS student David Holmes and Council congratulated him on his academic and extra-curricular accomplishments. The group remarked on the student climate strike, noting Council's support of the event and the North Clackamas School District's response to student requests related to the event.

Ms. Gelman provided an update on MHS construction work and commented on student and faculty pride in the new facility. She discussed the school's focus on developing a welcoming culture and improving academic success through student groups and activities. She confirmed that the construction project was on track for the new building to be occupied by students and staff by fall 2020. The group expressed interest in arranging a Council site tour of MHS.

B. National Preparedness Month – Proclamation

Ms. Ober and **Councilors Parks and Batey** remarked on emergency preparedness resources available through Clackamas Fire District #1, state, and federal agencies. **Mayor Gamba** proclaimed September 2019 to be National Preparedness Month.

C. Distraction Free Driving Awareness Day – Proclamation

Mayor Gamba introduced the proclamation and proclaimed September 20 to be Distraction Free Driving Awareness Day.

3. CONSENT AGENDA

Councilor Batey asked that the August 6 Work Session minutes be removed for separate consideration.

It was moved by **Councilor Batey** and seconded by **Councilor Parks** to approve the Consent Agenda except item 3. A. 1.

A. City Council Meeting Minutes:

1. ~~August 6, 2019, Work Session;~~ (removed for separate consideration)

2. August 13, 2019, Study Session;
 3. August 20, 2019, Work Session; and
 4. August 20, 2019, Regular Session.
- B. Resolution 63-2019: A Resolution of the City Council of the City of Milwaukie, Oregon, making an appointment to the Park and Recreation Board (PARB).
- C. Resolution 64-2019: A Resolution of the City Council of the City of Milwaukie, Oregon, to reaffirm support of a co-sponsored application with Clackamas County re-designating the North Urban Clackamas County Enterprise Zone.

Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting “aye.” [5:0]

3. A. 1. August 6, 2019, Work Session Minutes

Councilor Batey noted that she had previously pulled the August 6 minutes to work with staff to review and revise the library district discussion. She proposed an additional change to the first sentence of the fifth paragraph on page two of the minutes.

It was moved by Councilor Batey and seconded by Councilor Parks to approve the revised August 6, 2019, Work Session minutes. Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting “aye.” [5:0]

4. AUDIENCE PARTICIPATION

Mayor Gamba noted that no one wished to address Council. **Ms. Ober** reported that there was no follow-up report from the September 3 audience participation.

5. PUBLIC HEARING

A. Disposition of the City Owned Property located at 2215 SE Harrison Street (the Pond House) – Resolution

Call to Order: **Mayor Gamba** called the public hearing on the disposition of the city owned property located at 2215 SE Harrison Street, initiated by the city, to order at 6:41 p.m.

Purpose: **Mayor Gamba** announced that the purpose of the hearing was to consider the disposition of the city-owned property located at 2215 SE Harrison Street.

Conflict of Interest and Jurisdiction: No Council member declared a conflict of interest and no audience member challenged Council’s ability to participate in the hearing.

Staff Report: **Ms. Aman** explained that Council was asked to declare the Pond House to be surplus property and authorize the city manager to sell the property. She noted that the house had been purchased in 2006 to add community meeting space and had housed the Friends of the Ledding Library (FOLL) group, both uses that the new library building would include. She noted that selling the house had previously been part of the city’s plan to pay for the new library but would now support the purchase of a new city hall building. She reviewed the required steps to have the property declared to be surplus and the actions Council was asked to take to approve the resolution and set the minimum criteria for the sale of the property.

Councilor Batey and **Ms. Aman** noted that the sale price was the minimum criteria Council was asked to set. They reviewed the process to sell the property, agreed that

the city should sell it for as much as possible, and remarked on whether the garage and driveway parking could be reinstated to make it more marketable.

Councilor Hyzy asked about the property lines and whether the city would be selling its ability to control the pond area. **Ms. Aman** suggested the pond dam was not associated with the Pond House property and **Ms. Ober** reported that public works staff had confirmed that selling the property would not limit the city's ability to control the pond.

Ms. Aman noted that she had received a call from a concerned resident about the lack of notice given to the Historic Milwaukie Neighborhood District Association's (NDA's) Land Use Committee. She commented on the noticing requirements and the importance of maintaining the trust of residents and the NDA.

Correspondence: It was noted that there were no additional comments received on the proposed sale of the Pond House.

Council President Falconer and **Ms. Aman** noted the capacity of the Pond House community rooms and that the new library would have larger community spaces.

Councilor Hyzy asked if any habitat resource zone would impact the sale price of the property. **Ms. Aman** reported that a habitat conservation zone would be triggered if the property were redeveloped. **Councilor Batey** suggested that the house was in a habitat conservation area and remarked that house had a solid deck.

Conduct of Hearing: **Mayor Gamba** reviewed the audience participation procedures.

Audience Testimony: **Jean Baker**, Milwaukie resident, remarked that she had been surprised to learn about the plan to sell the Pond House. She noted that the NDA had not received notice of the proposal to sell it and commented on her long-standing observation of the city's noticing processes. She suggested that notices be put in *The Oregonian* instead of *The Clackamas Review*. She remarked on the community's use of the Pond House and the overall lack of community and event spaces. She expressed concern about the lack of notice given for the hearing and commented on the recent sale of a house in the area. She suggested the appraised value for the Pond House was low. **Mayor Gamba** remarked that the city would negotiate a good price.

Staff Comments: **Ms. Aman** thanked Ms. Baker for her comments and suggested that one reason to sell the house was to return it to the tax rolls. **Councilor Batey** and **Ms. Aman** noted that selling the house would also help reduce the city's debt burden for purchasing a new city hall. **Ms. Ober** added that the new city hall would include additional community spaces that would offset the loss of the Pond House.

Ms. Aman explained the purpose of appraisal reports and noted that the appraised value is not the same as the market value sale price. **Council President Falconer** and **Ms. Aman** discussed how appraisal data is used in negotiating a final sales price. They noted how the property's zoning could influence who buys it, how the buyer finances the purchase, and whether it could be used for residential or commercial purposes. The group talked about the property's zoning and what types of community or event uses would be allowed. It was noted that a buyer could go through a zone change process to use the property in a way not currently allowed.

Council President Falconer asked staff to explain the difference in noticing requirements for a surplus property process versus a land use decision. **Ms. Aman** noted the relevant Milwaukie Municipal Code (MMC) noticing requirements. **Mayor Gamba** expressed interest in amending the noticing requirements to ensure that NDAs

are notified. **Councilor Batey** agreed with Ms. Baker's suggestion about which newspapers public notices are placed in. The group noted that the hearing notices had appeared in one of the city's official papers of record.

Close Public Hearing: It was moved by Councilor Parks and seconded by Council President Falconer to close the public hearing. Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting "aye." [5:0]

Mayor Gamba closed the public hearing at 7:09 p.m.

Council Discussion: **Council President Falconer** expressed interest in exploring the possibility of renting the Pond House as event space. **Ms. Ober** reported that staff was looking into the possibility of renting the house. She added that the house could be part of the planned Scott Park master planning process.

Mayor Gamba asked that a code amendment be drafted to require that the NDA be notified when a property in the neighborhood is being disposed of. **Ms. Ober** reported that the amendment would be added to the list of code amendments. She and **Mayor Gamba** reviewed the history of actions taken by the city to consider selling the house and remarked on the importance of acquiring a larger city hall in the downtown area.

Council Decision: It was moved by Councilor Batey and seconded by Councilor Parks to approve the resolution to declare the real property owned by the City of Milwaukie located at 2215 SE Harrison Street (tax lot 11E25CC00900 and 11E36BB01600) surplus and authorizing the city manager to sell the property.

The group noted that Council needed to identify the minimum sales price criteria. They remarked on the impact of stating a minimum sales price, noted possible sale amounts including the appraisal value of \$440,000. **Ms. Aman** added that the city's real estate broker would help negotiate the final price. Staff confirmed that direction on the timing of the sale was not necessary and that Council would receive updates on the sale.

Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting "aye." [5:0]

Resolution 65-2019:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, TO DECLARE THE REAL PROPERTY OWNED BY THE CITY OF MILWAUKIE LOCATED AT 2215 SE HARRISON STREET (TAX LOT 11E25CC00900 AND 11E36BB01600) SURPLUS AND AUTHORIZING THE CITY MANAGER TO SELL THE PROPERTY.

Councilor Batey noted that resolution motion did not include a sales price. **Ms. Ober** reported that the resolution language covered the minimum terms set by Council as discussed just prior to the vote on the resolution.

6. OTHER BUSINESS

A. Dangerous Building Code Amendments – Ordinance

Ms. Vandagriff remarked on why staff had proposed the code amendments. She cited examples of dangerous buildings and the group remarked on a dangerous structure near the corner of 29th Avenue and Malcolm Street that had been fixed. **Ms. Vandagriff** explained that being able to post a dangerous building notice sign on a property allowed law enforcement officers to remove people.

Ms. Vandagriff and **Mr. Salyers** provided an overview of how a dangerous building is reported to the city and investigated by staff. They explained that posting a dangerous building notice on a site gives the city a more effective tool for seeking compliance and repair of the building. They noted that if a structure is repaired at any point during the enforcement process the process stops.

Mayor Gamba asked if resources were offered to home owners in dangerous buildings to help keep them in their home. **Ms. Vandagriff** reported that a list of resources is made available to homeowners. **Councilor Batey** asked if people who occupy dangerous buildings are more often home owners or renters. **Ms. Vandagriff** reported that dangerous buildings are occupied by renters and home owners. She added that the responsibility of repairing a dangerous building was on the home owners, not renters.

Mayor Gamba noted that two audience members wanted to address Council regarding dangerous buildings.

Nancy Watt, Milwaukie resident, remarked on a home she lives near that had been damaged by a fire two years ago and had not been repaired. **Sue Richardson**, Milwaukie resident, expressed appreciation for staff's work to improve the dangerous building code. She commented on the burned home that Ms. Watt had discussed and urged Council to adopt the code amendments to allow staff to take enforcement actions to clean-up or tear-down the burned home. **Mayor Gamba** asked who was living in the burned home. **Ms. Richardson** explained that the burned home and two adjacent homes were owned by the same person who rented them out, possibly as low-income housing. She noted there had been long-standing renter issues. **Councilor Batey** asked if the owner had made any effort to fix the home. **Ms. Richardson** noted she was not sure if the owner had taken steps to fix the home and remarked on who lived in the adjacent homes currently. She urged Council to adopt the code amendments to help staff get the burned home fixed. She and **Ms. Watts** commented on debris and other issues related to the three homes.

Mayor Gamba asked staff to confirm that the code amendment would allow the city to tear down a dangerous building and place a lien on the property. **Mr. Salyers** confirmed that the amendment would allow the city to initiate an abatement process to tear down a dangerous building after a 180-day notice period. He explained that if property owners board up a dangerous building, they will be in compliance with the current code. The group noted that a new 180-day period would need to be initiated for the burned home referenced by Ms. Watt and Ms. Richardson. They also noted that an emergency clause would need to be added to the ordinance to waive the usual 30-day ordinance effective date. **Mr. Salyers** confirmed that the city had gone as far as it could regarding the burned home under the current code. **Ms. Vandagriff** reported that the property owner had discussed multi-family housing with city staff but had taken no further actions.

Councilor Batey discussed a more recently updated model building code published by the International Code Council (ICC). She expressed frustration about amending the code one section at a time and not using more updated code templates. She thought the city attorney should do more to help write and update the code. She suggested she would vote against the code amendment not because of the dangerous buildings enforcement issue but because she thought the city could write better code. She noted that if she voted no, the emergency clause would not be necessary as the second reading and vote on the ordinance would have to be done in two weeks.

Mayor Gamba asked if any Oregon city used the model ICC code. **Ms. Ober** reported that staff had been unable to identify another city in Oregon that used that model code.

Councilor Hyzy remarked that she did not believe it was a good use of staff time to perfect every piece of code. She noted that staff would be conducting more code revisions in 2020 and suggested that the immediate need was to address neighborhood issues by amending the code. She and **Councilor Batey** commented on the workload related to reviewing and amending the MMC. **Councilor Parks** noted that Council had spent time working with staff at a work session on the proposed amendments. She agreed that staff could look deeper at the model code in 2020 and suggested that digging into each code section with each amendment would delay other city projects.

The group noted that Council would soon begin to prioritize several code revision projects that staff had been tracking. **Ms. Ober** reported that staff had agreed with Councilor Batey that the more recent model code may be a better fit for Milwaukie but had not had time to fully review it. **Mayor Gamba** added that it is important to merge the model code with state law and to act now to give staff the tools to fix existing issues. **Mr. Gericke** and **Ms. Ober** reported that staff had discussed pulling the amendments from the agenda but had decided to proceed given the existing need for an enforcement tool.

Council President Falconer expressed appreciation for staff's explanation of the proposed amendment and how heavy the staff workload is. **Mayor Gamba** reported that he had heard for years how easy it is for builders to work with city staff compared to other cities. **Councilor Hyzy** noted that the Budget Committee had recently approved a budget adjustment to better support the building department. **Ms. Ober** noted that the building department had also received additional staffing in the last budget cycle to support staff's work.

Councilor Batey remarked that if staff was placing the larger ICC property maintenance code package on the list of code revisions to make in 2020 than she would support the proposed amendments. **Mayor Gamba** noted the need to add an emergency clause to the ordinance.

It was moved by Council President Falconer and seconded by Councilor Hyzy to approve the Ordinance amending Milwaukie Municipal Code (MMC) 15.04.180 Dangerous or Unsafe Buildings and declaring an emergency. Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting "aye." [5:0]

Ms. Ober read the ordinance two times by title only.

Mr. Stauffer polled the Council with Councilors Falconer, Batey, Parks, and Hyzy, and Mayor Gamba voting "aye." [5:0]

Ordinance 2180:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING MILWAUKIE MUNICIPAL CODE (MMC) 15.04.180 DANGEROUS OR UNSAFE BUILDINGS.

7. INFORMATION

Mayor Gamba announced upcoming events, including the annual City Hall scarecrow contest, a fall prevention class at the Milwaukie Center, October First Friday events, a clean-up event at Tideman-Johnson Park, the annual Davis Graveyard activities, the city's Arbor Day celebration, and the annual downtown trick-or-treating event.

Councilor Hyzy announced the upcoming global student climate strike and noted the involvement of Council members and local students.

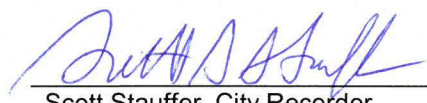
Ms. Ober declared that after the regular session Council members may meet for a social gathering at Cha Cha Cha Mexican Taqueria, located at 11008 SE Main Street. She noted that no city business would be discussed or conducted.

8. ADJOURNMENT

It was moved by Council President Falconer and seconded by Councilor Hyzy to adjourn the Regular Session. Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting “aye.” [5:0]

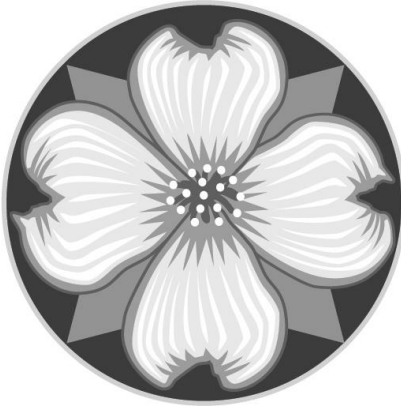
Mayor Gamba moved to adjourn the regular session at 8:00 p.m.

Respectfully submitted,



Scott Stauffer, City Recorder

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RS Agenda Item

2

**Proclamations,
Commendations,
Special Reports,
& Awards**

PROCLAMATION

WHEREAS, the month of September is recognized by emergency responders and public safety agencies as a time to actively promote emergency preparedness in our communities through planned activities, events, and public awareness campaigns; and

WHEREAS, National Preparedness Month is a nationwide effort sponsored by the United States Department of Homeland Security to encourage Americans to prepare for emergencies at homes, at work, and at school; and

WHEREAS, Preparedness Month is an opportunity for all Milwaukians to prepare their homes, businesses, and communities for all types of emergencies; and

WHEREAS, the goal of Preparedness Month is to increase awareness about preparing for emergencies and persuading individuals to act; and

WHEREAS, during September, Clackamas Fire District #1 and the City of Milwaukie urge residents to make themselves better prepared for emergencies; and

WHEREAS, emergency preparedness is the responsibility of everyone, and all are urged to make preparedness a priority and work together to ensure that individuals, families, and communities are prepared for disasters and emergencies of any type; and

WHEREAS, investing in personal and community preparedness can reduce injuries, fatalities, and economic devastation in our community and in our nation; and

WHEREAS, throughout the year the City of Milwaukie works to make our community better prepared for emergencies by adopting and updating short- and long-term plans to reduce the loss of life, property, and injuries from disasters.

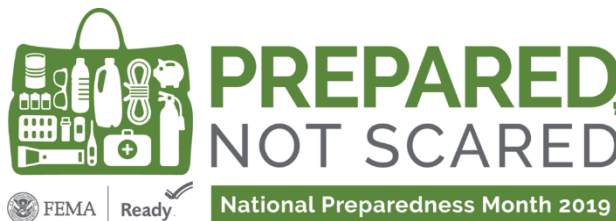
NOW, THEREFORE, I, Mark Gamba, Mayor of the City of Milwaukie, a municipal corporation in the County of Clackamas, in the State of Oregon, do hereby proclaim **SEPTEMBER 2019** to be **NATIONAL PREPAREDNESS MONTH** in Milwaukie.

IN WITNESS, WHEREOF, and with the consent of the City Council of the City of Milwaukie, I have hereunto set my hand on this 17th day of September 2019.

Mark Gamba, Mayor

ATTEST:

Scott Stauffer, City Recorder



PROCLAMATION

WHEREAS, Oregon cities hold citizen safety as a paramount concern; and

WHEREAS, distracted driving occurs when drivers engage in activities that divert their attention from their primary task of driving, such as texting, talking on a phone, interacting with passengers, listening to loud music, and reading; and

WHEREAS, smart phone use, because it distracts the driver's visual, manual, and cognitive abilities, is especially dangerous for the driver and others; and

WHEREAS, sixty-percent of Oregonians use a smartphone and seventy-percent of Americans admit to using their smart phone while driving; and

WHEREAS, the National Highway Traffic Safety Administration, reports that each day more than 9 people are killed and over 1,060 people are injured in crashes that are reported to involve a distracted driver; and

WHEREAS, the Oregon Department of Transportation reports that a crash involving a distracted driver in Oregon occurs every 2.5 hours; and

WHEREAS, in 2017 the State of Oregon launched a Distracted Driving campaign aimed at raising awareness about the dangers of distracted driving; and

WHEREAS, through adoption of House Bill 2597 the Oregon State Legislature has taken steps to prohibit and discourage the use of handheld devices while driving.

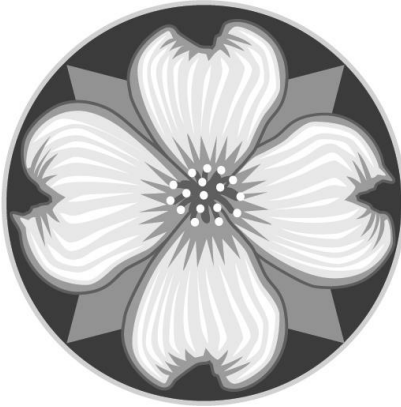
NOW, THEREFORE, I, Mark Gamba, Mayor of the City of Milwaukie, a municipal corporation in the County of Clackamas, in the State of Oregon, do hereby proclaim **September 20th, 2019**, to be **DISTRACTION FREE DRIVING AWARENESS DAY** in Milwaukie and encourage all residents to join in this observance.

IN WITNESS, WHEREOF, and with the consent of the City Council of the City of Milwaukie, I have hereunto set my hand on this 17th day of September 2019.

Mark Gamba, Mayor

ATTEST:

Scott Stauffer, City Recorder



RS Agenda Item

3

Consent Agenda



COUNCIL WORK SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

MINUTES

AUGUST 6, 2019

Council President Falconer called the Council meeting to order at 4:05 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Absent: Mayor Mark Gamba

Staff: Administrative Specialist Christina Fadenrecht
Assistant Planner Mary Heberling
City Manager Ann Ober

City Recorder Scott Stauffer
Library Director Katie Newell

1. Library District Task Force – Discussion

Ms. Newell commented on the success of the city's Carefree Sunday event. She introduced Greg Williams and Kathryn Kohl with the Clackamas County Library Network. She provided background information on the recent library services agreement between the City of Gladstone and Clackamas County. She explained that the Board of County Commissioners had created a Library District Task Force (LDTF) to identify challenges facing the district, including funding and governance.

Mr. Williams provided more background on the Gladstone-Oak Lodge service agreement. He explained that as a result of the settlement of litigation with the City of Gladstone, the county had agreed to build and operate two library buildings, one in Gladstone and one in Oak Lodge. He reviewed the discussions that had led to a need to revisit the Library District Master Intergovernmental Agreement (IGA) and create two task forces. The "little task force" would address changes needed to the IGA to construct the new Gladstone and Oak Lodge libraries. The "big task force," the LDTF, would address larger ongoing issues district-wide. He reported that he and Ms. Kohl were speaking to cities and answering questions about the situation development of the LDTF and its three subcommittees.

Ms. Newell discussed the LDTF and noted it had three subcommittees: library services, library funding, and district governance. She recommended that she and Ms. Ober be on the main taskforce, with Ms. Ober as the voting member and herself as a non-voting member. The city would need to find three people to serve on the subcommittees. She reported that former Council member Shane Abma expressed interest in serving on the funding subcommittee.

The group discussed Mr. Abma's potential involvement. **Council President Falconer** asked how the city's representatives would be appointed. **Ms. Ober** explained that the main task force seat should be her or someone from the city. For the subcommittee positions she asked Council to recommend individuals and possibly conduct interviews. **Council President Falconer** noted community members that may be interested, and **Ms. Ober** asked Council to email names to staff to follow-up.

Councilor Parks asked if there was a main issue for the task force to tackle. **Ms. Kohl** noted that there were many concerns that the group would address. **Mr. Williams** noted that a frequent issue was funding.

Councilor Batey noted that the county's materials listed Oak Lodge, an unincorporated area, among the cities. **Mr. Williams** said the purpose was to distinguish it from other unincorporated areas.

Councilor Parks asked if the new library in Gladstone would affect county library funding. **Mr. Williams** and **Ms. Kohl** clarified that the new library would not impact funding for other branches since the Gladstone and Oak Lodge libraries already existed and would be rebuilt.

Councilor Batey asked how the county was funding library construction. **Mr. Williams** explained the county's plans to fund the new buildings using reserve funds from the Oak Lodge branch and annual contributions from the City of Gladstone.

Councilor Parks understood that operationally the Oak Lodge branch would be an extension of the Gladstone library. **Mr. Williams** confirmed that was correct and explained that the county was calling it a "one library, two building" solution with two branches being operated as one to realize cost savings.

Councilor Batey expressed disappointment in the county's circulation data for measuring the areas served by the district's libraries. She wanted a better idea of what the true service boundaries were for the Ledding Library. She observed that the city Milwaukie may want to have a satellite library in the future. She noted pervious previous discussions where it had been made clear that Milwaukie had received less county funding and had not been allowed to go outside city limits and into its entire library service area to raise bond funds for the new library building. **Mr. Williams** confirmed that the county had received similar feedback and was willing to provide any data it had. He explained that the service boundaries were listed in the IGA and the county did not have the unilateral ability to change the IGA, which is why the task force was created to help have these discussions. **Council President Falconer** and **Councilor Parks** discussed service areas and funding allocation, with concerns for equity for Milwaukie. The group discussed the service area boundaries. **Mr. Williams** clarified that there would be no changes to the Gladstone or and Oak Lodge service areas could not be changed without an amendment to the IGA.

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Councilor Hyzy asked if there was a way to establish a timeline or expectation so the council could know if the group was able to determine its concrete goals. **Councilor Parks** noted that there was a timeline included in the meeting packet. **Mr. Williams** summarized that a check-in point at the beginning of the process would help identify the desired outcomes and parameters. **Councilor Hyzy** said she would like to see that soon given the county's 18-month timeline for the task force. **Mr. Williams** believed that was possible. **Councilor Parks** noted it was an ambitious undertaking.

Council President Falconer expressed hope that the funding subcommittee would get financial data from each of the cities to help paint a clearer picture around equity issues. **Ms. Kohl** reported that the Library District Advisory Committee (LDAC) gathered financial data from each city annually.

Councilor Hyzy noted Councilor Batey's question about the circulation data that council felt should be accessible. She asked if the task force was where some of that data could be released. **Mr. Williams** noted that the county had provided data before and asked for feedback on the data council is looking for. **Councilor Batey** noted that the data could be displayed in a more user-friendly manner, such as a map. **Council President Falconer** noted the provided data included the amount of services each library location provided but did not show where those people came from. **Mr. Williams** believed the county should be able to provide that type of data. He noted that there was not currently a geographic information system (GIS) integration with the library data system but believe they could work to get it added. **Council President Falconer** noted that even providing zip code information would be an improvement.

Mr. Williams noted that some Oak Lodge library users had been visiting the Ledding Library, due to the current Oak Lodge library being substandard. He anticipated that once the new Oak Lodge library was built, some current Ledding Library visitors would return to Oak Lodge~~use the new Oak Lodge library once it was built.~~

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The group discussed the current Oak Lodge library and where the new one would be built. **Mr. Williams** noted that multiple task forces were looking into location options, including the possibility of using the former Concord Elementary School building.

Ms. Newell agreed that a data map would be helpful to see where the people that use the library come from.

2. Comprehensive Plan Block 3 Policies Review – Discussion

Mr. Egner reported that this was the final block of the Comprehensive Plan policies to review. He noted the public outreach that had been done, including Comprehensive Plan Advisory Committee (CPAC) meetings, feedback from staff and the Planning

Commission, open house events, and focus groups. He noted upcoming Planning Commission and Council meetings that would include discussions of the policies.

Mr. Egner noted a CPAC members' request to give CPAC more time to look at the urban design policies. He noted how that could affect the project schedule and suggested the urban design policies could be "pinned down" separately from the other items in block 3. **Councilor Batey** asked why Council couldn't wait to adopt them all together later. **Mr. Egner** explained that Council meeting agendas were filling up and staff would like to start moving to the adoption process. They discussed the Comprehensive Plan review project timeline.

Mr. Egner discussed how the block policies had been organized and noted other potential structures and policy groupings. **Councilor Batey** agreed the policies could be re-packaged. **Councilor Hyzy** understood it would be helpful for staff to have time to look at the urban design policies. **Mr. Egner** noted that "pinning down" policies did not make them final.

Mr. Egner noted the online survey comments had not been included in the meeting packet because they were still being categorized. Council discussed the survey results. **Councilor Batey** asked to see the full online comments.

Mr. Egner asked for council feedback on the draft policies.

Council President Falconer discussed Goal 4 related to native species. She observed that due to the warming climate, certain environments may not be the most hospitable for native species to survive. **Mr. Egner** suggested using the term "climate adaptable." **Council President Falconer** noted the importance of factoring in specific site challenges and the appropriateness of a species. **Councilor Batey**, **Councilor Hyzy**, and **Council President Falconer** discussed native species. They agreed that native species were important and that item five's wording under Goal 4 was preferable.

Council President Falconer and **Councilor Batey** discussed concerns about the wording of "daylighting creeks where feasible." They noted the positives and the negatives of daylighting creeks and agreed it depended on the specific creek and environment. The group discussed broadening the term to "examining opportunities to daylight creeks with sensitivity to habitat improvements."

Councilor Hyzy proposed multiple text changes and clarifications to the draft natural resource and environmental quality, and public facilities and services goals. The group discussed the changes and the intent behind the goal language.

The group noted the question on the bottom of page WS67 related to zoning near parks. **Mr. Egner** explained that staff was still trying to create language to help the conceptual ideas work practically.

Councilor Batey believed Council should hold a discussion about neighborhood hubs. The group noted possible locations for neighborhood hubs. **Mr. Egner** remarked on his interest in developing a plan for hubs.

The group noted Council had additional comments on the draft goal language that they could discuss later or share with Mr. Egner. **Councilor Batey** observed that while transit was discussed in the goals, she did not see much about shuttle transportation around in the policies. **Ms. Ober** noted that shuttles were included in the climate section. **Mr. Egner** suggested shuttles could be discussed during the upcoming Transportation System Plan (TSP) update project.

3. Adjourn

Council President Falconer adjourned the Work Session at 5:31 p.m.

Respectfully submitted,

Amy Aschenbrenner, Administrative Specialist II

COUNCIL WORK SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

MINUTES

AUGUST 6, 2019

Council President Falconer called the Council meeting to order at 4:05 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Absent: Mayor Mark Gamba

Staff: Administrative Specialist Christina Fadenrecht
Assistant Planner Mary Heberling
City Manager Ann Ober

City Recorder Scott Stauffer
Library Director Katie Newell

1. Library District Task Force – Discussion

Ms. Newell commented on the success of the city's Carefree Sunday event. She introduced Greg Williams and Kathryn Kohl with the Clackamas County Library Network. She provided background information on the recent library services agreement between the City of Gladstone and Clackamas County. She explained that the Board of County Commissioners had created a Library District Task Force (LDTF) to identify challenges facing the district, including funding and governance.

Mr. Williams provided more background on the Gladstone-Oak Lodge service agreement. He explained that as a result of the settlement of litigation with the City of Gladstone, the county had agreed to build and operate two library buildings, one in Gladstone and one in Oak Lodge. He reviewed the discussions that had led to a need to revisit the Library District Master Intergovernmental Agreement (IGA) and create two task forces. The "little task force" would address changes needed to the IGA to construct the new Gladstone and Oak Lodge libraries. The "big task force," the LDTF, would address larger ongoing issues district-wide. He reported that he and Ms. Kohl were speaking to cities and answering questions about the development of the LDTF and its three subcommittees.

Ms. Newell discussed the LDTF and noted it had three subcommittees: library services, library funding, and district governance. She recommended that she and Ms. Ober be on the main taskforce, with Ms. Ober as the voting member and herself as a non-voting member. The city would need to find three people to serve on the subcommittees. She reported that former Council member Shane Abma expressed interest in serving on the funding subcommittee.

The group discussed Mr. Abma's potential involvement. **Council President Falconer** asked how the city's representatives would be appointed. **Ms. Ober** explained that the main task force seat should be her or someone from the city. For the subcommittee positions she asked Council to recommend individuals and possibly conduct interviews. **Council President Falconer** noted community members that may be interested, and **Ms. Ober** asked Council to email names to staff to follow-up.

Councilor Parks asked if there was a main issue for the task force to tackle. **Ms. Kohl** noted that there were many concerns that the group would address. **Mr. Williams** noted that a frequent issue was funding.

Councilor Batey noted that the county's materials listed Oak Lodge, an unincorporated area, among the cities. **Mr. Williams** said the purpose was to distinguish it from other unincorporated areas.

Councilor Parks asked if the new library in Gladstone would affect county library funding. **Mr. Williams** and **Ms. Kohl** clarified that the new library would not impact funding for other branches since the Gladstone and Oak Lodge libraries already existed and would be rebuilt.

Councilor Batey asked how the county was funding library construction. **Mr. Williams** explained the county's plans to fund the new buildings using reserve funds from the Oak Lodge branch and annual contributions from the City of Gladstone.

Councilor Parks understood that operationally the Oak Lodge branch would be an extension of the Gladstone library. **Mr. Williams** confirmed that was correct and explained that the county was calling it a "one library, two building" solution with two branches being operated as one to realize cost savings.

Councilor Batey expressed disappointment in the county's circulation data for measuring the areas served by the district's libraries. She wanted a better idea of what the true service boundaries were for the Ledding Library. She observed that Milwaukie may want to have a satellite library in the future. She noted previous discussions where it had been made clear that Milwaukie had received less county funding and had not been allowed to go outside city limits and into its entire library service area to raise bond funds for the new library building. **Mr. Williams** confirmed that the county had received similar feedback and was willing to provide any data it had. He explained that the service boundaries were listed in the IGA and the county did not have the unilateral ability to change the IGA, which is why the task force was created to help have these discussions. **Council President Falconer** and **Councilor Parks** discussed service areas and funding allocation, with concerns for equity for Milwaukie. The group discussed the service area boundaries. **Mr. Williams** clarified that the Gladstone and Oak Lodge service areas could not be changed without an amendment to the IGA.

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3. Adjourn

Council President Falconer adjourned the Work Session at 5:31 p.m.

Respectfully submitted,

Amy Aschenbrenner, Administrative Specialist II

COUNCIL STUDY SESSION

Public Safety Building (PSB) Community Room
3200 SE Harrison Street
www.milwaukieoregon.gov

MINUTES

AUGUST 13, 2019

Council President Falconer called the Council meeting to order at 5:15 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Absent: Mayor Mark Gamba

Staff: Administrative Specialist Amy Aschenbrenner
City Manager Ann Ober

Climate Action and Sustainability Coord. Natalie Rogers
Public Works Director Peter Passarelli

1. Portland General Electric (PGE) Smart Grid Test Bed – Discussion

Mr. Passarelli introduced Timothy Treadwell and Jason Salmi Klotz with PGE. He provided an overview of the city's work with PGE.

Mr. Salmi Klotz provided background on the Smart Grid Test Bed project. He provided a graph outlining Oregon's greenhouse gas (GHG) goals and the city's GHG goals. He explained how Milwaukie's climate action mitigation strategies related to building energy and efficiency and vehicles and fuels.

Councilor Batey asked if the city's new charging stations were getting used. **Mr. Salmi Klotz** said he would research the station's usage and provide Council with that information.

Mr. Passarelli noted the city was applying for another PGE grant to install a public charging station at the city's Johnson Creek Boulevard (JCB) campus.

Mr. Salmi Klotz explained why smart grids were needed and discussed peak hour energy use. He explained how energy from wind power works compared to other energy sources and reported that in the future PGE would need to balance the use of wind and other renewable energy sources through smart grids.

Mr. Salmi Klotz discussed demand response. He explained that water heaters in a smart grid system could allow customers to sell power back to the grid. **Councilor Batey** asked if the smart grid system would work with any electric water heater. **Mr. Salmi Klotz** said it would and noted that PGE hoped to provide incentives for people to install heat pump water heaters for increased energy efficiency.

Mr. Salmi Klotz further discussed demand response, noting the benefits of the smart grid for customers and the overall system. He noted that PGE would focus on program benefits for customers.

Councilor Batey asked if remote-controlled lightbulbs and heaters could link to the PGE smart homes system. **Mr. Salmi Klotz** said the system would link to remote-controlled functions and explained that PGE would like to communicate with electric cars, water heaters, and smart thermostats. He highlighted PGE-sponsored seasonal incentives and free thermostats for users who participated in the program.

Mr. Treadwell explained the chart illustrating the evolution of demand response.

Councilor Parks noted the increasing number of things that can be connected to a smart home system. **Mr. Salmi Klotz** said PGE was only interested in the big items, like electric cars, water heaters, and air conditioning.

Councilor Parks asked how PGE notifies customers about peak time events. **Councilor Hyzy** and **Mr. Salmi Klotz** said PGE send text messages and emails to customers with opportunities to save during an event. **Mr. Salmi Klotz** remarked that lowering the demand helps lower the cost to run the system, and thereby lowering costs for customers and lowering carbon levels.

Mr. Treadwell provided information on the current smart grid test bed program, including the implementation timeline and budget. He noted substations located in the Portland, Hillsboro, and Milwaukie. **Mr. Salmi Klotz** noted that PGE had conducted a decarbonization study to find out how to achieve a completely renewable system. He reported that to meet the zero-carbon goal, PGE would need to enroll almost all its customers in some program. He noted that PGE currently had about 6% of their customers enrolled in such a program. The group discussed the test bed program.

Councilor Batey and **Mr. Salmi Klotz** discussed how low-income customers could be helped through this smart grid system. **Mr. Treadwell** noted the Peak Time Rebates (PTR) program was open to everyone and noted that PGE would be marketing the program soon. The group noted that altering energy-use behavior during those peak times was an easy way to help in a non-technological way. **Mr. Salmi Klotz** added that if customers did not do anything and used power as normal, their rates would not change. He summarized that customers were not punished if they did not participate and that customers in the test bed were automatically signed up for the PTR program while customers outside the test bed could opt-in.

Ms. Ober and **Councilor Hyzy** noted that PGE could provide outreach at an Island Station Neighborhood District Association (NDA) meeting, since those neighbors were in the test bed. The group noted that the monthly First Friday event was another opportunity for community engagement. **Mr. Salmi Klotz** and **Ms. Ober** noted that a PGE staff member would be hired for the Milwaukie area and would operate out of the JCB campus.

Mr. Treadwell noted that the goal was to migrate people from not being aware of the program to participating in it. He provided a timeline for implementing Phase I of the smart grid program. He noted upcoming public outreach and marketing efforts to inform customers about energy usage and the PTR program. He explained that the PTR program timeline was divided into quarters and started with monetary incentives, where PGE pays customers for using less power during peak times. During the next quarter, customers would have an opportunity to give back and redirect incentive dollars to non-profit organizations. In the following quarter, there would be community competitions to see who could save the most. Then the program would move to a carbon focus, where PGE would further explain to customers about carbon usage. The final quarter of 2020 would return to the giving back model. He summarized that PGE would learn a lot from this program, and the test bed would help PGE learn about which programs to promote in the future. He also noted upcoming products like smart thermostats that would soon be on the market.

The group noted the new Axletree Apartments in downtown Milwaukie and discussed whether PGE could contact them about energy efficient appliances.

Mr. Treadwell provided maps of the test beds in North Portland, Hillsboro, and Milwaukie. He observed that the maps did look odd and explained that they did not follow any logistical boundary. He explained that the three test beds would provide a good overview for the larger grid. He noted that the Milwaukie test bed was a small slice of Milwaukie and a large part of Oak Grove. He said Milwaukie was a good test bed area because it featured a diverse set of customers.

Mr. Treadwell added that customers could check an interactive map on the PGE test bed website to see if a house is in the test bed. He noted PGE was hiring community representatives and had a PGE ambassador program for employees who live in test bed areas. He added that PGE was building towards Phase II of the test bed program. He provided a map of the Island Station Substation.

It was noted that Ms. Ober left the meeting at 6:12 pm.

2. Home Energy Score (HES) Program – Discussion (continued)

Ms. Rogers provided a framework for the HES program. She noted the city's carbon neutral goals and discussed a chart of Milwaukie's greenhouse gas emissions. She suggested the best way to control emissions was through energy efficiency. She observed that people have a hard time visualizing energy use, and an easy way to see this is to use the HES methodology from the United States Department of Energy (US DOE). The HES was available for states or cities to adopt and implement. She noted other cities that had created a HES program.

Ms. Rogers noted the Milwaukie Climate Action Plan (CAP) called out adopting Portland's HES program. She explained the home energy reports and scores, noting that the program goal was for it to be a general, replicable, and affordable methodology that assesses a home's assets. She discussed the cost of HES assessments.

The group discussed the US DOE HES pyramid chart. **Ms. Rogers** reiterated that the scores were based on the home, not on resident behavior or the local climate. She reported that a score lasted 8 years and did not take appliances into account.

Ms. Rogers explained that the HES program used the average regional utility rates and the average household size to generate energy costs. She clarified that residents were given credit if they used solar energy. **Mr. Passarelli** and **Ms. Rogers** noted the HES national average was 4.7.

Ms. Rogers said that the City of Milwaukie was interested in showing the HES scorecard at time of listing, like the Portland program. She noted the benefits of including additional information for home buyers to consider. **Councilor Hyzy** and **Ms. Rogers** discussed the concept of having the HES at the time of listing versus time of closing. They noted the convenience of having the score earlier on in the home-buying process.

Ms. Rogers explained that under a HES program, a scorecard would be required for all publicly advertised home listings. She noted questions about Zillow's "Make Me Move" listing and observed that they were still public listings and would need a HES.

Ms. Rogers discussed Portland's HES program and noted where Milwaukie's program could differ. She summarized that the US DOE methodology and framework could not be changed. The group noted different cities' programs. **Ms. Rogers** reiterated that the home energy assessment would only need to be done when someone was listing a home. She provided a chart explaining what Milwaukie could change about the

program, including the scorecard appearance, low income assistance, compliance, and more. and the group discussed how program compliance would be managed.

Council President Falconer asked about what “time of listing” means. **Ms. Rogers** agreed that the terminology needed to be clarified and suggested it applied if there is any public notice when a home is on sale.

Ms. Rogers explained that she would now review follow-up questions from City Council’s July 16 Work Session related to trees and exterior home features, exemption modifications, realtors as the regulator party, and low-income assessments.

Ms. Rogers discussed whether trees could be included in the HES assessment. She explained that trees are not considered a permanent home asset. She suggested that adding trees to the HES would also change affordability of the assessment, because assessors would need to look at vegetation and know about trees. She said that if the city were to ask US DOE to add trees to the HES, it would change the entire methodology. She did note that staff can discuss it with the Oregon Department of Energy (ODOE), who can then discuss with US DOE.

Ms. Rogers suggested staff could add a disclaimer to the Milwaukie scorecards, noting that trees can affect energy efficiency. She noted that such language could be subject to review as outlined in the ODOE HES Stakeholder Group agreement.

Councilor Batey commented that trees that contribute to cooling a home are big and likely would not be removed. **Mr. Passarelli** said the main issue is that the US DOE does not include it in their methodology and adding trees to the assessors’ certification process without everyone else in the US doing the same would be impossible. He said adding a disclaimer to the scorecard noting that trees can provide energy breaks was a good solution.

Council President Falconer suggested adding other disclaimers, such as a “do it yourself” project list and noting limitations of inspections, to the scorecards could be valuable as well. **Ms. Rogers** confirmed that HES assessors do not open walls and that certain energy efficiency projects are not accounted for in the HES.

Ms. Rogers discussed if exterior building features, such as awnings, could be included in the HES assessment. She observed that like trees, exterior features could be subjective to the assessor and the season, and inclusion in the assessment can increase the assessment cost. **Councilor Batey** noted the US DOE was inconsistent in choosing which types of features to include in the HES. **Ms. Rogers** remarked that assessors cannot go on the roof or see the sun shadow on a cloudy day. She said a disclaimer could be included to note that there are features on a house, like vegetation, that could impact the energy efficiency of a home.

Ms. Rogers asked if council was okay with staff including disclosure statements. Council agreed and directed staff to move forward with adding disclosure statements on the scorecards.

Ms. Rogers discussed whether the city can change HES program exemptions. She explained that exemptions were intended to minimize potential impact on sellers who are selling due to financial distress. She explained the proposed modification to require foreclosure sales to disclose a HES and noted the bank was often the property owner in these types of sales. She suggested an issue was that banks also sold loans to other banks and that information was not always tracked or disclosed, so enforcing compliance could be difficult. She reported that she had spoken to the city’s code

compliance officer, who was willing to try enforcing a HES requirement, but had agreed it could be difficult. She also noted that this modification could cause some confusion between the Portland program and Milwaukie program for realtors and others.

Councilor Batey asked how many foreclosure sales Portland has and how many exemptions they have given. **Ms. Rogers** noted Portland had not given many exemptions and believed it was a low number like 70 for over 10,000 homes that have been scored. She observed that Milwaukie's numbers would be lower than Portland's. **Councilor Hyzy** noted it was more of a political point to try to enforce banks to comply. **Ms. Rogers** said staff was willing to try and remarked that it was likely to lower compliance with the program.

Ms. Rogers asked if council wanted to make changes to the originally proposed list of exemptions. **Council President Falconer** said it did not make sense to exempt foreclosures. Council expressed agreement with Council President Falconer. **Council President Falconer** and **Ms. Rogers** discussed the awkward situation of someone living in a home that was in foreclosure. **Mr. Passarelli** summarized council's direction that if a house was in foreclosure, the city should send the violation notice to the bank to seek compliance with a HES.

Ms. Rogers discussed whether the city can make realtors the regulated party. She provided an overview of Oregon Revised Statute (ORS) 696.290 and noted concerns over incentives or other unintended impacts. She reported that she had asked the city attorney for more information and had not yet received a response. She noted additional concerns about the potential need for realtor industry engagement, unintended market impacts, and other items. The group wondered if the ORS applied to this situation or not and noted that no other cities had asked about regulating realtors. The group agreed that they wanted to know what the city attorney had to say and discussed if a realtor could or should build in the cost of the HES assessment into their service fees. **Council President Falconer** and **Councilor Batey** expressed support for having the realtor or listing agent include a HES assessment in their services. **Council President Falconer** wanted to know how many homes were being sold in Milwaukie by an owner verses a listing agent.

Ms. Rogers asked if Council wanted staff to move forward with real estate licensees as the regulated party. **Councilor Hyzy** was not ready to make any decisions and wanted to hear more about possible legal ramifications. She noted how expensive the process to sell a house was. **Councilor Batey** noted outreach would be easier to do with real estate agents versus all homeowners in Milwaukie. The group discussed outreach efforts to real estate agents and available trainings.

Ms. Rogers explained that staff was proposing the HES program as part of the CAP. She explained the need to curb energy use and the importance of conservation. **Councilor Hyzy** hoped that Milwaukie was leading the way for others in Oregon. The group discussed the importance of education and awareness about energy usage.

Ms. Rogers summarized staff would wait for input on the program from the city attorney. She discussed low-income home energy score assessments and explained how Portland's program partnered with local companies to assist low-income communities.

Ms. Rogers explained that the proposal was for Milwaukie's program to have residents qualify for free or reduced HES assessments though the existing utility assistance program for low-income residents and noted the benefits of this partnership. She noted

if residents were not already in the utility program, they could sign up for both at once. **Mr. Passarelli** reported there were 180 utility customers on the city's low-assistance program. **Councilor Batey** noted not all of them may be homeowners. **Ms. Rogers** explained other available non-profit incentive programs.

Ms. Rogers asked if Council would like staff to move forward with this proposed low-income assistance program. It was Council consensus to move forward with the low-income assistance program.

Ms. Rogers reviewed questions about HES program compliance. She noted that due to how Portland's program was originally set up, they were slower to seek enforcement. She clarified that compliance meant posting the HES, and had nothing to do with requiring people to install new items like windows or insulation.

Ms. Rogers explained what program compliance meant and how much staff time it would require. The group discussed how non-compliant homes would be given notice within 90 days, with a \$500 fee following if the owners did not comply. **Ms. Rogers** confirmed that providing a link to the HES on a public website would achieve compliance. She also noted that there is flexibility in the fee structure and the timeline.

Ms. Rogers asked if Council was interested in shortening or extending the compliance timeline. She also asked if Council wanted to change the fee structure.

The group discussed how fast HES assessments could be completed, how long homes are typically on the market, how violation fees increased over time, and the difficulty of compliance.

Ms. Rogers provided a flow chart that explained the roles of seller/realtor and city staff in the HES program. **Councilor Batey** suggested a 30-day notice and a \$100 fine, followed by a \$500 fine after 90 days. The group discussed the importance of outreach and engagement. **Ms. Rogers** noted she would follow-up on council's thoughts and direction at a future meeting.

Council President Falconer wanted to ask the city attorney to define what a "listing" is, if it includes a "make me move" or a "for sale" sign in the yard. The group noted confusion around different types of "for sale" notices. **Mr. Passarelli** said staff could come up with a clear definition.

Ms. Rogers presented and discussed a flow chart explaining the process for people to get a HES. She stressed that it is very simple process. She just wanted to make sure the program was set up correctly for the community. The group noted the charts and materials were available in the meeting packet.

3. Adjourn

Mayor Gamba adjourned the Study Session at 7:30 p.m.

Respectfully submitted,

Amy Aschenbrenner, Administrative Specialist II

COUNCIL WORK SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

MINUTES

AUGUST 20, 2019

Mayor Mark Gamba called the Council meeting to order at 4:06 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Staff: Assistant City Manager Kelly Brooks	Housing and Economic Development Coord. Erin Maxey
City Attorney Justin Gericke	Planning Director Denny Egner
City Engineer Steve Adams	Public Works Director Peter Passarelli
City Recorder Scott Stauffer	Senior Planner David Levitan
Community Development Director Leila Aman	

It was noted that Council President Falconer was running late and not present.

1. Hillside Manor and Park Project – Update

Ms. Maxey introduced Stephen McMurtrey with the Housing Authority of Clackamas County (HACC) and Lisa McClellan with Scott Edwards Architecture.

Mayor Gamba announced that after the Work Session, Council would attend the grand opening of Northwest Housing Alternative's new facility. He explained that while Council was not taking public comments at this meeting, there would be an audience participation section of the August 20 Regular Session meeting.

Mr. McMurtrey provided background on the Hillside Master Plan. He discussed the homelessness to home ownership housing continuum and explained funding for different types of housing on the continuum. The group discussed the area median income (AMI). **Mr. McMurtrey** provided a chart on who needs subsidized housing and noted that income was not keeping pace with rental housing costs.

It was noted that Council President Falconer arrived at the meeting at 4:13 p.m.

Ms. McClellan provided an overview of the Hillside Manor and Hillside Park sites. She reported that the Manor would remain on the site and would be renovated in the next year, while the Park would be redeveloped. The group discussed the total acreage of the site.

Ms. McClellan explained the master plan development timeline, including the information "gathering" and outreach phase, the land use process phase, and the concept design refining phase. **Mr. McMurtrey** noted that the county had also done a health impact analysis which would be published soon.

Ms. McClellan summarized the community's desired site features based on feedback received at outreach events. She provided a map noting the desire for higher density buildings along Meek Street and 32nd Avenue, and lower density in the northern portion of the site.

Ms. McClellan presented and discussed a new proposed street grid. **Councilor Batey** asked if the plan was still to sell off one of the blocks. **Mr. McMurtrey** said that option was still possible and **Councilor Batey** asked how that would affect the total number of units. **Mr. McMurtrey** clarified that the goal was to have 400 new units, which could be

developed solely by HACC or in partnership with non-profit partners or market-rate developers. **Mayor Gamba** asked if the HACC had spoken with Bridge Meadows recently and **Mr. McMurtrey** reported that they had.

Ms. McClellan explained the newly added “K” lot, which was suited for townhomes. The group discussed the entire site layout, building heights, street plazas, tree locations, and parking. The group further discussed existing parking and anticipated new parking. **Ms. McClellan** pointed out that the current site design allowed for 43% open space and a tree canopy of 40%.

Ms. McClellan explained the project phasing, noting that lots A and B would go first in Phase 1, followed by Lot C in Phase 2, and finally Lots D – K in Phase 3. She noted how current residents would need to be relocated during the process and explained that the goal was to cause as little disruption to current residents as possible. The group discussed the phases and relocation logistics.

The group discussed the project timeline. **Ms. McClellan** reported that the current planned development code had a seven-year timeline with the potential for a two-year extension.

Ms. Brooks observed that the meeting was running long. **Mayor Gamba** said he had more questions but agreed they needed to adjourn the meeting to get to the event. He looked forward to having more conversations. **Councilor Hyzy** noted to the public that all the meeting materials were included in the meeting packet and available online.

2. Adjourn

Mayor Gamba adjourned the Work Session at 4:50 p.m.

Respectfully submitted,

Amy Aschenbrenner, Administrative Specialist II

COUNCIL REGULAR SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

2297th Meeting

MINUTES

AUGUST 20, 2019

Mayor Mark Gamba called the Council meeting to order at 6:04 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Staff: Assistant City Manager Kelly Brooks
Associate Engineer Tessie Prentice
City Attorney Justin Gericke
City Engineer Steve Adams
City Recorder Scott Stauffer
Community Development Director Leila Aman

Finance Director Bonnie Dennis
Planning Director Denny Egner
Public Affairs Specialist Jordan Imlah
Public Works Director Peter Passarelli
Senior Planner David Levitan

1. CALL TO ORDER

Pledge of Allegiance.

2. PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS

A. City Manager Updates – Reports

Ms. Brooks provided updates on city projects, including a Safe Access to Everyone (SAFE) program back-to-school event, the transfer of grant funds to the Milwaukie Parks Foundation, and preliminary attendance information from the Carefree Sunday event. She and **Councilor Batey** noted details about the SAFE event.

3. CONSENT AGENDA

The group noted that Portland resident Tracy Orvis and Milwaukie resident Evan Smiley had been nominated for appointment to the Design and Landmark Committee (DLC).

Councilor Batey noted that staff would correct grammatical errors in the draft minutes.

It was moved by Councilor Batey and seconded by Council President Falconer to approve the Consent Agenda as presented.

A. City Council Meeting Minutes:

1. July 16, 2019, Work Session; and
2. July 16, 2019, Regular Session.

B. Resolution 53-2019: A Resolution of the City Council of the City of Milwaukie, Oregon, making appointments to the City's Design and Landmark Committee.

C. Resolution 54-2019: A Resolution of the City Council of the City of Milwaukie, Oregon, acting as the Local Contract Review Board, approving the award of a contract for the Construction of the 2019 SSMP Paving Project (CIP-2019-S20) to Eagle-Elsner Inc.

D. Resolution 55-2019: A Resolution of the City Council of the City of Milwaukie, Oregon, accepting the recommendation of the Kellogg Good Neighbor Committee to commit up to \$85,000 from the Good Neighbor Fund for landscape work along the east and west of the Kellogg Creek Treatment Plant.

Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting "aye." [5:0]

4. AUDIENCE PARTICIPATION

Mayor Gamba reviewed public comment procedures. **Ms. Brooks** noted that in follow-up to the August 6 audience participation, City Manager Ann Ober would be meeting with a kayaking group that had received parking tickets at Milwaukie Bay Park.

Kiran Das Bala, Milwaukie resident, commented on the amount of her water bill and suggested it was too high. **Mayor Gamba** asked staff to contact Ms. Das Bala.

Elvis Clark, Milwaukie resident, asked for clarification about where cottage cluster developments would be allowed and suggested that the surrounding neighborhoods be allowed to comment on proposed projects. **Mayor Gamba** explained that the sites discussed in the cottage cluster study were concept exercises and not actually proposed projects. **Councilor Batey** remarked that cottage cluster developments were not currently allowed by the Milwaukie Municipal Code (MMC) and that Council would be considering code changes to allow them in 2020. The group noted that all code changes and proposed developments required some type of public process that would include opportunities for the public comment. **Mr. Clark** remarked that one of the proposed cottage cluster sites had not taken into consideration the cost of adding sidewalks. **Mayor Gamba** noted that the sites in the study were not actual projects.

Matthew Rinker, Milwaukie resident, said he would ask Clackamas County staff for clarification on the total number of units being proposed for the renovated Hillside Park development. He suggested the Ardenwald neighborhood was concerned about the increased density at the Hillside site. He commented on possible traffic safety issues related to a proposal to connect Hillside with the neighborhood via 29th Avenue.

Chris Ortolano, Milwaukie resident, distributed a handout to Council and thanked staff for their work on the Comprehensive Plan review project. He expressed concern about the lack of public involvement in a proposed development project the Planning Commission had considered at its August 13 meeting. He asked for clarification about the timeline for the synthesis phase of the Comprehensive Plan review.

Ronelle Coburn, Milwaukie resident, remarked on the importance of including the public in city processes and suggested the city needed to improve how it communicates project information. She commented on the content of a flyer she created and said she was not anti-development but had concerns about the density of proposed projects.

5. PUBLIC HEARING

A. Annexation of the Public Right-of-Way (ROW) in Lake Road and Kuehn Road (A-2019-002) – Ordinance

Call to Order: **Mayor Gamba** called the public hearing on the proposed annexation of right-of-way in Lake and Kuehn roads, File #A-2019-002, to order at 6:30 p.m.

Purpose: **Mayor Gamba** announced that the purpose of the hearing was to take public comment on the proposed annexation. **Mr. Egner** cited the applicable MMC, Metro, and state criteria for Council to consider.

Conflict of Interest, Ex-Parte Contacts, Jurisdiction: It was noted that no Council member declared any conflicts of interest or ex-parte contacts, and no audience member wished to challenge Council's jurisdiction over the hearing topic.

Staff Report: **Mr. Egner** explained that the proposed annexations were adjacent to the Cereghino Farms subdivision that had recently been annexed into the city. He

discussed the annexation process that had been undertaken and reported that the developer had started building on the subdivision. **Councilor Batey** and **Mr. Egner** remarked on the county's limited role in this specific annexation process and noted that the county had not objected to the proposed annexation.

Mr. Egner reported that Lake Road would remain a county road until the city asked for it to be turned over to the city for maintenance purposes. He noted that Kuehn Road was a local road not maintained by the county so the city would be taking over maintenance responsibilities. He pointed out that Kuehn Road extended to Aldercrest Road and reported that Mayor Gamba had expressed interest in looking at annexing Kuehn Road all the way to Aldercrest Road. He suggested Council could direct staff to initiate an annexation process for the rest of Kuehn Road. He and **Council President Falconer** noted that some residential properties on Kuehn Road may be on septic sewer systems or connected to the Clackamas County Water Environment Services (WES) system.

Mr. Egner reported that staff recommended Council approve the ordinance annexing the ROWs. He noted they would be rezoned to be consistent with the zoning of adjacent properties.

Correspondence: It was noted that there was no correspondence and that there had not been any testimony on the annexations during the Planning Commission hearing.

Public Testimony: It was noted that no audience member wished to address Council regarding the proposed annexations.

Questions from Council to Staff: **Councilor Batey** noted she had not understood some map sections included in the staff report. The group discussed elements of the survey maps attached to the annexation ordinance.

Close Public Hearing: **It was moved by Councilor Parks and seconded by Council President Falconer to close the public hearing. Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting "aye." [5:0]**

Mayor Gamba closed the public hearing at 6:44 p.m.

Council Discussion: **Mayor Gamba** explained why he had asked staff to look at annexing all of Kuehn Road, noting public perception about who is responsible for maintaining local roads. The group discussed where "welcome to Milwaukie" signs are posted and the possibility of annexing and developing Kuehn Road as a bicycle and pedestrian connector from Aldercrest Road into the city. The group noted which properties along Kuehn Road were in city limits.

Council Decision: **It was moved by Councilor Batey and seconded by Council President Falconer to approve the Ordinance annexing into the city limits the public rights-of-way of SE Lake Road and SE Kuehn Road adjacent to the Cereghino Farms subdivision and the portion of SE Lake Road west to the current city limits (File #A-2019-002). Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting "aye." [5:0]**

Ms. Ober read the ordinance two times by title only.

Mr. Stauffer polled the Council with **Councilors Batey, Parks, Hyzy, and Falconer, and Mayor Gamba voting "aye." [5:0]**

Ordinance 2176:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, ANNEXING INTO THE CITY LIMITS THE PUBLIC RIGHTS-OF-WAY OF SE LAKE ROAD AND SE KUEHN ROAD ADJACENT TO THE CEREGHINO FARMS SUBDIVISION AND THE PORTION OF SE LAKE ROAD WEST TO THE CURRENT CITY LIMITS (FILE #A-2019-002).

Councilor Batey suggested Council should discuss annexing the rest of Kuehn Road at a Work Session before initiating an annexation process. **Council President Falconer** and **Councilor Parks** expressed interest in receiving more information about the properties at the end of Kuehn Road. **Councilor Batey** and **Mr. Egner** noted the possibility of treating properties along Kuehn Road in a similar fashion to the North East Sewer Extension (NESE) area that annexed as they connected to the city's sewer system. **Mayor Gamba** agreed there was no rush to annex Kuehn Road and suggested the city would want to look at it before the Transportation System Plan (TSP) was reviewed so that it could be included in the city's long-term planning process.

B. Renaming of 43rd Avenue in the Keil Crossing Subdivision – Ordinance

Call to Order: **Mayor Gamba** called the public hearing on the proposed renaming of 43rd Avenue in the Keil Crossing Subdivision, to order at 6:53 p.m.

Purpose: **Mayor Gamba** announced that the purpose of the hearing was to consider renaming parts of 43rd Avenue to Keil Street.

Staff Report: **Ms. Prentice** explained that the proposed annexation was in response to public safety dispatch concerns about similarly named streets in the area. **Councilor Batey** noted that the idea of renaming this part of 43rd Avenue had been proposed during Council's consideration of the Keil Gardens subdivision.

Correspondence: It was noted that there was no additional correspondence.

Public Testimony: It was noted that no audience member wished to address Council regarding the proposed street renaming.

Questions from Council to Staff: The group briefly remarked on the timing of the request and the importance of renaming the street as soon as possible.

Close Public Hearing: It was moved by **Councilor Parks** and seconded by **Council President Falconer** to close the public hearing. Motion passed with the following vote: **Councilors Falconer, Batey, Parks, and Hyzy** and **Mayor Gamba** voting "aye." [5:0]

Mayor Gamba closed the public hearing at 6:56 p.m.

Council Discussion: **Councilor Hyzy** remarked on the importance of honoring the past and noted that the settlers of the property were not the original owners. **Mayor Gamba** expressed agreement with Councilor Hyzy's remark.

Council Decision: It was moved by **Councilor Parks** and seconded by **Councilor Hyzy** to approve the Ordinance approving the renaming of a portion of SE 43rd Avenue to SE Keil Street. Motion passed with the following vote: **Councilors Falconer, Batey, Parks, and Hyzy** and **Mayor Gamba** voting "aye." [5:0]

The group remarked that "Keil" was pronounced as "Kyle" and not "keel."

Ms. Ober read the ordinance two times by title only.

Mr. Stauffer polled the Council with Councilors Batey, Parks, Hyzy, and Falconer, and Mayor Gamba voting “aye.” [5:0]

Ordinance 2177:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, APPROVING THE RENAMING OF A PORTION OF SE 43RD AVENUE TO SE KEIL STREET.

The group remarked on the general effectiveness of the city’s newsletter the Pilot.

6. OTHER BUSINESS

A. Arts Committee Membership Expansion – Discussion

Mr. Imlah explained that the idea of expanding the number of committee positions from seven to nine had been proposed by members of Council after recent interviews to fill two vacancies. **A. Adams**, Arts Committee Chair, reported that the committee’s workload had increased in recent years. She suggested the committee would benefit from having additional members.

Mr. Imlah reported that the interview panel had identified four applicants to nominate to serve on the committee. He explained that if Council wanted to expand the committee, staff would prepare an ordinance to make the code change and a resolution to appoint the nominated candidates.

Mayor Gamba expressed support for expanding the committee membership.

Councilor Batey suggested that the committee membership be worded in a way that would allow the number of positions to fluctuate. The group discussed the feasibility of writing code language to allow the committee’s membership to fluctuate without changing the code. It was noted that the committee’s original membership had been seven positions but had been revised to ten and then back to seven. They noted the importance of considering membership changes in terms of meeting quorums to conduct business.

Councilor Batey reported that communications to the interviewed applicants for the committee had been confusing. **Mr. Stauffer** said that staff would provide an update to the applicants regarding the membership expansion and nominations. He summarized that Council supported expanding the committee membership and that staff would bring a code change ordinance for Council to consider on September 3.

B. Comprehensive Plan Block 3 Policy Review – Resolution

Mr. Levitan reviewed the policy areas covered by Block 3 and reported that the urban design policies had been removed for separate consideration. He reviewed the timeline for the public, Comprehensive Plan Advisory Committee, Planning Commission, and Council to consider the urban design policies. **Mr. Egner** remarked on staff expectations about the outreach that would be done during the synthesis stage of the project.

Councilor Batey asked where the neighborhood hub concept would be included in the review project. **Mr. Egner** explained that code and zoning changes related to neighborhood hubs would be looked at during the synthesis stage.

Mr. Levitan provided an overview of the community engagement work done related to the Comprehensive Plan review, noting open houses, online surveys, focus groups, and

public meetings. He reported that staff asked Council to adopt the Block 3 policies as presented. He reviewed questions for Council to consider and asked for feedback.

Councilor Hyzy thanked staff for including Council's previous suggestions. **Councilor Parks** asked staff to review the policies and correct a few typographical errors.

It was moved by Council President Falconer and seconded by Councilor Parks to approve the resolution "pinning down" the proposed goals and policies in Block 3, with the exception of Urban Design, of the Comprehensive Plan update, final versions of which will be adopted by ordinance during the synthesis stage of the project." Motion passed with the following vote: Councilors Batey, Parks, Hyzy, and Falconer, and Mayor Gamba voting "aye." [5:0]

Resolution 56-2019:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, "PINNING DOWN" THE PROPOSED GOALS AND POLICIES IN BLOCK 3, WITH THE EXCEPTION OF URBAN DESIGN, OF THE COMPREHENSIVE PLAN UPDATE, FINAL VERSIONS OF WHICH WILL BE ADOPTED BY ORDINANCE DURING THE SYNTHESIS STAGE OF THE PROJECT."

7. INFORMATION

Mayor Gamba noted upcoming events, including neighborhood concerts, city facility closures for Labor Day, September First Friday events, the annual On-Tap and Uncorked event at the Milwaukie Center, and a North Clackamas Watersheds clean-up event. **Councilor Batey** and **Council President Falconer** commented on the sustainability activities planned for an upcoming Milwaukie Sunday Farmers Market.

Council President Falconer reported that two recent homeless population counts had been published that showed homelessness had increased nine percent in the county. She discussed information from the North Clackamas School District about the number of families who experience homelessness in Milwaukie. She and **Mayor Gamba** commented on the methodology used to count the homeless population.

Councilor Hyzy noted that the deadline to apply for the Milwaukie Leadership Academy was September 2. She encouraged the public to apply online.

8. ADJOURNMENT

It was moved by Council President Falconer and seconded by Councilor Hyzy to adjourn the Regular Session. Motion passed with the following vote: Councilors Falconer, Batey, Parks, and Hyzy and Mayor Gamba voting "aye." [5:0]

Mayor Gamba moved to adjourn the regular session at 7:26 p.m.

Respectfully submitted,

Scott Stauffer, City Recorder



COUNCIL WORK SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

MINUTES

AUGUST 6, 2019

Council President Falconer called the Council meeting to order at 4:05 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Absent: Mayor Mark Gamba

Staff: Administrative Specialist Christina Fadenrecht
Assistant Planner Mary Heberling
City Manager Ann Ober

City Recorder Scott Stauffer
Library Director Katie Newell

1. Library District Task Force – Discussion

Ms. Newell commented on the success of the city's Carefree Sunday event. She introduced Greg Williams and Kathryn Kohl with the Clackamas County Library Network. She provided background information on the recent library services agreement between the City of Gladstone and Clackamas County. She explained that the Board of County Commissioners had created a Library District Task Force (LDTF) to identify challenges facing the district, including funding and governance.

Mr. Williams provided more background on the Gladstone-Oak Lodge service agreement. He explained that as a result of the settlement of litigation with the City of Gladstone, the county had agreed to build and operate two library buildings, one in Gladstone and one in Oak Lodge. He reviewed the discussions that had led to a need to revisit the Library District Master Intergovernmental Agreement (IGA) and create two task forces. The "little task force" would address changes needed to the IGA to construct the new Gladstone and Oak Lodge libraries. The "big task force," the LDTF, would address larger ongoing issues district-wide. He reported that he and Ms. Kohl were speaking to cities and answering questions about the development of the LDTF and its three subcommittees.

Ms. Newell discussed the LDTF and noted it had three subcommittees: library services, library funding, and district governance. She recommended that she and Ms. Ober be on the main taskforce, with Ms. Ober as the voting member and herself as a non-voting member. The city would need to find three people to serve on the subcommittees. She reported that former Council member Shane Abma expressed interest in serving on the funding subcommittee.

The group discussed Mr. Abma's potential involvement. **Council President Falconer** asked how the city's representatives would be appointed. **Ms. Ober** explained that the main task force seat should be her or someone from the city. For the subcommittee positions she asked Council to recommend individuals and possibly conduct interviews. **Council President Falconer** noted community members that may be interested, and **Ms. Ober** asked Council to email names to staff to follow-up.

Councilor Parks asked if there was a main issue for the task force to tackle. **Ms. Kohl** noted that there were many concerns that the group would address. **Mr. Williams** noted that a frequent issue was funding.

Councilor Batey noted that the county's materials listed Oak Lodge, an unincorporated area, among the cities. **Mr. Williams** said the purpose was to distinguish it from other unincorporated areas.

Councilor Parks asked if the new library in Gladstone would affect county library funding. **Mr. Williams** and **Ms. Kohl** clarified that the new library would not impact funding for other branches since the Gladstone and Oak Lodge libraries already existed and would be rebuilt.

Councilor Batey asked how the county was funding library construction. **Mr. Williams** explained the county's plans to fund the new buildings using reserve funds from the Oak Lodge branch and annual contributions from the City of Gladstone.

Councilor Parks understood that operationally the Oak Lodge branch would be an extension of the Gladstone library. **Mr. Williams** confirmed that was correct and explained that the county was calling it a "one library, two building" solution with two branches being operated as one to realize cost savings.

Councilor Batey expressed concern about how the county established library service areas. She wanted to use circulation data to have a better sense of what the true service boundaries are~~disappointment in the county's circulation data for measuring the areas served by the district's libraries. She wanted a better idea of what the true service boundaries were for the Ledding Library.~~ She observed that Milwaukie may want to have a satellite library in the future. She noted previous discussions where it had been made clear that Milwaukie had received less county funding and had not been allowed to go outside city limits and into its entire library service area to raise bond funds for the new library building. **Mr. Williams** confirmed that the county had received similar feedback and was willing to provide any data it had. He explained that the service boundaries were listed in the IGA and the county did not have the unilateral ability to change the IGA, which is why the task force was created to help have these discussions. **Council President Falconer** and **Councilor Parks** discussed service areas and funding allocation, with concerns for equity for Milwaukie. The group discussed the service area boundaries. **Mr. Williams** clarified that the Gladstone and Oak Lodge service areas could not be changed without an amendment to the IGA.

Council President Falconer and the group discussed the LDTF membership. It was noted that the proposed LDTF membership would include two representatives of Oak Lodge and two representatives of unincorporated areas. **Council President Falconer** suggested that as Oak Lodge was an unincorporated area it could end up having four representatives on the LDTF. She asked if the county would exclude the Oak Lodge area from general unincorporated Clackamas County area for the purposes of this task force. **Mr. Williams** noted that the county had heard that specific concern. **Ms. Newell**, **Councilor Hyzy**, and the group discussed the likelihood that some areas may have overrepresentation, due to unincorporated and service area boundaries. **Ms. Newell** mentioned that Milwaukie was not the only city wanting to have the service district lines looked at. She reported that Canby had concerns with their boundaries in relation to Oregon City and the surrounding unincorporated areas. **Councilor Batey** observed that revising the boundaries district-wide should be easy to do based on library system circulation data.

Councilor Hyzy expressed concern about the lack of a straight answer about the task force's intent. She observed it was an ambitious, well-intentioned, effort that would require collaboration. She noted concern about government agencies forming large

committees to talk about “stuff” with no key purpose that can result in ugly outcomes. She was nervous to hear conversations about raising the property tax assessments for libraries, when Milwaukie residents were spending millions of dollars on their own to build a library that would serve people beyond city limits. She was glad the task force would bring people together, but wished it had a clearer purpose and stated outcome.

Mr. Williams explained that the county was trying to take the received feedback and create a forum to address the noted issues. He remarked that the task force was created out of respect and sensitivity that all the library cities in the district were equal partners and should come together to guide the conversation and address the issues.

Councilor Hyzy asked if there was a way to establish a timeline or expectation so the council could know if the group was able to determine its concrete goals. **Councilor Parks** noted that there was a timeline included in the meeting packet. **Mr. Williams** summarized that a check-in point at the beginning of the process would help identify the desired outcomes and parameters. **Councilor Hyzy** said she would like to see that soon given the county’s 18-month timeline for the task force. **Mr. Williams** believed that was possible. **Councilor Parks** noted it was an ambitious undertaking.

Council President Falconer expressed hope that the funding subcommittee would get financial data from each of the cities to help paint a clearer picture around equity issues.

Ms. Kohl reported that the Library District Advisory Committee (LDAC) gathered financial data from each city annually.

Councilor Hyzy noted Councilor Batey’s question about the circulation data that council felt should be accessible. She asked if the task force was where some of that data could be released. **Mr. Williams** noted that the county had provided data before and asked for feedback on the data council is looking for. **Councilor Batey** noted that the data could be displayed in a more user-friendly manner, such as a map. **Council President Falconer** noted the provided data included the amount of services each library location provided but did not show where those people came from. **Mr. Williams** believed the county should be able to provide that type of data. He noted that there was not currently a geographic information system (GIS) integration with the library data system but believe they could work to get it added. **Council President Falconer** noted that even providing zip code information would be an improvement.

Mr. Williams noted that some Oak Lodge library users had been visiting the Ledding Library, due to the current Oak Lodge library being substandard. He anticipated that once the new Oak Lodge library was built, some current Ledding Library visitors would return to Oak Lodge.

Councilor Batey noted that statistics from the last year may not be the most reflective of normal use, due to the Ledding Library’s temporary reduced size and location.

The group discussed the current Oak Lodge library and where the new one would be built. **Mr. Williams** noted that multiple task forces were looking into location options, including the possibility of using the former Concord Elementary School building.

Ms. Newell agreed that a data map would be helpful to see where the people that use the library come from.

2. Comprehensive Plan Block 3 Policies Review – Discussion

Mr. Egner reported that this was the final block of the Comprehensive Plan policies to review. He noted the public outreach that had been done, including Comprehensive

Plan Advisory Committee (CPAC) meetings, feedback from staff and the Planning Commission, open house events, and focus groups. He noted upcoming Planning Commission and Council meetings that would include discussions of the policies.

Mr. Egner noted a CPAC members' request to give CPAC more time to look at the urban design policies. He noted how that could affect the project schedule and suggested the urban design policies could be "pinned down" separately from the other items in block 3. **Councilor Batey** asked why Council couldn't wait to adopt them all together later. **Mr. Egner** explained that Council meeting agendas were filling up and staff would like to start moving to the adoption process. They discussed the Comprehensive Plan review project timeline.

Mr. Egner discussed how the block policies had been organized and noted other potential structures and policy groupings. **Councilor Batey** agreed the policies could be re-packaged. **Councilor Hyzy** understood it would be helpful for staff to have time to look at the urban design policies. **Mr. Egner** noted that "pinning down" policies did not make them final.

Mr. Egner noted the online survey comments had not been included in the meeting packet because they were still being categorized. Council discussed the survey results. **Councilor Batey** asked to see the full online comments.

Mr. Egner asked for council feedback on the draft policies.

Council President Falconer discussed Goal 4 related to native species. She observed that due to the warming climate, certain environments may not be the most hospitable for native species to survive. **Mr. Egner** suggested using the term "climate adaptable." **Council President Falconer** noted the importance of factoring in specific site challenges and the appropriateness of a species. **Councilor Batey**, **Councilor Hyzy**, and **Council President Falconer** discussed native species. They agreed that native species were important and that item five's wording under Goal 4 was preferable.

Council President Falconer and **Councilor Batey** discussed concerns about the wording of "daylighting creeks where feasible." They noted the positives and the negatives of daylighting creeks and agreed it depended on the specific creek and environment. The group discussed broadening the term to "examining opportunities to daylight creeks with sensitivity to habitat improvements."

Councilor Hyzy proposed multiple text changes and clarifications to the draft natural resource and environmental quality, and public facilities and services goals. The group discussed the changes and the intent behind the goal language.

The group noted the question on the bottom of page WS67 related to zoning near parks. **Mr. Egner** explained that staff was still trying to create language to help the conceptual ideas work practically.

Councilor Batey believed Council should hold a discussion about neighborhood hubs. The group noted possible locations for neighborhood hubs. **Mr. Egner** remarked on his interest in developing a plan for hubs.

The group noted Council had additional comments on the draft goal language that they could discuss later or share with Mr. Egner. **Councilor Batey** observed that while transit was discussed in the goals, she did not see much about shuttle transportation around in the policies. **Ms. Ober** noted that shuttles were included in the climate

**CLEAN VERSION OF REVISED 8/6/19 WS MINUTES
WITH PROPOSED NEW REVISION (9/16/19)**

section. **Mr. Egner** suggested shuttles could be discussed during the upcoming Transportation System Plan (TSP) update project.

3. Adjourn

Council President Falconer adjourned the Work Session at 5:31 p.m.

Respectfully submitted,

Amy Aschenbrenner, Administrative Specialist II

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: Sep. 6, 2019

Reviewed: Kelly Brooks, Assistant City Manager

From: Scott Stauffer, City Recorder

Subject: **Appointment to the Park and Recreation Board (PARB)**

ACTION REQUESTED

As outlined in the Milwaukie Municipal Code (MMC), consider approving a resolution making an appointment to the city's Park and Recreation Board (PARB).

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

On April 1, long-time PARB member Lisa Gunion-Rinker's position on the board became vacant as she had completed her third term and was unable to seek reappointment due to the board's term limit rule. Throughout the spring and summer, applications were accepted for candidates to fill the vacant position and, in August, an interview panel comprised of two members of City Council, the committee staff liaison, and the committee chair met and conducted interviews. The interview panel has nominated the individual named below for appointment to PARB.

ANALYSIS

Authority to fill city board, commission, and committee (BCC) vacancies is granted to the Mayor and City Council by Section 26 of the City Charter. To fill vacant positions, members of City Council along with appropriate staff liaisons and BCC chairs conduct interviews from applications received by the city. The interview panel makes appointment recommendations to City Council, which considers and approves recommendations through the regular session consent agenda. Appointed individuals serve for a term length determined by the MMC. Upon the completion of a term, if the individual is still eligible to serve, they may be reappointed by City Council to serve another term.

BCC appointments are made when a term has expired or when a position has been vacated. Generally, position terms expire in March or June, but appointments are also made as needed to fill vacancies. Some BCCs have positions nominated by neighborhood district associations (NDAs) instead of by an interview panel. NDA-nominated appointments are noted, if applicable.

Alexandria (Ali) Feuerstein has been nominated to fill committee position 7, with a term ending March 31, 2021. Ms. Feuerstein is a high school science teacher in the West Linn-Wilsonville School District. She has served on her homeowner's association board and the equity team at the school where she works. She has lived in Milwaukie for two years.

BUDGET AND WORKLOAD IMPACTS

There are no fiscal or workload impacts associated with the recommended actions.

COORDINATION, CONCURRENCE, OR DISSENT

Staff received confirmation from the interview panel that the individuals listed below have been nominated to serve on this committee.

STAFF RECOMMENDATION

Staff recommends making the following appointments:

PARB: 2-year terms, limit of 3 consecutive terms.

Position	Name	Term Start Date	Term End Date
7	Alexandria Feuerstein	9/17/2019	3/31/2021

ALTERNATIVES

Council could decline to make the recommended appointments which would result in vacancies on the noted committees.

ATTACHMENTS

1. Resolution



COUNCIL RESOLUTION No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, MAKING AN APPOINTMENT TO THE PARK AND RECREATION BOARD (PARB).

WHEREAS, Milwaukie Charter Section 26 authorizes the Mayor, with the consent of City Council, to make appointments to boards, committees, and commissions (BCCs); and

WHEREAS, vacancies exist on the Park and Recreation Board (PARB); and

WHEREAS, an interview panel comprised of two members of City Council, the committee staff liaison, and chair have recommended that the following individuals be appointed to the PARB:

Position	Name	Term Start Date	Term End Date
7	Alexandria Feuerstein	9/17/2019	3/31/2021

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie, Oregon, that the individuals named in this resolution are hereby appointed to the identified committee of the City of Milwaukie for the term dates noted.

Introduced and adopted by the City Council on **September 17, 2019**.

This resolution is effective immediately.

ATTEST:

Mark F. Gamba, Mayor

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: Aug. 30, 2019

Reviewed: Ann Ober, City Manager

From: Leila Aman, Community Development Director

Subject: **Resolution to reaffirm support of the redesignation of the North Urban Clackamas County Enterprise Zone**

ACTION REQUESTED

Council is asked to approve a resolution to reaffirm the redesignation of the North Urban Clackamas County Enterprise Zone (NUCCEZ).

Additional approvals will be sought from the governing bodies of all co-sponsors of the NUCCEZ, including Gladstone City Council, Clackamas County Board of County Commissioners, and the Port of Portland Commission.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

The NUCCEZ was originally established in 1997 as the Milwaukie/North Clackamas Enterprise Zone. It was later redesignated and expanded in 2008. In 2011, the zone was expanded to include the City of Happy Valley and was renamed the NUCCEZ.

At the [April 19, 2016](#) work session, the community development director and the Clackamas County Business and Economic Development Department co-presented background information on the enterprise zone program and a request to expand the NUCCEZ to include central and downtown Milwaukie. The feedback from City Council at that time was to proceed with the process to expand the NUCCEZ to these areas.

At the [November 15, 2016](#) regular session, City Council authorized Resolution 116-2016 expanding the NUCCEZ.

On [June 18, 2019](#), City Council received a staff report and provided feedback on whether or not to redesignate the NUCCEZ. Council supported redesignation at this meeting but requested further information on the enterprise zone boundary in Milwaukie, specifically why downtown was included. Subsequent to the June meeting, staff provided City Council with additional context for the inclusion of downtown including providing additional tools to encourage a production related use such as a brewery, or the possibility of a hotel use in the downtown, which are both allowed by code and encouraged as part of the density bonus structure. Council supported moving forward with the redesignation using the existing boundary.

On [July 16, 2019](#), City Council authorized Resolution [48-2019](#) in support of the redesignation of the NUCCEZ.

BACKGROUND

Enterprise zones are part of a state-initiated tax-abatement program available to businesses looking to locate or expand in a designated area. Qualified businesses may be eligible to receive exemption from local property taxes on new investments, including building construction and improvements, machinery, and equipment for a period of three to five years.

The current designation for the NUCCEZ expired on June 30, 2019. Clackamas County is working with cosponsors from the City of Gladstone and Clackamas County to re-map and redesignate the NUCCEZ. The City of Happy Valley was removed from consideration in the proposed redesignation of the NUCCEZ because income levels are too high to justify that city's participation in the program. Clackamas County is in the process of exploring other areas adjacent to Milwaukie and unincorporated Clackamas County that meet the demographic criteria and could benefit from this development tool. A final map will be compiled and presented to the taxing districts and ultimately to the state for approval. Milwaukie's boundary will remain as is. If approved by the state, the redesignation will be in effect until the program is slated to sunset June 30, 2025.

City Council passed Resolution 48-2019 on Jul. 16, 2019, which authorized Clackamas County to submit documentation in support of the redesignation of the NUCCEZ on behalf of the City of Milwaukie. The state requires that local taxing districts meet regarding the re-designation prior to any City Council resolution in support of the re-designation. Local taxing districts had not met prior City Council's July 16 resolution. Local taxing districts met on September 10, and Clackamas County has asked City Council to reaffirm their support of Resolution 48-2019 and re-designation of the NUCCEZ.

CONCURRENCE

The city manager believes that this is a worthwhile opportunity for businesses within the city.

FISCAL IMPACTS

The fiscal impact would be limited to abatement of property taxes on the new investment portion of an Enterprise Zone application, and only for the eligible portion of the new investment, up to five years.

WORK LOAD IMPACTS

Administration of the enterprise zone program is handled by the enterprise zone manager at Clackamas County, through the Business and Economic Development Department; however, each city is responsible for assistance with the application process and working with the local business. The work impact could include five to ten hours when an application is received.

ALTERNATIVES

If no action is taken, Milwaukie will not be included in the Clackamas County's application to re-designate the zone.

ATTACHMENTS

1. Resolution
2. Milwaukie Enterprise Zone Map



COUNCIL RESOLUTION No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, TO REAFFIRM SUPPORT OF A COSPONSORED APPLICATION WITH CLACKAMAS COUNTY REDESIGNATING THE NORTH URBAN CLACKAMAS COUNTY ENTERPRISE ZONE.

WHEREAS, the City is committed to encouraging economic development activity in Milwaukie to retain existing businesses and attract new businesses; and

WHEREAS, the North Urban Clackamas County Enterprise Zone (NUCCEZ) expired on June 30, 2019; and

WHEREAS, Clackamas County is sponsoring an application to Business Oregon, the State of Oregon Economic Development Department, to redesignate and re-map the NUCCEZ; and

WHEREAS, the City of Milwaukie supports redesignation of the NUCCEZ using the City's existing enterprise zone boundary, which includes eligible industrial and commercial zoned parcels, which meet other statutory limitations on size and configuration, and is depicted on a drawn-to-scale map (Exhibit A); and

WHEREAS, Clackamas County sent notice to the municipal corporations, school districts, and special service districts, that receive operating revenue through the levying of ad valorem taxes on real and personal property in any area of the NUCCEZ to invite these agencies to a public meeting regarding the redesignation, in order for the sponsoring governments to consult with these other local taxing districts; and

WHEREAS, Clackamas County will fulfill its duties and implement provisions [jointly with other cosponsors] under Oregon Revised Statute (ORS) 285C.105 or 285C and related parts of Oregon law to re-designate the boundary; and

WHEREAS, the NUCCEZ does not grant or imply permission to develop land within the zone without complying with prevailing zoning, regulatory and permitting processes, and restrictions for applicable jurisdictions; nor does it indicate any intent to modify those processes or restrictions, except as otherwise stated in accordance with comprehensive plans as acknowledged by the State of Oregon Land Conservation and Development Commission.

Now, Therefore, be it Resolved that the City Council of the City of Milwaukie, Oregon, reaffirms Resolution 48-2019 passed July 16, 2019, which authorizes Clackamas County to submit documentation for the North Urban Clackamas County Enterprise Zone redesignation to Business Oregon on behalf of the City of Milwaukie and all cosponsors for purposes of a positive determination under ORS 285C.074.

Introduced and adopted by the City Council on **September 17, 2019**.

This resolution is effective immediately.

Mark F. Gamba, Mayor

ATTEST:

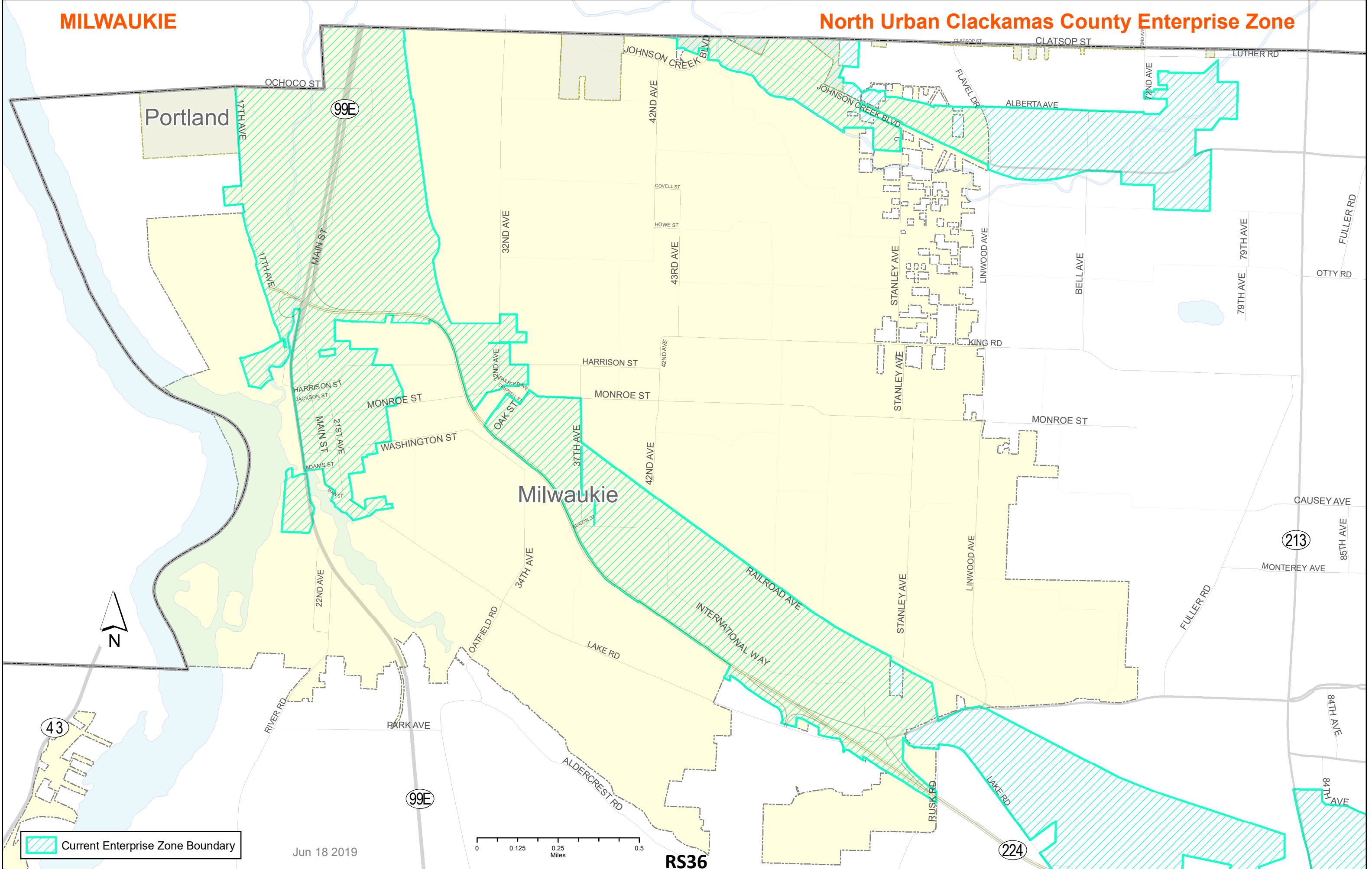
APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney

MILWAUKIE

North Urban Clackamas County Enterprise Zone



Current Enterprise Zone Boundary

Jun 18 2019

0 0.125 0.25 0.5 Miles

RS36

224

213

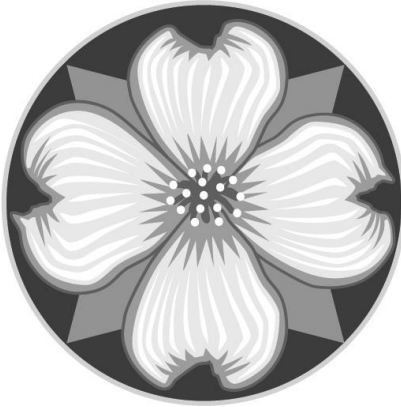
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Portland

Milwaukie

N



RS Agenda Item

5

Public Hearing

COUNCIL STAFF REPORT**To:** Mayor and City Council**Date Written:** Sep. 12, 2019**Reviewed:** Ann Ober, City Manager
Bonnie Dennis, Finance Director
Katie Newell, Library Director**From:** Leila Aman, Community Development Director**Subject:** **Public Hearing to Declare City Owned Property Located at 2215 SE Harrison St (Tax Lot ID 11E25CC00900 and 11E36BB01600) Surplus, Authorize the City Manager to Sell the Property and Define Minimum Acceptable Terms for the Sale of the Property.****ACTION REQUESTED**

Hold a public hearing per Milwaukie Municipal Code 3.15.015 to declare the Real Property owned by the City of Milwaukie at 2215 SE Harrison St (the Pond House) (Tax Lot ID 11E25CC00900 and 11E36BB01600) surplus, authorize the City Manager to sell the property, and define the minimum acceptable terms for the sale of the property.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[December 19, 2017](#): Council held a discussion about additional sources of funding for the new Ledding Library. Council supported selling the Pond House at that time for the purpose of providing additional resources to the library project should it be required.

ANALYSIS

The Pond House property consists of two parcels with a total area of 0.28 acres or 12,382 square feet and is zoned Residential-Business Office Zone (R-1-B). The building was constructed in 1950 and contains 1,773 square feet of rentable area. The City of Milwaukie originally purchased the property in 2006 for additional space to compliment the Ledding Library, located directly on the other side of the pond. The “garage” portion of the Pond House also served as the home base for the Friends of the Ledding Library bookstore and sale. The property has been primarily used by the Ledding Library, for city business, and community events. For the last year, a portion of the building has also been utilized as the contractor’s construction office for the Ledding Library.

The Friends of the Ledding Library (FOLL) terminated their lease in November of 2018 and have vacated the property. FOLL will have a retail space and sorting area in the new Ledding Library. Additionally, new public meetings rooms, a conference space and a large community room are also included in the new Ledding Library. With the amenities provided in the new Ledding Library, the Pond House is no longer needed. Additionally, staff are confident that the existing contingencies in the Ledding Library budget are sufficient to complete construction. Therefore, the sale of the Pond House is no longer required for completion of the Library and with the opening of the new Ledding Library, the use of the Pond House is no longer necessary.

Given previous discussions with City Council to declare the Pond House as surplus, staff is recommending to move forward with the process using the funds secured by the sale of the Pond House to help offset the costs associated with the acquisition of 10501 SE Main Street for a new City Hall.

Overall, the physical characteristics of the site and the availability of utilities onsite result in a functional property for a variety of uses. Uses currently permitted by zoning include residential uses, office uses, and limited conditional neighborhood uses.

An appraisal prepared by BBG, Inc. submitted on June 21, 2019, established an “as is” appraised value of \$440,000 as of June 6, 2019 (See Attachment 3 for details). The exposure and marketing time for the property are estimated to be six months. The appraisal notes that Milwaukie has emerged as an attractive, more affordable option for Portland residents. Given prevailing land use patterns along SE Harrison Street and the current zoning regulations, the appraisal determined that an office would result in the highest and best use of the site. Staff recommends the minimum price for the site be set to the appraised value of the property.

BUDGET IMPACTS

Proceeds from the sale of the Pond House are intended to offset the cost of purchasing 10501 SE Main Street for a new City Hall.

WORKLOAD IMPACTS

The Community Development Director is coordinating the sale of the Pond House, using the city’s real estate broker.

COORDINATION, CONCURRENCE, OR DISSENT

The city manager, finance director, city attorney and library director concur with this recommendation.

STAFF RECOMMENDATION

Council declare the Pond House site (Tax Lot ID 11E25CC00900 and 11E36BB01600) surplus, authorize the city manager to sell the property, and define the minimum acceptable terms for the sale of the property.

ALTERNATIVES

Council may elect not to declare the property surplus and not move forward with a sale at this time.

ATTACHMENTS

1. Resolution
2. Notice of Public Hearing and Map (Revised notice sent Sept. 10, 2019 with correct address)
3. Appraisal Contract
4. Appraisal (added 9/16/19)



COUNCIL RESOLUTION No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, TO DECLARE THE REAL PROPERTY OWNED BY THE CITY OF MILWAUKIE LOCATED AT 2215 SE HARRISON ST (TAX LOT ID 11E25CC00900 AND 11E36BB01600) SURPLUS AND AUTHORIZING THE CITY MANAGER TO SELL THE PROPERTY.

WHEREAS, the Pond House site (Tax Lot ID 11E25CC00900 and 11E36BB01600) was originally purchased for additional space to complement the public library; and

WHEREAS, the new Ledding Library will include space for community use and events that negates the need for the Pond House property; and

WHEREAS, the site is considered surplus and the sale of the site will serve in the public interest.

Now, Therefore, be it Resolved that the City of Milwaukie hereby designates the property described herein as surplus and authorizes the City Manager to sell the property as defined by the minimum terms set by City Council.

Introduced and adopted by the City Council on _____.

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott Stauffer, City Recorder

Justin D. Gericke, City Attorney



CITY OF MILWAUKIE

NOTICE OF PUBLIC HEARING - **REVISED**

Disposition of Real Property

The **Milwaukie City Council** will hold a public hearing at 6:00 p.m. on **Tuesday, September 17, 2019** at Milwaukie City Hall, 10722 SE Main Street, to consider a proposal to declare surplus real property owned by the City of Milwaukie at **2215 2515** SE Harrison St (Pond House) for the purposes of a sale of real estate. This public hearing is being held per the requirements of Milwaukie Municipal Code (MMC) 3.15.060.

Summary of Proposal

- The property located at **2215 2515** SE Harrison St and is owned by the City of Milwaukie. The property is further described as follows (see attached map):
 - Total area size approximately 0.28 acres.
 - Frontage on Harrison St.
 - Adjacent to City owned property located on 21st Ave (Ledding Library).
 - Is being offered for sale.
- Per MMC 3.15.060:
 - The proposed sale or transfer of real property shall be set for a public hearing before Council.
 - Notice of the hearing shall be published at least 5 days prior to the hearing and notice shall be given to property owners within 300 ft of the subject property.
 - Public testimony will be taken at the hearing.
 - After the hearing, the Council shall decide whether it will offer the property for sale or transfer through a development solicitation process. The Council may direct the sale or transfer of the property for redevelopment only after it determines that the property is surplus to the City's needs.

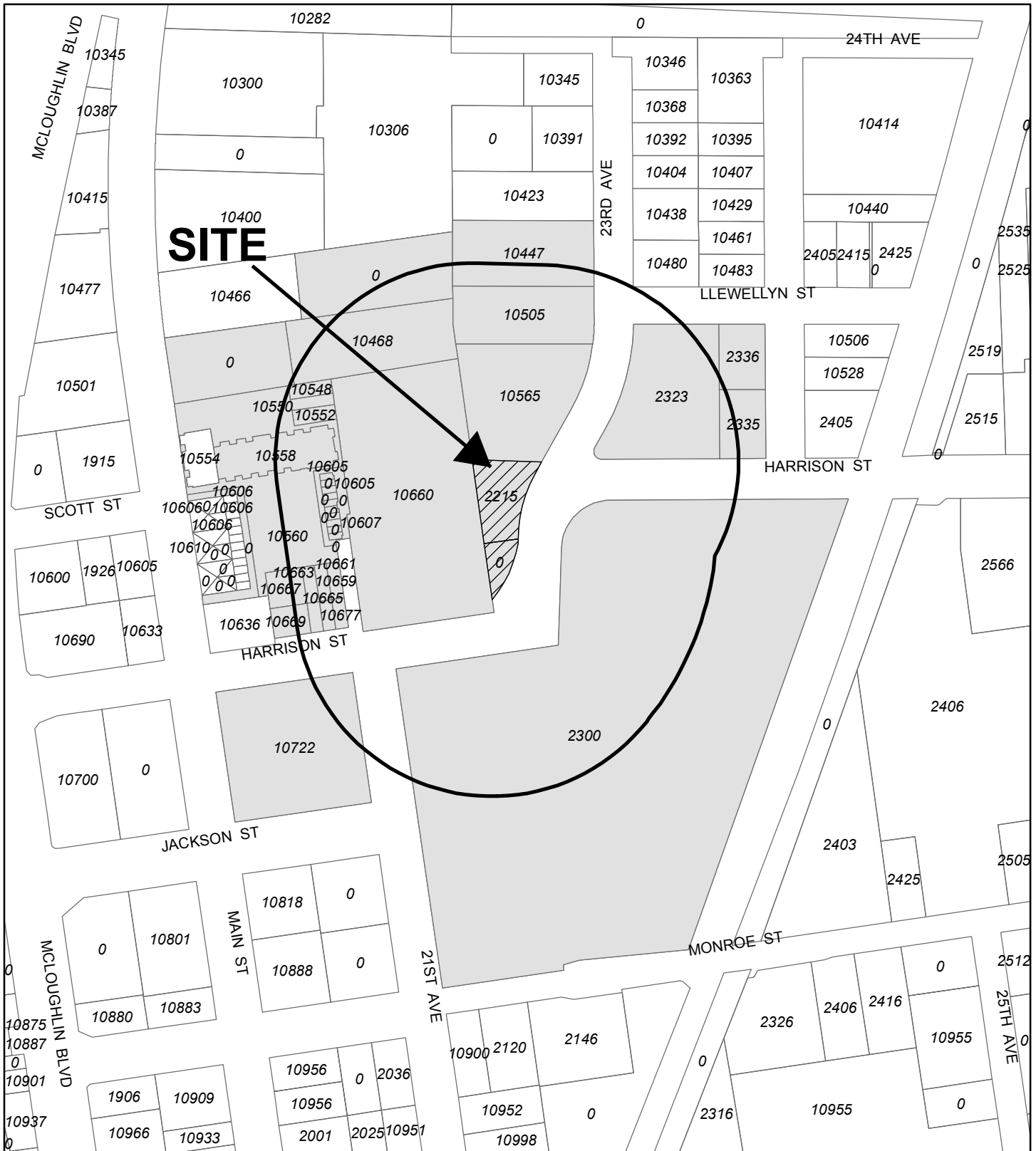
To learn more about a proposal: Call the staff contact assigned to the proposal. The staff report on the proposal will also be available for public viewing after 8 a.m. on **Wednesday, September 11, 2019** on the City website at: <http://www.milwaukieoregon.gov/meetings>

To comment on a proposal: You are invited to attend this hearing or submit comments in writing before the meeting time. You may send written comments in advance to the staff contact listed below, or you may submit your comments in person at the hearing. If you want to present verbal testimony, either pro, con, or to raise questions, you will be invited to speak following the applicant's testimony.

All written and verbal comments become part of the permanent record.

If you have any questions, please contact Leila Aman, Community Development Director at 503-786-7616 or amanl@milwaukieoregon.gov.

The City of Milwaukie is committed to providing equal access to information and public meetings per the Americans with Disabilities Act (ADA). If you need special accommodations, please call 503-786-7600 at least 48 hours prior to the meeting.



Site Map

2215 ~~2515~~ SE Harrison St
(11E25CC00900 & 11E36BB01600)



0 62.5 125 250 375 500 Feet

RS42

Legend

-  Subject Property
-  Properties receiving notice
-  300-ft buffer
-  Tax Lots



5/16/19

Alma Flores
City of Milwaukie
10722 SE Main Street
Milwaukie, Oregon 97222
503.786.7652
FloresA@milwaukieoregon.gov

RE: Pond House, 2215 SE Harrison Street, Milwaukie, Oregon 97222

Dear Ms. Flores:

We are pleased to submit this proposal and our Terms and Conditions for the appraisal of the referenced real estate.

PROPOSAL SPECIFICATIONS

Purpose/Valuation Premise:	As-Is Market Value
Property Rights Appraised:	Fee Simple Interest
Intended Use:	Internal Decision Making related to Potential Disposition
Intended Users:	City of Milwaukie, and their advisors
Scope of Work:	Sales Comparison and Income Capitalization (Direct Cap) Approaches to Value
Appraisal Standards:	Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
Inspection:	Interior / Exterior
Fee:	\$3,000
Report Type:	Narrative
Retainer:	None
Expenses:	Fee quoted includes all expenses
Payment Terms:	Full payment is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report

Mindy Nicholson
5/7/19
Page 2

Report Copies:	1 Draft PDF, 1 Final PDF and 0 Final Hard Copies
Delivery Date:	Delivery of the appraisal conclusions and/or report(s) will be completed according to the following Delivery Schedule. <i>Final Report:</i> 3 weeks from engagement.
Acceptance Date:	Date of Execution

The attached General Assumptions and Limiting and Conditions (Exhibit A) are deemed part of this agreement as though set forth in full herein. We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,



Phillip Hanshew, MAI, AI-GRS
Managing Director
1220 SW Morrison Street, Suite 800
Portland, OR 97205
Phone: 503.478.1012
E-mail: phanshew@bbgres.com

Mindy Nicholson
5/7/19
Page 3

AGREED AND ACCEPTED

Signature

Date

Name

Title

Phone Number

Fax Number

E-Mail Address

If Site/Data Contact are different from entity engaging, please provide contact information as follows:

Name

E-mail Address

Phone Number

Fax Number

EXHIBIT A

General Assumptions/Limiting Conditions

This appraisal report will be prepared with the following general assumptions:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. We have made no survey of the property and assume no responsibility in connection with such matters.
2. The appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the appraiser or the appraiser's staff or was obtained or taken from referenced sources and is considered reliable. No responsibility is assumed for the costs of preparation or for arranging geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
3. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in fee simple unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated.
4. Unless otherwise stated herein, it is assumed there are no encroachments or violations of any zoning or other regulations affecting the subject property and the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no trespasses or encroachments.
5. BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
6. It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein.
7. It is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
8. Unless otherwise stated within the report, the depiction of the physical condition of the improvements described herein is based on visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made. No responsibility is assumed for hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during our inspection.
9. If building improvements are present on the site, no significant evidence of termite damage or infestation was observed during our physical inspection, unless so stated in the report. No termite inspection report was available, unless so stated in the report. No responsibility is assumed for hidden damages or infestation.
10. Any proposed or incomplete improvements included in this report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
11. No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
12. Responsible ownership and competent property management are assumed.
13. The appraisers assume no responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.

EXHIBIT A

General Assumptions/Limiting Conditions

14. The value estimates reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value estimates, unless such proration or division of interests is set forth in the report.
15. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
16. Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment.
17. Unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered; unless otherwise stated. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
18. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are our best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
19. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
20. BBG, Inc. representatives are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraisers are not qualified to detect such substances. The client is urged to retain an expert in this field.
21. We are not experts in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent endangered species impact studies, research, and investigation that may be provided.
22. No environmental impact studies were either requested or made in conjunction with this analysis. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, and investigation that may be provided.
23. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other

EXHIBIT A

General Assumptions/Limiting Conditions

- legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.
24. Neither all nor any part of the contents of this report or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the prior written consent and approval of the appraisers. This limitation pertains to any valuation conclusions, the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof.
 25. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or estimates of value.
 26. If this report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
 27. The American Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
 28. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.
 29. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
 30. The right is reserved by the appraiser to make adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the appraiser or appraisers. The appraiser(s) shall have no responsibility for any unauthorized change(s) to the report.
 31. If the client instructions to the appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
 32. The submission of this report constitutes completion of the services authorized. It is submitted on the condition the client will provide reasonable notice and customary compensation, including expert witness

EXHIBIT A

General Assumptions/Limiting Conditions

fees, relating to any subsequent required attendance at conferences, depositions, and judicial or administrative proceedings. In the event the appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the client immediately. The client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the estimate of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

33. Use of this appraisal report constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based.
34. If provided, the estimated insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.

BBG



Third-party reports by a true third party

Appraisal Report

Pond House

Office Building
2215 Southeast Harrison Street
Milwaukie, Oregon 97222
Latitude, Longitude: 45.4463, -122.6398

BBG File #0119006242

Prepared For

Leila Aman
City of Milwaukie
10722 SE Main Street
Milwaukie, OR 97222

Report Date

June 21, 2019

Prepared By

BBG, Inc., Portland Office
1220 SW Morrison Street, Suite 800
Portland, OR 97205
Ph: 503-478-1012

Client Manager: Phillip Hanshew, MAI, AI-GRS
phanshew@bbgres.com



VALUATION



ADVISORY



ASSESSMENT

RS49-1



June 21, 2019

Leila Aman
City of Milwaukie
10722 SE Main Street
Milwaukie, OR 97222

Re: Appraisal of Real Property
Pond House
2215 Southeast Harrison Street
Milwaukie, Oregon 97222
BBG File #0119006242

Dear Ms. Aman:

In accordance with your authorization (per the engagement letter found in the addenda of this report), we have prepared an Appraisal of the above-referenced property.

The subject property is an existing building containing 1,733 square feet of rentable area. The property is owned by the City of Milwaukie and is utilized mostly for community events and as an interim construction office for the nearby City Library currently under construction. The building has appeal for small commercial users and could potentially be used as a residence. The improvements were constructed in 1950 and are 100% owner occupied as of the effective appraisal date. The site area is 0.28 acres or 12,382 square feet.

As of the valuation date of this report, the City of Milwaukie owns the subject property. To our knowledge, the subject is not listed for sale, nor is it part of any contract of sale.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

Note: Our estimate of market value is subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s)	This appraisal employs no extraordinary assumptions.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

Based on our inspection of the property and the investigation and the analysis undertaken, we have concluded the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	June 6, 2019	\$440,000

This letter must remain attached to the report, which should be transmitted in its entirety for the value opinion set forth to be considered valid. Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,

BBG, Inc.



Evan Abramowitz, MAI
OR Certified General Appraiser
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SUBJECT PROPERTY

AERIAL MAP



SUMMARY OF SALIENT FACTS

PROPERTY DATA	
Property Name	Pond House
Address	2215 Southeast Harrison Street Milwaukie, Oregon 97222
Location	The subject site consists of two contiguous parcels along the western side of Southeast Harrison Street, immediately west of its intersection with Southeast 23rd Street.
Property Description	Office Building (Office - Converted Residence)
County	Clackamas
Parcel Number	00009788 00026796
Census Tract No.	208.00
Legal Description	Tax lot 900 of assessor map 01S 01E 25CC and tax lot 1600 of assessor map 01S 01E 36BB.
Site Area	
Primary Site	12,382 square feet (0.2843 acres)
Zoning	R-1-B; Residential Business Office
Flood Status	Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Year Built	1950
Type of Construction	Wood frame
Number of Buildings	1
Gross Building Area	3,546 square feet
Net Rentable Area	1,773 square feet
Overall Condition	Average
Overall Quality	Average
Overall Design/Functionality	Average

VALUE INDICATIONS			
As Is as of June 6, 2019			
Cost Approach	Not Developed		Per Square Foot (NRA)
Sales Comparison Approach	\$440,000	\$248.17	Per Square Foot (NRA)
Income Capitalization Approach			
Direct Capitalization	\$390,000	\$219.97	Per Square Foot (NRA)
Value Conclusion - As Is	\$440,000	\$248.17	Per Square Foot (NRA)
Exposure Time	6 months		
Marketing Time	6 months		

PROPERTY HISTORY

The City of Milwaukie originally purchased the subject for additional space to compliment the public library, located directly on the other side of the pond. In recent years, the subject has been used less frequently and the City is considering disposing of the property.

To our knowledge, the subject has not undergone any transfer of ownership within three years prior to the effective appraisal date of this report. Additionally, to the best of our knowledge, the subject is not listed for sale, nor is it part of any contract of sale.

SCOPE OF WORK

APPRAISAL INFORMATION	
Client	City of Milwaukie 10722 SE Main Street, Milwaukie, OR 97222
Intended User(s)	This appraisal report may only be relied upon by the client and intended user(s) named herein The City of Milwaukie and their advisors.
Intended Use	This appraisal is to be used for Internal decision making related to potential disposition.
Property Rights Appraised / Premise	Market Value - Fee Simple -As Is - June 6, 2019
Date of Inspection	June 6, 2019
Report Date	June 21, 2019
Marketing Time	6 months
Exposure Time	6 months
Owner of Record	City of Milwaukie
Most Probable Purchaser	Owner-user
Highest and Best Use	
If Vacant	Office use
As Improved	Continued commercial use as improved

SCOPE OF THE INVESTIGATION	
General and Market Data Analyzed	▪ Regional economic data and trends ▪ Market analysis data specific to the subject property type ▪ Published survey data ▪ Neighborhood demographic data ▪ Comparable cost, sale, rental, expense, and capitalization rate data ▪ Floodplain status ▪ Zoning information ▪ Assessor's information ▪ Interviewed professionals knowledgeable about the subject's property type and market.
Inspection Details	Evan Abramowitz, MAI, conducted an interior and exterior inspection on June 6, 2019. Phillip Hanshew, MAI, AI-GRS, conducted an exterior inspection on May 29, 2019.

VALUATION METHODOLOGY	
Most Probable Purchaser	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable purchaser of the subject property. The most probable purchaser of the subject property "As Is" is an investor because it is leased to third-party tenants.
Valuation Methods Utilized	This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s) This appraisal employs no extraordinary assumptions.

Hypothetical Condition(s) This appraisal employs no hypothetical conditions.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the Addenda to this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

Market Value

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471

**Definition of Property Rights
Appraised**

Fee simple estate is defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Leased fee interest is defined as, "The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expires."

Leasehold interest is defined as, "The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."

Lease is defined as: "A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent."

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and
- Applicable state appraisal regulations.

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an **Appraisal Report**. USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

REGIONAL ANALYSIS

PORTLAND MSA

The subject is in the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area, hereinafter called the Portland MSA, as defined by the U.S. Office of Management and Budget. The Portland MSA is 6,684 square miles in size and is the 25th most populous metropolitan area in the nation. The Portland MSA is the 20th largest metropolitan area economy in the nation based on Gross Domestic Product (GDP).

Since 2009, Oregon has consistently been among the top ranked “inbound” states in the nation, and most of the state’s population growth has gone to the Portland MSA. People are attracted to the lifestyle that Portland offers and the Metro Area’s numerous job opportunities. The Portland MSA was recently ranked the best food city in the America and boasts the most craft breweries in the nation. Though there are many topical attractions in the area, job growth has been Portland’s strongest calling card.

The Metro Area has seen sustained job growth over 3.0% for the last 3 years and was recently ranked the most economically diverse large metro on the West Coast by Moody’s Analytics. Not only are Tech/Creative jobs growing-buoyed by comparatively low rents and employment cost, but in terms of share of total economic output, Portland’s advanced manufacturing is ranked 2nd in the nation. As a result of the diverse level of job creation and population growth, a dramatic amount of demand for office, industrial, and multifamily product has been growing during the upswing in the current real estate cycle.

POPULATION

The Portland MSA has an estimated 2019 population of 2,507,356, which represents an average annual 1.3% increase over the 2010 census of 2,226,009. The Portland MSA added an average of 31,261 residents per year over the 2010-2019 period, and its annual growth rate exceeded the State of Oregon rate of 1.1%.

Looking forward, the Portland MSA's population is projected to increase at a 1.3% annual rate from 2019-2024, equivalent to the addition of an average of 32,493 residents per year. The Portland MSA's growth rate is expected to exceed that of Oregon, which is projected to be 1.1%.

	POPULATION TRENDS				
	Population			Compound Ann. % Chng	
	2010 Census	2019 Estimate	2024 Projection	2010 - 2019	2019 - 2024
Portland MSA	2,226,009	2,507,356	2,669,820	1.3%	1.3%
Oregon	3,831,074	4,223,212	4,469,365	1.1%	1.1%

Source: Environics Analytics

EMPLOYMENT

Total employment in the Portland MSA is currently estimated at 1,192,400 jobs. Between year-end 2007 and the present, employment rose by 132,200 jobs, equivalent to a 12.5% increase over the entire period. There were gains in employment in eight out of the past ten years despite the national economic downturn and slow recovery. The Portland MSA's rate of employment growth over the last decade surpassed that of Oregon, which experienced an increase in employment of 8.7% or 152,600 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Portland MSA unemployment rate has been consistently lower than that of Oregon, with an average unemployment rate of 6.9% in comparison to a 7.4% rate for Oregon. A lower unemployment rate is a positive indicator.

Recent data shows that the Portland MSA unemployment rate is 3.5% in comparison to a 3.7% rate for Oregon, a positive sign for the Portland MSA.

EMPLOYMENT TRENDS						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Portland-Vancouver-Hillsboro MSA	% Change	Oregon	% Change	Portland-Vancouver-Hillsboro MSA	Oregon
2008	1,027,300		1,684,200		6.1%	6.5%
2009	979,400	-4.7%	1,603,500	-4.8%	10.9%	11.3%
2010	997,200	1.8%	1,621,000	1.1%	1.3%	10.7%
2011	1,016,400	1.9%	1,638,900	1.1%	9.0%	9.5%
2012	1,036,200	1.9%	1,661,300	1.4%	8.0%	8.8%
2013	1,067,100	3.0%	1,705,500	2.7%	7.2%	7.9%
2014	1,101,000	3.2%	1,759,200	3.1%	6.2%	6.8%
2015	1,136,900	3.3%	1,817,400	3.3%	5.2%	5.6%
2016	1,162,700	2.3%	1,860,500	2.4%	4.7%	4.8%
2017	1,192,400	2.6%	1,904,000	2.3%	3.8%	4.1%
2018	1,219,900	2.3%	1,920,900	0.9%	3.8%	4.3%
Overall Change 2008-2018	192,600	18.7%	236,700	14.1%		
Avg Unemp. Rate 2007-2017					6.0%	7.3%
Unemployment Rate - December 2018					3.8%	4.3%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Current Employment Survey (CES). Unemployment rates are from the Local Area Unemployment Statistics (LAUS). The figures are not seasonally adjusted.

EMPLOYMENT SECTORS

The composition of the Portland MSA job market is depicted in the following chart, along with that of Oregon. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Portland MSA jobs in each category.

The Portland MSA has greater concentrations than Oregon in the following employment sectors:

1. Professional and Business Services, representing 14.6% of Portland MSA payroll employment compared to 13.0% for Oregon as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Manufacturing, representing 10.8% of Portland MSA payroll employment compared to 10.4% for Oregon as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
3. Financial Activities, representing 5.9% of Portland MSA payroll employment compared to 5.3% for Oregon as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

4. Mining & Construction, representing 6.1% of Portland MSA payroll employment compared to 6.0% for Oregon as a whole. This sector includes construction of buildings, roads, and utility systems, as well as mining, quarrying, and oil and gas extraction.
5. Trade; Transportation; and Utilities, representing 18.5% of Portland MSA payroll employment compared to 18.3% for Oregon as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities. This sector concentration has recently shifted to higher representations within the Portland MSA compared to recent surveys, where it was previously underrepresented compared to Oregon as a whole.

The Portland MSA is underrepresented in the following sectors:

1. Government, representing 12.6% of Portland MSA payroll employment compared to 15.4% for Oregon as a whole. This sector includes employment in local, state, and federal government agencies.
2. Leisure and Hospitality, representing 10.3% of Portland MSA payroll employment compared to 11.1% for Oregon as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

MAJOR EMPLOYERS

Major employers in the Portland MSA are shown in the following table.

MAJOR EMPLOYERS - PORTLAND MSA		
	Name	Number of Employees
1	Intel	20,000
2	Providence Health & Services	18,286
3	Oregon Health & Science University	16,658
4	Kaiser Permanente	12,400
5	Nike	12,000
6	Legacy Health	11,250
7	City of Portland	9,710
8	Fred Meyer	7,741
9	Portland Public Schools	7,600
10	Beaverton School District	5,457

Source: Portland Business Journal, June 28, 2018

HOUSEHOLD INCOME

The Portland MSA is more affluent than Oregon. Median household income for the Portland MSA is \$75,249, which is 19.9% greater than the corresponding figure for Oregon.

MEDIAN HOUSEHOLD INCOME - 2019	
	Median
Portland MSA	\$75,249
Oregon	\$62,774
Comparison of Portland MSA to Oregon	+ 19.9%
Source: Environics Analytics	

The Portland MSA has a greater concentration of households in the higher income levels than Oregon. Specifically, 50% of Portland MSA households are at the \$75,000 or greater levels in household income as compared to 42% of Oregon households. A lesser concentration of households is apparent in the lower income levels, as 22% of Portland MSA households are below the \$35,000 level in household income versus 28% of Oregon households.

EDUCATION AND AGE

Residents of the Portland MSA have a higher level of educational attainment than those of Oregon. An estimated 38% of Portland MSA residents are college graduates with four-year degrees, versus 32% of Oregon residents. People in the Portland MSA are slightly younger than their Oregon counterparts. The median age for the Portland MSA is 39 years, while the median age for Oregon is 40 years.

LAND USE

With the passage of Senate Bill 100 in 1973, the Oregon legislature established the Land Conservation and Development Commission (LCDC) and charged them with establishing a series of goals for state-wide land use. Under Goal 14, Urbanization, the LCDC instituted the concept of the Urban Growth Boundary (UGB) for all Oregon cities. The UGB for the Portland region (excluding Clark and Skamania Counties), as set forth by the Metro regional government, was approved by the LCDC in 1980.

The goal of the boundary is to control sprawling development by encouraging efficient use of urban land. The UGB promotes infill development and higher density, while preserving farm and forest lands outside the boundary. Every five years, the Metro government is required to conduct a land supply analysis to determine if there is enough inventory within the UGB to represent a 20-year supply for housing and economic development. In 2007, this process was enhanced by the passage of the Senate Bill 1011. The bill allows areas adjacent to the boundary to be designated as urban or rural reserves. Under the new law, urban reserves are first to be brought into the growth boundary, while rural reserves are excluded from urbanization for 40 to 50 years; creating a multi-phased feeder system for adding land to the UGB.

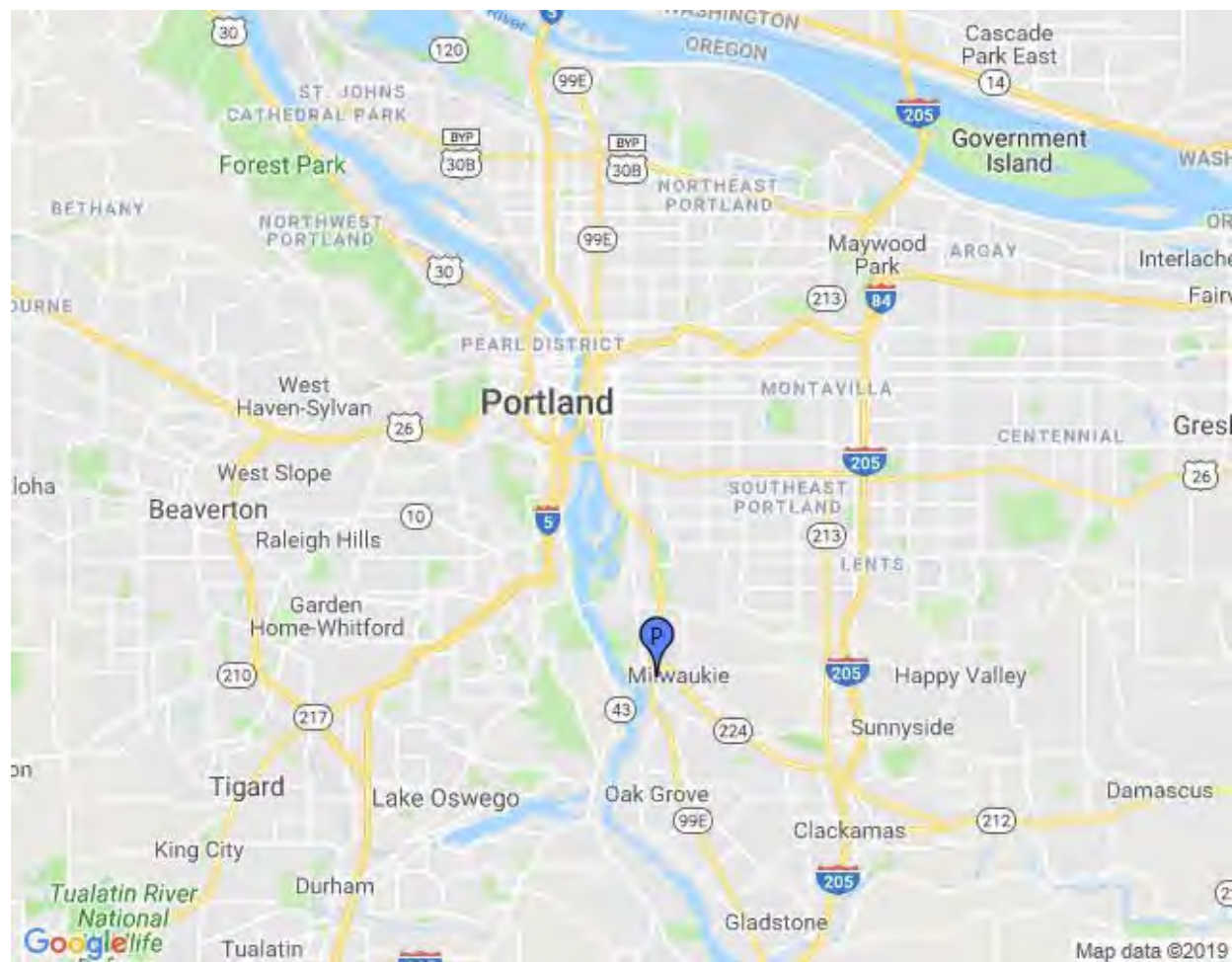
Since 1998 there have been eleven instances of UGB expansion, increasing the metro area by over 19,000 acres. The expansions in total have the potential to host over 25,000 new housing units, but at best, a fifth of that amount has been developed; with much of the development having taken place in the more recent expansion areas. Development within the expansion areas has been stalled by two main factors: the effects of the recent Great Recession and by rejection of annexation by local voters. However, due to changes in the economy and state law, development in expansion areas of the UGB has become significantly easier.

In 2015 the Metro Council decided not to expand the UGB, due to high levels of planning that had already taken place within the metro area. In December 2018, the Metro Council voted to again expand the UGB, adding approximately 2,200 acres and 9,200 homes into the area.

CONCLUSION

As the economic center of the state, the metropolitan area continues to retain and attract high tech industry, which is a significant component of the regional GDP. Moreover, the Portland MSA exhibits both a higher rate of GDP growth and a higher level of GDP per capita than Oregon overall. Other positive factors include increases in real income and stability brought to the Metro Area by the high level of economic diversity. Based on these factors, we anticipate that the gradual recovery of the Portland MSA economy will continue with more sustained employment growth, strengthening the demand for real estate.

REGIONAL MAP



SURROUNDING AREA ANALYSIS

BOUNDARIES

The subject property is located at the eastern edge of northern downtown Milwaukie on SE Harrison Street just south of its intersection with SE 23rd Avenue. The city defines the downtown district as approximately Hwy 224 on the north, McLoughlin Blvd. on the west, Lake Road on the south, and the railroad tracks at approximately 25th Avenue on the east.

ACCESS AND LINKAGES

Primary highway access to the area is via SE McLoughlin, the primary north/south arterial, providing access to downtown Portland as well as the Willamette Valley to the south. Interstate 205 is the regional north/south artery through the eastern section of the Portland-Vancouver MSA. Access to this freeway is located approximately four miles to the east. I-205 links with Interstate 5 approximately ten miles to the southwest, just north of Wilsonville, and with Interstate 84 approximately 12 miles to the north. Local and regional access is considered to be good.

Public transportation is provided by Tri-Met, which includes various bus routes. The MAX light rail orange line, connecting the downtown Milwaukie area with the Portland CBD, has the Milwaukie/Main Street MAX Station, which is located less than half a mile south of the subject.

The subject is also served by several bus lines providing direct access to Portland's Central Business District, Milwaukie Transit Center, Oregon City Transit Center, and Clackamas Community College. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

Portland International Airport is located about 16 miles from the property; travel time is about 30 minutes, depending on traffic conditions. Portland's Central Business District, the economic and cultural center of the region, is approximately six miles from the property.

DEMOGRAPHICS

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
	2215 SE Harrison St - 1 mi Radius	2215 SE Harrison St - 3 mi Radius	2215 SE Harrison St - 5 mi Radius
Description	Totals	Totals	Totals
Population			
2024 Projection	10,397	116,390	380,402
2019 Estimate	9,984	110,823	360,044
2010 Census	9,553	103,652	329,392
2000 Census	9,550	99,475	311,833
2019 Est. Median Age	41.80	41.20	40.22
2019 Est. Average Age	42.20	41.43	40.96
Households			
2024 Projection	4,937	49,521	164,758
2019 Estimate	4,709	46,892	155,355
2010 Census	4,421	43,204	140,263
2000 Census	4,427	41,443	130,965
2019 Est. Average Household Size	2.10	2.30	2.28
2019 Est. Households by Household Income			
Income < \$15,000	9.4	6.8	7.9
Income \$15,000 - \$24,999	9.9	7.5	6.6
Income \$25,000 - \$34,999	10.1	7.0	7.4
Income \$35,000 - \$49,999	13.4	10.8	10.3
Income \$50,000 - \$74,999	22.6	18.2	17.4
Income \$75,000 - \$99,999	13.4	13.6	12.8
Income \$100,000 - \$124,999	8.3	10.4	10.0
Income \$125,000 - \$149,999	4.6	7.3	7.5
Income \$150,000 - \$199,999	3.6	7.5	8.1
Income \$200,000 - \$249,999	1.6	3.7	4.3
Income \$250,000 - \$499,999	1.8	4.5	5.0
Income \$500,000+	1.3	2.8	2.8
2019 Est. Average Household Income	\$76,162	\$106,403	\$108,963
2019 Est. Median Household Income	\$57,572	\$74,638	\$75,849
2019 Est. Tenure of Occupied Housing Units			
Owner Occupied	44.4	61.9	57.9
Renter Occupied	55.6	38.1	42.1
2019 Est. Median All Owner-Occupied Housing Value	\$344,593	\$412,227	\$437,911
Source: 2019 Claritas, Inc.			

LAND USE

With strong real estate market conditions throughout the Portland MSA, suburban cities across the region have worked with a renewed focus to revitalize their downtown areas. The completion of the MAX Orange line in 2015 has strengthened the linkage between downtown Milwaukie and downtown Portland. The city is focusing redevelopment efforts to the southern end of downtown.

Downtown Milwaukie has several advantages relative to other suburban cities in the region. The city is geographically closer to Portland than competing suburban towns. In addition, the downtown area is

located walking distance to the picturesque Willamette River. The addition of the MAX is yet another positive attribute.

Guardian Development, a prominent Portland-based firm, is currently under construction on the Axletree, which will be a five-story building with 109 apartments and approximately 7,000 square feet of ground-floor retail space slated for completion in Fall 2019. The development is located adjacent to the Milwaukie Main Street MAX Station and supports a notion that multifamily development has strong development prospects in the downtown Milwaukie market.

Most of the structures in Milwaukie's old town center were built between 1900 and 1930. They are typically one story, 5,000 to 20,000 square feet, with none or only limited on-site parking. Main Street was the center axis, running parallel to Highway 99 East (McLoughlin Blvd.). Now, the occupancy of the buildings has evolved from grocery, furniture, pharmacies, clothing, etc., to more second tier tenants, including offices and gifts shops. Dark Horse Comics has a significant amount of space downtown, from which they administer their comic book publishing network.

Other local businesses in downtown Milwaukie include Ohana Hawaiian Café, Spring Creek Coffeehouse, Wine 30 Bistro, Cha Cha Cha Mexican Taqueria, Painted Lady Coffeehouse, and Wunderland Milwaukie Cinemas.

The city is near many recreational activities. A short distance west of Main Street is the Willamette riverfront (and the city's wastewater treatment plant) and a small city park. An important part of the city's plans is to link the older downtown with the river. Clackamas County is home to more than 100 parks, many of them on the Willamette and nearby Clackamas River. River Front Park is located in Milwaukie and is on the Willamette River.

North of downtown is an industrial district with approximately 100 acres and approximately two million square feet of industrial buildings. The area was originally developed shortly after WWII. This area has become a distribution center for consumer products due to its centralized, close-in location.

DEVELOPMENT ACTIVITY AND TRENDS

The City of Milwaukie passed a bond to fund improvements and expand the Ledding Library in May 2016. The project broke ground in October 2018 and is currently under construction with an estimated completion in the first half of 2020 (rendering below).



The City of Milwaukie is currently under construction on Kronberg Park Multi-Use Walkway which will connect the Kellogg Creek Bike-Pedestrian Bridge and downtown Milwaukie area with the nearby sidewalk, crosswalk, and Trolley Trail at the south end of the park while restoring and preserving existing habitat. It will also improve access to the Main Street MAX Station. Completion is scheduled in December 2019.

Northwest Housing Alternatives is building 28 units that will be rent restricted and consist of one, two, and three-bedroom units at the corner of Lake Road and SE 23rd Street. The project is expected to open in Summer 2019.

PGE and the City of Milwaukie recently announced plans to partner on the addition of a new Electric Avenue charging hub along Highway 99E between SE Jackson and Monroe Streets, a location strategically selected for its high use and visibility to expand access to and awareness of the benefits of driving electric. Charging fees will be \$5 for a quick charge and \$3 for a standard charge. An optional charging membership will also be available at \$25 per month, waiving the per charge fees. Construction is scheduled for Summer 2019 with anticipated completion by the end of the year.

OUTLOOK AND CONCLUSIONS

Milwaukie is an extension of southeast Portland. The combination of the town's older suburban location and proximity to Portland create a desirable community with a full spectrum of goods and services. Population and employment growth have persisted throughout the past decade; these trends can reasonably be expected to moderate due to the availability of developable land. The city has acquired a significant amount of property along the waterfront and plans for new development and renewal within this area are moving forward.

The market area is in a growth stage of its life cycle. Milwaukie has emerged as an attractive more affordable option for priced-out Portland residents. Given the history of the area, its proximity to the Portland CBD and the growth trends within Clackamas County; it is our opinion that property values will continue to trend upward in the near future.

NEIGHBORHOOD MAP



OFFICE MARKET ANALYSIS

Costar is the source for the following data. The data reflects conditions of 2018 Q4, the most recent data available. The initial discussion provides information on the overall Portland Office market.

Costar's 2018Q4 Base Case forecast is based on Moody's Analytics "Baseline" S0 scenario published in December 2018. In this scenario, the Base Case calls for national job growth of 1.9 million jobs in 2019, before total employment contracts by 450,000 jobs in 2020. On average, the forecast calls for 860,000 jobs per year during 2019 through 2023, well below the 2.5 million new jobs added in 2018. At the same time, the Base Case calls for the Baa interest rate (used in the cap rate model) to rise to 6.6% by 2023, up from the 5.2% level as of 2018Q4.

Costar rates office properties using a star rating, in which 1 and 2-star properties generally equate to the more traditional Class C rating; 3-star properties generally equate to Class B; and 4 and 5-star properties generally equate to Class A.

Class A – They are characterized by high quality construction and finishes, high occupancy levels, sophisticated amenities, and top rental rates. A+ properties would suggest "trophy" properties with the characteristics noted above.

Class B – These properties are regarded as modern (although not necessarily new) buildings, or old (i.e., Class C) structures recently renovated to modern standards. Good locations, reasonably high occupancy levels, and competitive rental rates characterize these buildings.

Class C – The lowest quality available in the market are found in Class C buildings. These buildings are generally old, but in fair condition. Rental rates are the lowest within the market and amenities are minimal.

KEY INDICATORS AT A GLANCE

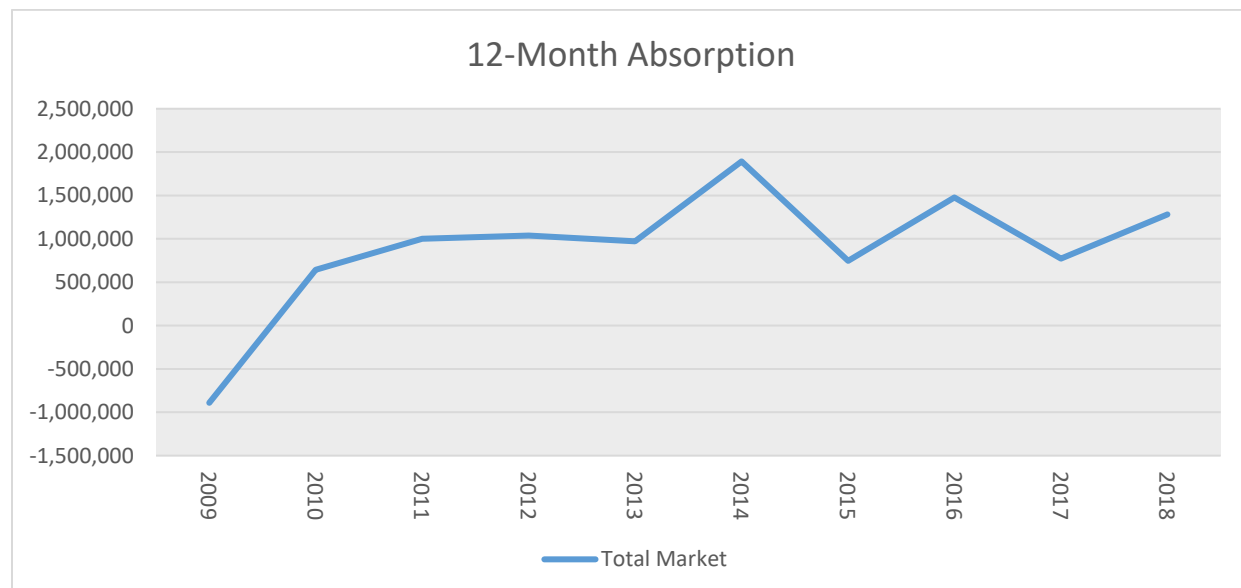
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	7.01%	7.25%	increased 24 points
Absorption (SF)	587,411	172,325	decreased 415,086 SF
Quoted Rental Rates (\$/SF/Year)	\$26.74	\$26.86	increased \$0.12 PSF
Inventory (SF)	106,128,221	106,591,540	increased 463,312 SF
Net Deliveries (SF)	488,098	463,319	decreased 24,779 SF
Under Construction (SF)	2,503,760	2,211,768	decreased 291,992 SF
Sales Volume	\$473 million	\$313 million	decreased \$160 million
Average Sale Price per SF	\$253.00	\$279.63	increased \$26.63 PSF
Average Capitalization Rate	6.32%	6.30%	decreased 2 points
Overall Comparison	A substantial portion of the 2018 vacancy relates to new deliveries, specifically those that are entirely or mostly vacant when entering the market. We also expect those with higher asking rents to pull up rental rates as they're absorbed.		

PORTLAND OFFICE MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2018 Q4	106,591,540	7.25%	172,325	463,319	2,211,768	\$26.86
2018 Q3	106,128,221	7.01%	587,411	488,098	2,503,760	\$26.74
2018 Q2	105,640,123	7.14%	730,536	728,355	2,801,344	\$26.58
2018 Q1	104,911,768	7.19%	-207,254	305,462	3,314,004	\$26.39
2017	104,606,306	6.70%	772,806	390,684	3,521,938	\$25.91
2016	104,215,622	7.11%	1,477,006	1,405,718	2,782,050	\$24.69
2015	102,809,904	7.28%	745,119	201,200	1,999,806	\$23.15
2014	102,608,704	7.82%	1,892,630	951,441	614,575	\$21.96
2013	101,657,263	8.82%	970,000	33,354	1,500,791	\$20.77
2012	101,623,909	9.75%	1,039,436	558,049	94,649	\$20.22
2011	101,065,860	10.28%	1,000,649	255,310	533,553	\$19.82
2010	100,810,550	11.04%	644,788	842,159	504,323	\$19.85
2009	99,968,391	10.94%	-890,762	763,667	883,558	\$20.46

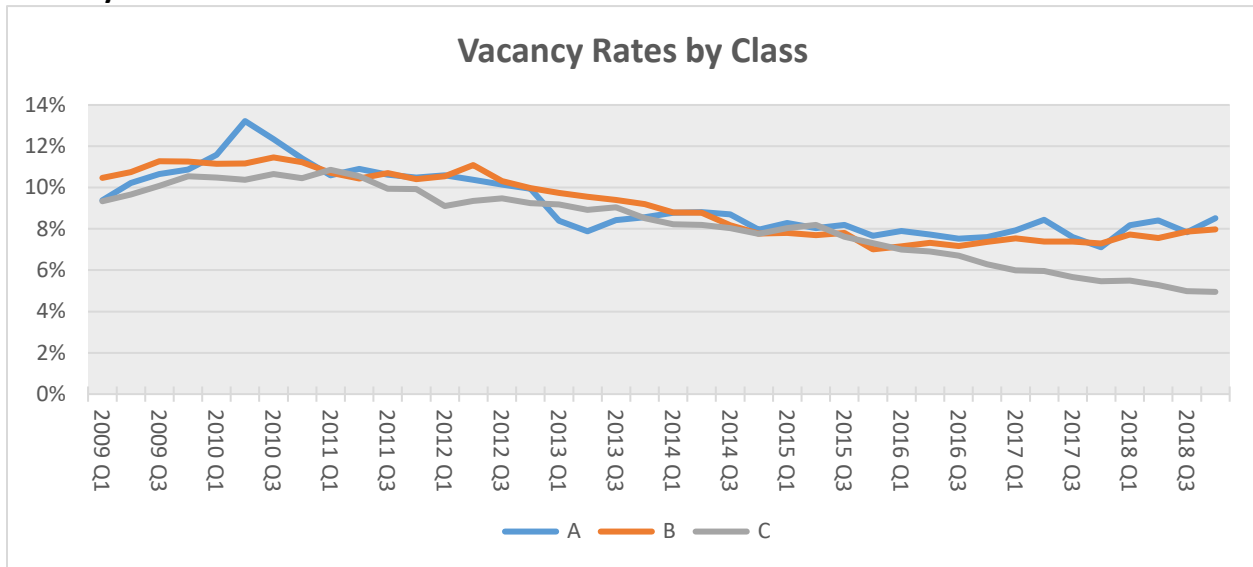
The Portland Office market ended the fourth quarter with a vacancy rate of 7.25%. The vacancy rate increased over the previous quarter, with net absorption totaling 172,325 square feet in the fourth quarter. Rental rates increased compared to the previous quarter, ending fourth quarter at \$26.86. A total of 463,319 square feet was delivered to the market, with 2,211,768 square feet still under construction at the end of the quarter.

ABSORPTION



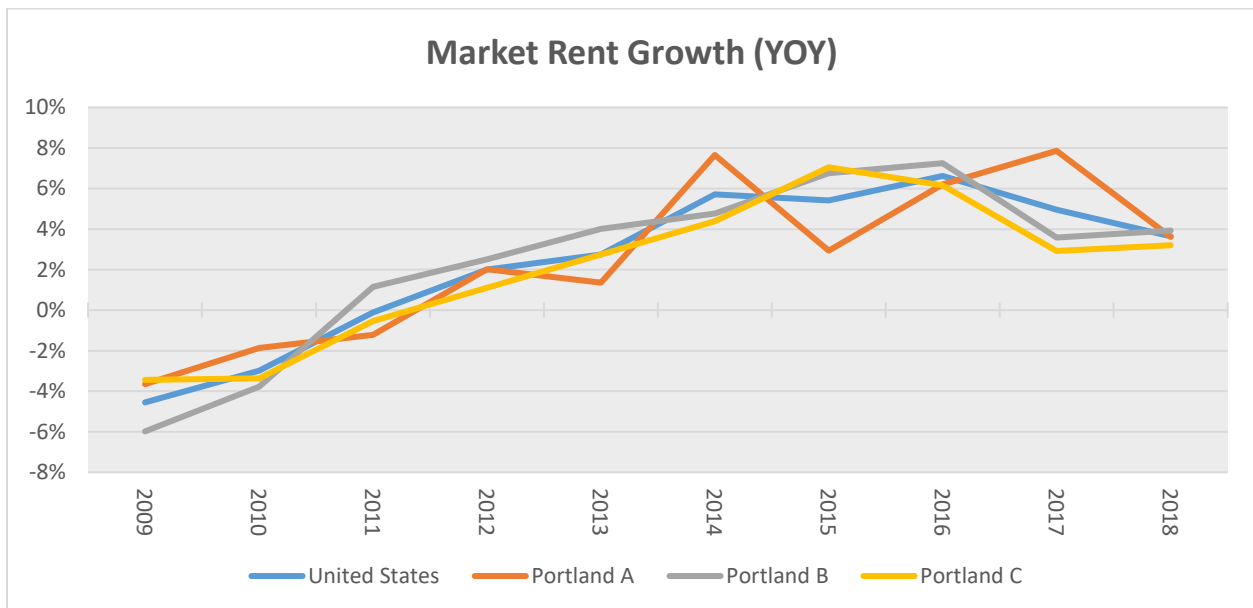
Net absorption for the overall Portland Office market was 172,325 square feet in the fourth quarter 2018. That compares to 587,411 square feet in the third quarter 2018, 730,536 square feet in the second quarter 2018, and -207,254 square feet in the first quarter 2018. Net absorption in the market over the prior 12 months totaled 1,283,018 square feet.

Vacancy



Vacancy for the overall Portland Office market increased to 7.25% in the fourth quarter 2018. That compares to 7.01% in the third quarter 2018, 7.14% in the second quarter 2018, and 7.19% in the first quarter 2018.

RENTAL RATES



The rental rates shown below are per square foot per year on a full-service gross basis.

The average asking rental rate for available Office space, all classes, was \$26.86 psf at the end of the fourth quarter 2018 in the Portland market area. This represented a 0.4% increase in quoted rental rates from the end of the third quarter 2018, when rents were reported at \$26.74.

INVENTORY & CONSTRUCTION

During the fourth quarter 2018, a total of 463,319 square feet was completed in the Portland market area. This compares to a total of 488,098 square feet completed in the third quarter 2018, a total of 728,355 square feet completed in the second quarter 2018, and 305,462 square feet completed in the first quarter 2018.

There was 2,211,768 square feet of Office space under construction at the end of the fourth quarter 2018.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Class A (4 & 5 Star)	31,410,080	457,653	2,124,722
Class B (3 Star)	44,232,858	5,666	87,046
Class C (1 & 2 Star)	30,948,602	0	0
Total	106,591,540	463,319	2,211,768

The following charts display current construction details and proposed properties for office properties by submarket cluster.

UNDER CONSTRUCTION INVENTORY BY SUBMARKET CLUSTER					
Market	# Bldgs	Total RBA	Preleased SF	% Preleased	Average Building Size
CBD	1	190,825	189,375	99.2%	190,825
Clark County	1	4,400	3,085	70.1%	4,400
I-5 Corridor	1	50,000	41,510	83.0%	50,000
Lloyd District	2	199,571	4,275	2.1%	99,786
Northeast	3	425,000	425,000	100.0%	141,667
Northwest	2	127,393	7,057	5.5%	63,697
Southeast	3	131,886	32,117	24.4%	43,962
Southwest	3	599,964	452,634	75.4%	199,988
Westside	1	1,003,585	1,003,585	100.0%	1,003,585
Totals	17	2,732,624	2,158,638	79.0%	160,743

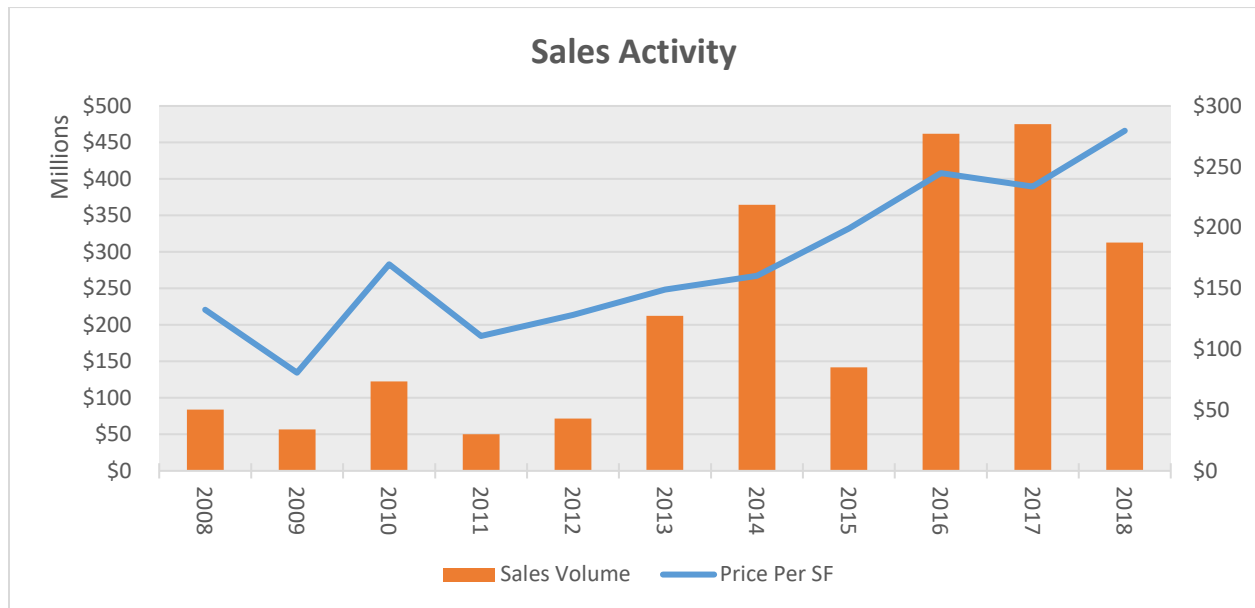
Source: CoStar, Inc.; compiled by BBG, Inc.

The Westside submarket cluster includes the under-construction Nike North Expansion Building B, located at 1 SW Bowerman Drive in Beaverton. This property comprises the entire 1,003,585 square feet currently under construction in the Westside cluster and is set to deliver to the market in June of 2019.

PROPOSED PROPERTIES BY SUBMARKET CLUSTER					
Market	# Bldgs	Total RBA	Preleased SF	% Preleased	Average Building Size
CBD	1	42,584	42,584	100.0%	42,584
Clark County	3	284,000	27,000	9.5%	94,667
I-5 Corridor	1	53,564	0	0.0%	53,564
Lloyd District	2	24,055	10,000	41.6%	12,028
Northeast	1	15,300	0	0.0%	15,300
Southeast	5	523,248	94,414	18.0%	104,650
Southwest	6	357,640	132,438	37.0%	59,607
Westside	2	20,121	14,121	70.2%	10,061
Totals	21	1,320,512	320,557	24.3%	62,882

Source: CoStar, Inc.; compiled by BBG, Inc.

SALES ACTIVITY

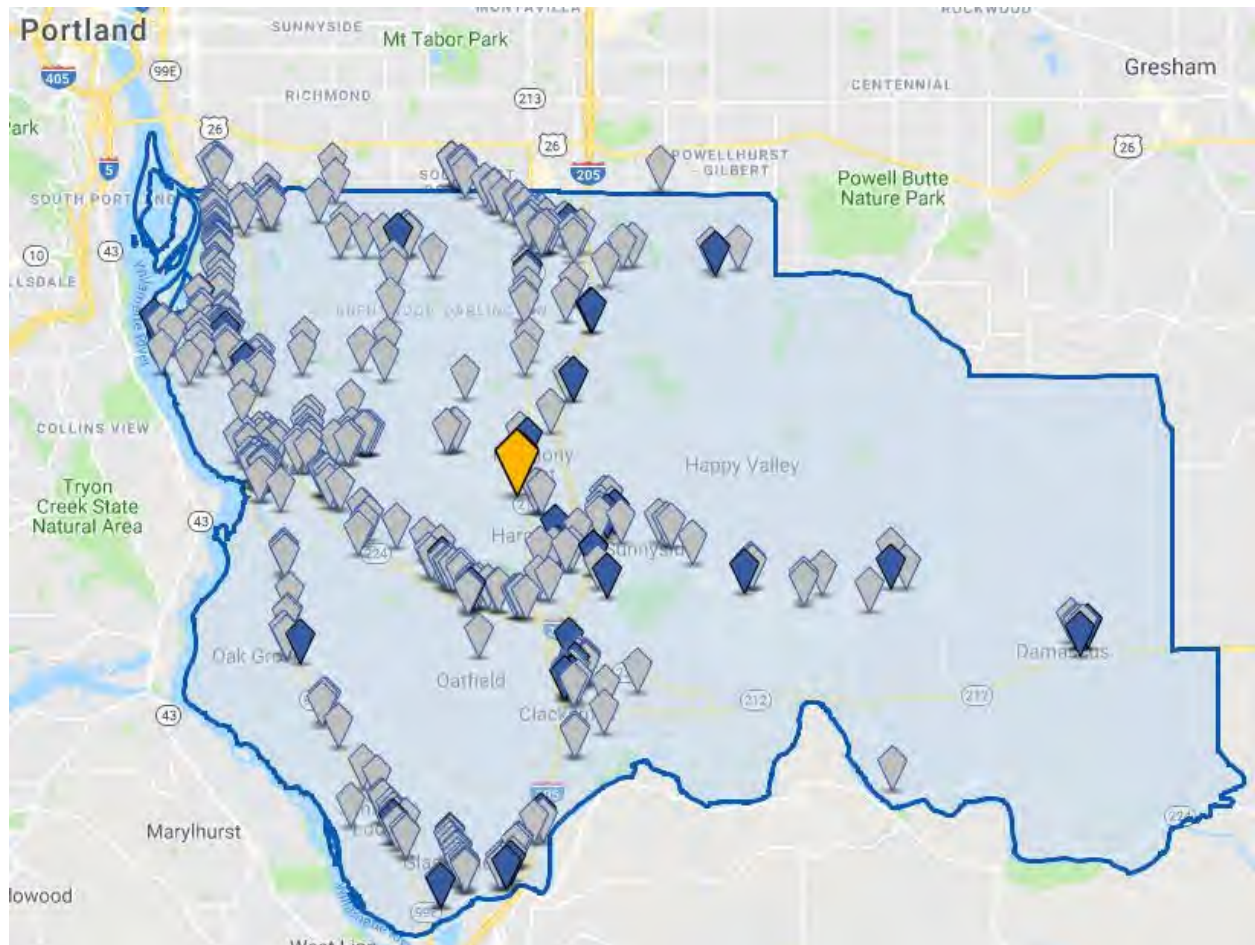


In the fourth quarter 2018, Office transactions had a total dollar volume of \$313 million in 80 sales. Average price per square foot was reported at \$279.63. This compares to a total sales volume of \$473 million in the third quarter 2018 with an average price per square foot of \$253.00. Total estimated market capitalization for the Portland market was reported at \$32.3 billion as of fourth quarter 2018.

The average capitalization rate reported as of fourth quarter 2018 in the Portland market increased to 6.30% compared to 6.32% at the end of the prior quarter.

CLACKAMAS/MILWAUKIE OFFICE MARKET

Based on information from CoStar Properties, the Clackamas/Milwaukie submarket area is generally bounded by SE Holgate Blvd to the north, S Clackamas River Dr. to the south, SE 222nd Dr. to the east, and the Willamette River to the west. A map of the market area and office properties is shown below with the subject highlighted.

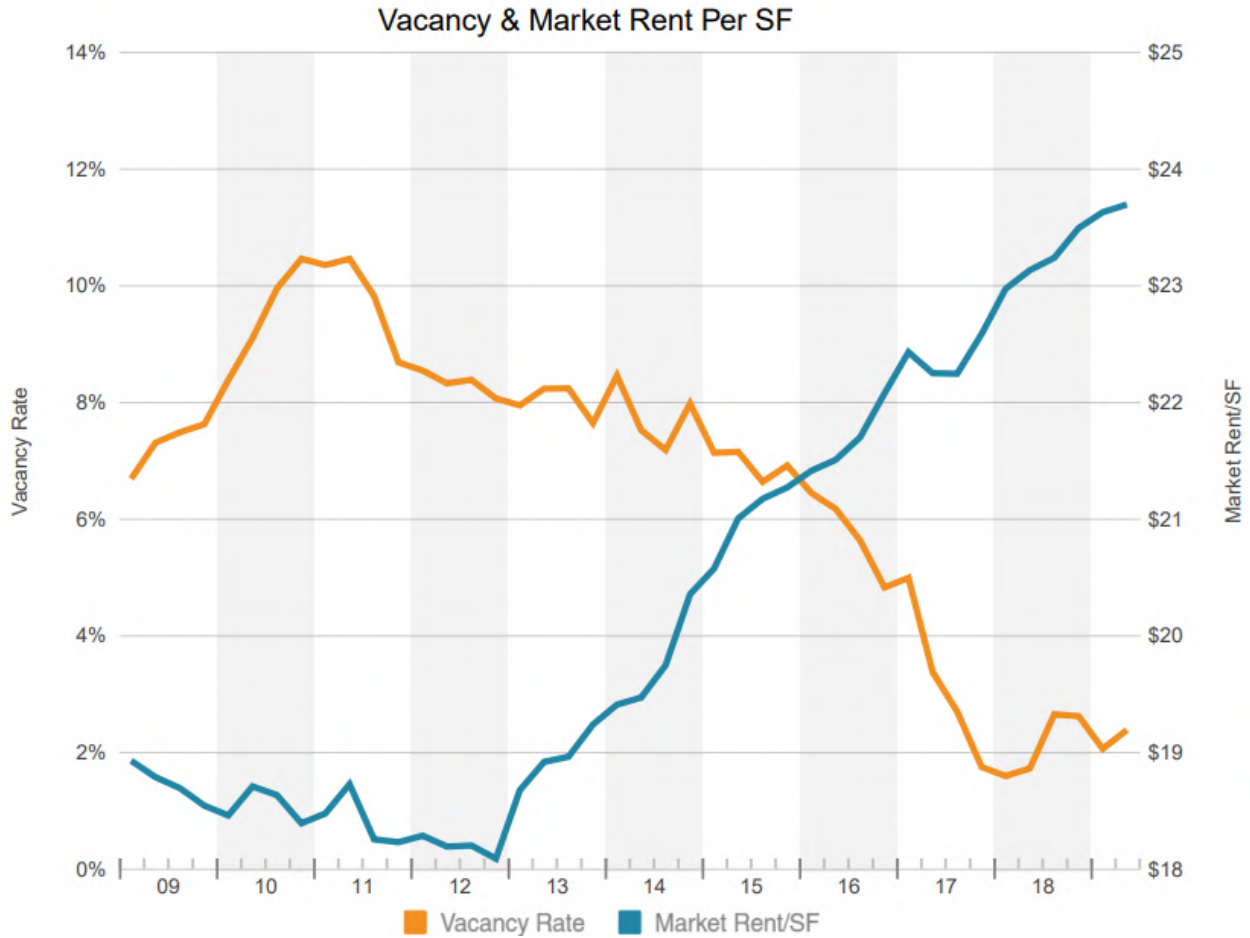


Supply and demand indicators for the subject's submarket area are as follows based on data compiled by CoStar.

INVENTORY SF 3.3 M 0% Prior Period 3.3 M		UNDER CONSTRUCTION SF 0 Prior Period 0		12 MO NET ABSORPTION SF (15.6 K) -118.9% Prior Period 82.1 K		VACANCY RATE 2.2% +0.5% Prior Period 1.7%		MARKET RENT/SF \$23.66 +2.5% Prior Period \$23.03		MARKET SALE PRICE/SF \$261 +5.8% Prior Period \$247		MARKET CAP RATE 6.2% -0.1% Prior Period 6.3%	
Availability		Inventory		Sales Past Year		Demand							
Vacant SF	72.2 K	Existing Buildings	362	Asking Price Per SF	6301	12 Mo Not Absorp % of Inventory	0.5%						
Sublet SF	6.5 K	Under Construction Avg SF	-	Sale to Asking Price Differential	-3.6%	12 Mo Leased SF	100 K						
Availability Rate	5.0%	12 Mo Demolished SF	0	Sales Volume	\$27.3 M	Months on Market	4.4						
Available SF	100 K	12 Mo Occupancy % all Delivery	-	Properties Sold	30	Months to Lease	2.7						
Available Asking Rent/SF	\$23.31	12 Mo Construction Starts SF	0	Months to Sale	7.0	Months Vacant	4.0						
Occupancy Rate	97.8%	12 Mo Delivered SF	0	For Sale Listings	5	24 Mo Lease Renewal Rate	81.1%						
Percent Leased Rate	90.0%	12 Mo Avg Delivered SF	-	Total For Sale SF	51.7 K	Population Growth: 5 Yrs	5.7%						

VACANCY & RENTAL RATES

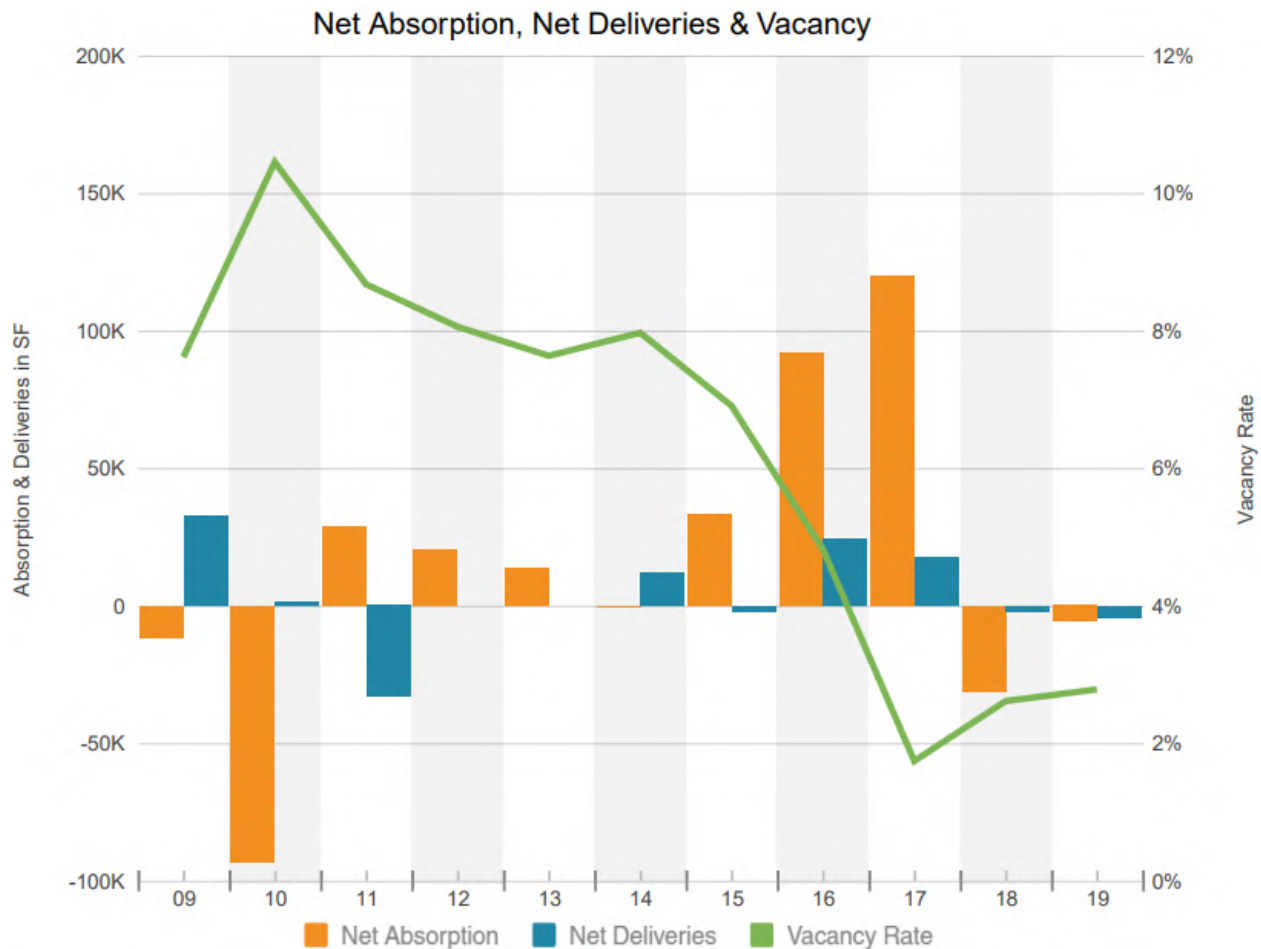
According to CoStar, this market area includes 390 buildings containing roughly 3,333,898 square feet of office space. The current vacancy rate for the area is 2%. Including properties being marketed prior to vacancy, the availability is 2.8%.



Average asking rental rates generally increased since 2012 to the current average asking rate is \$23.66

ABSORPTION & DELIVERIES

Absorption dropped suddenly into 2018 and has not recovered. New construction has generally been isolated to years 2015-2017, and current absorption and deliveries are negative in the submarket.



MARKET OUTLOOK

The Portland Office market ended the fourth quarter 2018 with a vacancy rate of 7.25%. The vacancy rate increased over the previous quarter, with net absorption totaling 172,325 square feet in the fourth quarter 2018. Rental rates increased \$0.12 PSF over the previous quarter and ended at \$26.86. A total of 463,319 square feet was delivered in the quarter, with 2,211,768 square feet still under construction at the end of the quarter.

Portland's CBD continues to be among the nation's healthier markets. Relatively low vacancy and rapidly increasing rental rates has led to a spate development activity in the Central City as well as suburban redevelopment/re-positioning projects in the recent quarters. The majority of present construction projects are planned for speculative occupancy and have approximately 79% pre-leased space, which should keep the new supply from heavily affecting the presently low vacancy levels.

SITE DESCRIPTION

INTRODUCTION

The subject is located along SE Harrison Street on the edge of downtown Milwaukie.

The subject consists of two contiguous parcels along the western side of Southeast Harrison Street, west of its intersection with Southeast 23rd Street. The parcels are generally level and contain 12,382 square feet of land.

Although the majority of the subject site is considered to be located outside of the floodplain, it is noted that the rear of the site is located in close proximity to the pond and could potentially be at risk with rising water. No specific instance of flooding was report at the property. The photo below was taken from the exterior deck and shows the proximity to the pond.



AERIAL MAP



GENERAL DESCRIPTION OVERVIEW	
Location	The subject site consists of two contiguous parcels along the western side of Southeast Harrison Street, immediately west of its intersection with Southeast 23rd Street.
Parcel Number	00009788 00026796
Legal Description	Tax lot 900 of assessor map 01S 01E 25CC and tax lot 1600 of assessor map 01S 01E 36BB.
Site Area	
Primary Site	12,382 square feet (0.2843 acres)
Total	12,382 square feet (0.2843 acres)
Configuration	Irregular
Topography	Generally Level
Drainage	Appears adequate
Utilities/Municipal Services	Typical utilities and municipal services available to site.
Floodplain:	Zone: Zone X (Unshaded) Map: 41005C0009D Date: June 18, 2008 Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Census Tract No.	208.00
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.
Environmental Concerns	An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or
Land Use Restrictions	We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.
Hazards Nuisances	None noted
Frontage	198'
Access	1 curb cut
Visibility	Average
Surrounding Land Uses	Residential eastward & commercial westward
Enterprise Zone	None
Traffic Counts	Moderate
Transportation Facilities	TriMet bus stops east of site at SE Harrison & 24th

STREETS, ACCESS AND FRONTAGE

Details pertaining to street access and frontage are provided in the following table.

STREETS, ACCESS & EXPOSURE	
Street	Southeast Harrison Street
Frontage Feet	198'
Paving	Asphalt
Curbs	Yes
Sidewalks	Yes
Lanes	2 way, 1 lane each way
Direction of Traffic	South/East
Condition	Average
Traffic Levels	Moderate
Signals/Traffic Control	None
Access/Curb Cuts	1 curb cut
Visibility	Average
Transportation Facilities	TriMet bus stops east of site at SE Harrison & 24th

ZONING

The subject is zoned R-1-B, Residential Business Office. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

ZONING	
Designation	R-1-B
Description	Residential Business Office
Compliance	The subject is a legal conforming use in this district.
ZONING REQUIREMENTS	
Permitted Uses	Residential uses, office uses, and limited conditional neighborhood uses
Minimum Lot Size	5,000'
Minimum Lot Width	20'
Maximum Coverage Ratio	50%
Minimum Open Space	15%
Front (min. ft.)	15'
Rear, alley/no alley (min. ft.)	15'
Side (min. ft.) interior	15'
Maximum Density	32 units per acre
Maximum Height	The lesser of 3 stories or 45'
Required No. Parking Spaces	Dependent on use

According to the City of Milwaukie planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

However, since the subject is owned by the City of Milwaukie, a zoning change would be streamlined, if necessary. According to discussions with the City, a zoning change to permit retail or restaurant use could be executed through a streamlined process, if facilitating a potential disposition in the future.

OTHER LAND USE REGULATIONS

The subject is located within a vegetated corridor and a habitat conservation area, which would limit the redevelopment potential of the site.

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

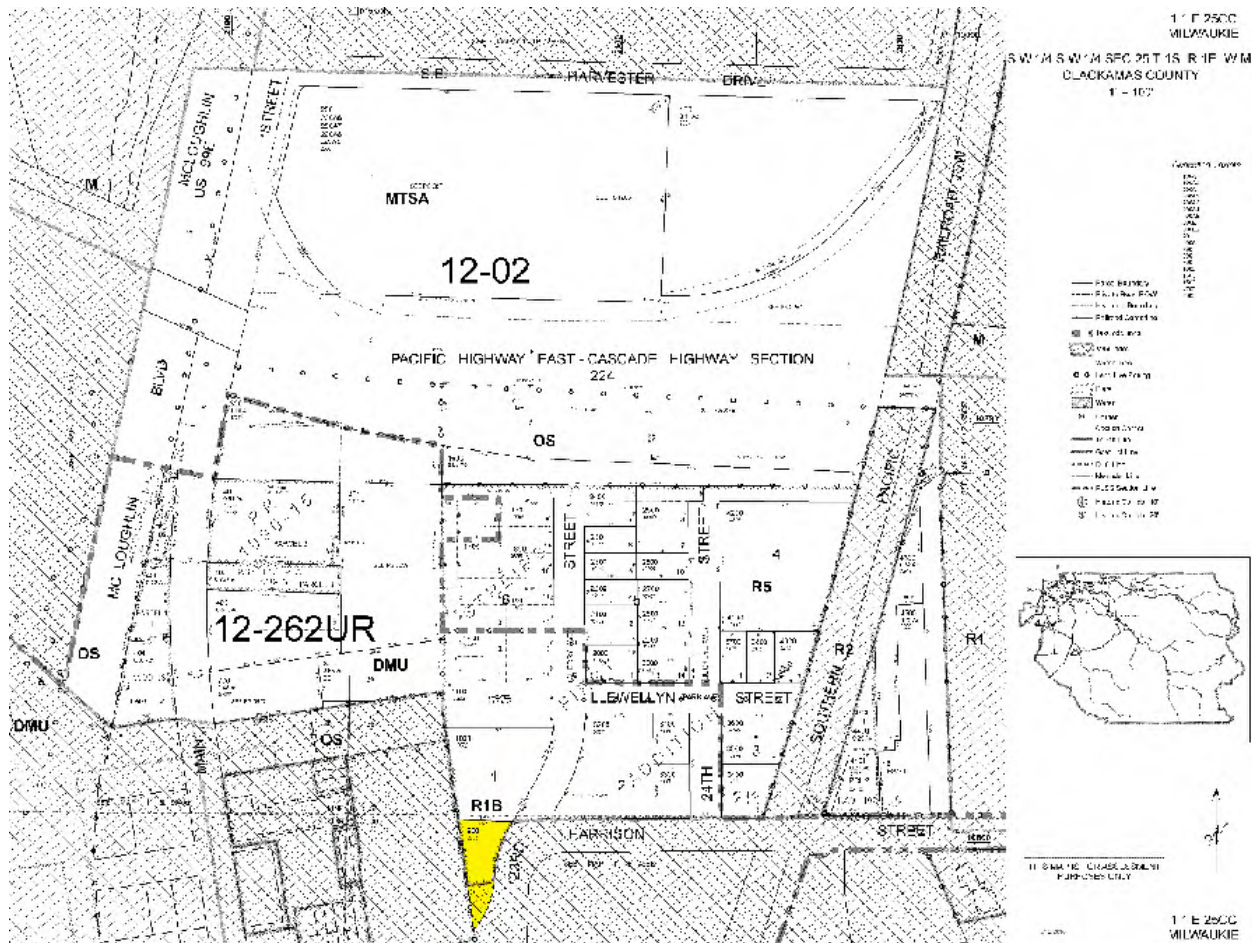
We have reviewed a preliminary title report prepared by Fidelity National Title Company of Oregon dated January 18, 2006. The report identifies exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

CONCLUSION OF SITE ANALYSIS

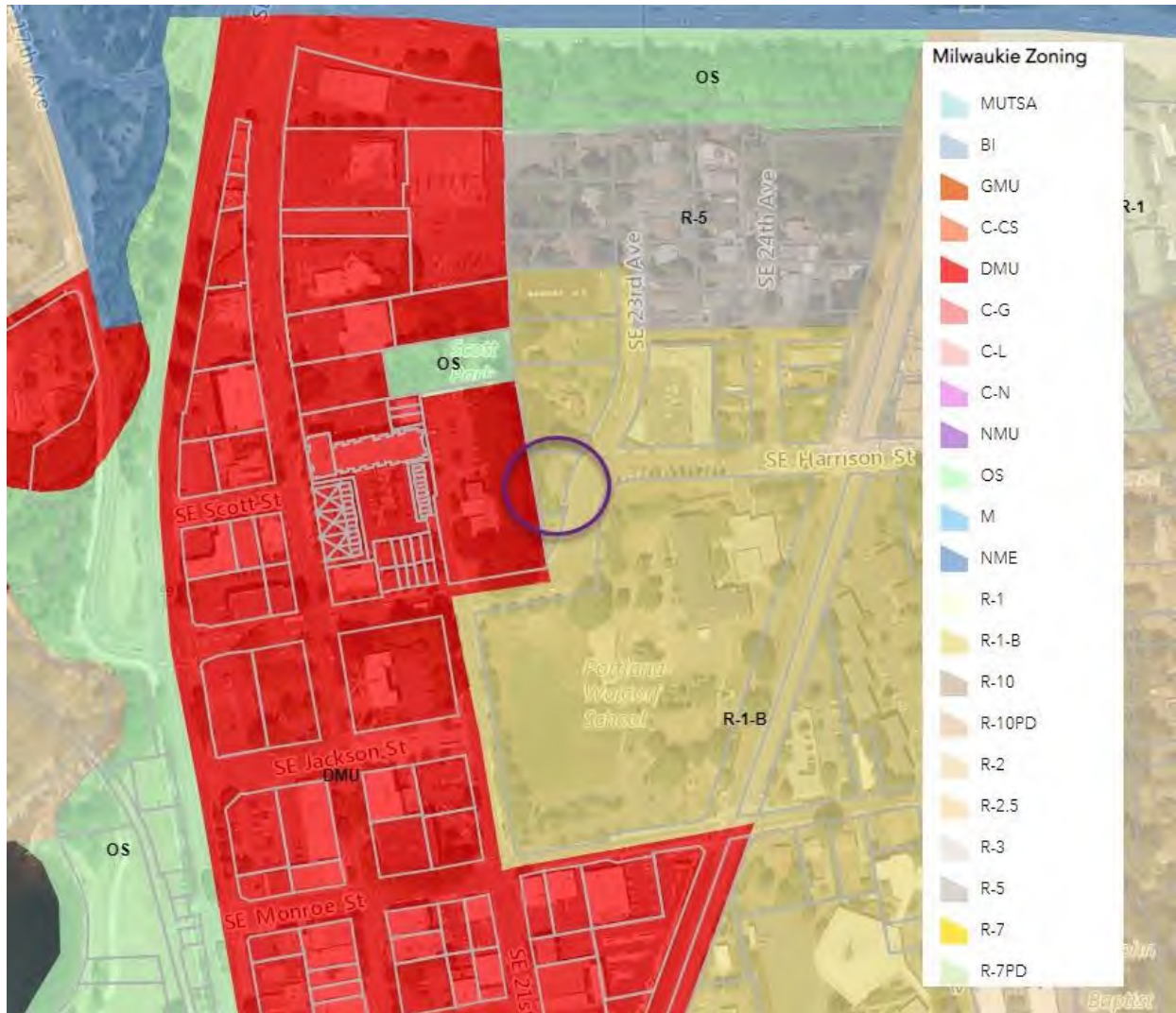
The subject site consists of two parcels located adjacent to a pond on the edge of downtown Milwaukie. Due to its proximity to the pond, the subject site is within a vegetated corridor and a habitat conservation area, which would require natural resource compliance for new development. The site is irregular in shape, generally level, and has average access to local and regional thoroughfares.

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include: Residential uses, office uses, and limited conditional neighborhood uses. We are not aware of any other restrictions on development.

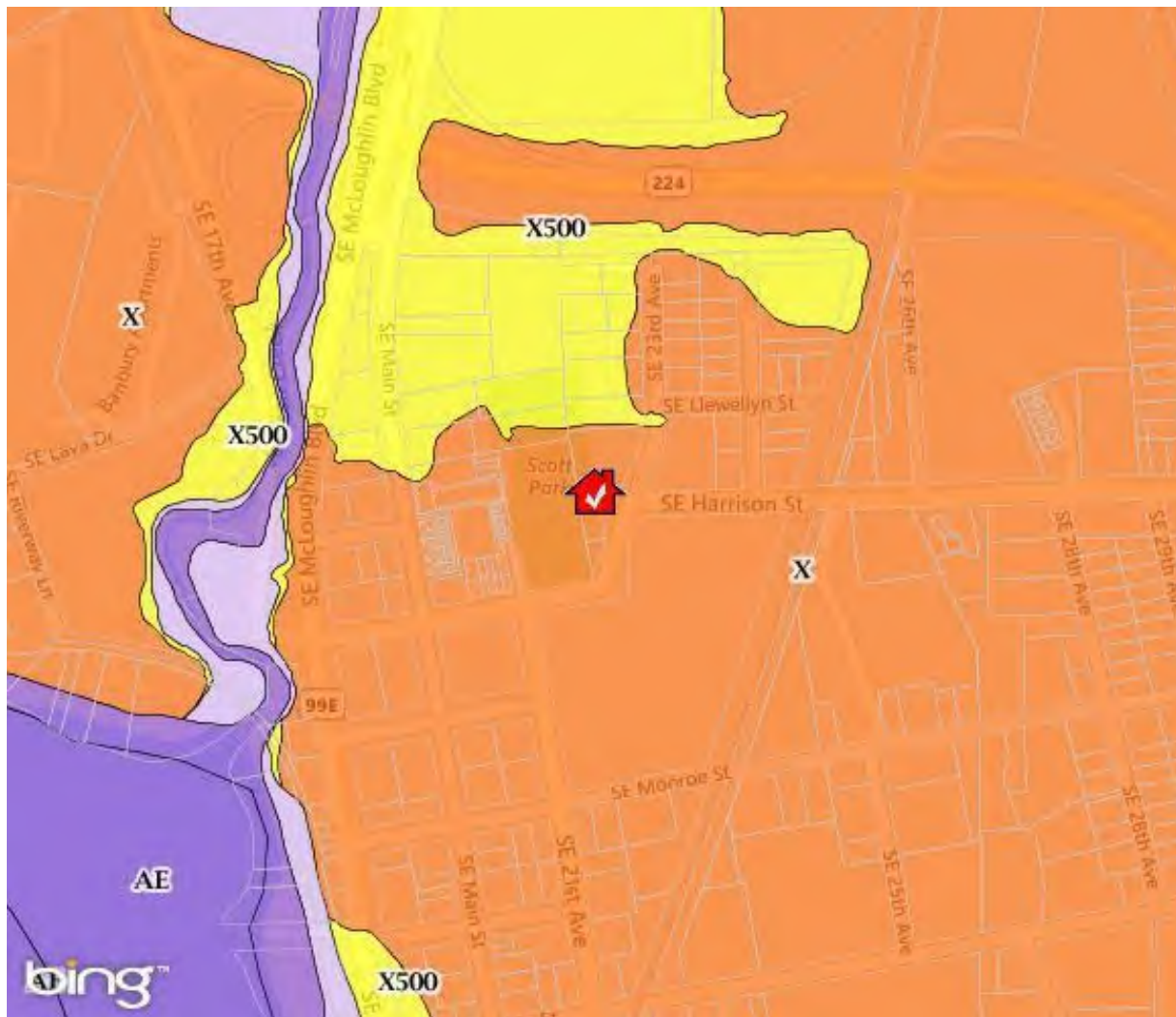
PLAT MAPS



ZONING MAP



FLOOD MAP



IMPROVEMENTS DESCRIPTION

The subject is an existing building containing 1,773 square feet of rentable area. The property is owned by the City of Milwaukie and utilized for community events. It has appeal for small commercial users and also could potentially be used as a residence. The building contains a large basement area of 1,743 SF, which is not considered net rentable area that is utilized for storage and is considered a positive amenity. The improvements were constructed in 1950 and are in average condition overall.

GENERAL DESCRIPTION OVERVIEW

Address	2215 Southeast Harrison Street Milwaukie, Oregon 97222
Property Description	Office - Converted Residence
Year Built	1950
Number of Buildings	1
Number of Stories	1
Building Construction Class	D
Net Rentable Area	1,773 square feet
Gross Building Area	3,546 square feet
Floor-Area Ratio	29%
Land-to-Building Ratio	3.49 : 1
Ingress/Egress	Walk-up only
Parking	
Surface Parking Spaces	Street parking only
ADA Compliance	Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

CONSTRUCTION DETAIL

General Layout	The subject is a single story converted residence with a large basement demised for owner-occupancy.
Foundation	Poured concrete slab
Construction	Wood frame
Floor Structure	Wood frame
Exterior Walls	Brick and wood siding
Roof Type	Gable
Roof Cover	Asphalt shingle
Windows	Wood, single pane

INTERIOR DETAIL

Interior Walls	Wallpapered sheetrock
Ceilings	Painted sheetrock
Floor Coverings	Linoelum & wood
Lighting	Incandescent fixtures
Restrooms	Typical residential finishes

MECHANICAL DETAIL

Heating	Forced air
Plumbing	Assumed to code and adequate
Electrical	Assumed to code and adequate
Fire Protection	None

SITE IMPROVEMENTS

Parking Type	Street parking only
Landscaping	A variety of trees, shrubbery and grass
Signage	None
Fencing	None

QUALITY & CONDITION

The quality and condition of the subject is consistent with small, older competing properties. The subject does not have on-site parking; however, there are three parking spaces available in front of the building along SE Harrison Street. Several of the comparables have on-site parking, so the subject is slightly below average in this area. The subject is located adjacent to a small pond, which provides a desirable ambience for the property.

DEFERRED MAINTENANCE

No deferred maintenance is apparent from our inspection, and none is identified based on discussions with ownership.

PERSONAL PROPERTY

No personal property items or intangible items are included in this valuation.

CONCLUSION OF IMPROVEMENTS ANALYSIS

Overall, the quality, condition, and functional utility of the improvements are average for their age and location. The subject's on-site parking is slightly below average which is offset by the slightly above average landscaping from the pond amenity.

SUMMARY

Building Condition	Average We did not inspect the roof of the building(s) nor make a detailed inspection of the mechanical systems. We are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.
Building Quality	Average
Design and Functionality	Average
Actual Age	69 years
Expected Economic Life	45 years
Effective Age	20 years
Remaining Economic Life	25 years



Subject Exterior



Subject Exterior



Subject Exterior



SE Harrison Street looking south (subject on right)



Subject Interior



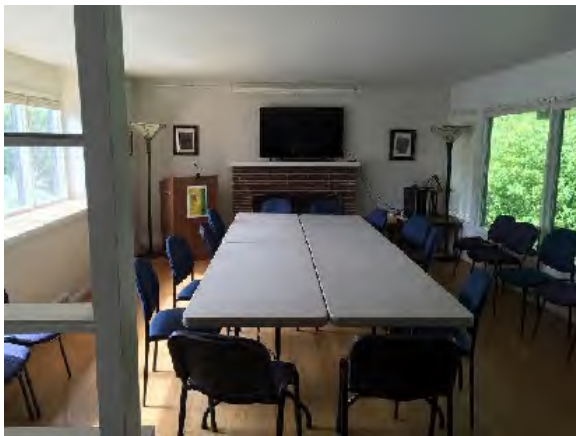
Kitchen



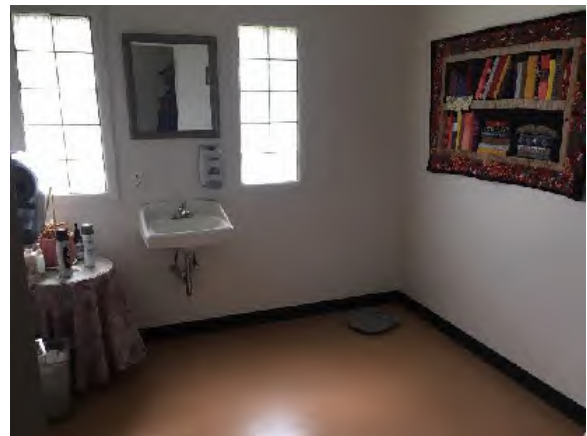
Subject Interior



Subject Interior



Subject Interior



Bathroom



Subject Interior



Basement

PROPERTY TAX ANALYSIS

State and local taxation in Oregon relies on income taxation at the state level and property taxes at the local level. The following is a summary of the Oregon property tax system.

- Real estate taxes in the state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to assessed value.
- Property taxes are collected locally to fund schools and governments in the area. The State does not receive any property tax revenue.
- Property taxes are divided into school taxes and non-school taxes; non-school taxes raise revenue for City and County Governments, and educational service districts (community colleges, etc.).
- In 1998, assessed value was rolled back to the 1996 real market value less 10%, and growth in assessed value was limited to 3% per year. Thus, property taxes are no longer directly tied in with real market value. There are some exceptions with respect to the 3% growth limit, such as new construction.
- Property taxes may not exceed a limit of \$5.00 per \$1,000 of real market value for schools and \$10.00 per \$1,000 for non-schools
- The limitation does apply to exempt bond levies that are approved by general election with at least half of the registered voters eligible to vote.
- The tax year runs from July 1 through June 30, and the County Assessor's Office estimates value as of January 1 of each year. Property taxes are due and payable on November 15. A 3% discount is available if paid in full by November 15. Any balance owed begins to accrue interest after May 15, and counties initiate foreclosure if three years of taxes become delinquent.

Real estate taxes and assessments for the current tax year are shown in the following table. We note that the City of Milwaukie is a government entity that is exempt from real estate taxes.

REAL ESTATE TAXES - 2018-2019						
Tax ID	Assessor's Real Market Value			Taxes and Assessments		
	Land	Improvements	Total	Millage Rate	Assessed Value	Real Estate Taxes
00009788	\$128,270	\$164,620	\$292,890	-	\$0	\$0
00026796	\$44,541	\$0	\$44,541	-	\$0	\$0
	\$172,811	\$164,620	\$337,431		\$0	\$0

Based on the concluded market value of the subject, the assessed value appears low.

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

HIGHEST AND BEST USE AS VACANT

PHYSICALLY POSSIBLE

The subject site consists of two parcels located adjacent to a pond on the edge of downtown Milwaukie. Due to its proximity to the pond, the subject site is within a vegetated corridor and a habitat conservation area, which would require compliance with natural resource/wetland regulations for new development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

LEGALLY PERMISSIBLE

The site is zoned R-1-B, Residential-Business Office Zone. Permitted uses include a wide range of residential and office uses. However, since the subject is owned by the City of Milwaukie, a zoning change would be streamlined, if necessary. According to discussions with the City, a zoning change to permit retail or restaurant use could be executed through a streamlined process, if facilitating a potential disposition in the future. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property.

Given prevailing land use patterns along SE Harrison Street and the subject's current zoning regulations, only office use is given further consideration in determining highest and best use of the site, as though vacant.

FINANCIALLY FEASIBLE

Based on our analysis of the market, there is currently adequate demand for office use in the subject's area. It appears that a newly developed office use on the site would have a value commensurate with its cost. Therefore, office use is financially feasible.

MAXIMALLY PRODUCTIVE

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than office use. Accordingly, it is our opinion that office use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

CONCLUSION

Development of the site for office use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

HIGHEST AND BEST USE AS IMPROVED

For the property as improved to be maximally productive, the improvement should closely match the ideal improvement, or alternatives should be considered, such as:

- Remodeling or renovation.
- Conversion to another use.
- Altering.
- Expanding through an addition or expansion.
- Demolishing for site redevelopment.

The subject site is developed with a small commercial/residential building, which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently owner occupied and produce positive utility to the owner that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued commercial use as improved is concluded to be maximally productive and the highest and best use of the property as improved.

MOST PROBABLE BUYER

Taking into account the size and characteristics of the subject property and its owner-occupancy, the likely buyer is an owner-user.

VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts. ¹
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED

Summary:

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

SALES COMPARISON APPROACH

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- **Property Type:** Properties that have dual commercial/residential appeal. This could be former or current residences in commercial zoning or former residences that were purchased for commercial use. All comparables were purchased for owner occupancy.
- **Location:** We focused on properties within the City of Milwaukee.
- **Size:** 1,000 – 10,000 SF
- **Age/Quality:** Average to good
- **Transaction Date:** We placed emphasis on the most recent sales and considered sales transactions later than 2017.

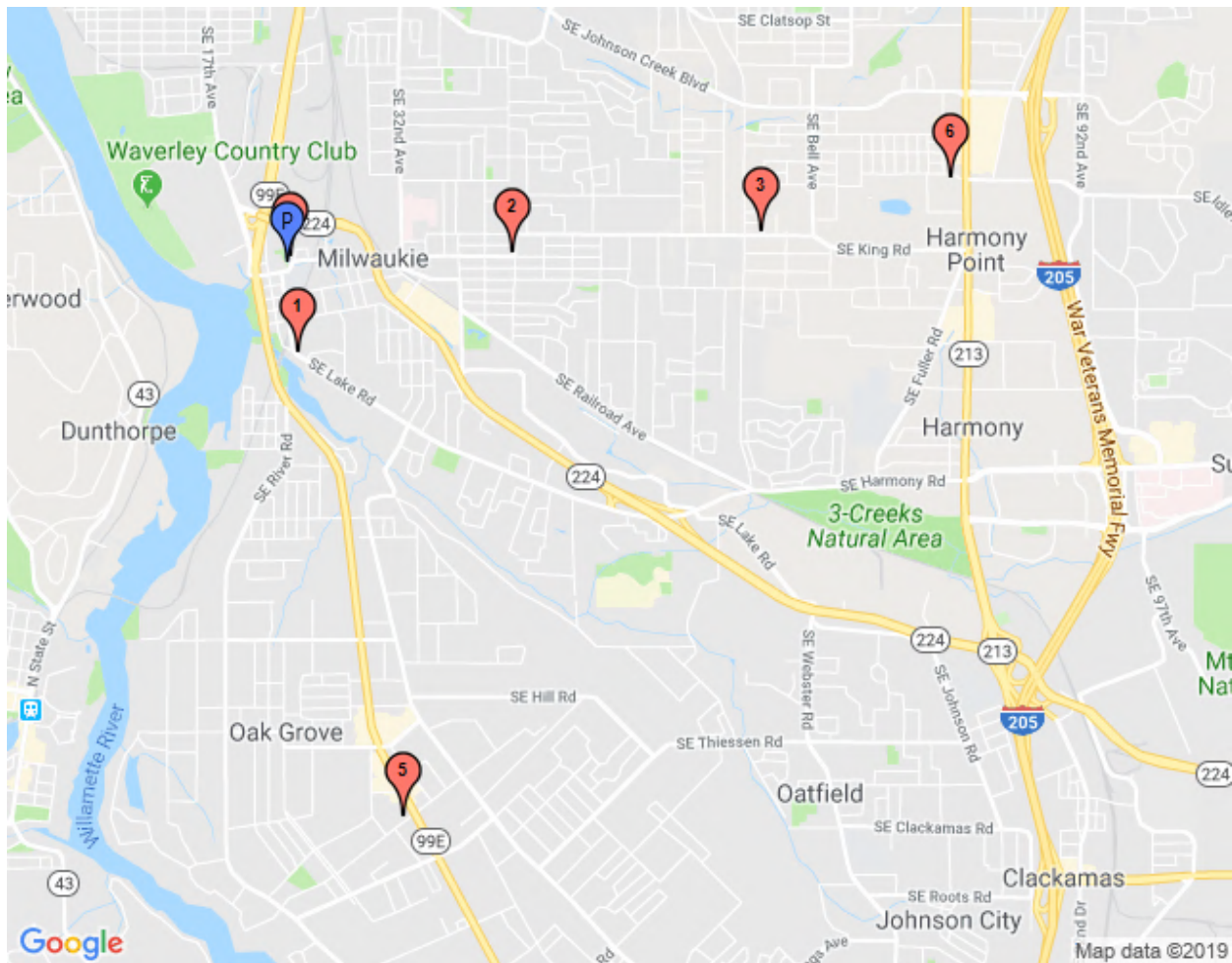
For this analysis, we use price per square foot of rentable area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

COMPARABLE IMPROVED SALES SUMMARY

SUMMARY OF IMPROVED SALES									
Comp No.	Property / Location	Date of Sale	Transaction Status	Property Rights	Year Built	Bldg. Size (SF Net) (SF Gross)	Site Size (SF) (Acres)	Floor-Area Ratio	Sale Price PSF
1	Former Roseland Piano 11380 Southeast 21st Avenue Milwaukie, OR	Jan-19	Closed	Fee Simple	1948	3,432 3,432	8,445 .19	0.41	\$850,000 \$247.67
2	42nd & Harrison Building 4141-4143 Southeast Harrison Street Milwaukie, OR	Nov-18	Closed	Leased Fee	1965	2,586 2,586	9,950 .23	0.26	\$499,900 \$193.31
3	Begin Right Office 6323 Southeast King Road Milwaukie, OR	Apr-18	Closed	Fee Simple	1995	2,400 2,400	11,761 .27	0.20	\$750,000 \$312.50
4	10565 SE 23rd Office Building 10565 Southeast 23rd Avenue Milwaukie, OR	Aug-17	Closed	Fee Simple	1923	4,439 4,439	29,445 .68	0.15	\$795,000 \$179.09
5	Risley Ave Construction Office 3223 SE Risley Avenue Milwaukie, OR	Jun-17	Closed	Fee Simple	1941	1,768 1,768	12,000 .28	0.15	\$345,000 \$195.14
6	8040 SE Otty Street 8040 Otty Milwaukie, OR	Feb-17	Closed	Fee Simple	1958	1,092 1,092	10,140 .23	0.11	\$225,000 \$206.04
Subj.	Pond House 2215 Southeast Harrison Street Milwaukie, Oregon	-----	-----	Fee Simple	1950	1,773 3,546	12,382 0.28	0.29	-----

COMMENTS
1 - The property was not listed on the market and there were no brokers. Former piano repair store; buyer renovating to tap room/internet retail business.
2 - 2 offers, 2 weeks on market. Leases in place until Nov 2020, buyer planning to occupy afterwards. Cap rate of 6.54% based on 5% vacancy, 3% management, and \$0.25/SF for reserves.
3 - This is a small free standing owner occupied building that had operated as a skin care veterinary specialist. It was purchased by an office occupant, operating an employment services company. Listed on the market for 352 days.
4 - Property was purchased for owner occupancy and will be used as office.
5 - Buyer purchased for owner-occupied construction office.
6 - Buyer purchased due to commercial zoning. Currently used as a residential rental.

IMPROVED SALES MAP





Former Roseland Piano



42nd & Harrison



Begin Right Office



10565 SE 23rd Office



Risley Ave Office



Otty Street

Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as excess land, non-realty components, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate. <i>See below for detail.</i>
Location	Market or submarket area influences on sale price; surrounding land use influences. <i>Sale 1 is located on the edge of downtown Milwaukie but was adjusted downward for superior location due to its proximity to the MAX. Sales 2, 3, 5, and 6 were adjusted upward for their inferior locations. Sale 4 is located adjacent to the subject.</i>
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts. <i>Sale 1 has similar commercial exposure. Sales 2 and 3 were adjusted downward for their superior commercial exposure. Sales 4 and 5 were adjusted upward for their inferior commercial exposure. Sale 6 also has inferior commercial exposure, which is partially offset by its superior access to freeways due to its proximity to I-205. This sale received a smaller upward adjustment.</i>
Size	Inverse relationship that often exists between building size and unit value. <i>Sales 1, 2, 3, and 4 were adjusted upward for their larger size (net rentable area), which generally places downward pressure on a price per square foot basis. Sale 6 was adjusted downward for its smaller size. Sale 5 is similar size to the subject and was not adjusted.</i>

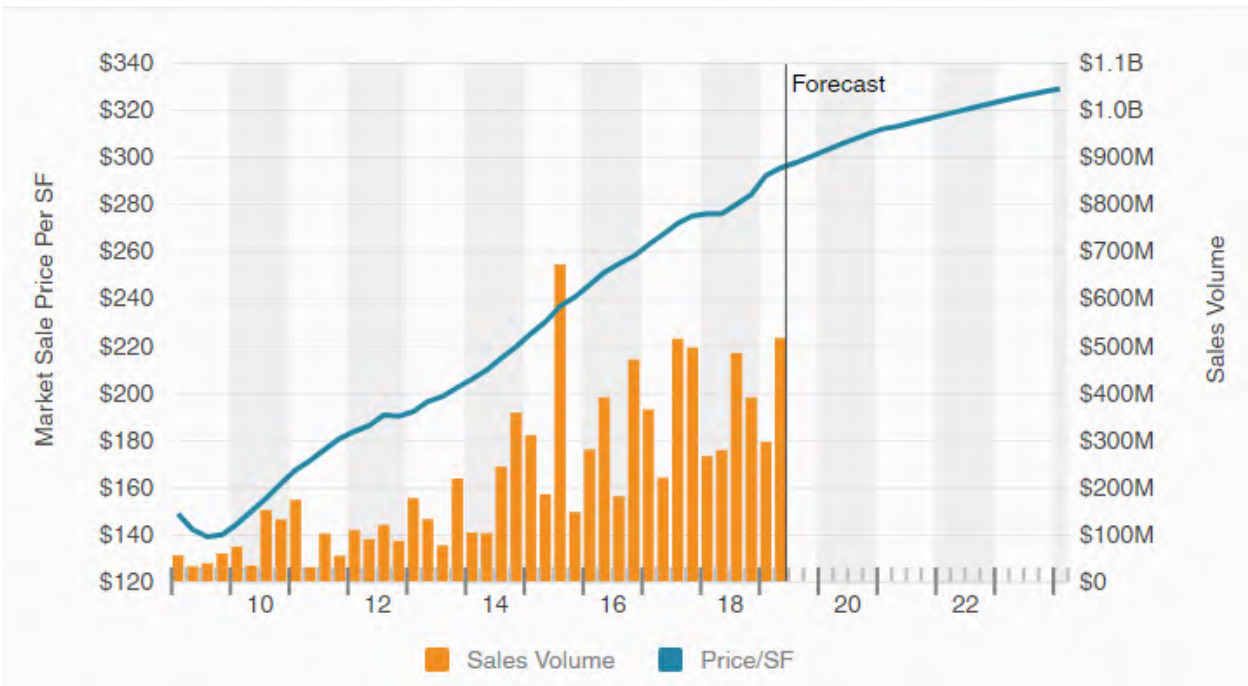
Adjustment Factors

Age/Condition	Effective age; physical condition. <i>Sale 3 was adjusted downward for its superior condition due to its newer age. The remaining sales are in generally similar condition and were not adjusted.</i>
Building Quality	Construction quality, amenities, market appeal, functional utility. <i>Sale 4 was adjusted downward for its superior quality, period era finishes.</i>
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR). <i>Sale 1 was adjusted upward for its smaller landscaped/site area. Sale 2 has a generally similar building to land ratio and was not adjusted. The remaining sales were adjusted downward for their larger landscaped/site area.</i>
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality. <i>The subject has additional building area (basement) that is not included in the net rentable area. This area is a storage amenity, which is superior to the comparables. Therefore, all comparables received an upward adjustment.</i>

Market Conditions

The sales took place from February 2017 to January 2019 and market conditions have been improving over this time. According to Costar, the average sale price per square foot for office buildings in the Portland MSA was \$262.56 in Q1 2017 compared to \$295.15 in Q2 2019. This indicates a 5.3% increase over the period. Accordingly, we have applied a 5% annual market conditions adjustment from the effective through the oldest sale.

Sales Volume & Market Sale Price Per SF



The following table summarizes the adjustments we make to each sale.

COMPARABLE IMPROVED SALES ADJUSTMENT GRID

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS							
Property / Location	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
	Pond House 2215 Southeast Harrison Street Milwaukie, Oregon	Former Roseland Piano 11380 Southeast 21st Avenue Milwaukie, OR	42nd & Harrison Building 4141-4143 Southeast Harrison Street Milwaukie, OR	Begin Right Office 6323 Southeast King Road Milwaukie, OR	10565 SE 23rd Office Building 10565 Southeast 23rd Avenue Milwaukie, OR	Risley Ave Construction Office 3223 SE Risley Avenue Milwaukie, OR	8040 SE Otty Street 8040 Otty Milwaukie, OR
Transaction Status	-----	Closed	Closed	Closed	Closed	Closed	Closed
Date of Sale	-----	Jan-19	Nov-18	Apr-18	Aug-17	Jun-17	Feb-17
Bldg. Size (SF Net)	1,773	3,432	2,586	2,400	4,439	1,768	1,092
Sale Price	-----	\$850,000	\$499,900	\$750,000	\$795,000	\$345,000	\$225,000
Unadjusted Price per SF (Net)	-----	\$247.67	\$193.31	\$312.50	\$179.09	\$195.14	\$206.04
Transactional Adjustments							
Property Rights Conveyed Adjustment	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
		0%	0%	0%	0%	0%	0%
Financing Adjustment		0%	0%	0%	0%	0%	0%
Terms/Conditions of Sale Adjustment		0%	0%	0%	0%	0%	0%
Expenditures After Sale Adjustment		0%	0%	0%	0%	0%	0%
Market Conditions Adjustment	<i>Jun-19</i>	<i>Jan-19</i>	<i>Nov-18</i>	<i>Apr-18</i>	<i>Aug-17</i>	<i>Jun-17</i>	<i>Feb-17</i>
		2%	3%	6%	9%	10%	11%
Adjusted Price per SF (Net)		\$252.62	\$199.11	\$331.25	\$195.21	\$214.65	\$228.71
Property Adjustments							
Location		-5%	10%	10%	0%	10%	10%
Access/Exposure		0%	-5%	-5%	5%	5%	2.5%
Property Size SF (Net)	1,773	3,432	2,586	2,400	4,439	1,768	1,092
		10%	5%	5%	15%	0%	-10%
Year Built/Condition	1950	1948	1965	1995	1923	1941	1958
		0%	0%	-20%	0%	0%	0%
Quality		0%	0%	0%	-5.0%	0%	0%
Building to Land Ratio (FAR)	0.29	0.41	0.26	0.20	0.15	0.15	0.11
		2.5%	0%	-2.5%	-5%	-5%	-5%
Economic Characteristics		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Total Property Adjustments		10.0%	12.5%	-10.0%	12.5%	12.5%	0.0%
Indication for Subject:		\$277.88	\$224.00	\$298.13	\$219.61	\$241.48	\$228.71

SALES SUMMARY	Unadjusted	Adjusted
Minimum	\$179.09	\$219.61
Maximum	\$312.50	\$298.13
Average	\$222.29	\$248.30

CONCLUSION OF SALES COMPARISON APPROACH

The sales bracket the subject's physical and locational characteristics. We give most weight to Sales 1 and 4 due to proximity. Based on the following, we arrive at a value indication as follows:

SALES COMPARISON APPROACH VALUE CONCLUSION - AS IS	
Indicated Value per SF	\$248.00
Building Area (SF)	x 1,773
Indicated Value	\$439,704
Rounded to nearest \$10,000	\$440,000
Per SF	\$248.17

INCOME CAPITALIZATION APPROACH

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method, either direct capitalization or discounted cash flow analysis, or both, to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only direct capitalization because investors in this property type and size typically rely most on this method.

As the subject is currently owner occupied and the most probable purchaser is another owner-user, we use market rent as the basis of our income projection and apply only the direct capitalization method. Our valuation assumes stabilized occupancy without a deduction for lease-up costs.

MARKET RENT ANALYSIS

Contract rents typically establish income for leased space, while market rent is the basis for estimating income for current vacant space, owner-occupied space, or future speculative re-leasing of space due to expired leases. To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date.

We considered office and retail spaces and placed most emphasis on location. All comparables are in the downtown Milwaukie area. Comparables used in our analysis are summarized in the following table.

**ADDITIONAL ATTACHMENT
ADDED TO THE PACKET 9/16/19**

INCOME CAPITALIZATION APPROACH 52

COMPARABLE LEASE SURVEY													
Comp No.	Property Name / Location	Bldg. Size (SF Net)	Year Built	Tenant	Lease Start	Lease Term	Unit Size (SF)	Lease Rate (\$/SF/Yr)	Expense Structure	Tenancy Type	TI Allowance (\$/SF)	Free Rent (Mos)	Lease Escalations
1	First State Bank Building Milwaukie, OR	2,500	1911	Bishops Hair Salon	Feb-18	120 mos.	1,250	\$23.00	NNN	Commercial	\$22.00	3	3% Annually
2	11049 SE Main Multi-tenant Commercial Bldg. Milwaukie, OR	4,000	1967	New Service Business Lease	Jan-18	24 mos.	1,100	\$13.00	Modified Gross	Commercial	\$0.00	0	3.5% increase in Yr. 2
3	Commercial Building Milwaukie, OR	15,000	1961	Beckel Canvas	Apr-19	36 mos.	1,750	\$15.50	Modified Gross	Commercial	\$5.00	0	3%
4	10999 SE Main Commercial Bldg. Milwaukie, OR	3,355	1923	Ground Floor Retail	Aug-16	24 mos.	1,416	\$16.00	NNN	Commercial	\$0.00	0	Escalations unknown
5	Harrison Street Office Milwaukie, OR	2,200	1915	Lisin Metallurgical Surveyor	Jul-18	24 mos.	2,190	\$13.20	NNN	Commercial	\$0.00	0	
	Minimum		1911					\$13.00					
	Maximum		1967					\$23.00					
	Average		1935					\$16.14					
	Subject	1,773	1950										

COMPARABLE LEASE MAP AND LEASE SURVEY





First State Bank Building



SE Main Multi-Tenant



Commercial Building



10999 SE Main



Harrison Street Office

Rental Analysis Factors

The following elements of comparison are considered in our analysis of the comparable rentals.

Rental Analysis Factors	
Expense Structure	Division of expense responsibilities between landlord and tenants. <i>Leases 2 and 3 were of a modified gross expense structure. These leases were adjusted downward \$3.00/SF to reflect a triple net expense structure.</i>
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate. <i>The leases were adjusted upward 5% annually to reflect the rising market.</i>
Location	Market or submarket area influences on rent; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Difference in rental rates that is often attributable to variation in sizes of leased space.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Variations in rental rate attributable to such factors as free rent or other concessions, pattern of rent changes over lease term, or tenant improvement allowances. <i>Sale 1 received a larger TI allowance and was adjusted downward. The subject has a basement storage amenity, which the comparables do not have. The comparables were adjusted upward.</i>

Analysis of Comparable Rentals

The comparable rentals are compared to the subject and adjusted to account for material differences that affect market rental value. The following table summarizes our analysis of each comparable.

LEASE ADJUSTMENT GRID - COMMERCIAL					
	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5
Property Name	First State Bank Building	11049 SE Main Multi-tenant Commercial Bldg.	Commercial Building	10999 SE Main Commercial Bldg.	Harrison Street Office
Property Address	1981-1991 Monroe	11049 Main	11200-11266 Southeast 21st Avenue	10999 Main	2335 Southeast Harrison Street
Representative Lease					
Tenant	Bishops Hair Salon	New Service Business Lease	Beckel Canvas	Ground Floor Retail	Lisin Metallurgical Surveyor
Unit Size (SF)	1,250	1,100	1,750	1,416	2,190
Lease Start Date	Feb-18	Jan-18	Apr-19	Aug-16	Jul-18
Lease Term (mos)	120	24	36	0	24
Lease Rate (\$/SF/Yr)	\$23.00	\$13.00	\$15.50	\$16.00	\$13.20
Expense Structure	NNN	Modified Gross	Modified Gross	NNN	NNN
\$ Adjustment	\$0.00	(\$3.00)	(\$3.00)	\$0.00	\$0.00
Conditions of Lease					
\$ Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions	Feb-18	Jan-18	Apr-19	Aug-16	Jul-18
% Adjustment	7%	7%	0%	14%	5%
Cumulative Adjusted Rent	\$24.61	\$10.70	\$12.50	\$18.24	\$13.86
Location	0%	0%	0%	0%	0%
Access/Exposure	0%	0%	0%	0%	0%
Property Size (SF)	0%	0%	0%	0%	0%
YOC	0%	0%	0%	0%	0%
Condition	0%	0%	0%	0%	0%
Quality/Appeal	0%	0%	0%	0%	0%
Economic Characteristics	-5.0%	2.5%	2.5%	2.5%	2.5%
Subtotal Net Adjustments	-5%	3%	3%	3%	3%
Adjusted Lease Rate per Sq.Ft.	\$23.38	\$10.97	\$12.81	\$18.70	\$14.21

All leases are reasonable indicators as they are leases of small, commercial spaces in the downtown Milwaukie area. Less weight is placed on Lease 2, which appears to be below market. With consideration to the remaining leases, the conclusion of market rent is below.

<u>Lease Summary - Commercial</u>	<u>Adjusted</u>
Minimum	\$10.97
Maximum	\$23.38
Average	\$16.01
Concluded Market Rent	\$16.00
Concluded Expense Structure	NNN

MARKET RENT CONCLUSIONS

Based upon the preceding data and analysis, a summary of the concluded market rents utilized within the following analysis is presented within the following table.

MARKET RENT CONCLUSION	
Net Rentable Area (SF)	1,773
Comparable Lease Rate Range	\$13.00 - \$23.00
Concluded Market Rent (\$/SF)	\$16.00
Comments:	
Expense Structure	NNN
Concessions	1 month
Annual Escalations	3%
Tenant Improvements (\$/SF)	
New	\$2.00
Average Lease Term (years)	3 years

STABILIZED INCOME AND EXPENSES

Potential Gross Rent

The market rental rate is applied to the subject's office rent to arrive at Potential Gross Rent.

Expense Reimbursements

Operating expenses are assumed to be paid directly by the owner-user; therefore, it is not necessary to estimate reimbursement income.

Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 5.0% based on the vacancy rate of the subject's submarket.

Effective Gross Income

Effective gross income is calculated at \$26,950, or \$15.20 per square foot.

Expenses

The subject is leased on a triple net basis with the owner's expense obligations limited to structural maintenance and property management.

The structural maintenance expense category represents an allowance for future repairs and replacements of structural components such as the roof. We estimate this expense at \$0.25 per square foot based on the age, condition, and construction quality of the improvements.

Management fees are considered an expense of operation, whether the services are contracted or provided by the property owner. We estimate this expense at 3.0% of effective gross income considering the limited managerial responsibilities associated with a property of this type.

Net Operating Income

Based on the preceding income and expense projections, stabilized net operating income is estimated at \$25,159 or \$14.19 per square foot.

Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

MARKET DERIVED CAPITALIZATION RATE SUMMARY					
No.	Property / Location	Date of Sale	Year Built	Sale Price PSF	Capitalization Rate
1	Oak Grove Professional Center, Milwaukie, OR	Pending	1965	\$190	7.00%
2	42nd & Harrison Building, Milwaukie, OR	Nov-18	1965	\$193	6.54%
3	Gorge Building, Troutdale, OR	Oct-17	1998	\$168	7.00%
4	SW 68th Ave Office, Tigard, OR	Oct-17	1986	\$314	6.83%
5	Lundstrom Building, Tigard, OR	May-16	1970s	\$179	6.00%
6	Main St Building, Oregon City, OR	Apr-16	1900	\$132	6.10%
7	Downtown Milwaukie Building, Milwaukie, OR	Feb-16	1980	\$227	6.75%
8	Jones & Roth Building, Hillsboro, OR	Dec-15	1999	\$232	6.25%
Low					6.00%
High					7.00%
Average					6.56%

The comparables range from 6.00% to 7.00% and average 6.56%. Based on the subject's locational and physical characteristics, a capitalization rate near the middle of the range is warranted.

DIRECT CAPITALIZATION ANALYSIS

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the following table.

DIRECT CAPITALIZATION		FY 2020	
Income		\$	Per SF
Gross Potential Rent		\$28,368	\$16.00
Total Potential Gross Income		\$28,368	\$16.00
Less Vacancy Loss	5.00%	(\$1,418)	(\$0.80)
Effective Gross Income (EGI)		\$26,950	\$15.20
Expenses			
Management	3.00%	\$1,347	\$0.76
Replacement Reserves		\$443	\$0.25
Total Expenses	7%	\$1,791	\$1.01
NET OPERATING INCOME (NOI)		\$25,159	\$14.19

VALUE INDICATION FROM DIRECT CAPITALIZATION

An opinion of market value is indicated by the Direct Capitalization Method by dividing the net operating income (NOI), derived earlier in this section by the appropriate capitalization rate. Our conclusion via the Direct Capitalization Method is as follows.

DIRECT CAPITALIZATION METHOD VALUE CONCLUSION - AS IS		
NET OPERATING INCOME	\$25,159	\$14.19
Sensitivity Analysis (0.25% OAR Spread)	Value	\$/SF
Based on Low-Range of 6.25%	\$402,542	\$227.04
Based on Most Probable Rate of 6.50%	\$387,060	\$218.31
Based on High-Range of 6.75%	\$372,724	\$210.22
Reconciled Value	\$387,060	\$218.31
Rounded to nearest \$10,000	\$390,000	\$219.97

RECONCILIATION AND FINAL VALUE ESTIMATE

SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS			
As Is as of June 6, 2019			
Cost Approach	Not Developed		Per Square Foot (NRA)
Sales Comparison Approach	\$440,000	\$248.17	Per Square Foot (NRA)
Income Capitalization Approach			
Direct Capitalization	\$390,000	\$219.97	Per Square Foot (NRA)
Value Conclusion - As Is	\$440,000	\$248.17	Per Square Foot (NRA)
Exposure Time	6 months		
Marketing Time	6 months		

The sales comparison approach is given the greatest weight because it is the most reliable valuation method for the subject. The income approach is given less weight because it does not directly consider the sale prices of alternate properties having similar utility. The cost approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

FINAL OPINION(S) OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	June 6, 2019	\$440,000

MARKETING TIME AND EXPOSURE TIME

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. The sales comparables have exposure times ranging from one to 12 months with an average of five months and a median of five months. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 6 months.

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 6 months.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Oregon.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Evan Abramowitz, MAI has and Phillip Hanshew, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Evan Abramowitz, MAI has and Phillip Hanshew, MAI, AI-GRS has made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person signing this certification.
14. Evan Abramowitz, MAI has and Phillip Hanshew, MAI, AI-GRS has provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within diately preceding acceptance of this assignment.



Evan Abramowitz, MAI
OR Certified General Appraiser
License #: C001272
Ph: 503-478-1019
Email: eabramowitz@bbgres.com



Phillip Hanshew, MAI, AI-GRS
OR Certified General Appraiser
License #: C001002
Ph: 503-478-1012
Email: phanshew@bbgres.com

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. We have made no survey of the property and assume no responsibility in connection with such matters.
2. The appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the appraiser or the appraiser's staff or was obtained or taken from referenced sources and is considered reliable. No responsibility is assumed for the costs of preparation or for arranging geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
3. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in leased fee unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated.
4. Unless otherwise stated herein, it is assumed there are no encroachments or violations of any zoning or other regulations affecting the subject property and the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no trespasses or encroachments.
5. BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
6. It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein.
7. It is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
8. Unless otherwise stated within the report, the depiction of the physical condition of the improvements described herein is based on visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made. No responsibility is assumed for hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during our inspection.
9. If building improvements are present on the site, no significant evidence of termite damage or infestation was observed during our physical inspection, unless so stated in the report. No termite inspection report was available, unless so stated in the report. No responsibility is assumed for hidden damages or infestation.
10. Any proposed or incomplete improvements included in this report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
11. No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
12. Responsible ownership and competent property management are assumed.
13. The appraisers assume no responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect

the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.

14. The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report.
15. Any division of the land and improvement values opined herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
16. Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment.
17. Unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered; unless otherwise stated. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
18. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are our best estimates of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
19. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
20. BBG, Inc. representatives are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraisers are not qualified to detect such substances. The client is urged to retain an expert in this field.
21. We are not experts in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent endangered species impact studies, research, and investigation that may be provided.
22. No environmental impact studies were either requested or made in conjunction with this analysis. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, and investigation that may be provided.
23. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further, that all

- applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion.
24. Neither all nor any part of the contents of this report or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the prior written consent and approval of the appraisers. This limitation pertains to any valuation conclusions, the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof.
 25. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
 26. If this report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
 27. The American Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
 28. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.
 29. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
 30. The right is reserved by the appraiser to make adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the appraiser or appraisers. The appraiser(s) shall have no responsibility for any unauthorized change(s) to the report.
 31. If the client instructions to the appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

32. The submission of this report constitutes completion of the services authorized. It is submitted on the condition the client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, and judicial or administrative proceedings. In the event the appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the client immediately. The client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
33. Use of this appraisal report constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this opinion of market value is based.
34. If provided, the opinion of insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.

ADDENDA

Appraiser Qualifications and Licenses A

Letter of Engagement..... B

APPRAISER QUALIFICATIONS AND LICENSES



Evan S. Abramowitz, MAI
Senior Appraiser
Work: 503.478.1019
eabramowitz@bbgres.com

PROFILE

Evan Abramowitz is a Senior Appraiser with BBG in the Portland, Oregon office. He started his appraisal career prior to obtaining his Master of Real Estate Development from Portland State University in 2013. At Portland State, Evan was the recipient of the RMLS & Oregon Association of Realtors fellowships and contributed several articles to the PSU Real Estate Quarterly. Before working in valuation, Evan was a multifamily investment broker. Evan is a Practicing Affiliate of the Appraisal Institute. His work focuses on multifamily and industrial properties as well as urban mixed use and land.

Evan is also familiar with the Central Oregon market as he completed a 12 month position in 2009 as the Community Economic Development Coordinator on the Warm Springs Indian Reservation. The opportunity was through the prestigious Resource Assistance for Rural Environments (RARE) program administered through the University of Oregon Planning Department.

PROFESSIONAL AFFILIATIONS & LICENCES

Appraisal Institute, Member (MAI)

General Certified Appraiser:

Oregon, Certified General, C001272, Expires May 2020

Washington, Certified General, 1102419, Expires May 2020

EDUCATION

University of North Carolina at Chapel Hill, Bachelor's Degree in Public Policy

Portland State University, Master of Real Estate Development, School of Business Administration,



EVAN S ABRAMOWITZ
BBG
1220 SE MORRISON ST STE 800
PORTLAND, OR 97205

Appraiser Certification and Licensure Board
State Certified General Appraiser
28 hours of continuing education required

License No.: C001272
Issue Date: June 01, 2018
Expiration Date: May 31, 2020


Gae Lynne Cooper, Administrator



Phillip D. Hanshew, MAI, AI-GRS
Managing Director
Work: 503.478.1012
phanshew@bbgres.com

PROFILE

Phillip Hanshew provides support to strategic initiatives and expansion efforts throughout the Pacific Northwest region. He is responsible for all aspects of marketing and bids, production and review, and training and recruitment.

Phillip is currently pursuing coursework for the Appraisal Institute's Professional Development Program in Litigation. His personal practice emphasizes industrial property and legal support, where he has aided in the successful settlement of several property tax appeal cases.

PROFESSIONAL AFFILIATIONS

Appraisal Institute:

Member (MAI)
General Review Specialist (AI-GRS)
Greater Oregon Chapter: 2019 Vice President

Urban Land Institute
Central Eastside Industrial Council
Columbia Corridor Association

LICENCES

Oregon, Certified General, C001002, Expires June 2019
Washington, Certified General, 1102191, Expires June 2020

EDUCATION

Portland State University: Graduate Certificate, Real Estate Development

Portland State University: Bachelor of Arts, History

Appraisal Institute:

Litigation Appraising (September 2019)
Rural Valuation Basics
The Appraiser as an Expert Witness
Solving Land Valuation Puzzles
Review Theory – General
Business and Equipment Values in Real Estate
Appraisal Benchmarking Building Performance
Supervisory Appraiser Course
Condemnation Appraising
Analyzing Distressed Real Estate
Analyzing Operating Expenses

Valuometrics:

Stats, Graphs, and Data Science

VOLUNTEER SERVICE

Portland Department of Transportation:

Columbia / Lombard Mobility Corridor Plan – Stakeholder Advisory Committee (2019)

**ADDITIONAL ATTACHMENT
ADDED TO THE PACKET 9/16/19**



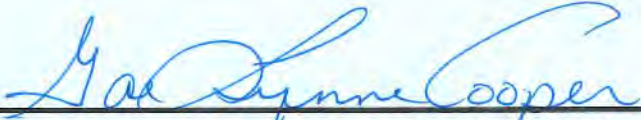
Appraiser Certification and Licensure Board
State Certified General Appraiser
28 hours of continuing education required

PHILLIP D HANSHEW
BBG
1220 SW MORRISON ST STE 800
PORTLAND, OR 97205

License No.: C001002

Issue Date: July 01, 2017

Expiration Date: June 30, 2019


Gae Lynne Cooper, Administrator

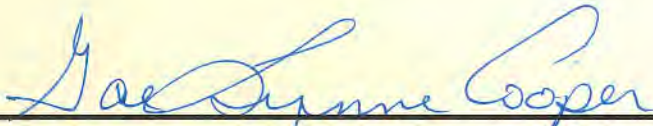


Appraiser Certification and Licensure Board
Supervising Appraiser

PHILLIP D HANSHEW
BBG
1220 SW MORRISON ST STE 800
PORTLAND, OR 97205

License No.: C001002

Issue Date: June 11, 2015


Gae Lynne Cooper, Administrator

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A



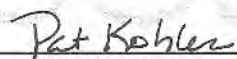
CERTIFIED GENERAL REAL ESTATE APPRAISER

PHILLIP DEWAYNE HANSHEW
BBG INC
1220 SW MORRISON STREET
SUITE 800
PORTLAND OR 97205

1102191
License Number

07/17/2012
Issued Date

06/29/2020
Expiration Date


Pat Kohler, Director

RS49-75

LETTER OF ENGAGEMENT



**PERSONAL SERVICES AGREEMENT
WITH THE CITY OF MILWAUKIE, OREGON
FOR APPRAISAL OF POND HOUSE (2215 SE HARRISON STREET)**

THIS AGREEMENT made and entered into this 17th day of May, 2019 by and between the City of Milwaukie, a municipal corporation of the State of Oregon, hereinafter called City, and BBG Appraisal Services hereinafter called Consultant,

RECITALS

WHEREAS City has need for the services of a person or an entity with particular training, ability, knowledge, and experience as possessed by Consultant, and

WHEREAS City has determined that Consultant is qualified and capable of performing the professional services as City does hereinafter require, under those terms and conditions set forth,

THEREFORE the Parties agree as follows:

1. SERVICES TO BE PROVIDED

Consultant shall provide services as specified in the Scope of Work, a copy of which is attached hereto, labeled Exhibit A and hereby incorporated by reference. Consultant shall initiate services immediately upon receipt of City's notice to proceed, together with an executed copy of this Agreement.

2. EFFECTIVE DATE AND DURATION

This Agreement shall become effective upon the date of execution, and shall expire, unless otherwise terminated or extended, by June 30, 2019. All work under this Agreement shall be completed prior to the expiration of this Agreement.

3. COMPENSATION

City agrees to pay Consultant not to exceed three thousand dollars (\$3,000) for performance of those services described in the Scope of Work, which payment shall be based upon the following applicable terms:

- A.** Payment by City to Consultant for performance of services under this Agreement includes all expenses incurred by Consultant, with the exception of expenses, if any identified in this Agreement as separately reimbursable.
- B.** Payment will be made in installments based on Consultant's invoice, subject to the approval of the City Manager, or designee, and not more frequently than monthly. Payment shall be made only for work actually completed as of the date of invoice.
- C.** Payment by City shall release City from any further obligation for payment to Consultant, for services performed or expenses incurred as of the date of the invoice. Payment shall not be considered acceptance or approval of any work or waiver of any defects therein.
- D.** Where applicable, Consultant must make payment promptly as due to persons supplying Consultant labor or materials for the execution of the work provided by this order. Consultant must pay all contributions or amounts due from Consultant to the Industrial Accident Fund incurred in the performance of this order. Consultant shall not permit any lien or claim to be filed or prosecuted against City or any subdivision of City on account of any labor or material to be furnished. Consultant further agrees to pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

- E.** If Consultant fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to Consultant or a subconsultant by any person as such claim becomes due, City's Finance Director may pay such claim and charge the amount of the payment against funds due or to become due the Consultant. The payment of the claim in this manner shall not relieve Consultant or their surety from obligation with respect to any unpaid claims.
- F.** If labor is performed under this order, then no person shall be employed for more than eight (8) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, or emergency or where the public policy absolutely requires it, and in such cases, except cases of contracts for personal services as defined in ORS 279A.055, the labor shall be paid at least time and a half for all overtime in excess of eight (8) hours a day and for all work performed on Saturday and on any legal holidays as specified in ORS 279B.020. In cases of contracts for personal services as defined in ORS 279A.055, any labor shall be paid at least time and a half for all hours worked in excess of forty (40) hours in any one week, except for those individuals excluded under ORS 653.010 to 653.260 or under 29 USC SS 201-209.
- G.** Consultant shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury to the employees of Consultant or all sums which Consultant agrees to pay for such services and all moneys and sums which Consultant collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
- H.** The City certifies that sufficient funds are available and authorized for expenditure to finance costs of this contract.

4. OWNERSHIP OF WORK PRODUCT

City shall be the owner of and shall be entitled to possession of any and all work products of Consultant which result from this Agreement, including any computations, plans, correspondence or pertinent data and information gathered by or computed by Consultant prior to termination of this Agreement by Consultant or upon completion of the work pursuant to this Agreement.

5. ASSIGNMENT/DELEGATION

Neither party shall assign, sublet or transfer any interest in or duty under this Agreement without the written consent of the other and no assignment shall be of any force or effect whatsoever unless and until the other party has so consented. If City agrees to assignment of tasks to a subcontract, Consultant shall be fully responsible for the acts or omissions of any subconsultants and of all persons employed by them, and neither the approval by City of any subconsultant nor anything contained herein shall be deemed to create any contractual relation between the subconsultant and City.

6. STATUS OF CONSULTANT AS INDEPENDENT CONTRACTOR

Consultant certifies that:

- A.** Consultant acknowledges that for all purposes related to this Agreement, Consultant is and shall be deemed to be an independent contractor as defined by ORS 670.700 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be solely responsible for all payments and taxes required by law. Furthermore, in the event that Consultant is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Consultant under the terms of this Agreement, to the full extent of any benefits or other remuneration Consultant receives (from City or third party) as a result of said finding and to the full extent of any payments that City is required to make (to Consultant or to a third party) as a result of said finding.

- B.** The undersigned Consultant hereby represents that no employee of the City, or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from Consultant, either directly or indirectly, in connection with the letting or performance of this Agreement, except as specifically declared in writing. If this payment is to be charged against Federal funds, Consultant certifies that he/she is not currently employed by the Federal Government and the amount charged does not exceed his or her normal charge for the type of service provided.
- Consultant and its employees, if any, are not active members of the Oregon Public Employees Retirement System and are not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
- C.** Consultant certifies that it currently has a City business license or will obtain one prior to delivering services under this Agreement.
- D.** Consultant is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

7. INDEMNIFICATION

City has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant warrants that all its work will be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of a consultant's work by City shall not operate as a waiver or release.

Consultant agrees to indemnify and defend the City, its officers, agents, employees and volunteers and hold them harmless from any and all liability, causes of action, claims, losses, damages, judgments or other costs or expenses including attorney's fees and witness costs and (at both trial and appeal level, whether or not a trial or appeal ever takes place) that may be asserted by any person or entity which in any way arise from, during or in connection with the performance of the work described in this contract, except to the extent that the liability arises out of the sole negligence of the City and its employees. Such indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.

8. INSURANCE

Consultant and its subconsultants shall maintain insurance acceptable to City in full force and effect throughout the term of this contract. Such insurance shall cover all activities of the consultant arising directly or indirectly out of Consultant's work performed hereunder, including the operations of its subconsultants of any tier. Such insurance shall be primary and non-contributory.

The policy or policies of insurance maintained by the Consultant and its subconsultant shall provide at least the following limits and coverage:

A. Commercial General Liability Insurance

Consultant shall obtain, at consultant's expense, and keep in effect during the term of this contract, Commercial General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

Coverage	Limit
General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	2,000,000
Personal & Advertising Injury	2,000,000
Each Occurrence	1,000,000
Fire Damage (Any one fire)	500,000
Medical Expense (Any one person)	5,000

- B. Commercial Automobile Insurance**
Consultant shall also obtain, at consultant's expense, and keep in effect during the term of this contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,000,000.
- C. Professional Liability Insurance**
Consultant shall obtain, at consultant's expense, and keep in effect during the term of this contract, Professional Liability Insurance covering any damages caused by an error, omission or any negligent acts. Combined single limit per occurrence shall not be less than \$1,000,000. Annual aggregate limit shall not be less than \$2,000,000.
- D. Workers' Compensation Insurance**
The Consultant, its subconsultants, if any, and all employers providing work, labor or materials under this Contract who are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide workers' compensation coverage for their workers that complies with ORS 656.126. Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident shall be included.
- E. Additional Insured Provision**
The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City, its officers, directors, employees and volunteers as additional insureds with respect to this contract.
- F. Notice of Cancellation**
There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 30 days written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days' notice of cancellation to the City.
- G. Insurance Carrier Rating**
Coverages provided by the Consultant must be underwritten by an insurance company deemed acceptable by the City. The City reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.
- H. Certificates of Insurance**
As evidence of the insurance coverage required by the contract, the Consultant shall furnish a Certificate of Insurance to the City. No contract shall be effected until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this contract. A renewal certificate will be sent to the above address 10 days prior to coverage expiration.

Certificates of Insurance should read "Insurance certificate pertaining to contract for Appraisal of Pond House." The City of Milwaukie, its officers, directors and employees shall be added as additional insureds with respects to this contract. "Insured coverage is

primary" should read in the description portion of certificate.

I. Independent Contractor Status

The service or services to be rendered under this contract are those of an independent contractor. Consultant is not an officer, employee or agent of the City as those terms are used in ORS 30.265.

J. Primary Coverage Clarification

The parties agree that Consultant's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

K. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in the general liability policy.

Consultant's insurance policy shall contain provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days prior notice to City. A copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, or at the discretion of City, in lieu thereof, a certificate in form satisfactory to City certifying to the issuance of such insurance shall be forwarded to:

City of Milwaukie
Attn: Finance
10722 SE Main Street
Milwaukie, Oregon 97222

Business Phone: 503-786-7555
Business Fax: 503-653-2444
Email Address: finance@milwaukieoregon.gov

Such policies or certificates must be delivered prior to commencement of the work.

The procuring of such required insurance shall not be construed to limit consultant's liability hereunder. Notwithstanding said insurance, Consultant shall be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

9. METHOD & PLACE OF SUBMITTING NOTICE, BILLS AND PAYMENTS

All notices, bills and payments shall be made in writing and may be given by personal delivery, mail, email or by fax. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

City	Consultant
City of Milwaukie	Company: BBG Appraisal Services
Attn: Accounts Payable	Attn: Phillip Hanshew
10722 SE Main Street	Address: 1220 SW Morrison, Suite 800,
Milwaukie, Oregon 97222	Portland OR 97205
Phone: 503-786-7523	Phone: 503-478-1012
Fax: 503-786-7528	Fax: n/a
Email Address: ap@milwaukieoregon.gov	Email Address: phanshew@bbgres.com

And when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid, or when so faxed, shall be deemed given upon successful fax. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to who notices, bills and payments are to be given by giving written notice pursuant to this paragraph.

10. MERGER

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

11. TERMINATION WITHOUT CAUSE

At any time and without cause, City shall have the right, in its sole discretion, to terminate this Agreement by giving notice to Consultant. If City terminates the contract pursuant to this paragraph, it shall pay Consultant for services rendered to the date of termination.

12. TERMINATION WITH CAUSE

A. City may terminate this Agreement effective upon delivery of written notice to Consultant, or at such later date as may be established by City, under any of the following conditions:

- 1)** If City funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services. This Agreement may be modified to accommodate a reduction in funds.
- 2)** If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
- 3)** If any license or certificate required by law or regulation to be held by Consultant, its subconsultants, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.
- 4)** If Consultant becomes insolvent, if voluntary or involuntary petition in bankruptcy is filed by or against Consultant, if a receiver or trustee is appointed for Consultant, or if there is an assignment for the benefit of creditors of Consultant.

Any such termination of this agreement under paragraph (a) shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

B. City, by written notice of default (including breach of contract) to Consultant, may terminate the whole or any part of this Agreement:

- 1)** If Consultant fails to provide services called for by this agreement within the time specified herein or any extension thereof, or
- 2)** If Consultant fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this agreement in accordance with its terms, and after receipt of written notice from City, fails to correct such failures within ten (10) days or such other period as City may authorize.

The rights and remedies of City provided in the above clause related to defaults (including breach of contract) by Consultant shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If City terminates this Agreement under paragraph (B), Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred, an amount which bears the same ratio to the total fees specified in this Agreement as the services satisfactorily rendered by Consultant bear to the total services otherwise required to be performed for such total fee; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by City due to breach of contract by Consultant. Damages for breach of contract shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

13. ACCESS TO RECORDS

City shall have access to such books, documents, papers and records of Consultant as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

14. FORCE MAJEURE

Neither City nor Consultant shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disenabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcanic, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subconsultant or supplies due to such cause; provided that the parties so disenabled shall within ten (10) days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

15. NON-WAIVER

The failure of City to insist upon or enforce strict performance by Consultant of any of the terms of this Agreement or to exercise any rights hereunder should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

16. NON-DISCRIMINATION

Consultant agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Consultant also shall comply with the Americans with Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.

17. ERRORS

Consultant shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delays and without additional cost.

18. EXTRA (CHANGES) WORK

Only the Development Manager Leila Aman may authorize extra (and/or change) work. Failure of Consultant to secure authorization for extra work shall constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Consultant thereafter shall be entitled to no compensation whatsoever for the performance of such work.

19. WARRANTIES

All work shall be guaranteed by Consultant for a period of one year after the date of final acceptance of the work by the owner. Consultant warrants that all practices and procedures, workmanship and materials shall be the best available unless otherwise specified in the profession. Neither acceptance of the work nor payment therefore shall relieve Consultant from liability under warranties contained in or implied by this Agreement.

20. ATTORNEY'S FEES

In case suit or action is instituted to enforce the provisions of this contract, the parties agree that the losing party shall pay such sum as the court may adjudge reasonable attorney fees and court costs, including attorney's fees and court costs on appeal.

21. GOVERNING LAW

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

22. COMPLIANCE WITH STATE AND FEDERAL LAWS/RULES

Consultant shall comply with all applicable federal, state and local laws, rules and regulations, including, but not limited to, the requirements concerning working hours, overtime, medical care, workers compensation insurance, health care payments, payments to employees and subconsultants and income tax withholding contained in ORS Chapters 279A and 279B, the provisions of which are hereby made a part of this agreement

23. CONFLICT BETWEEN TERMS

It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument in the proposal of the contract, this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

24. AUDIT

Consultant shall maintain records to assure conformance with the terms and conditions of this Agreement, and to assure adequate performance and accurate expenditures within the contract period. Consultant agrees to permit City, the State of Oregon, the federal government, or their duly authorized representatives to audit all records pertaining to this Agreement to assure the accurate expenditure of funds.

25. SEVERABILITY

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.

26. COMPLETE AGREEMENT

This Agreement and attached exhibits constitutes the entire Agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Consultant, by the signature of its authorized representative, hereby acknowledges that he has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, City has caused this Agreement to be executed by its duly authorized undersigned officer and Consultant has executed this Agreement on the date hereinabove first written.

CITY OF MILWAUKIE



Signature

Ann Ober, City Manager

Printed Name & Title

5-24-19

Date

CONSULTANT



Signature

Phillip Hanshew, Managing Director

Printed Name & Title

5/22/19

Date

EXHIBIT A
SCOPE OF WORK (SERVICES TO BE PROVIDED)

Consultant shall provide the following appraisal services for the city-owned property known as "Pond House" located at 2215 SE Harrison Street, Milwaukie, OR 97222.

PROPOSAL SPECIFICATIONS

Purpose/Valuation Premise:	As-Is Market Value
Property Rights Appraised:	Fee Simple Interest
Intended Use:	Internal Decision Making related to Potential Disposition
Intended Users:	City of Milwaukie, and their advisors
Scope of Work:	Sales Comparison and Income Capitalization (Direct Cap) Approaches to Value
Appraisal Standards:	Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
Inspection:	Interior / Exterior
Report Type:	Narrative
Expenses:	Fee quoted includes all expenses
Payment Terms:	Full payment is due and payable upon delivery of the final report or within 30 days of your receipt of Consultant's draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of Consultant's draft report.
Report Copies:	One (1) Draft PDF and one (1) Final PDF. No hard copies.
Delivery Date:	Delivery of the appraisal conclusions and/or report(s) will be completed within three (3) weeks from contract effective date.

General Assumptions/Limiting Conditions

This appraisal report will be prepared with the following general assumptions:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. We have made no survey of the property and assume no responsibility in connection with such matters.
2. The appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the appraiser or the appraiser's staff or was obtained or taken from referenced sources and is considered reliable. No responsibility is assumed for the costs of preparation or for arranging geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
3. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in fee simple unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated.
4. Unless otherwise stated herein, it is assumed there are no encroachments or violations of any zoning or other regulations affecting the subject property and the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no trespasses or encroachments.
5. BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
6. It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein.
7. It is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
8. Unless otherwise stated within the report, the depiction of the physical condition of the improvements described herein is based on visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made. No responsibility is assumed for hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during our inspection.
9. If building improvements are present on the site, no significant evidence of termite damage or infestation was observed during our physical inspection, unless so stated in the report. No termite inspection report was available, unless so stated in the report. No responsibility is assumed for hidden damages or infestation.
10. Any proposed or incomplete improvements included in this report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
11. No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
12. Responsible ownership and competent property management are assumed.
13. The appraisers assume no responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.

14. The value estimates reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value estimates, unless such proration or division of interests is set forth in the report.
15. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
16. Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment.
17. Unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered; unless otherwise stated. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
18. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are our best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
19. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
20. BBG, Inc. representatives are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraisers are not qualified to detect such substances. The client is urged to retain an expert in this field.
21. We are not experts in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent endangered species impact studies, research, and investigation that may be provided.
22. No environmental impact studies were either requested or made in conjunction with this analysis. The appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, and investigation that may be provided.
23. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other

legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

24. Neither all nor any part of the contents of this report or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media, without the prior written consent and approval of the appraisers. This limitation pertains to any valuation conclusions, the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof.
25. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or estimates of value.
26. If this report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
27. The American Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
28. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.
29. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
30. The right is reserved by the appraiser to make adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the appraiser or appraisers. The appraiser(s) shall have no responsibility for any unauthorized change(s) to the report.
31. If the client instructions to the appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
32. The submission of this report constitutes completion of the services authorized. It is submitted on the condition the client will provide reasonable notice and customary compensation, including expert witness

fees, relating to any subsequent required attendance at conferences, depositions, and judicial or administrative proceedings. In the event the appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the client immediately. The client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the estimate of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

33. Use of this appraisal report constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based.
34. If provided, the estimated insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.



Pond House Property Surplus

Milwaukee City Council
Regular Session
September 17, 2019

Actions Requested

- Public Hearing – Adopt resolution declaring property surplus, authorize the City Manager to sell the property
- Define minimum acceptable terms for the sale of the property



Pond House

- Primary use was for meeting space to compliment the Ledding Library
- Friends of The Ledding Library were once housed in the Pond House
- New library provides space for both community use and the Friends



Steps Taken

Disposal of Standard Undeveloped Property and Developed Property

MMC 3.15.015

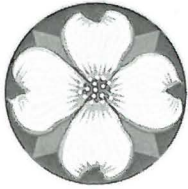
- ✓ Public Hearing (September 17, 2019)
- ✓ Notice published in newspaper at least 5 days prior to the hearing— Oregonian - September 11, 2019
- ✓ [Revised] Mailing to property owners within 300 feet mailed on September 10th, 2019
- ✓ Market Value Appraisal dated June 21, 2019



Actions Requested

- Approve Resolution on Surplus Property
 - Designates Pond House as surplus property
 - Authorizes the City Manager to proceed with the sale of the property
- Set minimum criteria for the sale of the property





PUBLIC HEARING ATTENDANCE SIGN-UP SHEET

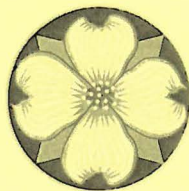
If you wish to have standing and/or to be on the mailing list for Council information from tonight's hearing, please sign-in below.

9/17/19

5. A. Disposition of City Owned Property located at 2215 SE Harrison Street (the Pond House)

Land Use File No. (none)

NAME	ADDRESS	PHONE	EMAIL
Nancy WATT	12489 SE 43RD	503-654-4315	n1watt1@aol.com
Amanda Durham	4021 SE Drake St	503-753-6793	bigtownher03@gmail.com
David Holmes	4021 SE Drake St	503-509-2340	djholmes143@gmail.com
Sue Richardson	12326 SE 43rd	503-653-0237	sue_bob@comcast.net
David Holmes III	5237 SE Brookside Dr.	(503) 519-2547	daveholmes659@gmail.com
Tami Smith	12600 SE Freeman Way	503-313-6658	tsmith42@hotmail.com
Robben Romano	12600 SE Freeman Way	909-809-1569	robber101@yahoo.com
Lori DERNAN	2715 SE MONROE ST		mmtiend@msn.com
JEAN BAKER	2607 SE MONROE ST		
Jamie Gurrk	15706 SE Minnow Creek		jamie-gurrk@pugetsoundaffairs.org



**CITY OF MILWAUKIE
CITY COUNCIL**

10722 SE Main Street
P) 503-786-7502
F) 503-653-2444
ocr@milwaukieoregon.gov

Speaker Registration

The City of Milwaukie encourages all citizens to express their views to their city leaders in a **respectful** and **appropriate** manner. If you wish to speak before the City Council, fill out this card and hand it to the City Recorder. Note that this Speakers Registration card, once submitted to the City Recorder, becomes part of the public record.

Name:

Sean Baker

Organization:

Address:

Phone:

Email:

Meeting Date:

9-17-19

Topic:

Pond House

Agenda Item You Wish to Speak to:

☐ #4 Audience Participation

☒ #5 Public Hearing, Topic:

☐ #6 Other Business, Topic:

Pond House

You are Speaking...

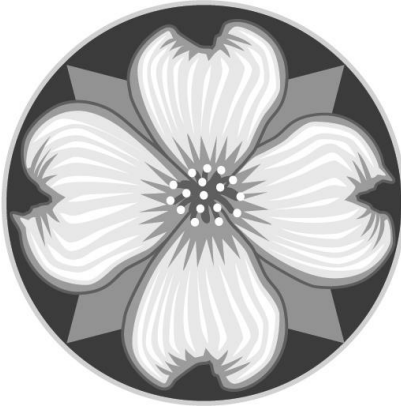
☐ in Support

☒ in Opposition

☐ from a Neutral Position

☐ to ask a Question

Comments:



RS Agenda Item

6

Other Business

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: Aug. 22, 2019

Reviewed: Leila Aman, Interim Community Development Director

From: Samantha Vandagriff, Building Official
Tim Salyers, Code Enforcement Officer

Subject: Dangerous Building Code Update

ACTION REQUESTED

Receive and discuss proposed changes to Milwaukie Municipal Code (MMC) Section 15.04.180 Dangerous or Unsafe Building.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

In 1997, the International Conference of Building Officials (ICBO) adopted the “Uniform Code for the Abatement of Dangerous Buildings. The ICBO, the code authority on the west coast at the time, has since merged with two other code authorities, the Building Officials Code Administrators (BOCA, used on the East coast and throughout the Midwest) and the Southern Building Code Congress International (SBCCI, used primarily in the south) to form the International Code Conference (ICC). This code was not adopted at a state level, but open for cities adoption at the local level.

In 1997, MMC 15.04.180 Dangerous or Unsafe Building was adopted by Ordinance 1814. Code language was based off the “1997 Uniform Code for Abatement of Dangerous Buildings.”

In 2013, MMC 15.04.180 Dangerous or Unsafe Building was amended by Ordinance 2068.

ANALYSIS

The Dangerous or Unsafe Building code was adopted to provide a mechanism for the city to help ensure that buildings that become unsafe or dangerous due to certain circumstances can be rendered un-occupiable and secured to keep people safe. The purpose of this code is to protect the public from an unsafe condition.

Language under the scope of the original code states that, “the purpose of this code is not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this code.”

This code section is used by the city’s building division and code enforcement division. The changes that have been made to the language of the code are to make the language clear and more easily enforceable. Language has also been added that will allow the city to require that a derelict building be removed or brought back into code compliance. When enforcing this code, every effort is made for the home owners or tenants to remedy the situation and provide resources for those that are affected.

BUDGET IMPACTS

None.

WORKLOAD IMPACTS

Additional workload may be added to both the building and the code enforcement divisions to bring buildings into compliance.

COORDINATION, CONCURRENCE, OR DISSENT

The community development director, code enforcement coordinator, and city attorney worked to draft the proposed code changes.

STAFF RECOMMENDATION

Staff recommends adoption of the new code language as written.

ALTERNATIVES

Council may leave the existing code language, as is, or adopt portions of the proposed code language.

ATTACHMENTS

1. Proposed Changes to MMC Section 15.04.180 (redline)
2. Proposed Ordinance and Changes to MMC Section 15.04.180 (clean)
3. 1997 Uniform Code for the Abatement of Dangerous Buildings

15.04.180 DANGEROUS OR UNSAFE BUILDINGS**A. Definitions**

For the purposes of this section "Building Official" means the Building Official of the City of Milwaukie, or that person's designee.

B. Dangerous Buildings

Any building, structure or property, whether improved or unimproved, which has any of the conditions or defects described in this section ~~shall~~will constitute a "dangerous building," provided these conditions or defects ~~exist to and~~ endanger the health, safety or welfare of the public or occupants of the building structure or property in question:

1. Whenever any door, aisle, passageway, stairway, or other means of exit is not of sufficient width or size or is not so arranged as to provide safe and adequate means of exit in case of fire or other emergency necessitating evacuation;
2. Whenever the walking surface of any aisle, passageway, stairway, or other means of exit is so warped, worn, loose, torn or otherwise unsafe as to not provide safe and adequate means of exit in case of fire or other emergency necessitating evacuation;
3. Whenever the stress in any materials, member or portion thereof, due to ~~all~~ dead or live loads, is more than one-and-one-half times the working stress or stresses allowed in the currently adopted Oregon Specialty Codes for new buildings of similar structure, purpose and location;
4. Whenever any portion thereof has been damaged by fire, earthquake, wind, flood or by any other cause, whether natural or human, to the extent that the structural strength or stability is materially less than it was before the catastrophe and is less than the minimum requirements of the currently adopted Oregon Specialty Codes for new buildings of similar structure, purpose or location;
5. Whenever any portion, member or appurtenance thereof is likely to fail, to become detached or dislodged, or to collapse, and potentially injure persons or damage property;
6. Whenever any portion, member, appurtenance or ornamentation on the exterior thereof is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting a wind pressure of one-half of that specified in the building code for new buildings of similar structure, purpose or location without exceeding the working stresses permitted in the building code for new buildings;
7. Whenever any portion thereof has wracked, warped, buckled or settled to the extent that walls or other structural members have materially less resistance to winds or earthquakes than is required of similar new construction;
8. Whenever any portion, because of (a) dilapidation, deterioration or decay; (b) faulty construction; (c) the removal, movement or instability of any portion of the ground necessary to the support of the building; (d) the deterioration, decay or inadequacy of its foundation; or (e) any other cause, is likely to partially or completely collapse;
9. Whenever, for any reason, any portion thereof is manifestly unsafe for the purpose for which it is being used;

10. Whenever the exterior walls or other vertical structural members list, lean or buckle to the extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base;

11. Whenever a building or structure, exclusive of the foundation, shows thirty-three percent (33%) or more damage or deterioration of its supporting member or members, or fifty percent (50%) damage or deterioration of its nonsupporting members required by law for newly constructed buildings of like area, height or occupancy in the same location; ~~enclosing or outside walls or coverings;~~

12. Whenever a building, structure or property has been so damaged by fire, wind, earthquake or flood, or has become so dilapidated or deteriorated as to become:

- (a) an attractive nuisance to children;
- (b) a harbor for vagrants, or criminals; or as to
- (c) enable persons to resort thereto for the purpose of committing unlawful acts;

13. Whenever a building, structure or property has been constructed, exists, is used, or is maintained in violation of any specific requirement, prohibition or permit condition applicable to the building provided by any provision of this code, the currently adopted Oregon Specialty Codes, or state law;

14. Whenever a building or structure, whether or not erected in accordance with all applicable laws and ordinances, which has in any nonsupporting part, member or portion less than fifty percent (50%), or in any supporting part, member or portion less than sixty-six percent (66%) of the (a) strength, (b) fire-resisting qualities or characteristics, or (c) weather-resisting qualities or characteristics required by law for newly constructed buildings of like area, height or occupancy in the same location;

15. Whenever a building, structure or property, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air or sanitation facilities, or otherwise, is determined by the Building Official to be unsanitary, unfit for human habitation or in a condition that is likely to cause sickness or disease;

16. Whenever a building, structure or property, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections or heating apparatus, or other cause, is determined by the Building Official to be a fire, life or safety hazard;

17. Whenever a building, structure or property is in a condition that constitutes a public nuisance known to the common law or equity jurisprudence or the City of Milwaukie Municipal Code;

18. Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure ~~or whenever any building or structure is abandoned for a period in excess of six (6) months~~ so as to qualify the building or portion thereof as an attractive nuisance or hazard to the public.

C. Administration

1. Building Inspections. The Building Official is authorized to make inspections, take actions, and make interpretations of this chapter as may be required to enforce the provisions of this chapter.

2. Right of Entry. Whenever necessary to make an inspection to enforce any provision of this code, or whenever the Building Official has reasonable cause to

believe that any of the dangerous building conditions mentioned in Section 15.04.180.B exist, the Building Official may enter the building, structure or property at all reasonable times to inspect the same or to carry out any provision of this chapter.

a. Occupancy

i. Occupied Building

If the building or premises is occupied, the Building Official ~~shall~~ **must** first present proper credentials and request entry of the property owner or person in charge.

ii. Unoccupied Building

If the building or premises are unoccupied, the Building Official ~~shall~~ **must** first make a reasonable effort to locate the owner or person in charge of the building or premises and request entry.

b. Refusal or Unlocatable

If entry is refused, or the owner or person in charge is unlocatable, the Building Official ~~shall will~~ seek an appropriate warrant from municipal or circuit court authorizing entry.

3. E. Enforcement Upon Inspection

All buildings, structures or properties, whether improved or unimproved, which are determined after inspection by the Building Official to be dangerous as defined in this chapter are declared to be public nuisances and shall will constitute a civil infraction.

43. Posting of Property and Restriction of Access.

The Building Official, upon a finding that a building, structure or property constitutes a dangerous building may post the property with a notices as provided in this chapter. The Building Official may also delimit the area of danger and prohibit all persons from entering onto, occupying or inhabiting the dangerous building area.

a. Notice shall must include at least the following:

a. that the Building Official, upon inspection, has determined the structure to be dangerous and a hazard to the public health, safety or welfare; and

b. that the property is not to be entered upon or occupied by anyone without specific authority of the Building Official; and

c. that any person found to be occupying or otherwise upon the property without authority shall will be subject to citation and arrest for trespass.

5. Violation of Posting.

Violation by any person of such notice and access restriction ~~shall will~~ constitute trespass, a misdemeanor offense under this code. Notwithstanding Section 15.04.180.I, any person who enters or remains in or on a building, structure, or property that the Building Official has posted under authority of this section commits the crime of criminal trespass and may be subject to arrest or prosecution under ORS 164.245 or 164.255, whichever is applicable under the circumstances.

D. Emergency Enforcement

Notwithstanding any other section of this chapter, the Building Official may require immediate remedial action seek a summary abatement order to enforce the provisions of this chapter, in accordance with Chapter 1.08 of this code.

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~~E. Enforcement Upon Inspection~~

~~All buildings, structures or properties, whether improved or unimproved, which are determined after inspection by the Building Official to be dangerous as defined in this chapter are declared to be public nuisances and shall constitute a civil infraction.~~

~~F. Posting of Dangerous Buildings~~

~~Upon a declaration by the Building Official that a building, structure or property is dangerous, it shall be posted to reflect this determination. Notice shall include at least the following: that the Building Official, upon inspection, has determined the structure to be dangerous and a hazard to the public health, safety or welfare, that the property is not to be entered upon or occupied by anyone without specific authority of the Building Official, and that any person found to be occupying or otherwise upon the property without authority shall be subject to citation and arrest for trespass.~~

~~EG. Commencement of Proceedings Action Required~~

1. ~~Corrective Action Required.~~ When the Building Official has inspected or caused to be inspected any building and has found and determined that such building is a dangerous building, the Building Official ~~shall will require commence proceedings~~ corrective action by ~~to cause the~~ repair, vacation, ~~and/or~~ demolition ~~thereof~~.

2. ~~Contents of Notice.~~ The Building Official ~~shall will~~ issue a notice and order directed to the record owner or owners of the building, structure or property. The notice and order ~~shall will~~ contain:

- a. The street address and a legal description sufficient for identification of the premises upon which the building is located.
- b. A statement that the Building Official has found the building, structure or property to be a dangerous building, with a brief description of the conditions found to render the building dangerous under the provisions of Section 15.04.180.B.
- c. A statement of the action required to be taken as determined by the Building Official.

~~d. Statements advising that if any required repair or demolition work (without vacation also being required) is not commenced within the time specified, the Building Official will order the building vacated and posted to prevent further occupancy until the work is completed; and may proceed to cause the work to be done and charge the costs thereof against the property or its owner.~~

e. ~~i. Repair Required.~~ ~~A s~~Statements advising that if the Building Official has determined that the building must be repaired, that all required permits ~~shall will~~ be secured therefor and the work physically commenced within such time (not to exceed sixty (60) days from the date of the order) and completed within such time as the Building Official ~~shall will~~ determine reasonable under all of the circumstances.

f. ~~ii. Vacation Required.~~ ~~A s~~Statements advising that if the Building Official has determined that the building must be vacated, that the building or structure ~~shall will~~ be vacated within a time

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certain from the date of the order as determined by the Building Official to be reasonable.

iii. Demolition Required. A statement advising that if the Building Official has determined that the building or structure must be demolished, ~~the order shall require that~~ the building ~~shall must~~ be vacated within such time as the Building Official ~~shall will~~ determine is reasonable (not to exceed sixty (60) days from the date of the order), that all required permits be secured therefor within sixty (60) days from the date of the order, and that the demolition be completed within such time as the Building Official ~~shall will~~ determine is reasonable.

iv. Repair or Demolition Required Without Vacation. Statements advising that if any required repair or demolition work ~~without vacation also being required~~ is not commenced within the time specified, the Building Official will order the building vacated and posted to prevent further occupancy until the work is completed; and may proceed to cause the work to be done and charge the costs thereof against the property or its owner

~~dg.~~ As statements advising that any person having any record title or legal interest in the building may be issued a citation and be ordered to appear in municipal court.

~~If the Building Official has determined that the building or structure must be demolished, the order shall require that the building be vacated within such time as the Building Official shall determine is reasonable (not to exceed sixty (60) days from the date of the order), that all required permits be secured therefor within sixty (60) days from the date of the order, and that the demolition be completed within such time as the Building Official shall determine is reasonable.~~

43. Service of Notice. The notice and order (and any amended or supplemental notice and order) ~~shall will~~ be served upon ~~the record owner; and one copy thereof shall be served on~~ each of the following if known to the Building Official or disclosed from official public records:

a. the record owner, and

b. the holder of any mortgage, deed of trust or other lien or encumbrance of record, and

c. the owner or holder of any lease of record, and

d. the holder of any other estate or legal interest of record in or to the building or the land on which it is located.

4. Failed Delivery of Notice. The failure of the Building Official to serve any person required ~~herein~~ to be served ~~shall will~~ not invalidate any proceedings ~~hereunder~~ as to any other person duly served or relieve any such person from any duty or obligation imposed by the provisions of this section.

5. Methods of Service.

a. Location Known. Service of the notice and order ~~shall must~~ be made upon all persons ~~entitled thereto~~ either personally or by mailing a copy by certified mail, postage prepaid, to each such person at their address as it

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appears in the Clackamas County tax records, or as otherwise known to the Building Official.

b. Location Unknown. If no address of such person appears or is known to the Building Official, then a copy of the notice and order ~~shall will~~ be so mailed and addressed to such person at the address of the building involved in the proceedings.

6. Failed Reception of Notice. The failure of any ~~such~~ person to receive ~~such~~ notice ~~shall will~~ not affect the validity of any proceedings taken under this section.

7. Date of Service. Service by certified mail ~~in the manner herein provided~~ ~~shall will~~ be effective on the date of mailing.

8. Proof of Service. Proof of service of the notice and order ~~shall must~~ be certified ~~to~~ at the time of service by a written declaration under penalty of perjury executed by the persons effecting service, declaring the time, date and manner in which service was made. The declaration, together with any receipt card returned in acknowledgment of receipt by certified mail ~~shall must~~ be affixed to the copy of the notice and order retained by the Building Official.

H. Repair, Vacation, and Demolition

The following standards ~~shall will~~ be followed by the Building Official ~~(and by the municipal court if an appeal is taken)~~ in ordering repair, vacation, or demolition of any dangerous building or structure:

1. Any building declared a dangerous building under this chapter ~~shall must~~ be made to comply with one of the following:

- a. The building ~~shall must~~ be repaired in accordance with the currently adopted Oregon Specialty Code or other current code applicable to the type of substandard conditions requiring repair;
- b. The building ~~shall must~~ be demolished at the option of the building owner; or
- c. If the building does not constitute an immediate danger to the health, safety, or welfare of the public it may be vacated, secured and maintained against entry.

2. d. If the building or structure is in such condition as to make it immediately dangerous to the health, safety, or welfare of the public or its occupants, it ~~shall will~~ be ordered to be vacated.

I. Abandoned Structure

If a Dangerous Building remains for 180 days from the date of declaration it shall will be deemed an abandoned structure. An Abandoned Structure shall will be deemed a nuisance and is subject to enforcement and abatement according to Chapter 8.04 of this code.

J. Violation—Penalty

1. Any person who performs an act prohibited by this chapter, or who fails to perform an act required by this chapter, commits a violation.

2. No person ~~shall will~~ cause, create, construct, maintain, enlarge, alter, repair, move, improve, remove, convert, ~~or~~ demolish, equip, occupy, or otherwise use

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any dangerous building or cause or permit the same to be done in violation of this chapter. ~~A person who violates this provision commits a violation.~~

3. Violations under this title are enforceable under Title 1 of the Milwaukie Municipal Code. The maximum penalty for any violation under this chapter is a fine of one thousand dollars (\$1,000.00) per day. Each day that the violation exists ~~shall~~will constitute a separate offense. (Ord. 2068 § 1, 2013; Ord. 1814 § 2, 1997)



COUNCIL ORDINANCE No.

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING MILWAUKIE MUNICIPAL CODE (MMC) 15.04.180 DANGEROUS OR UNSAFE BUILDINGS.

WHEREAS, the City of Milwaukie adopts various State Specialty Codes that regulate building and construction on private property; and

WHEREAS, Milwaukie Municipal Code (MMC) 15.04.180 provides for local administration of the requirements of these codes; and

WHEREAS, language in MMC 15.04.180 needs to be updated due to new information or technologies.

Now, Therefore, the City of Milwaukie does ordain as follows:

Section 1. MMC Chapter 15 Buildings and Construction is amended as described in Exhibit A – clean amendments.

Read the first time on _____, and moved to second reading by _____ vote of the City Council.

Read the second time and adopted by the City Council on _____.

Signed by the Mayor on _____.

Mark F. Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney

15.04.180 DANGEROUS OR UNSAFE BUILDINGS

A. Definitions

For the purposes of this section “Building Official” means the Building Official of the City of Milwaukie, or that person’s designee.

B. Dangerous Buildings

Any building, structure or property, whether improved or unimproved, which has any of the conditions or defects described in this section will constitute a “dangerous building,” provided these conditions or defects endanger the health, safety or welfare of the public or occupants of the building structure or property in question:

1. Whenever any door, aisle, passageway, stairway, or other means of exit is not of sufficient width or size or is not so arranged as to provide safe and adequate means of exit in case of fire or other emergency necessitating evacuation;
2. Whenever the walking surface of any aisle, passageway, stairway, or other means of exit is so warped, worn, loose, torn or otherwise unsafe as to not provide safe and adequate means of exit in case of fire or other emergency necessitating evacuation;
3. Whenever the stress in any materials, member or portion thereof, due to dead or live loads, is more than one-and-one-half times the working stress or stresses allowed in the currently adopted Oregon Specialty Codes for new buildings of similar structure, purpose and location;
4. Whenever any portion of the building, structure or property has been damaged by fire, earthquake, wind, flood or by any other cause, whether natural or human, to the extent that the structural strength or stability is materially less than it was before the catastrophe and is less than the minimum requirements of the currently adopted Oregon Specialty Codes for new buildings of similar structure, purpose or location;
5. Whenever any portion, member or appurtenance of the building, structure or property is likely to fail, to become detached or dislodged, or to collapse, and potentially injure persons or damage property;
6. Whenever any portion, member, appurtenance or ornamentation on the exterior of the building, structure or property is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting a wind pressure of one-half of that specified in the building code for new buildings of similar structure, purpose or location without exceeding the working stresses permitted in the building code for new buildings;
7. Whenever any portion of the building, structure or property has wracked, warped, buckled or settled to the extent that walls or other structural members have materially less resistance to winds or earthquakes than is required of similar new construction;
8. Whenever any portion of the building, structure or property, because of:
 - a) dilapidation, deterioration or decay;
 - b) faulty construction;
 - c) the removal, movement or instability of any portion of the ground necessary to the support of the building;

d) the deterioration, decay or inadequacy of its foundation; or (e) any other cause, is likely to partially or completely collapse;

9. Whenever, for any reason, any portion of the building, structure or property is manifestly unsafe for the purpose for which it is being used;

10. Whenever the exterior walls or other vertical structural members list, lean or buckle to the extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base;

11. Whenever a building or structure, exclusive of the foundation, shows thirty-three percent (33%) or more damage or deterioration of its supporting member or members, or fifty percent (50%) damage or deterioration of its nonsupporting members as required by law for newly constructed buildings of like area, height or occupancy in the same location;;

12. Whenever a building, structure or property has been so damaged by fire, wind, earthquake or flood, or has become so dilapidated or deteriorated as to become:

- a) an attractive nuisance to children;
- b) a harbor for vagrants, or criminals; or as to
- c) enable persons to resort thereto for the purpose of committing unlawful acts;

13. Whenever a building, structure or property has been constructed, exists, is used, or is maintained in violation of any specific requirement, prohibition or permit condition applicable to the building provided by any provision of this code, the currently adopted Oregon Specialty Codes, or state law;

14. Whenever a building or structure, whether or not erected in accordance with all applicable laws and ordinances, which has in any nonsupporting part, member or portion less than fifty percent (50%), or in any supporting part, member or portion less than sixty-six percent (66%) of the (a) strength, (b) fire-resisting qualities or characteristics, or (c) weather-resisting qualities or characteristics required by law for newly constructed buildings of like area, height or occupancy in the same location;

15. Whenever a building, structure or property, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air or sanitation facilities, or otherwise, is determined by the Building Official to be unsanitary, unfit for human habitation or in a condition that is likely to cause sickness or disease;

16. Whenever a building, structure or property, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections or heating apparatus, or other cause, is determined by the Building Official to be a fire, life or safety hazard;

17. Whenever a building, structure or property is in a condition that constitutes a public nuisance known to the common law or equity jurisprudence or the City of Milwaukie Municipal Code;

18. Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure so as to qualify any portion of the building an attractive nuisance or hazard to the public.

C. Administration

1. Building Inspections. The Building Official is authorized to make inspections, take actions, and make interpretations of this chapter as may be required to enforce the provisions of this chapter.

2. Right of Entry. Whenever necessary to make an inspection to enforce any provision of this code, or whenever the Building Official has reasonable cause to believe that any of the dangerous building conditions mentioned in Section 15.04.180.B exist, the Building Official may enter the building, structure or property at all reasonable times to inspect the same or to carry out any provision of this chapter.

(a) Occupancy

i. Occupied Building

If the building or premises is occupied, the Building Official must first present proper credentials and request entry of the property owner or person in charge.

ii. Unoccupied Building

If the building or premises are unoccupied, the Building Official must first make a reasonable effort to locate the owner or person in charge of the building or premises and request entry.

(b) Refusal or Unlocatable

If entry is refused, or the owner or person in charge is unlocatable, the Building Official will seek an appropriate warrant from municipal or circuit court authorizing entry.

3. Enforcement Upon Inspection

All buildings, structures or properties, whether improved or unimproved, which are determined after inspection by the Building Official to be dangerous as defined in this chapter are declared to be public nuisances and will constitute a civil infraction.

4. Posting of Property and Restriction of Access.

The Building Official, upon a finding that a building, structure or property constitutes a dangerous building may post the property with a notice. The Building Official may also delimit the area of danger and prohibit all persons from entering onto, occupying or inhabiting the dangerous building area. Notice must include at least the following:

- a) that the Building Official, upon inspection, has determined the structure to be dangerous and a hazard to the public health, safety or welfare; and
- b) that the property is not to be entered upon or occupied by anyone without specific authority of the Building Official; and
- c) that any person found to be occupying or otherwise upon the property without authority will be subject to citation and arrest for trespass.

5. Violation of Posting.

Violation by any person of notice and access restriction will constitute trespass, a misdemeanor offense under this code. Notwithstanding Section 15.04.180.I, any person who enters or remains in or on a building, structure or property that the Building Official has posted

under authority of this section commits the crime of criminal trespass and may be subject to arrest or prosecution under ORS 164.245 or 164.255, whichever is applicable under the circumstances.

D. Emergency Enforcement

Notwithstanding any other section of this chapter, the Building Official may require immediate remedial action to enforce the provisions of this chapter, in accordance with Chapter 1.08 of this code.

E. Action Required

1. Corrective Action Required. When the Building Official has inspected or caused to be inspected any building and has found and determined that the building is a dangerous building, the Building Official must require corrective action by repair, vacation, and/or demolition.

2. Contents of Notice. The Building Official will issue a notice and order directed to the record owner or owners of the building, structure or property. The notice and order must contain:

- a) The street address and a legal description sufficient for identification of the premises upon which the building is located.
- b) A statement that the Building Official has found the building, structure or property to be a dangerous building, with a brief description of the conditions found to render the building dangerous under the provisions of Section 15.04.180.B.
- c) A statement of the action required to be taken as determined by the Building Official.
 - i. Repair Required. A statement advising that if the Building Official has determined that the building must be repaired, that all required permits will be secured and the work physically commenced within such time (not to exceed sixty (60) days from the date of the order) and completed within such time as the Building Official will determine reasonable under all of the circumstances.
 - ii. Vacation Required. A statement advising that if the Building Official has determined that the building must be vacated, that the building or structure will be vacated within a time certain from the date of the order as determined by the Building Official to be reasonable.
 - iii. Demolition Required. A statement advising that if the Building Official has determined that the building or structure must be demolished, the building must be vacated within such time as the Building Official will determine is reasonable (not to exceed sixty (60) days from the date of the order), that all required permits be secured therefor within sixty (60) days

from the date of the order, and that the demolition be completed within such time as the Building Official will determine is reasonable.

- iv. Repair or Demolition Required Without Vacation. Statements advising that if any required repair or demolition work without vacation also being required is not commenced within the time specified, the Building Official will order the building vacated and posted to prevent further occupancy until the work is completed; and may proceed to cause the work to be done and charge the costs thereof against the property or its owner

- d) A statement advising that any person having any record title or legal interest in the building may be issued a citation and be ordered to appear in municipal court.

3. Service of Notice. The notice and order (and any amended or supplemental notice and order) will be served upon each of the following if known to the Building Official or disclosed from official public records:

- a) the record owner, and
- b) the holder of any mortgage, deed of trust or other lien or encumbrance of record, and
- c) the owner or holder of any lease of record, and
- d) the holder of any other estate or legal interest of record in or to the building or the land on which it is located.

4. Failed Delivery of Notice. The failure of the Building Official to serve any person required to be served will not invalidate any proceedings as to any other person duly served or relieve any person from any duty or obligation imposed by the provisions of this section.

5. Methods of Service.

a. Location Known. Service of the notice and order must be made upon all persons, either personally or by mailing a copy by certified mail, postage prepaid, to each person at their address as it appears in the Clackamas County tax records, or as otherwise known to the Building Official.

b. Location Unknown. If no address appears or is known to the Building Official, then a copy of the notice and order must be mailed and addressed to the address of the building involved in the proceedings.

6. Failed Reception of Notice. The failure of any person to receive notice will not affect the validity of any proceedings taken under this section.

7. Date of Service. Service by certified mail will be effective on the date of mailing.

8. Proof of Service. Proof of service of the notice and order must be certified at the time of service by a written declaration under penalty of perjury executed by the persons effecting service, declaring the time, date and manner in which service was made. The declaration, together with any receipt card returned in acknowledgment of receipt by certified mail must be affixed to the copy of the notice and order retained by the Building Official.

H. Repair, Vacation, and Demolition

The following standards will be followed by the Building Official in ordering repair, vacation, or demolition of any dangerous building or structure:

1. Any building declared a dangerous building under this chapter must be made to comply with one of the following:

- a) The building must be repaired in accordance with the currently adopted Oregon Specialty Code or other current code applicable to the type of substandard conditions requiring repair;
- b) The building must be demolished at the option of the building owner; or
- c) If the building does not constitute an immediate danger to the health, safety, or welfare of the public it may be vacated, secured and maintained against entry.

2. If the condition of a building or structure makes it immediately dangerous to the health, safety, or welfare of the public or its occupants, it will be ordered to be vacated.

I. Abandoned Structure

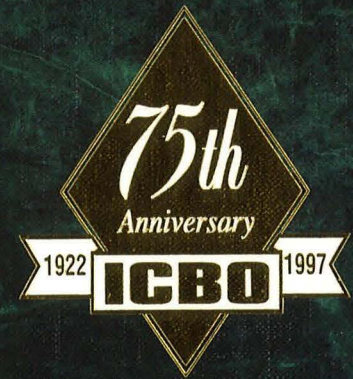
If a Dangerous Building remains for 180 days from the date of declaration it will be deemed an abandoned structure. An Abandoned Structure will be deemed a nuisance and is subject to enforcement and abatement according to Chapter 8.04 of this code.

J. Violation—Penalty

1. Any person who performs an act prohibited by this chapter, or who fails to perform an act required by this chapter, commits a violation.

2. No person will cause, create, construct, maintain, enlarge, alter, repair, move, improve, remove, convert, demolish, equip, occupy, or otherwise use any dangerous building or cause or permit any dangerous building to be in violation of this chapter.

3. Violations under this title are enforceable under Title 1 of the Milwaukie Municipal Code. The maximum penalty for any violation under this chapter is a fine of one thousand dollars (\$1,000.00) per day. Each day that the violation exists will constitute a separate offense. (Ord. 2068 § 1, 2013; Ord. 1814 § 2, 1997)



1997 UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS™



RS67

1997

UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS™



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Preface

The provisions of this code were developed to afford jurisdictions reasonable procedures for the classification and abatement of dangerous buildings.

This code is designed to be compatible with the *Uniform Building Code*™ and the *Uniform Housing Code*™. While the Housing Code is applicable only to residential buildings, the *Uniform Code for the Abatement of Dangerous Buildings*™ is designed to apply to all types of buildings and structures. The notices, orders and appeals procedures specified have been found to be workable and are referenced by the *Uniform Building Code*.

If properly followed, the provisions of this code will provide the building official with the proper legal steps in abating dilapidated, defective buildings which endanger life, health, property and public safety within concepts of fair play and justice.

CODES AND RELATED PUBLICATIONS

The International Conference of Building Officials (ICBO) publishes a family of codes, each correlated with the *Uniform Building Code*™ to provide jurisdictions with a complete set of building-related regulations for adoption. Some of these codes are published in affiliation with other organizations such as the International Fire Code Institute (IFCI) and the International Code Council (ICC). Reference materials and related codes also are available to improve knowledge of code enforcement and administration of building inspection programs. Publications and products are continually being added, so inquiries should be directed to Conference headquarters for a listing of available products. Many codes and references are also available on CD-ROM or floppy disk. These are denoted by (*). The following publications and products are available from ICBO:

CODES

***Uniform Building Code**, Volumes 1, 2 and 3. The most widely adopted model building code in the United States, the performance-based *Uniform Building Code* is a proven document, meeting the needs of government units charged with the enforcement of building regulations. Volume 1 contains administrative, fire- and life-safety and field inspection provisions; Volume 2 contains structural engineering design provisions; and Volume 3 contains material, testing and installation standards.

***Uniform Mechanical Code**™. Provides a complete set of requirements for the design, construction, installation and maintenance of heating, ventilating, cooling and refrigeration systems; incinerators and other heat-producing appliances.

International Plumbing Code™. Provides consistent and technically advanced requirements that can be used across the country to provide comprehensive regulations of modern plumbing systems. Setting minimum regulations for plumbing facilities in terms of performance objectives, the IPC provides for the acceptance of new and innovative products, materials and systems.

International Private Sewage Disposal Code™. Provides flexibility in the development of safety and sanitary individual sewage disposal systems and includes detailed provisions for all aspects of design, installation and inspection of private sewage disposal systems.

International Mechanical Code™. Establishes minimum regulations for mechanical systems using prescriptive and performance-related provisions. It is founded on broad-based principles that make possible the use of new materials and new mechanical designs.

Uniform Zoning Code™. This code is dedicated to intelligent community development and to the benefit of the public welfare by providing a means of promoting uniformity in zoning laws and enforcement.

***Uniform Fire Code**™, Volumes 1 and 2. The premier model fire code in the United States, the *Uniform Fire Code* sets forth provisions necessary for fire prevention and fire protection. Published by the International Fire Code Institute, the *Uniform Fire Code* is endorsed by the Western Fire Chiefs Association, the International Association of Fire Chiefs and ICBO. Volume 1 contains code provisions compatible with the *Uniform Building Code*, and Volume 2 contains standards referenced from the code provisions.

***Urban-Wildland Interface Code**™. Promulgated by IFCI, this code regulates both land use and the built environment in designated urban-wildland interface areas. This newly developed code is the only model code that bases construction requirements on the fire-hazard severity exposed to the structure. Developed under a grant from the Federal Emergency Management Agency, this code is the direct result of hazard mitigation meetings held after devastating wildfires.

Uniform Housing Code™. Provides complete requirements affecting conservation and rehabilitation of housing. Its regulations are compatible with the *Uniform Building Code*.

Uniform Code for the Abatement of Dangerous Buildings™. A code compatible with the *Uniform Building Code* and the *Uniform Housing Code* which provides equitable remedies consistent with other laws for the repair, vacation or demolition of dangerous buildings.

Uniform Sign Code™. Dedicated to the development of better sign regulation, its requirements pertain to all signs and sign construction attached to buildings.

Uniform Administrative Code™. This code covers administrative areas in connection with adoption of the *Uniform Building Code*,

Uniform Mechanical Code and related codes. It contains provisions which relate to site preparation, construction, alteration, moving, repair and use and occupancies of buildings or structures and building service equipment, including plumbing, electrical and mechanical regulations. The code is compatible with the administrative provisions of all codes published by the Conference.

Uniform Building Security Code™. This code establishes minimum standards to make dwelling units resistant to unlawful entry. It regulates swinging doors, sliding doors, windows and hardware in connection with dwelling units of apartment houses or one- and two-family dwellings. The code gives consideration to the concerns of police, fire and building officials in establishing requirements for resistance to burglary which are compatible with fire and life safety.

Uniform Code for Building Conservation™. A building conservation guideline presented in code format which will provide a community with the means to preserve its existing buildings while achieving appropriate levels of safety. It is formatted in the same manner as the *Uniform Building Code*, is compatible with other Uniform Codes, and may be adopted as a code or used as a guideline.

Dwelling Construction under the Uniform Building Code™. Designed primarily for use in home building and apprentice training, this book contains requirements applicable to the construction of one- and two-story dwellings based on the requirements of the *Uniform Building Code*. Available in English or Spanish.

Dwelling Construction under the Uniform Mechanical Code™. This publication is for the convenience of the homeowner or contractor interested in installing mechanical equipment in a one- or two-family dwelling in conformance with the *Uniform Mechanical Code*.

Supplements to UBC and related codes. Published in the years between editions, the Supplements contain all approved changes, plus an analysis of those changes.

Uniform Building Code—1927 Edition. A special 60th anniversary printing of the first published *Uniform Building Code*.

One and Two Family Dwelling Code. Promulgated by ICC, this code eliminates conflicts and duplications among the model codes to achieve national uniformity. Covers mechanical and plumbing requirements as well as construction and occupancy.

Application and Commentary on the One and Two Family Dwelling Code. An interpretative commentary on the *One and Two Family Dwelling Code* intended to enhance uniformity of interpretation and application of the code nationwide. Developed by the three model code organizations, this document includes numerous illustrations of code requirements and the rationale for individual provisions.

Model Energy Code. This code includes minimum requirements for effective use of energy in the design of new buildings and structures and additions to existing buildings. It is based on American Society of Heating, Refrigeration and Air-conditioning Engineers Standard 90A-1980 and was originally developed jointly by ICBO, BOCA, SBCCI and the National Conference of States on Building Codes and Standards under a contract funded by the United States Department of Energy. The code is now maintained by ICC and is adopted by reference in the *Uniform Building Code*.

National Electrical Code®. The electrical code used throughout the United States. Published by the National Fire Protection Association, it is an indispensable aid to every electrician, contractor, architect, builder, inspector and anyone who must specify or certify electrical installations.

TECHNICAL REFERENCES AND EDUCATIONAL MATERIALS

Analysis of Revisions to the Uniform Codes™. An analysis of changes between the previous and new editions of the Uniform Codes is provided. Changes between code editions are noted either at the beginning of chapters or in the margins of the code text.

***Handbook to the Uniform Building Code.** The handbook is a completely detailed and illustrated commentary on the *Uniform Building Code*, tracing historical background and rationale of the codes through the current edition. Also included are numerous drawings and figures clarifying the application and intent of the code provisions. Also available in electronic format.

***Handbook to the Uniform Mechanical Code.** An indispensable tool for understanding the provisions of the current UMC, the handbook traces the historical background and rationale behind the UMC provisions, includes 160 figures which clarify the intent and application of the code, and provides a chapter-by-chapter analysis of the UMC.

***Uniform Building Code Application Manual.** This manual discusses sections of the *Uniform Building Code* with a question-and-answer format, providing a comprehensive analysis of the intent of the code sections. Most sections include illustrative examples. The manual is in loose-leaf format so that code applications published in *Building Standards* magazine may be inserted. Also available in electronic format.

***Uniform Mechanical Code Application Manual.** As a companion document to the *Uniform Mechanical Code*, this manual provides a comprehensive analysis of the intent of a number of code sections in an easy-to-use question-and-answer format. The manual is available in a loose-leaf format and includes illustrative examples for many code sections.

***Uniform Fire Code Applications Manual.** This newly developed manual provides questions and answers regarding UFC provisions. A comprehensive analysis of the intent of numerous code sections, the manual is in a loose-leaf format for easy insertion of code applications published in IFCI's *Fire Code Journal*.

Quick-Reference Guide to the Occupancy Requirements of the 1997 UBC. Code requirements are compiled in this publication by occupancy groups for quick access. These tabulations assemble requirements for each occupancy classification in the code. Provisions, such as fire-resistive ratings for occupancy separations in Table 3-B, exterior wall and opening protection requirements in Table 5-A-1, and fire-resistive ratings for types of construction in Table 6-A, are tabulated for quick reference and comparison.

Plan Review Manual. A practical text that will assist and guide both the field inspector and plan reviewer in applying the code requirements. This manual covers the nonstructural and basic structural aspects of plan review.

Field Inspection Manual. An important fundamental text for courses of study at the community college and trade or technical school level. It is an effective text for those studying building construction or architecture and includes sample forms and checklists for use in the field.

Building Department Administration. An excellent guide for improvement of skills in departmental management and in the enforcement and application of the Building Code and other regulations administered by a building inspection department. This textbook will also be a valuable aid to instructors, students and those in related professional fields.

Building Department Guide to Disaster Mitigation. This new, expanded guide is designed to assist building departments in developing or updating disaster mitigation plans. Subjects covered include guidelines for damage mitigation, disaster-response management, immediate response, mutual aid and inspections, working with the media, repair and recovery policies, and public information bulletins. This publication is a must for those involved in preparing for and responding to disaster.

Building Official Management Manual. This manual addresses the unique nature of code administration and the managerial duties of the building official. A supplementary insert addresses the budgetary

and financial aspects of a building department. It is also an ideal resource for those preparing for the management module of the CABO Building Official Certification Examination.

Legal Aspects of Code Administration. A manual developed by the three model code organizations to inform the building official on the legal aspects of the profession. The text is written in a logical sequence with explanation of legal terminology. It is designed to serve as a refresher for those preparing to take the legal module of the CABO Building Official Certification Examination.

Illustrated Guide to Conventional Construction Provisions of the UBC. This comprehensive guide and commentary provides detailed explanations of the conventional construction provisions in the UBC, including descriptive discussions and illustrated drawings to convey the prescriptive provisions related to wood-frame construction.

Introduction to the Uniform Building Code. A workbook that provides an overview of the basics of the UBC.

Uniform Building Code Update Workbook. This manual addresses many of the changes to the administrative, fire- and life-safety, and inspection provisions appearing in the UBC.

UMC Workbook. Designed for independent study or use with instructor-led programs based on the *Uniform Mechanical Code*, this comprehensive study guide consists of 16 learning sessions, with the first two sessions reviewing the purpose, scope, definitions and administrative provisions and the remaining 14 sessions progressively exploring the requirements for installing, inspecting and maintaining heating, ventilating, cooling and refrigeration systems.

UBC Field Inspection Workbook. A comprehensive workbook for studying the provisions of the UBC. Divided into 12 sessions, this workbook focuses on the UBC combustible construction requirements for the inspection of wood-framed construction.

Concrete Manual. A publication for individuals seeking an understanding of the fundamentals of concrete field technology and inspection practices. Of particular interest to concrete construction inspectors, it will also benefit employees of concrete producers, contractors, testing and inspection laboratories and material suppliers.

Reinforced Concrete Masonry Construction Inspector's Handbook. A comprehensive information source written especially for masonry inspection covering terminology, technology, materials, quality control, inspection and standards. Published jointly by ICBO and the Masonry Institute of America.

You Can Build It! Sponsored by ICBO in cooperation with CABO, this booklet contains information and advice to aid "do-it-yourselfers" with building projects. Provides guidance in necessary procedures such as permit requirements, codes, plans, cost estimation, etc.

Guidelines for Manufactured Housing Installations. A guideline in code form implementing the *Uniform Building Code* and its companion code documents to regulate the permanent installation of a manufactured home on a privately owned, nonrental site. A commentary is included to explain specific provisions, and codes applying to each component part are defined.

Accessibility Reference Guide. This guide is a valuable resource for architects, interior designers, plan reviewers and others who design and enforce accessibility provisions. Features include accessibility requirements, along with detailed commentary and graphics to clarify the provisions; cross-references to other applicable sections of the UBC and the Americans with Disabilities Act Accessibility Guidelines; a checklist of UBC provisions on access and usability requirements; and many other useful references.

Educational and Technical Reference Materials. The Conference has been a leader in the development of texts and course material to assist in the educational process. These materials include vital information necessary for the building official and subordinates in carrying out their responsibilities and have proven to be excellent references in connection with community college curricula and higher-level courses in the field of building construction technology and inspection and in the administration of building departments. Included are plan review checklists for structural, nonstructural, mechanical and fire-safety provisions and a full line of videotapes and automated products.

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Chapter 1

TITLE AND SCOPE

SECTION 101 — TITLE

These regulations shall be known as the *Uniform Code for the Abatement of Dangerous Buildings*, may be cited as such, and will be referred to herein as “this code.”

SECTION 102 — PURPOSE AND SCOPE

102.1 Purpose. It is the purpose of this code to provide a just, equitable and practicable method, to be cumulative with and in addition to any other remedy provided by the Building Code, Housing Code or otherwise available by law, whereby buildings or structures which from any cause endanger the life, limb, health, morals, property, safety or welfare of the general public or their occupants may be required to be repaired, vacated or demolished.

The purpose of this code is not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this code.

102.2 Scope. The provisions of this code shall apply to all dangerous buildings, as herein defined, which are now in existence or which may hereafter become dangerous in this jurisdiction.

SECTION 103 — ALTERATIONS, ADDITIONS AND REPAIRS

All buildings or structures which are required to be repaired under the provisions of this code shall be subject to the provisions of Section 3403 of the Building Code.

Chapter 2 ENFORCEMENT

SECTION 201 — GENERAL

201.1 Administration. The building official is hereby authorized to enforce the provisions of this code.

The building official shall have the power to render interpretations of this code and to adopt and enforce rules and supplemental regulations in order to clarify the application of its provisions. Such interpretations, rules and regulations shall be in conformity with the intent and purpose of this code.

201.2 Inspections. The health officer, the fire marshal and the building official are hereby authorized to make such inspections and take such actions as may be required to enforce the provisions of this code.

201.3 Right of Entry. When it is necessary to make an inspection to enforce the provisions of this code, or when the building official or the building official's authorized representative has reasonable cause to believe that there exists in a building or upon a premises a condition which is contrary to or in violation of this code which makes the building or premises unsafe, dangerous or hazardous, the building official may enter the building or premises at reasonable times to inspect or to perform the duties imposed by this code, provided that if such building or premises be occupied that credentials be presented to the occupant and entry requested. If such building or premises be unoccupied, the building official shall first make a reasonable effort to locate the owner or other persons having charge or control of the building or premises and request entry. If entry is refused, the building official shall have recourse to the remedies provided by law to secure entry.

"Authorized representative" shall include the officers named in Section 201.2 and their authorized inspection personnel.

SECTION 202 — ABATEMENT OF DANGEROUS BUILDINGS

All buildings or portions thereof which are determined after inspection by the building official to be dangerous as defined in this code are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition or removal in accordance with the procedure specified in Section 401 of this code.

SECTION 203 — VIOLATIONS

It shall be unlawful for any person, firm or corporation to erect, construct, enlarge, alter, repair, move, improve, remove, convert or demolish, equip, use, occupy or maintain any building or structure or cause or permit the same to be done in violation of this code.

SECTION 204 — INSPECTION OF WORK

All buildings or structures within the scope of this code and all construction or work for which a permit is required shall be subject to inspection by the building official in accordance with and in the manner provided by this code and Sections 108 and 1701 of the Building Code.

SECTION 205 — BOARD OF APPEALS

205.1 General. In order to hear and decide appeals of orders, decisions or determinations made by the building official relative to the application and interpretations of this code, there shall be and is hereby created a board of appeals consisting of members who are qualified by experience and training to pass upon matters pertaining to building construction and who are not employees of the jurisdiction. The building official shall be an ex officio member and shall act as secretary to said board but shall have no vote upon any matter before the board. The board of appeals shall be appointed by the governing body and shall hold office at its pleasure. The board shall adopt rules of procedure for conducting its business and shall render all decisions and findings in writing to the appellant, with a duplicate copy to the building official. Appeals to the board shall be processed in accordance with the provisions contained in Section 501 of this code. Copies of all rules or regulations adopted by the board shall be delivered to the building official, who shall make them freely accessible to the public.

205.2 Limitations of Authority. The board of appeals shall have no authority relative to interpretation of the administrative provisions of this code nor shall the board be empowered to waive requirements of this code.

Chapter 3

DEFINITIONS

SECTION 301 — GENERAL

For the purpose of this code, certain terms, phrases, words and their derivatives shall be construed as specified in either this chapter or as specified in the Building Code or the Housing Code. Where terms are not defined, they shall have their ordinary accepted meanings within the context with which they are used. *Webster's Third New International Dictionary of the English Language, Unabridged*, copyright 1986, shall be construed as providing ordinary accepted meanings. Words used in the singular include the plural and the plural the singular. Words used in the masculine gender include the feminine and the feminine the masculine.

BUILDING CODE is the *Uniform Building Code* promulgated by the International Conference of Building Officials, as adopted by this jurisdiction.

DANGEROUS BUILDING is any building or structure deemed to be dangerous under the provisions of Section 302 of this code.

HOUSING CODE is the *Uniform Housing Code* promulgated by the International Conference of Building Officials, as adopted by this jurisdiction.

SECTION 302 — DANGEROUS BUILDING

For the purpose of this code, any building or structure which has any or all of the conditions or defects hereinafter described shall be deemed to be a dangerous building, provided that such conditions or defects exist to the extent that the life, health, property or safety of the public or its occupants are endangered.

1. Whenever any door, aisle, passageway, stairway or other means of exit is not of sufficient width or size or is not so arranged as to provide safe and adequate means of exit in case of fire or panic.

2. Whenever the walking surface of any aisle, passageway, stairway or other means of exit is so warped, worn, loose, torn or otherwise unsafe as to not provide safe and adequate means of exit in case of fire or panic.

3. Whenever the stress in any materials, member or portion thereof, due to all dead and live loads, is more than one and one half times the working stress or stresses allowed in the Building Code for new buildings of similar structure, purpose or location.

4. Whenever any portion thereof has been damaged by fire, earthquake, wind, flood or by any other cause, to such an extent that the structural strength or stability thereof is materially less than it was before such catastrophe and is less than the minimum requirements of the Building Code for new buildings of similar structure, purpose or location.

5. Whenever any portion or member or appurtenance thereof is likely to fail, or to become detached or dislodged, or to collapse and thereby injure persons or damage property.

6. Whenever any portion of a building, or any member, appurtenance or ornamentation on the exterior thereof is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting a wind pressure of one half of that specified in the Building Code for new buildings of similar structure, purpose or location without exceeding the working stresses permitted in the Building Code for such buildings.

7. Whenever any portion thereof has wracked, warped, buckled or settled to such an extent that walls or other structural portions have materially less resistance to winds or earthquakes than is required in the case of similar new construction.

8. Whenever the building or structure, or any portion thereof, because of (i) dilapidation, deterioration or decay; (ii) faulty construction; (iii) the removal, movement or instability of any portion of the ground necessary for the purpose of supporting such building; (iv) the deterioration, decay or inadequacy of its foundation; or (v) any other cause, is likely to partially or completely collapse.

9. Whenever, for any reason, the building or structure, or any portion thereof, is manifestly unsafe for the purpose for which it is being used.

10. Whenever the exterior walls or other vertical structural members list, lean or buckle to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one third of the base.

11. Whenever the building or structure, exclusive of the foundation, shows 33 percent or more damage or deterioration of its supporting member or members, or 50 percent damage or deterioration of its nonsupporting members, enclosing or outside walls or coverings.

12. Whenever the building or structure has been so damaged by fire, wind, earthquake or flood, or has become so dilapidated or deteriorated as to become (i) an attractive nuisance to children; (ii) a harbor for vagrants, criminals or immoral persons; or as to (iii) enable persons to resort thereto for the purpose of committing unlawful or immoral acts.

13. Whenever any building or structure has been constructed, exists or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the building regulations of this jurisdiction, as specified in the Building Code or Housing Code, or of any law or ordinance of this state or jurisdiction relating to the condition, location or structure of buildings.

14. Whenever any building or structure which, whether or not erected in accordance with all applicable laws and ordinances, has in any nonsupporting part, member or portion less than 50 percent, or in any supporting part, member or portion less than 66 percent of the (i) strength, (ii) fire-resisting qualities or characteristics, or (iii) weather-resisting qualities or characteristics required by law in the case of a newly constructed building of like area, height and occupancy in the same location.

15. Whenever a building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air or sanitation facilities, or otherwise, is determined by the health officer to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease.

16. Whenever any building or structure, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections or heating apparatus, or other cause, is determined by the fire marshal to be a fire hazard.

17. Whenever any building or structure is in such a condition as to constitute a public nuisance known to the common law or in equity jurisprudence.

18. Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned for a period in excess of six months so as to constitute such building or portion thereof an attractive nuisance or hazard to the public.

Chapter 4

NOTICES AND ORDERS OF BUILDING OFFICIAL

SECTION 401 — GENERAL

401.1 Commencement of Proceedings. When the building official has inspected or caused to be inspected any building and has found and determined that such building is a dangerous building, the building official shall commence proceedings to cause the repair, vacation or demolition of the building.

401.2 Notice and Order. The building official shall issue a notice and order directed to the record owner of the building. The notice and order shall contain:

1. The street address and a legal description sufficient for identification of the premises upon which the building is located.
 2. A statement that the building official has found the building to be dangerous with a brief and concise description of the conditions found to render the building dangerous under the provisions of Section 302 of this code.
 3. A statement of the action required to be taken as determined by the building official.
 - 3.1 If the building official has determined that the building or structure must be repaired, the order shall require that all required permits be secured therefor and the work physically commenced within such time (not to exceed 60 days from the date of the order) and completed within such time as the building official shall determine is reasonable under all of the circumstances.
 - 3.2 If the building official has determined that the building or structure must be vacated, the order shall require that the building or structure shall be vacated within a time certain from the date of the order as determined by the building official to be reasonable.
 - 3.3 If the building official has determined that the building or structure must be demolished, the order shall require that the building be vacated within such time as the building official shall determine is reasonable (not to exceed 60 days from the date of the order); that all required permits be secured therefor within 60 days from the date of the order; and that the demolition be completed within such time as the building official shall determine is reasonable.
 4. Statements advising that if any required repair or demolition work (without vacation also being required) is not commenced within the time specified, the building official (i) will order the building vacated and posted to prevent further occupancy until the work is completed, and (ii) may proceed to cause the work to be done and charge the costs thereof against the property or its owner.
 5. Statements advising (i) that any person having any record title or legal interest in the building may appeal from the notice and order or any action of the building official to the board of appeals, provided the appeal is made in writing as provided in this code and filed with the building official within 30 days from the date of service of such notice and order; and (ii) that failure to appeal will constitute a waiver of all right to an administrative hearing and determination of the matter.
- 401.3 Service of Notice and Order.** The notice and order, and any amended or supplemental notice and order, shall be served upon the record owner and posted on the property; and one copy thereof shall be served on each of the following if known to the

building official or disclosed from official public records: the holder of any mortgage or deed of trust or other lien or encumbrance of record; the owner or holder of any lease of record; and the holder of any other estate or legal interest of record in or to the building or the land on which it is located. The failure of the building official to serve any person required herein to be served shall not invalidate any proceedings hereunder as to any other person duly served or relieve any such person from any duty or obligation imposed by the provisions of this section.

401.4 Method of Service. Service of the notice and order shall be made upon all persons entitled thereto either personally or by mailing a copy of such notice and order by certified mail, postage prepaid, return receipt requested, to each such person at their address as it appears on the last equalized assessment roll of the county or as known to the building official. If no address of any such person so appears or is known to the building official, then a copy of the notice and order shall be so mailed, addressed to such person, at the address of the building involved in the proceedings. The failure of any such person to receive such notice shall not affect the validity of any proceedings taken under this section. Service by certified mail in the manner herein provided shall be effective on the date of mailing.

401.5 Proof of Service. Proof of service of the notice and order shall be certified to at the time of service by a written declaration under penalty of perjury executed by the persons effecting service, declaring the time, date and manner in which service was made. The declaration, together with any receipt card returned in acknowledgment of receipt by certified mail shall be affixed to the copy of the notice and order retained by the building official.

SECTION 402 — RECORDATION OF NOTICE AND ORDER

If compliance is not had with the order within the time specified therein, and no appeal has been properly and timely filed, the building official shall file in the office of the county recorder a certificate describing the property and certifying (i) that the building is a dangerous building and (ii) that the owner has been so notified. Whenever the corrections ordered shall thereafter have been completed or the building demolished so that it no longer exists as a dangerous building on the property described in the certificate, the building official shall file a new certificate with the county recorder certifying that the building has been demolished or all required corrections have been made so that the building is no longer dangerous, whichever is appropriate.

SECTION 403 — REPAIR, VACATION AND DEMOLITION

The following standards shall be followed by the building official (and by the board of appeals if an appeal is taken) in ordering the repair, vacation or demolition of any dangerous building or structure:

1. Any building declared a dangerous building under this code shall be made to comply with one of the following:
 - 1.1 The building shall be repaired in accordance with the current building code or other current code applicable to the type of substandard conditions requiring repair; or
 - 1.2 The building shall be demolished at the option of the building owner; or

- 1.3 If the building does not constitute an immediate danger to the life, limb, property or safety of the public it may be vacated, secured and maintained against entry.
- 2. If the building or structure is in such condition as to make it immediately dangerous to the life, limb, property or safety of the public or its occupants, it shall be ordered to be vacated.

SECTION 404 — NOTICE TO VACATE

404.1 Posting. Every notice to vacate shall, in addition to being served as provided in Section 401.3, be posted at or upon each exit of the building and shall be in substantially the following form:

**DO NOT ENTER
UNSAFE TO OCCUPY**

It is a misdemeanor to occupy this building, or to remove or deface this notice.

Building Official
..... of

404.2 Compliance. Whenever such notice is posted, the building official shall include a notification thereof in the notice and order issued under Section 401.2, reciting the emergency and specifying the conditions which necessitate the posting. No person shall remain in or enter any building which has been so posted, except that entry may be made to repair, demolish or remove such building under permit. No person shall remove or deface any such notice after it is posted until the required repairs, demolition or removal have been completed and a certificate of occupancy issued pursuant to the provisions of the Building Code.

Chapter 5 APPEAL

SECTION 501 — GENERAL

501.1 Form of Appeal. Any person entitled to service under Section 401.3 may appeal from any notice and order or any action of the building official under this code by filing at the office of the building official a written appeal containing:

1. A heading in the words: "Before the board of appeals of the of"
2. A caption reading: "Appeal of," giving the names of all appellants participating in the appeal.
3. A brief statement setting forth the legal interest of each of the appellants in the building or the land involved in the notice and order.
4. A brief statement in ordinary and concise language of the specific order or action protested, together with any material facts claimed to support the contentions of the appellant.
5. A brief statement in ordinary and concise language of the relief sought and the reasons why it is claimed the protested order or action should be reversed, modified or otherwise set aside.
6. The signatures of all parties named as appellants and their official mailing addresses.
7. The verification (by declaration under penalty of perjury) of at least one appellant as to the truth of the matters stated in the appeal.

The appeal shall be filed within 30 days from the date of the service of such order or action of the building official; provided, however, that if the building or structure is in such condition as to make it immediately dangerous to the life, limb, property or safety of the public or adjacent property and is ordered vacated and is posted in accordance with Section 404, such appeal shall be filed within 10 days from the date of the service of the notice and order of the building official.

501.2 Processing of Appeal. Upon receipt of any appeal filed pursuant to this section, the building official shall present it at the next regular or special meeting of the board of appeals.

501.3 Scheduling and Noticing Appeal for Hearing. As soon as practicable after receiving the written appeal, the board of appeals shall fix a date, time and place for the hearing of the appeal by the board. Such date shall not be less than 10 days nor more than 60 days from the date the appeal was filed with the building official. Written notice of the time and place of the hearing shall be given at least 10 days prior to the date of the hearing to each appellant by the secretary of the board either by causing a copy of such notice to be delivered to the appellant personally or by mailing a copy thereof, postage prepaid, addressed to the appellant at the address shown on the appeal.

SECTION 502 — EFFECT OF FAILURE TO APPEAL

Failure of any person to file an appeal in accordance with the provisions of Section 501 shall constitute a waiver of the right to an administrative hearing and adjudication of the notice and order or any portion thereof.

SECTION 503 — SCOPE OF HEARING ON APPEAL

Only those matters or issues specifically raised by the appellant shall be considered in the hearing of the appeal.

SECTION 504 — STAYING OF ORDER UNDER APPEAL

Except for vacation orders made pursuant to Section 404, enforcement of any notice and order of the building official issued under this code shall be stayed during the pendency of an appeal therefrom which is properly and timely filed.

Chapter 6

PROCEDURES FOR CONDUCT OF HEARING APPEALS

SECTION 601 — GENERAL

601.1 Hearing Examiners. The board may appoint one or more hearing examiners or designate one or more of its members to serve as hearing examiners to conduct the hearings. The examiner hearing the case shall exercise all powers relating to the conduct of hearings until it is submitted to the board for decision.

601.2 Record. A record of the entire proceedings shall be made by tape recording or by any other means of permanent recording determined to be appropriate by the board.

601.3 Reporting. The proceedings at the hearing shall also be reported by a phonographic reporter if requested by any party thereto. A transcript of the proceedings shall be made available to all parties upon request and upon payment of the fee prescribed therefor. Such fees may be established by the board, but shall in no event be greater than the cost involved.

601.4 Continuances. The board may grant continuances for good cause shown; however, when a hearing examiner has been assigned to such hearing, no continuances may be granted except by the examiner for good cause shown so long as the matter remains before the examiner.

601.5 Oaths—Certification. In any proceedings under this chapter, the board, any board member, or the hearing examiner has the power to administer oaths and affirmations and to certify to official acts.

601.6 Reasonable Dispatch. The board and its representatives shall proceed with reasonable dispatch to conclude any matter before it. Due regard shall be shown for the convenience and necessity of any parties or their representatives.

SECTION 602 — FORM OF NOTICE OF HEARING

The notice to appellant shall be substantially in the following form, but may include other information:

“You are hereby notified that a hearing will be held before (the board of appeals or name of hearing examiner) at on the day of, 19, at the hour, upon the notice and order served upon you. You may be present at the hearing. You may be, but need not be, represented by counsel. You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You may request the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by filing an affidavit therefor with (board of appeals or name of hearing examiner).”

SECTION 603 — SUBPOENAS

603.1 Filing of Affidavit. The board or examiner may obtain the issuance and service of a subpoena for the attendance of witnesses or the production of other evidence at a hearing upon the request of a member of the board or upon the written demand of any party. The issuance and service of such subpoena shall be obtained upon the filing of an affidavit therefor which states the name and address of the proposed witness; specifies the exact things sought to be produced and the materiality thereof in detail to the issues involved; and states that the witness has the desired

things in possession or under control. A subpoena need not be issued when the affidavit is defective in any particular.

603.2 Cases Referred to Examiner. In cases where a hearing is referred to an examiner, all subpoenas shall be obtained through the examiner.

603.3 Penalties. Any person who refuses without lawful excuse to attend any hearing or to produce material evidence which the person possesses or controls as required by any subpoena served upon such person as provided for herein shall be guilty of a misdemeanor.

SECTION 604 — CONDUCT OF HEARING

604.1 Rules. Hearings need not be conducted according to the technical rules relating to evidence and witnesses.

604.2 Oral Evidence. Oral evidence shall be taken only on oath or affirmation.

604.3 Hearsay Evidence. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence, but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions in courts of competent jurisdiction in this state.

604.4 Admissibility of Evidence. Any relevant evidence shall be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions in courts of competent jurisdiction in this state.

604.5 Exclusion of Evidence. Irrelevant and unduly repetitious evidence shall be excluded.

604.6 Rights of Parties. Each party shall have these rights, among others:

1. To call and examine witnesses on any matter relevant to the issues of the hearing;
2. To introduce documentary and physical evidence;
3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;
4. To impeach any witness regardless of which party first called the witness to testify;
5. To rebut the evidence; and
6. To be represented by anyone who is lawfully permitted to do so.

604.7 Official Notice.

604.7.1 What may be noticed. In reaching a decision, official notice may be taken, either before or after submission of the case for decision, of any fact which may be judicially noticed by the courts of this state or of official records of the board or departments and ordinances of the city or rules and regulations of the board.

604.7.2 Parties to be notified. Parties present at the hearing shall be informed of the matters to be noticed, and these matters shall be noted in the record, referred to therein, or appended thereto.

604.7.3 Opportunity to refute. Parties present at the hearing shall be given a reasonable opportunity, on request, to refute the officially noticed matters by evidence or by written or oral presentation of authority, the manner of such refutation to be determined by the board or hearing examiner.

604.7.4 Inspection of the premises. The board or the hearing examiner may inspect any building or premises involved in the appeal during the course of the hearing, provided that (i) notice of such inspection shall be given to the parties before the inspection is made, (ii) the parties are given an opportunity to be present during the inspection, and (iii) the board or the hearing examiner shall state for the record upon completion of the inspection the material facts observed and the conclusions drawn therefrom. Each party then shall have a right to rebut or explain the matters so stated by the board or hearing examiner.

SECTION 605 — METHOD AND FORM OF DECISION

605.1 Hearing before Board Itself. When a contested case is heard before the board itself, a member thereof who did not hear the evidence or has not read the entire record of the proceedings shall not vote on or take part in the decision.

605.2 Hearing before Examiner. If a contested case is heard by a hearing examiner alone, the examiner shall within a reasonable time (not to exceed 90 days from the date the hearing is closed) submit a written report to the board. Such report shall contain a brief summary of the evidence considered and state the examiner's findings, conclusions and recommendations. The report also shall contain a proposed decision in such form that it may be adopted by the board as its decision in the case. All examiner's reports filed with the board shall be matters of public record. A copy of each such report and proposed decision shall be mailed to each party on the date they are filed with the board.

605.3 Consideration of Report by Board—Notice. The board shall fix the time, date and place to consider the examiner's report and proposed decision. Notice thereof shall be mailed to each interested party not less than five days prior to the date fixed, unless it is otherwise stipulated by all of the parties.

605.4 Exceptions to Report. Not later than two days before the date set to consider the report, any party may file written exceptions to any part or all of the examiner's report and may attach thereto a proposed decision together with written argument in support of such decision. By leave of the board, any party may present oral argument to the board.

605.5 Disposition by the Board. The board may adopt or reject the proposed decision in its entirety, or may modify the proposed decision.

605.6 Proposed Decision Not Adopted. If the proposed decision is not adopted as provided in Section 605.5, the board may decide the case upon the entire record before it, with or without taking additional evidence, or may refer the case to the same or another hearing examiner to take additional evidence. If the case is reassigned to a hearing examiner, the examiner shall prepare a report and proposed decision as provided in Section 605.2 hereof after any additional evidence is submitted. Consideration of such proposed decision by the board shall comply with the provisions of this section.

605.7 Form of Decision. The decision shall be in writing and shall contain findings of fact, a determination of the issues presented, and the requirements to be complied with. A copy of the decision shall be delivered to the appellant personally or sent by certified mail, postage prepaid, return receipt requested.

605.8 Effective Date of Decision. The effective date of the decision shall be as stated therein.

Chapter 7

ENFORCEMENT OF THE ORDER OF THE BUILDING OFFICIAL OR THE BOARD OF APPEALS

SECTION 701 — COMPLIANCE

701.1 General. After any order of the building official or the board of appeals made pursuant to this code shall have become final, no person to whom any such order is directed shall fail, neglect or refuse to obey any such order. Any such person who fails to comply with any such order is guilty of a misdemeanor.

701.2 Failure to Obey Order. If, after any order of the building official or board of appeals made pursuant to this code has become final, the person to whom such order is directed shall fail, neglect or refuse to obey such order, the building official may (i) cause such person to be prosecuted under Section 701.1 or (ii) institute any appropriate action to abate such building as a public nuisance.

701.3 Failure to Commence Work. Whenever the required repair or demolition is not commenced within 30 days after any final notice and order issued under this code becomes effective:

1. The building official shall cause the building described in such notice and order to be vacated by posting at each entrance thereto a notice reading:

DANGEROUS BUILDING DO NOT OCCUPY

It is a misdemeanor to occupy this building, or to remove or deface this notice.

Building Official
..... of

2. No person shall occupy any building which has been posted as specified in this section. No person shall remove or deface any such notice so posted until the repairs, demolition or removal ordered by the building official have been completed and a certificate of occupancy issued pursuant to the provisions of the Building Code.

3. The building official may, in addition to any other remedy herein provided, cause the building to be repaired to the extent necessary to correct the conditions which render the building dangerous as set forth in the notice and order; or, if the notice and or-

der required demolition, to cause the building to be sold and demolished or demolished and the materials, rubble and debris therefrom removed and the lot cleaned. Any such repair or demolition work shall be accomplished and the cost thereof paid and recovered in the manner hereinafter provided in this code. Any surplus realized from the sale of any such building, or from the demolition thereof, over and above the cost of demolition and of cleaning the lot, shall be paid over to the person or persons lawfully entitled thereto.

SECTION 702 — EXTENSION OF TIME TO PERFORM WORK

Upon receipt of an application from the person required to conform to the order and by agreement of such person to comply with the order if allowed additional time, the building official may grant an extension of time, not to exceed an additional 120 days, within which to complete said repair, rehabilitation or demolition, if the building official determines that such an extension of time will not create or perpetuate a situation imminently dangerous to life or property. The building official's authority to extend time is limited to the physical repair, rehabilitation or demolition of the premises and will not in any way affect the time to appeal the notice and order.

SECTION 703 — INTERFERENCE WITH REPAIR OR DEMOLITION WORK PROHIBITED

No person shall obstruct, impede or interfere with any officer, employee, contractor or authorized representative of this jurisdiction or with any person who owns or holds any estate or interest in any building which has been ordered repaired, vacated or demolished under the provisions of this code; or with any person to whom such building has been lawfully sold pursuant to the provisions of this code, whenever such officer, employee, contractor or authorized representative of this jurisdiction, person having an interest or estate in such building or structure, or purchaser is engaged in the work of repairing, vacating and repairing, or demolishing any such building, pursuant to the provisions of this code, or in performing any necessary act preliminary to or incidental to such work or authorized or directed pursuant to this code.

Chapter 8

PERFORMANCE OF WORK OF REPAIR OR DEMOLITION

SECTION 801 — GENERAL

801.1 Procedure. When any work of repair or demolition is to be done pursuant to Section 701.3, Item 3, of this code, the building official shall issue an order therefor to the director of public works and the work shall be accomplished by personnel of this jurisdiction or by private contract under the direction of said director. Plans and specifications therefor may be prepared by said director, or the director may employ such architectural and engineering assistance on a contract basis as deemed reasonably necessary. If any part of the work is to be accomplished by private contract, standard public works contractual procedures shall be followed.

801.2 Costs. The cost of such work shall be paid from the repair and demolition fund, and may be made a special assessment against the property involved, or may be made a personal obligation of the property owner, whichever the legislative body of this jurisdiction shall determine is appropriate.

SECTION 802 — REPAIR AND DEMOLITION FUND

802.1 General. The legislative body of this jurisdiction shall establish a special revolving fund to be designated as the repair and demolition fund. Payments shall be made out of said fund upon the demand of the director of public works to defray the costs and expenses which may be incurred by this jurisdiction in doing or causing to be done the necessary work of repair or demolition of dangerous buildings.

802.2 Maintenance of Fund. The legislative body may at any time transfer to the repair and demolition fund, out of any money in the general fund of this jurisdiction, such sums as it may deem necessary in order to expedite the performance of the work of repair or demolition, and any sum so transferred shall be deemed a loan to the repair and demolition fund and shall be repaid out of the proceeds of the collections hereinafter provided for. All funds collected under the proceedings hereinafter provided for shall be paid to the treasurer of this jurisdiction who shall credit the same to the repair and demolition fund.

Chapter 9

RECOVERY OF COST OF REPAIR OR DEMOLITION

SECTION 901 — ACCOUNT OF EXPENSE, FILING OF REPORT

The director of public works shall keep an itemized account of the expense incurred by this jurisdiction in the repair or demolition of any building done pursuant to the provisions of Section 701.3, Item 3, of this code. Upon the completion of the work of repair or demolition, said director shall prepare and file with the clerk of this jurisdiction a report specifying the work done, the itemized and total cost of the work, a description of the real property upon which the building or structure is or was located, and the names and addresses of the persons entitled to notice pursuant to Section 401.3.

SECTION 902 — NOTICE OF HEARING

Upon receipt of said report, the clerk of this jurisdiction shall present it to the legislative body of this jurisdiction for consideration. The legislative body of this jurisdiction shall fix a time, date and place for hearing said report and any protests or objections thereto. The clerk of this jurisdiction shall cause notice of said hearing to be posted upon the property involved, published once in a newspaper of general circulation in this jurisdiction, and served by certified mail, postage prepaid, addressed to the owner of the property as the owner's name and address appears on the last equalized assessment roll of the county, if such so appears, or as known to the clerk. Such notice shall be given at least 10 days prior to the date set for the hearing and shall specify the day, hour and place when the legislative body will hear and pass upon the director's report, together with any objections or protests which may be filed as hereinafter provided by any person interested in or affected by the proposed charge.

SECTION 903 — PROTESTS AND OBJECTIONS

Any person interested in or affected by the proposed charge may file written protests or objections with the clerk of this jurisdiction at any time prior to the time set for the hearing on the report of the director. Each such protest or objection must contain a description of the property in which the signer thereof is interested and the grounds of such protest or objection. The clerk of this jurisdiction shall endorse on every such protest or objection the date of receipt. The clerk shall present such protests or objections to the legislative body of this jurisdiction at the time set for the hearing, and no other protests or objections shall be considered.

SECTION 904 — HEARING OF PROTESTS

Upon the day and hour fixed for the hearing, the legislative body of this jurisdiction shall hear and pass upon the report of the director together with any such objections or protests. The legislative body may make such revision, correction or modification in the report or the charge as it may deem just; and when the legislative body is satisfied with the correctness of the charge, the report (as submitted or as revised, corrected or modified) together with the charge, shall be confirmed or rejected. The decision of the legislative body of this jurisdiction on the report and the charge, and on all protests or objections, shall be final and conclusive.

SECTION 905 — PERSONAL OBLIGATION OR SPECIAL ASSESSMENT

905.1 General. The legislative body of this jurisdiction may thereupon order that said charge shall be made a personal obligation of the property owner or assess said charge against the property involved.

905.2 Personal Obligation. If the legislative body of this jurisdiction orders that the charge shall be a personal obligation of the property owner, it shall direct the attorney for this jurisdiction to collect the same on behalf of this jurisdiction by use of all appropriate legal remedies.

905.3 Special Assessment. If the legislative body of this jurisdiction orders that the charge shall be assessed against the property, it shall confirm the assessment, cause the same to be recorded on the assessment roll, and thereafter said assessment shall constitute a special assessment against and a lien upon the property.

SECTION 906 — CONTEST

The validity of any assessment made under the provisions of this chapter shall not be contested in any action or proceeding unless the same is commenced within 30 days after the assessment is placed upon the assessment roll as provided herein. Any appeal from a final judgment in such action or proceeding must be perfected within 30 days after the entry of such judgment.

SECTION 907 — AUTHORITY FOR INSTALLMENT PAYMENT OF ASSESSMENTS WITH INTEREST

The legislative body of this jurisdiction, in its discretion, may determine that assessments in amounts of \$500.00 or more shall be payable in not to exceed five equal annual installments. The legislative body's determination to allow payment of such assessments in installments, the number of installments, whether they shall bear interest, and the rate thereof shall be by a resolution adopted prior to the confirmation of the assessment.

SECTION 908 — LIEN OF ASSESSMENT

908.1 Priority. Immediately upon its being placed on the assessment roll, the assessment shall be deemed to be complete, the several amounts assessed shall be payable, and the assessments shall be liens against the lots or parcels of land assessed, respectively. The lien shall be subordinate to all existing special assessment liens previously imposed upon the same property and shall be paramount to all other liens except for state, county and property taxes with which it shall be upon a parity. The lien shall continue until the assessment and all interest due and payable thereon are paid.

908.2 Interest. All such assessments remaining unpaid after 30 days from the date of recording on the assessment roll shall become delinquent and shall bear interest at the rate of 7 percent per annum from and after said date.

SECTION 909 — REPORT TO ASSESSOR AND TAX COLLECTOR: ADDITION OF ASSESSMENT TO TAX BILL

After confirmation of the report, certified copies of the assessment shall be given to the assessor and the tax collector for this

jurisdiction, who shall add the amount of the assessment to the next regular tax bill levied against the parcel for municipal purposes.

SECTION 910 — FILING COPY OF REPORT WITH COUNTY AUDITOR

If the county assessor and the county tax collector assess property and collect taxes for this jurisdiction, a certified copy of the assessment shall be filed with the county auditor on or before August 10th. The descriptions of the parcels reported shall be those used for the same parcels on the county assessor's map books for the current year.

SECTION 911 — COLLECTION OF ASSESSMENT: PENALTIES FOR FORECLOSURE

The amount of the assessment shall be collected at the same time and in the same manner as ordinary property taxes are collected

and shall be subject to the same penalties and procedure and sale in case of delinquency as provided for ordinary property taxes. All laws applicable to the levy, collection and enforcement of property taxes shall be applicable to such assessment.

If the legislative body of this jurisdiction has determined that the assessment shall be paid in installments, each installment and any interest thereon shall be collected in the same manner as ordinary property taxes in successive years. If any installment is delinquent, the amount thereof is subject to the same penalties and procedure for sale as provided for ordinary property taxes.

SECTION 912 — REPAYMENT OF REPAIR AND DEMOLITION FUND

All money recovered by payment of the charge or assessment or from the sale of the property at foreclosure sale shall be paid to the treasurer of this jurisdiction, who shall credit the same to the repair and demolition fund.

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DANGEROUS BUILDING CODE

Samantha Vandagriff
Building Official

DANGEROUS BUILDING CODE

The dangerous building code is the mechanism we use to insure safety for our residents in extreme circumstances. This update will enable us to move forward with the abatement of buildings that represent a life safety hazard.



DANGEROUS BUILDING CODE



This is a structure that was posted over a year ago that meets the current code. The update to the language would allow us to begin the abatement process through the nuisance portion of our code, get this site cleaned up, and remove the safety issues from the site. This in turn helps clean up the neighborhood and make Milwaukie a better place to live.



DANGEROUS BUILDING CODE



We strive to maintain a safe environment for all residents in Milwaukie. This code gives us a path to address some of the more complex issues that can happen with a structure over time.



DANGEROUS BUILDING CODE

How we learn of these:

- Complaint driven
- Notice from Clackamas Fire District #1
- Nuisance call to police
- Visual non-compliance



DANGEROUS BUILDING CODE

When this code is applied:

- Unoccupied houses without sanitation or water (90% of cases)
- Unoccupied houses in danger of falling (5% of cases)
- Occupied houses where life safety is an issue (5% of cases)



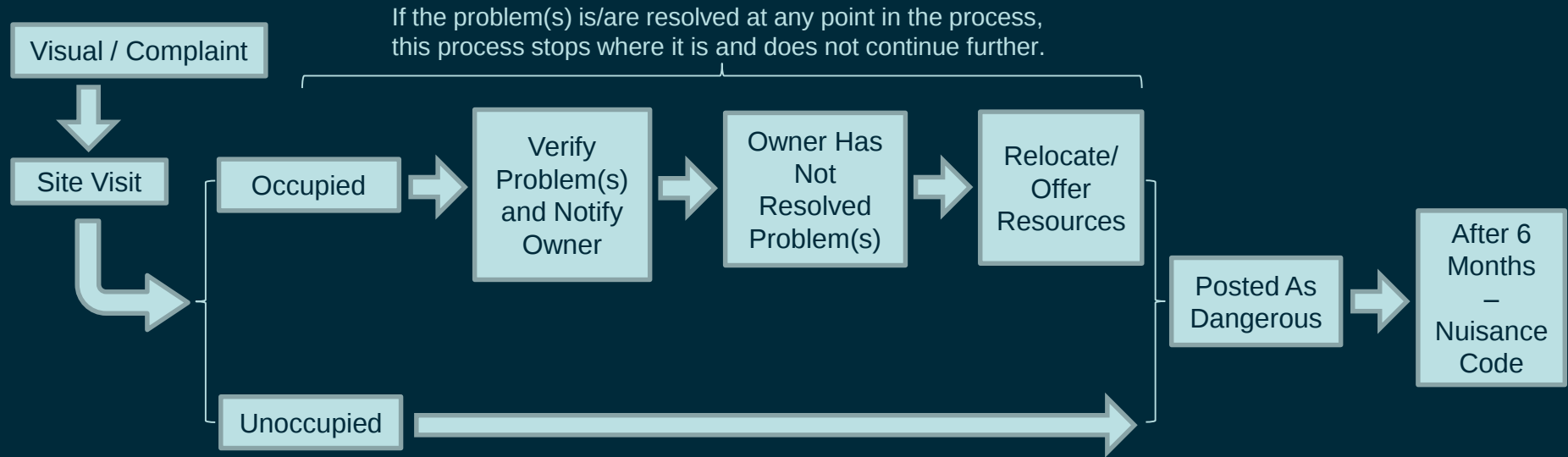
DANGEROUS BUILDING CODE

Process:

- Unoccupied – We post it as dangerous if it meets the definition in the code.
- Occupied – We work with the individual to try to bring them into compliance. Eviction being the last alternative.



DANGEROUS BUILDING CODE



DANGEROUS BUILDING CODE

- It is the property owner's responsibility to ensure their property is safe, sanitary, and meets code.
- It is not the responsibility of a tenant to improve/maintain a building they don't own. Codes protect those who can't protect themselves.



DANGEROUS BUILDING CODE

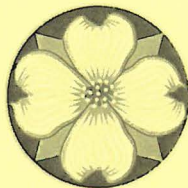
Resources

- City of Milwaukie - <https://www.milwaukieoregon.gov/housingaffordability>
- Cascadia - <https://www.cascadiabhc.org/housing/>
- Volunteers of America – www.voa.org
- Reach - <https://reachcdc.org/reach/properties/>
- Oregon Housing - <https://www.oregon.gov/ohcs/Pages/housing-assistance-in-oregon.aspx>
- OR Section 8 Housing - <https://www.oregon.gov/ohcs/Pages/hca-hud-contract-administration.aspx>
- Care Programs - https://www.needhelppayingbills.com/html/home_care_programs_for_disable.html
- Catholic Charities - <https://www.catholiccharitiesoregon.org/services/>
- Charity Navigator - <https://www.charitynavigator.org/>



**QUESTIONS OR
COMMENTS?**





CITY OF MILWAUKIE CITY COUNCIL

10722 SE Main Street
P) 503-786-7502
F) 503-653-2444
ocr@milwaukieoregon.gov

Speaker Registration

The City of Milwaukie encourages all citizens to express their views to their city leaders in a **respectful** and **appropriate** manner. If you wish to speak before the City Council, fill out this card and hand it to the City Recorder. Note that this Speakers Registration card, once submitted to the City Recorder, becomes part of the public record.

Name: NANCY WATT

Organization:

Address: 12489 SE 43RD AVE

Phone: 503 654 4315

Email: NWATT1@aol.com

Meeting Date: 9-17-2019

Topic: DANGEROUS BLDG CODE

Agenda Item You Wish to Speak to:

☐ #4 Audience Participation

☐ #5 Public Hearing, Topic:

☒ #6 Other Business, Topic:

You are Speaking...

AMENDMENT

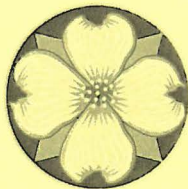
☒ in Support

☐ in Opposition

☐ from a Neutral Position

☐ to ask a Question

Comments:



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Name: Sue Richardson

Organization:

Address: 12326 SE 43rd

Phone: (503) 653-0237

Email: sue-bob@comcast.net

Meeting Date: 9-17-19 **Topic:** Dangerous Building

Agenda Item You Wish to Speak to:

☐ #4 Audience Participation

☐ #5 Public Hearing, Topic:

☒ #6 Other Business, Topic:

You are Speaking... Code Amendment

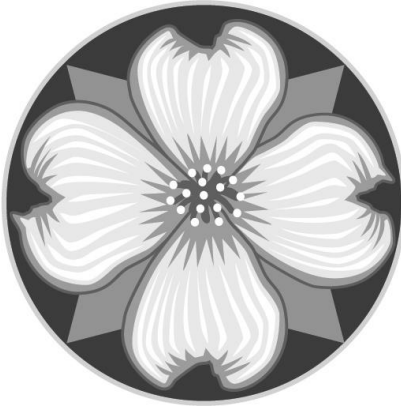
☒ in Support

☐ in Opposition

☐ from a Neutral Position

☐ to ask a Question

Comments:



RS Agenda Item

7

Information



Mayor's Announcements – Sep. 17, 2019

- **Scarecrow Contest at City Hall**
 - Reserve stand by Sep. 30 at 5 PM
 - Completed scarecrows and entry forms due Oct. 7 at 5 PM
- **Fall Prevention Class** – Fri., Sep. 20 (10 AM – 12 PM)
 - Milwaukie Center, 5440 SE Kellogg Creek Dr.
- **First Friday** – Fri., Oct. 4 (5 – 9 PM)
 - Downtown Milwaukie
- **Tideman Johnson Park Work Party** – Sat., Oct. 5 (9 AM – 12 PM)
 - Tideman Johnson Park, SE 37th Ave. and SE Tenino St.
- **Davis Graveyard Open House Block Party** – Sun., Oct. 13 (11 AM – 5 PM)
 - Davis Graveyard, 8703 SE 43rd Ave.
- **Arbor Day Celebration** – Sat., Oct. 19 (10 AM – 12 PM)
 - Johnson Creek Building, 6101 SE Johnson Creek Blvd.
- **Downtown Trick or Treating** – Sat., Oct. 26 (2 – 5 PM)
 - Downtown Milwaukie at participating businesses
- **Davis Graveyard Halloween Night Block Party** – Thu., Oct. 31 (5 – 10 PM)
 - Davis Graveyard, 8703 SE 43rd Ave.
- **LEARN MORE AT WWW.MILWAUKIEOREGON.GOV**