

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION
March 7, 2006

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

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

Staff Present: City Manager Mike Swanson, City Attorney Gary Firestone, Community Development/Public Works Director Kenny Asher, Interim Planning Director Alice Rouyer, Associate Planner Lindsey Nesbitt, Associate Planner Susan Shanks, Assistant Planner Brett Kelder, Resource and Economic Development Specialist Alex Campbell.

Board and Commission Interviews

The Council interviewed Donald Hammang and Lisa Batey for reappointment to their positions on the Planning Commission.

Planning Commission Work Plan

Planning Commission members present: Chair Donald Hammang, Lisa Batey, Teresa Bresaw, Catherine Brinkman, Brent Carter, Jeff Klein, and Dick Newman.

Mayor Bernard discussed redevelopment in the community and expressed his appreciation to the Planning Commission for its leadership. He felt the City needed to address downtown parking and traffic management as soon as possible. He commented on the park-and-ride and the need to get commuters' cars off the streets to open up the downtown for customer parking. The Texaco site would soon be ready for development, and the McLoughlin Boulevard Enhancement project was well under way. The Riverfront Park was one big beautiful piece of land now, and it was a pleasure to walk on the waterfront. He commented on rezoning the area near the current Gramor project, and he understood property owners were looking forward to that action. Reinvestment was occurring, and he felt the City should do what it could to make things happen.

Ms. Rouyer announced that Ms. Nesbitt had accepted a position in Happy Valley and introduced Susan Shanks and Brett Kelder. The Planning Commission met in a special work session to have an open discussion about the work plan, and those ideas were articulated in the staff report. She noted the Code "Fix" Top 10 list and commented on the importance of that ongoing project.

Mr. Hammang reviewed the goals that began with working with the new planning staff members. The second was the downtown parking management plan and appropriate street parking to support future development. Goal 3 was the Hwy 224 triangle that Mayor Bernard mentioned that represented a good commercial opportunity. Goal 3.b addressed North Industrial area transportation, transit, and planning. The Planning Commission also determined that the downtown requirements needed updating and refinement.

Mayor Bernard commented there were related transit center issues, and he wanted the City to be looking into the future as far as possible.

Ms. Rouyer explained the focus would be on the public area requirements.

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Mayor Bernard said at some point there needed to be serious consideration of how to finance construction of a parking structure.

Mr. Hammang had always believed a parking structure downtown was needed because money still came in cars, and the City needed to face that.

Ms. Rouyer commented on Goal 4 and "the look" at the downtown plan. Many things had changed including the riverfront, so the plan needed to constantly be refined as blocks redeveloped.

Councilor Stone asked if the Hwy 224 area was the one behind Mike's Drive-In.

Councilor Collette said it was next to the Gramor development on Myrtle Street.

Mr. Hammang added there were large parcels east of Mike's Drive-In and behind the Milwaukie MarketPlace. Many of those were not appropriate for single-family homes, but they did represent a lot of potential commercial property. He continued with the list of goals. Number 6 had to do with Metro Functional Plan compliance, and 7 was staff support for regional projects. Goal 5 had to do with maintaining an ongoing "Paramedic Code Fix List" that would guide staff in how to prevent future disasters.

Mayor Bernard asked if it was legal to regulate the color on the back of a commercial building such as that Panattoni project to make it more pleasant for the neighborhood.

Ms. Rouyer replied it had been a pet project of one of the Commissioners to have design standards for commercial and multi-family develop, and it was on the list.

Mr. Carter said before going on the Planning Commission, he was the Design and Landmarks Committee (DLC) Chair and worked on developing the Downtown Design Guidelines. His goal was to create City guidelines. The King Road Safeway could have been subject to those standards if it had it been Citywide. As the code was fine-tuned, both ends of the candle would be covered. He added that the Planning Commission had not had a lot of meetings with the DLC because of other priority projects.

Councilor Collette agreed it was important to have something to turn to beyond the code for the aesthetics of the community as it developed.

Councilor Barnes said one of the issues that came before Council was the large house built on Lake Road at Guilford that was being used as an adult care facility. The concern was that the City did not have the right kind of codes to prevent such a huge house being built.

Mr. Hammang explained the applicant built to the maximum allowable, and the house was large for the site.

Mayor Bernard thought the City might look at the Lake Oswego code.

Councilor Barnes recommended putting that on the Top 10 list because it brought a lot of folks out. It seemed like Milwaukie was becoming quite a hotbed for building adult care facilities.

Mr. Hammang suggested putting it on the paramedic list but cautioned there were all sorts of implications.

Councilor Collette noted there was interest in residential design standards, and the code was very minimal.

Ms. Batey said one of the issues that came up during the Planning Commission brainstorming was residential guidelines and limitations on certain types of materials. There was a perception that the Council might not want to take on those types of issues because that might be contentious for some of the neighborhoods. She referred to Mr. Hammang's comments during his interview about raising the quality of the housing stock and the importance of having those types of tools in the code. However, she noted there would be dissenters.

Mayor Bernard said there were some standards established for manufactured homes. He did not think anyone on Council would be concerned about taking on those kinds of issues.

Councilor Barnes was not comfortable with the City's telling the homeowners too much of what was expected. She did not believe she had or wanted the authority to do that. There were the guidelines that said a property owner needed to keep his/her home neat and clean, but beyond that it was none of her business. Those people worked hard for their homes, and it was not her business to walk in and tell them how to style their home.

Councilor Collette thought it had more to do with setbacks and quality of materials in neighborhoods. Context was some of it.

Councilor Barnes noted there were substantial differences between Milwaukie's neighborhoods.

Mayor Bernard said some cities did not allow those tent-like structures to be used for temporary garages or fiberglass awnings. He thought the group was discussing new homes and not existing.

Mr. Carter said in 1997 there was a community visioning session. All of the residents through their Neighborhood District Association (NDA) Chair addressed their needs and wants. From that, the sidewalk program started. People did not want them at first, but now they found there was less erosion, people's yards were looking better, and the longevity of the street was improved. He suggested it might be time for the NDAs to go through the process again. That might save a lot of time by finding out what the concerns were upfront. There were new residents moving into the City, so it might be time to take a poll.

Ms. Bresaw was concerned about the amount of staff time that would take.

Mr. Carter thought the NDA chairs could put something together. The relationships between the planning staff, Planning Commission, and NDAs have improved immensely over the past several years. It was very efficient and effective, and he suggested the chairs come back together and develop another Top 10 to present to the planning staff.

Mr. Klein noted the differences between the neighborhoods and their expectations and desires. He thought the City needed to have a vision outside of the downtown district. He would like to see some focus on the residential areas and perhaps reinvesting some the money coming into the downtown area.

Councilor Stone agreed. The downtown was small, and the City needed to make sure the neighborhoods were upgraded. Residential properties were the biggest part of the tax base. Anything that would strengthen the codes in terms of neighborhood development would support livability and property values. She thought there needed to be enough teeth in the code to say that a towering house like the one on Lake Road could not happen.

Mr. Hammang noted that some cities had restricted monster houses which could potentially be a problem in the future. He agreed that matter should be on the paramedic list.

Mayor Bernard responded for every dollar of investment in the downtown returned \$38 to the community and was the most successful development strategy in the country. The North Main project was a downtown investment that would bring in money for the rest of the City. Most of the downtown development was not City money. It was federal money and Metro funding. He estimated a 10% change in demographics. Younger people were buying homes and reinvesting in them, and the Waldorf School, he understood, brought 83 families to Milwaukie. Those alone are changing the community and bringing new investment into the community.

Ms. Brinkman agreed and said she had a vested interest because she lived close to downtown. A lot of younger professionals from Portland come down Hwy 99E and are interested in the changes that are going on in Milwaukie. However, that did not change the fact that they turn right at the pawnshop, right at Foxy's, and under the railroad tracks to get to her house. Beautifying the downtown would have a ripple effect.

Mr. Klein said the 42nd Avenue and King Road was another area that needed a revisioning. It had the greatest percentage of population in Milwaukie and served Ardenwald, Lewelling, Hector Campbell, and Linwood neighborhoods. Now, if people do not shop at Albertson's, then they went to unincorporated Clackamas County. There was a car dealership at that intersection and adjacent buildings that could use some economic increase.

Mr. Hammang observed that good money would drive out bad.

Ms. Rouyer reported the building permits were in for the new Safeway and were being reviewed. With regard to residential design standards or anything the Council cared about, it should ensure it had the political will to make it happen. One of her pet peeves when she came on as the new planning director was the tree ordinance. Council said it really wanted it, but there was no support. She was not disappointed in the outcome, but she felt like she had wasted nine months and could have been spending that time on doing other good things for the City such as working on the residential design standards.

Ms. Bresaw recommended getting neighborhood feedback before beginning the process to determine the level of support.

Mayor Bernard felt Council had made the commitment and understood the planning staff was new. He thought the goal was to commit to supporting the efforts at least until it heard from the citizens.

Councilor Collette thought Ms. Bresaw had a point about talking with the neighborhoods to determine their support.

Mr. Firestone wanted to make sure that the City Attorney's office was involved to ensure compliance with statutes that restricted regulation on residential properties.

Mr. Carter commented one of the golden rules of a good shepherd was never to lose the smell of the sheep.

Councilor Loomis thought it was important for the City Council and Planning Commission to remember the tree ordinance failed because it was brought forward for personal reasons. The Council role was not to promote what it

wanted but to promote what the citizens and the City wanted for the best interest of the City. He thought there would be fewer problems in the end if it had been something the citizens wanted. Council needed to keep in mind when it asked staff to do something and to make sure it was for the right reasons.

Councilor Stone thought there was a lot of citizen angst about the tree ordinance and Ms. Bresaw's suggestion was a good one.

Ms. Rouyer noted there were countless work sessions on the tree ordinance, but it was water under the bridge. She discussed the TriMet park-and-ride appeal scheduled for April 18, 2006. The Planning Commission held two hearings. The first was to hear public testimony, and the second was for deliberation.

Mr. Firestone explained that the hearing would be de novo. Anyone could present evidence, but it had to be limited to the issues listed in the notice of appeal. Anyone can testify and provide new testimony, information, and evidence. The Council would make its decision based on the evidence and the record prepared for the Planning Commission. Everything would be in front of the Council. The limitations were that the issues had to be in the notice of appeal or raised before the Planning Commission.

Ms. Rouyer added the appeal was coming from an attorney, so the arguments were solid and professional. The Council had to stick with the criteria, and the community service overlay was about a public benefits test. Did the adverse impacts of the proposal outweigh the benefits? This was a park-and-ride matter and nothing more than that at this time.

Mayor Bernard said one of the goals Mr. Asher brought to the Council was to solve the transportation issues in that area, and he supported the effort. He would focus on the City's efforts to solve those problems through partnerships with the business community, ODOT, and TriMet after this process was finished.

Mr. Firestone discussed ex parte contacts. It was likely members of Council would be contacted on this matter. Under the ex parte rules each member was required to disclose any contacts. Although it would be simpler not to listen to comments, the Council may do so as long as those conversations were declared.

Update on the Texaco Site Request for Proposals

Mr. Asher introduced Phil Whitmore and Meagan Steele with Metro's Transit Oriented Development (TOD) program and Kim Knox with Shiels Oblatz Johnsen. Metro and the City were 50/50 partners in ownership of the block. Staff would prepare a request for proposals (RFP), solicit development proposals, and ultimately convey the property for development to the agreed upon standards.

Mr. Whitmore said it was to Brad Olson's credit that Metro was able to acquire this key site. Mr. Olson wanted it to be a nice development for the community and held onto that vision even though others pressured him. The family could have cashed it out and left it as a gas station. Mr. Whitmore discussed TOD projects and the Centers program. Metro saw a project in Milwaukie over which the City already had site control and wanted to help. He noted that the entire Centers program budget was spent on this Milwaukie project. The site made a major announcement on a major arterial that said this was a gateway and that something lay beyond. It would be more than a sign – it would be a really cool building. Metro considered the site to be crucial. The site also linked to the North Main project and provided the transition piece that would help revitalize the rest of the area. There would be some fantastic views of the River and could

change forever how people perceived Milwaukie and how it positioned itself in the overall market place.

The TOD program invested in mixed-use, higher density projects that actually cost more than conventional projects. The "urban look" required additional firewall separations, elevators, and other elements that were not part of traditional suburban projects. For the interim, the market was the same, so Metro would help absorb some of that impact. The main interest was in making the best development possible and helping offset some of the costs until there was a chance to create a sense of place. When TOD considered a project, it looked at availability of transit options, site control, public partners, reduction in vehicle miles traveled, and a floor area ratio (FAR) of 1:1 or higher. To attain that ratio once the setbacks and parking were taken out, one was looking at 3-, 4-, or 5-story buildings. He appreciated the receptivity and agility of the Council and felt Milwaukie would be a good partner on this project.

Ms. Knox added the anticipation for this project that it would be all the good things that happened for North Main. The shift in this project was that the City now had a development partner, and Metro and the City of Milwaukie had similar priorities. The intent was to have a public process with local support for a community process.

Mr. Asher will work on the management process and decision-making structure.

Mayor Bernard said North Main was difficult and some risks were taken, and he hoped the City would not have to give away a lot on this project. It was an exciting and very important project for Milwaukie.

Councilor Loomis did not disagree with the Mayor. The Council felt that if it was not willing to invest and make sacrifices, then why would developers. That was a valuable piece of property, and the developer would be a very lucky person.

Councilor Barnes felt North Main gave the City some credibility, and with Metro's support it would not be expected to give anything away.

Councilor Collette noted this was a highly visible riverfront property across the street from a waterfront park. She commented on the North Main project citizen involvement process and the sense of community buy-in with the DLC following up as the design evolved.

Mr. Asher saw three stages. The first was to design the RFP followed by developer selection and public involvement to ensure it was a development everyone wanted. He thought the offering should be on the street by mid-summer, and they would likely be working with a developer by August. This was a competitive offering to the market that would benefit the community beyond this project.

Councilor Stone asked if having two public entities would eliminate a public/private partnership if someone wanted to develop more than one block.

Mr. Asher said if someone could assemble more than one block and meet Metro's and the City's goals all the better.

Ms. Knox commented that in theory the larger the project, the better it might be because of added possibilities. A public process would actually demonstrate what was feasible.

Councilor Stone understood the new development would be at least three stories.

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Mr. Whitmore would ask the City to consider up to 5 stories as the City had a process to do that. There might be a different height and scaling on the Main Street than on the river side because it was for different purposes.

Mr. Asher commented as one turned up the density, it was easier for a developer and required less subsidy. As the density was notched down, the developer would ask for more help. The Council's job was to balance that.

Ms. Rouyer said the building height for that block in the Downtown Plan was 45- to 55-feet.

Councillor Collette noted much of the McLoughlin Boulevard-fronting properties were designated for parking in the Downtown Plan, so that was another reason to revisit the Plan.

Mayor Bernard commented on how long Brad Olson had held out on this project. He hoped the building would be demolished soon in order to expand the Farmers' Market to that site.

Mr. Asher added this was a first for him. He had never heard of a gas station going away for a public-oriented development. This was a very special opportunity.

Mr. Swanson observed that North Main was at times a challenge, and he enjoyed working Mr. Whitmore, Ms. Knox, and the developer Mr. Kemper. They were critical to making it happen, and it was a good team to have back together.

"Open Channels" Proposal

Mayor Bernard thought people did not feel they were being heard, so the Neighborhood Leadership voted on the proposal that asked the Council to communicate better. He suggested that each Council member submit his or her weekly activities for publication with *Mike's Friday Memo*. He suggested Council consider adding this language to its Communication Agreement and noted the code and charter addressed many of the issues.

Mayor Bernard adjourned the work session at 7:00 p.m.



Pat DuVal, City Recorder