

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION

June 3, 2008

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

Council Present: Mayor Jim Bernard and Councilors Deborah Barnes, Greg Chaimov, Joe Loomis, and Susan Stone.

Staff Present: City Manager Mike Swanson, Community Development and Public Works Director Kenny Asher, Resource and Economic Development Specialist Alex Campbell, Community Services Director JoAnn Herrigel, and Information Coordinator Grady Wheeler

City Logo Roll Out

Mr. Wheeler reviewed the background of the logo change. The purpose of his presentation was to get Council's approval on a new logo and to begin integrating it into City material. At the February 5, 2008, work session Mr. Swanson spoke about staff's intention of working with a graphic designer to update the City's logo. Council gave direction to move forward, and Mr. Wheeler had been working with Kanaly Design to develop new materials for the City. He had worked with the company before on street banners, t-shirts, and street medallions all of which had been very popular with the citizens.

Staff believed this was a good time to move forward with the effort because the current logo was more than 15-years old, and a new look would be reflective of the change occurring in the last couple of years and what was on the horizon. One of the directives from the February work session was to get citizen input. There was an article in The Pilot, and a story was posted on the website asking for advice. The idea was also discussed at a Neighborhood Leadership meeting. While staff did not get a lot of feedback, there was an endorsement to move forward and return to a more classic-looking logo. With Council's approval Mr. Wheeler would begin working with other departments to begin implementing the new logo on such items as letterhead, envelopes, business cards, forms, signs for City facilities, the website, newsletter, City flag and other collateral like mugs and pencils. To stay "green" all of the old material will be used before phasing in the new products, and staff will use sustainable materials in the new products.

There was Council consensus to move forward with the new logo.

Downtown and Riverfront Plan Briefing

Ms. Mangle provided an overview of the Downtown Plan, how it was used, and what it meant to implementation today. She would close with staff's perspectives on some of the strengths of the Plan and some ideas on what polices could be improved. Council asked for this briefing with the intent of making sure everyone was up to speed as it was referred to constantly in all the work being done on transportation and development. The Plan was written in 1999 – 2000 with input from almost 2,000 people to guide the development of the built environment as well as the parkland and connection to the River. There were several different

documents in addition to the Comprehensive Plan: the Downtown Riverfront Land Use Framework Plan which was the vision document that fed into the Comprehensive Plan and included some overarching policies about land use policies; the Public Area Requirements (PAR) which had to do with transportation and sidewalk improvements; Zoning Code contained the policies that guided development; and the Design Guidelines. All of these comprised the different elements of the Downtown Plan. The Framework Plan was the vision, and the Public Area Requirements and the Design Guidelines implemented that vision. The Framework Plan and Public Area Requirements were adopted in 2000, the Zoning Code in 2001, and the Design Guidelines in 2003. The Downtown Riverfront Land Use Framework Plan was a conceptual plan that included a variety of projects and established the vision for downtown. It described the vision as a vibrant place redeveloped with mixed-use buildings served by a multi-modal transportation system with easy access to the great open spaces that were already here. The key principles were to build on existing assets, feature the natural environment, strengthen Main Street as source of community pride with anchor stores on the north and south, and intensifying activity in the downtown. The code was requiring more buildings and more people with a variety of uses and with high quality and built in a way the reinforced Main Street and the character of Milwaukie. The regulations required mixed-use development, employment and residential density, multi-modal transportation access and assumed redevelopment of underutilized sites. It was not a code that envisioned just preservation but also anticipated actual development. Some of the more specific requirement required retail ground use areas from North Main Village to Washington Street and the downtown storefront zone. Offices and residences were not allowed on the ground floor and the uses were specific. There was an area long Main Street that required ground floor windows, openings, and doors to avoid long, blank walls. The idea was to activate the streetscape so people could look into the buildings and into the stores. Ms. Mangle discussed building height. In the downtown storefront zone heights were limited to 3 stories with an automatic bonus if the building included residential. In the downtown office zone 5-stories were allowed and that included Kellogg Treatment Plant. Downtown residential zones east of 21st Avenue stepped down to 3 or 4 stories, and there were other types of requirements that dictated the building form.

The code also required that development contribute public area requirements (PAR). The document had a thorough analysis of all the different ways transportation needed to be developed and act in the downtown. The Transportation System Plan (TSP) was updated to agree with these street classifications. The PAR went into the details and addressed the wishes of the community and how to make that happen with quality and materials at the ground level to make a comfortable and lively place. Construction details were adopted before today's public works standards were adopted, so that level of detail was considered.

Design Guidelines had to do with quality development and had a certain consistency as new buildings were built or renovated. The different categories were Milwaukie character, pedestrian emphasis, architectural details, lighting, and signs. The Design and Landmarks Committee (DLC) had a checklist for each category to determine if a project was generally in compliance. It was qualitative analysis. There was a set of recommended standards and what was not recommended. The code had proscriptive standards, and the design guidelines were more interpretative. The design guidelines were not intended to

prescribe a specific design solution nor were they rigid requirements without some flexibility. They did not have to do with some kind of historic style.

Ms. Mangle discussed how the documents were being used, implementation, and staff's view of the Downtown Plan. The Framework Plan was where the big ideas were and were implemented through the zoning code, joint development projects, and the capital improvement plan (CIP). Staff worked with the Planning Commission and DLC to implement these as well. The Framework Plan was a vision document that allowed for the most degree of interpretation, and the code was the most proscriptive. People could come to different conclusion about what it meant to keep with that vision, and the zoning code contained the legal requirements. Although these was adopted 8 years ago, they were just being implemented, and limitations and challenges were being identified. It took time for plans to be implemented, and Milwaukie was well on its way to achieving elements such as Riverfront Park, North Main Village, Town Center site, Kellogg Creek restoration, and design reviews. Staff was continuing to focus on the transit center site, and the private sector was doing more. During the TSP process, the downtown modal plans were updated, and people agreed the downtown should be a priority whether money was spent for parking or bike lanes on 17th Avenue. Downtown was identified as the hub and was worth a financial investment for not only transit but also sidewalks and bike lanes.

Ms. Mangle referred to the executive summary of the October 2003 *Milwaukie's Next Steps Project – Implementation Plan for Downtown Revitalization*. It A separate set of consultants was hired to look at implementation and what the City should do to implement this Plan. One recommendation was to periodically update the Framework Plan to help make it a living document while staying true to the vision. That had not happened. Another strong recommendation was to develop a strategy for public investment particularly for streetscape improvements. Milwaukie so far had put most of that burden on developers. In many cities it was done through grants or urban renewal, so Mr. Campbell would talk with Council about the public investment side and what incentives could be developed. She revisited the fundamental concepts and how different tools could be improved. It set out a clear vision and bold plan that addressed revitalization; however, people had various comfort levels about this level of change. It was not a plan about restoration but rather it addressed density and transit to serve the population. It was a good plan in that it identified the community's dream including connection to the River and history. It took people to support that which meant a friendly downtown with benches and other amenities. She recommended refreshing the code by considering elements that might be too proscriptive about such things as retail all along Main Street. It might be better to have some office so spaces did not remain vacant for long periods of time. Incentives might be identified to support private development in the downtown and related to PAR balance. There needed to be some technical clean up of existing policies and documents and looking at moving some of the construction details to the public works standards. There could be more detailed studies of various areas like North Industrial and the Kellogg Treatment Plant site like what was currently underway with the South End. She wanted to be clear staff was not suggesting a wholesale throwing out of the Plan. If the City Council agreed with some of the fundamental concepts she described earlier then it needed to be acknowledged this was a dynamic process. She reiterated there were differences in comfort levels with change.

Councilor Chaimov found the presentation very helpful and considered it a good starting point for a better understanding of how the Plan came into place and implementing it over time.

Councilor Barnes thought staff did a great job with the traffic study and thought it was important to look at the big picture again. What was the arts and entertainment district, and how did the City get the grocery store? How did the City position itself when it was time?

Ms. Mangle replied it did take a lot of people to support a grocery store. People wanted an active plaza, grocery, and restaurants that probably could not be supported until there were more people living in the downtown. She discussed the importance of anchors.

Councilor Loomis understood this was a conceptual plan in many ways, and the City needed to look at possible hindrances.

Mayor Bernard lived the development of the Plan as the MDDA president. This had always been his focus in the downtown. After light rail went away he heard that density needed to be downtown and not in the neighborhoods. In this plan, it was all downtown. The more eyes the safer it was, and he discussed how malls were now trying to look like Main Streets. The underlying philosophy was important. Downtown development had been his driving force, and there were few options without some kind of urban renewal district.

Ms. Mangle agreed density was an important part. She prepared a memo regarding Metro requirements, and downtown and the Murphy and MacFarlane sites were the key target areas to support the amenities the rest of the community wanted. The neighborhoods were zoned for low and moderate densities.

Downtown Development Incentives and Match

Mr. Campbell framed the big picture in the staff report and asked if there were any mechanisms in which the Council was interested. The current market did not necessarily justify the kind of development that was called for and envisioned in the downtown Plan particularly when one took into account the upper level of PAR on various projects. The question was do we wait for that to happen and risk it being a very long time for the rents to reach a point that justified the developments and conditions? Urban areas rarely trended flat rather trended down. It was not a question of being patient and hoping, but did the City want to be patient and risk not sustaining the momentum of the last 5 years with some pretty aggressive, though ad hoc, public policy. He laid out a number of mechanisms that in one way or another decreased the cost of private investment through direct subsidies or removing public burdens. Those kinds of steps would reduce revenue streams. The other philosophical direction was to focus on public builds public goods such as parks and transportation infrastructure. Generally speaking there were 2 directions the City could go which required some additional funding to be on sound footing. The funding was not available for the full slate of public investments that the Downtown Plan was built upon. Staff recommended moving toward bringing a package of policies back to the City Council. The staff report contained the larger menu from which to select, so he was looking for advise as staff moved toward a more concrete proposal.

Councilor Chaimov preferred focusing on public improvements rather than subsidies to the extent there were tools for financing based on his level of

knowledge the economic improvement district models outlined on page 38 of the staff report looked to him to be the most promising.

Councilor Loomis discussed an urban renewal sort of program for public area requirements with each development. The value would be used to fund it, and it was not a long-term program.

Mr. Campbell thought overall that would be cumbersome in terms of a traditional urban renewal process, but there might be ways to do that. There was a possibility that the public sector could finance system development charges (SDC) over a period of time. The drawback as opposed to going through a larger urban renewal process was that the repayment of those costs would be entirely within the City tax burden. The benefit of urban renewal was that for every \$1 of City revenue being paid by the general fund the other overlapping jurisdictions paid in \$3. To use a method other than urban renewal that multiplication factor would be lost. The Fire District was in a situation similar to the City's. It was a forward-looking entity based on income streams largely from taxation. He did not think the City would adopt an urban renewal program if it was not a net positive for the tax base. The City and District had similar interests.

Councilor Barnes wanted to know more about tax increment financing and impact based SDCs and how they could work together. She asked for an illustrative model and how it impacted businesses, the City, and other jurisdictions.

Mr. Campbell replied few tools were in direct conflict with each other, so there could be a mix-and-match approach.

Mayor Bernard understood the District's issue was not with urban renewal but how long it went on. At some point the District would get all the taxes. Milwaukee had tax increment financing (TIF), a business improvement district (BID), and economic improvement district (EID) at one time when he was with the MDDA. There was a value to the developer and City in investing in the public infrastructure improvements as well as developer came in there was value to investing in public infrastructure. He would like some flexibility to encourage something like a grocery store.

Mr. Swanson said the total income from both the EID and surcharge was about \$36,000. One of the main reasons it failed was because not much could be done about amenities with that amount of money. A park bench for example can cost \$5,000. The City did help the improvements through a loan from the State Department of Housing and Community Services (HCS) at North Main Village in the amount of \$750,000. That was a far cry from what the EID provided. It would take a significant amount of money to do anything within reason, so it was important to think big to accomplish anything.

Mayor Bernard added a major portion of the funds went to the director's salary and storefront improvement grants. Events were held as an attempt to get the businesses together.

Mr. Campbell commented BIDs typically funded ongoing operations rather than capital projects.

Councilor Loomis thought PARs were necessary but neither the City nor the business could afford to do it all. He suggested some method by which the business could pay for the improvements as it grew.

Mr. Campbell heard Council felt the PARs were important but it was important to find some additional revenues to help.

Mayor Bernard agreed it needed to be done through a balanced mechanism between the business and the community without putting a burden on the taxpayers although they did get some benefit.

Councilor Loomis understood the PAR hindered private development.

Councilor Barnes strongly believed that Mr. Campbell should attend some the downtown business meetings so he could be a conduit to Council and help it make decisions.

Mr. Campbell set a time to begin holding discussions with property owners and businesses about the more technical PAR. There were few downtowns in Oregon and in the U.S. in general that funded significant public improvement programs of the scale envisioned in the Downtown Plan absent urban renewal and tax increment financing. He heard concerns from Councilor Loomis about the role of the other taxing entities.

Councilor Chaimov heard Councilor Barnes ask for a picture of what that might look like so the City Council could decide if that was a direction in which it wanted to go. In the abstract a lot of these sounded good, but it would be hard without knowing the costs involved.

Special Meeting

Mayor Bernard discussed the need for a special meeting and some of the topics underway.

Mr. Asher talked about the special work session on June 10 regarding the memorandum of understanding with TriMet with a regular session on June 17. The Board was scheduled to take action on the agreement on June 25, and it should happen before the locally preferred alternative (LPA) vote.

Councilor Barnes wanted to make sure Fred Hansen understood the City of Milwaukie wanted it in writing this time.

Mr. Asher replied the City Council was making a lot of progress on that front. The chief counsel was drafting with the Milwaukie city attorney, so it has moved up to the top of the TriMet organization. It was important for the Council to review the entire document to make sure it had the right kind of things in it that held TriMet's feet to the fire. He felt in terms of light rail this agreement was as important as anything else the City was doing.

The group agreed to meet in work session June 10 from 5:30 p.m. to 7:30 p.m.

Wastewater Update

Councilor Barnes provided an update on wastewater discussions. The region representatives made a decision to move onto the Board of County Commissioners (BCC) for review. Those who did not go along with the majority at the table were Oak Lodge, Paul Savas, and the Citizens Advisory Committee (CAC). Under the proposal each city would have 1 representative, the unincorporated area would have 2 representatives, and 1 County Commissioner. Oak Lodge's concern was that when the group came together assets would be combined which it did not see as a good thing. The CAC members saw themselves being edged out and were not being heard as much as they liked. Charmaine Coleman was strong and did a great job of representing Milwaukie. She and Ms. Coleman did not get everything Milwaukie wanted or should have gotten, but the timing with the financial situation was not good. Councilor Barnes did not believe people were as concerned about the overall good as she had hoped they would be. No one wanted to help decommission Kellogg Treatment

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Plant. There was a struggle at end to ensure there was something in the final document that decommissioning the Kellogg Treatment Plant was not completely off the table. She asked that any expansion language for Kellogg be taken out of the final document, and everyone supported creating that firewall and clarifying the language. The initial proposal was that there be no major expansion. The next step was for the BCC to review it, and another group would be formed to iron out the details. People with technical expertise would be needed, and there were a lot of details that needed to be ironed out before things were finalized.

Mr. Asher added the next step was for the BCC to take action on the recommendation and ask partners to take that back to their various councils and boards to ratify the action in mid-August. Those who ratified would continue to participate. A provisional advisory committee would be established until governance was worked out. The provision committee would figure out governance structure and make a recommendation on a permanent advisory committee by October. Phase 2 of the interim capacity project was a \$40 million investment, so the County wanted to know for sure this project was on track. Commissioner Peterson made a point of calling out the Kellogg Treatment Plant and Tri-City rate equity as 2 issues with which the provision committee needed to address.

Mayor Bernard adjourned the work session at 6:48 p.m.

Pat DuVal

Pat DuVal, City Recorder