

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION

October 21, 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, 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

Members of Troop 143 working on their Community Service Merit Badge for Eagle Scout were in attendance.

Proposed Jackson Street Bus Shelter Improvements

Mr. Asher was joined by Yung Park, TriMet manager of capital projects. He reminded Council this was all toward the goal of dissolving the downtown transit center. That did not mean getting rid of bus service or stops but getting layovers out of the downtown, upgrading shelters, and separating the bus shelters so that they were not all concentrated in such a small area. For a long time the focus was on the bus layovers, and they have now switched strategies to upgrading the existing facility. They would still like to get the layovers taken care of, but at the moment he did not have an answer for where they would go. It was still a goal to get them off the downtown streets, but there would be fewer of them. They wanted to focus on now was better use of the block, make it more appealing, and deal with social and visual issues with which we are contending in the downtown for years. There have already been some stakeholder meetings.

Mr. Park said the goals were to improve user experience, reduce the footprint, and beautify the downtown. They would be creating a hub where there would be an activity of transfers and separation of regular pedestrians. Those improvements could all work together in unison. That followed along in their transit improvement plan and TriMet's vision for building that total transit system. It would include customer information, passenger amenities, which were all elements they wanted to incorporate on Jackson Street. He showed Council a snapshot of what was in place today. There were 9 buses that connected in Milwaukie and the connections and various routings were scattered. There were about 190 bus stops and 15 shelters. They averaged 3360 daily boardings in Milwaukie. More than half of that activity was in the downtown transit center on 21st/Jackson. The new plan consolidated routing and streamlined operations to reduce the footprint of buses operating in Milwaukie and centralizing it on Jackson and the block surrounding City Hall. There would be some minor activity of buses headed south on 21st between Harrison and Jackson. The majority of the bus movement would be on Jackson and Main. Other bus routings that were scattered would be consolidated. They classified bus stops into activities from Level 1 to 3. Level 3 was primarily what you would see in major transit connections where ridership is in excess of 300 patrons a day and where there are amenities. The enhancements to Jackson Street would be at a

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level 3. He showed the Council various slides of enhanced bus stops with ticket vending machines, trashcans, transit tracker, and a sense of permanence and place. In August they modified and made a mock up of Jackson Street to emulate what the transit hub could look like and how buses could work and mingle between traffic and other activities. He showed a bulb out where the future shelter would be. Their tests showed that buses and other traffic could get through with bus 70 and 75 layovers on Jackson without impeding traffic flow. In addition they concentrated specifically on Dark Horse and their driveway on the south side of Jackson between Main and 21st Avenue. They tested if having buses on both ends would impede or have any bearing on loading zone activities. It showed they could coincide and not have a lot of conflicts. They looked at the City Hall parking lot for employees and visitors and will work with operators to make sure some of the current conditions could be reduced and minimized. He showed a rendering of changes they were envisioning for Jackson. Today, Line 75 had a minimum of 15 minutes layover 7 days per week so when buses layover there was more than one bus along 21st near Waldorf. They envisioned that be changed so the 75 would layover on backside of City Hall headed south on 21st between Harrison and Jackson. With the changes they needed to find layover room for 2 buses and their testing showed that 2 buses could layover on the south side of Jackson between the driveways. By doing that they would be able to build some of the corners out for a major transit hub with activity for all outbound and inbound buses. The inbound bus had more activity and people waiting, and that area would be a longer distance to support more amenities and shelters. The outbound corner would have a smaller footprint.

Mr. Asher said one of the outcomes was to take all transit activity off the east side of 21st. Today there were 2 bus stops and all of the layovers. Under the new plan there would be no layovers and no bus stops. The whole edge on 21st would be reclaimed for parking and probably beautified. They looked early on at consolidating all bus activities on 21st Avenue, but they decided that was the wrong the move because that was where there were the fewest eyes on the street. Most complaints about the transit center were mostly people downtown feeling uncomfortable because of the configuration. They thought moving the bus activity into plain view on Jackson and Main where they propose most activity.

Mayor Bernard asked if there would there be bus slabs on Jackson Street.

Mr. Park said those were included in the proposal. They also chose Jackson because of the 80-foot right-of-way, and one of their main goals was to ensure they did not impede travel flow on Jackson. They looked at widening the sidewalk and still have 11-foot travel zones. He showed shelter examples where there was separation of traffic and pedestrian flow from waiting riders and provided a clear view. The shelters had closed circuit television and that was an element that they would make sure was integrated into the shelter design. They would work with IT to ensure a feed to Milwaukie Police as well as TriMet security. The shelters would be lit, visible, would accommodate transit tracker and real time data. The notion of the shelters was to make sure they would have some level of seating, but the majority of people would be waiting a very short time before their transfer. The shelters had an opening on both ends and closed on two sides to provide shelter for inclement weather. They provided a concept plan and design, and they were waiting for the final steps in funding the package which should be done by the end of next month. They would advance to design and engineering, and conduct outreach. They would like to come back in the late winter with a short list of potential shelter designs. They were hoping to get

through that process and into the construction process with an opening late summer 2009. With the green line opening in the fall there would be additional route refinements.

Mayor Bernard thought they would need to accommodate the Farmers' Market, which ran May through October because some prime spots would be dug up. He advised utilizing 21st during construction and not Main Street. He asked if this project would be coordinated with the sewer line project.

Mr. Asher replied the sewer project was set for this summer.

Mr. Park anticipated the construction phase to be from late spring to early summer; 2-3 months at the most. It was basically putting in the forms and building the bulbouts and integrating some of the street design principles.

Mr. Asher said this project could not afford streetscape improvements on 21st Avenue. A net result is a gain of 10 – 15 on-street parking spaces.

Councilor Barnes was glad to see the testing of the CCTV as the results would be important for light rail planning. When she went on police ride-a-longs they stopped at the transit center over and over again. She hoped the camera that would discourage some of the current behaviors.

Mr. Park said there would be additional lighting from the shelter and depending on the level of the streetscape improvements it would increase lighting.

Councilor Stone asked if landscaping was included in the cost.

Mr. Asher replied the right-of-way and bulbouts would be landscaped. Additional landscaping would require finding another funding source. This project would only be able to pay for the right-of-way improvements.

Councilor Stone asked if the transit center were to move completely out of downtown how many parking spaces would the free up.

Mr. Asher responded three would be approximately 10 additional spaces.

Councilor Chaimov asked who the other stakeholders were that were referenced in the presentation?

Mr. Asher replied they met with Darkhorse Comics, Waldorf School and both were in favor of the project. They met with the Historic Milwaukee NDA and with reservations they were in support and viewed this as an improvement over the status quo. They met with City Hall employees. They were cautiously in support but they had real concerns with the interface between the driveway, apron and the buses, visibility and traffic. It was a public building and in a sense they were intensifying the public nature of the street and this block. They concurred that this design made the most sense.

Councilor Chaimov asked if the reconfiguration increased or decreased traffic in the intersection of 21st and Harrison Street.

Mr. Park replied the busses currently loading on 21st would no longer do that.

Councilor Stone asked what ever happened to moving the transit center out of the downtown. She thought that was the goal. She had a hard time believing that if we spent \$500,000 to lay down concrete pads and make improvements that this would be anything but permanent. She felt like we were not getting what we really asked for and found that hard to swallow spending that much money on a temporary solution that could very well be a permanent solution, which was not the solution they wanted.

Mr. Asher clarified the funding. It was coming from the Federal Transit Authority (FTA) through TriMet and was not City funds. It would be a combination of federal funds and TriMet's regional flexible funds, which were available to be spent anywhere in the region. He thought the City was quite deserving of these improvements because of what the City had contended with through the years with the transit center. TriMet did not disagree as seen in Mr. Park's presentation. Level 3 features were warranted, and we had been living with less than a Level 1. He directed Council back to the Transportation System Plan (TSP). He staffed the transit group and had a close understanding of what this community wanted to see in the way of transit service and facilities in town. He met with that group 6 or 7 times, and Mr. Park attended several of those meetings along with Phil. Selinger. They checked out all of the policies and rewrote the Transit Chapter, and that plan called for making a better facility and getting rid of the layover buses and to disaggregate the stops. That was what he was trying to implement. He thought there were people in town who had imagined, through the years, that all of this activity could disappear from downtown. That was not what the current plan called for, and he thought that would be a mistake. He did not think the problem was downtown bus service, but rather the configuration.

Councilor Stone thought that they were led to believe a long time ago that the transit center would be going north of downtown. We would still have bus service and the need, but not the buses laying over.

Mr. Asher said that was still a goal and they were down to 4 lines and with the opening of the green line 2 more of the lines that layover in Milwaukie would disappear so they would be down to the 70 and 75 laying over in Milwaukie. In the peak the worst case scenario would be 5 buses laying over at once. Typically most hours of the day there would be 1-3. They still have some buses laying over in downtown and they did not have a solution for where to put them. He went through a bunch of options with Mr. Selinger and the one they landed on would not work. It was still a goal to get rid of the layovers, and he would continue to work on that with TriMet. This was an improvement that could be in place by this time next year. He had heard from the stakeholders that it was a good idea.

Councilor Barnes asked what the status was with TriMet's Southgate property.

Mr. Park thought it would most likely be used for staging and construction activities for light rail. There were also looking at interim uses.

Mr. Asher proposed to carry on with the project. When they got down to the shelter types, which was a key design, he would like to hold a public meeting where people could provide input and then he would like to carry on to build it.

Councilor Stone said the prototype shown in the presentation was not necessarily the prototype for what would happen.

Mr. Asher said it was not necessarily the prototype, but it was one they were interested in learning more about. There may be a couple more out there to compare.

Councilor Barnes asked if the prototype fit the budget.

Mr. Park replied currently it did.

Mayor Bernard suggested including the downtown businesses.

Mr. Asher added he also presented this to the breakfast group, and they liked the idea. The Design and Landmarks Committee would also be in the loop.

Councilor Stone said the other issue for her in terms of design was tying it in to the elements of Riverfront Park. They talked about having natural stone materials, wood and those types of things. The prototype was from a large city in a foreign country and very modern looking.

Mr. Asher said Council would hear from them after the New Year to talk about design of shelters.

Councilor Stone said for the record she thought it should go north with the light rail hub and everything. That was what she wanted and it was her dream.

Possible Urban Renewal Work Plan

Mr. Campbell talked about the need for urban renewal, why that was a solution and would ask for Council's questions about mechanics and the big picture responses. The need is to find funding to implement the Downtown Plan, and how to balance public area improvement costs. There were also a lot of other things in the Downtown Plan – projects, improvements, parks and plazas and funds were needed for those as well. Our downtown was not currently generating the kind of redevelopment that we want to see. That was clear when we looked North Main's difficulty in leasing spaces. Jerry Johnson talked to Council about the need for adding amenities to Downtown. The only way we would be able to do that is to fund them. Another indication that he had seen in the work that had been done in the City was in the Oregon Downtown Development Association 2003 downtown implementation report. The report stated in the next steps section that additional funding was needed and called out urban renewal. Urban Renewal was the answer because it was the best mechanism. The best evidence was the number of municipalities and counties that were using it. In Clackamas County alone there were 10 Urban Renewal districts. The key reason that Urban Renewal is so powerful is because it was a way for us to work with and a way for all the other taxing jurisdictions to participate with the City. The City was foregoing some revenue in this area in order to reinvest in the area and Urban Renewal was a mechanism set up by the legislature for us to ask other taxing jurisdictions to participate and also to forgo some revenue in order to invest in the area.

Mayor Bernard asked Mr. Campbell to explain Urban Renewal. You have a piece of bare land and then start with a base value.

Mr. Campbell referenced the graphic on page 2 trying to get to that point. At the start of an urban renewal district the base was frozen. The new tax revenues that were generated by an increase in assessed value were reserved for expenditures alone within the district. The fundamental idea behind tax increment financing (TIF) was to stimulate that additional investment and borrow against the future revenues and in that way you stimulate that investment. When that happened you get additional investment revenue and you can pay off those bonds more quickly. In Oregon you cannot do a TIF without Urban Renewal. That was the primary reason that cities adopted Urban Renewal.

Councilor Chaimov said one of the concerns citizens expressed about urban renewal districts was that they seemed to go on perpetually. Was there a way to assure people?

Mr. Campbell replied the reason that urban renewal districts were extended was because they were very successful. The City of Sandy just extended its district because people were excited about the beautification projects that were taking place under phase one. He did not know how to provide assurance of how to prevent a future Council from extending it. It would be difficult to say what a future Council would do, but they would have to go through the same process.

Mayor Bernard added some cities limited the amount. There could also be agreements to adjust the base.

Councilor Chaimov said it looked as if the Council did something like this, the City would benefit substantially, but it may be at the cost of schools and fire district. How do we make it worth their while?

Mr. Campbell replied that was a fundamental reality of urban renewal. It was hard to say that Milwaukie should not participate because Milwaukie was on the end of not getting those benefits. School funding was not ultimately tied to property taxes due to Measure 50 and it was funded at the state level. North Clackamas schools would not see any revenue difference if Milwaukie adopted an urban renewal district. The state made up the difference in its financial calculation, which meant that because urban renewal existed in 60 other places throughout the state Milwaukie was paying slightly more in income taxes to pay for the education throughout the state. Those districts were not in any different position than the City. The City was also giving up revenue because we believe in the long-term it would be a benefit to financial stability. We were not asking them to do anything we were not willing to do.

Councilor Stone said in a way it was like borrowing against the equity in a house.

Mr. Campbell said it was borrowing against future rates.

Councilor Stone said it was borrowing against the future City tax revenue.

Mr. Campbell clarified there were certainly some districts that spent money on a pay as you go basis. The borrowing was not an essential part of the project. You could get revenue in through TIF and use it to fund programs or projects without borrowing against the future stream. One of the real powers and benefits was that it gave you the ability to borrow against future revenues.

Councilor Barnes said one of the ways we prove to residents is that when we do something like this we had specific things that it would pay for. We did that with the gas tax. We made a promise of the list of things that would be done. She would like to see a list of things that would be done.

Mr. Campbell said the initial urban renewal district would have a very clear limitation on how much it could borrow, and it would expire when that amount of money had been raised. They would have a clear list of projects within that plan. He was jumping to the question of how we made sure it was never extended.

Councilor Stone asked if were looking at a 20 year plan?

Mr. Campbell provided calculations based on 25 years, and he had not experience with anything less than 10. 20-25 years were typical.

Mr. Asher added part of the reason was because those districts typically do not generate as much revenue as one might think. It often took quite a while to see the curve begin to shoot up because where you were really getting the power of the increment was on the value of new property tax. The new property tax would be based on improvements and we were limited because of Measure 5 and 50.

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The natural appreciation in a district would be no more than 3% per year. Part of the reason why we see urban renewal districts being set up as 20-25 years was in recognition of the fact that it took several years especially if you are borrowing.

Councilor Stone was concerned about creating this district in these economic times. Was this a good time to be forging ahead with this or not?

Mr. Campbell replied this was an ideal time. It may not be an ideal time to borrow, but we would need to show a track record of some growth in increment before we would be able to borrow. It would put the City in a position that we are ready to borrow in a couple of years when the credit market hopefully returns to some reasonable amount of normalcy.

Councilor Stone said our other alternative was to put in on the ballot for the voters to bond the developments that we wanted to see.

Mr. Campbell thought the only other way the City would raise capital at this level would be a general obligation bond, and those did require a vote.

Mr. Asher explained bonds would be 100% on the backs Milwaukie taxpayers. Oregon has enabled municipalities to arrange it differently so that the cost can be spread beyond our own city limits to the bases of other taxing jurisdictions, which made it a very popular program. Milwaukie has been on the sidelines watching other cities benefit.

Mayor Bernard had been interested in this for a long time. A lot of people who are very concerned that certain districts like the Clackamas Town Center have gone on forever.

Mr. Asher added the City of Portland had some come off the rolls also, but those did not get any of the attention. The attention went to renewals and extensions of districts, which was because stakeholders want them to continue.

Mayor Bernard said there are different models. He noted that Oregon City had an Urban Renewal Commission. He liked the City Council to make that decision.

Mr. Campbell said there was an option when you activate an Urban Renewal you either choose to have that authority directed by City Council or you could direct another body to govern.

Councilor Barnes asked what approval he was looking for from Council.

Mr. Campbell said basically it was saying yes to move forward. The steps would be do set up a public outreach, timelines, consultant selection, and putting together an RFP. There were financial calculations and legal analyses to be done. He thought they were pretty well equipped to handle a lot of the public outreach and the cost for a consultant would be \$25,000 - \$40,000. That would come from the economic development budget in the general fund, which was an appropriate funding source.

Councilor Stone would like to know of the Oregon cities and counties that had created these urban renewal districts how many were successful? She would also like to know of those that were not successful and why. She also wanted to know what their plan would be. What was the list of projects? She would like to see those numbers before going further.

Mr. Asher said that described the step they were wanting to take now. They could do some work without setting up of an urban renewal district. It would take a while to do that. In order to answer the list of project we need to know what kind of increment a district would be able to generate, and in order to know that

you need to decide the size of the district and what it included and excluded. There was quite a bit a technical work in drawing up a boundary and projecting revenue growth. A lot of that work they could do in the office with a consultant and report back in a few months. They would learn a lot more without committing to anything. The district would need to be contiguous and could not be more than 15% of the land area or the assessed value.

Mr. Campbell thought because of the size of Milwaukie we could go a little higher but there were limitations.

Mayor Bernard asked if that meant we could stretch up to Albertsons.

Mr. Asher said it depended how they drew it. You look at potentially high value property or property that would be redeveloped you want to grab those sites because they go from essentially having no assessed value to a ton of assessed value and you can enjoy that increment over the life of the district.

Mr. Campbell said and also in areas where you are interested in stimulating that investment by spending money. The other part of it was what they were originally posing to begin public outreach to talk about which of the projects that were essential to include.

Mr. Asher said it was primarily for the downtown plan and they saw the greatest need there. That was the core and had the most needs.

Councilor Stone asked if we needed a consultant up front. Can it be done in house?

Mr. Campbell asked if she wanted him to give the list of projects. They were working the opposite way. They knew Council was interested in public area requirements. There were a couple key things that were obvious that are center pieces of the Riverfront Downtown Framework Plan.

Councilor Stone did not have a good feel for the creation of the urban renewal district or for how long it would be and what would be the ultimate cost to the City and what is the size of area would be included. She thought some of those questions could be answered in house.

Mr. Asher said some of the questions they could answer. He would be happy to meet with Councilor Stone.

Councilor Barnes observed this was very complicated and probably needed to be explained a couple of times.

Mr. Asher would like to answer Councilor Stone's questions and also move forward without making any commitments. Staff would probably come back to Council in a few months.

Mayor Bernard adjourned the work session at 6:58 p.m.

Pat DuVal

Pat DuVal, City Recorder