

**CITY OF MILWAUKIE  
CITY COUNCIL MEETING  
AUGUST 21, 2007**

**CALL TO ORDER**

**Mayor Bernard** called the 2012<sup>th</sup> meeting of the Milwaukie City Council to order at 7:00 p.m. in the City Hall Council Chambers.

Present: Mayor James Bernard and Councilors Deborah Barnes, Carlotta Collette, and Joe Loomis. Councilor Stone was excused.

Staff present: City Attorney Bill Monahan, Community Development & Public Works Director Kenny Asher, Operations Director Paul Shirey, Engineering Director Gary Parkin, Planning Director Katie Mangle, and Finance Director Valerie Warner.

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**

**Transportation System Plan (TSP) Update – Downtown Parking**

**Ms. Mangle** introduced Rick Williams the City's parking management consultant who had been working with the City for about a year on the downtown parking issues. He was also involved in the *2003 Downtown Milwaukie Parking and Traffic Management Plan*.

The Transportation System Plans (TSP) did not typically deal with parking; however, staff believed it was important to address unresolved issues. The current TSP would adopt much of the 2003 Plan including the framework and principles that helped the City make its decisions; however, gaps made it difficult for staff to implement certain Plan elements. Some of the questions had to do with proper regulation of development and downtown resident and employee parking. There was a lot of public participation in the workshops, and some key recommendations were made on how to help downtown Milwaukie become a great multimodal environment. It was about creating Main Street as a shopping corridor and retail center by developing parking policies that helped businesses. When talking about parking, it was not just one type of user. The City had a different attitude in its investment and policies depending on the type of user, employee, visitor, or park-and-rider. She referred to Table 1 – Parking Facility Priorities by Parking User Type on page 3 of the staff report. The main thrust of the Downtown Plan was to support Main Street redevelopment and retail that were supported by visitors, customers, and clients. The City needed to make the decision to prioritize that group. The park-and-riders were at the opposite end of the spectrum, and the decision needed to be made to de-prioritize those who were not coming to downtown Milwaukie but rather going to downtown Portland. The effort would be made to move park-and-ride to the fringe of downtown. Many of the recommendations in 2003 were about setting up a policy so the City could make choices as the downtown continued to develop. The proposed framework would help guide decisions. Principles were to manage parking to support downtown revitalization, keep an updated parking inventory, adjust parking management practices when parking areas were over 85%, implement development requirements that require the private sector to identify sufficient parking but not asking them to overbuild, provide public off-street parking for downtown employees, work with property and business owners to decrease employees auto

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parking needs, develop a plan to finance and locate a public parking structure, and discourage park-and-ride lots in the downtown. As the downtown transitioned to a multimodal environment there would be more opportunities to driving and parking. Many people were interested in a public parking structure, and that was something the City needed to be planning for and consider how it might be financed. The City has long held the downtown should not serve as a park-and-ride for downtown Portland, but there may be an opportunity to design a structure related to the light rail project that allowed for retail customer parking.

**Ms. Mangle** discussed development requirements. Staff looked at the development code to evaluate the City's attitude as a regulator by considering a few key sites. If one looked at a 4-story development in the office zone, for example, the City could require 8 – 15 parking spaces per 1,000 square feet. Mr. Williams concluded the parking centers alone would preclude the development from happening because the sites were constrained. Given high quality transit, pedestrian, and bike access, did the City really need to require that much parking? There were some parts of the code that required too much parking yet there needed to be enough. The code changes in the TSP would be looking to create a uniform set of standards for commercial development in the downtown, which right now were all over the map. The commercial standards would be uniform throughout the downtown and create a minimum 0 spaces and a maximum of 2.5 per 1,000 square feet. That would put the burden on the developer as to how many spaces were really needed. There would be no limit if parking were within a structure. Small storefront units that did not require more than on street parking for customers would be allowed to do that. Larger office buildings that might require 2.5 or more spaces per 1,000 square feet would also be allowed to do that. It would simplify the equation for the developer and ensure that commercial and office development would be consistent.

She discussed residential development. Currently in the downtown storefront zone the City had no requirements in the core area. In the downtown commercial and office zones there were 1.25 spaces per unit which was standard for apartments all over town. In response to community concerns about downtown residents, the proposal was to put in the code for all of downtown including the storefronts a minimum of one parking space per unit with a maximum of two unless in a structure. The maximum was important in that the City did not want more parking than was needed or numerous surface parking lots.

Policy aside, staff ended up with an action plan that helped bridge the gap between the policies and what staff needed to do. A key element was public information and helping downtown employees understand the permit system. Some employees provided valuable feedback such as the lots' being too dark. She discussed the "no parking overnight" zone on Main Street in front of North Main Village that was a direct result of the policy to manage parking to support retail. Cars parking overnight impacted the coffee shop business and rentability of the restaurant spaces. Going back to the principles, parking was managed for the retail environment and not for the residents who had 1 parking space per unit. That was an example of choices that would have to be made that would not likely make everyone happy. The community was asking for active management and wanted to see the City making those choices and rules clear for residents, employees, and developers. Parking was a multi-disciplinary issue and involved planning, engineering, facilities, community services, budget, and community development. Staff agreed with City Council this was a high priority. There needed to be a plan, and it was important to show the City was effectively managing this resource. It was really about the future of downtown and success of the retail. Staff would propose a parking manager position in next year's budget. Right now no one was

working on issues. The program did bring in revenue for the City, so there was some funding for the position.

**Councilor Loomis** asked where the cars moved if they could not park on Main Street overnight.

**Ms. Mangle** showed residents other options than the Main Street slots such as Scott and Harrison Streets. The main point was the parking was being protected for adjacent businesses while parking in other places including in front of City Hall did not affect anyone.

**Councilor Loomis** observed when the restaurant went in and the retail spaces filled up more than those few places in front would be needed. Were the people living there parking in front because they had more than one car? Were the spots designated for the tenants full? Some people were using their garages for storage and parking on the street, and others had 2 cars. Communication needed to be more consistent regarding City policy, and people cannot not rely on parking on the streets because it was prioritized for businesses.

**Councilor Collette** asked if people could use Odd Fellows at night.

**Ms. Lander** replied Odd Fellows did not allow overnight parking, but people could use the City Hall lot which was actually closer.

**Councilor Barnes** was glad public information was the first priority and recommended the rules be handed out to new businesses. She agreed it was important to have a consistent message for people considering buying a condo in downtown Milwaukie.

**Ms. Mangle** thought it was important to help people understand what they should do. Neil Hankerson, Dark Horse Comics, suggest employee training. Right now it was easier for them to do the wrong thing than the right thing because they did not understand how buy permits. The City can improve the permit system along with going out to employers with training and offering transit and bike route maps.

**Mayor Bernard** thought overnight parking needed to be expanded. All of Scott Street was taken up with cars, and he imagined Mr. Parecki's parking lot was probably full. Park-and-riders also started parking on Monroe Street at about 6 a.m. and walked to the transit center, so neighborhood parking needed to be addressed. He asked how square footage was addressed and what occurred if there were changes in the types of businesses.

**Mr. Williams** addressed transit riders parking on residential streets. More signs were going up that stated a 2-hour limit or by permit. It was difficult to manage because no one knew who should legitimately be parking on the street. That was why it was desirable to go to a permit system on streets that had capacity. It was not that people would not be allowed to park on the street during the day in certain areas, but people would have to prove they lived or worked downtown. Those park-and-riders would not be able to park and walk to the transit center because it was 2-hour parking. Unless they displayed a permit they would be tagged. His mentor always said businesses came and went but buildings did not. They tried to size the parking system to the demand. The City had 59 different use categories in its existing code, and each category had a specific parking requirement. During the parking study it was found the highest rate of parking use was 2 per 1,000 square feet as a blended mix. That demand would theoretically drop if transit were considered. The current use was based on a transit mode split of 10% or less. If the split goes up to 15% or 20% even the 2 per 1,000 may be overbuilt. They tried to size it with a maximum to what the current demand was and put a reasonable minimum in place expecting that the downtown will continue to operate at a demand equal to or less than what it was today for commuter

uses. Basically any new developments in downtown will need to develop a structure because they will not have the geometry to accommodate surface parking.

**Mayor Bernard** understood there was a possibility that the Southgate park-and-ride would not happen because a different alignment was being studied that would keep it along the Tillamook Branch. That could, he understood, delay getting the transit center off the City streets. There would need to be a park-and-ride somewhere, and that need had to be accommodated.

**Ms. Mangle** commented the transit chapter of the TSP addressed a long-term plan for park-and-ride along the light rail corridor and to the east along King and Linwood to capture the east side commuters. The policy statement on parking was to keep the downtown from being a park-and-ride in the broader sense. Even if the Southgate park-and-ride was not built, steps could be made not to sell valuable permits to people who were taking the bus to downtown Portland. She understood TriMet would build a park-and-ride of some sort at Southgate.

**Councilor Collette** asked if there would be permit parking in Historic Milwaukie so people were protected from having park-and-ride overflow.

**Ms. Mangle** said the 2-hour or permit was more about effectively using the downtown streets, and where there was no retail an employee could park all day. The chapter also recommended adopting a framework for a residential permit parking zone that would only be applied outside of the downtown zone that included the Historic Milwaukie Neighborhood and parts of the Lake Road Neighborhood where the problem was already being experienced. It would be up to the Neighborhoods to decide when they were ready for the permit system.

**Mr. Williams** added the proper time to implement a system was really when residents thought it was bad. When the framework was outlined the residents came to the realization that it would require some administration. It was a real fix for parking overspill into neighborhoods, but it meant people had to get a permit. One may or may not have to pay for the permit, and there may have to be guest passes. The framework outlined the actual steps that would be presented to the community to determine if people were ready to go. The residents could establish a temporary boundary for a residential permit program. If 51% of the people polled within that boundary agreed with the program, then the City would begin to work with them on implementation. It was believed that was better than imposing a program on the neighborhood.

**Mayor Bernard** recommended training to help people realize they needed permission to park in private lots.

**Ms. Mangle** announced the draft chapters of the TSP were on the City website and would be before the Planning Commission in October for a public hearing. She would bring one more update to City Council with final adoption scheduled for December.

## CONSENT AGENDA

- A. City Council Minutes of July 17, 2007 Regular Session;
- B. Resolution 52-2007: A Resolution of the City Council of the City of Milwaukie, Oregon, Approving Transfers of FY 2007 – 2008 Appropriations and Approving a Supplemental Budget;
- C. Resolution 53-2007: A Resolution of the City Council of the City of Milwaukie, Oregon, Approving the Purchase of City Vehicles That Were Approved for Replacement in the Fiscal Year 2007 – 2008 As Per the City Vehicle Replacement Criteria; and
- D. OLCC Application for the Golden Nugget, 11032 SE Main Street, New Outlet.

It was moved by Councilor Barnes and seconded by Councilor Collette to adopt the consent agenda. Motion passed unanimously among the members present. [4:0]

## AUDIENCE PARTICIPATION

- **John Otsyula, Milwaukie**

**Mr. Otsyula** attended the Metro Committee meeting, and the Mayor presented that the City Council was in favor of not studying other light rail alternatives by 4-1. Metro admitted on record that City Council had no such authority to reject or remove an alternative that was proposed by citizens. He was requesting on record that the City Council submit to Metro his other alternative alignments as required by NEPA to be included in the SDEIS. Additionally, Metro transportation committee chair and the project manager were open to taking alternative suggestions. He requested again that the City submit his alternatives. He asked his City Council. If the City was unwilling to further the alternative suggestions coming from him, then please let him know in writing so he could notify Metro of the City's unwillingness to adhere to federal regulations.

**Mayor Bernard** said this was part of the record of all the meetings that went to Metro.

**Mr. Otsyula** was specifically asking that the City as his representative to Metro to further his alternative suggestions. If the City was unwilling please let him know so he can let Metro know the City was not adhering to federal regulations that would give him an avenue to put his alternatives in. He could say he went to his city, and if they were not willing, then he had the right to go to Metro. He wanted that so he could let them know.

- **Brendan Eiswerth, Milwaukie**

**Mr. Eiswerth** wanted to talk about community development on Main Street. The Council was familiar with the downtown design guidelines. He supposed all the Council had read those. Milwaukie Downtown and Riverfront Land Use Framework Plan and Milwaukie Downtown and Riverfront Plan. He assumed all Council had read those. He asked if the Council had seen the article about Mr. Parecki's building that was in the *Oregonian* last week. Good article. It was nice to have positive news coming out of the City of Milwaukie, and it was too bad we had seen some unfortunate things recently. He felt bad about that because this was a beautiful place. He owned two houses and paid taxes and planned to raise his child here and send him to school in Milwaukie. Dennis McCarthy's article on Mr. Parecki's renovation of the First State Bank Building on Milwaukie's Main Street in last Thursday's *Oregonian* showed what he thought smart development in Milwaukie could look like. The project to restore the First Bank Building and his previous restoration of the McLoughlin Building on Scott were prime examples of what Milwaukie development could and should look like. Whether he knew it or not Mr. Parecki had stayed true to the design guidelines adopted by City Council on April 1, 2003, Resolution 11-2003 and to the vision of redevelopment as laid out by the citizens of Milwaukie in 1999, of which he was one, in a long series of meetings involving hundreds of residents discussing what the future of Milwaukie would look like. While Mr. Parecki was not a part of the community in 1999, he had an uncanny ability to fit his development into the vision of redeveloping Milwaukie as residents had 8 years ago. Restoring historic buildings no matter what their condition, staying in scale to the surrounding buildings using fine craftsmanship and high quality materials. These were all spelled out in the Milwaukie downtown design guidelines and were adhered to the utmost level by Mr. Parecki in his two projects so far in Milwaukie. Not only had Mr. Parecki stayed with Milwaukie's citizens' vision but also he took the risk on his own without government subsidies and property tax abatement. Milwaukie politicians and

planners can learn much from Mr. Parecki's quality developments. Now, let's contrast Mr. Parecki's successful development with North Main Village that enveloped the old Safeway site along Milwaukie's Main Street. The North Main development was a hodgepodge of condos, town homes, low-income housing, and ground floor retail that surrounded the historic Masonic Lodge – some would say dwarfed the Masonic Lodge – at the corner of Harrison and Main. Contrary to the development by Mr. Parecki this development was quickly built with mediocre at best craftsmanship. It was as if the developer of this project never read the Milwaukie downtown design guidelines or was never informed that there were guidelines to follow – hopefully that was not the case. He was here a month ago when a Milwaukie citizen who said he was a lifelong carpenter came to the Council and explained in detail the shoddy workmanship visible at the North Main development. He talked about cracked trim and unpainted caulk and spackle around windows and doors plus complaints of plumbing problems already. It was really too bad, but the proof was in the pudding. Mr. Parecki's McLoughlin Building was 100% filled, and North Main had absolutely no tenants who had moved in yet. The question should be asked by the Council and planners as we go ahead and develop Main Street was "why is that?" He was not criticizing. He was criticizing the quality. He hoped the Council looked at it as he did after hearing that. We needed to have high quality development. Look at Mississippi. Look at Hawthorne. Belmont, Division, even places like North Williams. Places that were completely, utterly not places people would ever think they could develop. That was grassroots development like Mr. Parecki's that turned those areas into places where people wanted to go with locally-owned wine shops, boutiques, restaurants that he would drive over to enjoy. He would like to be able to walk down the street and do that. Unfortunately nothing has come into North Main. Look at it and try to figure out why that was before we went ahead and changed any planning laws to build over twice as high as this building across the street which was the plan they wanted to do. Pay attention to these. There was a lot of work put into them, so please adhere to that.

- **Ed Parecki, Milwaukie business owner**

**Mr. Parecki** did not know Mr. Eiswerth was going to be at the meeting but thanked him for his comments. He brought the same documents and intended to say the same thing, but Mr. Eiswerth said it very eloquently. He wanted to challenge the memorandum of understanding (MOU) based on the resolution adopted by the City on April 17, 2007 which stated in part that the City would enter into exclusive negotiations with Main Street Partners for 60-days. The ambiguity in the contract should nullify it, and we should stop the proceedings now. The reason he thought it should be nullified was that it went beyond the 60-days on an exclusive basis. It was clear the City was not supposed to do that. This thing had been going on for an extra 60-days. No other developer such as Winkler or the other one came into negotiations beyond the 60-days. He urged the Council to look at the contract signed into the record and maybe re-think what was going on. A lot of what Mr. Eiswerth said was true. One cannot actually enforce the MOU unless the downtown plan was changed which the Council loved so much. The one used against us with the light rail alternatives. Remember the downtown plan. 2,000 people and countless hours went into it. The Downtown Plan called for a greenspace where the Tillamook line was. It said it clearly. It was a brilliant idea that could not be implemented now because the Tillamook line was going to inevitably be built. He urged the City Council to re-read the genius plan that was developed in 1999 and try to get some of it implemented instead of changing it as things came along. There was already the village concept which was a total change to the Plan. It was very unfair unless the City Council created a Parecki concept plan downtown and gave him some variances and code changes as well. He was not going to ask for those; he was being ludicrous. It just seemed like it should be on a level

playing field and things should be done according to the Plan because Mr. Asher said, "remember the document."

**Mr. Monahan** had some opportunity to discuss the agreement and final provisions of the MOU. It made reference to if an impasse were reached that the discussion with another potential developer would occur. To his knowledge no impasse was reached. He referred to page 2 of Resolution 29-2007 that said if for any reason the MOU negotiations between the project management group (PMG) and Main Street Partners came to an impasse, PMG was authorized to begin negotiations with Winkler Development. To Mr. Monahan's knowledge no impasse was reached.

**Mr. Parecki** said that same document said exclusive negotiations would only occur within the first 60-days, so there was an ambiguity.

**Mr. Monahan** said it did say the PMG was directed to enter into exclusive negotiations for 60-days. Nowhere was there anything that said at the close of 60-days an impasse existed. It did not say the 60-days could not be extended.

**Mayor Bernard** added assuming all parties were acting in good faith to come up with an agreement.

**Mr. Monahan** said there was nothing that triggered that at the end of 60-days the resolution went away.

## **PUBLIC HEARING**

### **Motion to Consider Continuation of Amendments to Milwaukie Municipal Code (MMC) Sections 19.321.7 and 19.321.3**

**Mr. Monahan** discussed the background of this matter and the recommendation to continue the hearing to give the Citizens Advisory Committee time to do its work.

**It was moved by Councilor Barnes and seconded by Councilor Collette to continue the hearing on the amendments to the Milwaukie Municipal Code Sections 19.321.7 and 19.321.3 to the regular City Council meeting of September 18, 2007.**

**Councilor Barnes** said the policy group was meeting later this week that included Mr. Knapp, Gladstone, Damascus, and herself. The situation had changed some and not for the better. She would go into detail on the Water Environment Services (WES) report when there was more time during a work session. She would update the group of the Thursday meeting. The CAC had started holding separate meetings in subcommittees. The CAC was not happy, and Clackamas County indicated things might change in November. Things were at a point where either they were resolved, or Mr. Knapp said publicly he would sue Milwaukie over getting out of the Kellogg Treatment Plant. The question was whose money he would use to hire legal counsel. This was starting to get nasty again.

**Mayor Bernard** added \$3 million was spent in studying this issue, and the answer was the same every time.

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

## **OTHER BUSINESS**

### **A. Riverfront Park Design Contract Amendment – Resolution**

**Ms. Herrigel** provided a brief update on the Riverfront design and asked for approval to amend the contract with David Evans & Associates (DEA) to continue some of that work. The contract was awarded to DEA in September 2006 and was signed December

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2006. Councilors Stone and Loomis have been attending most of the Riverfront Board meetings where Gill Williams described the various components of the riverfront project. The design team met with the Oregon State Marine Board (OSMB), Clackamas Service District #1 regarding access issues, Oregon Department of Transportation (ODOT), and several other organizations to get a firm grip on the components of the project. The project met with City staff in a pre-application conference to discuss local land use approvals. The components have been finalized, and the next logical step was for DEA to go into the detailed design. This project was along the Willamette and between Kellogg and Johnson Creeks making it important to get input from federal and state agencies. She anticipated the permitting and design would move forward in parallel, and all of that should be completed by September 2008.

She pointed out some design changes. The final grading was done, and she noted soil was neither brought in nor removed from the site but moved around. The site would be re-contoured so there were inlets with small bridges. The boat ramp and parking moved closer to Kellogg Creek after lengthy discussions with the designer, Riverfront Board, and OSMB. She pointed out the transient dock. Right now the riverfront was accessed by either right-in or right-out at Jefferson Street or Washington Street. As part of this design the Jefferson and Washington Street entrances would be closed. The entrances to the Kellogg Treatment Plant and Riverfront Park would be south of Kellogg Creek. That drove the location of the boat ramp and parking lot and meant agreements had to be reached with ODOT and the Kellogg Treatment Plant regarding access. She pointed out the parking areas near the boat ramp and near the log dump, the restrooms, and water feature.

**Ms. Herrigel** said in order to move forward with the permitting project several tasks would need to be added to the scope of work, the contract extended to September 2008, and amend the 2007 – 2008 budget to transfer \$100,000 from contingency into the community services budget. In the 2006 – 2007 budget she, Mr. Swanson, and Mr. Taylor spoke about having \$200,000 in the budget. One half was to come from the North Clackamas Parks and Recreation District (NCPRD) and the other from the general fund and specifically from Mr. Swanson's budget. In that budget year she spent \$100,000 of the District's funds which were appropriately allocated in the budget. She did not spend the bulk of the remaining \$100,000, and unfortunately that \$100,000 was not moved to the 2007 – 2008 budget in any formal way. The proposed action would transfer funding from contingency to community services in order to have the necessary \$200,000 to finish this project.

The action requested was to adopt a resolution amending the DEA contract by extending the term to September 2008, increasing the compensation to \$300,000, adding two additional tasks, and appropriating \$100,000 in the 2007 – 2008 budget for use in the Riverfront design and engineering.

**Mayor Bernard** asked if the Budget Committee chair had seen the proposal.

**Ms. Herrigel** understood Mr. Aschenbrenner was working out of town, but she had talked to Mr. Swanson before he left town.

**Mayor Bernard** supported the staff proposal but would like to consult with Mr. Aschenbrenner. He asked if the Council could make a motion to approve the staff recommendation contingent upon Budget Review Board approval.

**Ms. Warner** said according to ORS this change did not require Budget Committee approval. The City Council was welcome to talk to the Budget Committee if it wanted to, but the ORS allowed Council to make a change of this magnitude without running it through the Budget Committee.

**Councilor Loomis** said his vote would not change as he was in favor of the staff proposal.

**Councilor Collette** was also in favor of it.

**Councilor Barnes** understood the concerns because there was a process to which everyone had agreed even though it was not an ORS requirement. The City Council did depend on the appointed members of the Budget Committee.

**Mayor Bernard** asked if Metro funds could be used.

**Ms. Herrigel** allocated \$120,000 of Metro funding for the riverfront but anticipated using it for construction in 2008 – 2009 to use as a match for other funding she would pursue. She would call Mr. Aschenbrenner and talk to him personally. She proposed that the City find the money. If the Council did not wish to take action, she would bring it back. The contractor cannot be paid at this point pending this action.

**Mayor Bernard** requested that Ms. Herrigel talk to Mr. Aschenbrenner and supported taking this action. During the budget process going into contingency was a major concern for all involved and special efforts were made not to touch it.

**It was moved by Councilor Loomis and seconded by Councilor Collette to adopt the resolution amending contract 2006-097 with David Evans & Associates, Inc. for landscape design and engineering services for the Milwaukie Riverfront Park. Motion passed unanimously among the members present. [4:0]**

**RESOLUTION NO. 54-2007:**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AMENDING CONTRACT #2006-097 WITH DAVID EVANS AND ASSOCIATES, INC. FOR LANDSCAPE DESIGN AND ENGINEERING SERVICES FOR MILWAUKIE RIVERFRONT PARK, BY EXTENDING THE TERM TO SEPTEMBER 2008, INCREASE COMPENSATION TO \$300,000, ADDING TWO ADDITIONAL TASKS AND APPROPRIATING \$100,000 IN THE FISCAL YEAR 07-08 BUDGET FOR USE IN THE RIVERFRONT DESIGN AND PERMITTING.**

**B. Town Center Memorandum of Understanding – Resolution**

**Mr. Asher** sought approval for the memorandum of understanding (MOU) with Main Street Partners and Metro on the Town Center Project which was a non-binding agreement. This was an opportunity for a project update. There were simultaneous processes under way that were all important for the fruition of the project, so it was not linear. All the steps, signing the MOU, selling the property, design, permitting, and construction, had to gel so the developer knew he would be able to build the project he wanted to build. This was moving away from community development and toward the planning department and Planning Commission. The Commission discussed the code modifications being requested by Main Street Partners. The Design and Landmarks Committee (DLC) also heard from the developer. Staff was thinking through how to process that application. It was important the City Council had a window to the Planning Commission process to basically be on the same page. Staff was again prepared to talk about the vertical housing tax abatement (VHTA) that had been scheduled for Councilor Stone's benefit, but he noted she was not present.

**Councilor Collette** would like to hear the VHTA presentation even though Councilor Stone was not present.

**Councilor Barnes** suggested staff make an appointment with Councilor Stone to discuss the matter.

**Mr. Asher** reviewed the background of the project. The request for proposals (RFP) was done in December 2006, and there were three submittals. An advisory group made a recommendation, and the general public participated in the process in March. Main Street Partners was selected as the private sector partner to see if an agreement could be reached whereby Metro and the City would sell the property in exchange for a mixed-use development, or signature project, which as proposed would be 3-stories on the Main Street side, 4-stories on the McLoughlin Boulevard side, and setback penthouses on the 5<sup>th</sup> story. There was a courtyard in between. During the RFP process and after, Metro and the City identified the public objectives for this project which tended to cluster around high quality design, attractive and durable materials, pleasant public spaces, and active retail uses at the ground floor. The developer's objectives were to make this an economically viable project where the condos and retail could be sold with all the amenities in place that would make it a marketable project. The developer was also motivated by high quality architecture and design and positive public spaces and amenities. On April 17, 2007 Council adopted Resolution 29-2007 which authorized the City to begin negotiating the MOU with Main Street Partners. Main Street Partners made a presentation to Council on May 1 to provide more information on the project. Staff provided an update to Council at the June 19, 2007 work session prior to coming for authorization on the MOU and discussed progress on the memorandum. The Council asked questions about tree preservation, downtown parking, and retail leases at North Main Village. At that work session it was indicated the process was at the 60-day mark, and all the parties agreed progress was being made and more time was needed. It ended up taking 120-days which was unfortunate but all right given the overall schedule.

Main Street Partners had several other projects it was working on and was a diversified company. The City was happy to have Main Street Partners' attention on this negotiation. He had the sense this was a priority project for the developer, and he was responsive while working at other sites. Main Street Partners understood it was important to be active and available in all the discussions about downtown parking, light rail, pre-application conferences with staff, and Historic Milwaukie Neighborhood District Association (NDA), DLC and Planning Commission meetings. Main Street Partners made it a point to understand where the community was around downtown development specifically around North Main Village and the proposed project. They put a deposit down for the traffic study that considered traffic impacts and parking to ensure the design worked for the site.

The MOU was like a letter of intent by the three parties saying what they intended to make this project come to fruition. The focus of the negotiations was the importance and relevance of the City's code and land use approval process. The DLC makes recommendations to the Planning Commission about design guidelines adopted as part of the Downtown and Riverfront Land Use Framework Plan. The DLC made its recommendation to the Planning Commission which had a process for considering things like zoning changes. The City Council was the body that would hear any appeal. In that regard it was no different than any other land use application that would come through staff. Metro had to abide by those as well. It was the partner at the table that wanted certain things out of the project and design, but Milwaukie was the host jurisdiction. The MOU said the City would do 4 things. The City would agree to pursue creation of a vertical housing tax abatement zone, and all 3 proposals made that request. Clearly, VHTA was a tool developers needed and wanted to get the kind of development Milwaukie was asking for. This kind of cost, this kind of density, this kind of finish. Staff will pursue creation of that abatement zone. They discussed a new possible stop for the #33 bus, and it was agreed another site would be identified rather than taking a bite out of the McLoughlin Boulevard side. The zoning code amendment requests would be processed expeditiously and professionally. The City will support

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Main Street Partners in taking these applications through as it would any applicant. They were being initiated and paid for by Main Street Partners and will move through the Planning Commission process. Options would be evaluated to support the project's parking needs. Main Street Partners had looked at angle parking on Jackson Street instead of parallel, and staff was helping figure out if that could be done. Staff would work to ensure the interior structured parking was laid out appropriately.

**Mr. Asher** referred to the letter from Main Street Partners to Metro and Milwaukie on the 14 topics that traced a lineage of interest that first arose in the advisory committee through the selection process. The committee told the PMG it wanted certain things to happen in the project. Those were presented when Main Street Partners was recommended to City Council and subsequently a few more were added. All were in a letter from Main Street Partners to Metro and the City tracing the lineage and commitments. Several of them came down to seeking code approval such as height, exterior materials, and a special public space on Main Street. The MOU said that Main Street Partners would process those code requests, and staff would usher them through the DLC, Planning Commission, and City Council. . They will try to execute a purchase and sale agreement by October or November. The closing date in the document would be next July commensurate with the start of construction. The MOU lays out the basic framework on the sale of property in the next few months. If Council approved moving forward with the MOU, he and Mr. Swanson would continue to negotiate. Meanwhile, Main Street Partners would continue its land use approval and design processes. All would be aiming at a July 2008 deal closing and groundbreaking.

**Mayor Bernard** said Mr. Monahan noted there was nothing in the agreement that said after July it had to be opened up for other bidders. Mr. Asher mentioned he came to Council in those 60 days and said negotiations were moving forward in good faith. There were comments tonight about the Downtown Plan and design standards were not being adhered to. This was a 4-story and not a 2-story lot as compared to the one down the street. It was already zoned that way. The only thing Main Street Partners was asking was that the City consider a fifth floor for penthouses.

**Mr. Asher** replied this was more complicated than it might appear for the Planning Commission to which Ms. Mangle and the Commission can attest. When the City gets an application like this it was a large complicated building in a zone that had a lot of rules attached to it and frankly not a lot development had occurred. The Planning Commission had work to do to understand all the implications that were in the code and help the DLC so it can do its piece.

**Ms. Mangle** wanted to do two things. One was to outline the process for a better understanding of the roadmap as it was complicated and involved 3 decision-making bodies. Once she did that she would update the City Council on the 2 conversations that had already taken place at the DLC and the Planning Commission. The decision-making bodies were the DLC, Planning Commission, and City Council. There were two different land use processes. One was the design review that would lead to land use approval that included the design review and transportation and traffic impact study. Then there were the code changes that would go from the Planning Commission to the City Council. These were overlapping processes. The developer needed to know the rules and wanted to know if they could plan on the fifth story. The fifth story would tell them how much they can sell the property for and what level of finishes could be used on the building. The developer wanted to know the outcome of the code amendments before they had the public hearings with the DLC and Planning Commission. So far there was a work session with the DLC with an initial discussion of the design review. That was a "get your feet wet" presentation by Michael McLaughlin to get to know the project. The same thing was basically done last week with the Planning Commission. The DLC focused more on the design guidelines, and the Planning Commission

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focused on the code amendment. There would be another work session with the DLC next week where it would be taken to the next level to determine how the design did or did not meet the guidelines. This was still at the work session level as there was no application yet. It would give the developers a little bit of an idea how the DLC was feeling about the overall building and materials. The Committee will consider the request for the cementitious panels. The real work would happen at the DLC that would make a recommendation to the Planning Commission after having a public hearing on what materials should be allowed and if it met the design guidelines. The DLC was a recommending body to the Planning Commission and would hold a recommendation hearing. It was not a quasi-judicial land use hearing in the way the Planning Commission's would be. It would allow for testimony. The DLC was doing the work, so the process did not have to start over again with the Planning Commission. The Planning Commission was focusing on the code amendments and would put it together with the whole land use approval including transportation and traffic issues and design review. The Planning Commission would have a hearing and make a recommendation to the City Council. The City Council will have a public hearing as the decision-making body.

**Councilor Barnes** asked what kind of feedback the Planning Commission would give.

**Ms. Mangle** replied the Planning Commission talked about four amendments: height, the setback that would create the mini-plaza, angle parking on Jackson Street, and adding some standards for parking structures. The latter two amendments were minor compared to the former. There was a lot of general interest and support for the project design and enthusiasm about the quality of the design and appreciation for the fact that the height was on McLoughlin Boulevard. It was a work session in which ideas were exchanged. It was helpful for her and the developer to get a sense of what would be in the best interest of the City to change the code. Should there be a broader application extending beyond this one block? Generally, the sense was to focus on this one block, so a technical analysis needed to be done to ensure this was the right thing for the City. This was very preliminary, and the Planning Commission suggested site visits to buildings with similar designs. She hoped to have more information for the Planning Commission at its next work session and more specific ideas about what the code change might be and under what conditions, for example, 5 stories might be allowed. It had to be drafted based on the City's best interests. The DLC will begin its initial discussions about design review and how the project stacked up to the guidelines. There would be a DLC recommendation hearing, so minutes would be available.

**Mayor Bernard** asked if the meeting would be televised and noted it was very helpful for him to go meetings. He suggested the Planning Commission chair might attend the DLC meetings.

**Ms. Mangle** discussed the importance of the DLC and Planning Commission being partners and working together. A lot of time was going into explaining all parties' roles. The Planning Commission had the burden of understanding the DLC's work so having a Planning Commission representative present was a good way to do it.

**Councilor Collette** was interested in being kept informed of the DLC's focus, as she believed it would be valuable information for the City Council.

**Councilor Loomis** asked if there were feelings about exterior materials.

**Ms. Mangle** replied the DLC would talk about that. There was some concern about concrete at the ground level although it was allowed. She did not hear any concerns about the metal or cementitious panels, but that was not a full Committee meeting.

**Councilor Loomis** asked if the code changes were just for this block.

**Ms. Mangle** replied potentially, but there were several approaches that could be taken. The general feeling of the Commission was that it would like to encourage this project on this block. The comments were very preliminary.

**Mr. Asher** added the developer was asking for this block. The Planning Commission and staff were aiming at this block. The staff was saying any changes needed to be right because the request may be relevant to other blocks. He did not think the Planning Commission, staff, or developer was asking for anything else to happen. It would be appropriate for the Planning Commission or the City Council to ask for something else. At the moment it was site specific.

**Councilor Loomis** asked if there was a legitimate reason for changing the code.

**Ms. Mangle** said the material issue was not a code change but rather an adjustment, so there was a process in place for any developer to request an adjustment to the list of prohibited materials. The City did not want anyone to use certain materials without careful oversight, and the DLC can say 'no.' It was not a code change issue.

**Mr. Asher** commented Main Street Partners was not as familiar with the process as staff. The difference between variance and adjustment was difficult to keep straight. If the code needed to be cleaned up, then it would be. He would ask Meganne Steele to discuss the vertical housing tax abatement (VHTA) program and Ron Skov to discuss the project from Main Street Partners' perspective and answer questions about North Main Village.

**Mayor Bernard** called for a 10-minute break.

**Mr. Asher** noted tax abatement seemed to have a negative connotation, and people had an immediate reaction. It was a subsidy and there were many out there for all kinds for projects both public and private. This tended to add to the public coffers rather than take away funds by enhancing the tax base.

**Ms. Steele** said as the PMG was looking at the question of the VHTA program she thought it would be helpful to give a general description of its intent and to add some specific numbers for a better understanding of the fiscal impact on the City budget. It was designed as an economic development tool specifically with incentives. It was an economic downtown revitalization tool. It was intended to provide an incentive for developers to specifically develop mixed-use projects in a manner that did not reduce what the City was currently getting in terms of property tax income because the land was not exempt. The taxes were not abated on the land. If there was a vacant lot, for example, and it was being taxed at a certain level, the City would continue to receive those tax revenues. The City also received the full tax revenues associated with the value of a one-story building. The PMG assessment was that right now a one-story retail building with surface parking was what would be economically viable on that site. The incentives came into play when housing was constructed over that ground floor retail space. For the first floor of housing there was a 20% abatement in the value of the improvements. For the third floor, it went up to 40%, and the abatements went up progressively for each floor of housing. It started at 20% abatement to a maximum of 80% abatement for the value of the improvements. Essentially this was intended to be close to the tax revenue flow from what the real estate market could afford to build at this point in time. It was complicated because the Downtown Design Guidelines called for multi-story buildings with a 35-foot minimum height, which could not be built economically at this point in time given the cost of construction and the cost of the land. When we try to understand the fiscal impact of having this abatement it was first compared to the scenario of what could be built in the market, the one-story building. Then it was compared to building a project like the one proposed for the Town Center site but waiting 8 to 10 years until that project could actually be supported and be

economically feasible in the market. When she put numbers to this she tried to make it an apples to apples comparison and use the actual pro forma numbers from the proposal from Main Street Partners and then got current information on assessment rates and adjustments. The conclusion was that if the City with the VHTA on the project as proposed, the yield would be roughly \$18,600 annually in taxes. If the project were developed in a form the market could currently support, those tax revenues would be less than \$12,000 per year. That demonstrated the City was getting about 50% more in tax revenues even with the abatement than it would if this project were not the one being built. After 10 years the property tax revenues from the Town Center project would go up to nearly \$55,000 annually. When the scenarios were compared of the 10-year abatement and then going to the full tax rate to waiting for the same project to be economically feasible in the market place which might be 8 to 10 years, one ended up with substantially more tax revenues flowing from the Town Center project. The calculation of the Town Center project was a 15-year tax revenue flow would be over \$450,000. If the City waited and did not have the abatement to offer, the tax revenues would be somewhere between \$270,000 and \$380,000. The way this worked was to create an incentive for the development to come in earlier and to have a larger scale development and investment in the property. Overall, the City tax base would increase more in the long-term.

**Mayor Bernard** asked what the advantage was to a condo purchaser.

**Mr. Asher** footnoted Ms. Steele's presentation. We were talking about property tax relief for the owners of the units in this case since it was a condominium project. It was the condominium purchaser who did not pay full property taxes for 10 years if they bought into this project. It was not the developer because the developer would not own all the housing. It was actually a benefit passed through to whoever ended up buying a condominium in the Town Center Project. So why do we like that and why was it important to the developer? There were two reasons. One was that it helped market the project and was one more reason for buying here instead of buying in a comparable project somewhere else. Secondly, it allowed a prospective condominium buyer to afford more condominium because that portion of income that would normally be set aside for property taxes could go into the project. The City cared because if the condominiums could be sold for a little bit more, the project could not afford to be built to a higher standard. He thought the developers would say it was an important tool because they could build a better project. The absorption was less of an issue, the finishes were a little bit higher, and the carrying costs were a little bit lower. There were indirect benefits to both the public and private partner. The cash in pocket benefit went to the condominium buyer in this case.

**Mayor Bernard** understood the tax break was evened out among those living on the various floors.

**Mr. Asher** said it depended on how many floors of housing there were, and it was aggregated. If there were 4 stories, then 80% of the assessed value of the improvement was abated and then divided by the number of units or the value of the units.

**Councilor Collette** understood the maximum was 80% no matter how many stories.

**Mr. Asher** added that calculation determined the overall percentage abatement was against the assessed value of those improvements.

**Councilor Collette** asked if the retail space would be condominiumized so that it could be purchase.

**Mr. Asher** replied that was proposed in this project.

**Councilor Collette** asked if the businesses would also get the tax abatement.

**Mr. Asher** replied this was just for residential abatement. This program was available anywhere the City wished to apply it. There was nothing special about this site or project that made it uniquely qualified other than the fact it was housing over retail. It could be done anywhere in town. The only unique thing about this site was the product that was being built.

**Councilor Barnes** understood there was no low-income housing proposed with this project. That has been a concern for some people in this town and had caused some problems. She wanted Mr. Skov to be aware she was going to ask him about that issue. It lends to the credibility of the company and how it dealt with Milwaukie in the past. She was not saying it was good or bad, but she did have some questions that needed to be answered.

**Mr. Asher** said this was the kind of tool that allowed for a little higher price point. If the desire was to attract a kind of household income level that was not currently downtown, then this was a tool that would push it in that direction. There were both types in North Main Village.

**Mayor Bernard** noted people had moved from Lake Oswego to North Main Village and purchased multiple units.

**Mr. Skov** talked about North Main Village and the apartments specifically. It was nice to be here to talk about the Town Center. Personally he was disappointed we were still talking about North Main Village particularly in this venue. He took exception to the notion he and Mr. Kemper were inept or non-responsive which people were using to attempt to derail Main Street Partners or whatever their reasons were. Mr. Kemper addressed some of the Council and some of the neighborhood group. He reviewed a chronology of the actions that had taken place. In February, March, and April the facility was leasing up. In May the police notified Mr. Kemper that there were some problems. In that Mr. Kemper found a new management company that started on June 1. In the month of June the new management company met with the residents and maintained the onsite staff person living in the building. They met with the neighborhood association and reviewed all the files. They ended up evicting 3 households in that process during the month of June. They had a part time manager from the first management company and ended up putting in a full time manager. This all happened in the month of June. In July they inspected all of the units. Two residents that asked to be released decided to stay in the apartments after the improvement of management. There were some system issues. They heard about the trash compactor technical issues that were resolved. The thermostat problem was fixed. There was a process set up with R&H in which all of the warranty requests went to them. A lot of the time, Main Street Partners was out of the loop until it got to be an issue going to the developer. The HVAC issue did come to Main Street Partners and was resolved in 3 days. Part of that had to do with the management change over and part- and full-time maintenance. This was completely behind Main Street Partners, and there was an active property manager who would continue to deal with everything that came up. It was behind us, and he would love to put it to bed and know they were keeping on top of things. There was a note on stats about who lived there and what their incomes were. 50% of the people living there were from Milwaukie, and 95% of the units were occupied. It was a successful project. He thought the issues and growth pains were done.

**Councilor Barnes** thought this was good news. People have come to the City Council and said certain things. She was acting as a middle person, but she had concerns too. If we have someone who says he has been in the construction business for 30 years saying there were certain things about North Main Village that were not up to speed

construction-wise. How do you respond to that? She was not saying he was right or wrong.

**Mr. Skov** understood one of the issues was the gentleman who took photographs and walked around with a magnifying glass and took a nail hole where the nail was not buried or where there was a crack in a beam. Everything he picked out – this was not fine woodworking. This was not furniture. Everything was within industry standards. They did look at the pictures and chose not to respond. There were issues with installation of materials. You cannot bury nail heads in siding and maintain warranties. There were a lot of technical aspects to some of the things taking place. He did not see anything personally that needed immediate attention. This was still within a one-year warranty, and there will still be a walk around with R&H before the year was up. There will be another envelope inspection. There would be the standard processes to close out the job at the end of the year. He was satisfied with R&H's work.

**Mr. Asher** added in his mind R&H was one of the most reputable builders in town. He did not have expertise in that area, but Main Street Partners did.

**Mr. Skov** said relationships in the building industry were very important. R&H was not the least cost effective building in town, but it was the most responsible and responsive. R&H built 60<sup>th</sup> and Glisan, Esther Short, and Bend with Main Street Partners. That working relationship allowed for constant communication. R&H was a great asset and did what it said it would do. Time was everything for builders and developers. In relationship to the contract and end of the day close out, he had not seen more than 2% and 3% budget increases.

**Councilor Barnes** knowing what you know now and what you have dealt with on this first project in Milwaukie, what would you do differently on this next project if the Council went ahead with this MOU in relationship to dealing with the public, the project, construction, marketing, and property management.

**Mr. Skov** felt Main Street Partners had been through the learning curve. Main Street Partners plans to use the same contractor. He understood there was a concept that Main Street Partners would use similar materials, and the company learned a lot about materials in North Main Village. There were no issues about timing and scheduling. A better job could be done on marketing, and there has been a candid conversation on retail. A change was made there as well, and some success was being seen. It was tough being a pioneer.

**Mayor Bernard** commented on the plumbing problem. He knew the owner, and a child stuffed something down the toilet. He understood complaints were not reported. Someone else wanted to get out of the agreement to accept a cheaper opportunity elsewhere. Others said they did not know about the one parking space per unit which was identified in the agreement. The difficulty may be that people need to understand the City was not its parking spot.

**Mr. Skov** agreed and said that was why Main Street Partners wanted to be involved with the development program. He went through the report records for requests from R&H. People went to the neighborhood to complain about parking and not to the management.

**Mr. Asher** said this was an interesting process to watch. The circle around the project was becoming larger and included the DLC and Planning Commission. More people will be touching this project and getting down to the hard questions about what precisely was wanted. Can we rely on the people in these positions and the processes we have in place to do that hard work? The PMG needed to work on the purchase and sale agreement which will be done over the next few months with Council's approval tonight. The process outlined by Ms. Mangle whereby the design needed to go forward and be

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reviewed by the DLC and Planning Commission. The code amendments needed to be processed. He hoped good progress would be made in all those areas so that after a few months there will be a purchase and sale agreement as well as more understanding and more confidence that Main Street Partners wanted to do the project and be the best in the company's portfolio.

**It was moved by Councilor Collette and seconded by Mayor Bernard to adopt the resolution authorizing the City Manager to execute a Memorandum of Understanding with Metro and Main Street Partners for redevelopment of the Town Center site and begin calling it Olson Point as soon as possible.**

**Councilor Collette** had a number of questions going into this discussion, and she felt they were answered. It was uncomfortable to be moving in a new direction, and this building did that. As Mr. Asher pointed out, more and more citizens were becoming involved to help with the design criteria and codes. That gave her much more comfort. As we move forward, the City was doing so with a broader community of citizens being involved. This was an exciting and scary process as was all growth and change. She was excited to move forward, and she supported the MOU. She understood it was not binding if something came up, and other options would be sought.

**Councilor Loomis** had two things. One Councilor Stone called at 4:30 p.m. and asked him to read something for her into the record. He was blessed with that honor. He had a few questions but would go after Councilor Barnes.

**Mayor Bernard** asked if it could be entered into the record.

**Councilor Barnes** thought technically it could.

**Councilor Loomis** said Councilor Stone requested it, and he said he would do it for her.

**Councilor Collette** thought it would be good to do.

**Mayor Bernard** did not believe Councilor Stone wanted to be at the meeting.

**Councilor Collette** understood Councilor Stone was out of town.

**Councilor Loomis** concurred and suggested Councilor Stone be called as she had a phone just like David Aschenbrenner.

**Councilor Loomis** read:

"Though I have been known to lend my support for the development of the Texaco site into a multi-story housing structure for "a few" with retail on the bottom, I have also been known to question whether this is the best use for this park-like piece of property that is enjoyed "by thousands" every week. I question it at this moment.

I am completely open to the idea of developing our downtown core for all the people of Milwaukie, not just for those who will dwell in the very heart of a downtown that rightly belongs to every tax-paying citizen living within the boundaries of our city. I am open to development that will preserve our beautiful waterfront view for everyone, not just for those "living" in a multi-story condominium. I am open to development that preserves the trees and park-like settings. I am open to development that honors the documents we have created to ensure the vision of our downtown and waterfront is realized. For it is our vision, not the vision of a developer and not the vision of Metro that is at stake and of great importance to me and to the citizens of Milwaukie.

I have nothing against development that honors our goals and our standards as spelled out in such documents as our Comprehensive Plan, Zoning Ordinance,

and our Downtown and Riverfront Plan. I think it's important that we draw on our community values, philosophy and intent with which these documents were created. It was no accident that built into these documents are stated limits for building height and restrictions as to the type of exterior materials to be used. These documents are not out-of-date, nor were they developed haphazardly. The purpose for their existence has everything to do with what we envision our downtown core to become; what we envision our downtown to look like. We should hold fast to the foundation of these plans as we invite developers to come into our city. We have standards in place, and we should require developers to conform to them, not change them."

**Councilor Loomis** noted that was only the first page.

**Mayor Bernard** questioned sitting here listening to the long, drawn-out thing that has been heard many times. There was a motion and a second, so he suggesting calling for the vote. Her comments could be submitted for the record.

**Councilor Loomis** felt like Councilor Stone.

**Councilor Barnes** said with all due respect, she understood Councilor Stone's position. She made the choice to go on vacation this week. She did not leave town as of the moment Councilor Loomis picked up the letter, which was this afternoon. She thought having Councilor Stone's information put into the record via the city recorder was sufficient. Councilor Stone made a choice not to be here tonight. She was given the option. The VHTA issue was brought up twice for her benefit, and she was not here.

**Mayor Bernard** asked If there was a concluding paragraph.

**Councilor Loomis** did not know because he had not read it yet.

**Councilor Barnes** called for the question.

**Councilor Loomis** preferred to read it since he said he would. He could have been half way through page two by now.

**Councilor Collette** thought she could read it faster.

**Councilor Loomis** replied Councilor Collette was welcome to it.

**Councilor Collette** thought the conclusion was that she was "not against promoting a viable retail downtown core. What I am against is sacrificing our community values" which was what she said in the beginning. "I am against shaping our zoning, our design elements, and our plans we have in place.... I would support deferring action on the MOU agreement tonight. With the recent statements at council from an owner of a condominium at North Main..." Councilor Collette said we had already heard about that. There was really nothing new in the letter.

**Mayor Bernard** thought the Council should vote. He asked Councilor Barnes if there was any other discussion.

**Councilor Barnes** replied she had no other comments.

**Mayor Bernard** thought the Council should vote, and Councilor Stone's comments should be entered into the record.<sup>1</sup> The MOU was not a binding agreement. It was an effort to proceed in discussion with the developer. It will go through all the process.

**Councilor Barnes** called for the vote.

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<sup>1</sup> Pdf of Councilor Stone's full letter attached as part of the Council record.

**Motion passed 3:1 with the following vote: Mayor Bernard and Councilors Barnes and Collette 'aye' and Councilor Loomis voting 'no.' Councilor Loomis was opposed. He did not even have a chance to have his own discussion, so he was opposed.**

**Mayor Bernard** apologized. He did not realize and would open it back up for Councilor Loomis' comments.

**Councilor Loomis** said that was all right; Mayor Bernard had made his point.

**RESOLUTION NO. 55- 2007:**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH METRO AND MAIN STREET PARTNERS FOR REDEVELOPMENT OF THE TOWN CENTER SITE.**

**C. Council Reports**

None.

**ADJOURNMENT**

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

**Mayor Bernard** adjourned the regular session at 9:35 p.m.

*Pat DuVal*

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Pat DuVal, Recorder