

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION

January 2, 2007

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

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

Staff: City Manager Mike Swanson, Police Chief Larry Kanzler,
Community Development/Public Works Director Kenny Asher,

Social Gaming

Chief Kanzler briefly reviewed the statutes and provisions that prohibited gambling in the state by legislative action unless there was a local option exercised by ordinance that allowed it. One of his assignments in the early 1970's with the Drug Enforcement Administration was to work undercover at the Evergreen Hotel in Vancouver, WA which was across the street from a licensed card room. At the time Vic Calzaretta was the Clark County Administrator in charge of vice, prostitution, and drug operation enforcement. There was a definite connection between the card room and the drug activities taking place in the Evergreen Hotel. He introduced Mr. Calzaretta who was currently a Portland attorney who taught classes on prosecuting gambling operations.

Mr. Calzaretta discussed a link analysis between Portland and Vancouver that went all the way to New York in the 1970's. While he was not necessarily opposed to gambling, he was opposed to where it was located. His first experience with gambling was in Chicago where the police department had a certain level of corruption as a result of gambling with officers taking bribes. When he came west there was no legalized gambling in Oregon or Washington other than the racetracks. In 1973 the state of Washington enacted legislation that allowed for gambling activities by local option. The City of Vancouver opted to do that which resulted in gambling issues of such dimensions that were never seen before. The only kind of gambling was poker in one location. He discussed the links between gambling and pornography. The two men opening the card room in Vancouver were only allowed five tables under Washington law with seven or eight players at each table. They were allowed to be open 20 hours per day. At each table each player was billed \$1 every thirty minutes. That did not seem like a lot of money until one realized that was about \$600,000, and that did not take parking and drinks into account. Most of the cars parked at the card room were from Seattle and Oregon. The Vancouver police department was overwhelmed with problems related to drug trafficking and prostitution. Politicians began accepting bribes from organized to allow more gambling. Little by little the gambling has moved from Vancouver to private casinos in LaCenter. What he and Chief Kanzler saw in Vancouver was a situation that was difficult to deal with. It costs an enormous amount of money to enforce that kind of activity, and Vancouver was fortunate to have the FBI help cut the head off the snake. People left the card room drunk; there were fights and prostitution that had never been in Vancouver before. His first experience with gambling in Chicago showed him how good police officers could be tested. It seemed there were enough places to gamble without allowing it in a small city like Milwaukie.

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Councilor Stone asked if most private gambling places were linked to organized crime.

Mr. Calzaretta said it was more the book operations and juice operations that hurt families and individuals. Why would people want to do this? Because there were no taxes when people gambled illegally. No one got hurt gambling at home unless the house made a certain amount of money.

Councilor Stone asked if there had been problems in LaCenter.

Chief Kanzler replied when he was working undercover for the DEA he was staged out of the Evergreen Hotel. He saw the Hotel renting rooms by the hour to prostitutes who went across the street to pick up card room winners. Runners came to the Evergreen Hotel to buy drugs for the people gambling or sold them on the street. Prior to coming to Milwaukie he was police chief in Toledo near Newport. There was a card room in the Rogue Tavern where there were 10 – 12 dealer positions, and the business served sandwiches and beer. The Newport City Council authorized it. There was a \$20 limit, and after a time Chief Kanzler noticed the dealer was making side bets. Newport had not gambling enforcement or trained personnel. He took the issue of side bets to the police department, but they turned a blind eye because they did not have the personnel to investigate the situation effectively. One of the female dealers also ran a game out of her home along with other alleged activities. A decision like this by a city This kind of decision on the part of a city did have a collateral effect.

Mr. Calzaretta added that one could make bets with bookies on ballgames at the Vancouver card room

Councilor Stone asked what happened in LaCenter after gambling moved out of Vancouver.

Mr. Calzaretta said LaCenter was rich, but he questioned who was running the city.

Chief Kanzler discussed the relationship between card rooms and crime where in cities that had exercised their local options. In Oregon there were 47 troopers assigned to ensure corruption and subversive activities did not take place in a state-run operation. If Googled one could find over 46,000 incidents of crime recorded in card rooms across the country. In May 2000, 55 people were indicted for alleged loan sharking, drug dealing, and other crimes at the two card rooms in Garden City, California. Those two card rooms produced \$9.5 million in annual tax revenues to San Jose and \$1.9 million in fees to cover police oversight. Studies have suggested that in four to six years after casinos open surround communities experience increases in rape, murder, and other violent crimes as well as property crimes. In 2004 the City of West Covina project it would receive \$3.1 million of which \$2.2 million would be used for police services and \$900,000 for fire services with the passage of the local option. Oregon law prohibits operators from charging people, but the law did authorize leasing a 6 X 6 space for a card room which could cost \$1,000 per month. There was no fee or licensing that would prohibit that unless the Council established some kind of tax to offset the crimes. Five years ago Chief Kanzler was authorized to implement a 5-year master plan for the police department focused on dispatching, hiring, and accountability to the community. In that period the crime rate had come down. The 2006 statistics showed that Part 1 crimes were down 28%, and Part 2 crimes were down 12%. The department had responded to 2,200 more calls than last year, so the officers were more active than before with the crime rate going down. That was because the City Council funded the

department at a level where it could operate efficiently and effectively. He recommended it would be bad policy to allow social gaming, and it would turn everything the department had done upside down. The police department was funded to operate in a City that did not have social gaming. He did not need two police officers at \$100,000 plus the training to be involved in investigating gambling crimes and increased prostitution and assault. Milwaukie officers were not trained for that. Chief Kanzler recommended that the money could be spent better elsewhere. Allowing social gaming would change the character of the City and perhaps its governance. The Council would need to determine how to license the activity and what crimes would put that license in jeopardy. It was a lot bigger than people just getting together to play cards. If one bar or tavern got the license, then they would all want it. It would be like opening a Pandora's box.

Mr. Calzaretta referred to the statute and the need to develop centers to help people deal with gambling addictions.

Councilor Collette asked what other cities in Oregon allowed social gaming.

Chief Kanzler replied Newport, Tillamook, and Portland authorized social gaming. It carried with it some baggage and costs with which the City was not prepared to deal.

TriMet Bus/Park-and-Ride Update

Mr. Swanson reported this was a continuation of a discussion that began at the December 19, 2006 Council work session and specifically regarded the concept of bus layover as opposed to a transit center. There was currently an adopted locally preferred alternative (LPA) which during South Corridor Phase 1 set forth a plan that would see the relocation of the Milwaukie transit center to Southgate. He noted that the City Hall transit center has been temporary since 1983. The Working Group spent over six months dealing with light rail alignment and park-and-ride issues. The process did not resolve the transit center siting issue but did raise the potential for separating the bus layover functions from the transfer functions. The concept of dedicating space for the bus layover function was the subject of the December 19, 2006 work session, but time ran out before there was much discussion. The staff requested direction from Council on the four options presented by Mr. Selinger. At that work session Council input was requested that might include other concepts or sites. That discussion continued at this work session, and he hoped for Council direction to staff to return with a recommendation that would deal with some of the following issues. One was the concept of separating the bus layover/transfer and focusing on a layover system with the transfers being part of the improvements in front of City Hall. If that had some appeal, then staff would return with a recommended site or sites. The staff recommendation should look at criteria for siting an ultimate project if the Council approved of the concept. Two of the sites discussed at the previous meeting were on railroad property one of which was already leased by the City. There have been no discussions with the railroad because it was early in the process. There were also land use issues and processes that might be required. The staff recommendation should be a result of a process that engaged the public on questions of concept and site. Most specifically the Historic Milwaukie Neighborhood District Association (NDA), the North Industrial area, and the Island Station NDA needed to be included.

He had been asked if and when the public would get to weigh in or if it was just going to be a Council action. If the Council thought a concept(s) had legs, staff would engage and involve the public followed by a Council public process.

Another question was why TriMet did not apply for transit center funds when it applied for the Southgate park-and-ride. The original transit center funds were designated for the Safeway property which in the Downtown Plan was designated as the transit center. Sen. Gordon Smith was in Milwaukie almost five years ago to deliver a check, but the Safeway transit center proposal did not succeed. There were moments that were touch and go because federal funding did have expiration dates. Southgate had been a private park-and-ride for some time as the City was in the throes of identifying a potential transit center site. Another question was if the layover sites could be split up. That could be done, but it would still be a challenge to find sites.

The issue was whether or not the Council wished to continue this process. Since he had been with Milwaukie, Mr. Swanson had understood the City wanted to do something about the temporary transit center. This was far removed from the LPA which said if there were a transit center it would be located at the Southgate site. TriMet had done a considerable amount of work to reduce bus traffic in the downtown. Now they were trying to come up with an answer that would resolve once and for all the temporary transit center site while at the same time maintain transit service in the downtown that did not adversely affect downtown. At this point the issue was whether the Council wanted staff to work up a recommendation to see if it would work. The railroad may or may not be interested.

Mr. Asher added a policy frame, where staff was, why these sites showed up on a map and others did not, and why timing was so important. If one looked at the staff report, it went into a description of why buses were in the downtown at all. It was conclusive in saying that the downtown was a Town Center as designated in the Comprehensive Plan. A Town Center that was mixed use and multi-modal, so buses were essential. The first position was that bus service for the area needed to converge in the downtown. That did a lot of good things for the downtown and the Town Center vision. The second recommendation was that TriMet could modify the existing transit center on its own. The problem could not be foisted on TriMet to solve on its own because who knew what the solution might be. This was for the Council as stewards to identify for TriMet what was important to the City. The third point was he believed this could be done in the not too distant future because it was not that complicated. It was down to talking about a parking area, and although the downtown was small he felt the layover could be accommodated. This was not a process that needed to get wrapped up into light rail and park-and-ride planning. If the City were serious about getting the transit center improved and to park the buses off the street then the goal was achievable in a short time frame. The process of identifying funding could not be done until there was a site. The City, through Council action, will have to decide where to put those six buses.

Councilor Stone did not like the concept. She wanted to see it contained. This was only six buses and not 60. She agreed Milwaukie needed transit and would not prevent buses from going into the downtown. She would like to see the consolidation of all the functions. It made sense to her that if people wanted to take the bus they would park their cars and get on a bus rather than light rail then they should be able to do that easily. It made sense from that point of view to let them be able to get on buses. She understood it would not actually be a stop and was something that should be looked at and thought about. What if people actually drove in cars to Southgate park-and-ride and got on a bus and not light rail. That was very possible because light rail did not go everywhere. She

understood that if the buses stopped at Southgate and the six buses laid over then they would be able to take passengers from there.

Phil Selinger, TriMet Project Planning Director, replied all the buses destined for Central City Portland passed by the park-and-ride, so there was a natural connection there. The layover buses tended not to be the Portland-bound buses. Bus 70 that went through Sellwood and Brooklyn, bus 75 that went up through the east side of Portland, and the local buses that went toward Clackamas Town Center were not as dependent on park-and-ride. Parking was available in those types of places. The people going downtown were motivated to use the park-and-ride because parking was at a premium downtown.

Mr. Asher understood Councilor Stone was not in favor of the concept. The concept before the Council was to take the existing transit center currently on the City streets at Jackson and 21st Avenue. Buses were doing two things. The transfer function was dropping off and picking up passengers. The second function was that buses were parking or laying over at the ends of their routes. The concept was to not have both of those functions occurring in the same place and to not have that layover function occurring on City streets that could be better used for parking. It could be moved in a number of different ways. They were talking about picking up the whole thing and moving it to Southgate, somewhere south of the City, or some other location in the downtown. This was a discussion of parking the buses somewhere else off the City streets and improving the bus transfer function with better shelters.

Mr. Selinger added a layover did not necessarily have passengers boarding, so the buses could be more compact. Such things as sidewalks and shelters were not needed. The only thing that was necessary was a restroom for the drivers. That was one advantage of separating those functions. The layover could be somewhere that public activity was not desired.

Mayor Bernard had been watching two of the proposed sites, and he often drove through option #2 during the day. The lot was used by Milwaukie Lumber employees and an occasional lumber truck. He suggested that the ingress and egress be reversed. Students walked through there all day long, so he had some safety concerns. This proposal needed to go through a neighborhood process. Option #2 had little effect on housing. There was one house and the rest of the area was businesses including Milwaukie Lumber. Of all the sites he preferred this option. He agreed with Councilor Stone and would like all the functions in one place but saw the advantages to splitting them up. The greatest advantage would be to get the buses off the streets and make more on street parking available.

Mr. Selinger said a traffic engineer could look at changing the direction. TriMet was concerned about being next to a railroad crossing and line of site. That probably would not be an issue.

Mayor Bernard was concerned about the line of sight on the lumber yard side because it was such a short intersection.

Mr. Asher understood Mayor Bernard thought option 2 was promising and deserved more study.

Mr. Selinger believed the house could still have two-way access.

Councilor Barnes asked why these particular sites were selected.

Mr. Asher replied TriMet was looking for a site that could accommodate six buses and their movements. These had low improvement value, so they looked

for surplus or excess property. TriMet was looking for sites that were not too far away from the transfer functions. The farther away the parking the greater the bus traffic and operational costs. Emissions were also an issue. Proximity to the downtown core and impacts to the surrounding area were important. Like any community service use the benefit had to outweigh any negative impacts to the neighborhood or adjacent land uses. The proposed sites were still in the downtown but on the edge. The intent was to free up parking and mitigate some of the nuisance impacts of having buses next to the sidewalks in the downtown core. These sites were still close, and this may not be an exhaustive list.

Councilor Barnes noted all the options were on this side of McLoughlin Boulevard. She suggested looking at using the Kellogg Treatment Plant parking lot that was already there and had no impact on the neighborhood. No one was really using the property and the Plant would be closing. In the meantime that lot was never full.

Mr. Asher did not think that lot was empty 52 weeks per year/

Ms. Herrigel replied it was full during the fishing season, and it was incorporated in the Riverfront Park design.

Councilor Collette noted there was a lot of open space between the Treatment Plant and McLoughlin Boulevard.

Mayor Bernard believed that was the Trolley Trail.

Councilor Collette suggested sharing the space or having the Trolley Trail go around it. She was responding to Councilor Stone's question at the last meeting about how many buses would go through downtown.

Mr. Selinger replied there were 219 round trips into and out of the layover location per day.

Councilor Collette was feeling like Councilor Barnes. Why would we put these at the farthest end of downtown, so they had to go through downtown and get close to the neighborhood? Maybe the Cash Spot or the Treatment Plant had some potential. She would prefer to see as few buses as possible cutting through the downtown.

Mr. Selinger commented if the layover site were too close the 99E then there would be some traffic management issues with getting buses on and off McLoughlin Boulevard safely. The Cash Spot was too close to McLoughlin Boulevard, so it would be hard to make it work. TriMet had looked at the log dump site, and it would work because the buses could get to a signalized intersection from that location relatively close to downtown. He was concerned the riverfront might not be the place for a bus layover since it might obscure the views of the river and be located in a park.

Councilor Collette agreed she did not like the log dump parking lot but was thinking about the area at the Kellogg Treatment Plant closest to McLoughlin Boulevard. At one time Gary Michael did a potential transit center drawing that was similar to option #2. It would not take up that much of the riverfront park, and there could be a stop there for the routes going to downtown Portland.

Mr. Selinger said those buses going to downtown Portland did not need the layover, just a bus stop or park-and-ride.

Mr. Asher added Ms. Herrigel was working with David Evans and Associates (DEA) on the Riverfront Park design. They had talked about that same spot for access, and he was concerned there might be an undesirable conflict of buses

parked at the entry of the park. He recommended that Ms. Herrigel and the designer look at the feasibility.

Councilor Barnes would like to look at it. The Historic Milwaukie Neighborhood Association would have some input. The layover would not be the same impact across McLoughlin Boulevard, and there was a signal at Washington Street.

Councilor Collette was not as in favor of the log dump because it was a prime view spot but was interested in the viaduct area closest to McLoughlin Boulevard. She did not know how much it would cost if the City needed to buy it. Once the City had control over the treatment plant, it could be designed to fit with other uses.

Mr. Asher discussed neighborhood impacts. He wanted to understand what people meant when using those words. Was it seeing buses? Bus traffic? Bus noise? Smell? All of those impacts would be different in different locations and different parts of the neighborhood in the downtown. He wanted to get past the generalization that there would be an impact on the neighborhood and if those could be mitigated. Landscaping and sound barriers could occur with the design but only if the City and TriMet knew what they were mitigating for.

Mayor Bernard argued against the west side of McLoughlin Boulevard recommendation. Two buses would take up the entire length of Washington Street between Main Street and McLoughlin Boulevard. Three cars can take up the whole street, and no one could access the bank. The option on the west side of McLoughlin Boulevard would mean 240 buses a day going up and down that one block to cross McLoughlin Boulevard. He did not believe it was feasible. There were also boat parking issues.

Mr. Asher replied it would not take much effort to show that scenario and what the outcome would likely be. He did not mind taking that step.

Mayor Bernard was concerned about taking staff time to look at that suggestion.

Councilor Barnes said the only option was putting 240 buses in the Historic Milwaukie NDA and close to the Chair's house.

Mayor Bernard was concerned about business impacts because the blocks were so short.

Mr. Swanson thought the point had been made to reduce the impact on Historic Milwaukie by seeing what was available on the other side of McLoughlin Boulevard. Initially there was a conflict with the park, and as Mr. Asher said the downtown needed bus transit that did not create a great impact on the Neighborhood. He suggested a process that involved the Historic Milwaukie NDA and the North Industrial businesses who likely had differing opinions. It was not likely there was an option that everyone loved, but the City could come up with an option that reduced adverse impacts as much as possible.

Mr. Selinger said 240 buses already came into the downtown to layover, and no new ones were being added. He referred to a map showing bus volumes.

Mr. Asher addressed the change in bus traffic downtown. The path of least resistance was the current bus layover and was the point where the buses were picking up and dropping off passengers anyway. They did not have to drive anywhere to layover. Any move away from the status quo would create some additional bus traffic by virtue of those trips. If the parking function were moved

elsewhere, the buses would have to travel to get there and back. The farther away the layover the more traffic conflicts there would be.

Mr. Selinger commented the layover buses would have to drive from the downtown up to Southgate and return the same route. That was 480 additional trips on Main Streets. Other buses used that stretch of Main Street as part of its route to downtown Portland. The Southgate option would concentrate a lot of traffic on that section of Main Street. If one used the sewage treatment plant option, an extraordinary amount of bus traffic would go through it in both directions.

Councilor Loomis said the reason the layover had been there since Jimmy Carter was because every location had problems. He personally never had a problem with its current location although Council as a whole had. That spot was already there. Look at all the options. Someone would squawk wherever it went. He suggested looking at closing 21st Avenue between Jackson and Harrison Streets and making that the layover.

Mr. Selinger replied that block was essentially the layover. The one advantage of 21st Avenue was that it did not have any major businesses fronting it. It was between the backside of City Hall and the Waldorf School property.

Councilor Loomis suggested closing 21st Avenue to traffic and park three buses.

Mr. Selinger said it might not need to be closed. It could be skinnied up.

Councilor Collette understood that if the street were closed, that could be the parking place for six buses. The other buses would run as they currently were, and it would get the layover off Jackson Street.

Mr. Asher observed there would be tradeoffs, and he hoped the Council would look at the long-range vision for the downtown and how it would work. One of the arguments that he heard and bought was that the bus presence in the core was not so much the buses picking up and dropping off. The real issue seemed to be those buses that were parked. The most valuable land use potential and real estate was in the core. It was hard to develop or redevelop with buses fronting property. If the City was serious about economic development and the town center revitalization, mixed-use multi-modal that everyone talked about and planned for, then Mr. Asher thought there was an incompatibility with having buses parked on the streets. While he agreed having the bus layover in these other locations created new problems having them on the streets created a compromise in and of itself. It may be the path of least resistance but would forestall things from happening.

Mr. Firestone understood that TriMet had made some schedule changes that improved the situation and asked Mr. Selinger if there was an opportunity to reduce the number of buses required to layover at any one time from perhaps six to four to create additional options.

Mr. Selinger replied four of the routes were connected which helped a lot. The line using the Sellwood Bridge went away because of the structural issues. The frequent routes sometimes had two buses at the same time and could be stacked behind each other. He did not believe TriMet could go any further with that. Even with light rail express or bus rapid transit extensions to Oregon City, the Town Center, and Damascus that service might be interlined so that service might not have to layover in downtown Milwaukie. That would be frequent, high profile service but would not hang out in the downtown.

Councilor Stone understood this move would be semi-permanent. She raised an issue two weeks ago about the ability to get federal funding for the park-and-ride and that the City might not be allowed to have buses at the Southgate site. She did not want to see taking the bus transit mall and displacing it to some other location in the City where there would be the same types of issues about aesthetics. She wanted to make a smart decision and put it where it needed to be to make the City a more beautiful place to be.

Mr. Selinger said TriMet was working on the principle that whatever was done would be permanent. The light rail design work was still something of a wildcard. If there needed to be a layover facility with landscaping and nicely designed restroom TriMet would do that to make it a benefit visually to the City. TriMet wanted that as much as the Council. TriMet would also like to see the downtown bus stop enhanced so it was an asset for both the community and the service. Money for the park-and-ride was locked in for that use. The \$600,000 remaining on the grant would sunset in September. The park-and-ride had gone through an environmental assessment, federal approval, and Milwaukie land use review. Any addition or change in function at the park-and-ride would be a separate project and would require a separate review process as a change in use. That would include going back to the Federal Transit Administration (FTA) and saying TriMet was taking away 40 parking spaces for bus layover. TriMet would need permission to do so because federal money was spent.

Councilor Stone understood it was not impossible.

Mr. Selinger replied it definitely could happen.

Councilor Collette asked what TriMet needed from the Council and how soon. Her recommendation would be that this be turned over to the group that was developing as part of the Transportation System Plan (TSP) looking at transit. She did not believe the Council had enough time in two work sessions to really think through the issues. She would rather have a mix of City and TriMet staff and people from the community look at the issues if time allowed. She was as concerned about the location of the big bus stop as she was about where the buses were parked. She would like to see the buses serving downtown and not necessarily crisscrossing all over it. She would appreciate a group to help put things together.

Mr. Asher did not think any time limit on this would be artificial. There were funding opportunities that came up, and sometimes the City wanted to race to reach them. Even those in a way were an artifice. He asked the Council to think about biting off this piece and trying to find parking for these six buses to make the TSP and light rail planning simpler. The downtown parking issues and redevelopment became simpler. That was the premise upon which this was conceptualized. In listening to the Council he was not sure this was viewed that way. If this was viewed as complicated either with regards to where the other functions would eventually end up or what the impacts were to the neighborhoods, then this was not something that could be a contained process where people could get excited about a site, check out the impacts, do the mitigation, and get some money. Perhaps it should be folded into the other processes. He would caution that by not doing that the Council risked having the same discussion wrapped up with park-and-ride questions, light rail, traffic impacts, and other projects that he hoped would be accomplished in the TSP. If it simplified matters, then he recommended continuing to discuss the matter. If it did require a broader context, then it would be easy to fold it into the other processes.

Councilor Loomis understood the transit center was not being moved just the buses.

Mr. Asher explained in a way the transit center was being pulled apart in the hopes of making the other transportation challenges easier. If the Council adhered to that theory, then it should work hard at trying to pick a place for staff to study and bring back a recommendation as Mr. Swanson proposed. Otherwise it could be folded into the other work and come back in some other venue.

Councilor Collette thought it made sense to fold it into the other planning issues. She was not sure it made sense to separate this portion, solve it, and then take up the other issues. Those other issues would have to be integrated with this decision. Another option might be an all-day workshop with the community to do work similar to the transit center working group that looked at all the maps and heard the issues with some time to work on it. She did not want staff to go out and work on several different options only to come back with an option that Council did not support.

Mr. Asher replied the only thing staff wanted to know at this point was if staff should continue to look at the options. There were future changes, but they did not rely on those processes. Staff can work on these or stop and raise the question again.

Councilor Stone noted that three people had not officially been sworn in and asked if they could make that decision.

Mr. Swanson said this was a matter of giving direction.

Councilor Collette suggested that staff be directed to gear up the public involvement effort. She did not want to make a recommendation of a site without the details.

Mr. Asher replied staff was prepared to do that.

Councilor Barnes recommended that staff go to the next Historic NDA meeting and put it all on the table for immediate input. That was the neighborhood that would be impacted the most.

Councilor Collette suggested involving Lake Road, Island Station, and Ardenwald.

Mayor Bernard adjourned the work session 7:02 p.m.



Pat DuVal, City Recorder