



Regular Session

RS

Milwaukie City Council



**MILWAUKIE CITY COUNCIL
REGULAR SESSION**

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

REVISED AGENDA

JUNE 21, 2016

Revised June 15, 2016

2,224th Meeting

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|---|---------------|
| 1. CALL TO ORDER | |
| Pledge of Allegiance | |
| 2. PROCLAMATIONS, COMMENDATIONS, SPECIAL REPORTS, AND AWARDS | |
| A. Milwaukie High School (MHS) Outstanding Student Achievement Award for June 2016 to Abby Moore | |
| Presenter: Mark Pinder, MHS Principal | |
| B. North Clackamas School District (NCSD) November Bond | |
| Presenter: Matt Utterback, NCSD Superintendent | |
| 3. CONSENT AGENDA | |
| These items are considered routine, and therefore, will not be allotted discussion time on the agenda; these items may be passed by the Council in one blanket motion; any Councilor may remove an item from the "Consent" agenda for discussion by requesting such action prior to consideration of that part of the agenda. | |
| A. City Council Meeting Minutes: | 2 |
| 1. May 17, 2016, Regular Session; | |
| 2. May 19, 2016, Study Session; and | |
| 3. May 31, 2016, Special Session. | |
| B. Appointments to Boards, Commissions, and Committees – Resolutions | 17 |
| 1. Appoint Tam Guy to the Public Safety Advisory Committee (PSAC), Representing Lewelling Neighborhood District Association (NDA) | |
| 2. Reappoint Ray Bryan to PSAC, Representing Historic Milwaukie NDA | |
| 3. Appoint Pam Denham to PSAC, Representing Island Station NDA | |
| 4. Reappoint Kim Travis to PSAC, Representing Ardenwald/Johnson Creek NDA | |
| 5. Reappoint Regis Niggerman to PSAC, Representing Linwood NDA | |
| 6. Reappoint Christopher "Kit" Donnelly to PSAC as an At-Large Member | |
| 7. Reappoint Angel Falconer to PSAC as an At-Large Member | |
| 8. Appoint Meg Elston to PSAC as an At-Large Member | |
| 9. Reappoint Michael Osborne to the Milwaukie Budget Committee | |
| C. Personal Services Agreement (PSA) with Willamette Falls Media Center (WFMC) for Public Government Access – Resolution | 28 |
| D. Microsoft Enterprise Agreement Renewal – Resolution | 42 |
| E. TriMet Property Triangle Site – Resolution – PENDING | 69 |
| (Removed June 15, 2016) | |
| E. Authorize an Intergovernmental Agreement (IGA) between the City and Clackamas County Juvenile Department for providing Juvenile Diversion Panel Services (Added June 15, 2016) | 69-1 |

4. AUDIENCE PARTICIPATION

The presiding officer will call for citizen statements regarding City business. Pursuant to Milwaukie Municipal Code (MMC) Section 2.04.140, only issues that are “not on the agenda” may be raised. In addition, issues that await a Council decision and for which the record is closed may not be discussed. Persons wishing to address the Council shall first complete a comment card and submit it to the City Recorder. Pursuant to MMC Section 2.04.360, “all remarks shall be directed to the whole Council, and the presiding officer may limit comments or refuse recognition if the remarks become irrelevant, repetitious, personal, impertinent, or slanderous.” The presiding officer may limit the time permitted for presentations and may request that a spokesperson be selected for a group of persons wishing to speak.

5. PUBLIC HEARING

Public Comment will be allowed on items under this part of the agenda following a brief staff report presenting the item and action requested. The presiding officer may limit testimony.

A. None scheduled

6. OTHER BUSINESS

These items will be presented individually by staff or other appropriate individuals. A synopsis of each item together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.

- | | |
|--|------------|
| A. Management and Confidential Employee Compensation | 71 |
| Staff: Gary Rebello, Human Resources Director | |
| B. Management and Confidential Employee Deferred Compensation | 72 |
| Staff: Gary Rebello, Human Resources Director | |
| C. Solid Waste Rate Setting – Resolution | 73 |
| (Staff Report added June 15, 2016) | |
| Staff: Reba Crocker, Right of Way and Contract Coordinator | |
| D. Fees in Lieu of Construction (FILOC) Fees – Resolution | 81 |
| (Staff Report added June 15, 2016) | |
| Staff: Chuck Eaton, Engineering Director | |
| E. Intergovernmental Agreement (IGA) between the City and Metro for the Harrison Main Block | 90 |
| (Staff Report added June 15, 2016) | |
| Staff: Alma Flores, Community Development Director | |
| F. Regional Solids Handling Needs | 151 |
| (Staff Report added June 15, 2016) | |
| Presenter: Councilor Karin Power | |
| G. Council Reports | |

7. INFORMATION

8. ADJOURNMENT

Public Notice

Executive Sessions: The Milwaukie City Council may meet in Executive Session immediately following adjournment pursuant to ORS 192.660(2). All Executive Session discussions are confidential and those present may disclose nothing; representatives of the news media may attend as provided by ORS 192.660(3) but must not disclose any information discussed. Executive Sessions may not be held for the purpose of taking final actions or making final decisions and they are closed to the public.

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**Regular Session
Agenda Item No.**

3

Consent Agenda



MINUTES
MILWAUKIE CITY COUNCIL
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REGULAR SESSION
MAY 17, 2016
City Hall Council Chambers

Mayor Gamba called the 2,222nd meeting of the City Council to order at 6:30 p.m.

Council Present: Council President Lisa Batey and Councilors Scott Churchill, Wilda Parks, and Karin Power

Staff Present: City Manager Bill Monahan, City Attorney Dan Olsen, City Recorder Pat DuVal, Community Development Director Alma Flores, Engineering Director Chuck Eaton, Planning Director Denny Egner, and Associate Planner Brett Kelter

CALL TO ORDER

Pledge of Allegiance.

PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS

A. Milwaukie High School (MHS) Outstanding Student Achievement Award for May 2016 to Lydia Daschel-Lloyd

Mark Pinder, MHS Principal, introduced Ms. Daschel-Lloyd and noted her achievements particularly in the areas of scholarship and athletics.

Mayor Gamba and the Councilors congratulated Ms. Daschel-Lloyd and inquired about her academic and extracurricular activities and career plans.

B. Dogwood Day Proclamation

Mayor Gamba read a proclamation naming May 21, 2016, as *Dogwood Day* in the City of Milwaukie.

C. Public Works Week Proclamation

Mr. Parkin read the proclamation naming the week of May 15 -21, 2016, as *Public Works Week* in the City of Milwaukie.

CONSENT AGENDA

Councilor Churchill asked that item B be removed from the consent agenda for discussion.

It was moved by Councilor Churchill and seconded by Council President Batey to approve Consent Agenda Items A, C, and D, and to remove Item B for discussion.

A. Resolution 52-2016: A Resolution of the City Council of the City of Milwaukie, Oregon, Authorizing the Mayor to sign an Intergovernmental Agreement (IGA) between the City of Milwaukie and Clackamas County for assistance in its annual review and adoption of Solid Waste and Recycling collections fees.

~~B. A Resolution of the City Council of the City of Milwaukie, Oregon, Authorizing execution of an Intergovernmental Agreement (IGA) with Metro to prepare a Joint Offering of Harrison and Main Street Site (Formerly the "Texaco Site") for Development.~~

C. Approve an Oregon Liquor Control Commission (OLCC) Application for Locally Sourced NW, LLC, 11238 SE 21st Ave, Suite 3 – New Outlet.

D. Authorize Lease Agreement Extension with the Milwaukie Museum

Motion passed with the following vote: Councilors Churchill, Batey, Parks, and Power and Mayor Gamba voting “aye.” [5:0]

AUDIENCE PARTICIPATION

Mayor Gamba outlined the audience participation procedure.

Mr. Monahan provided follow up to audience participation comments and questions from the previous Council meeting. He commented on Gary Klein’s and Ray Bryan’s concerns about Kronberg Park, and Sara Hunt’s concerns about the Milwaukie Police Department’s relationship with the community.

Milo Denham, Island Station Neighborhood District Association (ISNDA) vice chair, commented on the Kronberg Park Path and expressed concern and dismay that the bike / pedestrian bridge was not open for use. As a citizen he expressed his concern that the Park would not be open to the public for five years to protect the newly planted habitat.

David Potts, Rotary Club of Milwaukie, Peace Building Chair, discussed installing peace poles at various locations in the City as a reminder that our actions should be respectful. He discussed the feasibility of a Peace Route Walk that included Riverfront Park, the Ledding Library and Scott Park property, and the City Hall grounds. He said other cities that had installed the poles had not experienced vandalism or graffiti on the poles. He discussed next steps that included outreach to North Clackamas Parks and Recreation District (NCPRD), North Clackamas School District (NCSD), and local churches.

Mike Miller, Milwaukie resident, believed there should be a public hearing on the future of the City parking lot at Main and Harrison Streets to explore all options before making the joint offering with Metro for the development of the site. He suggested that other uses could include a community square. Downtown parking was already stressed with the opening of light rail. **Councilor Power** asked if he did not consider Moving Forward Milwaukie (MFM) a public hearing process.

Ed Zumwalt, Milwaukie resident, agreed with Mr. Miller’s comments. There were many other sites that could be developed. He recommended a hearing on this site because he did not believe people were fully aware of the MFM process and the ramifications.

Harrison and Main Street Site Development Intergovernmental Agreement (IGA) with Metro [removed from the consent agenda for discussion, item 3.B]

Ms. Flores provided a brief staff report with Megan Gibb, Metro Transit Oriented Development (TOD) program. This IGA was intended to document the relationship between the City and Metro to prepare a joint offering of the Harrison and Main Street Site for a full block development. It was one of the five opportunity sites identified in the Moving Forward Milwaukie (MFM) project.

Ms. Flores said the IGA would solidify the parameters and criteria under which incentives would be provided including Land Value Write Down, project minimums, and due diligence items such as indemnity related to the former Texaco site. She commented on the Prospective Purchasers Agreement (PPA) on that site and the update of the 15 year old environmental assessments. Other predevelopment activities included an American Land Title Association (ALTA) Survey, appraisal, and geotechnical engineering assessment. In terms of the schedule itself, a Request for Qualifications (RFQ) would be issued and responses reviewed in the second quarter of 2016 followed by the Request for Proposals (RFP) phase.

Ms. Gibb discussed the Exclusive Negotiating Agreement, the Disposition and Development Agreement (DDA), and the public process that included Planning Commission and City Council reviews.

Ms. Flores discussed full entitlement of five stories as provided for in the MFM amendments which would be a Type III land use application process.

Ms. Gibb explained the differences between the RFQ and RFP processes. The RFQ was essentially a resume outlining the responder's project experience along with a description of what he or she intended to build. With the RFP process, the developer would actually submit a schematic design, pro forma, information on the construction team, and detailed financials. The RFP was much more detailed and more costly to the developers. The IGA did state that the City and Metro would go out for an RFQ together.

Mayor Gamba understood that some residents perceived that block as the City's plaza, and that if the RFQ and RFP did not match the community's aspirations, then the project would not be built.

Ms. Gibb said Metro would not want to move forward with a partner if the likely result could be that the City was not interested in developing the property. As the City's partner Metro would want to know its level of interest.

Council President Batey noted that there was a design 11 years ago, but then the recession occurred, and the development did not move forward. Since that time, Milwaukie had also developed a South Downtown Plan.

Ms. Gibb said although plans had not been solidified, she would like to set up a small subcommittee to prepare the RFQ.

Ms. Flores added that once the RFP was public, it could no longer be discussed with potential proposers because of the risk of biasing the process. Prior to that there could be a more public discussion of aspirations.

Councilor Power understood the purpose was to keep the City Council and anyone in the City from biasing the process. It was important to keep citizens informed of the process.

Ms. Flores added this IGA evolved from the MFM program.

Councilor Parks understood there were concerns about parking and where community events such as First Fridays and Sunday Farmers Markets could be held. These issues had been discussed during the MFM adoption process.

Mr. Olsen said it was important to note that this was a five year commitment to work in good faith with Metro to develop this property generally along the lines of what was in the agreement. There were checks and balances in terms of final approval to ensure the City Council was getting what it wanted for downtown Milwaukie.

Kelli Keehner, Downtown Milwaukie Business Association (DMBA), said there had been a lot of conversation among businesses, and the Association wanted development to occur. She was concerned about the Farmers Market which was a breath of fresh air in the City. There were other opportunities at sites like the Cash Spot which might be a more appropriate place to start. How did five stories look and how would that impact businesses, residents, and visitors? One hundred and two parking spaces would be eliminated overnight, and the Chevron parking lot would likely be used for staging construction equipment and materials. People were just recovering from six years of light rail construction, and now they would be in the middle of a development project. The City needed the growth, but there had to be partnerships between the City and local businesses. She noted that not everyone had been involved with the MFM project.

Councilor Churchill explained that he had pulled the item from the consent agenda for discussion because this was a very particular property in the City of Milwaukie and crucial to not only the success of a number of events but also provided parking for

downtown businesses. He felt the IGA with Metro should be carefully structured. He referred to packet page RS14, Section 2 that addressed project minimum development program criteria; Section 2.1 set the tone for a minimum of five stories. There had been a lot of public feedback about making sure height, bulk, and mass were considered. He recommended language that referred to working within height restrictions. Councilor Churchill further suggested adding another section that addressed the loss of downtown parking. He was also concerned about section 4.1 that called out five stories and full block development.

Councilor Power agreed with Councilor Churchill that it was good to pull the IGA from the consent agenda for discussion to clarify that it was part of a long term process. She thought parking should be part of the RFQ discussion.

Councilor Churchill thought parking could be addressed as part of the minimum programming requirement.

Councilor Power added that someone may submit a proposal that did not meet the five story criteria from a zoning code perspective. She thought that language related to development standards was reflected in the range of options. Parking probably needed further Council discussion.

The group discussed the full block development, and **Mayor Gamba** understood it was considered a full block development if there was a plaza in the middle. **Councilor Churchill** thought it implied that the whole block was massed.

Councilor Parks thought the intentions would become clearer as the RFQ was developed, and she did not think the IGA needed to address that. She did not disagree with Councilor Churchill's point.

Council President Batey said as a Celebrate Milwaukie, Inc. (CMI) board member she felt South Main would work for the Sunday Farmers Market. She was not averse to the changes that Councilor Churchill was proposing but questioned wordsmithing the IGA at this meeting. The group discussed its options.

Councilor Parks thought it would take five stories to incorporate the amenities and innovations of the development.

Mayor Gamba said he could go either way on the five stories since the code would address that matter. He asked for clarification of the term full block development.

Ms. Gibb said it was her understanding that Metro did not want just half the site developed and was looking for a unified development project. It was a joint offering of one full block.

Ms. Flores referred to IGA Section 8.1, approval of plans that were pursuant to the Milwaukie development code. The current zoning for that site was three floors, four floors with housing, and a fifth floor bonus for sustainability.

Councilor Churchill said the average citizen interpreted it as density at all costs. He was concerned about bulk and mass on the Main Street side.

Ms. Gibb explained there had to be housing at the site to qualify for the program, and consultant Jerry Johnson said from a market standpoint that it had to be five stories to be financially feasible. Essentially, the IGA said that Milwaukie and Metro would continue to work together.

Mayor Gamba said the Milwaukie code would drive the design of the building to a great degree.

Councilor Power said to Councilor Churchill's point, the way this IGA was written and the way in which the joint offering was done would preclude a design of less than five stories.

Ms. Gibb understood there was a joint IGA entered into before Metro closed on the property which called for a five story building. The ability to spend dollars on that

property was tied to activation for transit use given its proximity to light rail. That did not mean the whole building had to be five stories.

Ms. Flores added that the base zone was three stories.

Councilor Churchill suggested adding a section 2.4 that would read, “consider the opportunity to incorporate public parking into the development.” This would be a reflection of the DMBA’s concerns.

Councilor Power did not support putting that language in the IGA because she felt it was above and beyond the current development criteria. She thought parking belonged in the RFQ but not in the IGA.

Mr. Olsen suggested changing 2.1 to “a maximum of five stories.” In terms of full block development, he thought it was important to send the message to development community that Milwaukie and Metro were committed to making the full block available for development.

The group agreed that any changes to the draft IGA should be reviewed by attorneys for both parties.

Mayor Gamba took a thumbs up / thumbs down poll on the items discussed:

Should the full block development language be left as written? Yes: Batey, Parks, Power, and Mayor Gamba; No: Churchill.

Should Section 2.1 five stories language remain? Unanimous that language should be tweaked. **Councilor Parks** proposed that language related to “height restriction in the existing zoning code.” There was unanimous approval for that change.

Should the language remain as written or should a new Section 2.4 be added that would read “consider the opportunity to incorporate public parking in the development?” Remain as written? Yes: Parks, Power, and Gamba; No: Batey and Churchill.

In response to a question from Councilor Power, **Ms. Flores** said she had been so focused on the complexities of the IGA with Metro for the Main and Harrison site that she had not completed a schedule for the Cash Spot site. Once the next draft of the IGA was done, she would like another discussion to address suitability, bulk and mass, type of housing, and parking.

Councilor Churchill said he would like to see 4.1 rewritten to ensure it was not five stories above retail.

Mr. Monahan said the IGA would be on a future agenda as a business item.

Mayor Gamba recessed the Regular Session at 8:08 p.m. and reconvened the Regular Session at 8:20 p.m.

PUBLIC HEARING

None scheduled.

OTHER BUSINESS

A. 19th Avenue and Sparrow Street Greenway Concept Plan – Resolution

Mr. Egner and **Mr. Kelver** provided the staff report in which staff requested that City Council hear final comments on the Plan and approve the Resolution adopting the Concept Plan for the 19th Avenue and Sparrow Street Neighborhood Greenway. Mr. Kelver briefly provided a recap of the project that was in a neighborhood that clearly did not want curbs and sidewalks. Council authorized an IGA with the Oregon Department of Transportation (ODOT) to allow the City to utilize consultant services funded by a

Quick Response Grant from the Oregon Department of Land Conservation and Development (DLCD) via the State's Transportation Growth Management (TGM) program. He reviewed the objectives and public process. He noted this was a planning and design project and that there was no funding available for construction.

Mr. Kelter showed slides of the overall concept which was a relatively light treatment that essentially formalized what was already taking place. Not a lot was changing on 19th Avenue, and participants indicated the street was working well the way it was. The challenges that needed to be addressed were Americans with Disabilities Act (ADA) compliance and maintaining emergency access. Sparrow Street had a little more connectivity, higher speeds, and potential for stormwater issues than 19th Avenue. The Concept Plan was a guide and not the final design for either street. There would be future opportunity for public participation during the engineering phase.

Mr. Kelter outlined the next steps. Once Council adopted the Resolution to guide the construction design, the new designs would be incorporated into the Public Works Standards. Opportunities for funding would be monitored, and in the meantime the City would continue to collect fees in lieu of construction (FILOC) when improvements were triggered.

Mayor Gamba asked about flush curbs to protect the concrete edge, and **Mr. Egner** responded that those were still in the Concept Plan.

Milo Denham, ISNDA and 19th Avenue resident, said the process was exactly what the neighbors wanted. He supported the proposed street design for 19th Avenue.

Cindy Blase, Sparrow Street resident, expressed concern about the Sparrow Street portion. She understood from the neighborhood meetings that in order to be ADA compliant all the parks had to be connected. She asked how Sparrow Street connected the parks and noted the inclines were very steep. She did not think that Sparrow Street and River Road were the most efficient connections.

Mr. Kelter replied that the Transportation System Plan (TSP) identified a number of neighborhood greenways in the City to make safer bike and pedestrian connections. 19th Avenue, Sparrow Street, and River Road were identified to provide overall safe connection although he agreed there were issues of grade.

Mr. Egner added that the higher level of improvement on Sparrow Street was a function of the slope and was part of the need for a sidewalk to help those with special needs.

Mayor Gamba said for him stormwater management was also very important.

Mr. Kelter said the question about how Sparrow Street ended up as a Neighborhood Greenway opened the hood on TSP, and development of the property at 19th Avenue and Sparrow Street expedited the whole conversation. Even though the two streets were different, they were in the same neighborhood and had some similarities. Part of opportunity was to recognize that the streets were different and to take advantage of pulling back from a traditional design while addressing stormwater.

Council President Batey noted there were some in the neighborhood who hoped to connect Sparrow Street to the Trolley Trail.

Councilor Churchill was troubled by how this had evolved from the development of one property at the corner 19th Avenue and Sparrow Street. It seemed as if one parcel was driving an entire process.

Councilor Power said there had been significant discussion of sidewalks in the ISNDA over time that resurfaced because of this development.

Councilor Parks said this one property may have been the catalyst, but this was an area that had wanted to know what its future was for quite some time.

It was moved by Councilor Power and seconded by Councilor Parks to approve the Resolution Adopting a Concept Plan for the 19th Avenue and Sparrow Street

Neighborhood Greenway. Motion passed with the following vote: Councilors Churchill, Batey, Parks, and Power and Mayor Gamba voting “aye.” [5:0]

RESOLUTION No. 53-2016:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ADOPTING A CONCEPT PLAN FOR THE 19TH AVENUE AND SPARROW STREET NEIGHORHOOD GREENWAY.

B. Expedited Annexation of the Property Located at 4425 SE Johnson Creek Boulevard – Ordinance

Mr. Kelter briefly described the annexation that included adjacent right of way.

It was moved by Councilor Power and seconded by Council President Batey to approve the first and second readings by title only and adoption of the Ordinance Annexing a tract of land identified as Tax Lot 1S2E30BB02100 and located at 4425 SE Johnson Creek Boulevard, as well as the adjacent public right-of-way on Johnson Creek Boulevard, into the City Limits of the City of Milwaukie (File #A-2016-002). Motion passed with the following vote: Councilors Churchill, Batey, Parks, and Power and Mayor Gamba voting “aye.” [5:0]

Mr. Monahan read the Ordinance two times by title only.

Ms. DuVal polled the Council: Councilors Churchill, Batey, Parks, and Power and Mayor Gamba voting “aye.” [5:0]

ORDINANCE NO. 2121:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, ANNEXING A TRACT OF LAND IDENTIFIED AS TAX LOT 1S2E30BB02100 AND LOCATED AT 4425 SE JOHNSON CREEK BOULEVARD, AS WELL AS THE ADJACENT PUBLIC RIGHT-OF-WAY ON JOHNSON CREEK BOULEVARD, INTO THE CITY LIMITS OF THE CITY OF MILWAUKIE (FILE #A-2016-002).

Fee in Lieu of Construction (FILOC) Fee Resolution Discussion [Moved from May 17, 2016, Work Session]

Mr. Eaton said if adopted the new Ordinance would establish the FILOC fees outside of the zoning code. It would establish the methodology to determine the cost of the various utilities. He understood Council direction was to look at standardization of fees. The current process was based on historical data for specific properties and for each unit going onto that property which created a range. He discussed recent half street improvements and provided recent historic information. The average FILOC cost was \$298 per lineal foot and was for transportation only. He reviewed the options including standardized unit costs and the differences between systems develop charges (SDC) and FILOC. He discussed accessory dwelling units (ADU).

Council President Batey said she was now more comfortable that fees in lieu were appropriate.

Councilor Power liked the idea of a fixed fee and the clarity it provided.

Mr. Eaton said he wanted to review his calculations prior to drafting the Resolution, and he further recommended indexing the fees. The sample cost methodology was based on neighborhood streets, so he would also calculate fees for collectors.

Mr. Olsen addressed the proportionality question posed by Mayor Gamba which he said would be based on the impacts of the construction.

Mr. Eaton said there would be two different triggers that were based on what was being built and the street classification. He still had to calculate some of the nuances before the fees were considered. He understood the Council preferred the fixed fee model.

C. Amend Milwaukie Municipal Code (MMC) Chapter 19.706 Fee in Lieu of Construction – Ordinance

Mr. Eaton explained the amendments found in the proposed Ordinance included establishing the fees in a separate Resolution and changing the ten year timeframe limitation. Sections D and E were new. D addressed extensive offsite improvements, and E addressed proportionality requirements. An ADU triggered improvements and would only be eligible for a fee in lieu if it met conditions.

It was moved by Councilor Power and seconded by Councilor Churchill to approve the first and second readings by title only and adoption of the Ordinance Amending the Municipal Code by Adding a New Chapter 13.32 Adopting a Fee In Lieu of Construction Program. Motion passed with the following vote: Councilors Churchill, Batey, Parks, and Power and Mayor Gamba voting “aye.” [5:0]

Mr. Monahan read the Ordinance two times by title only.

Ms. DuVal polled the Council: Councilors Churchill, Batey, Parks, and Power and Mayor Gamba voting “aye.” [5:0]

ORDINANCE NO. 2122:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING THE MUNICIPAL CODE BY ADDING A NEW CHAPTER 13.32 ADOPTING A FEE IN LIEU OF CONSTRUCTION PROGRAM.

D. Council Reports

Mayor Gamba discussed the 17th Avenue Multiuse Path Groundbreaking, the Wayfinding online survey, the Bike More Challenge, the Farmers Market Urban Renewal information booth, the guided Art Walk and Trivia tour, Field Day in the Park, Memorial Day closures, and First Friday events.

Council President Batey announced the June 1st dedication event for Spring Park.

ADJOURNMENT

It was moved by Councilor Power and seconded by Councilor Parks to adjourn the regular session. Motion passed with the following vote: Councilors Churchill, Batey, Parks, and Power and Mayor Gamba voting “aye.” [5:0]

Mayor Gamba adjourned the regular session at 9:24 p.m.

Respectfully submitted,

Pat DuVal, Recorder



MINUTES
MILWAUKIE CITY COUNCIL
www.milwaukieoregon.gov

STUDY SESSION
MAY 19, 2016
City Hall Conference Room

Mayor Gamba called the Study Session to order at 6:00 p.m.

Council Present: Council President Lisa Batey and Councilors Scott Churchill, Wilda Parks, and Karin Power

Staff Present: City Manager Bill Monahan, City Attorney Dan Olsen, City Recorder Pat DuVal, Assistant to the City Manager Mitch Nieman, Engineering Director Chuck Eaton, Sustainability Director Clare Fuchs, Public Works Director Gary Parkin, Water/Wastewater Supervisor Ronelle Sears, and Water Quality Coordinator Don Simenson

Milwaukie Drinking Water Quality

Mr. Parkin provided an overview of the topic, and introduced Ms. Sears, Mr. Simenson, and Tom Pattee, Groundwater Coordinator for the Oregon Health Authority (OHA). He provided a brief historical overview of the City's water system and noted that Milwaukie's wells draw from the Troutdale Gravel Aquifer (TGA).

Mayor Gamba noted that the presentation would include the staff presentation, Council questions, and if time allowed audience questions.

Mr. Parkin continued reviewing the history of the City's water system and previewed the water quality standards to be discussed by Mr. Simenson.

Ms. Sears provided an overview of the experience and certification levels of the City's Water Division staff, and noted the size of the City's water system.

Mr. Simenson reported that the City works to ensure that Milwaukie has safe drinking water by meeting and exceeding Federal and State standards and City ordinances. He noted that some State standards were unregulated due to a lack of Federal funding and explained how the Federal Environmental Protection Agency (EPA) used data collected from local water systems to update water quality standards.

Councilor Power asked if other water systems pulled from the TGA. **Mr. Simenson** reported that the cities of Vancouver, Washington, and Portland, Oregon, use water from the TGA, and he described the geographic area covered by the TGA.

Councilor Power asked about the status of the water systems intertie connection between the cities of Portland and Milwaukie. **Mr. Simenson** reported that the intertie connection had not been used since 1990, but had recently been rebuilt and found to be in working condition.

Councilor Churchill inquired about the interaction between Johnson Creek and the TGA, and **Mr. Simenson** suggested that Mr. Pattee would address that question.

Mr. Simenson reviewed the required training completed by City staff and thanked Council for their recent support of water quality infrastructure projects and programs. He noted the role of the Citizens Utility Advisory Board (CUAB) in providing feedback to the City and reported that staff provides facility tours and public education sessions on water use and care. He explained that the City's water system is constantly monitored and features equipment designed to stop contamination from entering the system.

Mayor Gamba asked what chemicals detected in the water system were being treated. **Mr. Simenson** discussed the volatile organic chemicals (VOCs) that have been detected in the City's water system. He explained that VOCs had been first detected in

Milwaukie's water system in the 1980s which caused the City to tie into the City of Portland's system for 2 years while water treatment plants were built. He reported that the City's water system had been online without interruption since 1990.

Council President Batey noted the size of the aeration towers and **Mr. Simenson** described how the towers use chlorine to disinfect the water and remove VOCs.

Councilor Power and **Mr. Simenson** discussed the challenges facing the City of Portland in treating water stored in outdoor reservoirs and noted that Milwaukie's aeration towers feature elbow ventilation pipes.

Councilor Churchill and **Mr. Simenson** discussed the third-party verification process the City uses for water sample testing. **Mr. Simenson** explained that Alexin Analytical Labs conducts water sample testing for 21 VOCs required by the State and 36 VOCs that are not regulated by the State.

Councilor Power and **Mr. Simenson** noted that the water sample test results were for the water consumed by the public. **Mr. Simenson** presented and discussed Milwaukie water testing data available on the website <https://yourwater.oregon.gov>. He noted the depth and capacity of the City's wells and described the well operating cycle.

Mr. Simenson reviewed the water testing data and noted the City's interest in tracking the chemicals Dichloroethylene, Tetrachloroethylene, and Trichloroethylene.

Councilor Churchill and **Mr. Simenson** discussed the water sample chain of custody.

Mr. Simenson reported that the City tests for synthetic organic chemicals (SOCs) like anti-weed sprays and for some chemicals that the Oregon Department of Environmental Quality (DEQ) is interested in near contaminated sites.

The group noted that fluoride is a naturally occurring chemical and that the City's detected level of fluoride is below the EPA's recommended dosage level.

Mr. Simenson reported that the City's pH and mineral levels are at good levels for drinking water and noted that neighboring communities have more aggressive minerals in the drinking water. He confirmed that "ND" in the testing data means "Not Detected".

The group noted the benefits of the water testing results being made available online and discussed the common confusion about the source of the City's drinking water.

Mr. Simenson presented a map showing where the City's water system interacts with neighboring water systems.

The group reviewed a map showing where contaminated water would hypothetically travel underground over a 10 year period. They discussed the size and material make-up of the TGA and how slowly water moves through the aquifer.

Councilor Power asked about the ability of the City's water system to deal with drought and **Mr. Simenson** explained that the TGA recharges from various water sources.

Councilors Churchill and **Power** inquired about the impact of surface water bodies on the TGA and the City's drinking water. **Mr. Pattee** reported that the impacts of Johnson Creek on the TGA had not been looked at and that the distance from the City's wells to the Willamette River would prevent any contamination reaching the drinking water.

Mr. Pattee presented the results of the most recent source water assessment of the City's water system that identified sensitivities and susceptibilities in well construction, aquifer characteristics, and water quality. He described the composition of the TGA and noted how slowly water moves through different soil materials.

The group noted the number of dry wells in the City and remarked that the susceptibility of drywells to contaminated water depended upon the well's casing seal.

Mayor Gamba asked about possible sources of VOCs detected in the groundwater and **Mr. Pattee** explained how VOCs could travel through the layers of the aquifer.

Mr. Pattee explained that source water assessments have been required by the EPA since 1996 and that the OHA and DEQ have worked with local water systems to develop drinking water protection plans to protect water quality. **Councilor Power** and **Mr. Pattee** noted water systems in Oregon that had pro-active water protection plans.

Mr. Pattee explained how well construction is analyzed in a source water assessment.

Mr. Pattee, Councilor Churchill, and Mr. Simenson discussed the depth and age of the casing seals in the City's wells, and noted the potential of damaging older seals during exploratory work. **Mr. Pattee** reported which City wells met OHA standards.

Council President Batey and Mr. Pattee discussed how the clay areas of the aquifer slows or contains plume contaminations. **Councilor Churchill and Mr. Pattee** noted that boring logs were used to determine the permeability of the clay areas in the aquifer.

Mayor Gamba, Mr. Pattee, and Mr. Simenson discussed the water level of Well 8.

Mr. Pattee reported that the aquifer's sensitivity risks were low-to-moderate for most areas of the City's water system and that the soil permeability around the City's wells presented moderate risks. He explained how risk was determined and noted that the City's Well 2 had the highest sensitivity to local practices that could impact the drinking water.

Mr. Pattee, Mr. Simenson, and Mayor Gamba discussed the location of several City wells and noted that chemicals detected in the water are treated before being used as drinking water. They reviewed the City's recent water testing cycles.

Mr. Pattee presented a topographic map showing potential contaminant sources and noted that it could take 10 years for a contaminant to infiltrate the groundwater. He explained that the OHA was in the process of updating the potential contamination source inventories which included decommissioned heating oil tanks.

Councilor Churchill and Mr. Pattee noted the importance of well casing seals in keeping contamination out of the drinking water.

Councilor Power and Ms. Sears noted that Council would discuss the Well 2 replacement project at a future meeting.

Mr. Pattee and Mr. Simenson reported that the Facility Profiler data available on DEQ's website included potential contaminant sources.

Councilor Power asked for a follow-up report on the seismic resiliency and long-term growth capacity of the City's water system. **Council President Batey** suggested that the water consortium be invited to a water system resiliency discussion.

Councilor Churchill requested that staff address the spikes in raw water VOCs detected that were reported in the Staff Report.

Mayor Gamba summarized that water contamination testing data was available online for public review and asked that questions be directed to himself or the City Manager.

Kronberg Park Path Discussion

Mr. Monahan provided an overview of the Kellogg Lake pedestrian bridge and Kronberg Park access projects and introduced Scott Archer, North Clackamas Parks and Recreation District (NCPRD) Director.

Mr. Archer introduced himself and explained his new role as the NCPRD Director.

Councilor Power discussed why the bridge and path projects had developed separately and noted concerns about the bridge opening and park completion costs.

The group reviewed the cost estimates for completing the path and park.

Councilor Power, Council President Batey, and Mayor Gamba remarked on the expectations established during the Kronberg Park Master Plan process.

Councilors Power and **Churchill** expressed interest in hearing about the City's liability risk in leaving Kronberg Park unfinished and reported that the Island Station Neighborhood District Association (ISNDA) and the Historic Milwaukie Neighborhood District Association (HMNDA) were interested in seeing the park opened.

Mr. Eaton reviewed the City's Connect Oregon multi-use trail grant application that would fund the park path as outlined in the Master Plan. **Councilor Parks** noted that NCPRD and ISNDA had some funds available to support park projects.

The group discussed how Connect Oregon grants are prioritized and noted that the grant would require the City to identify matching funds or in-kind contributions.

Councilor Power, **Mr. Eaton**, **Council President Batey**, and **Mayor Gamba** discussed the possibility of reviewing the Kronberg Park Master Plan to identify a less expensive path connection from the bridge to the crosswalks on McLoughlin Boulevard.

Council President Batey and **Councilors Churchill** and **Parks** suggested that Council consider the City's liability in letting ad hoc trails develop in the Park.

Mr. Olsen provided an overview of the laws relating to undeveloped parks and discussed the risk of liability, responsibility for injuries, and cited case law examples.

Mayor Gamba and **Mr. Olsen** discussed the impact of taking affirmative action to reduce the risky behavior already occurring in the Park.

Mr. Olsen reviewed how risk was assessed and how the conduct of an injured person is factored into the liability. He discussed comparative fault and discretionary immunity as liability defenses and the importance of conducting policy risk/benefit assessments.

Council President Batey asked if there was more liability risk in laying a gravel path rather than allowing ad hoc paths to develop. **Mr. Olsen** suggested that engineers and park designers would assess the risks of different types of paths and discussed how discretionary immunity could be used as a liability defense.

The group noted that current public behavior at the Park should be documented and that CityCounty Insurance Services (CIS) would conduct a risk assessment of any Park design plan to assess the discretionary immunity policy choice process.

Mayor Gamba and **Mr. Olsen** discussed foreseeable liability should an individual be injured crossing McLoughlin Boulevard from a built path versus an ad hoc path.

The group discussed the impact of installing signage and barriers to prevent people from walking along or crossing McLoughlin Boulevard outside marked crosswalks, riding bicycles on the wrong pathways, and parking motor vehicles in the Park. They noted the need to work with the Oregon Department of Transportation (ODOT) and Union Pacific Rail Road (UPRR) to secure permits and Right-of-Way (ROW) access.

Mr. Olsen explained recreational immunity and suggested that it was less applicable to the current situation at Kronberg Park.

Mr. Eaton and **Council President Batey** discussed mitigation planting done in the Park by NCPRD and TriMet and concerns about pathway construction and public access to protected areas of the Park. **Mr. Archer** and **Mayor Gamba** discussed the warranty period on the mitigation work done by NCPRD.

The group discussed the topography of the Park and when the mitigation and restoration work had been done.

Mr. Eaton reported that TriMet's contractor still had work to do in the Park and he reviewed the mitigation plantings required by the Park's Master Plan. He presented a plan to construct a temporary gravel path through the Park and noted that ODOT may require a full sidewalk in order to meet Americans with Disabilities Act (ADA) standards.

The group noted that a full sidewalk through the Park would require a retaining wall to be built and they discussed the impact of existing trees on the path's route.

Mr. Olsen and **Mr. Eaton** commented on the potential for increased liability risk and maintenance responsibilities when working in an ODOT ROW.

The group discussed the possibility of constructing a path through the Park that avoided the mitigation plantings and stopped at the ODOT ROW.

Councilor Power, Mayor Gamba, Mr. Olsen and **Mr. Monahan** discussed the net impact on the City's liability risk if a new Park path reduced the number of people using an unauthorized ad hoc trail through the Cash Spot site to Dogwood Park.

The group discussed concerns about a blind spot under the train trestle on McLoughlin Boulevard where people walk or bike within dangerous proximity to street traffic.

Mr. Eaton summarized that the City's 3 options were to leave the bridge closed until a permanent path was built, construct a temporary path to open the bridge, or open the bridge with the existing conditions. He remarked on next steps in the project and confirmed that mitigation barriers could be factored into the project.

Council President Batey and **Mr. Eaton** discussed the use and protection of the areas of the Park where NCPRD had done mitigation planting.

Councilor Parks noted that previous discussions had suggested that staff meet with TriMet and NCPRD to identify options to open the park.

Mr. Eaton reported that the City would hear from the Oregon Transportation Commission (OTC) regarding the Connect Oregon grant in July 2016.

Mr. Archer thanked Council for the discussion and suggested that the City and NCPRD shared the goal of completing the Park. He noted concerns about safety and ADA requirements and reported that NCPRD staff had begun to discuss the Park with the City, TriMet, and ODOT. He commented on his overall assessment of the project and asked that NCPRD be given time to discuss the project with the agencies involved and report back to Council. **Mayor Gamba** suggested that NCPRD should report back to Council by August 2016 when the City would find out about the Connect Oregon grant.

Councilor Power summarized that the City's immunity to liability risk is not alleviated regardless of the type of path constructed.

The group discussed when NCPRD should meet with Council again regarding the Park. They noted the impact of the Connect Oregon grant funding on what option would be pursued to open the Park and when the Park would open. It was the group consensus that NCPRD would report back to Council in 1 month.

Councilor Power commented on the increased interest in opening the bridge by the time the food cart pods open on the Triangle Site.

Mr. Eaton remarked that opening the bridge would address the dangerous blind spot on McLoughlin Boulevard under the train trestle.

Mr. Archer confirmed that NCPRD would collect as much information as possible from all the agencies involved and report back to Council in 1 month. **Councilor Churchill** commented on the importance of discussing the project with all involved agencies.

The group reviewed Council's forecasted meeting schedule and agreed that NCPRD would be added to the July 5, 2016, Work Session agenda to report on the Park.

Mayor Gamba recessed the Study Session at 9:13 p.m. and reconvened the Study Session at 9:16 p.m.

Energy Saving Performance Contracting Report

Mr. Parkin introduced Joe O'Donnell and Jason Carver, consultants with the energy saving company (ESCO) Ameresco, Inc. He reviewed the energy saving projects identified by Ameresco and the City and noted that several were no longer being

pursued. He reported that the City had asked Ameresco to manage an elevated water tank cleaning and painting project.

Mr. O'Donnell explained the acronyms energy saving performance contracting (ESPC) and ESCO and described the benefits of working with an ESCO. He reviewed the previously identified energy saving projects and noted that the Ledding Library air handler project could be removed from the ESPC given the recent passage of a library construction bond measure. He discussed how Ameresco would provide project management services for the elevated water tank project.

Mr. Carver reviewed the options considered for the elevated water tank project and reported that Ameresco and City staff decided to pursue the option to strip and recoat the interior of the tank and water blast and encapsulate the lid. He reported that Ameresco had successfully negotiated a warranty with the project contractor and supplier, and noted that the project was projected to cost \$1.4 million. **Mr. O'Donnell** noted the involvement of City staff in the contractor/supplier negotiations.

Council President Batey asked if the City's other reservoirs could hold enough water while one was repaired. **Mr. Parkin** replied that staff was looking at using the water system intertie with the City of Portland if necessary. **Mr. O'Donnell** and **Mr. Carver** commented on the seasonal timing of water tank projects.

Mr. O'Donnell remarked on the good relationship between Ameresco and the City and reviewed the elements of construction project management. He noted that any cost savings would be reconciled back to the City and discussed the proposed ESPC for Council to consider.

Mayor Gamba noted that he would like to see the ESPC cost numbers without the Ledding Library air handler project.

The group discussed the Ledding Library air handler project and noted that the project could be removed from the ESPC. **Mr. Carver** reported that the air handler project would cost about \$42,000 for a temporary modernization and that City staff had already been looking at getting this work done.

Mr. Parkin suggested that the next step would be for Council to consider the ESPC on a Regular Session Consent Agenda.

It was the Council consensus that staff and Ameresco should move forward on the elevated water tank project as recommended with the understanding that the Ledding Library air handler project could be removed, and that the ESPC would be placed on the June 7, 2016, Regular Session Consent Agenda.

Mayor Gamba adjourned the Study Session at 9:31 p.m.

Respectfully submitted,

Scott S. Stauffer, Administrative Specialist III



MINUTES
MILWAUKIE CITY COUNCIL
www.milwaukieoregon.gov

SPECIAL SESSION
MAY 31, 2016
City Hall Conference Room

Mayor Gamba called the Special Session to order at 6:08 p.m.

Council Present: Council President Lisa Batey and Councilors Scott Churchill, Wilda Parks, and Karin Power

Staff Present: Human Resources Director, Gary Rebello

Guest Present: Heather Gantz, Branch Director Waldron

City Manager Recruitment Process Discussion

This special session was the official kick-off meeting to start the recruitment process for a new City Manager to replace Bill Monahan who is retiring October 2016.

Heather Gantz described the intent of the session is to gather feedback from Council regarding the process for community involvement and to gain initial comments as to the attributes, skills and qualifications of the ideal City Manager candidate. Additionally it would be good to identify challenges and opportunities facing the City which would need to be addressed by the incoming City Manager.

Councilors discussed and agreed there should be a fairly significant community involvement in both the front end and backend of the recruitment process. The Council identified community stakeholders to be interviewed regarding creating a profile of the desired candidate.

Next steps:

- Schedule and conduct stakeholder interviews – internal and external
- Draft recruitment position profile
- Review job description for possible updating

Mayor Gamba adjourned the Study Session at 7:40 p.m.

Respectfully submitted,

Gary Rebello, Human Resources Director



**MILWAUKIE CITY COUNCIL
AGENDA ITEM SUMMARY**

Agenda Item: **RS 3. B.**

Meeting Date: **June 21, 2016**

Title: **Appointments to Boards, Commissions, and Committees**

Prepared By: Jason Wachs, Community Programs Coordinator

Department Approval: Mitch Nieman, Assistant to City Manager

City Manager Approval: Bill Monahan, City Manager

Approval Date:

ISSUES BEFORE COUNCIL

Recommendation to appoint two new members and reappoint six current members to the Public Safety Advisory Committee and reappoint one current member to the Budget Committee.

STAFF RECOMMENDATION

Appoint or reappoint the following members to the Public Safety Advisory Committee as a result of their respective Neighborhood District Association (NDA) elections in May 2016:

- Appoint Tam Guy (Position #2 – Lewelling NDA Representative)
- Reappoint Ray Bryan (Position #5 – Historic Milwaukie NDA Representative)
- Appoint Pam Denham (Position #6 – Island Station NDA Representative)
- Reappoint Kim Travis (Position #7 – Ardenwald/Johnson Creek NDA Representative)
- Reappoint Regis Niggemann (Position #9 – Linwood NDA Representative)

Reappoint the following at-large members to the Public Safety Advisory Committee as a result of the Chair and/or Staff Liaison determining that their participation and attendance has been valuable to the success of the committee:

- Reappoint Christopher "Kit" Donnelly (Position #4 – At-Large Member)
- Reappoint Angel Falconer (Position #11 – At-Large Member)

Appoint the following member to the Public Safety Advisory Committee's open at-large position (Position #10) who was previously serving as the Island Station NDA Representative, but had to step down due to moving out of the Island Station Neighborhood.

- Appoint Megan Elston (Position #10 – At-Large Member)

Reappoint the following member of the Budget Committee as a result of the Chair and Staff Liaison determining that their participation and attendance has been valuable to the success of the committee:

- Reappoint Michael Osborne (Position #5 – Budget Committee)

KEY FACTS & INFORMATION SUMMARY

Refer to staff recommendations.

OTHER ALTERNATIVES CONSIDERED

NA

CITY COUNCIL GOALS

NA

FISCAL NOTES

NA

ATTACHMENTS

Resolutions for appointments.



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon appointing Tam Guy to the Public Safety Advisory Committee.

WHEREAS, A vacancy currently exists on the Public Safety Advisory Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Tam Guy possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Tam Guy is appointed to the Public Safety Advisory Committee position #2 – Lewelling Neighborhood District Association Representative.

SECTION 2: That her term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016.**

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon reappointing Ray Bryan to the Public Safety Advisory Committee.

WHEREAS, Ray Bryan has served six full terms on the Public Safety Advisory Committee;
and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Ray Bryan possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Ray Bryan is reappointed to the Public Safety Advisory Committee position #5 – Historic Milwaukie Neighborhood District Association Representative.

SECTION 2: That his term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016**.

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon appointing Pam Denham to the Public Safety Advisory Committee.

WHEREAS, A vacancy currently exists on the Public Safety Advisory Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Pam Denham possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Pam Denham is appointed to the Public Safety Advisory Committee position #6 – Island Station Neighborhood District Association Representative.

SECTION 2: That her term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016.**

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon reappointing Kim Travis to the Public Safety Advisory Committee.

WHEREAS, Kim Travis has served a portion of one full term on the Public Safety Advisory Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Kim Travis possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Kim Travis is reappointed to the Public Safety Advisory Committee position #7 – Ardenwald-Johnson Creek Neighborhood District Association Representative.

SECTION 2: That her term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016**.

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon reappointing Regis Niggemann to the Public Safety Advisory Committee.

WHEREAS, Regis Niggemann has served a portion of one full term on the Public Safety Advisory Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Regis Niggemann possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Regis Niggemann is reappointed to the Public Safety Advisory Committee position #9 – Linwood Neighborhood District Association Representative.

SECTION 2: That his term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016**.

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon reappointing Christopher "Kit" Donnelly to the Public Safety Advisory Committee.

WHEREAS, Christopher "Kit" Donnelly has served a portion of one full term on the Public Safety Advisory Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Christopher "Kit" Donnelly possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Christopher "Kit" Donnelly is reappointed to the Public Safety Advisory Committee position #4 – Member At-Large.

SECTION 2: That his term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016**.

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon reappointing Angel Falconer to the Public Safety Advisory Committee.

WHEREAS, Angel Falconer has served one full term on the Public Safety Advisory Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Angel Falconer possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Angel Falconer is reappointed to the Public Safety Advisory Committee position #11 – Member At-Large.

SECTION 2: That her term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016**.

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon appointing Megan Elston to the Public Safety Advisory Committee.

WHEREAS, Megan Elston has served one full term on the Public Safety Advisory Committee as the Island Station Neighborhood District Association Representative; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Megan Elston possesses the necessary qualifications to serve on the Public Safety Advisory Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Megan Elston is appointed to the Public Safety Advisory Committee position #10 – Member At-Large.

SECTION 2: That her term of appointment shall commence July 1, 2016 and shall expire June 30, 2018.

Introduced and adopted by the City Council on **June 21, 2016.**

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A resolution of the City Council of the City of Milwaukie, Oregon reappointing Michael Osborne to the Budget Committee.

WHEREAS, Michael Osborne has served a portion of one full term on the Budget Committee; and

WHEREAS, Milwaukie Charter Section 26 provides that, "the mayor, with the consent of the council, shall appoint the various committees provided for under the rules of the council or otherwise and fill all vacancies in committees of the council from that body," and

WHEREAS, Michael Osborne possesses the necessary qualifications to serve on the Budget Committee.

Now, therefore, the City of Milwaukie, Oregon resolves as follows:

SECTION 1: That Michael Osborne is reappointed to the Budget Committee position #5.

SECTION 2: That his term of appointment shall commence July 1, 2016 and shall expire June 30, 2020.

Introduced and adopted by the City Council on **June 21, 2016**.

This resolution is effective immediately.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



**MILWAUKIE CITY COUNCIL
STAFF REPORT**

Agenda Item: **RS 3. C.**
Meeting Date: **June 21, 2016**

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: **Personal Services Agreement (PSA) with Willamette Falls Media Center (WFMC) for Public Government Access – Resolution**

From: Pat DuVal, City Recorder
Scott Stauffer, Administrative Specialist III

Date: June 9, 2016, for June 21, 2016, Regular Session

ACTION REQUESTED

Council is asked to authorize the City Manager to sign a new two-year Personal Services Agreement (PSA) with Willamette Falls Media Center (WFMC) for Government and Public Access Services.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

On **May 10, 2016**, the City issued a Request for Proposals (RFP) for Government and Public Access Services. The RFP notice was posted on the City's website and published in the *Daily Journal of Commerce*. By the RFP due date on June 3, 2016, WFMC was the only respondent.

BACKGROUND

The City has maintained a services agreement with WFMC (formerly Willamette Falls TV) for cable studio access, cablecast programming, and audio/visual support services since 2004. WFMC operates and coordinates programming for the City on Comcast cable channel 30 (government access) which broadcasts within City Limits.

In January 2013 the City signed a one and a half-year PSA with WFMC and then extended it for four months through October 2014. The City went out for proposals to write a new contract and signed a two-year PSA which will expire on June 30, 2016.

Comparison of Current and Proposed Costs by Fiscal Year (FY)

TABLE 1	FY2015-16	FY2016-17	Increase*	FY2017-18	Increase*
Government Access Operations	\$30,000.00	\$30,000.00	0%	\$30,000.00	0%
Public Access Operations	\$20,000.04	\$22,000.00	10%	\$22,000.00	0%
Population-Based Rate	\$11,160.96	\$11,278.00	1%	\$11,278.00	0%
Half-Day Field Production Rate	\$275.00	\$275.00	0%	\$275.00	0%
Full-Day Field Production Rate	\$480.00	\$450.00	-6%	\$450.00	0%

*% Increase over previous FY; Note that the next 2 proposed FY rates are identical.

The increase in Public Access Operations reflected in Table 1 is due to increasing facility and operational costs, and was determined to be an equitable increase by the WFMC Board for all WFMC service contracts.

CONCURRENCE

Staff recommends that Council authorize the City Manager to sign a new PSA with WFMC.

FISCAL IMPACTS

The proposed PSA includes a two-year budget totaling \$118,855. The adopted Biennial 2016-2017 Budget includes funding for these services, including materials and services.

WORK LOAD IMPACTS

Staff does not anticipate any additional work load.

ALTERNATIVES

Seek a different contractor to provide Government and Public Access Services or

ATTACHMENTS

1. Resolution
2. Personal Services Agreement



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE CITY MANAGER TO SIGN A PERSONAL SERVICES AGREEMENT (PSA) WITH WILLAMETTE FALLS MEDIA CENTER (WFMC) TO PROVIDE GOVERNMENT AND PUBLIC ACCESS SERVICES.

WHEREAS, City of Milwaukie does not have the infrastructure or personnel to provide government and public access services independently; and

WHEREAS, Willamette Falls Media Center (WFMC) was the only responder to the City's Request for Proposals to provide government and public access services to the City of Milwaukie; and

WHEREAS, The City of Milwaukie and WFMC benefit from having a Personal Services Agreement (PSA) in place to describe the terms and conditions under which these government and public services will be provided.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is authorized to execute a Personal Services Agreement with the Willamette Falls Media Center to provide government and public access services for the City of Milwaukie.

Introduced and adopted by the City Council on **June 21st, 2016**.

This resolution is effective on **June 21st, 2016**.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



**PERSONAL SERVICES AGREEMENT
WITH THE CITY OF MILWAUKIE, OREGON
FOR GOVERNMENT AND PUBLIC ACCESS SERVICES**

THIS AGREEMENT made and entered into this ____ day of _____, _____ by and between the City of Milwaukie, a municipal corporation of the State of Oregon, hereinafter called City, and **Willamette Falls Media Center** hereinafter called Contractor.

RECITALS

WHEREAS City has need for the services of a person or an entity with particular training, ability, knowledge, and experience as possessed by Contractor, and

WHEREAS City has determined that Contractor is qualified and capable of performing the professional services as City does hereinafter require, under those terms and conditions set forth,

THEREFORE the Parties agree as follows:

1. SERVICES TO BE PROVIDED

Contractor shall provide services as specified in the Scope of Work, a copy of which is attached hereto, labeled Exhibit A and hereby incorporated by reference. Contractor shall initiate services immediately upon receipt of City's notice to proceed, together with an executed copy of this Agreement.

2. EFFECTIVE DATE AND DURATION

This Agreement shall become effective upon the date of execution, and shall expire, unless otherwise terminated or extended, by **June 30, 2018**. All work under this Agreement shall be completed prior to the expiration of this Agreement.

3. COMPENSATION

City agrees to pay Contractor not to exceed **one-hundred eighteen thousand eight-hundred fifty-five dollars and zero cents (\$118,855.00)** for performance of those services described in the Scope of Work, which payment shall be based upon the following applicable terms:

- A. Payment by City to Contractor for performance of services under this Agreement includes all expenses incurred by Contractor, with the exception of expenses, if any identified in this Agreement as separately reimbursable.
- B. Payment will be made in installments based on Contractor's invoice, subject to the approval of the City Manager, or designee, and not more frequently than monthly. Payment shall be made only for work actually completed as of the date of invoice.
- C. Payment by City shall release City from any further obligation for payment to Contractor, for services performed or expenses incurred as of the date of the invoice. Payment shall not be considered acceptance or approval of any work or waiver of any defects therein.
- D. Where applicable, Contractor must make payment promptly as due to persons supplying Contractor labor or materials for the execution of the work provided by this order. Contractor must pay all contributions or amounts due from Contractor to the Industrial Accident Fund

incurred in the performance of this order. Contractor shall not permit any lien or claim to be filed or prosecuted against City or any subdivision of City on account of any labor or material to be furnished. Contractor further agrees to pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

- E. If Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to Contractor or a subcontractor by any person as such claim becomes due, City's Finance Director may pay such claim and charge the amount of the payment against funds due or to become due the Contractor. The payment of the claim in this manner shall not relieve Contractor or their surety from obligation with respect to any unpaid claims.
- F. If labor is performed under this order, then no person shall be employed for more than eight (8) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, or emergency or where the public policy absolutely requires it, and in such cases, except cases of contracts for personal services as defined in ORS 279A.055, the labor shall be paid at least time and a half for all overtime in excess of eight (8) hours a day and for all work performed on Saturday and on any legal holidays as specified in ORS 279B.020. In cases of contracts for personal services as defined in ORS 279A.055, any labor shall be paid at least time and a half for all hours worked in excess of forty (40) hours in any one week, except for those individuals excluded under ORS 653.010 to 653.260 or under 29 USC SS 201-209.
- G. Contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury to the employees of Contractor or all sums which Contractor agrees to pay for such services and all moneys and sums which Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
- H. The City certifies that sufficient funds are available and authorized for expenditure to finance costs of this contract.

4. OWNERSHIP OF WORK PRODUCT

City shall be the owner of and shall be entitled to possession of any and all work products of Contractor which result from this Agreement, including any computations, plans, correspondence or pertinent data and information gathered by or computed by Contractor prior to termination of this Agreement by Contractor or upon completion of the work pursuant to this Agreement.

5. ASSIGNMENT/DELEGATION

Neither party shall assign, sublet or transfer any interest in or duty under this Agreement without the written consent of the other and no assignment shall be of any force or effect whatsoever unless and until the other party has so consented. If City agrees to assignment of tasks to a subcontract, Contractor shall be fully responsible for the acts or omissions of any subcontractors and of all persons employed by them, and neither the approval by City of any subcontractor nor anything contained herein shall be deemed to create any contractual relation between the subcontractor and City.

6. STATUS OF CONTRACTOR AS INDEPENDENT CONTRACTOR

Contractor certifies that:

- A. Contractor acknowledges that for all purposes related to this Agreement, Contractor is and shall be deemed to be an independent contractor as defined by ORS 670.700 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be

solely responsible for all payments and taxes required by law. Furthermore, in the event that Contractor is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Contractor under the terms of this Agreement, to the full extent of any benefits or other remuneration Contractor receives (from City or third party) as a result of said finding and to the full extent of any payments that City is required to make (to Contractor or to a third party) as a result of said finding.

- B. The undersigned Contractor hereby represents that no employee of the City, or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from Contractor, either directly or indirectly, in connection with the letting or performance of this Agreement, except as specifically declared in writing.

If this payment is to be charged against Federal funds, Contractor certifies that he/she is not currently employed by the Federal Government and the amount charged does not exceed his or her normal charge for the type of service provided.

Contractor and its employees, if any, are not active members of the Oregon Public Employees Retirement System and are not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.

- C. Contractor certifies that it currently has a City business license or will obtain one prior to delivering services under this Agreement.
- D. Contractor is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

7. INDEMNIFICATION

City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor warrants that all its work will be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of a contractor's work by City shall not operate as a waiver or release.

Contractor agrees to indemnify and defend the City, its officers, agents, employees and volunteers and hold them harmless from any and all liability, causes of action, claims, losses, damages, judgments or other costs or expenses including attorney's fees and witness costs and (at both trial and appeal level, whether or not a trial or appeal ever takes place) that may be asserted by any person or entity which in any way arise from, during or in connection with the performance of the work described in this contract, except to the extent that the liability arises out of the sole negligence of the City and its employees. Such indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.

8. INSURANCE

Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this contract. Such insurance shall cover all activities of the contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier. Such insurance shall be primary and non-contributory.

The policy or policies of insurance maintained by the Contractor and its subcontractor shall provide at least the following limits and coverage:

A. Commercial General Liability Insurance

Contractor shall obtain, at contractor's expense, and keep in effect during the term of this contract, Commercial General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form. This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

<u>Coverage</u>	<u>Limit</u>
General Aggregate	\$3,000,000
Products-Completed Operations Aggregate	3,000,000
Personal & Advertising Injury	3,000,000
Each Occurrence	2,000,000
Fire Damage (Any one fire)	500,000
Medical Expense (Any one person)	5,000

B. Commercial Automobile Insurance

Contractor shall also obtain, at contractor's expense, and keep in effect during the term of this contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$2,000,000.

C. Professional Liability Insurance

Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract, Professional Liability Insurance covering any damages caused by an error, omission or any negligent acts. Combined single limit per occurrence shall not be less than \$2,000,000. Annual aggregate limit shall not be less than \$2,000,000.

D. Workers' Compensation Insurance

The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Contract who are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide workers' compensation coverage for their workers that complies with ORS 656.126. Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident shall be included.

E. Additional Insured Provision

The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City, its officers, directors, employees and volunteers as additional insureds with respect to this contract.

F. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 30 days written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days' notice of cancellation to the City.

G. Insurance Carrier Rating

Coverages provided by the Contractor must be underwritten by an insurance company deemed acceptable by the City. The City reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

H. Certificates of Insurance

As evidence of the insurance coverage required by the contract, the Contractor shall furnish a Certificate of Insurance to the City. No contract shall be effected until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this contract. A renewal certificate will be sent to the above address 10 days prior to coverage expiration.

Certificates of Insurance should read "Insurance certificate pertaining to contract for **Government and Public Access Services.**" The City of Milwaukie, its officers, directors and employees shall be added as additional insureds with respects to this contract. A notation stating that "Insured coverage is primary" shall appear in the description portion of certificate.

I. Independent Contractor Status

The service or services to be rendered under this contract are those of an independent contractor. Contractor is not an officer, employee or agent of the City as those terms are used in ORS 30.265.

J. Primary Coverage Clarification

The parties agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

K. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in the general liability policy.

Contractor's insurance policy shall contain provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days prior notice to City. A copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, or at the discretion of City, in lieu thereof, a certificate in form satisfactory to City certifying to the issuance of such insurance shall be forwarded to:

City of Milwaukie
Attn: Finance
10722 SE Main Street
Milwaukie, Oregon 97222

Business Phone: 503-786-7555
Business Fax: 503-653-2444
Email Address: finance@milwaukieoregon.gov

Such policies or certificates must be delivered prior to commencement of the work.

The procuring of such required insurance shall not be construed to limit contractor's liability hereunder. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

9. **METHOD & PLACE OF SUBMITTING NOTICE, BILLS AND PAYMENTS**

All notices, bills and payments shall be made in writing and may be given by personal delivery, mail, email or by fax. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

City	Contractor
City of Milwaukie	Company: Willamette Falls Media Center
Attn: Accounts Payable	Attn: Melody Ashford
10722 SE Main Street	Address: 1101 Jackson Street
Milwaukie, Oregon 97222	Oregon City, OR 97045
Phone: 503-786-7523	Phone: 503-650-0275
Fax: 503-786-7528	Fax: 503-650-0198
Email Address: finance@milwaukieoregon.gov	Email Address: melody@wfmstudios.org

And when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid, or when so faxed, shall be deemed given upon successful fax. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to who notices, bills and payments are to be given by giving written notice pursuant to this paragraph.

10. MERGER

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

11. TERMINATION WITHOUT CAUSE

At any time and without cause, City shall have the right, in its sole discretion, to terminate this Agreement by giving notice to Contractor. If City terminates the contract pursuant to this paragraph, it shall pay Contractor for services rendered to the date of termination.

12. TERMINATION WITH CAUSE

A. City may terminate this Agreement effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:

- 1) If City funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services. This Agreement may be modified to accommodate a reduction in funds.
- 2) If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
- 3) If any license or certificate required by law or regulation to be held by Contractor, its subcontractors, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.
- 4) If Contractor becomes insolvent, if voluntary or involuntary petition in bankruptcy is filed by or against Contractor, if a receiver or trustee is appointed for Contractor, or if there is an assignment for the benefit of creditors of Contractor.

Any such termination of this agreement under paragraph (a) shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- B. City, by written notice of default (including breach of contract) to Contractor, may terminate the whole or any part of this Agreement:
- 1) If Contractor fails to provide services called for by this agreement within the time specified herein or any extension thereof, or
 - 2) If Contractor fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this agreement in accordance with its terms, and after receipt of written notice from City, fails to correct such failures within ten (10) days or such other period as City may authorize.

The rights and remedies of City provided in the above clause related to defaults (including breach of contract) by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If City terminates this Agreement under paragraph (B), Contractor shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred, an amount which bears the same ratio to the total fees specified in this Agreement as the services satisfactorily rendered by Contractor bear to the total services otherwise required to be performed for such total fee; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by City due to breach of contract by Contractor. Damages for breach of contract shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

13. ACCESS TO RECORDS

City shall have access to such books, documents, papers and records of Contractor as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

14. FORCE MAJEURE

Neither City nor Contractor shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disenabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disenabled shall within ten (10) days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

15. NON-WAIVER

The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

16. NON-DISCRIMINATION

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans with

Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.

17. ERRORS

Contractor shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delays and without additional cost.

18. EXTRA (CHANGES) WORK

Only the **City Recorder, Pat DuVal**, may authorize extra (and/or change) work. Failure of Contractor to secure authorization for extra work shall constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Contractor thereafter shall be entitled to no compensation whatsoever for the performance of such work.

19. WARRANTIES

All work shall be guaranteed by Contractor for a period of one year after the date of final acceptance of the work by the owner. Contractor warrants that all practices and procedures, workmanship and materials shall be the best available unless otherwise specified in the profession. Neither acceptance of the work nor payment therefore shall relieve Contractor from liability under warranties contained in or implied by this Agreement.

20. ATTORNEY'S FEES

In case suit or action is instituted to enforce the provisions of this contract, the parties agree that the losing party shall pay such sum as the court may adjudge reasonable attorney fees and court costs, including attorney's fees and court costs on appeal.

21. GOVERNING LAW

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

22. COMPLIANCE WITH STATE AND FEDERAL LAWS/RULES

Contractor shall comply with all applicable federal, state and local laws, rules and regulations, including, but not limited to, the requirements concerning working hours, overtime, medical care, workers compensation insurance, health care payments, payments to employees and subcontractors and income tax withholding contained in ORS Chapters 279A and 279B, the provisions of which are hereby made a part of this agreement

23. CONFLICT BETWEEN TERMS

It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument in the proposal of the contract, this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

24. AUDIT

Contractor shall maintain records to assure conformance with the terms and conditions of this Agreement, and to assure adequate performance and accurate expenditures within the contract period. Contractor agrees to permit City, the State of Oregon, the federal government, or their duly authorized representatives to audit all records pertaining to this Agreement to assure the accurate expenditure of funds.

25. SEVERABILITY

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.

26. COMPLETE AGREEMENT

This Agreement and attached exhibits constitutes the entire Agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Contractor, by the signature of its authorized representative, hereby acknowledges that he has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, City has caused this Agreement to be executed by its duly authorized undersigned officer and Contractor has executed this Agreement on the date hereinabove first written.

CITY OF MILWAUKIE**CONTRACTOR**_____
*Signature*_____
*Signature*_____
*Printed Name & Title*_____
*Printed Name & Title*_____
*Date*_____
Date

EXHIBIT A
SCOPE OF WORK

Public Access

1. Provide residents of the City with full access to a studio to produce and edit television (TV) programs for showing on the public access channel. Maintain videography equipment and schedule equipment rentals for use by residents.
2. Allow residents of the City to cablecast programs on public access channels.
3. Assist City residents in producing, editing and broadcasting reader board notices.
4. Provide residents with full access to education and training for media production classes.
5. Maintain accessibility of services to City residents by:
 - a. Scheduling, monitoring, and maintaining editing and production facilities and studio.
 - b. Monitoring equipment and performing maintenance as needed.
 - c. Managing and coordinating cablecast of programming on the public access channel, according to an established cablecast schedule.

Government Access

1. Provide the City with a videographer to operate City-owned, on-site audio/video equipment located at City Hall (10722 SE Main Street) for a total of 60 meetings per year or an equivalent, including:
 - a. Twenty-four (24) Council meetings per year, two (2) per month held on the first and third Tuesdays, typically running from 4 p.m. to 9 p.m.;
 - b. Twenty-four (24) Planning Commission meetings per year, two (2) per month held on the second and fourth Tuesdays, typically running from 6 p.m. to 10 p.m.; and
 - c. Twelve (12) Council Study Session meetings per year, one (1) per month held on the third Thursdays, typically running from 6 p.m. to 9 p.m.
2. Produce audio/video media copies of meetings as needed.
3. Maintain and keep current public messages on a video bulletin board on the government access channel.
4. Ensure quality audio/video output of broadcasts on the government access channel.
5. Coordinate, develop, maintain and manage the programming and playback of an established schedule for all programs and meetings.
6. Work with City staff and cable provider(s) (Comcast) to coordinate selection and purchase of appropriate cablecast equipment for broadcast.
7. Monitor City-owned equipment and perform basic maintenance as needed.
8. Transport media to off-site broadcast feed locations, as necessary.
9. Be on call and available by phone within one hour to troubleshoot playback errors.
10. Provide on-call videography and production services (for additional special meetings) at an hourly rate to be specified by the contractor.

EXHIBIT B
ITEMIZED FISCAL YEAR PROPOSED BUDGET

Fiscal Year 2016/2017		
PROGRAM AREA – Schedule B	MONTHLY AMOUNT	BUDGET AMOUNT
Public Access Operation	\$2,331.50	\$27,978
Government Access Operation	\$2,500.00	\$30,000
TOTALS	\$4,831.50	\$57,978

Fiscal Year 2017/2018		
PROGRAM AREA – Schedule B	MONTHLY AMOUNT	BUDGET AMOUNT
Public Access Operation	\$2,573.08	\$30,877
Government Access Operation	\$2,500.00	\$30,000
TOTALS	\$5,073.08	\$60,877



**MILWAUKIE CITY COUNCIL
STAFF REPORT**

Agenda Item: **RS 3. D.**
Meeting Date: **June 21, 2016**

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: **Microsoft Enterprise Agreement Renewal**

From: Brandon Gill, Information Technology Manager

Through: Casey Camors, Finance Director

Date: June 21, 2016

ACTION REQUESTED

Adopt a resolution authorizing the City Manager to renew the Enterprise Agreement with Microsoft.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

2013 - City of Milwaukie entered into an Enterprise Agreement with Microsoft, which is set to expire on 6/30/2016.

BACKGROUND

In early June after arrival of the new Information Technology Manager, it was identified that the current Microsoft Agreement was to expire on June 30, 2016. Based on his experience in his previous organization and industry knowledge, he recommended that City of Milwaukie move forward with a cloud based email system from Microsoft.

The triannual Enterprise Agreement with Microsoft is due for renewal. This renewal will be valid from 7/1/2016 – 7/2/2019. For this triannual agreement, staff is recommending migrating to Office 365; Microsoft's cloud based Office and email solution.

Moving to Office 365 allows for each user up to five (5) licenses per device type (i.e. desktop, tablet, and mobile). Traditionally, extra licenses were purchased to ensure compliance for users with multiple devices. However, with the Office 365 licensing model, these extra licenses are no longer required.

If additional licenses are required, Microsoft's Enterprise Agreement allows for an annual 'True-Up' process where licenses are added to the agreement and paid for during the remainder of the agreement.

CONCURRENCE

Finance Director and City Manager concur with this renewal.

FISCAL IMPACTS

Three annual payments of \$57,135 with a total contract cost of \$171,406. However, this may increase during the annual true-up process if additional licenses are required. This software will cost approximately \$12,000 in excess of budget over the biennium, though this increase is

offset by not purchasing new server equipment at an estimated cost of \$16,000 - \$20,000 that would have been required under the old software.

WORK LOAD IMPACTS

Staff email will be disrupted during the migration of email accounts and staff productivity will be impacted during the upgrading of the Office software suite. Technology staff will perform the migrations during off hours and on weekends to reduce the transitional impact.

ALTERNATIVES

Upgrade Office software suite to current supported version, purchase new servers, and maintain on premise equipment and software.

ATTACHMENTS

1. Resolution
2. Microsoft Enterprise Agreement Program Guide
3. Quote for first year Enterprise Agreement



CITY OF MILWAUKIE

"Dogwood City of the West"

Resolution No.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ENTERPRISE
AGREEMENT WITH MICROSOFT.**

WHEREAS, the City of Milwaukie requires software applications for employees use to operate; and

WHEREAS, the existing Microsoft Enterprise Agreement expires on 6/30/16; and

WHEREAS, to ensure continuous and smooth City operations, the City must renew the Microsoft Enterprise Agreement before expiration of existing agreement; and

WHEREAS, the City wishes to continue to utilize Microsoft applications covered under the Enterprise Agreement; and

Now, Therefore, be it Resolved that the City Manager is authorized to execute an Enterprise Agreement with Microsoft for the City of Milwaukie.

Introduced and adopted by the City Council on _____.

This resolution is effective on _____.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney

Enterprise Agreement Program Guide

Updated May 2016



Executive summary

What is this guide?

This Program Guide provides an in-depth overview of the Enterprise Agreement (EA) and how it works. It is designed to be an ongoing resource to customers throughout the life cycle of their EA.

Who is this guide intended for?

- Customers who are considering buying an Enterprise Agreement and are looking for more details about how it works.
- Customers who have just bought an EA and are looking for guidance on how to manage their agreement over the life cycle of the EA.
- Customers who have an EA who have specific questions about aspects of the agreement.

Please note: This Program Guide will be updated periodically. Please check back frequently to get the latest version.

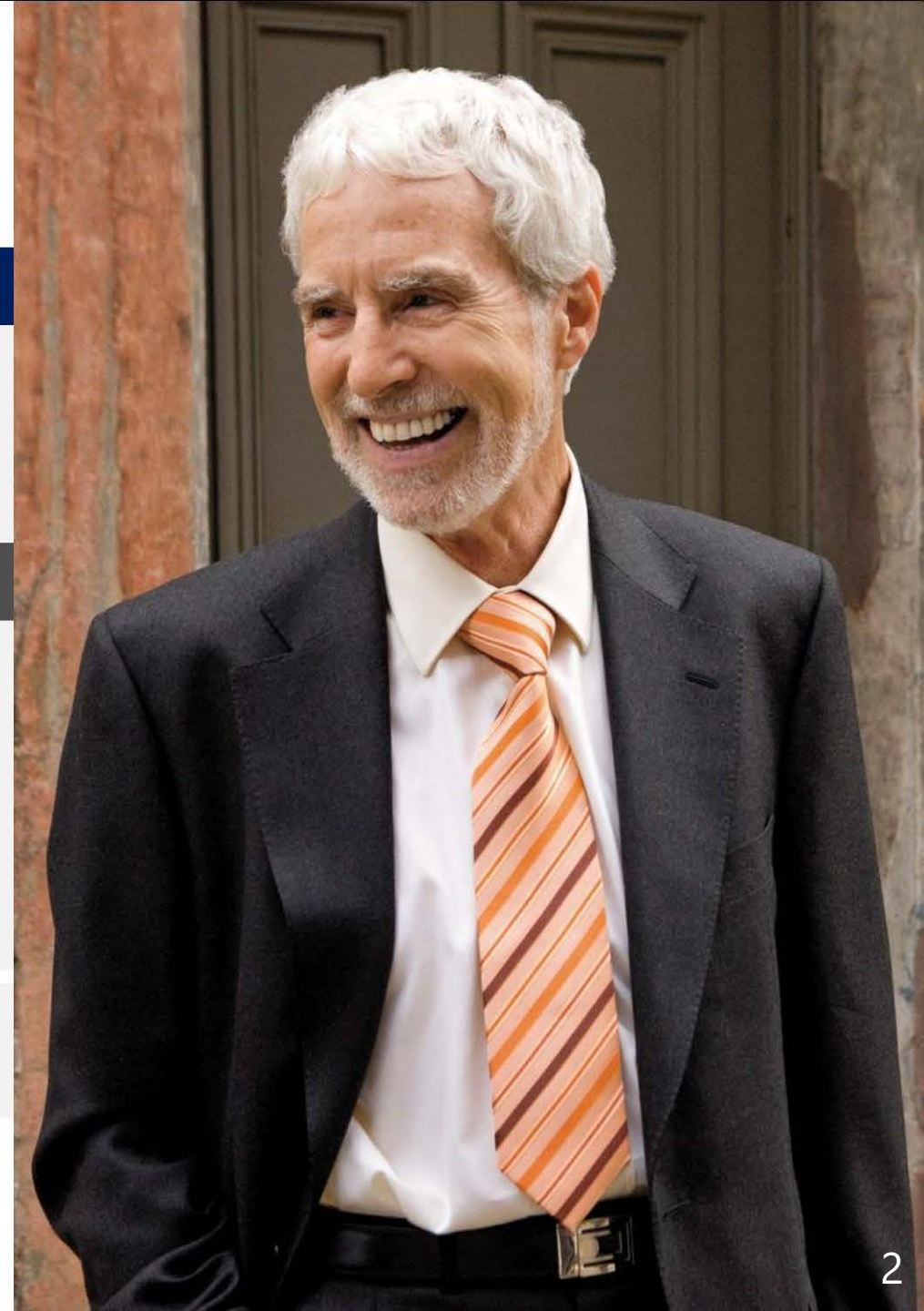




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Enterprise Agreement

The rapid pace of technological change creates both opportunities and challenges for today's organizations. This change is driving organizations around the world to make decisions about whether they will embrace the cloud as a reality today, empower the flexible work styles employees are demanding, or work on a strategy to harness the rapidly growing volume of data that is available to help drive business decisions.

Microsoft understands that technology licensing can help or hinder organizations that need the agility to respond to these technological opportunities. That is why the Microsoft Enterprise Agreement offers the best value to organizations that want a manageable volume licensing program that gives them the flexibility to buy cloud services and software licenses under one agreement in response to the changing technology landscape.

Best value

Maximize your investment in Microsoft technologies with best pricing and benefits.

- Get the best savings by deploying a common IT platform across the organization.
- Get 24x7 technical support, planning services, end-user, and technical training, as well as unique technologies with Software Assurance.
- Minimize upfront costs and budget more effectively by locking in pricing and spreading payments over three years.

Flexible

Respond to the changing technological landscape by accessing the latest versions of cloud and on-premises software.

- Meet the unique requirements of your organization based on its size and technology needs.
- Automatically access the latest software and technologies with Software Assurance.
- Choose from Microsoft cloud services, on-premises software, or a mix of both and migrate on your own terms.

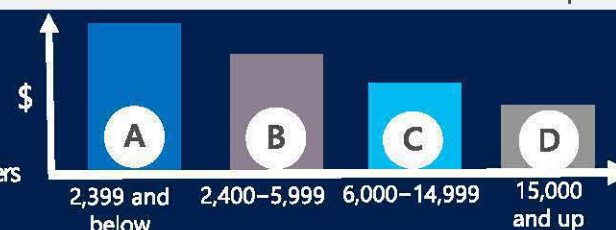
Manageable

Streamline license management with a single organization-wide agreement.

- Simplify purchasing with predictable payments via a single agreement for cloud services and/or software.
- Track purchases centrally and manage licenses with online management tools.
- Manage licensing throughout the life of your agreement with the help of a Microsoft Certified Partner or representative.

Discount levels for all Enterprise Products and Enterprise Online Services

Discounts - defined as

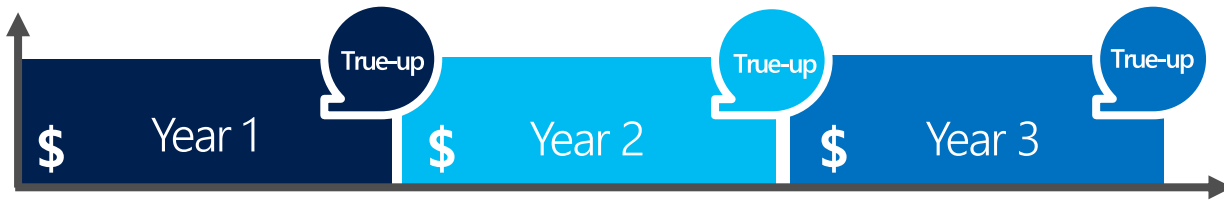


The Enterprise Agreement offers savings ranging from 15% to 45% off Select Plus pricing

*New minimum user/device requirements for new commercial customers will go into effect on July 1, 2016.

Term and structure

The Enterprise Agreement is designed for organizations with at least 250* users and/or devices that want to license software and cloud services for a minimum three-year period.



The EA is three-year agreement that allows you to forecast software technology costs up to three years in advance. You can also take advantage of greater flexibility in managing technology expenditures with the option to make three annual payments instead of one upfront payment. This option helps reduce initial costs and helps you forecast annual software budget requirements.

True-up

The True-up supports business growth by giving you the flexibility to add cloud services, software, users, and devices to the Enterprise Agreement when needed, at pre-agreed terms and pricing, without having to report or order each time. The True-up is an annual inventory of products, services, users, and devices added during the year.

Built-in savings

The program offers savings ranging from 15% to 45% as well as comprehensive Software Assurance benefits. You get additional savings and benefits if you buy one or more EA Enrollments.

New product versions

With your EA, you automatically gain access to new software versions of licensed products as soon as they are released, and for no additional cost through your Software Assurance benefits.

Step-up availability

With Step-ups, you can upgrade from a lower- to a higher-level edition at a low cost. Rather than pay full cost for the higher-level software edition, you pay only the pricing difference with Step-ups, and you can still take advantage of enhanced features and technologies with premium editions.

Agreement structure

Microsoft Business & Services Agreement

Enterprise Agreement

Enterprise Enrollment

Server & Cloud Enrollment

Eliminate budget constraints with Microsoft Payment Solutions

[Microsoft Payment Solutions](#) helps you expand your IT purchasing power and improve cash flow with easy, flexible, and affordable payment plans. You can apply Payment Solutions to purchases and match payments to align with your business requirements.

With Microsoft Payment Solutions, you can craft a customized payment plan to meet your needs by selecting from a range of flexible payment options, including:



Monthly, quarterly, or semi-annual spread payments: Avoid a large upfront investment by spreading low, equal, and predictable payments over 12 to 60 months.



Deferred payments: Defer making your first payment for up to 6 months, allowing you to begin deploying and benefitting from your IT investments immediately, and then pay when your budget becomes available.



Ramped payments: Manage cash flow more strategically by matching payments to staged technology deployment—paying less initially and more in the later stages of the roll-out, while ramping down legacy technology at the same time.

With Microsoft Payment Solutions you can:

- Make software purchases through a payment structure that aligns to your budget, cash flow, or deployment schedule.
- Add new products, upgrades, True-ups, or consulting services to an existing agreement outside of normal budget cycles, at any time.
- Take advantage of total solution financing for complete software, services, and hardware solutions, including non-Microsoft products.

*New minimum user/device requirements for new commercial customers will go into effect on July 1, 2016.

Enterprise Agreement enrollments

Enrollments are a cost-effective way to license Microsoft solutions to meet organizational objectives and offer additional savings and benefits.

The enrollment structure includes additional built-in discounts and allows for the easy addition of new products, services, and licensing options to better support future licensing and deployment scenarios.

Enterprise Enrollment: Get the best value when you buy Microsoft end-user technologies on a per user, per device, or hybrid basis. You can also simplify license management and get true per user licensing when you add the Enterprise Cloud Suite (ECS).

Server and Cloud Enrollment (SCE): Commit to one or more server and cloud technologies from Microsoft and receive best pricing, cloud-optimized licensing options, and simplified license management.

Subscription Enrollment: For companies that want to subscribe to, rather than buy, Microsoft product licenses.

Enterprise Enrollment (page 1 of 3)

Server & Cloud Enrollment

Subscription Enrollment

The Enterprise Enrollment

The Enterprise Enrollment allows committed customers to standardize broadly on the latest versions of Office, Windows, and/or Client Access License (CAL) Suites. In return for making an enterprise-wide commitment, you receive a range of benefits, including best pricing and terms, user/device or hybrid licensing options, and simplified license management. Moreover, the Enterprise Enrollment lets you choose whether to deploy cloud services and/or on-premises software across your organization.

You also have the flexibility to maintain a mix of on-premises and online services to suit user needs, and you can move from on-premises licensing to equivalent online services such as the Enterprise Cloud Suite as business priorities change. Such organization-wide implementations help you reduce device and user management and support costs, and they provide additional pricing advantages above the Enterprise Agreement's standard volume pricing levels. Get additional savings when you buy an Enterprise Platform and the Enterprise Cloud Suite within the Enterprise Enrollment.

Enterprise Enrollment products and platforms

Enterprise Products include on-premises licenses for Microsoft core PC and device products, namely Windows operating system, Office Professional Plus, and applicable Client Access Licenses in the form of CAL Suites. With the EA, Enterprise Products must be licensed on an organization-wide basis and may be ordered as separate products, or in groups of products known as the Enterprise Platform. The Enterprise Cloud Suite is now also available as a User Subscription License (USL) or as an Add-on to the Enterprise Platform.

Enterprise Platform
Per device/hybrid

Enterprise Cloud Suite
Per user

Office Professional Plus
Enterprise CAL Suites
Windows Enterprise

Office 365 E3
Enterprise Mobility Suite
Windows Software Assurance per User

Note: All Windows operating system licenses provided under the Enterprise Agreement are upgrade licenses. This means you'll need a base Windows operating system license on those devices for which you plan to use a Windows upgrade license. You can choose to upgrade to Windows Enterprise operating system.

Note: With either Desktop Platform you may add the Microsoft Desktop Optimization Pack (MDOP) to help streamline deployment and device management.

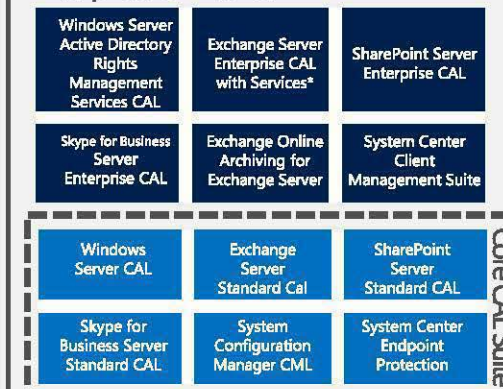
CAL Suites

A Client Access License (CAL) grants access to certain Microsoft server software. CALs are used in conjunction with Microsoft server software licenses to allow users and devices to access and utilize the services of that server software.

When you license CAL Suites through your EA, you do so on an organization-wide basis.

You can acquire the Enterprise CAL Suites upfront or as a "Step-up" from the Core CAL Suite. Also, if you acquire CAL Suites through an EA you have Software Assurance, so you can update your CALs as you update your Server products to help ensure proper licensing alignment.

Enterprise CAL Suite



*Includes Data Loss Prevention and Exchange Online Protection

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Enterprise Cloud Suite (ECS)

Enterprise Enrollment
(page 2 of 3)

Server & Cloud Enrollment

Subscription Enrollment

In the modern workplace employees are always connected and always moving. They have more devices with more data, and they expect tools to support ubiquitous collaboration. IT needs a solution to help protect data, manage the growing number of mobile devices, unify environments that span operating systems, and enable seamless collaboration for workers across all their devices.



ECS brings together Office 365 E3, Enterprise Mobility Suite, and Windows Software Assurance per User and is available as a User Subscription License (USL) or an Add-on to the Enterprise Platform. The combination of these three offerings empowers users with best-in-class productivity across devices while supporting IT security and control. Today's Enterprise Platforms are a hybrid user/device licensing model. In reality, many Enterprise Agreements are device-based, but ECS represents a move to a new user-based model.

With ECS, the Enterprise Platforms become user-centric, which simplifies how you can give your users access to Office 365, Enterprise Mobility Suite (EMS), and Windows across multiple devices in a more flexible way. With the arrival of EMS and Windows, the Enterprise Agreement truly enables fully per user cloud-first licensing

When you buy ECS, the following are included:

- **Windows Software Assurance per User:** Gives you flexibility to decide how to deploy and access Windows Enterprise across devices and simplifies Windows licensing and management. [Learn more about Windows Software Assurance per User.](#)

ECS components

Enterprise Desktop Platform

User/device hybrid

Office Professional Plus

CAL Suites

Exchange OL Archiving
Exchange Server Ent. CAL
Skype for Business Server Ent. CAL
SharePoint Server Ent. CAL
System Center CM
Windows Server CAL
Windows RMS

Windows Enterprise (device)

Enterprise Cloud Suite

True per user

Office 365 E3

Office 365 Pro Plus
Exchange Online
Skype for Business Online
SharePoint Online
Yammer

EMS

Advanced Threat Analytics
Windows Server CAL
Azure Rights Management
Microsoft Intune
Azure AD Premium

Windows SA per User

- **Office 365 E3:** Users get the latest full Office across most devices, plus a wide range of integrated collaboration services coupled with advanced compliance features and full IT power. Office 365 Enterprise E3 includes Office 365 ProPlus for up to five PCs or Macs, five tablets, and five smartphones. It also includes Exchange Online, SharePoint Online, Skype for Business Online, and Yammer Enterprise—along with access rights to equivalent on-premises server workloads. [Learn more about Office 365 E3.](#)
- **Enterprise Mobility Suite:** Meet your consumerization of IT and BYOD challenges by enabling hybrid identity management through Azure Active Directory Premium, mobile device and application management through Microsoft Intune, and information protection through Azure Rights Management Services. [Learn more about the Enterprise Mobility Suite.](#)

How to buy ECS

The following three licensing options are available:

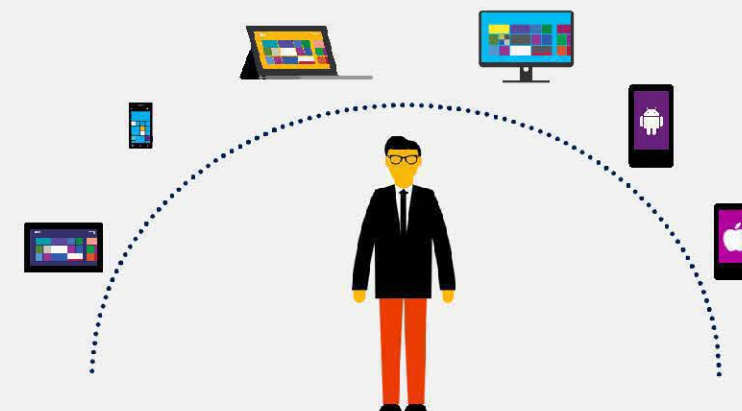
License	Who it's for	Order at
Enterprise Cloud Suite USL	<ul style="list-style-type: none"> New EA/EAS customers who want to license the Enterprise Platform as cloud services on a per user basis Existing EA/EAS customers who: <ul style="list-style-type: none"> Are not currently licensed for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade (Enterprise Platform) and want to license it as cloud services on a per user basis; <i>or</i> Want to license net new users for the Enterprise Platform as cloud services on a per user basis. <p>Note: Alternatively, these customers may buy Licenses and Software Assurance (L+SA) for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade, and then add the Enterprise Cloud Suite Add-on.</p>	Mid-term, anniversary, or renewal
Enterprise Cloud Suite Add-on	<p>Existing EA/EAS customers who:</p> <ul style="list-style-type: none"> Are currently paying for Licenses and Software Assurance (L+SA) for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade (Enterprise Platform), <i>and</i> Want to license existing users for the Enterprise Platform as cloud services on a per user basis, <i>and</i> Want to maintain their existing on-premises licensing position. 	Mid-term, anniversary, or renewal
Enterprise Cloud Suite "from SA" USL	<p>Existing EA/EAS customers who:</p> <ul style="list-style-type: none"> Have fully paid licenses for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade (Enterprise Platform), <i>and</i> Are currently paying for Software Assurance only, <i>and</i> Want to transition to licensing existing users for the Enterprise Platform as cloud services on a per user basis. 	Renewal (recommended) or anniversary

Review the [ECS Licensing Brief](#) for specific licensing scenarios.

Windows Software Assurance per User

Windows Software Assurance per User is a new way to license Windows, putting users at the center of their devices. With Windows Software Assurance per User, Windows Enterprise Edition can be delivered across the user's devices, and customers have the flexibility to decide how to deliver Windows Enterprise across devices.

You can also choose to deliver Windows Enterprise edition through local install, Virtual Desktop Infrastructure (VDI), or Windows To Go. This provides simpler license management by allowing you to count just users with primary PCs, instead of counting every single device.



Windows Enterprise Edition

If you do not have users with primary devices running Windows Pro (or a qualified operating system), VDA per User is available. VDA per User does not require the primary device to have a qualified operating system.

Server and Cloud Enrollment (SCE)





SCE is an enrollment under the Microsoft Enterprise Agreement that enables you to standardize broadly on one or more key server and cloud technologies from Microsoft. In exchange for making an installed-base commitment to one or more components of Server and Cloud Enrollment, you receive the best pricing and terms, plus other benefits including cloud-optimized licensing options and simplified license management.

Best value: Get the best pricing and terms for server and cloud products, including discounts on new licenses, Software Assurance, and Microsoft Azure. You get full Software Assurance benefits for all deployed licenses, including new version rights. Unlimited Problem Resolution Support is included for qualifying customers.

Flexible: SCE offers an easy on-ramp to the cloud because Microsoft Azure is automatically available when you enroll in any of the other three components and it can also be licensed standalone. Application license mobility to the cloud is available through Software Assurance. Under the Microsoft Azure Hybrid Use Benefit ("HUB"), a customer with Windows Server Licenses covered with Software Assurance may be uploaded to and use its own Windows Server image on Microsoft Azure. SCE also includes subscription-based licensing to give you more flexibility when you need to retire workloads, consolidate, or migrate to the cloud.

Manageable: Take advantage of simplified licensing management through standardization to streamline overall deployment and management. SCE also offers standardized terms, conditions, and discounts as well as a standardized management platform across on-premises and Microsoft Azure when you commit to the Core Infrastructure Suite (CIS) in SCE.

SCE components:

Core Infrastructure 	Application Platform 	Developer Platform 	Microsoft Azure 
Products CIS SKUs (Windows Server + System Center)	Products SQL Server	Products Visual Studio Enterprise Visual Studio Test Professional MSDN Platforms	Products All Microsoft Azure Cloud Services
Requirements CIS coverage for all Windows Servers	Requirements Full Software Assurance coverage	Requirements Full Software Assurance coverage	Available automatically Can also be licensed standalone
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+ Access to Microsoft Azure			

Additional products

A broad selection of Microsoft products and services are available as Additional Products. They may be added initially or at any point during the term of your Enrollment, allowing you to more easily support departments or divisions with specific needs and still enjoy volume pricing advantages and an annualized payment option.

Additional Products may include device-based licenses, user-based licenses, cloud services, professional services, and other licenses that support your IT environment, such as CALs.

Commitment on use

Commitment on Use Rights provides you with the added security of knowing exactly what the use rights are for the products you license under your EA Enrollment(s). Although Microsoft may change Use Rights from time to time, these changes will not impact your Use Rights that are in effect at the time you buy products through your Enterprise Agreement.

How it works

To enroll, an installed-base-wide commitment, or a monetary commitment in the case of Microsoft Azure, is required to one or more of the four SCE components. The following are also required:

- **Enterprise Agreement:** Although you need to sign an EA, an Enterprise Enrollment for Desktop is not needed to qualify.
- **Annuity coverage:** 100% Software Assurance or Subscription coverage is required on your installed base for each product family that you commit to. This includes those licenses that were not covered by Software Assurance when you entered the program.

Learn more about SCE by downloading the [SCE Program Guide](#).

EA Subscription Enrollment

The Enterprise Agreement includes a Subscription Enrollment option for organizations that want to subscribe to, rather than buy, Microsoft product licenses.

The Subscription Enrollment provides similar advantages to those of the other EA Enrollments and gives you a lower initial cost based on a three-year subscription, and the ability to increase or decrease subscription counts on an annual basis. This ability to grow or downsize subscription counts can be attractive, especially if you expect significant fluctuations in workforce size and IT requirements.



However, unlike the other EA Enrollments, in which you retain perpetual use rights for the licenses that you buy, with the Enterprise Subscription Enrollment you gain access to Microsoft software only for as long as you maintain your subscription. If you decide not to renew, you relinquish your rights to run the software, unless you choose to acquire perpetual licenses through the Enrollment's "buy out" option.

Cloud services

With respect to your EA, cloud services will typically fall into two classes: Enterprise Online Services or Additional Online Services. These may be added to your EA by using the standard purchasing process, or as in the case of Office 365 and Microsoft Intune and EMS, by moving users from Enterprise Products to comparable Enterprise Online Services.

Enterprise Online Services



These are services that are designated as Enterprise Online Services in the [Product Terms](#). These typically fall in line with existing on-premises Enterprise Products so that the two may be thought of as equivalents when satisfying organization-wide licensing commitments and establishing volume pricing levels.

With the EA you can move select on-premises licenses (Enterprise Products) to comparable cloud services (Enterprise Online Services) over the life of the EA. As an example, you might move workers to cloud services in one division or one department at a time. To support this move, rules have been established to help you move users to Office 365 and EMS services, and to help ensure that you do not pay twice for similar capabilities.

Finally, if at a future date you want to move users back to on-premises software bought through your Enterprise Enrollment, you may do so under the program's guidelines.

Additional Online Services



These are services that are designated as Additional Online Services in the [Product Terms](#). Additional Online Services include an array of cloud platform and services that you can buy through your Enrollments as needed, similar to how you buy Additional Products through your Enrollments today.

With Dynamics CRM Online, organizations get a full-featured CRM application designed to improve marketing effectiveness, boost sales, and enrich customer service interactions on a per user subscription basis.

With Window Azure you have an open and flexible cloud platform that enables you to quickly build, deploy, and manage applications across a global network of Microsoft-managed data centers. As such, Microsoft Azure offers a range of cloud computing, data management, and networking services that utilize consumption-based, per unit billing models. When it is purchased through your Enterprise Agreement, volume pricing discounts are available and apply to both your initial annual monetary commitment level and any additional Microsoft Azure service capacities that you may add throughout your Enterprise Agreement.

Software Assurance

Software Assurance is included with the Enterprise Agreement and provides a range of benefits to help you take full advantage of your investments in IT. A comprehensive program that includes a unique set of technologies, services, and rights to help deploy, manage, and use Microsoft products efficiently, Software Assurance keeps you up to date and ready to respond quickly to changes, new challenges, and opportunities. For details about the range of Software Assurance benefits available, visit www.microsoft.com/softwareassurance.

- Key advantages of Software Assurance include:
- Rights to new software releases and cost-efficient upgrades to help reduce software and services costs.
 - Structured consulting engagements to plan for deployment of new on-premises and cloud-based IT initiatives.
 - Access to unique technologies and use rights to help support improved operational efficiency.
 - Instructor-led technical training for IT pros and online learning for end-users to help boost productivity.
 - Ways to spread payments over time to help align budgets.

Software Assurance benefits at a glance

Training	Deployment and management	
Training Vouchers	Planning Services	Windows Enterprise Sideload
Online E-Learning	Microsoft Desktop Optimization Pack (MDOP)	Enhanced Edition Benefits Windows/Windows Embedded
Home Use Program	Windows Software Assurance per User Add-on	Enterprise Source Licensing Program
Support	Windows Virtual Desktop Access Rights	License Mobility Through Software Assurance
	Windows RT Companion VDA Rights	Passive Secondary Instance for SQL Server
	Windows To Go Use Rights	Office Roaming Use Rights
	Windows Thin PC	Microsoft Azure Hybrid Use Benefit
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Support and consulting services

Premier Support Services

Gain the most benefit from your IT infrastructure by pairing your business with Microsoft Services Premier Support. Our dedicated support teams provide continuous hands-on assistance and immediate escalation for urgent issues, which speeds resolution and helps you keep your mission-critical systems up and running. We help you evaluate your IT health and provide the training and tools your teams need to “get healthy and stay healthy.”

The EA allows you to add a variety of Microsoft Premier Support offerings to provide the optimum level of proactive and reactive support for your chosen Microsoft solutions. Premier Support complements your EA with support that maps to your purchasing decisions and may be managed as part of your overall agreement.

Premier Support provides annually allocated support through the term of your EA Enrollment. There is no concept of a True-up for Premier Support, but rather additional hours are bought as needed to supplement your particular level of Service. Using Premier Support is a matter of contacting your assigned Microsoft Services Representative(s).

Enterprise Strategy Services

The Microsoft Enterprise Strategy Program (ESP) provides you with a dedicated Microsoft Enterprise Architect who will focus on business impact and value by optimizing the use of technology throughout your EA. In addition to supplying access to the Microsoft-internal knowledge base and numerous other resources, ESP provides a programmatic approach to help enable business transformation, advance technology thought leadership, foster innovation, and maximize the value of Microsoft products and services.

ESP provides you access to an annually allocated Microsoft Enterprise Architect, and other services throughout the term of your EA, as described in the [Product Terms](#). There are three different service offerings (Connect, Foundation, and Portfolio) but no concept of a True-up for ESP. Instead, additional capacity may be bought through a Capacity Add-On option.

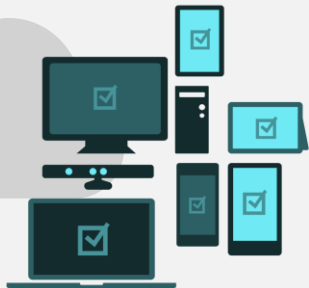
Managing your Enterprise Agreement

Adding cloud services & products



Throughout your EA term you can adjust your Microsoft on-premises software and cloud services licenses in two ways:

- If you add new users or devices, you can equip them with software and cloud services that you are already using and then account for these changes at your next agreement anniversary through an annual reconciliation process known as [True-up](#).
- If you want new products or cloud services, you can order these through your Microsoft Reseller at any time during your agreement.



Software Asset Management



Software Asset Management (SAM) is an industry best practice that helps you control costs and optimize software investments across your organization. Administered through an ongoing plan, SAM makes it easier to identify what you have, where it's running, and whether redundancy may exist. Microsoft offers several resources that you can use to establish or improve your SAM practices.

The Microsoft SAM site provides a SAM optimization kit, links to several SAM self-service tools to assist with deployment discovery, and a list of Microsoft Certified SAM Partners whom you can contact directly, should you want to have experts help you devise and implement a Software Asset Management plan. (See the [Microsoft Software Asset Management website](#) for more details.)

Tracking CALs



The Microsoft Assessment Planning (MAP) Toolkit features an IT-based Software Usage Tracker functionality that provides usage reports for the following server products: Windows Server, Exchange Server, SQL Server, SharePoint Server, and System Center Configuration Manager.

This automated software asset management-related functionality is designed to be used by Microsoft Volume Licensing customers. The Software Usage Tracker provides you with a view of your actual server usage, which can be valuable for comparing with your purchased CALs, or for True-up and agreement renewal discussions. (Learn more about the [MAP Toolkit](#).)

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Product fulfillment through the VLSC

The Volume Licensing Service Center (VLSC) is the primary location for Microsoft Volume Licensing customers to view licensing information, download Microsoft software, and manage Volume Licensing benefits and subscriptions.

The VLSC licensing dashboard includes a notification area for site alerts, a Volume Licensing news and announcements section, and links to key tasks. The VLSC helps you manage your EA purchases with licensing information through the Licensing Summary and the Relationship Summary.

- **Licensing Summary:** You can use the VLSC to view current and past Microsoft License Statements across programs and agreements.
- **Relationship Summary:** The VLSC includes a report that shows all Volume Licensing agreements associated to a user's profile. You can also view further details about offerings, contacts, licenses, and purchase orders. The Relationship Summary provides a consolidated summary of all Volume Licensing IDs associated with the user's Microsoft account when accessing the VLSC.

Downloads: Accelerated download speeds and a simple, secure user interface make it easier and safer for you to use the VLSC to find the right product, based on your licensing entitlements.

Product keys: The VLSC makes it easier for you to request product keys for the Windows operating system, enables retrieval of Volume License Keys for all Microsoft licensed products, and provides access to technical support.

Software Assurance benefits summary: You can view the Software Assurance benefits available across all agreements associated to a user's profile. The Software Assurance Benefits Summary includes the total eligible quantity of benefits across all agreements, benefits that have not yet been used, and benefits that have not yet been activated.

Online services: Access details about Microsoft Online Services subscriptions and how to manage them.

Subscriptions: Access details and management tools for Microsoft Developer Network (MSDN) subscriptions.

Help: Access information about the VLSC, an FAQ, and contact details for the Support Center.

Managing your Enterprise Agreement

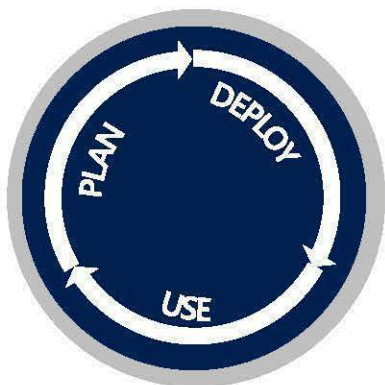
Managing cloud services

Although management processes may be modified to accommodate future cloud service offerings, currently there are three principal ways to manage Microsoft cloud services:



- Use the Microsoft Account for Organizations Portal to administer your Office 365, Microsoft Intune, EMS, and Dynamics CRM subscriptions. This consolidated portal lets you view your online services subscription licenses as well as provision and manage individual user accounts and administrative privileges (for example manage domain re-delegation, directory synchronization, and single sign-on).
- Similarly, you may use the Microsoft Azure Enterprise Portal to manage your accounts, configure rules and settings for various Microsoft Azure services, and generate reports.
- Use Microsoft System Center to manage both public and private Microsoft cloud implementations. The comprehensive management capabilities of System Center enable it to monitor and manage your entire IT infrastructure stack from traditional physical servers, virtualized servers, virtual machines, and running workloads, all the way up to service-based cloud components.

Using Software Assurance



Whether you want to plan for upcoming deployments, get 24x7 support, or give employees access to training, you will need to claim your Software Assurance benefits through the Volume Licensing Service Center (VLSC).

After you are signed in to the VLSC, you will follow different steps depending on the specific benefit that you want to use. A guide for claiming and using each benefit is posted on the Software Assurance website. (See the [Software Assurance website](#) for more details.)

Software Assurance credit

Microsoft may choose to provide Software Assurance credit to address an overlap in Software Assurance coverage when renewing Software Assurance from one Enrollment or Registration Form, prior to expiration of that Software Assurance coverage, into a new or existing Enterprise Enrollment.

As this credit is applied in terms of a discounted price to the Software Assurance under the new order, a Customer (direct model) or Channel (indirect model) Price Sheet from Microsoft is required. Furthermore, because Software Assurance credit is not programmatic, Microsoft may choose to not provide credit at its discretion.

Requirements

- EA Enrollments (perpetual licenses) only
- Microsoft must pre-approve
- You must have at least one month of credit
- Credit is applied for same products/versions only
- Credit cannot exceed 35 months
- Only Software Assurance is credited; License payments are not prorated
- No termination of original/initial Software Assurance obligations

How it works

- Microsoft-generated CPS documents pricing
- Amendment required for indirect Enterprise Agreement Enrollments
- Software Assurance prorated monthly based on new Software Assurance net price (after discounts, if any)
- All credit is applied to year 1 on a per product basis
- Any credit in excess of zero unit price year 1 is applied to year 2 and subsequently to year 3 if applicable

Managing your Enterprise Agreement

True-up: annual reconciliation

Over the life of your Enterprise Agreement, you can equip additional hardware, devices, or users with software and online services that you've already licensed, and then account for these changes through an annual reconciliation process known as True-up. If you have an Enterprise Subscription Enrollment, this process is known as an Annual Order, through which you can increase or decrease your license subscription counts.

Once a year, you are asked to reconcile your Enterprise Agreement licenses to account for the total number of licenses that you've added in the previous 12 months. This effort culminates in an order that you place (or an Update Statement that you submit) that reconciles all the qualified devices, users, and processor units added or used by your organization over the course of the year. Your annual reconciliation order (or Update Statement) is due 30 to 60 days prior to your Enrollment anniversary, which helps Microsoft ensure you're taking advantage of allowable license transitions or license reductions before issuing your annual invoice. (See the [Enterprise Agreement True-up Guide](#) for more information.)

Renewing enrollments

Although Microsoft and customers often talk about renewing an Enterprise Agreement, technically, renewal decisions are made for individual Enrollments.

Options for renewing your enrollments

At the end of your three-year Enrollment term, you'll have the option to renew for another three-year cycle. Beyond your initial three-year agreement, renewal pricing for on-premises software licenses is based on Software Assurance only—a moderate percentage of Enterprise Pricing for on-premises licenses.

If you have an Enterprise Subscription Enrollment, this renewal differs in that renewal pricing for on-premises software licenses is based on License plus Software Assurance. Furthermore, a buyout option exists for customers who want to retain perpetual rights to previously licensed on-premises software.

Why True-up

Buy only what you need and use what you have

- When needed, buy additional quantities of software and services at pre-negotiated pricing and terms.
- Pay only for what you need rather than potentially overestimating what is needed just to be safe.
- Reduce procurement costs by issuing only one purchase order a year.

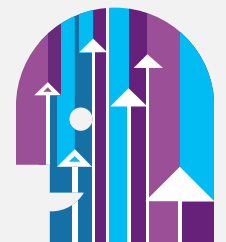
Respond to changing business needs by accessing the latest technologies from Microsoft when needed

- Respond to business growth by adding or removing* software, devices and users as needed without having to place individual purchase orders.
- Easily provision new online services as needed through License Reservation and reconcile annually.
- Optimize your licensing program and plan more strategically for future investments.

Simplify purchasing and license management through a single annual order

- Make an annual self-assessment to identify licenses and services in use and identify new needs.
- Easily manage compliance by ensuring that licensing is current and accurate each year.
- Work with your account team or Microsoft Certified Partner as they help define the best solutions for your organization and help manage your agreement.

*Available with the Enterprise Subscription Enrollment



Year 1

True-up

Year 2

True-up

Year 3

Renew

Year 1

As with the annual reconciliation process, it is important to work with your Microsoft Account Representative or Partner to submit your renewal order 30 days before your agreement term ends in order to avoid losing valuable licensing rights, continuity of cloud services, and other benefits.

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Resources

Online management tools and information

- Designated members of your organization gain access to the following online tools to use and manage aspects of your EA.
- Volume Licensing Service Center (<https://www.microsoft.com/Licensing/servicecenter/default.aspx>). Use the Volume Licensing Service Center to download licensed products, access product keys, and manage your Volume Licensing agreements and license acquisition activity—all in one online location.
- Software Assurance benefits (www.microsoft.com/softwareassurance). Most benefits can be accessed through the Volume Licensing Service Center. The Software Assurance website provides everything you need to know to get started.

Note: When you subscribe to Microsoft cloud services, you gain access to online administration and monitoring tools. See *Managing Cloud Services* on previous page.

Buying, renewing, or adding to the Enterprise Agreement

To buy, renew, or add products and services to your Enterprise Agreement, contact your Microsoft Authorized Enterprise Software Advisor (ESA) or Licensing Solutions Provider (LSP).

- In the United States, call (800) 426-9400, or find an authorized reseller
- In Canada, call the Microsoft Resource Centre at (877) 568-2495

Academic, government, and charitable organizations

If you are affiliated with an academic, government, or charitable organization, there are additional Volume Licensing programs available to you that may include additional partner and pricing advantages. Visit the [Microsoft Volume Licensing website](#) for more information.

Worldwide

For information about Volume Licensing offerings available in your area, find the [Microsoft Volume Licensing website for your country/region](#).

Where to learn more

- Microsoft Worldwide Volume Licensing: www.microsoft.com/licensing
- Microsoft Online Services: www.microsoft.com/licensing/online services
- Software Assurance: www.microsoft.com/softwareassurance
- Microsoft Volume Licensing Service Center: www.microsoft.com/licensing/existing-customers/manage-my-agreements.aspx
- Payment Solutions: www.microsoft.com/licensing/how-to-buy/financing.aspx

RS59



GLOSSARY OF LICENSING TERMS

Add-on: An Online Service that supplements a customer's on-premises license.

Additional Product: Any Product identified as such in the Product Terms. Additional Products are not Enterprise Products and do not meet the initial commitment requirements.

Country of usage: An Enrolled Affiliate must specify the countries where Licenses will be used.

Customer: The entity that has entered into an Enterprise Agreement with Microsoft.

Customer Price Sheet (Direct EA only): The written statement containing an Enrolled Affiliate's Product and Services initial order, pricing, and billing terms.

Effective Date: If an Enrolled Affiliate is renewing their Enrollment, the effective date will be the day after the prior Enrollment expires. Otherwise, the effective date will be the date an Enrollment is accepted by Microsoft.

Enrolled Affiliate: An entity, either the Customer or any one of Customer's Affiliates, that has entered into an Enrollment under the Enterprise Agreement.

Enrollment: The document that an Enrolled Affiliate submits under the Enterprise Agreement to place orders for Products and Services.

Enterprise: The Enrolled Affiliate and any Affiliates it chooses to include on its Enrollment.

Enterprise Cloud Suite Add-on USL: Subscription for an Online Service that supplements a customer's on premise license. It includes EMS, Office 365, and Windows per User subscription.

Enterprise Cloud Suite USL: A per user suite including EMS, Office 365, and Windows per User subscription.

Enterprise Commitment: If an Enrolled Affiliate orders any Enterprise Products, then the Enrolled Affiliate's must coverage all Qualified Users or Qualified Devices with at least one Enterprise Product or Online Service.

Enterprise Mobility Services (EMS): A suite of Online Services consisting of Intune, RMS, Azure Active Directory, Windows Server CAL, and System Center Configuration Manager.

Enterprise Online Service: An Online Service that satisfies the commitment requirement. Enterprise Online Services are designated in the Product Terms.

Enterprise Product: Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program. Enterprise Products are designated in the Product Terms.

Expiration Date: The date upon which the Enrollment expires.

Extended Payment Terms: Payment terms that allow for monthly, quarterly, semi-annual, or customized structured payments, as well as modified payment timing on standard payment terms. Depending on Enrolled Affiliate's location, Enrolled Affiliate may have the ability to request Extended Payment Terms for an order.

Extended Term: If Enrolled Affiliate does not renew their Enrollment prior to the Expiration Date, access to Online Services will automatically continue month-to-month.

Product: All products identified on the Product Terms, such as all software, Online Services, and other web-based services, including pre-release or beta versions.

Product Selection Form: A form that documents the Enterprise Products and Enterprise Online Services the Customer is purchasing.

GLOSSARY OF LICENSING TERMS

L&SA: A License with Software Assurance for any Product ordered.

License: The right to download, install, access, and use a Product. A License may be available on a fixed-term or subscription basis. Licenses for Online Services are Subscription Licenses.

License Reduction: An Enrolled Affiliate may reduce the quantity of Subscription Licenses at the enrollment anniversary date on a prospective basis, if permitted in the Product Term.

Office 365: A suite of Online Services including Office 365 Pro Plus, Exchange, SharePoint, Skype for Business, and Yammer.

Qualified Device: Any device that is used by or for the benefit of an Enterprise.

Qualified User: A person (e.g., employee, consultant, contingent staff) who uses a Qualified Device, or who accesses a server using an Enterprise Product CAL or Enterprise Online Service.

QuickStart Reservation: A License Reservation for an Online Service on which a Customer has not already locked pricing and/or Customer is not cloud-ready with appropriate Online Service terms and conditions included in their agreement.

Reseller: Large account representative authorized by Microsoft to resell Licenses under the Enterprise Agreement and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to the Enterprise Agreement.

Reserved License: For an Online Service identified as eligible for True-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

Software Advisor: An entity authorized by Microsoft and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement.

Software Assurance: An offering by Microsoft that provides new version rights and other benefits for Products as further described in the Product Terms.

Step-up License: Enrolled Affiliate may move to a higher edition or suite of a Product by purchasing a Step-up License.

True-up Eligible: An Enterprise Agreement customer can equip additional hardware, devices, or users with software and online services that they have already licensed, and then account for these changes through an annual reconciliation process known as True-up.

USL: User Subscription License, usually for an Online Service.

Windows per User: A Subscription License for Windows.

ENTERPRISE AGREEMENT FREQUENTLY ASKED QUESTIONS

What is the Enterprise Agreement?

The Microsoft Enterprise Agreement offers the best value to organizations with 250* or more devices that want a manageable volume licensing program that gives them the flexibility to purchase cloud services and software licenses under one agreement in response to the changing technological landscape.

How is the Enterprise Agreement structured?

The Enterprise Agreement is a three-year agreement, which allows you to forecast software technology costs up to three years in advance.

What do I buy with an Enterprise Agreement?

With the Enterprise Agreement, you are able to purchase Microsoft end-user products and online services as well as server and cloud technologies. Take advantage of enrollments within your Enterprise Agreement:

- Enterprise Enrollment: Get the best pricing, per user/device or hybrid licensing options, and simplified license management for end-user technologies from Microsoft.
- Server and Cloud Enrollment (SCE): Get the best pricing, cloud-optimized licensing options, and simplified license management when you buy one or more server and cloud technologies from Microsoft.

How much flexibility do I have to make changes to my Enterprise Agreement during the term?

The Enterprise Agreement gives you the flexibility to add or remove** additional cloud services and software at pre-agreed terms and pricing to the agreement when needed without having to report or order each time.

How do I account for these changes?

The Annual True-up allows you to take an inventory of additional products and services used during the year without having to report or order each time.

What happens at the end of the three-year term?

At the end of the third year, you will work with Microsoft to renew your Enterprise Agreement for another three years. Renewing a Microsoft Enterprise Agreement gives you the best value while allowing you to build on existing investments, respond to a changing technological landscape, and maintain a higher level of engagement with Microsoft.

Can I sign up for an OLS-only Enterprise Agreement?

Yes, you may establish an OLS-only Enterprise Agreement with a minimum of 500 Subscription Licenses for Enterprise Online Services in a single pool.

Must I include all of my affiliates under an Enterprise Agreement, or can I select which affiliates will be part of the Enterprise Agreement for purposes of defining the enterprise?

No. When you formulate your Enterprise for purposes of an Enterprise Agreement, you define which entities will be included.

When purchasing Additional Products under an Enterprise Agreement, are there any minimum quantity requirements?

No. When you purchase Additional Products under an Enterprise Agreement, there are no minimum quantities required. You may purchase any quantity.

Can I spread payments for my initial order, or do I have to pay for the initial order all upfront?

For your initial order under your Enterprise Agreement, you have the option to pay for it all upfront or to pay for it in installments.

When are my True-up orders required?

Your first two True-up orders are required 60 to 30 days prior to your Enterprise Agreement enrollment anniversary, and your final True-up order is required within 30 days of your enrollment end date.

If I currently have an Enterprise Agreement with Office, Windows, and Core CAL, and I am interested in purchasing some OLS licenses for Office 365 for one department, do I have to purchase the OLS on a organization-wide basis?

No. In this case you may purchase incremental additional OLS licenses and still maintain your initial Professional Desktop commitment.

When I renew my Enterprise Enrollment, what do I own?

After your final payment(s) has been made for your Licenses and Software Assurance, you will own perpetual licenses to the then-latest version of the software. When you renew, you will then be paying for Software Assurance-only for that license.

RS62

*New minimum user/device requirements for new commercial customers will go into effect on July 1, 2016

**Available with the Enterprise Subscription Enrollment

ENTERPRISE CLOUD SUITE FREQUENTLY ASKED QUESTIONS

What is the Enterprise Cloud Suite?

The Enterprise Cloud Suite (ECS), now available as part of the Enterprise Enrollment, brings together Office 365 E3, Enterprise Mobility Suite, and Windows Software Assurance per User. The combined power of these three offerings empowers users with best-in-class productivity across devices while supporting IT security and control.

What are the benefits of ECS?

Licensing benefits include:

- **Flexible licensing:** ECS is available as both an Add-on license for existing Software Assurance users and a Full USL for new users.
- **Built-in savings:** Great pricing when you buy these solutions through ECS.
- **Simplified cloud licensing:** Eliminate the need to count devices with a pure per user licensing model.

What products are included with ECS?

The following products are included:

- **Office 365 E3:** Office 365 Pro Plus, Exchange Online, SharePoint Online, Skype for Business Online, Yammer
- **Enterprise Mobility Suite:** Microsoft Intune, Microsoft Azure Rights Management Service, Microsoft Azure Active Directory Premium, Windows Server CAL, System Center Configuration Manager CAL, System Center Endpoint Protection CAL
- **Windows Software Assurance per User:** Windows Enterprise (requires licensed user to be the primary user of at least one device licensed with Windows Pro)

What is the licensing model of the Enterprise Cloud Suite?

The Enterprise Cloud Suite is licensed with a User Subscription Model.

What type of USLs are available for the Enterprise Cloud Suite?

Add-on USLs (for customers who want to add the Enterprise Cloud Suite services to their existing desktop platform), From SA USLs (for customers who want to transition to the Enterprise Cloud Suite services from their existing desktop platform), and Full USLs (for customers who are signing a new Enterprise Agreement, or for customers who are adding net new users to an existing Enterprise Agreement).

What is the difference between the different USLs?

Add-on USLs

- Include Enterprise Products and Enterprise Online Services
- You retain existing licenses
- Software Assurance benefits earned through underlying On-Premises Software Assurance

Full USLs

- Include Enterprise Products and Enterprise Online Services
- For users who have no existing fully paid licenses with active Software Assurance and need Online Services
- No Software Assurance benefits

Does the Enterprise Cloud Suite need to be taken Enterprise-wide?

No.

Does the Enterprise Cloud Suite replace the current Professional Desktop Platform and Enterprise Desktop Platform?

No. The ECS is an alternative offering for customers who want cloud services and a user-based licensing model for their Enterprise Agreement.

Can a I choose to just add on or transition to a component of the Enterprise Cloud Suite?

Yes.

Which customers are eligible for From SA USLs?

If a perpetual Enterprise Agreement customer has fully owned licenses and active Software Assurance, then they are eligible to transition to the From SA USLs. If a subscription Enterprise Agreement customer has had a subscription to a license for three or more years with no break in the coverage, then they are also eligible to transition that license to the From SA USLs.

Can the Enterprise Cloud Suite From SA USLs be used Mid-Term—that is, between anniversaries?

No.

Is there a limit as to how many renewals can be done with From SA USLs?

No. Customers can renew existing From SA USLs with From SA USLs.

What is the licensing model for the Enterprise Mobility Suite?

RS63 The Enterprise Mobility Suite is licensed with either a Full User Subscription License or an add-on subscription license for existing CoreCAL and ECAL customers.

ENTERPRISE CLOUD SUITE FREQUENTLY ASKED QUESTIONS

What is User Licensing for Access to Windows?

There are two options for user licensing for access to Windows: Windows Software Assurance per User and Windows VDA per User. Both are an entirely new way to license Windows and put users at the center of their devices.

With Windows Software Assurance and VDA per User, Windows Enterprise edition can be delivered across a user's multiple devices. You also have the flexibility to decide how to deliver Windows Enterprise across devices through local install, Virtual Desktop Infrastructure (VDI), or Windows To Go. This provides simpler license management by allowing you to count just users with primary PCs, instead of counting every single device.

How is Windows Software Assurance per User different from Windows in the Enterprise Platform?

- **Enterprise Platform:** As part of the Enterprise Platform, Windows Software Assurance is licensed per device, and each one of these devices requires Windows Pro or another underlying qualified operating system. With this license, you get only local install rights of Windows Enterprise on a single device and VDI rights from a single device; MDOP must be purchased for each device.
- **Windows Software Assurance per User:** This license is available as an Add-on or a full USL and is assigned only to Primary Users whose primary work devices are already licensed with Windows 7/8/8.1 Pro or Enterprise.

Does the Windows Software Assurance per User Full USL replace the Windows 10 Enterprise Upgrade license with Software Assurance?

No. The Windows Software Assurance per User Full USL is a new offering for customers who want to license Windows by user. The Windows 10 Enterprise Upgrade license remains as a device licensing option for customers.

What are the underlying qualifying licenses required to purchase the Windows Software Assurance per User Add-on?

The Windows Software Assurance per User Add-on must be added on to a Windows 10 Enterprise Upgrade license with Software Assurance or a Windows VDA Device Subscription License. In addition, the Add-on must be purchased for the user who is the primary user of the device with the qualifying underlying license.

Can a Windows Software Assurance per User Full USL be purchased for any user in an organization?

A Windows Software Assurance per User Full USL can be purchased for any user who has a Windows 7/8 Pro licensed device as their primary work device.

What is the definition of a user's primary work device? Does it matter who owns that device?

A primary work device is the device that a user uses for most or all of their work; it can be owned by anyone.

What happens if the user does not have a primary device that is running Windows 7/8/8.1 Pro or Enterprise?

For customers who do not have Primary Users with primary devices that are running Windows 7/8/8.1 Pro or Enterprise, the Windows VDA per User USL is available. Windows VDA per User does not require the primary device to have a qualified operating system, nor does it require the user to be the primary user of a device. Windows VDA per User allows VDI or Windows To Go access on any device, and local install rights on any device the licensed user uses that is already licensed with Windows 7/8/8.1 Pro or Enterprise.

How do I buy E5 instead of E3 in ECS?

If you want the advanced capabilities of Office 365 E5 as well as ECS, you can buy the E5 Step-up from ECS. This premium addition grants the additive functionality of E5 while preserving the existing structure of ECS. This SKU can be used for Enterprise Cloud Add-Ons, From SA USLs, and Full USLs, but it requires that you maintain your ECS licensing to continue to use E5 functionality.

What should I do if I have an Enterprise Platform that includes one of the Enterprise Cloud Suite components?

You replace the Office 365 E3 Add-on with the ECS Add-on at anniversary and earn a significant suite discount on ECS. This enables you to experience a smooth transition from the Office 365 E3 Add-on.

Does ECS require any Bridge CALs?

No Bridge CALs are needed when you buy the entire ECS. If you choose to transition to only Office 365 E3 From SA or only EMS From SA at anniversary, you will need to buy the corresponding Bridge CAL to maintain coverage of your remaining CAL Suite components.

SERVER AND CLOUD ENROLLMENT FREQUENTLY ASKED QUESTIONS

What is the Server and Cloud Enrollment (SCE)?

The Server and Cloud Enrollment (SCE) is a new licensing vehicle under the Microsoft Enterprise Agreement that enables customers to standardize on one or more Microsoft Server and Cloud technologies.

To enroll in an SCE, customers make an installed-base-wide commitment to one or more components. This means committing to full Software Assurance coverage across the installed base of an SCE component.

How does SCE work?

Enrolling in SCE requires the following:

- Enterprise Agreement: Although you need to sign an Enterprise Agreement, an Enterprise Enrollment for Desktop is not needed to qualify.
- Annuity Coverage: 100% Software Assurance or Subscription coverage is required on your install base for each product family that you commit to. This includes those licenses that were not covered by Software Assurance when you entered the program.

With SCE, the following occurs:

- For licenses with continuous Software Assurance coverage, Software Assurance can be renewed upon entrance to the program at a discount.
- For the licenses that did not have Software Assurance, you can subscribe to the most current version of the product.
- For incremental licenses bought during the agreement term, you receive additional price savings on L+SA.

What does SCE mean for Enrollment for Core Infrastructure (ECI) customers?

These changes do not affect an ECI customer during the term of the Enrollment. With an installed-base-wide commitment to the Core Infrastructure Suites (CIS) through SCE, ECI customers will retain access to the best pricing, new subscription options, new Microsoft Azure benefits, and access to the latest technologies. New benefits like System Center Azure management rights and the ability to qualify for unlimited support are also included. SCE provides a 15% discount on License + Software Assurance and 5% on Software Assurance for Core Infrastructure Suite (CIS) Standard and Datacenter (SE and DC). These discounts are in addition to the discounts already provided for CIS SKUs in non-SCE programs.

Customers who only want to partially cover their environments with CIS can easily do so through other volume licensing programs, with no dedicated contracts or unit minimums. Existing ECIs can be renewed into the CIS SKU in other programs, such as Select Plus or Additional Products in the Enterprise Agreement Enterprise Enrollment.

What does this mean for Enrollment for Enterprise Platform (EAP) customers?

EAP customers can continue their installed-base-wide commitment to SQL Server, Visual Studio, BizTalk Server, and SharePoint Server in the SCE. Customers will see some small pricing changes as we standardize and simplify discounts.

If I have existing licenses without Software Assurance, how should I add those into the SCE Agreement?

For all licensed deployments of products that must be covered as part of an installed-based commitment to SCE that are not current with Software Assurance, you can choose to add them as subscription or to add them as L+SA at signing.

Can licenses without Software Assurance be added as Software Assurance only with the Software Assurance Prior L SKU?

The "Deferred License" approach through the Software Assurance Prior L SKU that was available in the EAP is being replaced in SCE with a more flexible subscription option.

How is subscription different than traditional L+SA?

Subscription options in SCE are available for the components that require an installed-base commitment. If workloads are retired or moved to the cloud, subscription license quantities can be reduced annually. Within a selected component, you can selectively choose to own/maintain perpetual units with full term commitments of three years or have some as subscription.

Can I buy a subscription for new units?

Yes, you can select whether units you add at signing of SCE or license at True-up (based on deployments) will be subscription or perpetual (L+SA). You can choose based on your individual workload requirements.





Pricing Proposal
 Quotation #: 11702904
 Created On: 6/9/2016
 Valid Until: 6/24/2016

City of Milwaukie OR

Brandon Gill

3200 SE Harrison Street
 Milwaukie, OR 97222
 United States
 Phone: 503.786.7404
 Fax:
 Email: gillb@milwaukieoregon.gov

Brandon Barkley

Phone:
 Fax:
 Email: Brandon_Barkley@shi.com

All Prices are in US Dollar (USD)

	Product	Qty	Your Price	Total
1	WINENT ALNG SA MVL Pltfrm Microsoft - Part#: KV3-00353	200	\$38.50	\$7,700.00
2	O365GovE3 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-11894	185	\$200.89	\$37,164.65
3	CCALBrdgO365 Alng MonthlySub Platform Per User Microsoft - Part#: AAA-12415	185	\$17.79	\$3,291.15
4	PrjctProforO365G ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: 4ST-00001	5	\$215.03	\$1,075.15
5	SQLCAL ALNG SA MVL DvcCAL Microsoft - Part#: 359-00792	26	\$34.23	\$889.98
6	SQLSvrStd ALNG SA MVL Microsoft - Part#: 228-04433	7	\$147.05	\$1,029.35
7	SQLSvrStdCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 7NQ-00292	8	\$587.82	\$4,702.56
8	VisioProforO365G ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: P3U-00001	5	\$111.84	\$559.20
9	WinSvrStd ALNG SA MVL 2Proc Microsoft - Part#: P73-05898	5	\$144.61	\$723.05
Subtotal				\$57,135.09
Shipping				\$0.00
*Tax				\$0.00
Total				\$57,135.09

*Tax is estimated. Invoice will include the full and final tax due.

Additional Comments

Pricing and purchase per PA 2590.

Pricing above is for the first of a three year commitment to renew Enterprise Agreement # 9045373 for a term of 7/1/2016-6/30/2019. Each annual payment will be equal and payments will be due at each anniversary:

Payment 1 of \$57,135.09 due now

Payment 2 of \$57,135.09 due 6/30/2017

Payment 3 of \$57,135.09 due 6/30/2018

If you have questions about this quote, you can reach me directly at 503-510-4813.

If you would like to make a purchase, you can do so by:

- emailing your order to the team at TeamOregon@shi.com
- faxing your order to the team at 732-564-8547
- mailing your order to the team at 290 Davidson Ave, Somerset, NJ 08873

Remit-Only Address: SHI, PO Box 952121, Dallas, TX 75395-2121

Tax ID: 22-3009648

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.

Removed June 15, 2016



**TriMet Property Triangle Site
- Resolution**
This Report fYa cj YX

3. E.

www.milwaukieoregon.gov



**MILWAUKIE CITY COUNCIL
STAFF REPORT**

Agenda Item: **RS 3. E.**
Meeting Date: **June 21, 2016**

To: Mayor and City Council

Through: Steve Bartol, Police Chief

Subject: **Adopt Resolution to continue City Diversion Panel**

From: David J. Rash, Police Captain

Date: June 21, 2016

ACTION REQUESTED

Adopt a Resolution authorizing the Mayor to execute an amendment to the Intergovernmental Agreement (IGA) between the City of Milwaukie and the Clackamas County Juvenile Department for administration of the Milwaukie City Diversion Panel.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

June 2, 2015: Council passed Resolution 56-2015, which authorized the Mayor to execute an IGA between the City of Milwaukie and Clackamas County Juvenile Department for administration of the Milwaukie City Diversion Panel.

BACKGROUND

In 2002, the Milwaukie City Diversion Panel was created as a collaborative and cooperative project between Clackamas County Juvenile Department and the City of Milwaukie. The Diversion Panel model was based on the underlying assumption that the youth, the community and the City benefit when minor offenders are held accountable within their own communities.

This is because when youth are held accountable in their own communities they are able to see and experience the impact their actions had on those around them. Further, they're also given the opportunity to restore the community and victims for harm done to them.

The IGA defines a working relationship for the purpose of Clackamas County providing Diversion Panel services for at-risk youth who live within the City limits and are referred from the Clackamas County Juvenile Department.

Since 2002, both parties (city and county) have signed an IGA to agree to pay a portion of the cost to administer the Panel. The cost for the city each year is based on the number of juvenile cases submitted by our police department and assessed by the Juvenile Department determining if it warrants to be heard by the Panel. The City paid \$3,500 to administer the Panel in 2015 and expects to pay the same amount in 2016.

FISCAL IMPACTS

Funds to administer the Panel (\$3,500) will come from the police department budget.

WORK LOAD IMPACTS

The Panel is administered by Police Department staff working with County law enforcement representatives.

ALTERNATIVES

1. Adopt the Resolution to amend the existing IGA
2. Do not adopt the Resolution and direct staff to disengage from the partnership

ATTACHMENTS

1. Original IGA
2. Amendment to IGA
3. Resolution

INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY THROUGH THE
CLACKAMAS COUNTY JUVENILE DEPARTMENT
AND THE CITY OF MILWAUKIE, OREGON

I. Purpose

This agreement is entered into between Clackamas County (COUNTY), by and through its Juvenile Department, and the City of MILWAUKIE (CITY) for the cooperation of units of local government under the authority of ORS 190.010. This agreement provides the basis for a cooperative working relationship for the purpose of COUNTY providing to CITY Diversion Panel services for at-risk youth who live within the CITY limits and are referred from the Clackamas County Juvenile Department to Diversion Panel services as part of the Clackamas County Juvenile Crime Prevention Plan.

II. Scope of Work and Cooperation

A. CITY agrees to the following obligations:

1. Permit COUNTY to determine, at its sole discretion, eligibility and referral to Diversion Panel services for at risk youth.
2. Make payment to COUNTY for services provided to eligible youth who live within CITY limits who have been referred by COUNTY to Diversion Panel services.

B. COUNTY agrees to the following obligations:

1. Determine youth eligibility and provide referral to Diversion Panel services for at risk youth who live within the CITY limits that have been identified for eligibility through criminal investigation reports received by the Clackamas County Juvenile Department.
2. Notify CITY of youth's eligibility and referral to Diversion Panel services.
3. Provide, or contract with subcontractors to provide, Diversion Panel services within the city.
4. Serve as a centralized depository for all records involving juvenile offenders referred for Diversion Panel services.
5. Provide liaison staff for communication and networking with CITY as required.

III. Compensation.

A. Compensation for Fiscal Year 2015-16

1. Fiscal year 2015-16 begins on July 1, 2015 and ends on June 30, 2016.
2. CITY agrees to pay COUNTY \$3,500 for services in fiscal year 2015-16.

B. Payments by CITY.

1. COUNTY will bill CITY on or about July 1, 2015 for fiscal year 2015-16. Payment is due within 30 days of invoice.
2. CITY payments shall be mailed to:
Attn. Crystal Wright
Clackamas County Juvenile Dept
2121 Kaen Road
Oregon City OR 97045

IV. Liaison Responsibility.

Chief Steve Bartol will act as liaison for CITY for this Agreement. Mark McDonnell will act as liaison for the COUNTY.

V. Special Requirements.

This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefor. Any provisions herein that would conflict with law are deemed inoperative to that extent.

VI. Amendment

This Agreement may be amended at any time with the concurrence of both parties. Amendments become a part of this Agreement only after the written amendment has been signed by both parties.

VII. Term of Agreement

- A. Effective date and Term. The term of this Agreement begins on July 1, 2015, and ends on June 30, 2016, and is effective upon signature of both parties.
- B. Termination. This agreement is subject to termination by either party following thirty (30) days written notice to the other. Any termination of this Contract shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- C. This Agreement can be renewed for up to four (4) additional one year terms with the written approval of both parties.

VIII. Severability

If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid.

Signature follows

CITY OF MILWAUKIE

CLACKAMAS COUNTY, OREGON BOARD OF COUNTY COMMISSIONERS

Chair: John Ludlow
Commissioner: Jim Bernard
Commissioner: Paul Savas
Commissioner: Martha Schrader
Commissioner: Tootie Smith



Signature

Wilda Parks

Name (Typed)

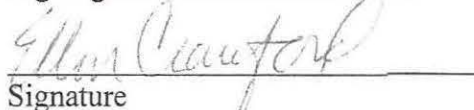
Mayor

Title

June 2, 2015

Date

Signing on Behalf on the Board:



Signature

Ellen Crawford, Director
Juvenile Department

6/17/15

Date



CITY OF MILWAUKIE

"Dogwood City of the West"

Resolution No. 56-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE MAYOR TO EXECUTE AND SIGN AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF MILWAUKIE AND THE CLACKAMAS COUNTY JUVENILE DEPARTMENT.

WHEREAS, the City of Milwaukie and the Clackamas County Juvenile Department define a working relationship for the purpose of Clackamas County providing Diversion Panel services for at-risk youth who live within the City limits and are referred from the Clackamas County Juvenile Department.

WHEREAS, the City of Milwaukie and the Clackamas County Juvenile Department through an IGA establish guidelines in submitting, assessing and determining cases eligible for the Diversion Panel.

WHEREAS, the City of Milwaukie agrees to pay \$3500 for the diversion panel services

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Milwaukie that the Intergovernmental Agreement relating to the CLACKAMAS COUNTY JUVENILE DEPARTMENT and the CITY OF MILWAUKIE, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, be and is hereby approved.

AND, BE IT FURTHER RESOLVED, that the Mayor of the City of Milwaukie is hereby authorized to execute said Intergovernmental Agreement.

Introduced and adopted by the City Council on **June 2, 2015**.

This resolution is effective immediately.

Wilda Parks, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney

**Amendment No. 1 to the 2015 Intergovernmental Agreement
Between Clackamas County Juvenile Department and the City of Milwaukie
For Diversion Panel Services for At Risk Youth**

This Amendment No. 1, when signed by each party, as authorized by the original Intergovernmental Agreement dated June 2, 2015, will become part of the contract documents, superseding the original to the applicable extent indicated.

AGREEMENT FORM

Extend the term of the 2015 Intergovernmental Agreement through June 30, 2017.

CITY OF MILWAUKIE

**CLACKAMAS COUNTY, OREGON
BOARD OF COUNTY COMMISSIONERS**

By: _____
Mark Gamba
Mayor

By: _____
Christina L. McMahan
Director, Juvenile Department

Approved by County Counsel

By /s/ Stephen Madkour
Date: 5/23/2016



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
AUTHORIZING THE MAYOR TO EXECUTE AND SIGN AN AMENDMENT TO THE
INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF MILWAUKIE AND THE
CLACKAMAS COUNTY JUVENILE DEPARTMENT**

WHEREAS, the City of Milwaukie and the Clackamas County Juvenile Department define a working relationship for the purpose of Clackamas County providing Diversion Panel services for at-risk youth who live within the City limits and are referred from the Clackamas County Juvenile Department; and

WHEREAS, the City of Milwaukie and the Clackamas County Juvenile Department through an Intergovernmental Agreement establish guidelines in submitting, assessing and determining cases eligible for the Diversion Panel; and

WHEREAS, the City of Milwaukie agrees to pay \$3,500 to the County for Diversion Panel services; and

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie that:

BE IT FURTHER RESOLVED, an amendment to the Intergovernmental Agreement relating to the City of Milwaukie and Clackamas County Juvenile Department, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, be and is hereby approved; and

BE IT FURTHER RESOLVED, The Mayor of the City of Milwaukie is hereby authorized to execute said Intergovernmental Agreement amendment.

Introduced and adopted by the City Council on _____.

This resolution is effective on _____.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



**Regular Session
Agenda Item No.**

6

Other Business



RS 6. A.
June 21, 2016

To: Mayor and City Council
Through: Bill Monahan, City Manager
From: Gary Rebello, Human Resources Director
Subject: Management and Confidential Employee COLA
Eve
Date: June 21, 2016

ACTION REQUESTED

Request Council approve a 2.5% management/confidential employee cost of living adjustment (COLA) effective the first day of the pay period July 1, 2016. The COLA percentage matches those to be received by both American Federation of State County and Municipal Employees (AFSCME) and Milwaukie Police Employee's Association (MPEA).

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

The City Council has discretion whether to grant a COLA to management/confidential personnel. In addition to management, there are two confidential non-represented employees (Payroll Specialist and HR Specialist) due to their roles in collective bargaining. The decision to grant the management COLA is not automatic and should be considered annually. In recent years, the Council has granted management and other non-represented staff the identical COLA as negotiated by AFSCME. The Council has the discretion to either award an amount less or greater than negotiated by either or both of the City's represented associations.

BACKGROUND

The AFSCME collective bargaining calls for a 2.5% COLA to be effective the first day of the pay period July 1, 2016. MPEA has recently negotiated a 2.5% COLA effective first day of the pay period July 1, 2016. A management COLA less than AFSCME and MPEA will create salary compression issues. The CPI-U Portland was 1.2% in 2015%; 2.4% in 2014; and 2.5% in 2013.

FISCAL IMPACTS

The approved Milwaukie 2017 – 2018 biennium budget includes funds for a 2.5% COLA for management and confidential staff.

WORK LOAD IMPACTS

None.

ALTERNATIVES

Hold current management salaries as is (no COLA) or grant an amount equal to, less than, or greater than 2.5%.



**RS 6. B.
June 21, 2016**

To: Mayor and City Council
Through: Bill Monahan, City Manager
From: Gary Rebello, Human Resources Director
Subject: Management and Confidential Employee Deferred Compensation Contribution

Eve
Date: June 21, 2016

ACTION REQUESTED

Request Council approve increasing the City's management and confidential deferred compensation contribution from 2.0% to 2.5% effective the first day of the pay period July 1, 2016. The deferred compensation amount matches those received by both the American Federation of State, County and Municipal Employees (AFSCME) and Milwaukie Police Employee's Association.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

The City Council has discretion whether to grant an increase to the deferred compensation contribution to management/confidential personnel. In addition to management, there are two confidential non-represented employees (Payroll Specialist and HR Specialist) due to their roles in collective bargaining. There has been no prior action on the deferred compensation contribution for several years.

BACKGROUND

The deferred contribution amount for management/confidential employees has been 2.0% for a number of years. AFSCME has been at a 2.5% deferred contribution rate for several years and MPEA will increase from 2.0% to 2.5% effective July 1, 2016 as part of their new bargaining agreement.

FISCAL IMPACTS

The approved Milwaukie 2017 – 2018 biennium budget includes funds for a 2.5% deferred compensation contribution for management and confidential staff.

WORK LOAD IMPACTS

None.

ALTERNATIVES

Deny the increase in the deferred compensation contribution for management or establish an amount other than 2.0% or 2.5%.



**MILWAUKIE CITY COUNCIL
STAFF REPORT**

**RS 6. C.
June 21, 2016**

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: Solid Waste Rate Discussion

From: Reba Crocker, Rights of Way Contract Coordinator

Date: June 21, 2016

ACTION REQUESTED

Discuss two solid waste rate options and adopt preferred option and Solid Waste Rates schedule.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

2004-2013

Council approved a solid waste rate increase.

June 2014

Council and Staff discussed current solid waste rate structure and concluded that no rate increase was necessary to sustain the system.

June 2015

Council approved a solid waste rate increase.

June 2016

Council and Staff discussed initial proposed rate structure and concluded that the targeted rate of return for residential service exceeded the average and the targeted rate of return for drop boxes and commercial services were lower than average. Staff concurred and offered to work with haulers to develop alternative rate options to bring respective ranges closer to targets for FY2017.

BACKGROUND

The City Council annually reviews and adopts solid waste rates charged by the City's four haulers. The process is as follows:

- The City's franchise solid waste haulers submit financial information to the City identifying revenues and expenses for the previous year relating to the provision of garbage, recycling and yard debris collection services, on or around March 15.
- The City, through an Intergovernmental agreement with Clackamas County, consolidates the information to create a composite.
- Costs are adjusted to eliminate amounts that may be allowable for tax purposes, but that aren't allowed for rate determination.
- The composite is used to evaluate the financial health of the system as a whole which is based on the "rate of return" (ROR) which is projected for the following year.
- The projected ROR is reviewed and rate changes are considered to ensure that it remains within an acceptable range. Chapter 13.24 of the City municipal code states that

rates shall be adequate to provide a ROR equal to 10% of the composite gross revenue and further states that a rate of return within the range of 8% to 12% is sufficient to reflect the level of business risk assumed by the haulers, allow investment in equipment, and to ensure quality collection services.

- Staff discusses ROR with the solid waste haulers and County staff to identify and recommend rates to the City Council.
- City Council discusses the recommendations and adopts solid waste rates.

This year's analysis recognized a slight increase in the cost of garbage disposal, and known increases in contractual labor. While other upward pressures on expenses exist, past increases have allowed the system to finally move into the middle of the targeted range of returns. The minimal increase is being proposed to keep the composite within the range.

The Metro Council has adopted a small increase to the cost of disposal of \$1.27 per ton effective July 1, 2016. Other notable expenses are rising, but at a lower percentage compared to recent years. Disposal and labor represent almost 50% of the costs to provide service and Staff believes it is important to stay current with providing revenues necessary to cover expenses.

Staff recommends creating a special class of service for special wastes delivered outside the Metro region. This level of service differs significantly from the predominant service levels contemplated when establishing the drop box fees. This fee will apply to asbestos contractors and others with special wastes required to be disposed of in an appropriately permitted landfill. The proposed fee represents an increase from the standard customer collection fee for 10, 20 and 30 cubic yard drop boxes.

Special waste delivered outside the Metro region	Current	Proposed	Proposed Increase
Option A: 10/20 yard Drop Boxes	\$119.00	\$140.00	\$21.00
Option B: 10/20 yard Drop Boxes	\$119.00	\$161.00	\$42.00
Option B: 30 yard Drop Boxes	\$136.00	\$178.00	\$42.00

After reviewing the production records submitted by the franchisees, making agreed upon adjustments, and applying known increases for disposal of garbage, it has been determined that collection fee adjustments will need to be made.

In addition, the Curbside Bulky Waste event costs are estimated in the analysis for this year and may impact the ROR, possibly causing a rate increase next year.

Following is a description of the fee changes proposed by Staff:

- Option A:
 - Increase fees for residential and commercial can and cart service levels by 0.2%-0.6% depending on collection frequency and can/cart size. For the most common residential service level, the 32/35 gallon can/cart collected weekly, this will mean an increase of \$0.10 cents per month, from \$29.90 to \$30.00.
 - Increase commercial container service by \$.39 per cubic yard serviced. This reflects the adjustments to labor and garbage disposal costs as mentioned above.

- Create a special class of service for special waste required to be disposed of outside the Metro region. Increase the 10/20 yard drop boxes by \$21.00.
- Option B:
 - No increase for residential can and cart service.
 - Increase commercial container service by \$.39 per cubic yard serviced. This reflects the adjustments to labor and garbage disposal costs as mentioned above.
 - Create a special class of service for special waste required to be disposed of outside the Metro region. Increase the 10/20 and 30yard drop boxes by \$42.00.

CONCURRENCE

The solid waste haulers support the proposed rate increases.

FISCAL IMPACTS

The proposed rate increase will result in a slight increase in solid waste franchise fee revenue for the City.

WORK LOAD IMPACTS

Adjusting the solid waste rate structure would require additional work for the rate team.

ALTERNATIVES

1. Adopt rates as purposed in Fee Schedule A
2. Adopt rates as purposed in Fee Schedule B
3. Defer rate increases until 2017, potentially resulting in much larger rate increases for all service levels and having an adverse effect on the current solid waste service.

ATTACHMENTS

1. Option A Composite
2. Option A Fee Schedule
3. Option B Composite
4. Option B Fee Schedule
5. Solid Waste Rate Resolution

**Attachment A
Composite**

**City of Milwaukie Composite
Return on Revenues
Proposed 2016 Projected**

	Can / Cart Service	Container Service	Drop Box Service	Total
Collection & Service Revenues	2,297,187	1,181,323	1,151,682	4,630,192
<i>Rate Increase (Tip Fee Pass-Through / SpecWaste)</i>	13,592	3,569	63,399	80,560
Direct Costs of Operations	1,660,016	920,116	1,129,275	3,709,408
Disposal Expense	493,392 21%	442,790 37%	691,113 60%	1,627,295 35%
Labor Expense	650,357 28%	271,974 23%	313,775 27%	1,236,106 27%
Truck Expense	347,697 15%	101,094 9%	75,513 7%	524,304 11%
Equipment Expense	51,702 2%	48,881 4%	19,302 2%	119,886 3%
Franchise Fees	102,918 4%	49,594 4%	23,028 2%	175,541 4%
Other Direct Expense	13,949 1%	5,784 0%	6,543 1%	26,277 1%
Indirect Costs of Operations	353,935	149,214	38,538	541,687
Management Expense	87,173 4%	32,709 3%	9,441 1%	129,323 3%
Administrative Expense	94,880 4%	39,292 3%	11,960 1%	146,132 3%
Other Overhead Expenses	171,882 7%	77,213 7%	17,137 1%	266,232 6%
Total Cost	2,013,951	1,069,330	1,167,813	4,251,095
Less Unallowable Costs	2,008	1,264	338	3,610
Allowable Costs	2,011,943	1,068,066	1,167,475	4,247,485
Franchise Income	298,836	116,826	47,606	463,267
Return on revenues	12.93%	9.86%	3.92%	9.83%
Carts / Yards / Drop Box Pulls	6,880	76,427	2,088	

Attachment A Fee Schedule**Uniform Solid Waste and Recycling Rates - Effective July 1, 2016**

Residential and Commercial Can/Cart Service			
Service Level	Current Rate	Rate Proposed	\$ Increase
Monthly	\$ 12.85	\$ 12.90	\$ 0.05
On call	13.60	13.65	0.05
20 gal single family	26.00	26.05	0.05
32/35 gal	29.90	30.00	0.10
60 gal	39.40	39.55	0.15
90 gal	46.35	46.60	0.25
20 gal multifamily	21.65	21.70	0.05
32 gal court apartments	25.40	25.50	0.10
35 gal commercial	25.95	26.05	0.10
60 gal commercial	37.35	37.50	0.15
90 gal commercial	40.30	40.55	0.25

Commercial Container Services			
Service Level	Current Rate	Rate Proposed	\$ Increase
1 yard weekly	\$ 95.29	\$ 95.68	\$ 0.39
2 yard weekly	157.97	158.75	0.78
2 yard 2x weekly	308.20	309.76	1.56
4 yard 2x weekly	531.73	534.85	3.12

Drop Box Service			
Service Level	Current Rate	Rate Proposed	\$ Increase
10&20 cubic yard boxes for special wastes	\$ 119.00	\$ 140.00	\$ 21.00

**Attachment B
Composite**

**City of Milwaukie Composite
Return on Revenues
2016 Projected**

	Can / Cart Service	Container Service	Drop Box Service	Total
Collection & Service Revenues	2,297,187	1,181,323	886,584	4,365,094
<i>Rate Increase (Tip Fee Pass-Through / SpecWaste)</i>		3,569	33,768	
Direct Costs of Operations	1,713,945	920,116	826,155	3,406,417
Disposal Expense	493,524 21%	442,790 37%	387,994 44%	1,324,308 30%
Labor Expense	650,357 28%	271,973 23%	313,775 35%	1,236,105 28%
Truck Expense	347,696 15%	101,094 9%	75,513 9%	524,303 12%
Equipment Expense	51,702 2%	48,881 4%	19,302 2%	119,885 3%
Franchise Fees	102,918 4%	49,594 4%	23,028 3%	175,540 4%
Other Direct Expense	13,949 1%	5,784 0%	6,543 1%	26,276 1%
Community Cleanup (\$0.68 per cust per month)	53,799			
Indirect Costs of Operations	353,935	149,213	38,540	541,688
Management Expense	87,173 4%	32,708 3%	9,441 1%	129,322 3%
Administrative Expense	94,880 4%	39,291 3%	11,962 1%	146,133 3%
Other Overhead Expenses	171,882 7%	77,214 7%	17,137 2%	266,233 6%
Total Cost	2,067,880	1,069,329	864,695	3,948,105
Less Unallowable Costs	2,008	1,264	338	3,610
Allowable Costs	2,065,872	1,068,065	864,357	3,944,495
Franchise Income	231,315	116,827	55,995	420,599
Return on revenues	10.07%	9.89%	6.32%	9.64%
Carts / Yards / Drop Box Pulls	6,880	76,427	2,088	

Attachment B Fee Schedule
Uniform Solid Waste and Recycling Rates - Effective July 1, 2016

Residential and Commercial Can/Cart Service			
Service Level	Current Rate	Rate Proposed	\$ Increase
Monthly	\$ 12.85	\$ 12.85	\$ -
On call	13.60	13.60	-
20 gal single family	26.00	26.00	-
32/35 gal	29.90	29.90	-
60 gal	39.40	39.40	-
90 gal	46.35	46.35	-
20 gal multifamily	21.65	21.65	-
32 gal court apartments	25.40	25.40	-
35 gal commercial	25.95	26.05	0.10
60 gal commercial	37.35	37.50	0.15
90 gal commercial	40.30	40.55	0.25

Commercial Container Services			
Service Level	Current Rate	Rate Proposed	\$ Increase
1 yard weekly	\$ 95.29	\$ 95.68	\$ 0.39
2 yard weekly	157.97	158.75	0.78
2 yard 2x weekly	308.20	309.76	1.56
4 yard 2x weekly	531.73	534.85	3.12

Drop Box Service			
Special Waste Collection	Current Rate	Rate Proposed	\$ Increase
10/20 cubic yard	\$ 119.00	\$ 161.00	\$ 42.00
30 cubic yard	\$ 136.00	\$ 178.00	\$ 42.00



CITY OF MILWAUKIE

"Dogwood City of the West"

Resolution No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, INCREASING RESIDENTIAL, COMMERCIAL, DROP BOX SERVICE RATES TO REFLECT INCREASES IN METRO TIP FEE AND LABOR RELATED COST INCREASES, AND CREATING A SPECIAL CLASS OF SERVICE TO ADDRESS THE COST OF SPECIAL HANDLING REQUIREMENTS EFFECTIVE JULY 1, 2016.

WHEREAS, Section 13.24 of the Milwaukie Municipal Code provides that the City Council may set rates and implement rate changes; and

WHEREAS, rate projections for 2017, without a rate adjustment, are below the 8%-12% range prescribed by the City Code; and

WHEREAS, effective July 1, 2016, Metro's Transfer Station tip fee will increase by \$1.27 per ton; and

WHEREAS, the proposed rates are comparable to local jurisdictions in the Metro area and reflect a graduated increase across service levels; and

WHEREAS, some offered services incur disproportional costs and the creation of a special class of service will require the users of the service to cover the additional costs of the service.

Now, Therefore, be it Resolved that the rates for garbage and recycling, herein attached as "Uniform Solid Waste and Recycling Rates (attachment _____)", proposed as of July 1, 2016 are effective on July 1, 2016.

Introduced and adopted by the City Council on _____.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney



**MILWAUKIE CITY COUNCIL
STAFF REPORT**

Agenda Item: **RS 6. D.**
Meeting Date: **June 21, 2016**

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: **FILOC Fee Resolution**

From: Charles Eaton, Engineering Director

Date: June 10, 2016

ACTION REQUESTED

Approve a resolution establishing Fee in Lieu of Construction (FILOC) fees.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

February 2, 2016: Staff met with City Council to discuss the interpretation being used by staff for the administration of FILOC funds in accordance with MMC 19.706

March 1, 2016: Staff presented draft revisions to the FILOC ordinance for review. Several specific items were discussed and staff was directed to draft additional language for the FILOC ordinance.

April 5, 2016: Staff met with City Council to discuss revised draft of new FILOC ordinance. Council discussed options for determining FILOC value determination. Staff was directed to review and evaluate several fee structures and have fees by separate resolution.

May 17, 2016: Staff met with City Council to discuss possible FILOC fees. Council directed staff to prepare fees based on a lineal foot of property frontage for a typical frontage to present for adoption.

BACKGROUND

The ordinance has been rewritten into Chapter 13.32 of MMC and the restriction for use on transportation facilities only was removed. Council identified three additional areas that needed to improve in the existing ordinance: the ten year time frame limitation; restriction of the use of FILOC funds within the respective NDA; and expanding qualification criteria for the FILOC program. Staff drafted additional FILOC language, removed the fee determination, and included a new reference that the fee will be established by separate resolution at a future date by City Council.

At the April 5, 2016, Work Session, City Council directed staff to remove the fee determination from the proposed ordinance. Council directed staff to bring back alternative fee proposals that include an option by the lineal foot. Staff presented several options for FILOC fees at the May 17, 2016, Work Session and was directed to proceed with FILOC fees by the lineal foot of property frontage.

FISCAL IMPACTS

No additional Impacts proposed.

WORK LOAD IMPACTS

Additional staff time for the accounting of FILOC funds due to the need to separate utilities.

ATTACHMENTS

1. Resolution
2. Supporting Calculations



CITY OF MILWAUKIE
"Dogwood City of the West"

Resolution No.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ESTABLISHING FEES FOR THE FEE IN LIEU OF CONSTRUCTION PROGRAM AND UPDATING THE MASTER FEES SCHEDULE OF THE CITY OF MILWAUKIE.

WHEREAS, the City Council passed Ordinance 2122 on May 17, 2016, establishing a Fee in Lieu of Construction (FILOC) program; and

WHEREAS, Ordinance 2122 provides for the establishment of FILOC fees by resolution of the City Council; and

WHEREAS, the City Council desires to set FILOC fees and amend the City of Milwaukie "Master Fee Schedule"; and

Now, Therefore, be it Resolved that the City of Milwaukie "Master Fees" documents is amended as follows.

Section 1 The Fee in Lieu of Construction per 100 sq. ft. of impervious area under Stormwater System Development Charge is deleted.

Section 2 Fee in Lieu of Construction fees, included in Exhibit A to this resolution, is hereby adopted and included in the City of Milwaukie "Master Fees" document.

Section 3 The Fees for the FILOC program shall be updated annually according to the Engineering News Record Construction Cost Index for Seattle as part of future Master Fee Schedule Updates.

Introduced and adopted by the City Council on _____.

This resolution is effective on _____.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:
Jordan Ramis PC

Pat DuVal, City Recorder

City Attorney

Exhibit A

FEES IN LIEU OF CONSTRUCTION (FILOC)

FILOC fees for Transportation, Water, Stormwater, Wastewater and Water Quality are established by City Council based on the impact of development on the appropriate infrastructure to serve the intended use. FILOC fees are available as an alternative to Construction of the minimum required services when those services can be deferred in accordance with MMC 13.32 at the request of the applicant for development. FILOC fees shall be indexed for inflation annually using the Engineering-News Record Construction Cost Index (CCI) for Seattle (Resolution _____).

Transportation

Transportation FILOC is based on the historical cost to construct the minimum standard improvements for a local street per lineal foot of lot frontage.

Single Family Residential	\$405 per lineal foot
Commercial/Industrial	\$457 per lineal foot

Water

Water FILOC is based on the historical cost to construct the minimum standard water main per lineal foot of lot frontage.

Residential/Commercial/Industrial	\$294 per lineal foot
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Stormwater

Stormwater FILOC is based on the historical cost to construct the minimum standard storm main per lineal foot of lot frontage.

Residential/Commercial/Industrial	\$207 per lineal foot
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Wastewater

Wastewater FILOC is based on the historical cost to construct the minimum standard sanitary sewer main per lineal foot of lot frontage.

Residential/Commercial/Industrial	\$195 per lineal foot
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Storm Water Quality

Storm Water Quality FILOC is based on the historical cost to construct the minimum required water quality facility for impervious surfaces created that drain to a public storm system without treatment.

Residential/Commercial/Industrial	\$11.57 per SF of Impervious Surface
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Attachment 2

June 14, 2016

Fee-In-Lieu of Construction
Cost Estimate

Transportation

Length of Frontage: 50

Land Use Residential

Item #	Item of Work	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	\$ 1,593.69	\$ 1,593.69
2	Clearing & Grubbing	1	LS	\$ 1,062.46	\$ 1,062.46
3	Saw-cut Pavement	50	LF	\$ 2.00	\$ 100.00
4	Excavation	13	CY	\$ 70.00	\$ 910.00
5	Base Rock	15	CY	\$ 40.00	\$ 600.00
6	Curb	50	LF	\$ 30.00	\$ 1,500.00
7	Asphalt - 4" in 2 lifts	5	TONS	\$ 120.00	\$ 600.00
8	Sidewalk	150	SF	\$ 10.00	\$ 1,500.00
9	Driveway Approach	200	SF	\$ 12.00	\$ 2,400.00
10	Catchbasin	1	EA	\$ 3,200.00	\$ 3,200.00
11	10" Storm Pipe	20	LF	\$ 64.00	\$ 1,280.00
12	Landscape Strip	69	SF	\$ 3.00	\$ 207.00
13	Traffic Control	1	LS	\$ 614.85	\$ 614.85
14	Erosion Control	1	LS	\$ 368.91	\$ 368.91

SUB-TOTAL **\$ 15,936.91**

Contingency 10% \$ 1,593.69

Design 12% \$ 1,912.43

Construction Inspection 5% \$ 796.85

TOTAL **\$ 20,239.88**

\$ 404.80

Use
\$405

4117 SE Harrison Street
Fee-In-Lieu of Construction
Cost Estimate

Land Use: Commercial/Industrial

Item #	Item of Work	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	\$ 1,798.46	\$ 1,798.46
2	Clearing & Grubbing	1	LS	\$ 1,198.97	\$ 1,198.97
3	Saw-cut Pavement	50	LF	\$ 2.00	\$ 100.00
4	Excavation	17	CY	\$ 70.00	\$ 1,190.00
5	Base Rock	22	CY	\$ 40.00	\$ 880.00
6	Curb	50	LF	\$ 30.00	\$ 1,500.00
7	Asphalt - 6" in 2 lifts	12	TONS	\$ 70.00	\$ 840.00
8	Sidewalk	180	SF	\$ 10.00	\$ 1,800.00
9	Driveway Approach	240	SF	\$ 12.00	\$ 2,880.00
10	Catchbasin	1	EA	\$ 3,200.00	\$ 3,200.00
11	10" Storm Pipe	20	LF	\$ 64.00	\$ 1,280.00
12	Landscape Strip	69	SF	\$ 3.00	\$ 207.00
13	Traffic Control	1	LS	\$ 693.85	\$ 693.85
14	Erosion Control	1	LS	\$ 416.31	\$ 416.31

<u>SUB-TOTAL</u>	\$ 17,984.59
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Contingency	10%	\$ 1,798.46
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Design	12%	\$ 2,158.15
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Construction Inspection	5%	\$	899.23
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<u>TOTAL</u>	\$ 22,840.43
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\$ 456.81

Use
\$457

October 15, 2007

4117 SE Harrison Street
Fee-In-Lieu of Construction
Cost Estimate

Waer Main

Length of Frontage: 250

Land Use: All

Item #	Item of Work	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	\$ 5,779.27	\$ 5,779.27
2	Clearing & Grubbing	1	LS	\$ 3,852.85	\$ 3,852.85
3	Saw-cut Pavement	500	LF	\$ 2.00	\$ 1,000.00
4	Base Rock	36	CY	\$ 40.00	\$ 1,440.00
5	Asphalt - 6" in 2 lifts	34	TONS	\$ 120.00	\$ 4,080.00
6	8" DI Water Main	250	LF	\$ 80.00	\$ 20,000.00
7	Fittings	2	EA	\$ 750.00	\$ 1,500.00
8	Gate Valves	6	EA	\$ 1,500.00	\$ 9,000.00
9	Fire Hydrant	1	EA	\$ 5,600.00	\$ 5,600.00
10	Traffic Control	1	LS	\$ 4,262.00	\$ 4,262.00
11	Erosion Control	1	LS	\$ 1,278.60	\$ 1,278.60

SUB-TOTAL **\$ 57,792.72**

Contingency	10%	\$ 5,779.27
Design	12%	\$ 6,935.13
Construction Inspection	5%	\$ 2,889.64

TOTAL **\$ 73,396.75**

\$ 293.59

Use
\$294

October 15, 2007

4117 SE Harrison Street
Fee-In-Lieu of Construction
Cost Estimate

Sanitary Sewer main

Length of Frontage: 300

Land Use: All

Item #	Item of Work	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	\$ 4,610.40	\$ 4,610.40
2	Clearing & Grubbing	1	LS	\$ 3,073.60	\$ 3,073.60
3	Saw-cut Pavement	600	LF	\$ 2.00	\$ 1,200.00
4	Base Rock	44	CY	\$ 40.00	\$ 1,760.00
5	Asphalt - 6" in 2 lifts	42	TONS	\$ 120.00	\$ 5,040.00
6	8" PVC Sewer Main	300	LF	\$ 70.00	\$ 21,000.00
7	Manhole	1	EA	\$ 5,000.00	\$ 5,000.00
8	Traffic Control	1	LS	\$ 3,400.00	\$ 3,400.00
9	Erosion Control	1	LS	\$ 1,020.00	\$ 1,020.00

SUB-TOTAL **\$ 46,104.00**

Contingency	10%	\$ 4,610.40
Design	12%	\$ 5,532.48
Construction Inspection	5%	\$ 2,305.20

TOTAL **\$ 58,552.08**

\$ 195.17

Use
\$195

October 15, 2007

4117 SE Harrison Street
Fee-In-Lieu of Construction
Cost Estimate

Storm Main

Length of Frontage: 300

Land Use: All

Item #	Item of Work	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	\$ 4,881.60	\$ 4,881.60
2	Clearing & Grubbing	1	LS	\$ 3,254.40	\$ 3,254.40
3	Saw-cut Pavement	600	LF	\$ 2.00	\$ 1,200.00
4	Base Rock	44	CY	\$ 40.00	\$ 1,760.00
5	Asphalt - 6" in 2 lifts	42	TONS	\$ 120.00	\$ 5,040.00
6	12" Storm Pipe	300	LF	\$ 80.00	\$ 24,000.00
7	Manhole	1	EA	\$ 4,000.00	\$ 4,000.00
8	Traffic Control	1	LS	\$ 3,600.00	\$ 3,600.00
9	Erosion Control	1	LS	\$ 1,080.00	\$ 1,080.00

SUB-TOTAL **\$ 48,816.00**

Contingency	10%	\$ 4,881.60
Design	12%	\$ 5,857.92
Construction Inspection	5%	\$ 2,440.80

TOTAL **\$ 61,996.32**

\$ 206.65

Use
[\\$207](#)

October 15, 2007

4117 SE Harrison Street
Fee-In-Lieu of Construction
Cost Estimate

Water Quality

Equivalent Impervious Surface 10432.8

Land Use: All

Item #	Item of Work	Estimated Quantity	Unit	Unit Price	Total Price
1	Mobilization	1	LS	\$ 9,501.49	\$ 9,501.49
2	Clearing & Grubbing	1	LS	\$ 6,334.33	\$ 6,334.33
5	Base Rock	2	CY	\$ 40.00	\$ 80.00
6	Asphalt - 6" in 2 lifts	2	TONS	\$ 120.00	\$ 240.00
7	12" Storm Pipe	10	LF	\$ 80.00	\$ 800.00
8	Stormwater Facility	1	EA	\$ 58,050.00	\$ 58,050.00
9	Sedimentation Manhole	1	EA	\$ 10,900.00	\$ 10,900.00
10	Traffic Control	1	LS	\$ 7,007.00	\$ 7,007.00
11	Erosion Control	1	LS	\$ 2,102.10	\$ 2,102.10

SUB-TOTAL **\$ 95,014.92**

Contingency	10%	\$ 9,501.49
Design	12%	\$ 11,401.79
Construction Inspection	5%	\$ 4,750.75

<u>TOTAL</u>	\$ 120,668.95	<u>Use</u>
	\$ 11.57	\$11.57



MILWAUKIE CITY COUNCIL
STAFF REPORT

Agenda Item: **RS 6. E.**
Meeting Date: **June 21, 2016**

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: **Intergovernmental Agreement (IGA) with Metro to prepare a joint offering of Harrison and Main Street Site (formerly the "Texaco Site") for development.**

From: Alma Flores, Community Development Director
Megan Gibb, Metro Transit Oriented Development Director

Date: June 12, 2016, for June 23, 2016, Regular Session

ACTION REQUESTED

Authorize the city manager to sign a five-year Intergovernmental Agreement (IGA) with Metro to prepare a joint offering of Harrison and Main Street Site (formerly the "Texaco Site") for development.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

May 17 2016: City Council, during the work session, heard a presentation on the Transit Oriented Development program at Metro and real estate market conditions and standard development practice from Jerry Johnson of Johnson Economics. A discussion of criteria to consider for the two development opportunity sites was held and a subsequent discussion of the May 17 City of Milwaukie and Metro IGA Consent Agenda item occurred during Council Regular Session. Council directed staff to make two changes to the IGA clarifying language related to development form.

October 6, 2015: Council directed staff to begin marketing the Texaco site and start the request for proposals (RFP) process.

2014: As part of the *Moving Forward Milwaukie: Enhancing Our Commercial Districts* (MFM) project, the project team prepared three development concepts and pro formas for five "opportunity sites" in downtown Milwaukie, including the Texaco site. City Council approved the MFM plan and established new downtown development standards that allow for a wide range of uses including retail, office, commercial, and residential development. The desired character for this zone is a pedestrian-friendly and vibrant urban center, with a prominent main street and connections to the riverfront. The development standards now in place include development of three (3) base floors with up to two (2) bonus floors for residential, lodging, and "green" building criteria (a maximum of five (5) stories). Downtown site and building design standards are under the Milwaukie Municipal Code 19.508.

2012: The site was identified as an "opportunity site" for the MFM project due to its public ownership and key location in the center of downtown.

2010: Main Street Village II IGA expired.

2008: The developer withdrew from the project due to the economic downturn.

2007-2008: Work sessions with the Design and Landmarks Committee in advance of submittal of a design review application.

2007: Following a public open house and discussions with a 9-member advisory committee, the project management group selected a proposal submitted by Main Street Partners. The selected proposal required amendments to the downtown zoning in order to be approved. The City agreed to pursue a Vertical Housing Development Zone for the site in order to close the financial gap.

December 2006: Metro and the City of Milwaukie issued a joint request for proposals (RFP) for development of the site.

September 2005: City Council approved Resolution No. 39-2005, authorizing the City to enter into the Main Street Village II IGA with Metro for development of Block 14. Metro subsequently purchased the western half of the site, which was the site of a former Texaco station.

BACKGROUND

The Harrison and Main Street site consists of two parcels: the city-owned site on the eastern half of the block; and the Metro-owned site on the western half of the block. The site was previously offered for development in 2005. A request for proposals (RFP) was issued and a project team was selected; however, the decline of the real estate market in 2007 as well as a shift in staff and leadership resulted in cancellation of the project.

This site (previously called the "Texaco Site") was identified as a development opportunity site through the *Moving Forward Milwaukie: Enhancing Our Commercial Districts* project. New and streamlined regulations for development in downtown Milwaukie were adopted in fall 2015.

CONCURRENCE

The city manager, city attorney's, Metro, Community Development and Planning Departments concur with this IGA.

FISCAL IMPACTS

The IGA between the City and Metro will commit both parties to participate in the project as described.

WORK LOAD IMPACTS

The IGA between the City and Metro commits staff to undertake the proposal as described in the agreement. The project will be jointly managed by Megan Gibb, Metro Development Center Manager, and Alma Flores, Community Development Director, along with staff from each agency.

ALTERNATIVES

1. Accept IGA as proposed
2. Do not accept IGA as proposed and request revisions to the proposed IGA. This would require discussions with Metro and the City Attorney and would extend the timeline for issuance of an RFP.

ATTACHMENTS

1. Intergovernmental Agreement between Metro and the City of Milwaukie

INTERGOVERNMENTAL AGREEMENT
City of Milwaukie and Metro
Harrison and Main Street Milwaukie Site

This Harrison and Main Street Milwaukie Site Intergovernmental Agreement (the "Agreement" or "IGA") is entered into by and between Metro, a municipal corporation established pursuant to Oregon law and the Metro Charter ("Metro") and the City of Milwaukie (the "City"), a municipal corporation (collectively, "the Parties"). This Agreement is effective as of the last date of execution set forth below (the "Effective Date").

RECITALS

A. Metro Council Resolution No. 98-2619 ("For the Purpose of Authorizing Start-Up Activities for the Transit-Oriented Development (TOD) Implementation Program at Metro") adopted on April 9, 1998, as amended by Metro Council Resolution No. 04-3479 ("For the Purpose of Amending the Transit-Oriented Development (TOD) Program to Expand the TOD Program Area and Initiate an Urban Centers Program") adopted on July 15, 2004, authorized the acquisition and "Joint Development" of real property satisfying certain criteria and identified as "Opportunity Sites." Metro's TOD Program utilizes joint development tools such as land acquisition and disposition subject to development agreements that require the development of projects located near rail transit stations and satisfying the Metro Transit-Oriented Development Project Investment Criteria set forth in Exhibit A, attached hereto.

B. On March 17, 2005, the Metro Council authorized Metro to purchase a parcel of real property occupied by a Texaco service station located at 10700 SE McLoughlin Blvd., Milwaukie, Oregon and legally described in Exhibit A hereto (the "Metro Property"), for the Transit-Oriented Development/Urban Centers Program, via Metro Council Resolution No. 05-3555A ("For the Purpose of Authorizing the Chief Operating Officer to Purchase Property in the Milwaukie Town Center for a Transit-Oriented Development/Centers Project"). The Metro Council approved the acquisition of the Metro Property subject to specific preconditions, including the entry into an IGA (the "Main Street Village II IGA") providing for a joint offering of the Metro Property and the adjacent half block of City of Milwaukie real property, occupied by a municipal parking lot located on Main Street, in Milwaukie, across from City Hall, and legally described in Exhibit B hereto (the "City Property") for a transit oriented development project.

C. In June, 2005, Metro's environmental site assessment uncovered soil and water contamination on the Metro Property, in concentrations exceeding permissible residential use levels. Metro and the Oregon Department of Environmental Quality ("DEQ") negotiated the terms of a Prospective Purchaser Agreement ("PPA"). The PPA

requires, among other things, that the existing underground gasoline storage tanks be decommissioned and that the Property not be used for residential purposes until measures are taken to reduce the risk of hazardous substance vapor intrusion to levels acceptable to DEQ. Metro subsequently decommissioned and removed the existing underground storage tanks under DEQ oversight, backfilled the excavation with clean fill, and removed the filling station buildings from the site.

D. On August 16, 2005, the Milwaukie City Council approved Resolution No. 39-2005, authorizing the City to enter into the Main Street Village II IGA with Metro.

E. On September 22, 2005, via Metro Council Resolution No. 05-3621A ("For the Purpose of Amending the Terms of the Transaction Set Forth in Resolution No. 05-3555A to Acquire Property in Milwaukie Town Center for a Transit-Oriented Development/Centers Project") the Metro Council authorized Metro to, among other things, enter into the PPA with DEQ, purchase the Metro Property subject to the PPA, and enter into the Main Street Village II IGA with the City on substantially the terms set forth in an attachment to the resolution.

F. Metro entered into the "Main Street Village II" IGA with the City on September 21, 2005, entered into the PPA with DEQ on September 22, 2005, and acquired the Metro Property on October 7, 2005.

G. Metro and the City were unable to complete the joint offering of the Harrison and Main Street Milwaukie site (previously the "Texaco Site") and the Main Street Village II IGA subsequently expired on September 21, 2010.

H. Metro and the City now wish to enter into a new IGA to govern the joint offering of the Harrison and Main Street Milwaukie site for a transit oriented development ("TOD") project satisfying the Metro TOD Program TOD Project Investment Criteria.

I. On June 21, 2016, The Milwaukie City Council approved Resolution No.XX-2016, authorizing the City to enter into this Agreement with Metro.

NOW, THEREFORE, in reliance on the above recitals and in consideration of the mutual and reciprocal covenants and agreements set forth below, the Parties agree as follows:

- 1. General Objective.** To provide for joint solicitation by the City and Metro of a developer to construct a mixed-use transit-oriented development on the Harrison and Main Street Milwaukie site and selection of a developer followed by entry into an exclusive negotiating agreement leading to a Disposition and Development Agreement between the City, Metro and the selected developer providing for the development of the Harrison and Main Street Milwaukie site into a landmark signature mixed-use project with housing or other related uses above ground floor retail and services, satisfying the Metro TOD Program's

Opportunity Site Project Investment Criteria and Property Disposition
Parameters (the "Project").

2. Project Development Program Criteria.

- 2.1 Within the height restrictions of the zoning code.
- 2.2 Highest reasonable land use efficiency based on floor area and site coverage ratio.
- 2.3 A transit-supportive site layout with a mix of residential and retail uses.
- 2.4 Ground floor retail space.

3. Project Management Committee. The City and Metro agree to establish a Project Management Committee to conduct pre-development activities and to craft, manage and implement a mutually acceptable developer solicitation and selection process to promptly select a development team for the Project.

The Project Management Committee shall be composed of the following:

- Alma Flores, City of Milwaukie Community Development Director
- Vera Kolas, or assigned staff, City of Milwaukie Associate Planner
- Megan Gibb, Metro Development Center Manager
- TBD, Metro Principal Development Project Manager

The City and Metro may assign other staff or consultants as needed.

4. Joint Offering. Through the Project Management Committee, the Parties will cooperate to conduct a competitive solicitation using either a Request for Qualifications or Request for Proposals process. The terms of the solicitation shall be established by mutual agreement, but shall conform to the Minimum Development Criteria set forth above, the requirements of this section, any other criteria mutually agreed upon in writing by Metro and the City, the parameters set forth in the TOD Program Workplan, the Milwaukie City Code, and all applicable provisions of ORS 279A-C (the "Joint Offering").

4.1 Concept. The initial development concept is generally described as a landmark signature mixed-use development of housing or housing and office above ground floor retail, with full city-block development, consistent with the zoning code, including the height limitation.

4.2 Land Value Write Down/Proceeds. The City agrees that the joint offering will include a commitment to "write down" the land value of the City Property to an amount that will ensure the desired development as set forth in Section 2 above, subject to Milwaukie City Council approval. Metro agrees that the joint offering will include a commitment to "write down" the land value of the Metro Property to an amount that will ensure a development meeting Metro TOD minimum development of 4 and 5 stories, subject to TOD Program Steering Committee and Metro Council approval.

4.3 City Incentives. The City agrees that, in addition to Land Value Write Down, it will seek to contribute the following additional incentives to the Project subject to Milwaukie City Council approval:

- Vertical Housing Development Program
- SDC assistance, such as credits, waivers sequestering and Bancroft Bonding
- Technical Assistance
- Site Preparation
- Parcel consolidation
- Other incentives, including tools and resources of the Infrastructure Financing Authority and Business Oregon.

4.4 Metro Incentives. Metro agrees that, in addition to Land Value Write Down, it will seek to contribute the following additional incentives to the Project, subject to TOD Steering Committee and Metro Council approval:

- Purchase by Metro of a Metro TOD Easement from the selected developer for development meeting TOD minimum development criteria of 4 and 5 stories
- Technical Assistance
- Site Preparation

4.5 Cost Sharing Principles. With respect to cost sharing and developer incentives, the parties agree that the City's financial participation must equal or exceed Metro's financial participation. For purposes of this section, City's financial participation includes but is not limited to the full value of any grants, exemptions, and specifically the Vertical Housing Development program secured by City.

4.6 PPA Compliance. Metro and the City agree that the Joint Offering will include a requirement that the selected developer agree in the DDA to implement such measures as are needed to satisfy the terms of the DEQ PPA as part of any residential development and before any residential occupancy is permitted. Metro and the City acknowledge that the extent of such measures, if any, will be mutually determined prior to entry into the DDA and that requiring the purchaser to take such actions will affect the price a developer will pay for the Harrison and Main Street Milwaukie site.

4.7 Evaluation and Selection. The City and Metro, through the Project Management Committee, shall jointly evaluate the qualifications and/or proposals of all developers responding to the Joint Offering and select the developer ("Developer") by mutual agreement. It is recognized that each entity's respective governing body has final authority over selection as provided in each entity's rules.

4.8 Schedule. The City and Metro shall share equally in the costs to conduct the Joint Offering and shall exert best efforts to complete the Joint Offering on the following schedule:

- | | |
|---|-------------------------------|
| • Issue Request For Qualifications (RFQ) | 3rd Quarter, 2016 |
| • Review RFQ responses and issue a Request For Proposal (RFP) to up to 3 highly qualified firms | 4th Quarter, 2106 |
| • Review RFP responses | 4th Quarter, 2016 |
| • Select developer and execute Exclusive Negotiating Agreement | 1stQtr , 2017 |
| • Execute Disposition and Development Agreement | 3 rd Quarter, 2017 |

5. Predevelopment Activities. The costs of Predevelopment Activities conducted by the parties will be shared equally unless otherwise set forth herein. The City and Metro agree to conduct the following activities prior to execution of the DDA:

5.1 ALTA Survey. The City and Metro will jointly perform an ALTA survey of the Harrison and Main Street Milwaukie site. The City and Metro shall share equally in the third-party costs to comply with this section.

5.2 Environmental Assessment. The City anticipates receipt of a Business Oregon Brownfields Assessment grant, which it will use to conduct Phase I and Phase II Environmental Assessments on the Harrison and Main Street Milwaukie site to determine the environmental condition of the City Property and to characterize the extent of petroleum contamination that exists in the Metro Property's soil and groundwater, including soil vapor sampling and testing sufficient to determine whether or not a vapor barrier, separated air handling systems, or other engineering controls are necessary to reduce hazardous material vapors to concentrations that are acceptable for residential development. The City will coordinate the scope of work under this section with Metro including providing Metro and the DEQ with an opportunity to review, alter and approve the proposed scope of work for the Phase II ESA for purposes of ensuring that the Phase II satisfies DEQ PPA requirements.

5.3 Appraisal. The City and Metro agree to obtain an independent MAI appraisal performed in accordance with the Uniform Standards of Professional Appraisal Practice ("USPAP") and general appraisal standards, and confirmed by Metro's independent review appraiser as follows: the parties will jointly select an appraiser and mutually agree upon the terms of an appraisal assignment that will report the independent fair market value of the City Property, the Metro Property, the Harrison and Main Street Milwaukie as consolidated, and the "residual land value of Lot 14" as encumbered by the DDA and TOD Easement, if any. Metro will pay for the costs to obtain the appraisal review.

5.4 Geotechnical Engineering Assessment. The City and Metro agree to jointly select a Geotechnical Engineer to evaluate the subsurface conditions on the Harrison and Main Street Milwaukie site and determine the Harrison and Main Street Milwaukie site's ability to support a development satisfying the criteria set forth in Section 2, and specifically if needed, the development proposed by the Developer.

5.5 Land Use and Development Applications. The City acknowledges that a Project satisfying the criteria set forth in Section 2 is the preferred development form and agrees to sign and jointly submit with Metro and Developer land use and development applications submitted prior to the conveyance of the Harrison and Main Street Milwaukie site under the DDA.

5.6 Parcel Consolidation. The City and Metro will jointly submit a parcel consolidation application. The City and Metro shall conclude the consolidation concurrently with the conveyance of the Harrison and Main Street Milwaukie site to Developer under the DDA. The City and Metro shall share equally in the third-party costs to comply with this section.

5.7 Site Preparation. The City and Metro acknowledge that site preparation, if deemed necessary or beneficial to the development, may be performed independently by either party or coordinated among them. The application of the costs of site preparation performed by staff to the cost sharing equation must be determined by negotiation between the parties.

6. Exclusive Negotiating Agreement. The City and Metro may elect to enter into a 180-day Exclusive Negotiating Agreement with options to extend with the Developer. The Exclusive Negotiating Agreement shall provide that the Developer shall have the exclusive right to conduct due diligence and to negotiate in good faith with the City and Metro for the rights to develop the Harrison and Main Street Milwaukie site, including the terms of the DDA and all related agreements, documents and instruments providing for the transit oriented development of the Harrison and Main Street Milwaukie site, and that the City and Metro will not accept, solicit, pursue or entertain any other offers or other indications of interest with respect to the Harrison and Main Street Milwaukie site for any development, sale or other transaction with a third party during the term thereof.

7. Disposition and Development Agreement. The City, Metro and the Developer shall be parties to the Disposition and Development Agreement ("DDA"). The City and Metro shall jointly negotiate the terms of the DDA with Developer, which shall be mutually acceptable to Metro and the City, and shall comply in all respects with the terms of this Agreement and the Minimum Development Program Criteria set forth in Section 2. The costs of closing the DDA, including title insurance premiums and escrow fees, shall be shared equally between the City and Metro.

8. Preconditions to Land Disposition.

8.1 Approval of Plans. Final review and approval by the City and Metro of the schematic design drawings, final architectural plans, and construction details to ensure that the design, finish and quality of materials and construction are consistent with developing a landmark signature mixed-use development in downtown Milwaukie. It is recognized that this approval may not be inconsistent with, and is subject to, the terms and conditions of development approval(s) issued pursuant to the Milwaukie Development Code.

8.2 Approval of Elevations. Final review and approval by the City and Metro of the building elevation details for consistency with the Conceptual Design.

8.3 Proof of Financing and Equity Capital. The Developer shall have secured adequate construction financing and equity investment capital, necessary to complete the Project. The adequacy or inadequacy of the construction financing and equity investment capital shall be subject to the mutual determination of the City and Metro.

8.4 No Litigation or Bankruptcy. The Developer and its members, partners, or principals shall be subject to no pending or existing litigation or action privately, or by regulation or government order commenced, pending, or threatened in writing that adversely affects Developer's ability to construct the Project, including a petition in bankruptcy. This requirement may be waived by mutual agreement of Metro and the City.

8.5 BOLI Predetermination Letter. The City, Metro and the Developer shall jointly submit a request for a predetermination letter from the Oregon Bureau of Labor and Industries ("BOLI") to establish the applicability of ORS 279C.800-870 ("prevailing wage laws") to the project.

9. Environmental Indemnity. In addition to the indemnification provided in paragraph 11.1 and 11.2, below, the City and Metro agree that no provision of this IGA or action taken by any party hereunder shall operate to limit or diminish the reciprocal Environmental Indemnities provided by the Main Street Village II IGA attached as Exhibit C hereto. City may require, however, and Metro shall cooperate in good faith in obtaining, DDA terms by which the developer assumes responsibility for environmental conditions, agrees to indemnify and defend City or otherwise relieves or ameliorates City's environmental liability to any person or entity other than Metro.

10. Property Management Prior to Conveyance. The City shall continue to manage the Harrison and Main Street Milwaukie site until it is conveyed to a developer pursuant to a DDA. The City shall maintain security of the Property, and shall provide additional fencing, gates, signage, and other measures necessary to maintain public

safety on the Property, and to deter public nuisance use of the Property. Access to the Property shall be controlled by the City, and the City shall respond to neighborhood or citizen complaints regarding nuisance uses or noise on the Property. Any permits granted to third parties by the City to use the Property shall comply with the terms and limitations set forth in this Agreement. The City shall be responsible for obtaining all necessary permits and for complying with all state and local rules and regulations in managing and maintaining the Property. The City shall be responsible for contacting and coordinating with other local or state agencies regarding any and all management, maintenance or operation issues that may arise with respect to the Property. Funding for the management and maintenance of the Property and the payment of taxes or assessments applying to the Property, if any, shall be provided from the City's own resources.

11. General Provisions

11.1 City Indemnification. Within the limits of the Oregon Tort Claims Act, City shall indemnify and defend Metro, and hold Metro harmless from and against any claim, loss, liability or cost suffered directly or from a third-party claim arising out of or related to the City's, its officers', employees' and agents' acts or failure to act hereunder, including but not limited to its management of the Property or any condition on the Harrison and Main Street Milwaukie site while in the possession or under the control of the City.

11.2 Metro Indemnification. Within the limits of the Oregon Tort Claims Act, Metro shall indemnify and defend the City, and hold the City harmless from and against any claim, loss, liability or cost suffered directly or from a third-party claim arising out of or related to Metro's, its officers', employees' and agents' acts or failure to act hereunder, except that Metro shall have no liability to the City for any injury, loss, or damage caused by third parties, except to the extent resulting from Metro's negligence or breach of duty under this Agreement.

11.3 Liens. Except with respect to activities for which Metro is responsible, the City shall pay as due all claims for work done on and for services rendered or material furnished to the Property, and shall keep the Property free from any liens. If the City fails to pay any such claims or to discharge any lien, Metro may do so and collect the cost from the City. Such action by Metro shall not constitute a waiver of any right or remedy that Metro may have on account of the City's default. The City may withhold payment of any claim in connection with a good faith dispute over the obligation to pay, as long as Metro's property interests are not jeopardized. If a lien is filed as a result of nonpayment, the City shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Metro cash or sufficient surety bond or other surety satisfactory to Metro in an amount sufficient to discharge the lien plus any costs or attorney fees.

11.4 Acknowledgement. The City and Metro shall document in any signage, publication, media presentation or other presentations on the Property that a partnership was established between Metro and the City to promote redevelopment of the Property.

11.5 Term. The term of this Agreement shall be five (5) years from its Effective Date. This Agreement shall automatically renew for successive 5-year terms, unless written notice is provided by a party that it does not wish to renew no later than 30-days prior to the renewal date, or this Agreement is otherwise terminated under the provisions set forth below. The indemnities set forth in Sections 11.1 and 11.2 shall survive and shall not be affected by the expiration or termination of this Agreement. The Environmental Indemnities set forth in Exhibit C shall survive sale of the property to a developer pursuant to the DDA.

11.6 Joint Termination for Convenience. Metro and the City may jointly terminate all or part of this Agreement based upon a mutual determination that such action is in the public interest. Termination shall be effective upon mutual written agreement of the Parties to terminate.

11.7 Termination for Cause. Either party may terminate this Agreement before the date of expiration, if that party determines, in its sole discretion, that the other party has failed to comply with the terms and conditions of this Agreement and is therefore in default. The terminating party shall promptly notify the defaulting party in writing of that determination and document said default with reasonable particularity. Thereafter, the defaulting party shall have 30 days to cure the default. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if the defaulting party begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to cure the default as soon as practicable.

11.8 Laws of Oregon – ORS 279. This Agreement shall be governed by the laws of the State of Oregon, and the Parties agree to submit to the jurisdiction of the courts of the State of Oregon. All applicable provisions of ORS Chapter 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provisions were a part of this Agreement. The City and Metro hereby acknowledge that prevailing wage rate laws, including ORS 279C.800-870 and related regulations, may apply to this Agreement, and the DDA and Project contemplated thereby. The City and Metro agree to require the compliance of Developer with said laws when applicable.

11.9 Assignment. No party may assign any of its rights or responsibilities under this Agreement without prior written consent from the other party, except the Parties may subcontract for performance of any of their responsibilities under this Agreement.

11.10 Notices. All notices or other communications required or permitted under this Agreement shall be in writing, and shall be personally delivered (including by means of professional messenger service) or sent by fax and regular mail.

To Metro: Metro
Megan Gibb, Metro Development Center Manager
600 N.E. Grand Avenue
Portland, OR 97232-2736

To City: City of Milwaukie
William Monahan, City Manager
10722 SE Main Street
Milwaukie, OR 97222

Copy to:
Alma Flores, Community Development Director
6101 SE Johnson Creek Blvd
Milwaukie, OR 97206

11.11 Severability. If any covenant or provision in this Agreement shall be adjudged void, such adjudication shall not affect the validity, obligation, or performance of any other covenant or provision which in itself is valid, if such remainder would then continue to conform to the terms and requirements of applicable law and the intent of this Agreement.

11.12 Entire Agreement. Except as set forth in Section 10, this Agreement, as supplemented by the Exclusive Negotiating Agreement, if any, and DDA, constitutes the entire agreement between the Parties and supersedes any prior or contemporaneous oral or written communications, agreements or representations relating to the Harrison and Main Street Milwaukie site. No course of dealing between the parties and no usage of trade shall be relevant to supplement any term used in this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both Parties. The failure of a party to enforce any provision of this Agreement shall not constitute a waiver by any party of that or any other provision.

IN WITNESS WHEREOF, the Parties hereto have set their hands on the day and year set forth below.

CITY OF MILWAUKIE

METRO

William Monahan
City Manager

Martha Bennett
Metro Chief Operating Officer

Date:_____

Date:_____

Exhibits:

Exhibit A - Transit-Oriented Development Project Investment Criteria

Exhibit B - Legal Description and Depiction of Metro Property and City Property

Exhibit C - Main Street Village II IGA

Adopted Aug. 2012

TRANSIT-ORIENTED DEVELOPMENT**Project investment criteria**

K Station



Broadway Vantage



OCOM



The Rocket



Central Eastside Lofts



Hollywood Apartments

The Transit-Oriented Development Program has a unique and critical role in implementing the region's 2040 Growth Concept of vibrant, urban centers and station areas linked by transit. TOD program activities help to optimize the existing transit system by bringing more people to live, work and shop in areas with a functional pedestrian connection to transit. The core program activity is providing development project funding to stimulate construction of higher-density and mixed-use projects near transit. Related program activities include opportunity site acquisition, investment in urban living infrastructure, and technical assistance.

The TOD project investment criteria have been adopted by the Metro Council as part of the TOD work plan. These excerpts are provided as a resource for real estate professionals and local officials interested in partnering with Metro's TOD Program to implement transit-oriented development in areas where the real estate market is not yet able to support those higher cost development forms.

The core mission of the TOD program is to stimulate private sector investment to create the vibrant communities envisioned in the region's 2040 Growth Concept.

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PLACE**



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THRESHOLD REQUIREMENTS

TOD project investments must meet the following threshold requirements to be eligible for funding consideration:

Site control

Must meet **all** of the following

- The applicant must be a public entity or a willing and capable developer with site control or the ability to establish site control.
- The TOD development must be privately owned and operated.

Connection to transit

Must meet **one** of the following

- **Station communities** Properties must have a functional pedestrian connection between the site and existing or planned rail stations, generally less than 1/2 mile.
- **Frequent bus and streetcar** Properties must have a functional pedestrian connection between the site and the transit corridor, generally less than 1/4 mile.
- **Urban centers** Properties must be within the boundary of an urban center, have a functional pedestrian connection to the main street or commercial core, and be within an eligible TOD typology place type.

Eligible TOD typology areas

Must meet **one** of the following

- **Catalytic project** investments and site improvements are eligible in Catalyze and Connect areas and may be considered conditionally in Plan and Partner areas.
- **Catalytic Plus project** investments are eligible in Infill and Enhance and Catalyze and Connect areas and may be considered conditionally in Plan and Partner areas.
- **Housing Choice project** investments may be considered conditionally in Infill and Enhance, Catalyze and Connect and Plan and Partner areas.

Transportation and environmental benefits

Must meet **all** of the following

- The project development program will generate additional transit trips as a result of more intensive use of the site compared to what

would occur without public participation in the proposed project.

- The project development program is expected to reduce regional Vehicle Miles Traveled compared to what would occur without public participation in the proposed project.
- The site plan and building design enhance the pedestrian and bicyclist experience, and makes the pedestrian realm more visually attractive, active, vibrant and safe.
- The development has the lowest reasonable parking ratio.

Land use efficiency

Must meet **all** of the following

- The development has the highest reasonable floor area ratio.
- The development has the highest reasonable site coverage ratio.

Financial need

Must meet **all** of the following

- The project has cost premiums related to higher density, urban infill, or vertically integrated mixed use development.
- There are not adequate local, state, or federal resources or incentives available to close the financing gap without Metro participation.
- Metro funding shall not exceed the minimum amount necessary for the project to move forward and be constructed.

Cost effectiveness

Must meet **all** of the following

- Metro funding will leverage significant private investment.
- Cost per induced transit rider is reasonable relative to other development project investments.
- Metro's program, legal and other administrative costs are reasonably proportionate to the TOD Program development investment in the project.
- Upon stabilization, the project is expected to be financially feasible and successful in the market.



COMPETITIVE INVESTMENT CRITERIA

In addition to the threshold requirements, proposed projects are evaluated according to a set of competitive investment criteria. Competitive investment criteria allow a project to distinguish itself among other qualified projects. These criteria are considered by TOD staff in determining whether and what level of TOD project funding to recommend for approval, and what conditions to apply. Not all of these criteria apply to every investment opportunity. The relative importance of these criteria varies depending on the characteristics of the project and the area in which it is located.

Increase transit ridership

- Increased transit ridership is induced from more intense development.
- Features are incorporated that improve access to the transit system, transit information services, way-finding signage, lighting, sidewalk improvements, additional bike parking/storage, or new access routes.
- Transportation demand management strategies are integrated such as limited or no parking, charging for parking, car sharing, bike storage, or transportation alternatives programming efforts.
- Significant transit ridership is generated by the creation of new employment, institutional, or entertainment destinations near transit.

Creates new market comparables

- New market comparables are created as a result of demonstrating market acceptance of new product types, faster absorption, or higher achievable pricing.

Builds community acceptance of urban style buildings

- Higher quality of design and/or materials are used than is typical in the area.
- Innovative green building elements or development practices are demonstrated that serve to improve the environmental impact of the development and enhance both the human and natural environment.

Improves availability of urban living infrastructure retail services and amenities

- Economic base to support retail services and amenities is strengthened.

- Urban living infrastructure amenities or retail services are integrated into the new development.

Expands base of developers with TOD expertise

- New development partners are engaged for the TOD program.
- Developers are inspired to innovate in compact and mixed-use development forms.

Contributes to placemaking and local identity

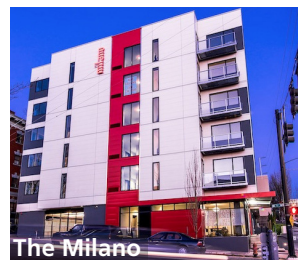
- Elements are incorporated that help create a sense of place.
- Elements are incorporated that reflect and/or build unique local identity.
- A large scale initiative is advanced that will improve the TOD readiness of the area.
- Downtown revitalization is supported.
- Affordable housing is provided in areas where it increases housing choices and does not exacerbate concentrations of poverty.

Removes barriers to compact and mixed-use development

- Changes to local plans or development regulations are necessitated.
- Product types, building materials, or building systems are introduced that are relatively new to the area.

Attracts investment, create jobs and strengthen local tax bases

- Direct investment in the development is attracted.
- Jobs are created.
- Contributions are leveraged from other public and non-profit entities such as: local government (tax abatement, tax increment financing, reduced SDCs, or support for entitlement changes); state/federal government (low income housing tax credits, public bond financing, grants); or private foundations.
- Additional property tax revenues are generated.





Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together, we're making a great place, now and for generations to come.

Stay in touch with news, stories and things to do.

www.oregonmetro.gov/connect

Metro Council President

Tom Hughes

Metro Council

Shirley Craddick, District 1
Carlotta Collette, District 2
Craig Dirksen, District 3
Kathryn Harrington, District 4
Sam Chase, District 5
Bob Stacey, District 6

Auditor

Suzanne Flynn

For more information,
call 503-797-1757 or visit
www.oregonmetro.gov/tod

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14071 Sept. 2013*

TPOLOGY DEFINITIONS

Infill and Enhance transit communities are the most “TOD ready” areas in the region outside of downtown Portland. Given the relative strength of these areas, TOD program project investments should leverage significantly higher residential and/or employment densities, prototypical projects, urban living amenities (e.g. restaurants, shops), and/or workforce housing.

Catalyze and Connect areas offer some physical market foundation for supporting transit-oriented development. Projects that help catalyze future private development, and increase activity levels through density and/or urban amenities are appropriate. There is also an opportunity to work with local jurisdictions to identify placemaking and infrastructure needs to enhance the pedestrian orientation of the street network and provide better connectivity for all modes.

Plan and Partner transit communities are not currently ripe for direct TOD program investments, since they generally lack the built form and market environment that would attract private investment. Given their transit accessibility, however, these areas are ideally suited for station area planning and development implementation technical assistance. The TOD program will work with local and regional partners as strategic opportunities arise to develop partnerships for future projects.

INVESTMENT TYPE DEFINITIONS

Catalytic projects have relatively modest public financial participation, generally of less than 20 percent total development costs, and are expected to improve the financial feasibility of future private sector projects within the real estate submarket.

Catalytic plus projects qualify as catalytic project investments and significantly contribute to place-making or serve as a new prototype for development in the submarket.

Housing choice projects have higher levels of public financial participation, such as low income housing tax credits, and are expected to expand the income diversity of households in a particular area by producing additional affordable or workforce housing units.

Site improvement projects or site preparation projects are separated in time, responsibility, or financing structure from the TOD project development.

Legal Description of Property and City Property

Metro Property:

Lots 5, 6, 7 and 8, Block 14, MILWAUKIE, in the County of Clackamas, and State of Oregon. The Easterly boundary of said lots to be a line more particularly described:

Beginning at a brass screw set in the South sidewalk of Harrison Street in the Town of Milwaukie, at a point which is South 800 West 5 feet and North 9° 20' West 4 feet from the Northeast corner of said Lot 5, Block 14, MILWAUKIE, thence South 9° 20' East, along the center line of the vacated alley in said Block 14, as vacated by Milwaukie City Ordinance 35 recorded in Book 516, Page 124 Deed Records, a distance of 204 feet to an iron pipe set in the South line of said Block 14, said iron pipe being the point of terminus of said boundary as shown by Survey 2615 in the office of the Clackamas County Surveyor.

City Property:

Lots 1, 2, 3 and 4, Block 14, MILWAUKIE, according to the duly recorded plat thereof, said western boundary of said lots to be a line described particularly as follows:

Beginning at a brass screw set in the South sidewalk of Harrison Street in the Town of Milwaukie, at a point which is South 800 West 5 feet and North 9° 20' West 4 feet from the Northeast corner of said Lot 5, Block 14, MILWAUKIE; thence South 9° 20' East, along the center line of the vacated alley in said Block 14, as vacated by Milwaukie City Ordinance 35, recorded in Book 516, page 124 Deed Records, a distance of 204 feet to an iron pipe set in the South line of said Block 14; said iron pipe being the point of terminus of said boundary, as shown by Survey 2615 in the Office of the Clackamas County Surveyor.

INTERGOVERNMENTAL AGREEMENT MAIN STREET VILLAGE PHASE II

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into by and between Metro, a municipal corporation established pursuant to Oregon law and the Metro Charter ("Metro") and the City of Milwaukie (the "City"), a municipal corporation (collectively, "the Parties"). This Agreement is effective as of the last date of execution set forth below (the "Effective Date").

RECITALS

A. Metro Council Resolution No. 98-2619 ("For the Purpose of Authorizing Start-Up Activities for the Transit-Oriented Development (TOD) Implementation Program at Metro") adopted on April 9, 1998, as amended by Metro Council Resolution No. 04-3479 ("For the Purpose of Amending the Transit-Oriented Development (TOD) Program to Expand the TOD Program Area and Initiate an Urban Centers Program") adopted on July 15, 2004, authorizes the acquisition and "Joint Development" of real property satisfying certain criteria and identified as "Opportunity Sites." Metro's TOD Program utilizes joint development tools such as land acquisition and development agreements to encourage the development of projects located in close proximity to rail transit stations, "Frequent Bus Stops" and in Urban Centers throughout the region.

B. On March 17, 2005, the Metro Council authorized Metro to purchase the Property for the Transit-Oriented Development/Urban Centers Program, via Metro Council Resolution No. 05-3555A ("For the Purpose of Authorizing the Chief Operating Officer to Purchase Property in the Milwaukie Town Center for a Transit-Oriented Development/Centers Project"). The Metro Council approved the acquisition of the Property subject to specific preconditions, including the entry into this Agreement by the Parties on terms set forth in the Letter of Intent set forth below.

C. Metro and the City have entered into a Letter of Intent expressing the mutual intent of the Parties to provide for the acquisition of a Texaco filling station site located at 10700 SE McLoughlin Boulevard, Milwaukie, Oregon, and described and depicted in the attached Exhibit A (the "Property") as TOD Program Urban Centers Opportunity Site. The Letter of Intent attached as Exhibit B sets forth the general terms of acquisition and co-ownership of the Property by Metro and the City, and provides for a joint offering of the Property with the adjacent City property at 10721 SE Main Street ("City Property"), also described and depicted in the attached Exhibit A, so that the entire block may be developed by a future purchaser. The development called for in the Letter of Intent is a landmark signature mixed-use project of 4-5 stories, with retail uses on the ground floor and residential uses on higher floors.

D. Soil and water contamination have been discovered on the Property in concentrations that exceed permissible levels if the Property is to be developed for residential use. The Oregon Department of Environmental Quality ("DEQ") has agreed

to issue Metro a Prospective Purchaser Agreement ("PPA"). The PPA requires that the existing underground gasoline storage tanks be decommissioned and that measures be taken to reduce the risk from vapor intrusion into buildings to levels acceptable to DEQ.

E. Metro has entered into an Agreement of Purchase and Sale with Olson Brothers Enterprises, L.L.C., to purchase the Property, has performed due diligence in accord with Metro standard real estate acquisition guidelines, and is prepared to close the acquisition of the Property upon execution of this Agreement.

F. On August 16, 2005, the Milwaukie City Council approved Resolution No. 39-2005, authorizing the City to enter into this Agreement with Metro.

NOW, THEREFORE, in reliance on the above recitals and in consideration of the mutual promises described below, the Parties agree as follows:

1. **General Objective.** To provide for the acquisition of the Property as a TOD Program Urban Centers Opportunity Site, setting forth the terms of co-ownership of the Property by Metro and the City, and providing for a joint offering of the Property with the City Property for the development of Main Street Village, Phase II, a landmark signature mixed-use project of 4-5 stories with housing above ground floor retail.

2. **Property Acquisition**

2.1 Metro shall close escrow and acquire the Property upon the execution of this Agreement by both Parties.

2.2 At closing, the City shall take an undivided 5% interest in title to the Property, and Metro shall take an undivided 95% interest in title to the Property as tenants-in-common.

3. **Project Management/Joint Offering**

3.1 The Parties will cooperate jointly to offer the entire city block, consisting of the Property, the City Property, and the ROW Parcels (defined below) for development ("Block 14"). The initial development concept is for a landmark signature mixed-use development of 4-5 stories of housing above ground floor retail, with the building footprint covering most of Block 14, to be called Main Street Village, Phase II (the "Joint Offering"). The terms of the Joint Offering shall be established by mutual agreement, but shall conform to the parameters set forth in the TOD/Urban Centers Workplan.

3.2 Metro and the City agree to establish a project management committee to manage parcel consolidation, craft and market a public Joint Offering document, determine the appropriate land value write-down, solicit proposals and select a developer. The Joint Offering may be made either through an open competitive process or an unsolicited proposal process, upon the mutual written agreement of the Parties. The Parties shall

share equally in the cost of conducting the Joint Offering, and shall exert best efforts to complete the Joint Offering within 18 months from the Effective Date.

3.3 Metro agrees to write down the land value of the Property to an amount that will ensure the desired development as set forth in Section 3.1 above, subject to TOD/Centers Steering Committee and Metro Council approval. The City agrees to market the City Property at an equivalent value per square foot as Metro markets the Property. The proceeds of any sale of Block 14 shall be allocated pro rata between the Parties based on the square footage of their respective properties.

3.4 Metro and the City agree that the Joint Offering will include a requirement that the purchaser implement such measures as are needed to satisfy the terms of the DEQ PPA as part of any residential development and before any residential occupancy is permitted. Metro and the City acknowledge that requiring the purchaser to take such actions will affect the price a developer will pay for Block 14.

3.5 The City staff agrees to support and recommend to the Milwaukie City Council the vacation of certain portions of the right-of-way of SE Harrison Street and SE Jackson Street (the "ROW Parcels"), as depicted on Exhibit A, and the incorporation of said ROW Parcels into the Joint Offering.

3.6 City will exert its best efforts to amend its zoning and development ordinance and regulations to permit a project to be developed on Block 14 consisting of residential over ground floor retail, a minimum of 5 stories with a floor area ratio ("FAR") of 1 to 1, a housing/parking ratio not to exceed one space per housing unit and a building type that is economically feasible.

3.7 Metro agrees to demolish the existing buildings on the Property, close and stub all utilities and remove all demolition materials in accord with all state and local regulations, such that the Property is in a reasonably safe condition after closing.

3.8 Metro agrees to decommission the Underground Storage Tanks ("UST") located in the tank nest on the Property after closing, in compliance with all DEQ UST decommissioning rules and regulations, either by removal or in place, such that they may be used as stormwater storage vessels for future development.

3.9 Metro agrees to exert its best efforts to obtain a No-Further-Action Letter from DEQ, stating that no further investigation, remediation or cleanup is required to be performed upon the Property in connection with commercial use.

4. Environmental Assessment and Indemnity

4.1 Environmental Assessment. Metro's Phase I and Phase II Environmental Assessments revealed that petroleum contamination exists in the Property's soil and groundwater, in concentrations that are acceptable for commercial development but exceed permissible levels if the Property is to be developed for residential use, and that

petroleum contamination originating on the Property has migrated from the Property in a southwesterly direction, into the soil and groundwater underlying SE Jackson Street and SE McLoughlin Boulevard. In accord with the Letter of Intent, and in consideration for Metro's agreement to acquire the Property for purposes of mixed-use development, the City has agreed to indemnify Metro as set forth below.

4.2 Environmental Indemnity. The City hereby covenants to indemnify and defend (with legal counsel reasonably acceptable to Metro) Metro and hold Metro, its officers and employees, successors and assigns, harmless from and against all claims, demands, causes of action, or any other action or proceeding, meritorious or not, and all liabilities, losses, damages, costs and expenses relating to or arising, in whole or in part, directly or indirectly, from: (a) the past, present or future Environmental Condition of the Property; (b) past, present or future Adverse Environmental Activity occurring on or related to the Property; (c) any and all Government Action related to the Property or past, present or future activities thereon; (d) the past, present or future Environmental Condition of real property surrounding the Property, relating to or resulting from the Environmental Condition of the Property or Adverse Environmental Activity on the Property; and (d) City or City's agents failure to comply with any and all future Environmental Requirements relating to the Property.

Metro hereby covenants to indemnify and defend (with legal counsel reasonably acceptable to the City) the City, and hold the City, its officers and employees, successors and assigns, harmless from and against all claims, demands, causes of action, or any other action or proceeding, meritorious or not, and all liabilities, losses, damages, costs and expenses relating to or arising, in whole or in part, directly or indirectly, from Metro's activities under Sections 3.7 and 3.8 above.

4.2.1 For purposes of this Section, "Environmental Condition" shall be interpreted to include, but not be limited to, the release of or contamination by any Hazardous Substance(s), pollutant or contaminant, as those terms are defined in CERCLA, TOSCA, ORS Chapters 465 and 466, and all other applicable federal and state environmental statutes, rules and regulations now or hereafter in effect, but shall not include conditions directly resulting from the acts of Metro, its officers and employees, agents and contractors.

4.2.2 For purposes of this Section, "Government Action" shall be interpreted to include any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency which results directly or indirectly from the Environmental Condition of the Property or Environmental Activity related on or related to the Property.

4.2.3 For purposes of this Section, "Adverse Environmental Activity" shall be interpreted to include any past or current, actual, proposed or threatened surface or subsurface, storage, holding, existing, release, emission, discharge, generation, processing, abatement, removal, remediation, disposition, handling or transportation of any Hazardous Substance(s), pollutant or contaminant (as though they are defined in CERCLA, TOSCA, ORS Chapters 465 and 466, and other applicable federal and state

environmental statutes, rules and regulations hereinafter in effect), from, under, into or on, the Property, or otherwise relating to the Property or the use of the Property or neighboring properties, or any other activity or occurrence, cause or causes that would cause any such event to exist, but shall not include activity by Metro, or on behalf of Metro by its officers and employees, agents and contractors

4.2.4 For purposes of this Section, "Environmental Requirements" shall be interpreted to include past, present and future state and federal local laws and ordinances, including CERCLA, TOSCA, and ORS Chapters 465 and 466, as amended from time to time, including any administrative court order, judgment or decree arising therefrom.

4.2.5 The City and Metro hereby agree that the Environmental Indemnity contained herein shall survive the sale of the Property to a third party. Metro may, at its option, tender any defense of any claim, action or suit covered under this Environmental Indemnity to the City.

5. Property Management. Upon acquisition of the Property by Metro and the City, the City shall manage the Property until it is conveyed to a developer pursuant to the Joint Offering. The City shall maintain security of the Property, and shall provide additional fencing, gates, signage, and other measures necessary to maintain public safety on the Property, and to deter public nuisance use of the Property. Access to the Property shall be controlled by the City, and the City shall respond to neighborhood or citizen complaints regarding nuisance uses or noise on the Property. Any permits granted to third parties by the City to use the Property shall comply with the terms and limitations set forth in this Agreement. The City shall be responsible for obtaining all necessary permits and for complying with all state and local rules and regulations in managing and maintaining the Property. The City shall be responsible for contacting and coordinating with other local or state agencies regarding any and all management, maintenance or operation issues that may arise with respect to the Property. Funding for the management and maintenance of the Property and the payment of taxes or assessments applying to the Property, if any, shall be provided from the City's own resources.

6. General Provisions

6.1 General Indemnification. The City shall indemnify and defend Metro, and hold Metro harmless from and against any claim, loss, liability or cost suffered directly or from a third-party claim arising out of or related to the City's management of the Property or any condition on the Property in the possession or under the control of the City. Metro shall have no liability to the City for any injury, loss, or damage caused by third parties, except to the extent caused by Metro's negligence or breach of duty under this Agreement. The indemnity obligations of the City under this clause shall survive any expiration or termination of this Agreement.

Metro shall indemnify and defend the City, and hold the City harmless from and against any claim, loss, liability or cost suffered directly or from a third-party claim arising out of or related to Metro's activities under Sections 3.7 and 3.8, above. The indemnity

obligations of Metro under this clause shall survive any expiration or termination of this Agreement.

6.2 Liens. Except with respect to activities for which Metro is responsible, the City shall pay as due all claims for work done on and for services rendered or material furnished to the Property, and shall keep the Property free from any liens. If the City fails to pay any such claims or to discharge any lien, Metro may do so and collect the cost from the City. Such action by Metro shall not constitute a waiver of any right or remedy that Metro may have on account of the City's default. The City may withhold payment of any claim in connection with a good faith dispute over the obligation to pay, as long as Metro's property interests are not jeopardized. If a lien is filed as a result of nonpayment, the City shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with Metro cash or sufficient surety bond or other surety satisfactory to Metro in an amount sufficient to discharge the lien plus any costs or attorney fees.

6.3 Signage. The City may provide on-site signage informing the public that the City is managing the site, but said signage shall state that funding for the acquisition came from Metro's Transit-Oriented Development/Urban Centers Program. The City shall also document in any publication, media presentation or other presentations on the Property that funding was provided by Metro's Transit-Oriented Development/Urban Centers Program.

6.4 Term. The term of this Agreement shall be five (5) years from the Effective Date of this Agreement, renewable by mutual written agreement for additional five (5) year periods. The indemnities set forth herein shall survive and shall not be affected by the expiration or termination of this Agreement.

6.5 Joint Termination for Convenience. Metro and the City may jointly terminate all or part of this Agreement based upon a determination that such action is in the public interest. Termination under this provision shall be effective upon 10 days' written notice of termination issued by Metro, subject to the mutual written agreement of the Parties.

6.6 Termination for Cause. Either party may terminate this Agreement before the date of expiration, if that party determines, in its sole discretion, that the other party has failed to comply with the terms and conditions of this Agreement and is therefore in default. The terminating party shall promptly notify the defaulting party in writing of that determination and document said default with reasonable particularity. Thereafter, the defaulting party shall have 30 days to cure the default. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision shall be complied with if the defaulting party begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to cure the default as soon as practicable. If this Agreement is terminated under this provision, the City shall quitclaim its interest in the Property to Metro.

6.7 Metro Termination for Failure to Vacate Right of Way and/or Obtain Necessary Zone Change. If the City's best efforts do not result in the incorporation of the ROW

Parcels and/or the amendment of its zoning ordinance as set forth in Section 3 above, then Metro may at its sole option terminate this Agreement, and the City shall quitclaim its interest in the Property to Metro.

6.8 City Termination for Failure to Obtain No Further Action Letter. If Metro's best efforts do not result in the receipt of a No-Further-Action Letter from DEQ as set forth in Section 3.9 above, then the City may at its sole option terminate this Agreement, and the City shall quitclaim its interest in the Property to Metro.

6.9 Laws of Oregon. This Agreement shall be governed by the laws of the State of Oregon, and the Parties agree to submit to the jurisdiction of the courts of the State of Oregon. All applicable provisions of ORS Chapter 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provisions were a part of this Agreement, including but not limited to ORS 279.015 to 279.320.

6.10 Assignment. No party may sell its undivided interest in the Property, or assign any of its rights or responsibilities under this Agreement without prior written consent from the other party, except the Parties may subcontract for performance of any of their responsibilities under this Agreement.

6.11 Notices. All notices or other communications required or permitted under this Agreement shall be in writing, and shall be personally delivered (including by means of professional messenger service) or sent by fax and regular mail.

To Metro: Metro
Phil Whitmore, TOD Program Manager
600 N.E. Grand Avenue
Portland, OR 97232-2736

To City: City of Milwaukie
Mike Swanson, City Manager
10722 SE Main Street
Milwaukie, OR 97222

6.12 Severability. If any covenant or provision in this Agreement shall be adjudged void, such adjudication shall not affect the validity, obligation, or performance of any other covenant or provision which in itself is valid, if such remainder would then continue to conform to the terms and requirements of applicable law and the intent of this Agreement.

6.13 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes any prior oral or written agreements or representations relating to this Property. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both Parties.

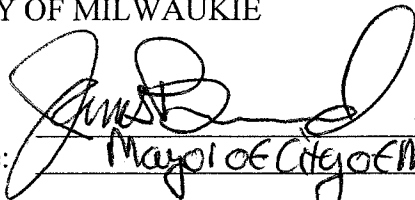
IN WITNESS WHEREOF, the Parties hereto have set their hands on the day and year set forth below.

CITY OF MILWAUKIE

METRO

By:

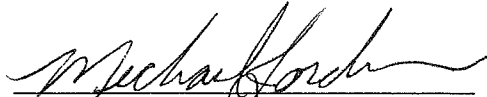
Title:


Mayor of City of Milwaukie

By:

Title:

Date: 9/21/05


Chief Operating Officer

Exhibits:

Exhibit A – Legal Description and Depiction of Property and City Property

Exhibit B – Signed Letter of Intent

EXHIBIT A

Legal Description of Property and City Property

Property:

Lots 5, 6, 7 and 8, Block 14, MILWAUKIE, in the County of Clackamas, and State of Oregon. The Easterly boundary of said lots to be a line more particularly described:

Beginning at a brass screw set in the South sidewalk of Harrison Street in the Town of Milwaukie, at a point which is South 80° West 5 feet and North 9° 20' West 4 feet from the Northeast corner of said Lot 5, Block 14, MILWAUKIE, thence South 9° 20' East, along the center line of the vacated alley in said Block 14, as vacated by Milwaukie City Ordinance 35 recorded in Book 516, Page 124 Deed Records, a distance of 204 feet to an iron pipe set in the South line of said Block 14, said iron pipe being the point of terminus of said boundary as shown by Survey 2615 in the office of the Clackamas County Surveyor.

City Property:

Lots 1, 2, 3 and 4, Block 14, MILWAUKIE, according to the duly recorded plat thereof, said western boundary of said lots to be a line described particularly as follows:

Beginning at a brass screw set in the South sidewalk of Harrison Street in the Town of Milwaukie, at a point which is South 80° West 5 feet and North 9° 20' West 4 feet from the Northeast corner of said Lot 5, Block 14, MILWAUKIE; thence South 9° 20' East, along the center line of the vacated alley in said Block 14, as vacated by Milwaukie City Ordinance 35, recorded in Book 516, page 124 Deed Records, a distance of 204 feet to an iron pipe set in the South line of said Block 14; said iron pipe being the point of terminus of said boundary, as shown by Survey 2615 in the Office of the Clackamas County Surveyor.

EXHIBIT B

Signed Letter of Intent

LETTER OF INTENT

The purpose of this Letter of Intent is to set forth the terms for discussion by Metro, a Metropolitan Service District ("Metro"), and the City of Milwaukie ("City") for the purpose of entering into an agreement to provide a joint offering ("TOD/Centers Joint Offerings") of the Olson Bros service station ("Olson Property") site and the adjacent city-owned surface parking lot ("City Parking Lot") depicted in Exhibit A, subject to the legislative approval of each party's governing body. The TOD/Centers Joint Offering will provide for the development of an Urban Centers Project of 4-5 stories, containing housing above retail, in downtown Milwaukie, Oregon hereafter referred to as "Main Street Village, Phase II." Unless and until such time as a definitive written agreement has been approved and properly executed by all parties, no party shall have any legal obligation to the other with respect to the potential transactions discussed in this Letter. This Letter of Intent shall in no way be construed as a binding agreement between the parties. Subject to the foregoing, the following is a statement of potential deal points and actions by the parties that are intended to provide a framework for negotiation of a definitive written agreement.

Metro Participation

1. Metro will obtain an appraisal and appraisal review for the Olson Property at 10700 SE McLoughlin, Milwaukie, Oregon.
2. Metro will seek the approval of the TOD/Centers Steering Committee and the Metro Council for the acquisition of the Olson Property.
3. Metro will complete said acquisition and become the record owner of the Olson Property.
4. Metro will cooperate with the City to jointly offer the Olson Property and the adjacent City parking lot for development as a signature mixed-use project of 4-5 stories with housing above retail to be called the Main Street Village, Phase II.
5. Metro will write down the land value of the Olson Property to an amount that will ensure the construction of a mixed-use development, subject to TOD/Centers Steering Committee and Metro Council approval.

City of Milwaukie Participation

1. City will offer the City Parking Lot at 10721 SE Main Street in a joint offering with the Olson Property, at an equivalent value per square foot as Metro offers the Olson Property. By writing down the land value of the City Parking Lot Property, the City will share in the financial burden of ensuring the construction of a mixed use project. However, it is understood that because Metro is purchasing land supporting a service station and converting it to commercial-residential use, Metro's total land value write down for the Olson Property will likely exceed the City's, despite equivalent sale values.

2. City will complete the necessary process to have the right-of-way parcels at SE Harrison Street and SE Jackson Street ("ROW Parcels"), depicted on Exhibit B, become part of the TOD/Centers Joint Offering.
3. City will use its best efforts to modify its planning and development regulations to permit a project composed of a minimum of five stories with a floor area ratio ("FAR") of 1 to 1, housing/parking ratio not to exceed one space per housing unit and a building type that is economically feasible
4. City will execute an environmental indemnity prior to Metro's acquisition of the Olson Property, agreeing to indemnify, defend and hold harmless Metro against all liability relating to the environmental condition of the Olson Property.

Joint Participation


1. Metro and the City will establish a project management committee to manage parcel consolidation including the ROW Parcels, craft and market a public offering document, solicit proposals and select a developer. The City and Metro will share decision-making equally for the project.
2. The Joint Offering may be offered through either an open competitive process or an unsolicited proposal process. The initial development concept is for a landmark mixed-use development of four to five stories, with the building footprint covering most of the parcel.

Schedule

The parties' intent is that the Joint Offering will issue within 18 months or less from the date of this Agreement.

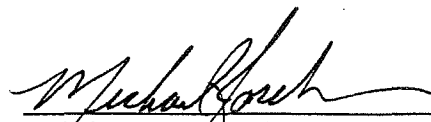
Neither Metro nor City shall have any obligation to the other with respect to transactions and matters discussed above until a definitive written agreement encompassing said transactions and matters has been approved by the respective governing bodies of Metro and the City and executed by the parties. Unless and until such a written agreement has been so executed, neither party shall have any obligation to the other with respect to any costs incurred, including but not limited to, legal and consulting fees incurred in connection with the proposed transactions and actions described herein.

City of Milwaukee



City Manager

Metro



Chief Operating Officer

G:\Real_Estate\Milwaukee\Metro Joint Dev Offer\LETTER OF INTENT(031605).doc

EXHIBIT A

LEGAL DESCRIPTION

Lots 5, 6, 7 and 8, Block 14, MILWAUKIE, according to the duly recorded plat thereof, in the City of Milwaukie, County of Clackamas and State of Oregon, the Eastern boundary of said lots to be a line more particularly described as follows:

Beginning at a brass screw set in the South sidewalk of Harrison Street in the Town of Milwaukie, at a point which is South 80° West 5 feet and North 9°20' West, 4 feet from the Northeast corner of said Lot 5, Block 14, MILWAUKIE; thence South 9°20' East, along the center line of the vacated alley in said Block 14, as vacated by Milwaukie City Ordinance 35, recorded in Book 516, Page 124, Deed Records, a distance of 204 feet to an iron pipe set in the South line of said Block 14, said iron pipe being the point of terminus of said boundary, as shown by Survey 2615 in the Office of the Clackamas County Surveyor.

EXCEPTING THEREFROM those portions deeded to the City of Milwaukie by Deeds recorded February 1, 2005, Fee No. 2005-009153 and also Fee No. 2005-009154.



Attachment 2

Correspondence received up to
the agenda posting time at
3:00pm on June 15, 2016.

Additional correspondence will
be compiled until Tuesday
June 21, 2016 at noon.

6. E.

www.milwaukieoregon.gov

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Heart of Milwaukie
Date: Monday, June 13, 2016 4:28:50 PM

For the record.

From: Mike Owen [mailto:owenm3180@gmail.com]
Sent: Monday, June 13, 2016 4:21 PM
To: _City Council
Subject: Fwd: Heart of Milwaukie

----- Forwarded message -----

From: **Churchill, Scott** <ChurchillS@milwaukieoregon.gov>
Date: Tue, May 31, 2016 at 4:17 PM
Subject: Re: Heart of Milwaukie
To: Mike Owen <owenm3180@gmail.com>

Dear Mr. Owen,

Thank you very much for your email. It is very helpful to get your feedback and to better understand your perspective on the subject.

I have similar concerns.

It helps to have your feedback. There will likely come a time soon in which your thoughts may need to be submitted to a wider audience on Council. Someone will be in touch with you.

Regards,

Scott Churchill
City Councilor
Milwaukie, Oregon

ChurchillS@MilwaukieOregon.gov

Mr. Churchill,

As a citizen of Milwaukie for thirty-nine years, I feel it is my duty to voice my opinion on the matter of Milwaukie's future. First and foremost, Metro should not dictate what Milwaukie's growth looks like. If you follow any of the light rail tracks you will see what metro has done with its policies concerning housing for section 8 and subsidized housing. Whole areas in Portland and Gresham have seen increased crime, and decreased property values. Many areas on or near the tracks that were single family dwellings no longer exist, or have been run down. My dentist has an office in Southeast that sat in a safe area for many years. Now the office sits as an Island in the middle of a place that has section 8 housing all around, and single family homes are almost nonexistent.

We chose our first home in Milwaukie because Milwaukie felt like a wonderful, uncrowded community. We feel with the addition of light rail we may have to think about moving farther out in Clackamas to maintain our quality of life before its too late, and our area declines just like Portland.

The empty lot is a vital resource for the business people who work in downtown Milwaukie. It is not always an option for workers to use public transportation to get to work. The lot also provides a community meeting place as the farmers market.

If metro wants a building on its side, then it should be no taller than three stories. More important, are all the current buildings full? Maybe money should be put into revamping or rebuilding some of the properties that are underused.

Please keep the unique feeling of Milwaukie, and suggest that anyone whom wishes to make this feel like Portland just move to Southeast Portland instead.

Thank you for listening to my point of view,

Dawn and Mike Owen

> On May 29, 2016, at 2:47 PM, "Mike Owen" <owenm3180@gmail.com> wrote:

>

> Mr. Churchill,

>

> As a citizen of Milwaukie for thirty-nine years, I feel it is my duty to voice my opinion on the matter of Milwaukie's future. First and foremost, Metro should not dictate what Milwaukie's growth looks like. If you follow any of the light rail tracks you will see what metro has done with its policies concerning housing for section 8 and subsidized housing. Whole areas in Portland and Gresham have seen increased crime, and decreased property values. Many areas on or near the tracks that were single family dwellings no longer exist, or have been run down. My dentist has an office in Southeast that sat in a safe area for many years. Now the office sits as an Island in the middle of a place that has section 8 housing all around, and single family homes are almost nonexistent.

>

> We chose our first home in Milwaukie because Milwaukie felt like a wonderful, uncrowded community. We feel with the addition of light rail we may have to think about moving farther out in Clackamas to maintain our quality of life before its too late, and our area declines just like Portland.

>

> The empty lot is a vital resource for the business people who work in downtown Milwaukie. It is not always an option for workers to use public transportation to get to work. The lot also provides a community meeting place as the farmers market.

>

> If metro wants a building on its side, then it should be no taller than three stories. More important, are all the current buildings full? Maybe money should be put into revamping or rebuilding some of the properties that are underused.

>

> Please keep the unique feeling of Milwaukie, and suggest that anyone whom wishes to make this feel like Portland just move to Southeast Portland instead.

>
> Thank you for listening to my point of view,
>
> Dawn Owen

Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and may have been automatically archived by **Mimecast Ltd**, an innovator in Software as a Service (SaaS) for business. Providing a **safer** and **more useful** place for your human generated data. Specializing in; Security, archiving and compliance. To find out more [Click Here](#).

Stauffer, Scott

From: DuVal, Pat
Sent: Friday, June 10, 2016 7:53 AM
To: Flores, Alma; Stauffer, Scott
Subject: FW: Save Milwaukie Market Plaza!

From: tim kirkpatrick [<mailto:timkirkpatrick@gmail.com>]
Sent: Friday, June 10, 2016 7:47 AM
To: _City Council
Subject: Save Milwaukie Market Plaza!

Milwaukie City Council members,

I can think of many different locations where a new building in Milwaukie would be a welcome sight to see, but NOT in the proposed location at the Market Plaza across from City Hall.

We need a centralized plaza to encourage community participation in a variety of events (Farmers Market, First Friday, etc). Not to mention the destruction of 12 mature oak trees and 8 dogwoods - and over 100 vital parking spots for consumers as the city grows...

Please do NOT sign the Intergovernmental agreement with Metro to build a 5-story building on the site!!!

Thank you for considering my thoughts,

--

Tim Kirkpatrick
10982 SE 29th Ave
Milwaukie OR 97222
503-473-6996

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#)
Subject: FW: Milwaukie Farmers' Market Space
Date: Monday, June 13, 2016 7:48:23 AM

For the record.

-----Original Message-----

From: susan jenkins [<mailto:sjenkins7@verizon.net>]
Sent: Saturday, June 11, 2016 7:54 PM
To: _City Council
Subject: Milwaukie Farmers' Market Space

I live in the Town Lake Estates community on Lake Road in Milwaukie; I moved here 6-7 months ago, because this is such a peaceful place and Milwaukie such a lovely town with happy events going on in the downtown, including the fabulous Farmers' Markets on Sundays. Recently I learned that high-rise apartments are going up soon within sight of my place. Well, I thought, at least we still have access to the Orange, and the wonderful Farmers' Market. Now I hear there is talk of a 5-story high-rise building to go up in the Milwaukie Market Plaza (across from City Hall), where the Farmers' Markets are held! This must not happen! I urge the City Council NOT to sign the intergovernmental agreement with Metro to build a high-rise 5-story building at the Milwaukie Market Plaza.

Thank you,
Susan Jenkins

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#)
Subject: FW:
Date: Monday, June 13, 2016 7:51:43 AM

For the record.

From: pemczum@comcast.net [mailto:pemczum@comcast.net]
Sent: Sunday, June 12, 2016 8:37 AM
To: _City Council
Subject:

Milwaukie Mayor and City Council
Regarding Site #14 City Parking Lot

The lot in question is one that would be coveted by almost every town in the Tri-County area for its value as a community square and parking area.

As you are aware, the Farmer's Market and First Friday would be watered down to almost nothing. There is no other site that could handle those two events so perfectly, no matter what others may claim.

Regarding the 102 parking spots we would lose, we would be stripping parking from our own employees, business employees and the very clientele that utilize those businesses. The city's vitality would be seriously impaired. We've already been in an increased parking bind since Tri-Met reneged on 635 parking places that were supposed to be part of the Orange Line construction.

Building a monolithic five-story building in a two-story town is so out of scale it would be ludicrous----it would make us a laughing stock. Perhaps tourists would come to view it and take pictures.

The site is such an iconic part of our city's fabric that it would be a tragedy for it to go away. Please do not sign the IGA with Metro re this property. Take some time, build at another site in the interim, and give us all a chance to review our options.

Thank You,
Ed Zumwalt

Sent from Windows Mail

From: [Imlah, Jordan](#)
To: [Milwaukie OCR](#)
Subject: FW: Citizen Request 26847 - City council
Date: Monday, June 13, 2016 9:55:38 AM

From: webmaster@milwaukieoregon.gov [mailto:webmaster@milwaukieoregon.gov]
Sent: Sunday, June 12, 2016 4:35 PM
To: _Webmaster
Subject: Citizen Request 26847 - City council

A new Citizen Request has been submitted to the Citizen Support Center.

**Original
Request 06/12/2016**

Summary Date:

Reference Number: **26847**
Status: **New**
Name: **Mary Zellharie**
Email: Mzellharie@comcast.net

Phone: **503-786-8218**

Source: **online**

Assigned To: **aha**

Assigned
Group:

Topic [City council](#)

Request Details: Please do not sign an agreement with Metro to build a high rise in the Block of the Milwaukie Market place. We are DESPERATE for housing but certainly there is another location.

Comment: Citizen request/question created.

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#)
Subject: FW: Farmers Market Plaza
Date: Monday, June 13, 2016 7:47:20 AM

For the record.

-----Original Message-----

From: Julie Matney [<mailto:julierberry@gmail.com>]
Sent: Sunday, June 12, 2016 6:24 PM
To: _City Council
Subject: Farmers Market Plaza

> Please don't develop the site of the farmers market. It is a jewel in our town. A building in its place would add nothing to our community and would further disconnect us from the river.

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Save Milwaukie Market Plaza!
Date: Monday, June 13, 2016 9:35:39 AM

For the record.

From: Shawn Seebach [mailto:shawnseebach@gmail.com]
Sent: Monday, June 13, 2016 9:35 AM
To: _City Council
Subject: Save Milwaukie Market Plaza!

Milwaukie City Council members,

I can think of many different locations where a new building in Milwaukie would be a welcome sight to see, but NOT in the proposed location at the Market Plaza across from City Hall.

We need a centralized plaza to encourage community participation in a variety of events (Farmers Market, First Friday, etc). Not to mention the destruction of 12 mature oak trees and 8 dogwoods - and over 100 vital parking spots for consumers as the city grows...

Please do NOT sign the Intergovernmental agreement with Metro to build a 5-story building on the site!!!

Thank you for considering my thoughts,

Shawn Seebach

| |

| |

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: DO NOT BUILD A BUILDING on Block 14
Date: Monday, June 13, 2016 9:52:29 AM

For the record.

From: Marlene Taevs [mailto:marlenetaevs@comcast.net]
Sent: Monday, June 13, 2016 9:52 AM
To: _City Council
Subject: DO NOT BUILD A BUILDING on Block 14

Dear Council Members,

I can't believe this selfish idea has come up again! Block 14 is **perfect** the way it is. Trees for the Farmer's Market and First Friday events and parking other times. And for the oxygen its trees provide air already being polluted by Highway 99.

This block is owned by all the citizens of Milwaukie and has been one of the best parts of downtown Milwaukie for many years.

Recently I heard that the Credit Union is considering razing the buildings where Wind Horse Coffee and other interesting shops are located, in order to build a parking lot for its employees because parking spaces and trees will be removed if this FIVE-STORY BUILDING is built!

NO! NO! NO! Do not take this foolish step. It looks and smells suspicious. Makes one wonder if something is going on among council members and developers? Are some of you working with developers for profit? As you know politicians from small towns all the way up to the top in D.C. are suspect when an insane move like this comes up!

The Farmer's Market brings people into our little city from the entire area. What will that building do for Milwaukie and her citizens?

NO! NO! NO! Do not sign the Intergovernmental Agreement with Metro on Tuesday, June 21st. PLEASE BE RESPONSIBLE COUNCIL MEMBERS THAT WE CAN RESPECT.

Sincerely,

Marlene Hill Taevs

--

The magic of Venice calls. Today - Everyday.

[Marlene Hill's Facebook Page](#)

Author of *An A Matter of Trust*, Book Three in the Venetian Waters Series. The E-book is available at Kindle. The paperback is online at Amazon, Barnes & Noble, Powell's Books, Books-A-Million and other booksellers. Your favorite bookstore will order it for you, too!

RS130

From: [DuVal, Pat](#)
To: [Flores, Alma](#); [Aschenbrenner, Amy](#)
Subject: FW: Proposed development in downtown Milwaukie
Date: Monday, June 13, 2016 10:54:55 AM

For the record.

From: carol duggan [mailto:duggan.carol@gmail.com]
Sent: Monday, June 13, 2016 10:10 AM
To: _City Council
Subject: Proposed development in downtown Milwaukie

To whom it may concern,

I am totally opposed to the development of block 14 in downtown Milwaukie. I have lived in Milwaukie 13 years and have always enjoyed the feeling of community and the small town feel of our little Jewell here. To take away the Milwaukie Farmer's market that is one of the best around would be unthinkable. The First Friday is another event that brings people out and builds community.

I am sure there are many other residents of Milwaukie who feel the same way and our farmer's market not only brings in people from our area, but I have friends from Gresham who love our market.

Please don't let big business and Metro cloud your judgement and please think of the residents here in the dogwood city. We pay taxes here and should have a say in our futures here.

Regards,
Carol Duggan

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Sunday Market
Date: Monday, June 13, 2016 10:55:59 AM

For the record.

From: Bamcginnis@aol.com [mailto:Bamcginnis@aol.com]
Sent: Monday, June 13, 2016 10:36 AM
To: _City Council
Subject: Sunday Market

I drove through down town Milwaukie yesterday, Sunday, and there was not one parking spot to be found from Harrison to Lake Road.

I am always hearing about attempts to improve for downtown businesses. The Sunday Market brings more people downtown than any other effort that has been made as far as I can see.

I live close to down town, People even park in front of my house to go to Sunday Market 5 blocks away. It seems like a stupid idea to discontinue this since it is working. "If it's not broken, don't bother to fix it" even if you have some extra taxpayer money to dispose of.

Barbara McGinnis

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Keep Milwaukie beautiful!!!!
Date: Monday, June 13, 2016 2:41:01 PM

-----Original Message-----

From: jenb9425@yahoo.com [<mailto:jenb9425@yahoo.com>]
Sent: Monday, June 13, 2016 1:29 PM
To: _City Council
Subject: Keep Milwaukie beautiful!!!!

Please do NOT sign the Intergovernmental Agreement. The property belongs to ALL citizens of Milwaukie and should remain as is to support Milwaukie's important treasures....the Milwaukie First Friday events...and the Milwaukie Farmer's Market.

Jennifer Barrientos (Milwaukie resident and teacher)

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Market
Date: Monday, June 13, 2016 2:41:40 PM

For the record.

-----Original Message-----

From: Wibke Fretz [<mailto:gigs1@gmx.de>]
Sent: Monday, June 13, 2016 1:59 PM
To: _City Council
Subject: Market

Dear City Council!

Please do not allow to build on the market site! The market is such an important and valuable gathering point for our community, and a perfect point of interest for people who happen to drive by on a Sunday. We take friends there when they visit from out of town, and haven't had a single one who wasn't thrilled by its vibe.

Any other location for the market or use of that space would be a wasted opportunity for our downtown community!

Thank you!
Wibke Fretz

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: High Rise Downtown
Date: Monday, June 13, 2016 2:43:07 PM

For the record.

From: Kristin Normansen [mailto:devriesdesign@gmail.com]
Sent: Monday, June 13, 2016 2:40 PM
To: _City Council
Subject: High Rise Downtown

Hello there,

I have lived in Milwaukie and Southeast Portland all my life. I am now settling down and raising a family in Milwaukie, and am grieved to hear about the high rise that is slated to take over the parking lot which the Farmer's Market uses. I would please urge you to reconsider as this is more than a parking lot - on weekends and evenings it is the host to many wonderful community organizations, as well as old growth trees.

I moved "back home" to be able to raise my kids in a community which values these kinds of things rather than selling any available plot to make a buck, as inner Portland has been transformed by this thinking. If you have any care for the voice of the community, please hear our concerns over this issue. I've seen the transformation of Portland - a place where I was proud to be a part of my neighborhood and where everyone cared about each other and making a place to help each other thrive. When I think of what Portland was all about 6 years or so ago, the first word that comes to mind is Community. It has since been thwarted and I would hate to see the same thing happen to Milwaukie.

Please think about the big picture, and how the aesthetics and the functionality of the structures themselves can drastically change a community.

Thank you, and best regards,
Kristin

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Block 14
Date: Monday, June 13, 2016 3:58:20 PM

For the record.

-----Original Message-----

From: Sharon Streeter [<mailto:agnesjames@earthlink.net>]
Sent: Monday, June 13, 2016 3:30 PM
To: _City Council
Subject: Block 14

I would like to register my concern about your proposed use of the existing parking lot known as Block 14 for a five-story structure. Unless you're putting in a grocery store, I think the space is good as it is. In spite of it being a parking lot, the trees are beautiful, making it almost park-like, providing shade for walking on non-market days. The market itself deserves this space. I have heard that the market may move to the river, which seems a ghastly idea - the river is NOT in the city. Downtown core adds to the vibrancy - with coffee shops and restaurants enhancing the experience. What about that dreadful unused spot at the south end of town below Main, past the intersection with Washington? There is a sweet park across from the post office, and below, along McLoughlin, sits an unoccupied former parking lot. I could see a good-sized building going in there instead of smack dab in the middle of town. Please reconsider.

Yours truly,

Sharon E. Streeter
10477 SE Waverly Court #1001, Milwaukie OR 97222

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: new 5 story government building on Block 14
Date: Tuesday, June 14, 2016 8:19:06 AM

For the record.

From: Churchill, Scott
Sent: Tuesday, June 14, 2016 1:20 AM
To: Frank Amato
Cc: _City Council; Marlene Taevs
Subject: Re: new 5 story government building on Block 14

Dear Mr. Amato,

Thank you very much for your email. It is very helpful to get your feedback and to better understand your perspective on the subject.

I agree with you. This site is not a good location for a 5 story building

Thank you for sharing your thoughts.

Regards,

Scott Churchill
City Councilor
Milwaukie, Oregon

ChurchillS@MilwaukieOregon.gov

On Jun 13, 2016, at 4:03 PM, "Frank Amato" <Frank@amatobooks.com> wrote:

Dear Council Members:

As a business owner in Milwaukie and 60 year resident I am totally opposed to destroying downtown Milwaukie by erecting a huge government building, directly across from the Willamette River that would also destroy the Farmer's Market and other public uses of the space. There is plenty of other space available in the immediate Milwaukie area. Better yet, slim down government.

Frank and Gayle Amato

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Save Milwaukie Market Plaza!!!!!!
Date: Monday, June 13, 2016 4:07:31 PM

For the record.

From: Kim Callahan [mailto:Kim@amatobooks.com]
Sent: Monday, June 13, 2016 4:07 PM
To: _City Council
Subject: Save Milwaukie Market Plaza!!!!!!

Count me as another long-time Milwaukie resident who opposes your plans for destroying our wonderful farmer's market and other downtown events.

Please do not build a 5-story building on Block 14. You would have a hard time finding a Milwaukie resident who is for this!

If it happens, all council members who vote in favor will find themselves out of office at the first chance we citizens get.

NO BUILDINGS ON BLOCK 14!!!!!! Let Milwaukie keep its small-town feel for as long as possible!

Kim Callahan
Editor
PO Box 82112
Portland, OR
97282
503.653.8108
800.541.9498

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Milwaukie market
Date: Monday, June 13, 2016 4:26:32 PM

For the record.

From: Elizabeth Ereckson [mailto:etenafisa@comcast.net]
Sent: Monday, June 13, 2016 4:17 PM
To: _City Council
Subject: Milwaukie market

Please do not build a 5 story building on the site across from City Hall known as Block 14....where the Farmer's Market and First Friday hold their events.
It is the heart of Milwaukie, where people meet and enjoy this beautiful little square.
Thank you
Elizabeth Ereckson

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Really?
Date: Monday, June 13, 2016 5:06:02 PM

For the record.

From: bgc8030@comcast.net [mailto:bgc8030@comcast.net]
Sent: Monday, June 13, 2016 5:00 PM
To: _City Council
Subject: Really?

Please reconsider the development of the parking area just W of City Hall. The area is a great gathering place for the people of Milwaukie and community events. Let's think of the area as Milwaukie's living room, much as Pioneer Place serves as Portland's living room.

There must be another area that can accommodate an apartment project. Perhaps somewhere N of Harrison Street might be an option.

Sincerely,
Beverly Curtis
Milwaukie resident since May 2014

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Farmers market
Date: Tuesday, June 14, 2016 8:17:45 AM

[For the record.](#)

From: Sharon Holford [mailto:watersong41@gmail.com]
Sent: Monday, June 13, 2016 7:16 PM
To: _City Council
Subject: Farmers market

Please do not sell off the Farmers market and First Friday site. We need that area to draw people into downtown Milwaukie. If you believe you need to build a 5 story building for low income renters there are better places for that. Keep our riverfront open for all of us, not for Metro please.

Thank you for your consideration,
Sharon. Holford
2580 S E Courtney
Milwaukie (Oak Grove)

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Milwaukie Farmers Market
Date: Tuesday, June 14, 2016 8:18:07 AM

For the record

From: Pauline Love [mailto:plove214@gmail.com]
Sent: Monday, June 13, 2016 9:24 PM
To: _City Council
Subject: Milwaukie Farmers Market

I enjoy the neighborhood farmers market and all they have to offer including great community interaction. Please keep this going for the sake of the people in the community. Thank you.

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Block 14 - Harrison & Mail Streets
Date: Tuesday, June 14, 2016 8:18:31 AM

For the record.

From: roxanne [mailto:roxh2009@q.com]
Sent: Tuesday, June 14, 2016 12:30 AM
To: _City Council
Subject: Block 14 - Harrison & Mail Streets

To: City Council, Milwaukie, Oregon

This email is a plea to you to vote NO on the proposal to build a 5-story building on the block across from City Hall in Milwaukie.

To put a five-story structure, or a three-story structure on that site would be a total mistake. It would block the view of the Willamette River, which now comes into view as one drives toward McLoughlin on Harrison. As an example of what this kind of mistake would look like, witness the mess that was made of Seaside, Oregon when they put the tall Shilo Inn building on the corner by the Turnaround. It blocks out the sun and the view of the ocean from everyone and is an eyesore. Do not let this happen to Milwaukie. It needs to be open at that location so we can see the river without obstruction. This location is our front yard and should be a plaza with a fountain and lovely plantings.

McLoughlin Blvd. is Milwaukie's front door and needs to be welcoming and open, not cluttered with ugly buildings. Build the apartments, etc. away from that location. It isn't necessary to ruin the looks of the town by adding more clutter to that area. Please leave the whole space as a City plaza and parking space for downtown retail businesses and the home to the Farmer's Market. It would also provide more parking for patrons of the newly remodeled Ledding Library nearby.

Thanks for your consideration.

Roxanne Hallquist
4954 S. E. Willow St.
Milwaukie, OR 97222
503-659-1135
roxh2009@q.com

From: [DuVal, Pat](#)
To: [Flores, Alma](#); [Aschenbrenner, Amy](#)
Subject: FW:
Date: Tuesday, June 14, 2016 10:03:46 AM

For the record.

From: & [mailto:kathylyle4@aol.com]
Sent: Tuesday, June 14, 2016 9:52 AM
To: _City Council
Subject:

I really feel strong about not putting that 6 story building at the parking lot. It will take MORE parking away from us that we don't have enough now. If you must build the building make the first floor a parking garage. Kathy Lyle

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Milwaukie's Market Plaza - Do NOT sign the Metro IGA
Date: Wednesday, June 15, 2016 9:31:44 AM

For the record.

From: Steve Perry [mailto:milwaukiemarketplaza@gmail.com]
Sent: Wednesday, June 15, 2016 9:30 AM
To: _City Council
Cc: bamcginnis@aol.com; Jarnold@seallp.com; lauzongs@gmail.com; Larry Kaufman; Joey Lewis; John Balzer; erinmcgibbon@gmail.com; bjeiswerth@gmail.com; judy schribman; Marlene Taevs; duggan.carol@gmail.com; Mike Owen; owenjames101@gmail.com; enchantekim@aol.com; evenstar@hevanet.com; alyoken@gmail.com; Rebecca Bufford; bgc8030@comcast.net; etenafisa@comcast.net; kim@amatobooks.com; agnesjames@earthlink.net; gigs1@gmx.de; jennifer barrientos; shawnseebach@gmail.com; chrishabermanart@gmail.com; timkirkpatrick@gmail.com; sjenkins7@verizon.net; cjones@desco-pm.com; kathyllyle4@aol.com; devrisdesign@gmail.com; lauriekpalmer@comcast.net; watersong41@gmail.com
Subject: Milwaukie's Market Plaza - Do NOT sign the Metro IGA

Dear Mayor Gamba and fellow City Councilors,

I have watched the constant stream of posts on blogs and various emails over the concern about the Loss of the Milwaukie Market Plaza ...and I find it IRONIC. Here we have citizens pleading with their elected officials to save their own publicly owned land for events that BENEFIT the community, Milwaukie Farmer's Market and Milwaukie First Friday....not to mention parking for downtown businesses and Library staff during the week.

Yet.... City Council wants to give it away or as noted in the record..."write down the land value" and offer it to the developer as an incentive to come develop a 5-story building on the Market Plaza. A BENEFIT to the Developer....not the Citizens who own the land and care about the events that take place there. If Metro wants to do that on their parcel the old Texico Gas Station Site.....let them. But don't do it on the city owned parcel where the Farmer's Market and First Friday events take place.

Doing this will force the First Friday and Milwaukie Farmer's Market events "out onto the street".

This is the ultimate GENTRIFICATION. It feels very much like what is happening in the housing market. In a time where residents such as myself who have been evicted from their Milwaukie apartments after many years of stable rent, we are forced to live in cars or in the streets, under train and highway overpasses, or if lucky enough as I am....share a sofa in a friend's living room.

Yes, we have heard that there is "a plan" to build a Plaza to support the Farmer's Market down near the Post Office....but as noted in your Urban Renewal Plans.....not until 16 years from now. By then the Farmer's Market and First Friday could be long gone.

Do NOT sign the Intergovernmental Agreement (IGA) with Metro. The old agreement signed in August 2006 was when Mike Swanson was City Manager and it expired September 21, 2010. As you point out Mr. Mayor, Milwaukie is not the same city it was 10 years ago.

Don't hide behind a Consent Agenda like they would have done in the old days of Milwaukie Politics. Instead, do the right thing and have a series of Public Meetings for the Citizens, the downtown businesses, the market patrons and vendors to participate in.

Don't do a backroom deal....be PROGRESSIVE as you claim you are and make it a full Public Review Process. The old IGA Agreement has been dead for nearly 6 years....take the time to listen to the Citizens that Elected you to office to represent them.

I VOTED for you and other newer members of Council because I thought you listened to the citizens and cared about the Farmer's Market and First Friday.

Show me that I did not waste my vote.

Have a Full Public Review Process and listen to the citizens who OWN and CARE about the Milwaukie Market Plaza.

Steve Perry

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Milwaukie Farmers Market
Date: Wednesday, June 15, 2016 10:40:19 AM

For the record.

From: Mark Gamba [mailto:mark@markgamba.com]
Sent: Wednesday, June 15, 2016 10:16 AM
To: _City Council
Subject: Fwd: Milwaukie Farmers Market

From a market vendor. Worth the read and consideration, though I think all of his concerns can be mitigated.

All the best,

Mark Gamba
www.markgamba.com
971-404-5274 cell

----- Forwarded message -----

From: **Brendan Eiswerth** <brendan@milwaukiefarmersmarket.com>
Date: Wed, Jun 15, 2016 at 9:27 AM
Subject: Fwd: Milwaukie Farmers Market
To: Mark Gamba <mark@markgamba.com>

Mark,

This is one of the more polite and succinct replies from one of the farmers market vendors concerning my mention to them a possible future move. Most of the other responses were a little more strongly worded. Feel free to pass this on to the rest of City Council. If you or the rest of City Council would like to hear any of the other responses from vendors just tell me.

Brendan

From: **Mark Galloway** <mark@fudgelandia.com>
Date: Wed, Jun 15, 2016 at 8:41 AM
Subject: Re: Milwaukie Farmers Market
To: brendan@milwaukiefarmersmarket.com

I've taken some time to consider this dilemma and have a few comments that I would like to add on the matter.

As a seasoned vendor that has participated in many Farmer's Markets, Festivals and Fairs, I have to note how exceptional Milwaukie Sunday Farmer's Market has been in the sea of other opportunities that are available. There is ever increasing competition for capturing the

interest and participation of the public to attend any event. Recently, we have seen many new Farmer's Markets pop up around the Portland Metropolitan area as well as Festivals that are all trying to attract the public. As a business, we have tried participating in several of these other opportunities only to be sadly disappointed with the results. Since Milwaukie Farmer's Market has had such a long running history and has such strong ties to the community, there is a reason for it's success (making it one of the TOP Farmer's Markets in the COUNTRY!). That is Location & Management. There seldom seems to be that winning combination. You may have the best location but a poor management team or a great management that is limited with their poor location. The bottom line is being able to get the public to attend and spend their hard earned dollars with the vendors that labor to offer their products and services that the public want. We have found from our past experience, that when a Farmer's Market changes ANYTHING (i.e. location, date or times) the market suffers. First, vendors are fickle! When a market changes the first thing that happens is vendors seem to pull out. I've heard vendors say "I want to see how this is going to play out before risking our time and money". Then the public is left with a market that has little to offer and find no need to return. With less traffic, vendors move on to different opportunities and the Market flails until it inevitably closes.

The Milwaukie Sunday Farmer's Market is unique in it's location. The large footprint allows for more vendors. More vendors bring in more traffic. The bonus of being shady is unique and attracting. Being visible on a major thoroughfare, is again a bonus. I have heard many, many times how someone was just driving by and saw the market then decided to stop. Other markets we have participated in that are not as visible, have been very unsuccessful for us and we no longer sell at them. Moving this Market to another location that is tucked away in a corner of a very quiet Milwaukie Downtown on a Sunday will be the death of this market. This is THE call for folks to come Downtown to Milwaukie on Sundays. Milwaukie used to be a ghost town on the weekends. Many businesses open their doors on Sunday because there is now an audience for them. Changing the Market will impact those brick and mortar business too.

Change is inevitable. But we can still find solutions amongst the changes. If the current lots are slated for development, I would suggest the option of the Market being on the streets of the current location over sending it to the lowest trafficked location in the area. I hope that careful consideration is given to this matter, otherwise we all lose.

Mark Galloway
FUDGELANDIA

fudgelandia.com

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|
Brendan Eiswerth, **MSFM Market Manager**
11009 SE 28th Ave.
Milwaukie, OR 97222
Phone: 503-407-0956
[Email Brendan](#)

www.milwaukiefarmersmarket.com

| [Like Us on Facebook®](#)

From: [DuVal, Pat](#)
To: [Aschenbrenner, Amy](#); [Flores, Alma](#)
Subject: FW: Development Proposal
Date: Wednesday, June 15, 2016 12:12:44 PM

For the record.

From: Patricia Kirk [mailto:patriciakirk1@gmail.com]
Sent: Wednesday, June 15, 2016 12:07 PM
To: _City Council
Subject: Development Proposal

I would like to encourage the Council to not erect any building at the site of Milwaukie Farmer's Market. Even though the Market is open only on Sundays, it definitely contributes to the livability of the City of Milwaukie and surrounding areas. Perhaps the building could be placed in one of the other under utilized site, and more people friendly events could be held at the Market site. In the meantime, the site does provide much needed parking for people wanting to dine down town in the evening.

Pat Kirk

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Visit the Tarahumara Children's Hospital web site and support the sponsors contributing to the children's health care: www.giveaminute.org



**MILWAUKIE CITY COUNCIL
REPORT**

Agenda Item: **RS 6. F.**
Meeting Date: **June 21, 2016**

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: **Input on Water Environment Services Technical
Committee Accepted Technologies**

From: Karin Power, City Councilor

Date: June 10, 2016

ACTION REQUESTED

Review, discuss, and concur or disagree with the Water Environment Services (WES) Technical Committee's list of accepted technologies: Centrifuge Dewatering; Anaerobic Digestion; Thermal Drying.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

City Council has been briefed over the last year and a half on the Regional Wastewater Treatment Capacity Advisory Committee's (Regional Committee) study of expanded solids handling options to meet the economic and growth needs of the North Clackamas region.

BACKGROUND

On March 31, 2016, WES shared the results of its March 10, 2016 Technical Workshop briefing with the Regional Committee. The Regional Committee spent the majority of its March 2016 meeting discussing the population study results and forecast presented by ECONorthwest, and continued the discussion of the list of rejected, reserved, and accepted technologies at its April 21, 2016 meeting. At the April 2016 meeting, the Regional Committee unanimously concurred with the rejected technologies. All members except for Councilor Johnson (Gladstone) agreed to accept anaerobic digestion as a reasonable possibility, and all committee members agreed to accept thermal drying as a reasonable solution. Composting was unanimously moved to the rejected technologies list. Mayor Holladay (Oregon City) moved at the April 2016 meeting to continue investigating the OmniProcessor technology on the reserved list, and the motion passed unanimously.

The majority of the most recent Regional Committee meeting on May 26, 2016 was spent on a Janicki Bioenergy presentation on its OmniProcessor. Janicki predominantly works with NASA in the aerospace sector. It developed the OmniProcessor for use in third world countries where no sanitation systems exist, and is designed to separate and purify liquids from human waste and burn solids to prevent the spread of disease and produce potable water. One unit is currently in operation in Senegal, and another pilot unit operates at Janicki's facilities in Washington State. Prior to the May meeting, Janicki submitted a bid, unsolicited by WES, for the sale of a \$12 million OmniProcessor to WES with an annual operations and maintenance cost of \$500,000 to meet solids handling needs for the region. This proposal included a one-year limited warranty, not to exceed \$250,000. During the meeting, Janicki shared with the

Regional Committee that they were in the contractor bidding pool for other cities around the country but to date have not yet had a city purchase one of its OmniProcessors.

Because the OmniProcessor is a new technology and is not included in WES's current NPDES permit to discharge clean and treated water into the river, addition of this type of technology would trigger the need for a new permit application. Janicki estimated that this process would take approximately a year, and proposed a three-month due diligence period at a cost of \$50,000 to WES to vet whether the technology would be a good fit for WES needs.

Dr. Ken Williamson of Clean Water Services subsequently joined the Regional Committee meeting as a technical permit expert. He provided comments that in his professional opinion, the OmniProcessor could supplement, but not supplant, existing or future digestion technology because additional liquid would need to be removed before the high-heat, burning process could occur. (Janicki disputed this, though not all comments were captured on the record near a microphone.) Currently, WES has applied for a NPDES permit renewal and digesters would be an expansion of existing technology under the permit, which would ostensibly be a smoother process to obtain DEQ approval. Dr. Williamson estimated that the current statewide rulemaking triggered by Portland-area air toxics concerns could take up to two years, as some 350 sources would need to be re-evaluated. Alternatively, WES could request a special order from the statewide Environmental Quality Commission (EQC). In Dr. Williamson's eight years' experience as an EQC member, one entity used this special order approach.

The Regional Committee concluded its meeting by agreeing that each member would seek the input of their respective councils on the proposed technologies.

Weighing the uncertainties around air quality permitting and the lengthy timeline for applying for a new permit against the need to expand solids handling to meet growing capacity needs in the immediate near term, I recommend that Council endorse the accepted technologies list. While the OmniProcessor is a cheaper and innovative technology, it has not been used by a comparable municipality as the sole solution for solids handling in the United States to date, and has no proven long-term track record of operational success and permitting compliance. I believe pursuing one of the more proven technologies is the fiscally and economically responsible approach.

FISCAL IMPACTS

Discussed in previous meetings with the Milwaukie Citizens Utility Advisory Board, the need for additional wastewater treatment capacity will have an impact on rates, though the precise impact is not yet known.

WORK LOAD IMPACTS

As options are narrowed, Public Works Director Gary Parkin will likely need to spend additional time in similar technical committee meetings.

ALTERNATIVES

Explore the OmniProcessor further through independent councilor research or through a due diligence period as suggested by Janicki.

ATTACHMENTS

1. March 31, 2016 Regional Committee Packet
2. May 26, 2016 Regional Committee Packet



REGIONAL WASTEWATER TREATMENT CAPACITY ADVISORY COMMITTEE

March 31, 2016
6:00 PM – 8:00 PM

Water Environment Services
Development Services Building, Rm 115
150 Beaver Creek Road, Oregon City

AGENDA

1. Welcome, Introductions, Opening Remarks (Power)
 - a. Review of BCC Bylaw Change – New Member: Johnson City
 - b. Approval of 2/29/16 Minutes
2. Public Comment Period
3. Population Study Results (C. Batten [ECONorthwest])
4. 3/10/16 Technical Workshop Results Briefing (Chicoine/ A. Umble [MWH])
5. Discussion (All)
6. Adjourn

Actions Required For This Meeting:

Items to Track After This Meeting:

Rev: March 31, 2016

DRAFT

Regional Wastewater Treatment Capacity Advisory Committee

February 29, 2016 Meeting Summary

The Regional Wastewater Treatment Capacity Advisory Committee met on February 29, 2016 at 6:30 PM, in the auditorium, room 115, of the Development Services Building, Clackamas County.

Advisory Committee members in attendance:

Markley Drake	Member	Councilor, City of Happy Valley
Diana Helm	Member	Mayor, City of Damascus
Eric Hofeld	Member	Unincorporated Clackamas County, CCSD#1 RiverHealth Advisory Board Chair
Dan Holladay	Member	Mayor, City of Oregon City
Steve Johnson	Member	Councilor, City of Gladstone
Brenda Perry	Member	Councilor, City of West Linn
Karin Power	Member	Councilor, City of Milwaukie
Paul Savas	Member	Non-Voting, Clackamas County Board of County Commissioners

Advisory Committee members absent:

None

Public and WES staff in attendance:

Greg Geist	WES, Director
Doug Waugh	WES, Finance Manager
Greg Eyerly	WES, Water Quality Manager
Drenda Howatt	Clackamas County Administration
Steve Gaschler	CCSD#1 Budget Committee
Alice Richmond	TCSD Budget Committee
Amanda Keller	County Counsel
John Ludlow	Clackamas County Board of County Commissioners, Chair
Tootie Smith	Clackamas County Board of County Commissioners
Kelli Grover	Damascus
Ross Schultz	Gladstone
Kim Sieckmann	Gladstone
Barbara Muller	Happy Valley
Brian Shaw	Oregon City Commission
Lance Powlison	Oregon City
John Lewis	Oregon City
Bill Kobeison	Oregon City
Erik Kancler	Oregon City
Brian Johnson	Johnson City
Jim Knapp	Oak Grove
Thelma Haggenmiller	Oak Grove
Elizabeth Groser-Lindsey	Beavercreek
Kay Mordock	Johnson City
Chris Randall	Happy Valley

Kevin Johnson	Gladstone
Bob Martin	West Linn
Kelli Grover	Damascus
Damon Mabee	Oregon City
Mark Gamba	Milwaukie
Katie Wilson	WES, Administrative Assistant

The full meeting discussion and presentation materials are available at:
http://clackamas.granicus.com/ViewPublisher.php?view_id=6#reg, “Regional Wastewater Treatment Capacity Advisory Committee, February 29, 2016”.

The Regional Wastewater Treatment Capacity Advisory Committee meeting was called to order at 6:31 p.m. by Commission Chair John Ludlow. Introductions of the Regional Wastewater Treatment Capacity Advisory Committee were made.

I. Welcome

- 1) Clackamas County Board of County Commissioners Chair, John Ludlow welcomed everyone to the meetings, provided a brief explanation to the reason for the special meeting, and asked for nominations for Chair of the Regional Wastewater Treatment Capacity advisory Committee (RWTCAC). The committee voted unanimously to select Karin Power as Chair.

II. Presentations/Discussions:

- 1) The Committee voted unanimously to approve the meeting summaries from the October 8, 2015 and the December 10, 2015 RWTCAC Meetings.
- 2) WES Director Greg Geist reviewed the proposed changes to the structures of the advisory committees. He described a model that consolidated the three existing advisory committees into two and formed a technical, staff-to-staff working group. The existing independent budget committees for each district would remain the same. An Elected Representatives Advisory Committee would be formed. This committee, comprised of elected officials from both districts, would provide a forum to elected representatives to communicate directly to the Board of County Commissioners (BCC). A Districts’ Advisory Committee would also be formed to advise the Board on wastewater and surface water issues in both TCSD and CCSD#1. Its membership would include a representational cross-section of businesses, ratepayers and stakeholders, with the number of members and composition to be determined. A Performance Partners Workgroup would be formed to provide a forum where WES’ technical staff and personnel from member cities’ public works departments could meet, in a non-advisory capacity, to discuss collaborative efforts on technical issues. Director Geist answered questions pertaining to the goals of the change in structure, the reasoning behind as well as the timeline of the recommendation, and the scope of the discussion to be had at the March 1, 2016 BCC Meeting. There was a lengthy discussion on the topic.

Chair Power thanked Director Geist for his presentation and excused him.

The Committee voted to request the Board of County Commissioners select a new Commissioner to represent the BCC at the RWTCAC. The motion passed unanimously.

- 3) The Committee discussed their goals for this meeting and the Committee moving forward. There was a lengthy discussion regarding what Committee members felt would be a good structure for the advisory committees, the need for solids handling capacity for both Districts, and how to proceed with discussion of District governance.

The Committee voted to recommend to the BCC to change the Tri-City Advisory Committee to elected officials only, remove the WES Director as a voting member, and remove the term “interim” from the title. As well as, leaving the River Health Advisory Committee in its current state. The motion passed unanimously.

The committee also requested staff set-up a regular meeting schedule for the RWTCAC, provide the informational packet at least a week in advance, and limit staff presentations to only 30 minutes of meeting time to allow for thorough discussion.

- 4) The committee members heard public comment from:
 - a. Bob Martin, West Linn resident
 - b. Alice Richmond, West Linn resident
 - c. Mark Gamba, Milwaukie resident

III. Actions Taken:

- 1) Motion made by Mayor Holladay to nominate Karin Power for Chair of the RWTCAC. Seconded by Councilor Drake.

Councilor Power	Aye
Councilor Drake	Aye
Mayor Holladay	Aye
Mayor Helm	Aye
Councilor Perry	Aye
Councilor Johnson	Aye
Eric Hofeld	Aye

Motion passed unanimously
- 2) Motion made by Mayor Holladay to approve the meeting summaries from the October 8, 2015 and the December 10, 2015 RWTCAC Meetings. Seconded by Mayor Helm.

Councilor Power	Aye
Councilor Drake	Aye
Mayor Holladay	Aye
Mayor Helm	Aye
Councilor Perry	Aye
Councilor Johnson	Aye
Eric Hofeld	Aye

Motion passed unanimously

- 3) Motion made by Mayor Holladay to ask Director Geist to edit presentations to allow adequate time for public comment. Seconded by Councilor Johnson.

Councilor Power Aye

Councilor Drake Aye

Mayor Holladay Aye

Mayor Helm Aye

Councilor Perry Aye

Councilor Johnson Aye

Eric Hofeld Aye

Motion passed unanimously

- 4) Motion made by Mayor Holladay to recommend to the BCC a new representative be appointed to serve as liaison between the BCC and the RWTCAC. Seconded by Mr. Hofeld.

Councilor Power Aye

Councilor Drake Aye

Mayor Holladay Aye

Mayor Helm Aye

Councilor Perry Aye

Councilor Johnson Aye

Eric Hofeld Aye

Motion passed unanimously

- 5) Motion made by Councilor Johnson to recommend to the BCC to change the Tri-City Advisory Committee to elected officials only, remove the WES Director as a voting member, and remove the term “interim” from the title. As well as, leaving the River Health Advisory Committee in its current state. Seconded by Mayor Holladay.

Councilor Power Aye

Councilor Drake Aye

Mayor Holladay Aye

Mayor Helm Aye

Councilor Perry Aye

Councilor Johnson Aye

Eric Hofeld Aye

Motion passed unanimously

IV. Follow Up:

- 1) The committee also requested staff set-up a regular meeting schedule for the RWTCAC, provide the informational packet at least a week in advance, and limit staff presentations to only 30 minutes of meeting time to allow for thorough discussion.

V. Next meeting
TBD

The meeting was adjourned at 8:06pm.

/kw

March 31, 2016

Population Forecast

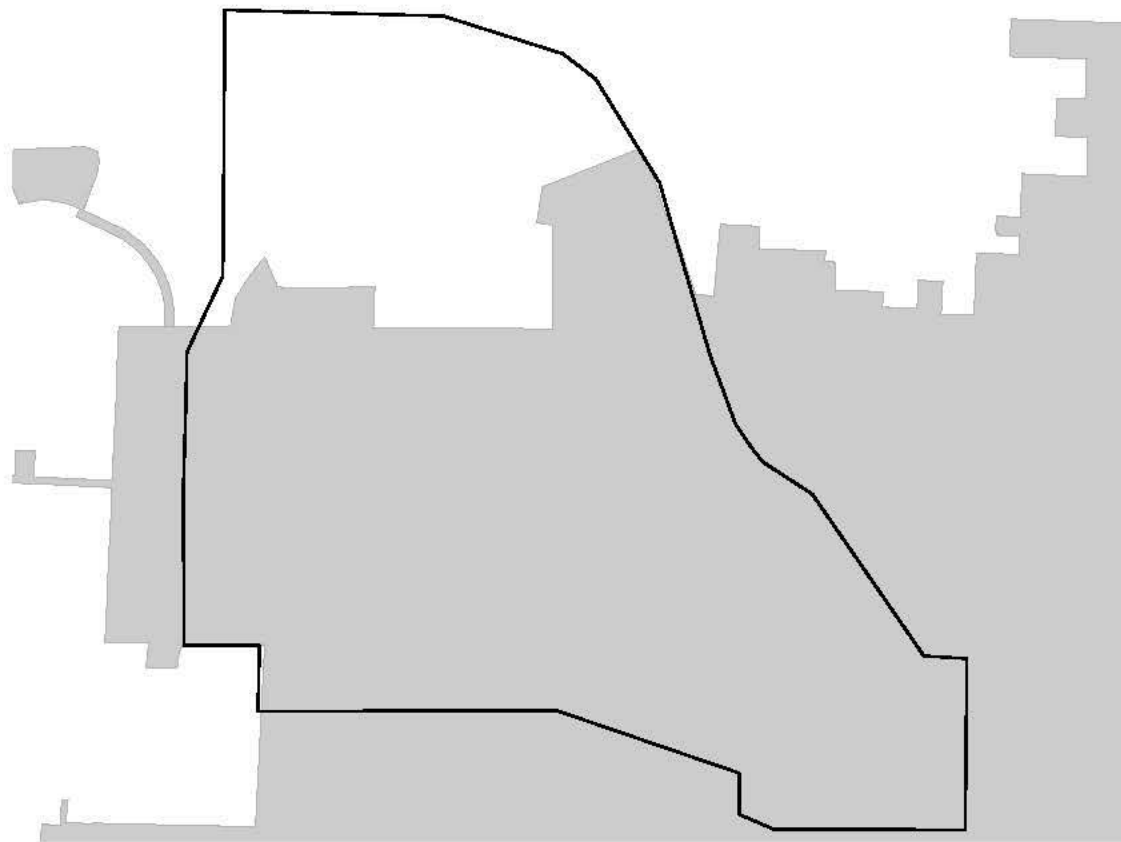
For Clackamas County WES



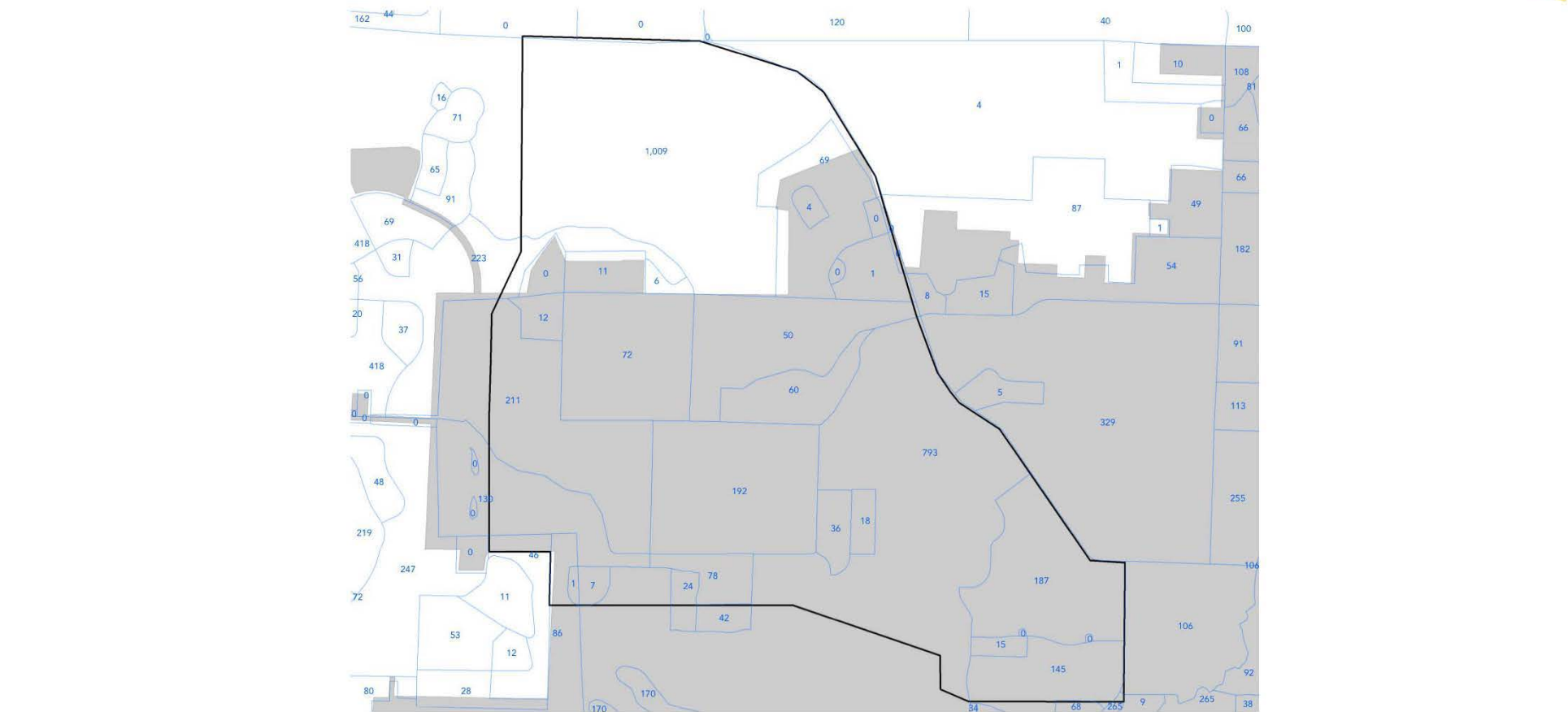
Assumptions

- Projections are derived from Metro's forecast of households by Transportation Analysis Zone (TAZ) for their 2018 Regional Transportation Plan (RTP) update
- 2040 households per TAZ were reviewed, adjusted, and approved by local jurisdictions (cities and counties for unincorporated areas)
- Current boundaries are used for districts and cities for all future years

Method for TAZs to Jurisdictions



Method for TAZs to Jurisdictions

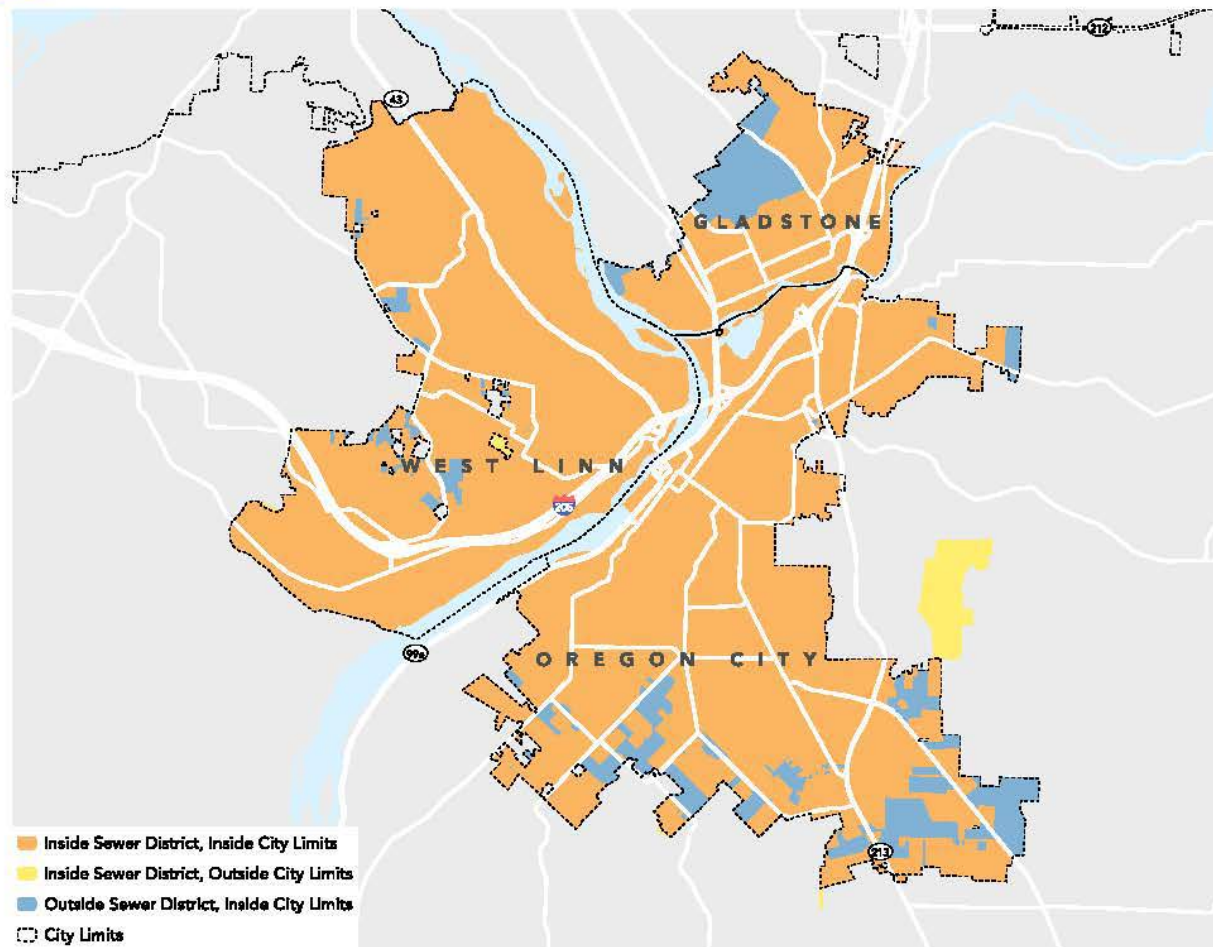


RS162

Summary Results

District	2015	2020	2030	2040	PSU 2040 (low mid high)		
District # 1	74,294	76,558	81,936	85,638	88,176	92,818	97,456
Tri-City	66,479	69,054	74,122	77,279	82,408	86,748	91,674
Milwaukie	20,358	21,293	22,241	21,914	21,235	22,352	23,471
Total	161,131	166,903	178,299	184,831	191,819	201,918	212,601

Tri-City District



Tri-City District

Jurisdiction	2015	2020	2030	2040
Gladstone	11,693	11,703	11,765	11,714
Oregon City	34,254	35,905	40,110	42,229
West Linn	26,720	27,794	29,068	30,087
Total Cities	72,667	75,402	80,943	84,030
Tri-City District	66,479	69,054	74,122	77,279

PSU Forecast for 2040

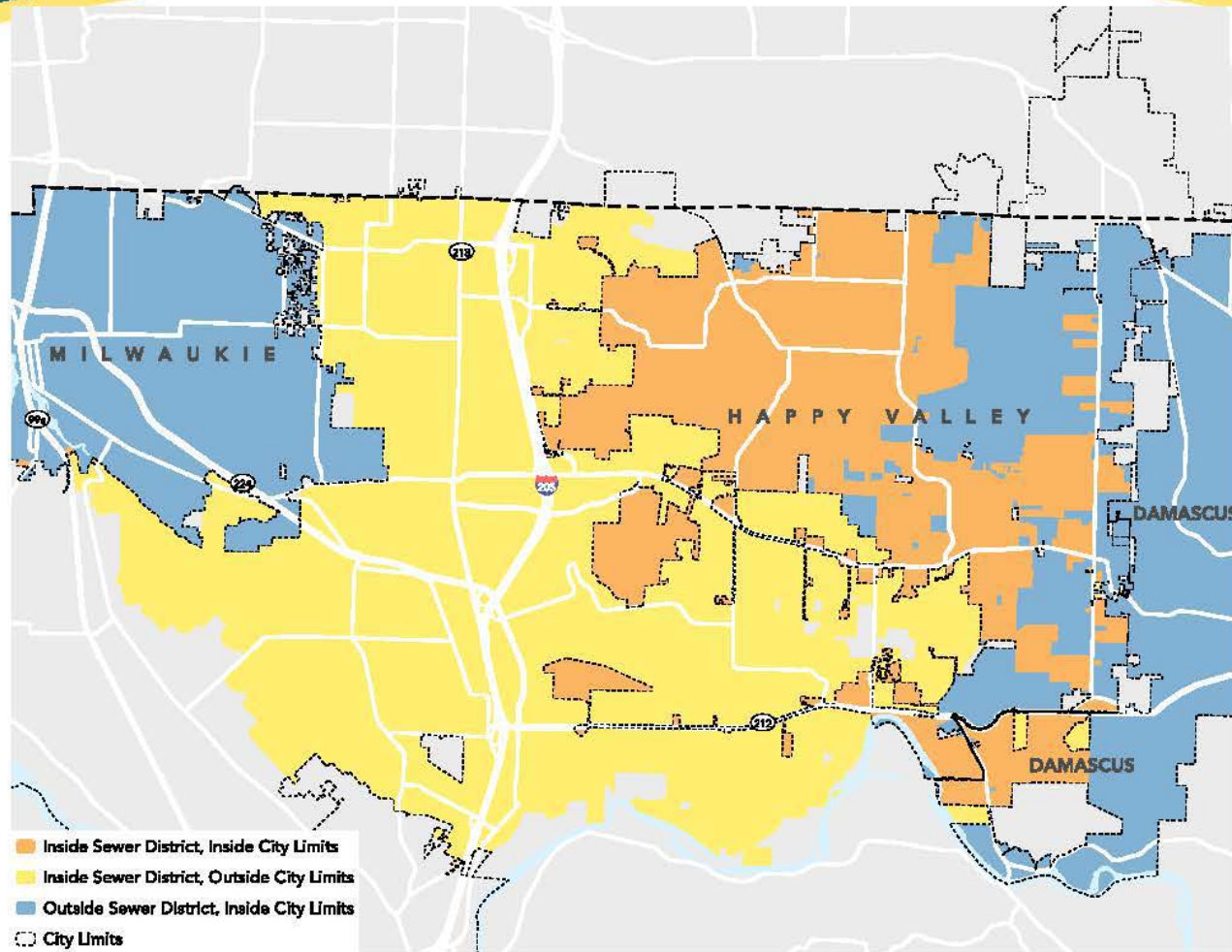
Low: 82,408

Mid: 86,748

High: 91,674



CCSD #1



CCSD #1

Jurisdiction	2015	2020	2030	2040
Milwaukie (wholesale customer)	20,358	21,293	22,241	21,914
Happy Valley (current boundaries)	16,261	18,417	24,363	29,690
Unincorporated District #1	58,799	60,032	62,511	63,747
District #1	74,294	76,558	81,936	85,638

District #1 population does not include Milwaukie.

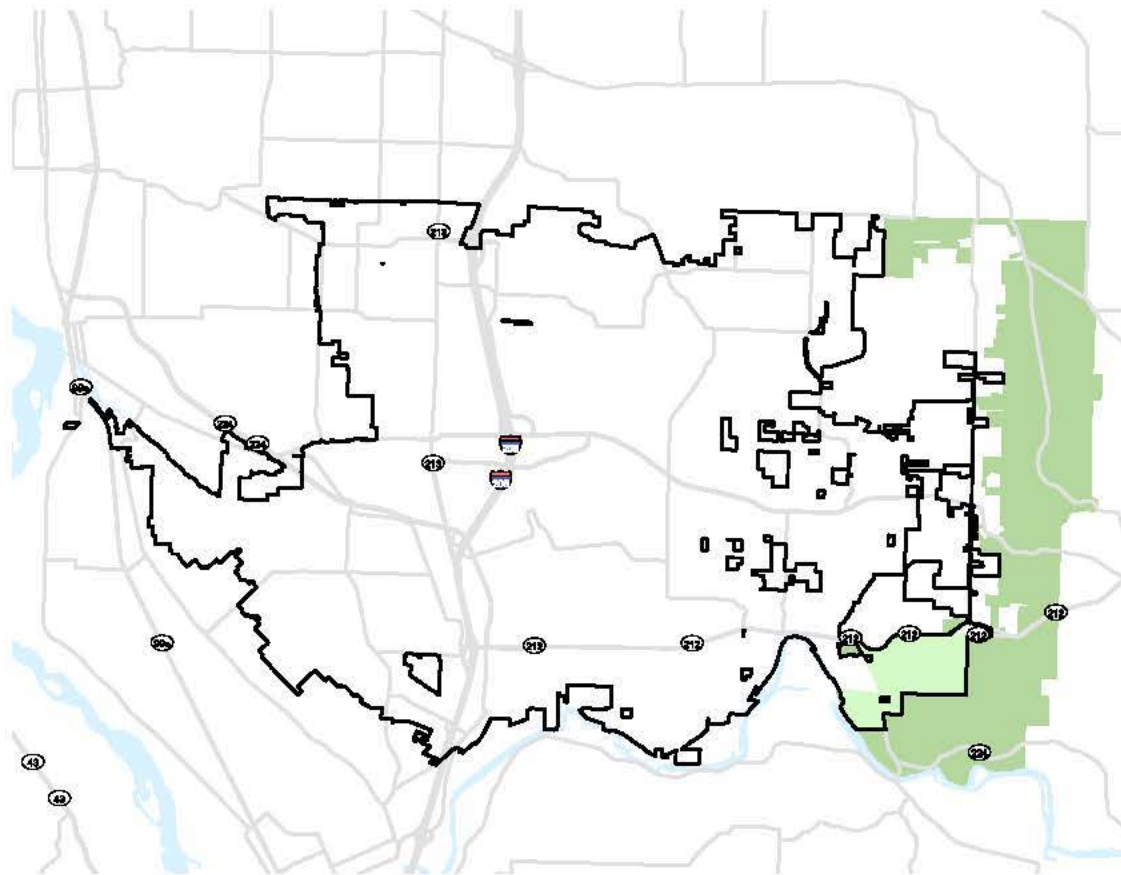
PSU Forecast for 2040

Low: 88,176

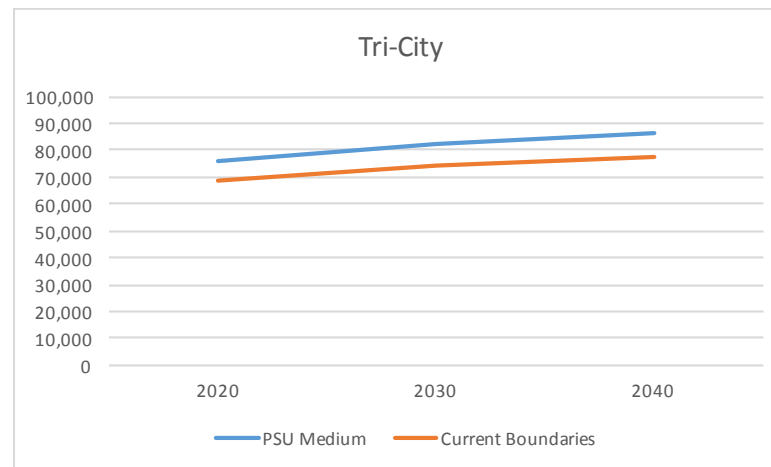
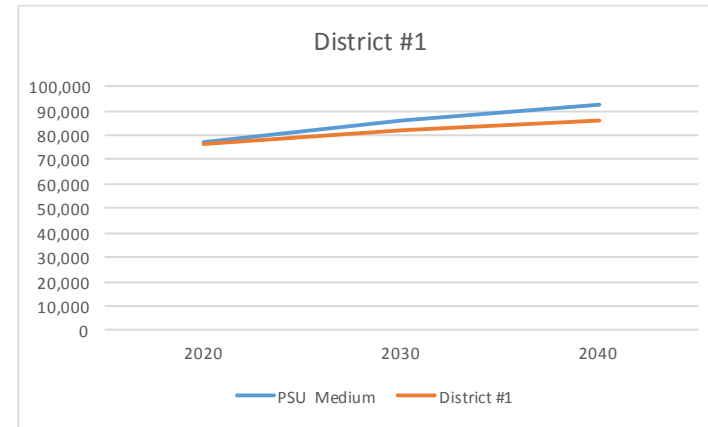
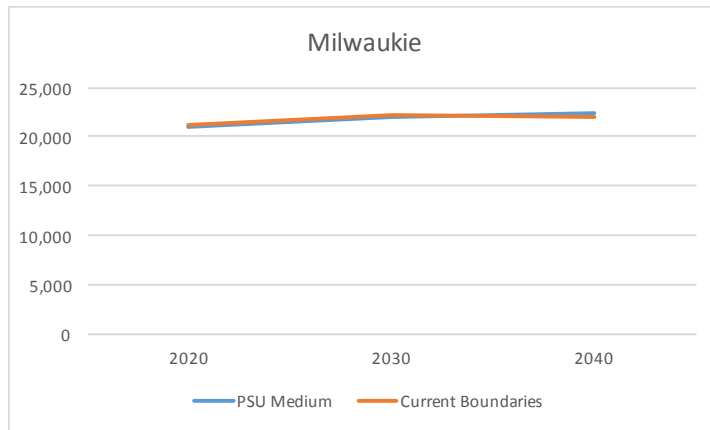
Mid: 92,818

High: 97,456

District #1 Expansion to Approximately 190th



Compare to 2011 PSU Forecast



Tri-City Water Resource Recovery Facility Solids Handling Improvement Project Technologies Screening Workshop

Summary

Introduction and Background

Since the solids processing facilities at the Tri-City Water Resource Recovery Facility (WRRF) and Kellogg WRRF were constructed in the 1970s and 1980s, the population of the service area has doubled. The facilities have performed reliably for the last 30 years, and are now approaching their capacity. As capacity is capped at the Kellogg Facility, the Tri-City WRRF processes wastewater from both Clackamas County Service District No. 1 (CCSD#1) and the Tri-City Service District (TCSD), and will process future flows as the population served in both districts increases. The solids processing facilities require expansion to continue to meet the demands of the service area. The stabilization and dewatering processes are the focus of the Solids Handling Improvement Project with the following objectives:

- Increase solids handling capacity at the Tri-City WRRF to meet projected Y2035 sludge production
- Continue production of Class B biosolids for off-site land application in central Oregon.
- Incorporate, or have future capability to incorporate, capability to upgrade from Class B biosolids production to Class A biosolids production.
- Consider opportunities to reduce solids handling costs with biogas utilization and septage receiving.

Water Environment Services (WES) hosted a technologies screening workshop on March 10, 2016 from 8:30 AM to 4:00 PM. The purpose of this workshop was to review and screen potential solids handling technologies to meet the future solids stabilization and dewatering needs. The workshop was preceded by a tour of the Tri-City WRRF conducted by WES staff for workshop participants and invited attendees.

Participants and Attendees

The participants in the workshop included WES management, engineering, operation, and maintenance staff, independent technical consultants, Richwine Environmental and MWH design staff. Participants and project roles are shown in Table 1. Technical staff from Gladstone, Oregon City, West Linn, Milwaukie, and Happy Valley were also invited to attend and are listed in Table 2.

Table 1. Workshop Participants and Project Roles

Participant	Title/Project Role
WES	
Greg Geist	Director
Lynne Chicoine, PE	Capital Program Manager
Randy Rosane, PE	Project Manager
Greg Eyerly	Water Quality Operations Manager
Michael Trent	Wastewater Treatment Manager
Mike Arnold	Water Quality Maintenance Supervisor
Chanin Bays	Resource Recovery Program Supervisor
MWH Technical Staff	
Art Umble, Ph.D, PE, BCEE	MWH Wastewater National Practice Leader/Process Technologist
Steve Hyland, PE	Project Manager
Ryan Gordan, PE	Project Engineer
Independent Technical Consultants	
Dave Parry, Ph.D, PE, BCEE	CH2M, Senior Fellow Technologist, Vice President
Scott Carr, PE, BCEE	Black & Veatch, Global Practice and Technology Leader
Randy Naef, PE	Clean Water Services, Washington County, Oregon
Richwine Environmental, Inc	
Dale Richwine, PE	Project Advisor

Table 2. City Technical Staff Attendees

Attendee	Title
John Lewis, PE	City of Oregon, City Public Works Director
Lance Calvert, PE	City of West Linn, City Engineer
Jim Whynot	City of Gladstone, Public Works Director
Carol Earle, PE	City of Happy Valley, City Engineer
Gary Parkin	City of Milwaukie, Public Works Director
Eric Swanson	City of Gladstone, City Administrator

The three independent technical consultants selected to bring an objective, high-level, industry-wide perspective to the evaluation process provided valuable insight into the applicability of the solids dewatering and stabilization technologies under consideration. The consultants brought an extensive knowledge of Northwest regional, national and global practices to the workshop. A brief description of the credentials and experience of the selected independent technical consultants are summarized as follows:

- Randy Naef, PE – more than 40 years of consulting and public works experience in wastewater treatment and solids handling systems with an intimate knowledge of local wastewater and solids handling practices.

- Scott Carr, PE, BCEE – more than 30 years of experience with the planning and design of numerous solids handling processes including digestion, thermal hydrolysis, co-digestion, thermal drying, incineration, alkaline stabilization, land application, and sludge dewatering.
- Dave Parry, Ph.D, PE, BCEE – more than 35 years of world-wide experience with the planning, design, and construction management of wastewater treatment, solids handling, and energy systems including digestion, thermal hydrolysis, co-digestion, co-generation, and energy recovery (heat and power).

Workshop Summary

The workshop opened with remarks by Lynne Chicoine that emphasized the overall importance of the Solids Handling Project to position WES to meet future solids handling needs and comply with current and future regulatory requirements in a safe, reliable, and cost-effective manner.

The workshop was facilitated by Dr. Art Umble and conducted in a manner to accommodate and solicit questions and input from the observers. Dr. Umble outlined the workshop agenda and the following workshop objectives:

- Review White Papers prepared for solids dewatering and solids stabilization technologies with WES staff and technical consultants
- Review technical considerations for each technology for applicability to the Tri-City Solids Handling Improvement Project
- All technologies are open for discussion and objective evaluation by the workshop participants
- Select viable technologies that are considered suitable for more detailed evaluation

The solids handling technologies presented for review and discussion are summarized in Table 3.

Table 3. Solids Handling Technologies to Be Screened

Solids Dewatering	Solids Stabilization
Centrifuges	Anaerobic digestion
Screw presses	Aerobic digestion
Belt presses	Autothermal thermophilic aerobic digestion (ATAD)
	Cannibal
	Composting
	Alkaline stabilization
	Drying
	Incineration
	Omni Processor
	Thermal hydrolysis (see discussion below)

It was agreed that the aforementioned technologies covered the range of solids handling processes suitable for the project with the addition of thermal hydrolysis (THP). THP is a relatively new proprietary process that subjects raw sludge to high heat and pressure to lyse the biological sludge cells, enhancing volatile solids destruction and biogas production that also produces Class A biosolids.

The technologies were evaluated against technical considerations, which are outlined in Table 4.

Table 4. Technical Considerations and Features

Technical Considerations	Features
Proven track record	Maturity and working installations
Process Performance	Reliability, stability, recovery capability, and regulatory compliance record
Class A biosolids	Capability to produce or be converted to a process that can produce a Class A biosolids product
Good neighbor	Aesthetics related to potential odors, potential noise, traffic impacts, height, and visual appearance
Long-term planning	Space requirements and flexibility for growth, more restrictive regulations, and future needs
Ease of operation	Equipment reliability, staffing credentials, and automation capability.
Proven track record	Maturity and working installations

Broad, relative unit costs were provided, but the workshop emphasized non-economic, technical considerations at this stage of evaluation. Technologies that pass the screening will be subjected to an evaluation that will include capital, operation, and maintenance costs.

A “technology curve,” shown in Figure 1, provides a framework that measures the maturity and proven experience of the potential technologies under consideration. The curve illustrates the typical pattern of technology advancement. From inception or introduction of a technology (new and unproven), the technology advances slowly at first. The development of the technology then accelerates as the technology is utilized, proven, and refined. A new technology that is accepted and sustained typically takes up to 18 years to reach a point where it reaches a mature stage. The technology may decline as the natural limits of the technology are approached, market needs change, or when new technologies emerge that more effectively satisfy the intended function. Some technologies reach obsolescence when overcome by new technologies. However, some technologies are continuously improved upon and do not decline but remain on an overall positive trajectory. This period is called “enhanced optimization.”

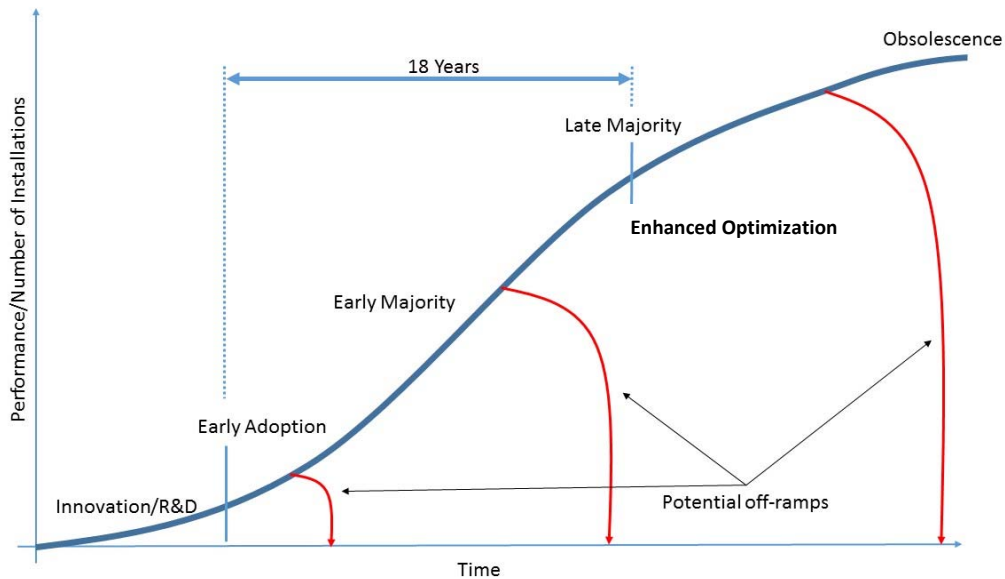


Figure 1 – Technology Curve

The workshop resulted in a consensus among participants on the path forward, recommending one of the following outcomes for each of the technologies:

Accepted – Move technology forward for a more detailed evaluation, including costs.

Reserved – If technology is installed by others in the area, WES should evaluate whether a contract arrangement would be economically advantageous.

Rejected- Technology is unacceptable based on the technical considerations listed in Table 4.

Table 5 summarizes workshop results.

Table 5. Summary of Workshop Results

Technology	Result	Discussion
Dewatering		
Centrifuge	Accepted	Proven technology currently in use at TC WRRF; Suitable for unattended operation; high cake solids and solids capture; small footprint; enclosed process amenable to odor control
Screw Press	Rejected	New technology to wastewater industry; lower cake solids and higher polymer consumption; large space requirement
Belt Filter Press	Rejected	Proven technology but lower solids content and higher polymer consumption; large space requirement; requires attended operation; open process requires large odor control facilities
Stabilization		
Anaerobic Digestion	Accepted	Proven technology used at TC and KC WRRF; consensus choice by technical consultants as appropriate process; technology in the enhanced optimization phase of development; can accommodate enhancements for Class A production and biogas (energy) recovery
Aerobic Digestion	Rejected	Appropriate for smaller facilities; large footprint; large energy demand; no biogas production
ATAD	Rejected	Limited application in the US; high temperature fermentation can produce obnoxious odors that are released during dewatering and land application activities; requires careful attention to manage the aeration and mixing functions to manage temperature control for sludge stabilization; no biogas production.
Cannibal	Rejected	Production suspended by sole manufacturer; three systems in Oregon – one failure and two underperforming
Composting	Reserved	Unsuitable for on-site installation due to large area requirement, odor and truck traffic; suitable for contract with off-site independent vendor as backup solids stabilization process to produce Class B or A biosolids or as redundant solids disposal method
Alkaline Stabilization	Reserved	Unsuitable for on-site installation due to large area requirement, odor, chemical handling, and truck traffic; suitable for contract with off-site independent vendor as backup solids stabilization process to produce Class B or A biosolids or as redundant solids disposal method
Drying	Accepted	Low temperature belt dryer coupled with existing facilities could extend anaerobic digestion capacity; low temperature technology minimizes potential for combustion and explosion. Produces Class A solids
Incineration	Rejected	Anticipate significant public concerns regarding air emissions that will impede acceptability and project schedule; future regulatory requirements are uncertain
Omni Processor	Reserved	Not suitable for District installation due to risk as an emerging technology; significant public concerns regarding air emissions that will impede acceptability and project schedule; future regulatory requirements are uncertain; suitable for contract with off-site independent vendor as backup solids stabilization process or as backup solids disposal method

In addition to the results summarized in Table 5, the consensus was that digestion enhancement technologies would be evaluated in detail in the next phase of the project for implementation or phased implementation to produce Class A biosolids. Technologies would include THP and temperature-phased anaerobic and thermophilic digestion. It is important that the selected technology allow for future Class A production without stranding the District's investment in facilities on this project.

A technology roadmap (Figure 2) summarizes the results of the screening technologies workshop. Stabilization and dewatering are the foundation of the Tri-City Solids Handling Improvements Project. The roadmap shows the potential use of drying and thermal hydrolysis technologies as processes to enhance and supplement anaerobic digestion. The roadmap also shows the potential use of composting, alkaline stabilization, and the Omni Processor technologies as means to upgrade from Class B to Class A biosolids, or to provide an alternative means of biosolids disposal that would be less expensive or competitive with Eastern Oregon land application. The combination of technologies shown will be evaluated in the next phase of the design process to determine the preferred solids handling alternative.

Next Steps and Schedule

The project will continue with development of projected flows and loads at the Tri-Cities Facility based on an updated population projection. With this information, selected alternatives will be sized and evaluated in more detail. Anaerobic digestion will be compared with the drying/anaerobic digestion alternative based on life cycle costs. Once an alternative is selected, any impacts of side streams on the liquid will be defined and an evaluation of how to mitigate the impact will be performed. In addition, an evaluation of the economic feasibility of accepting fats, oils and grease (FOG) and high-strength wastes for increased biogas production and alternative uses for the biogas will be developed. Similarly, an evaluation of the economics of a more robust septage receiving program will be performed.

Once decisions have been made on facilities and the facilities are sized, the design will progress to include conceptual layouts and a cost estimate will be developed. A draft conceptual design report is scheduled to be completed in late June 2016.

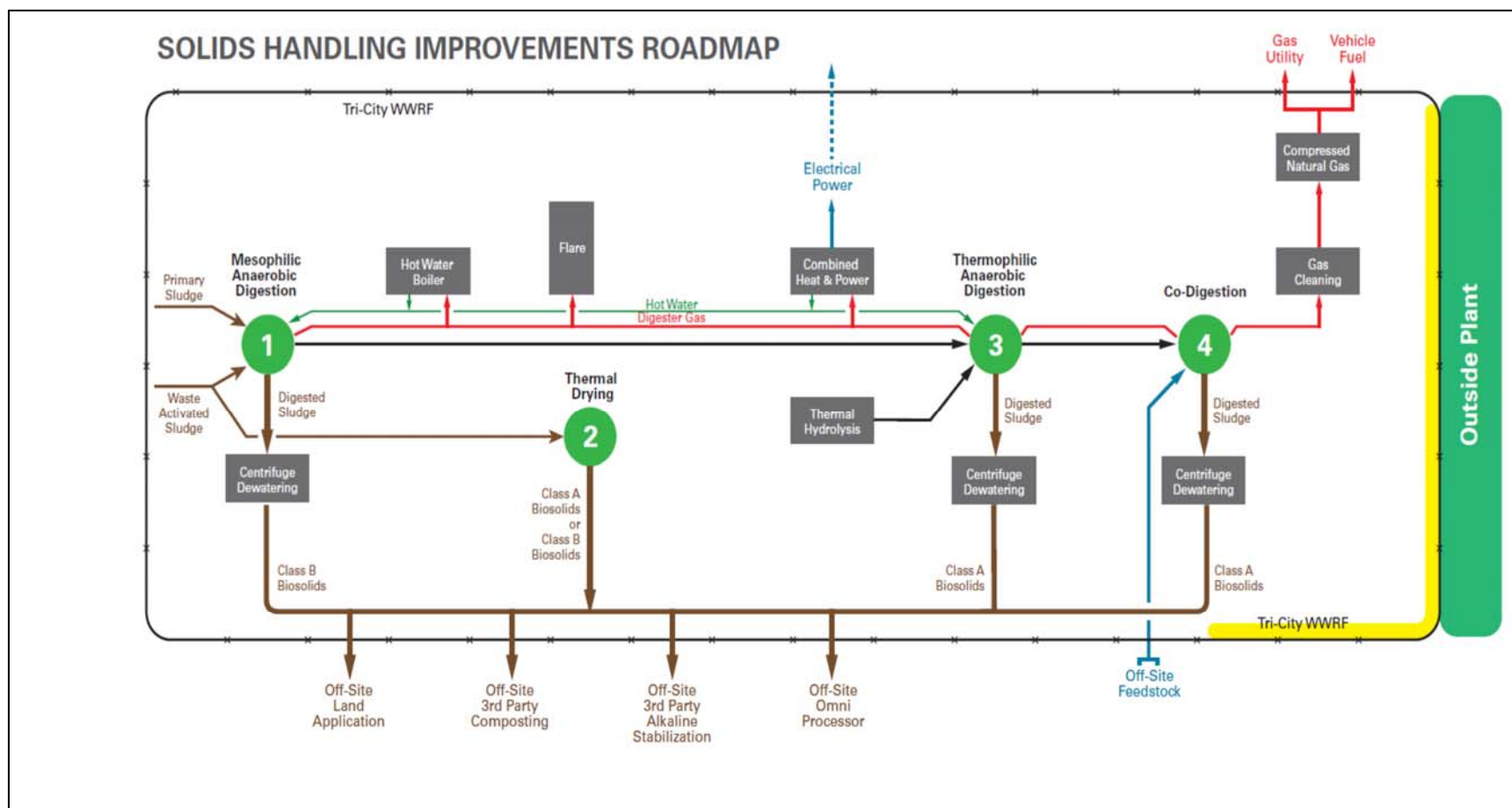


Figure 2. Solids Handling Improvements Roadmap

Clackamas County Service District No 1
and Tri-City Service District
Tri-City Water Resource Recovery Facility
Solids Handling Improvement Project

March 31, 2016

Solids Handling Technologies
Screening Workshop Results
Debriefing
March 10, 2016



Screening Technologies Workshop Debriefing

- Background
- Workshop Objectives and Screening Procedures
- Evaluation of Solids Handling Alternatives
- Closing



Workshop Participants Objectively Evaluated and Discussed Technologies

WES	Technical Consultants
Greg Geist	Dave Parry – CH2M
Lynne Chicoine	Scott Carr – B&V
Randy Rosane	Randy Naef - CWS
Greg Eyerly	Project Consultants
Michael Trent	Art Umble - MWH
Mike Arnold	Steve Hyland - MWH
Chanin Bays	Ryan Gordan - MWH
	Dale Richwine - REI

Workshop Attendees Also Included Cities' Technical Staff

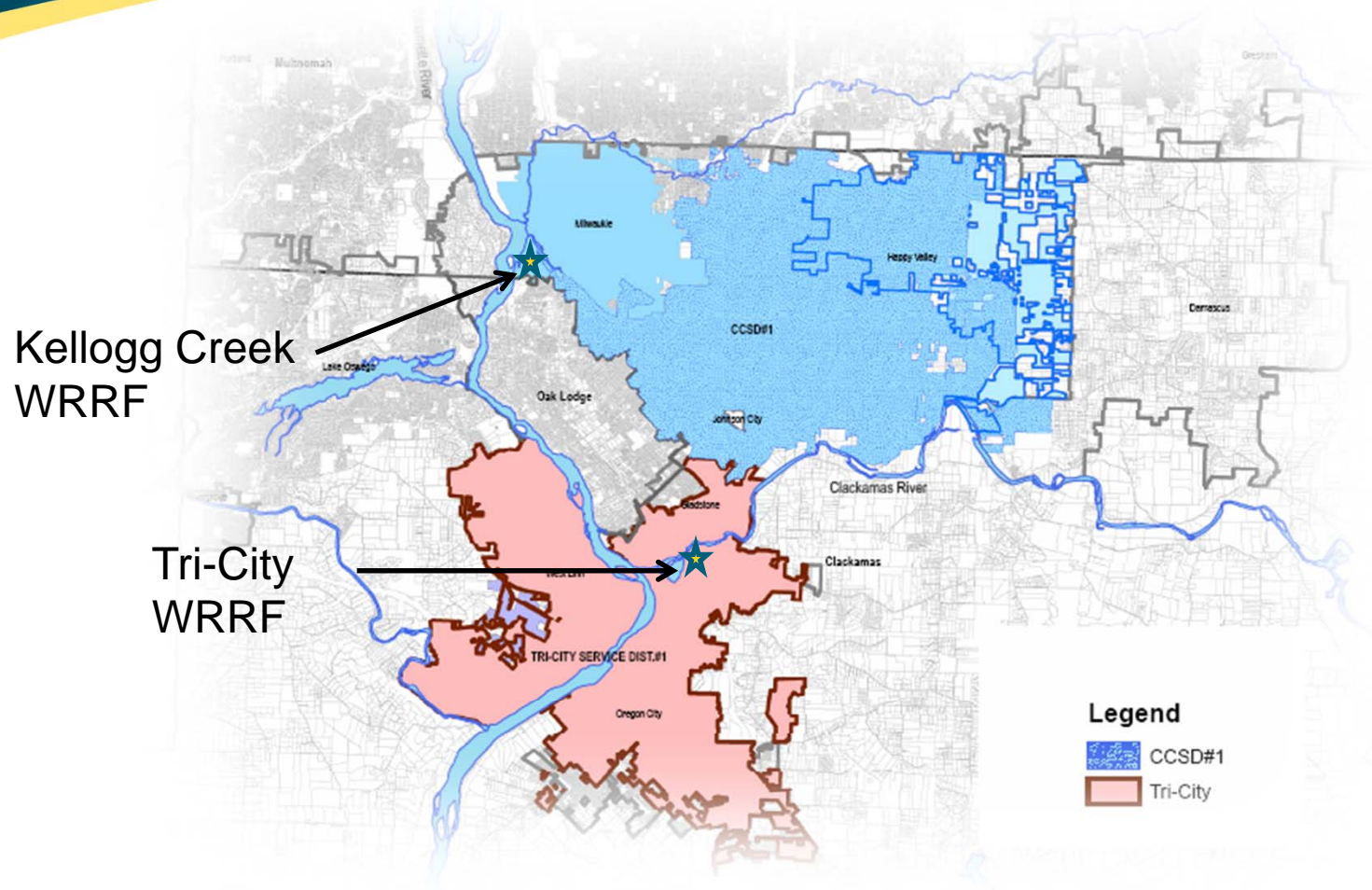
John Lewis	City of Oregon City
Lance Calvert	City of West Linn
Jim Whynot	City of Gladstone
Eric Swanson	City of Gladstone
Carol Earle	City of Happy Valley
Gary Parkin	City of Milwaukie

TC WRRF Solids Handling Project Objectives

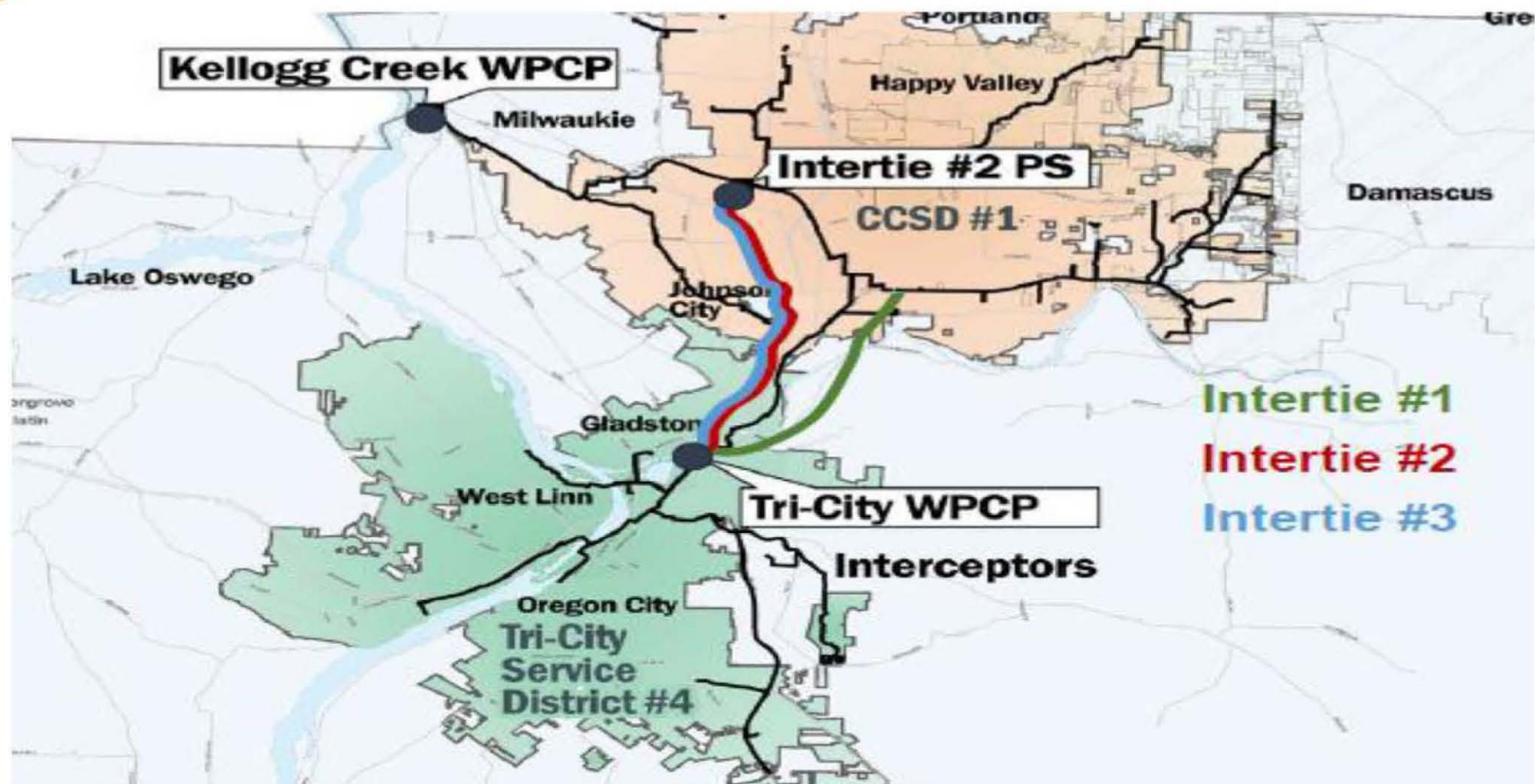
Provide Value for Ratepayers

- Increase solids handling capability to meet Y2035 sludge production
- Continue to produce Class B biosolids for beneficial land application
- Provide capability to upgrade from Class B biosolids to Class A biosolids with *no stranded investment*
- Additional Considerations
 - Potential options to produce/enhance revenue
 - Digester gas utilization
 - Septage receiving
 - Recycle flow management

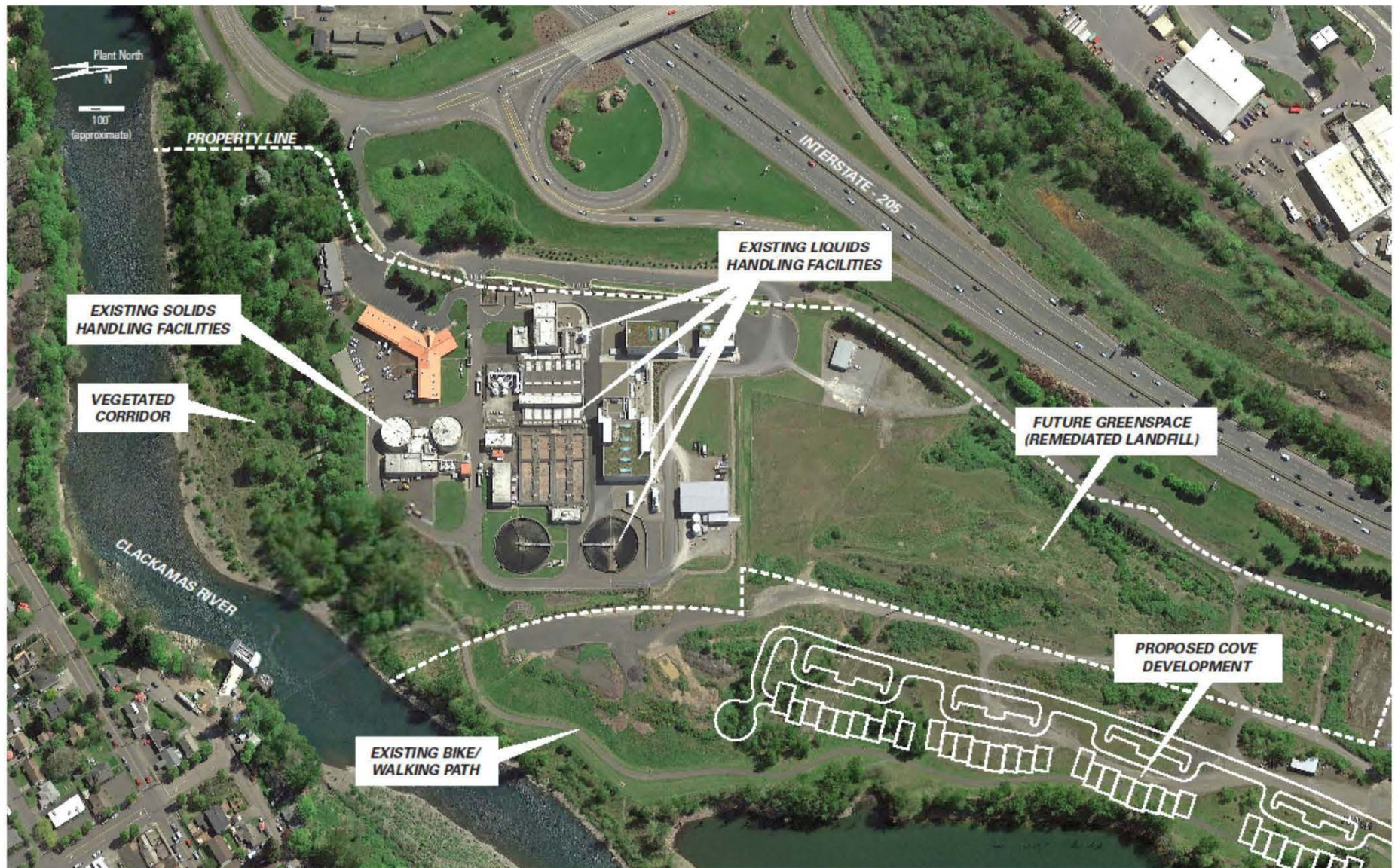
Solids Handling Facilities Will Serve Both CCSD No. 1 / TCSD Service Areas



CCSD No. 1 / TCSD Flow Management



Tri-City Site Was Planned for Expanded Solids Facilities



Solids Handling Facilities will Comply with Zoning Requirements

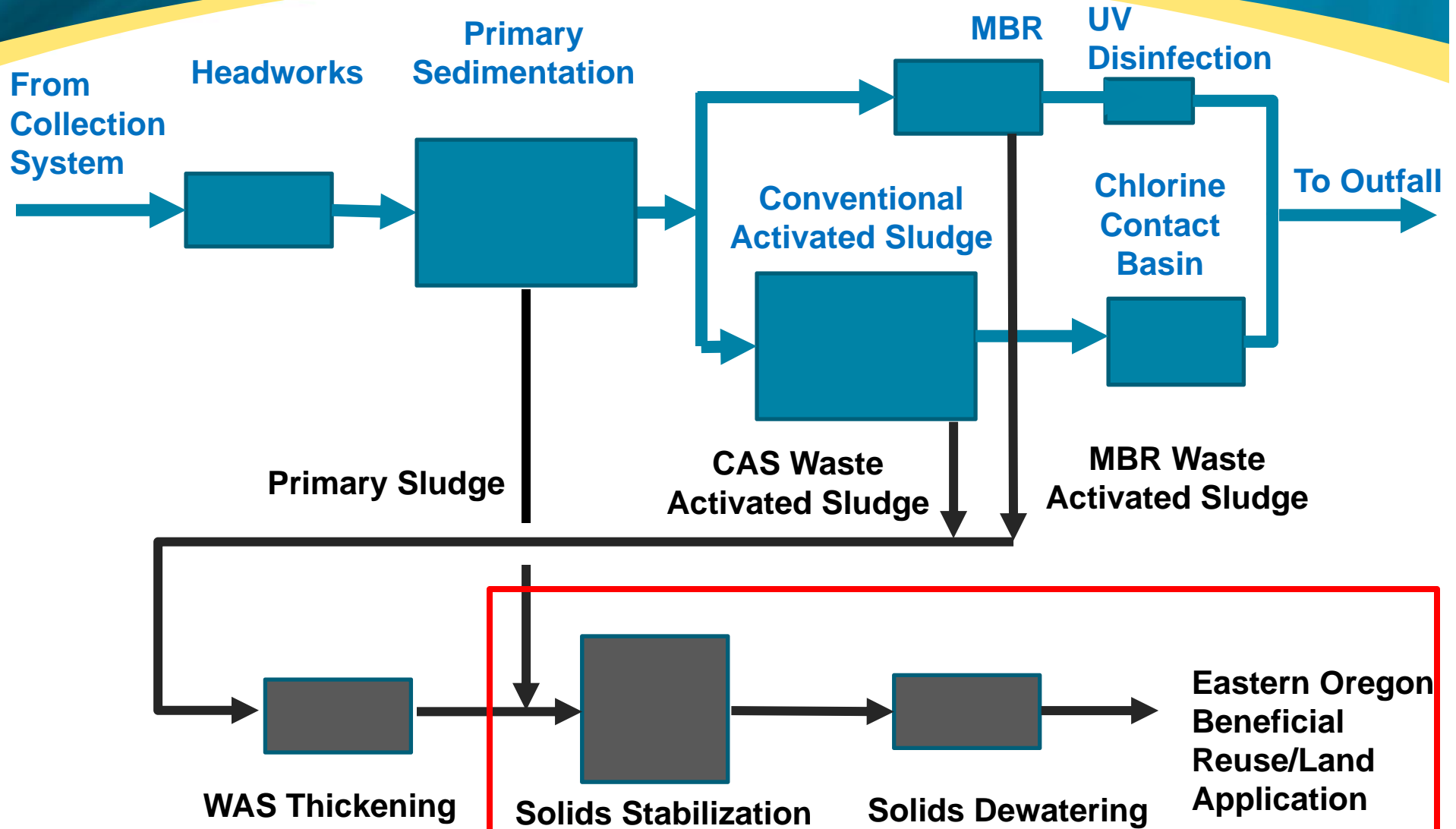
- Height – 40 foot maximum
- Odor – No discernable odor at property line during normal operations
- Noise – state and federal requirements
 - Worker protection
 - Limit at property line
- Light – Less than 0.5 foot-candles on adjoining property

Technology Screening Workshop Goal was to Select Alternatives that:

- ✓ Deliver the best value to ratepayers
- ✓ Provide required solids handling capacity
- ✓ Ensure regulatory compliance

.....for the next 20 years

TC WRRF – Process Flow Diagram



Approach to Technology Screening Provided Objective Evaluation of Alternatives

```
graph LR; A[Listed Stabilization and Dewatering Technologies] --> B[Developed White Papers for Each Technology]; B --> C[Openly Discussed and Objectively Evaluated Alternatives]; C --> D[Most Suitable Technologies Were Selected for Detailed Evaluation and Development];
```

Listed
Stabilization
and
Dewatering
Technologies

Developed
White Papers
for Each
Technology

Openly
Discussed and
Objectively
Evaluated
Alternatives

Most Suitable
Technologies
Were Selected for
Detailed
Evaluation and
Development

Technical Considerations and Qualitative Ratings Provided Basis of Evaluation

Technical Considerations	Features
Proven Track Record	Maturity and working installations
Process Performance	Reliability, stability, recovery capability, and regulatory compliance record
Class A Biosolids	Capability to produce or be converted to a process that can produce a Class A biosolids product
Good Neighbor	Aesthetics related to potential odors, potential noise, traffic impacts, height, and visual appearance
Long-Term Planning	Space requirements and flexibility for growth, more restrictive regulations, and future needs
Ease of Operation	Equipment reliability, staffing credentials, and automation capability.

Approach to Technology Screening Provided Objective Evaluation of Alternatives

Rejected

- TECHNOLOGY IS UNACCEPTABLE BASED ON TECHNICAL CONSIDERATIONS.

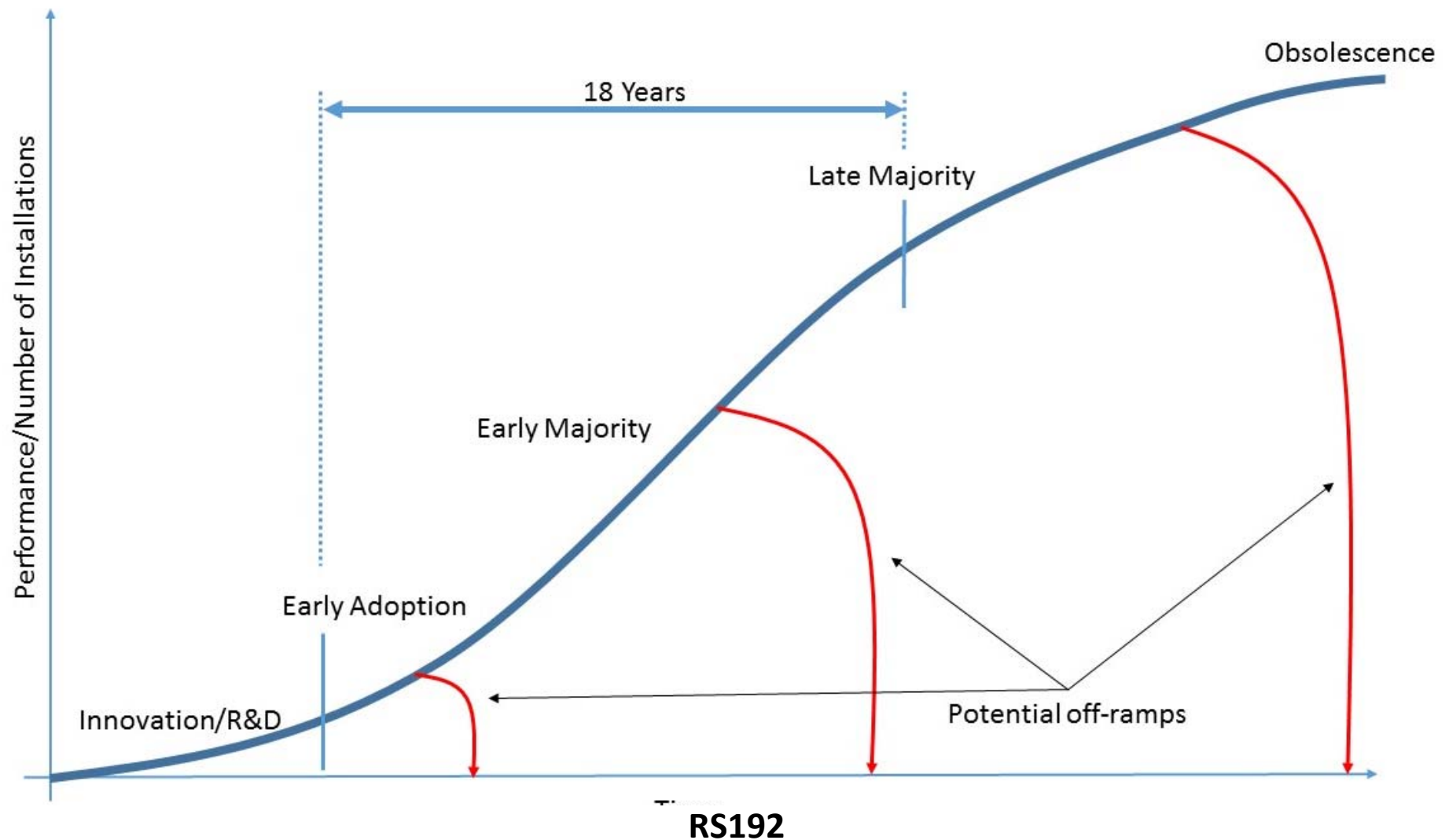
Reserved

- IF TECHNOLOGY IS INSTALLED BY OTHERS, WE SHOULD EVALUATE WHETHER A CONTRACT ARRANGEMENT WOULD BE ECONOMICALLY ADVANTAGEOUS.

Accepted

- MOVE TECHNOLOGY FORWARD FOR A MORE DETAILED EVALUATION, INCLUDING LIFE CYCLE COSTS.

Technology Curve Illustrates Life Cycle of Technology Development



Solids Handling Technologies

Solids Dewatering

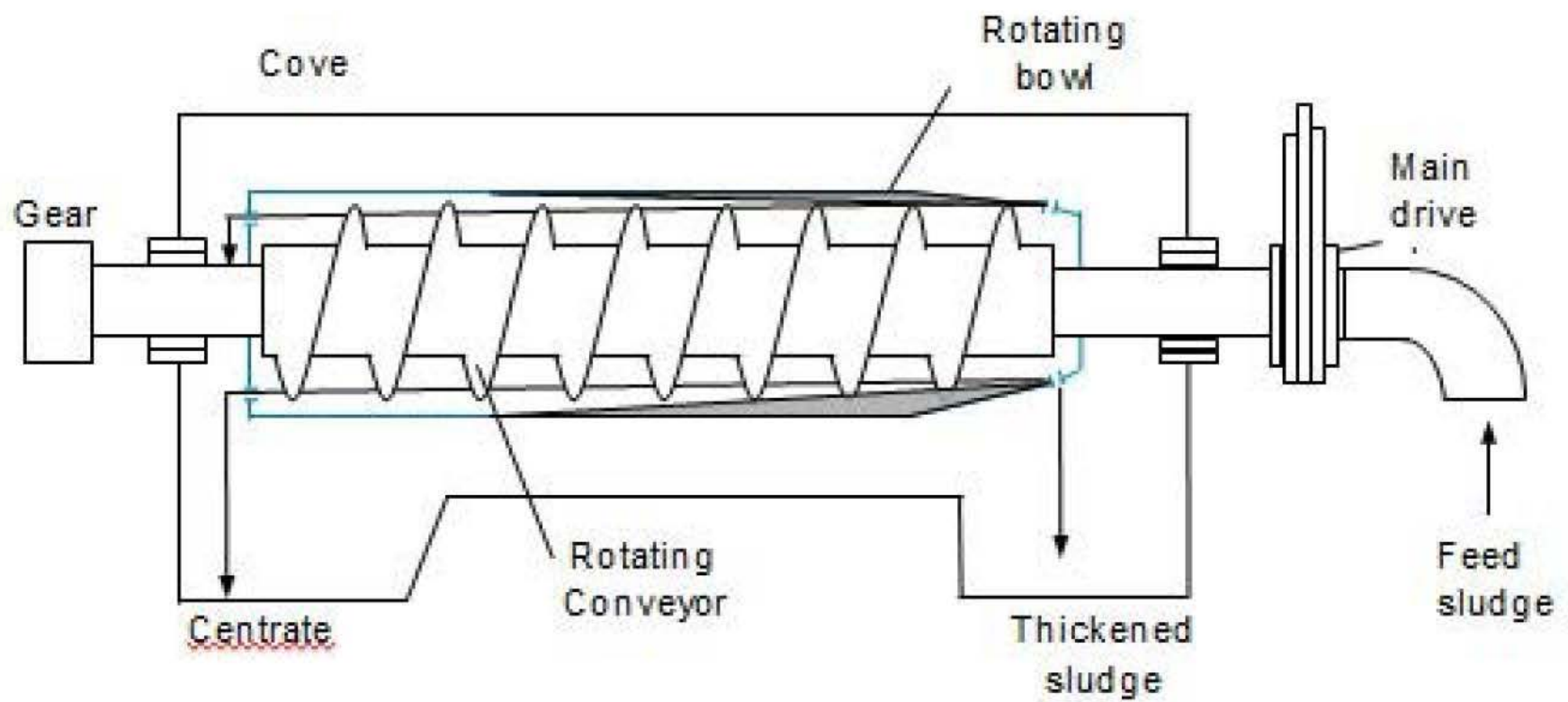
- Centrifuges
- Screw Presses
- Belt Presses

Solids Stabilization

- Anaerobic Digestion
- Aerobic Digestion
- ATAD
- Cannibal
- Composting
- Alkaline Stabilization
- Drying
- Incineration
- Omni Processor

Workshop Addition → • Thermal Hydrolysis

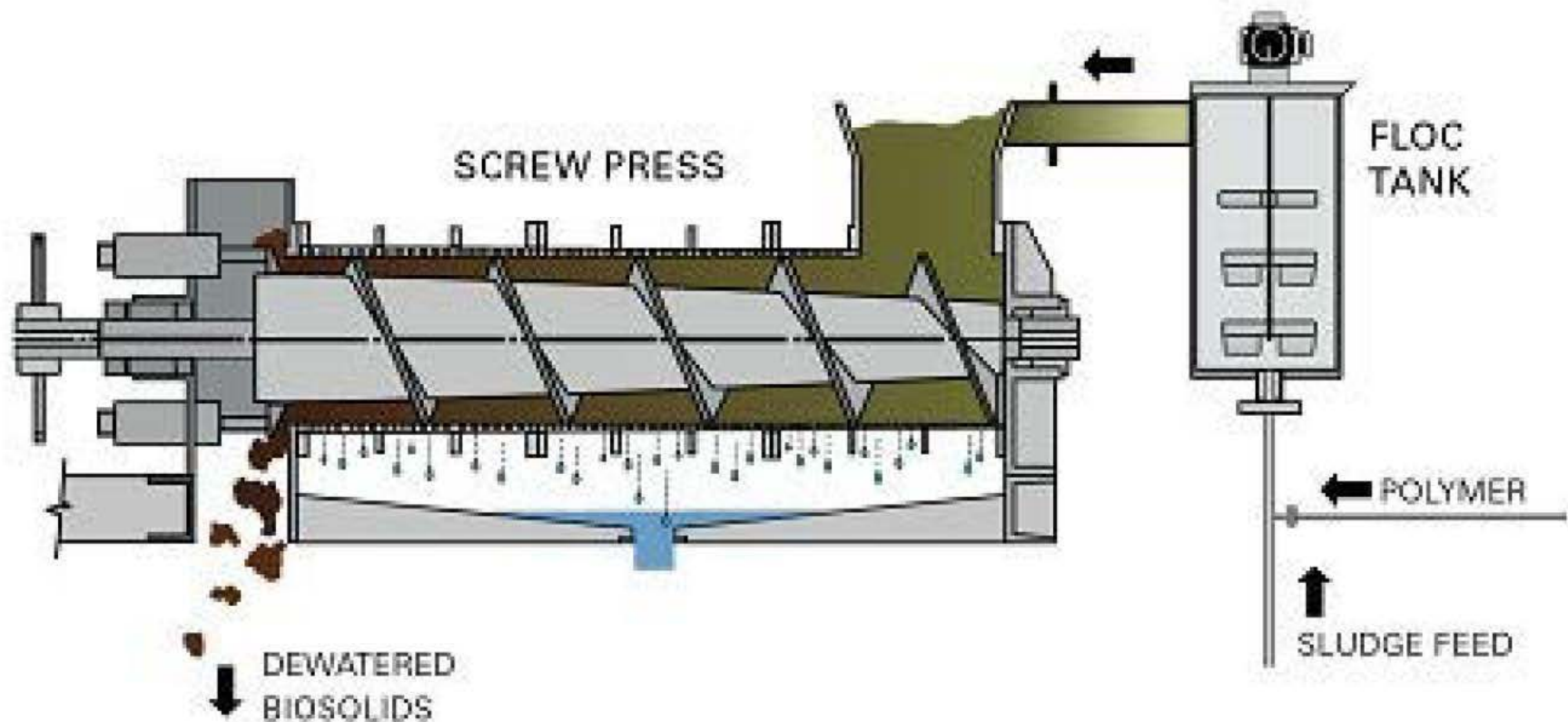
SD-1 Centrifuge



SD-1 Centrifuge - Accepted

Advantages	Disadvantages
Widely used at medium to large WWTPs (greater than 5 MGD)	
High solids content, high solids capture and low polymer dose	Major maintenance occurs off-site
Relatively small footprint requirements	High energy consumption
Easy to automate and facilitate unattended operation	Support structures need to be designed to handle vibrations
Self-contained process, which minimizes housekeeping and odor potential	Relatively expensive technology
WES staff familiar with equipment	High maintenance due to high speed
Control capability to improve process performance by adjusting equipment set points	Noise due to high speed

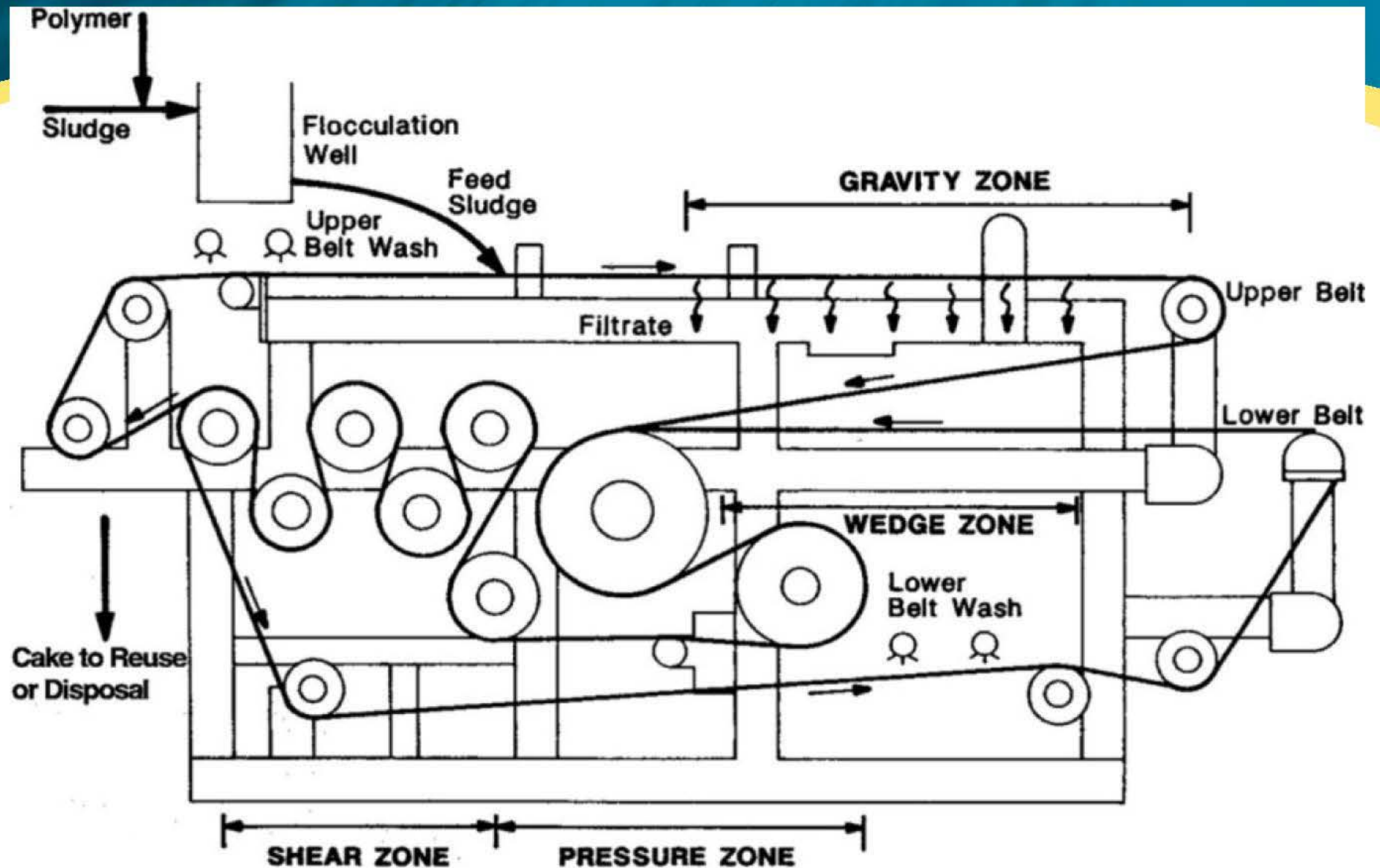
SD-2 Screw Presses



SD-2 Screw Presses - Rejected

Advantages	Disadvantages
Enclosed design that contains odors and aerosols	Limited municipal wastewater installations
High solids capture and modest solids content	High polymer dose
Control capability to improve process performance	Relatively large footprint requirements
Easy to automate and facilitate unattended operation	Requires intermittent, low flow wash water
Lower equipment maintenance due to lower speed operation	
Unattended operation practical	
Low energy consumption	

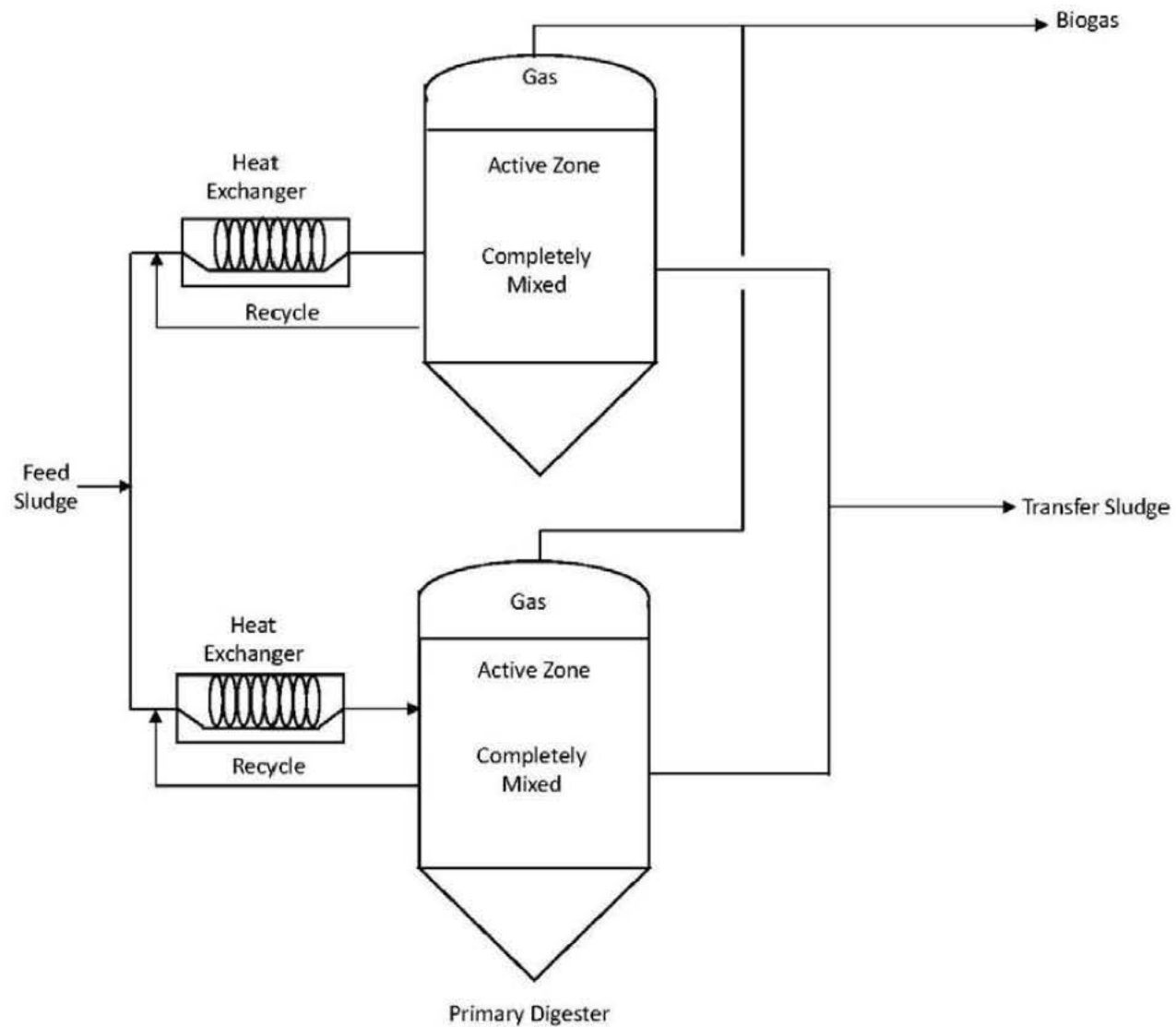
SD-3 Filter Belt Press



SD-3 Filter Belt Press - **Rejected**

Advantages	Disadvantages
Commonly used at municipal wastewater treatment plants	Relatively high operator attention for operational control
Modest solids content, high solids capture and medium polymer dose	Operators exposed to aerosols generated by open belt press design
Control capability to improve process performance by adjusting equipment set points	Open design that requires containment and mitigation of the room volume in lieu of enclosed equipment volume with a ventilation and potential odor control system
Medium footprint requirements	Significant housekeeping requirements
Maintenance of rotating elements relatively simple and can be conducted on site	Requires continuous, high flow washwater
Low energy consumption	

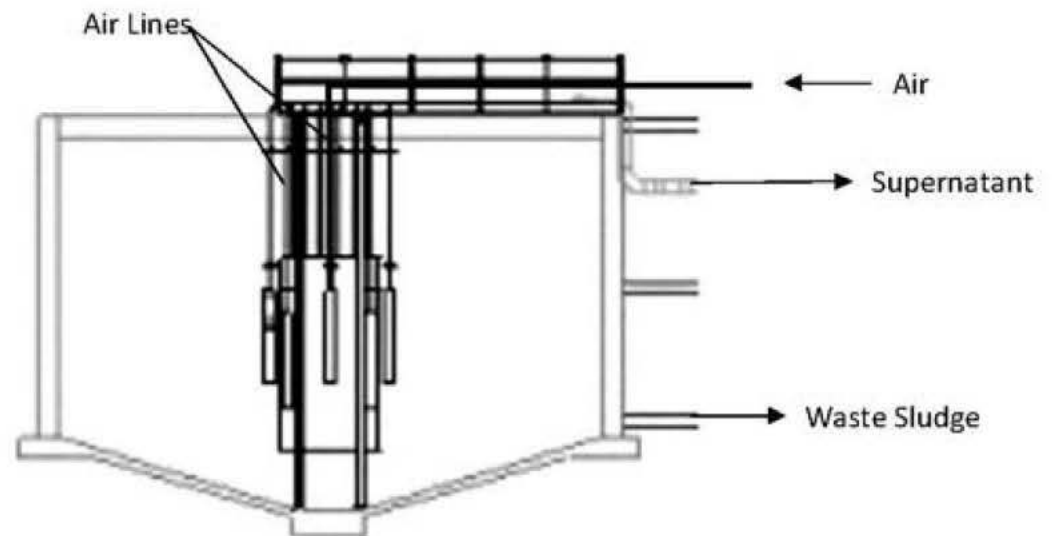
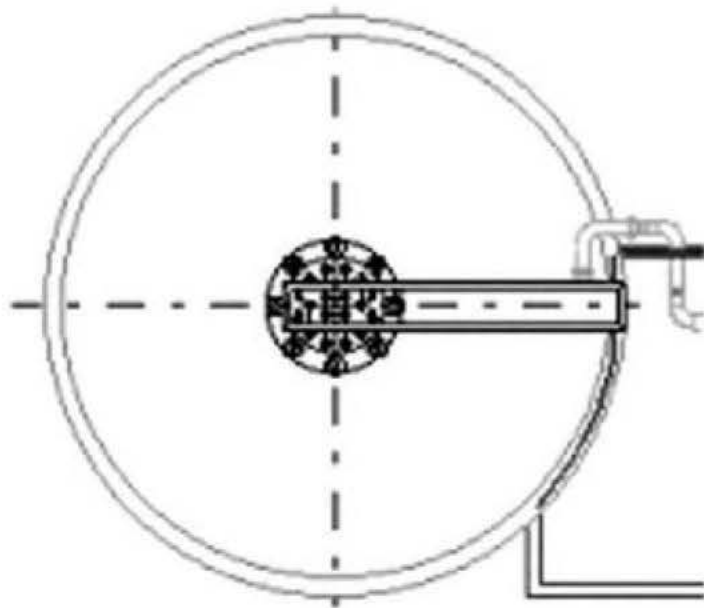
SS-1 Anaerobic Digestion



SS-1 Anaerobic Digestion - Accepted

Advantages	Disadvantages
Long-standing proven track record	Can be vulnerable to process upsets
Currently utilized at Tri-City WRRF and Kellogg Creek WRRF	Small increase in architectural profile of WRRF
Can be converted from mesophilic (Class B biosolids) to thermophilic (Class A biosolids)	Pretreatment of biogas desirable for boiler operation and essential for beneficial use technologies
Enclosed process to mitigate noise and potential odor	
Future process flexibility	
Adequate site area for future capacity	

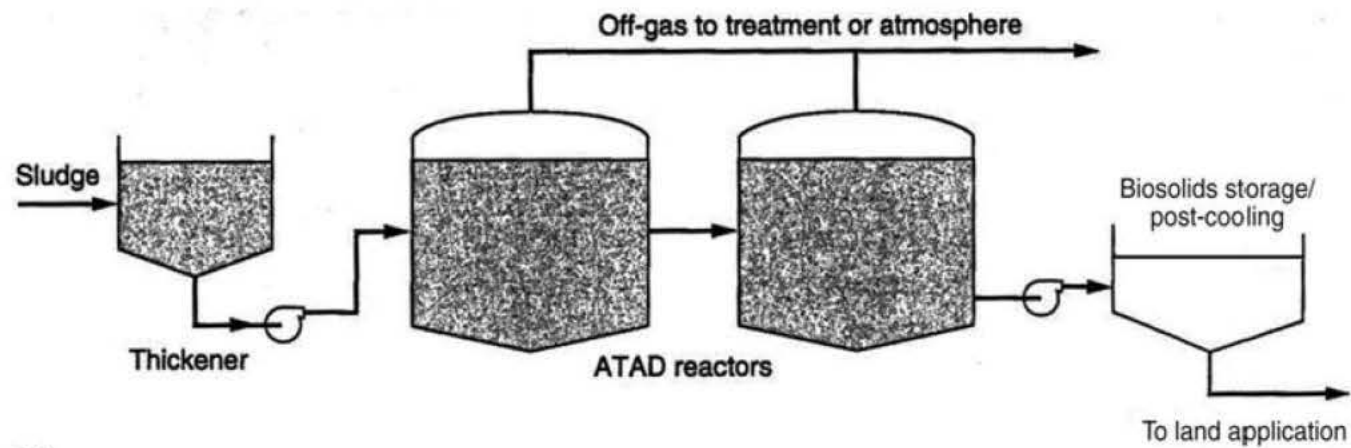
SS-2 Aerobic Digestion



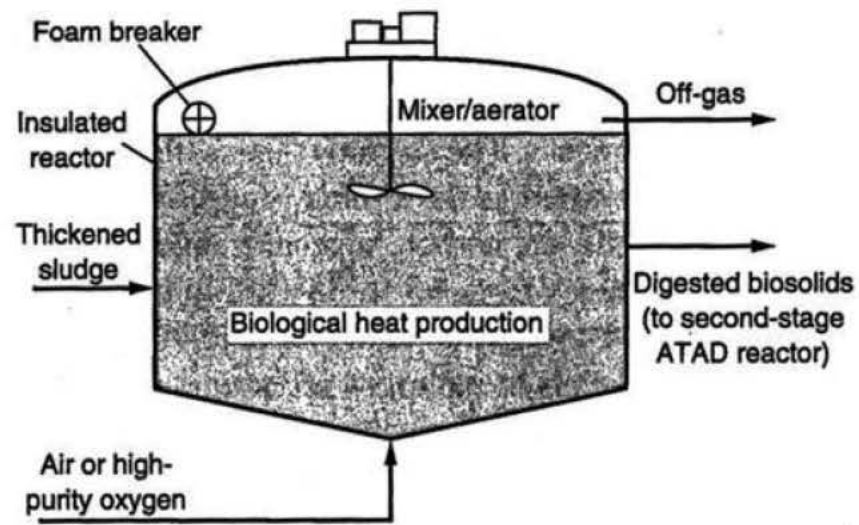
SS-2 Aerobic Digestion - Rejected

Advantages	Disadvantages
Aerobic digestion has been widely used in the wastewater industry for over 80 years	Lower volatile solids destruction; Produces Class B biosolids only
Simple operation	Needs supplemental process to achieve Class A biosolids
Minimal odor issues	High power requirements
Processes can be enclosed to mitigate noise and potential odor	Space requirements exceed master plan allocation
	Aerobically digested sludge can be difficult to dewater mechanically
	Requires decanting operation to achieve nominal 2% dry solids content
	Can be vulnerable to process upsets

SS-3 ATAD



(a)

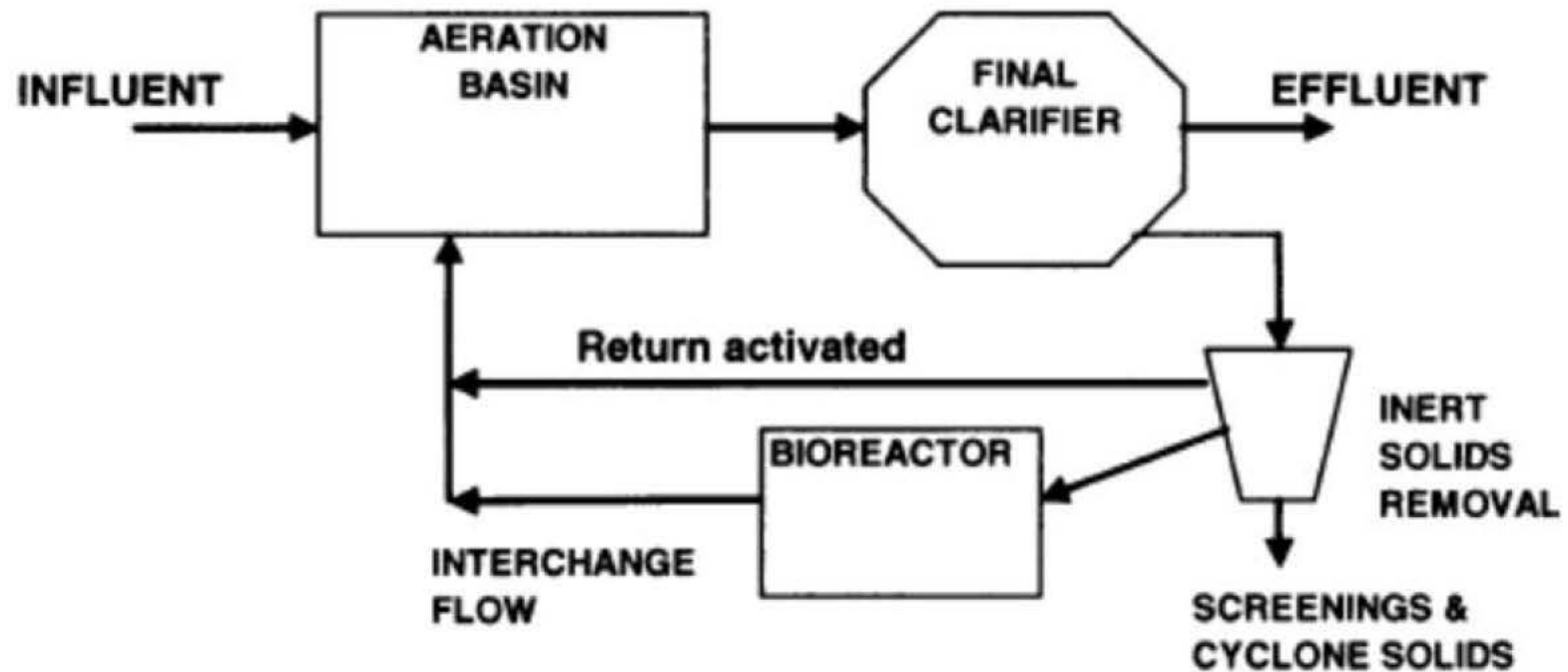


(b)

SS-3 ATAD - Rejected

Advantages	Disadvantages
Can produce a Class A product	ATAD process produces strong odors that require containment, ventilation, and odor control.
Short retention times	ATAD dewatered sludge retains odor that makes finding land application sites more challenging
Greater reduction of bacteria and viruses compared with mesophilic anaerobic digestion	ATAD sludge difficult to dewater
Does not require external heating	Minimal nitrification and/or denitrification
Reduced retention time when compared to conventional aerobic digestion	Requires foam control
	Requires skilled operators

SS-4 Cannibal



SS-4 Cannibal - Rejected

Advantages	Disadvantages
Reduces biosolids volume and aeration demand	Cannibal reduces solids production but does not provide solids stabilization
No thickening process required	Relatively new technology
No polymer required	Performance to date has ranged from disappointing to failure and is not currently available for purchase
Solids purged every few years	Proprietary single vendor technology
Removes trash, grit and inerts	More complex than other stabilization processes
	Can have odor issues
	Does not capture biogas

SS-5 Composting

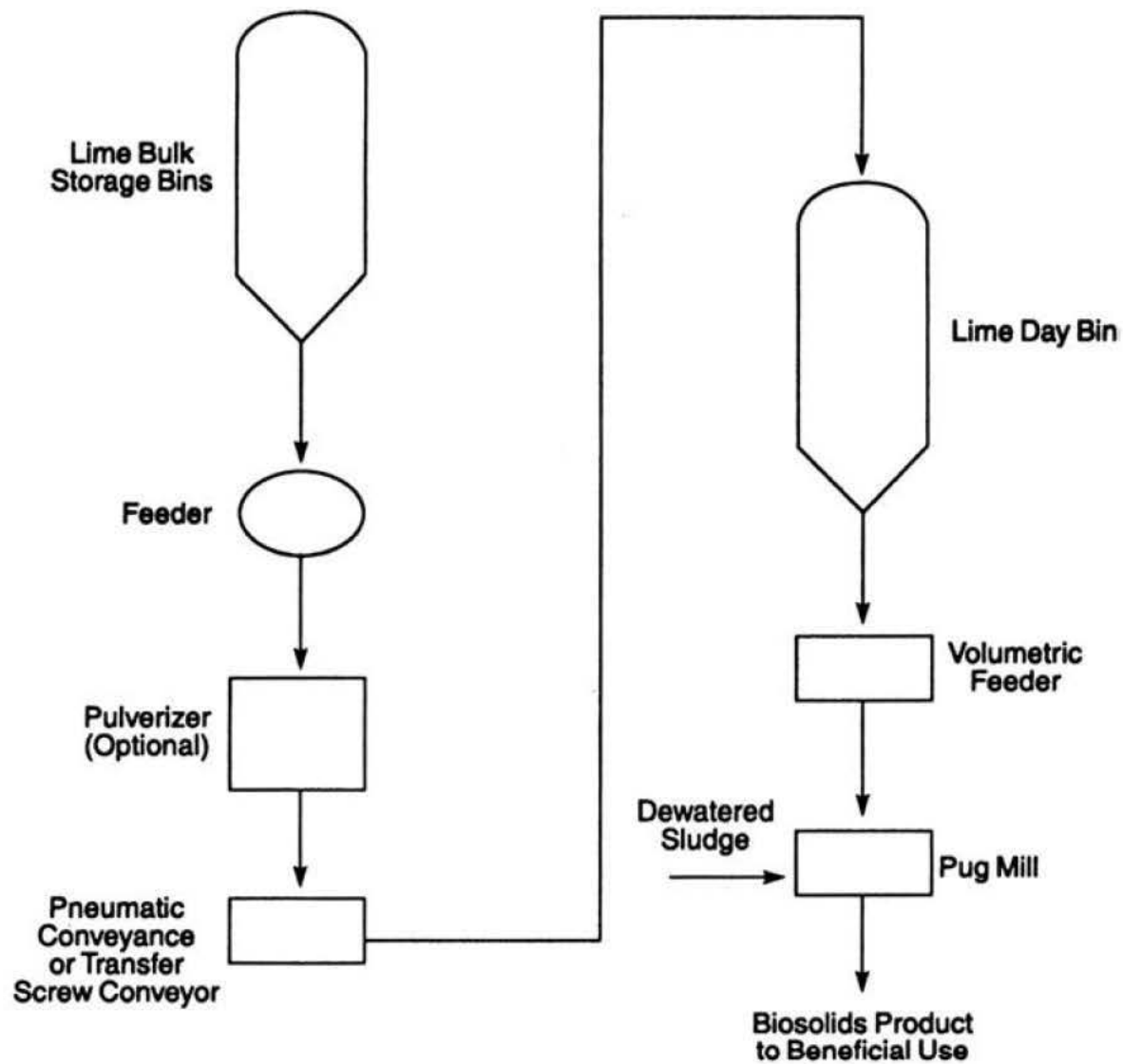


RS208

SS-5 Composting - Reserved

Advantages	Disadvantages
Marketable product	Requires either forced air or mechanical turning
Potential revenue source	Requires bulking agent
Can be combined with other processes	Requires significant land area for static pile or windrow systems
Can produce Class A product	High potential for odor generation
	Potential for pathogen spread through dust
	Open composting requires suitable buffer from developed areas

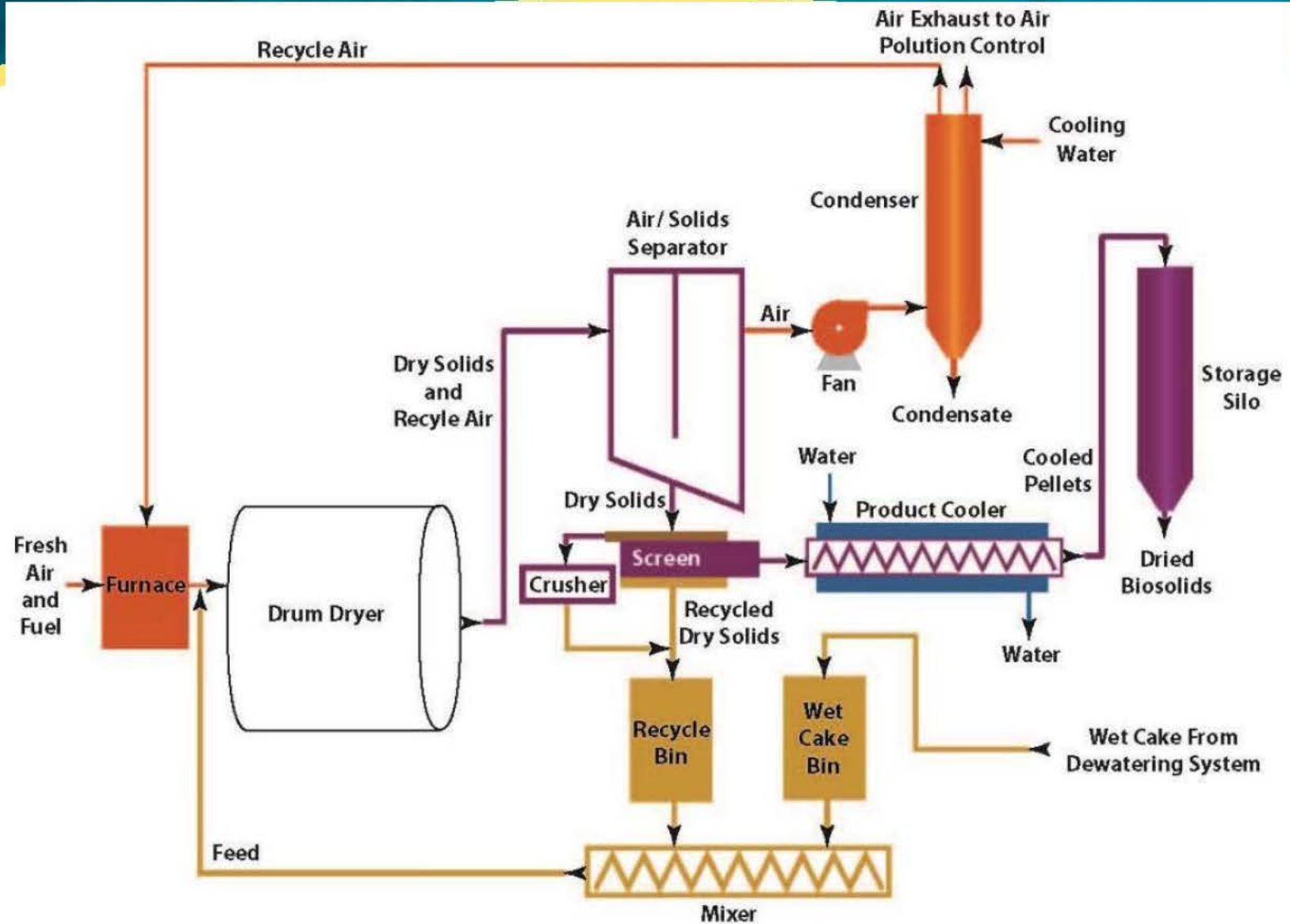
SS-6 Alkaline Stabilization



SS-6 Alkaline Stabilization - Reserved

Advantages	Disadvantages
Reduced energy costs	Products are odorous
Simple operation, minimal startup and shutdown procedures	Chemical addition increases volume of solids and increases transportation costs
Product can be sold as fertilizer and soil amendment	Operator intensive
Can produce a Class A product	Chemically intensive
Excellent pathogen reduction	May require significant land area
Lower capital cost than other Class A stabilization processes	Product can become unstable if the pH drops after treatment and biological organisms regrow
	Extensive odor control requirements may be needed to treat ammonia and other off-gases

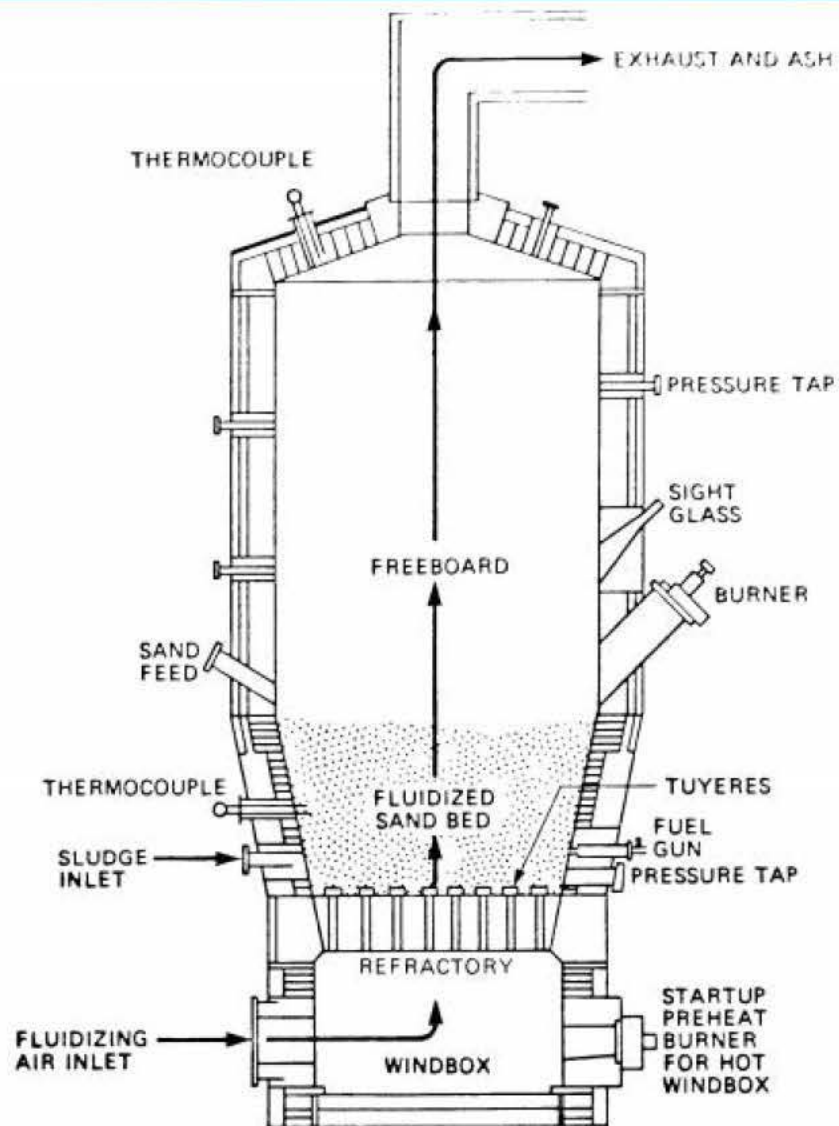
SS-7 Drying



SS-7 Drying (Belt Dryer)- Accepted

Advantages	Disadvantages
Can process raw or digested sludge	Potential fire and explosion hazards (avoided with belt dryer)
Reduces volume of solids and associated disposal costs	Requires product storage before and after the dryer
Capable of consistently producing a Class A product	Energy intensive (reduced with belt dryer)
May be marketed as a soil amendment, fertilizer, or fertilizer ad mixture	Direct dryers require treatment of air emissions (avoided/reduced with belt dryer)
Can utilize waste heat from other processes	Relatively complex system, typically requires higher operator certification

SS-8 Incineration



SOURCE: U. S. EPA PROCESS DESIGN MANUAL FOR
SLUDGE TREATMENT & DISPOSAL
EPA 625/1-79-011

SS-8 Incineration - Rejected

Advantages	Disadvantages
Possible energy recovery	Air emissions permitting and monitoring required which may delay project.
Inorganic ash can be used as a landfill cover	More restrictive regulatory requirements for mercury, sulfur dioxide, cadmium, lead, and particulates compliance.
Proven technology	Can emit methane and nitrous oxides when organic solids are incompletely combusted
Reduces volume of dewatered sludge by approximately 95%	Public acceptance may be difficult to attain
Complete destruction of pathogens	Labor intensive
Destruction or reduction of toxins	High fuel consumption
Minimal odors due to enclosed systems	

SS-9 Omni-Processor



RS216

SS-9 Omni-Processor - **Reserved**

Advantages	Disadvantages
Achieves solids stabilization with heat and energy recovery	Embryonic technology without a full-scale installation owned and operated by a publically owned treatment works.
Potential to produce electricity in excess of the Omni Processor demand	Combustion technology that requires an air emission permit and may face public resistance and impact project schedule
Produces a dry ash that meets Class A biosolids critieria	High pressure steam system that requires an operator certification not carried by Tri-City staff
Willingness to provide technology on a service agreement basis	Proprietary custom built equipment that is not commercially available
	Construction and O&M costs uncertain at this time

Technology Summary

Accepted

- Centrifuge Dewatering
- Anaerobic Digestion
- Thermal Drying

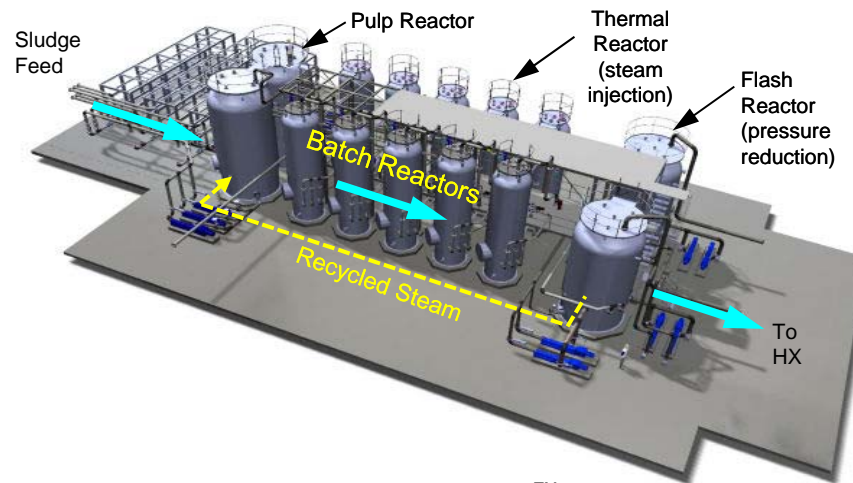
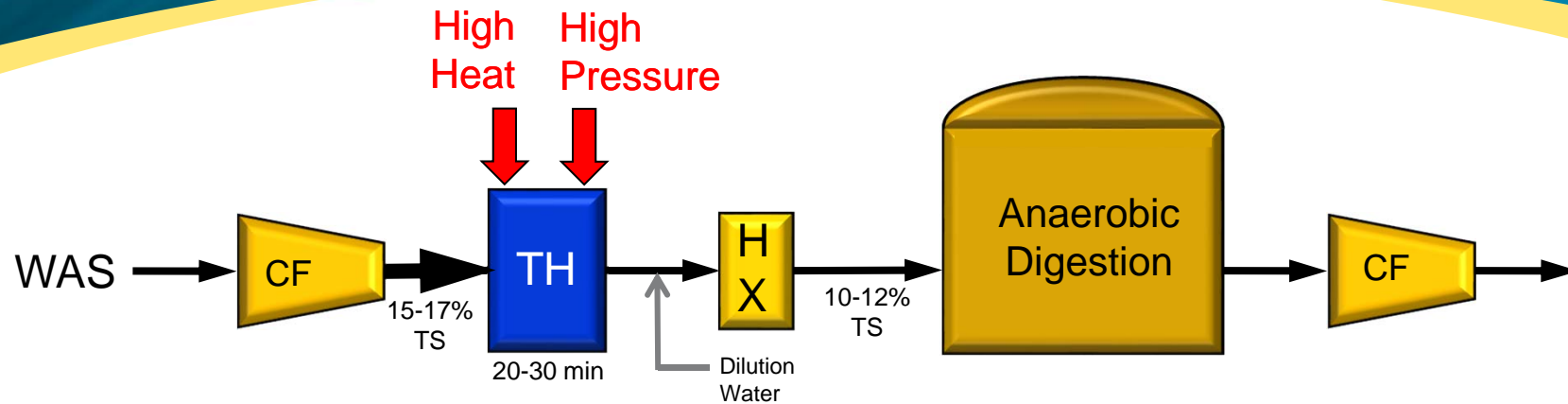
Reserved

- Composting
- Alkaline Stabilization
- Omniprocessor

Rejected

- Screw Press
- Belt Filter Press
- Aerobic Digestion
- ATAD
- Cannibal
- Incineration

Thermal Hydrolysis Will Be Evaluated as One of 2-3 Alternative Enhancements to Digestion to Produce Class A Biosolids



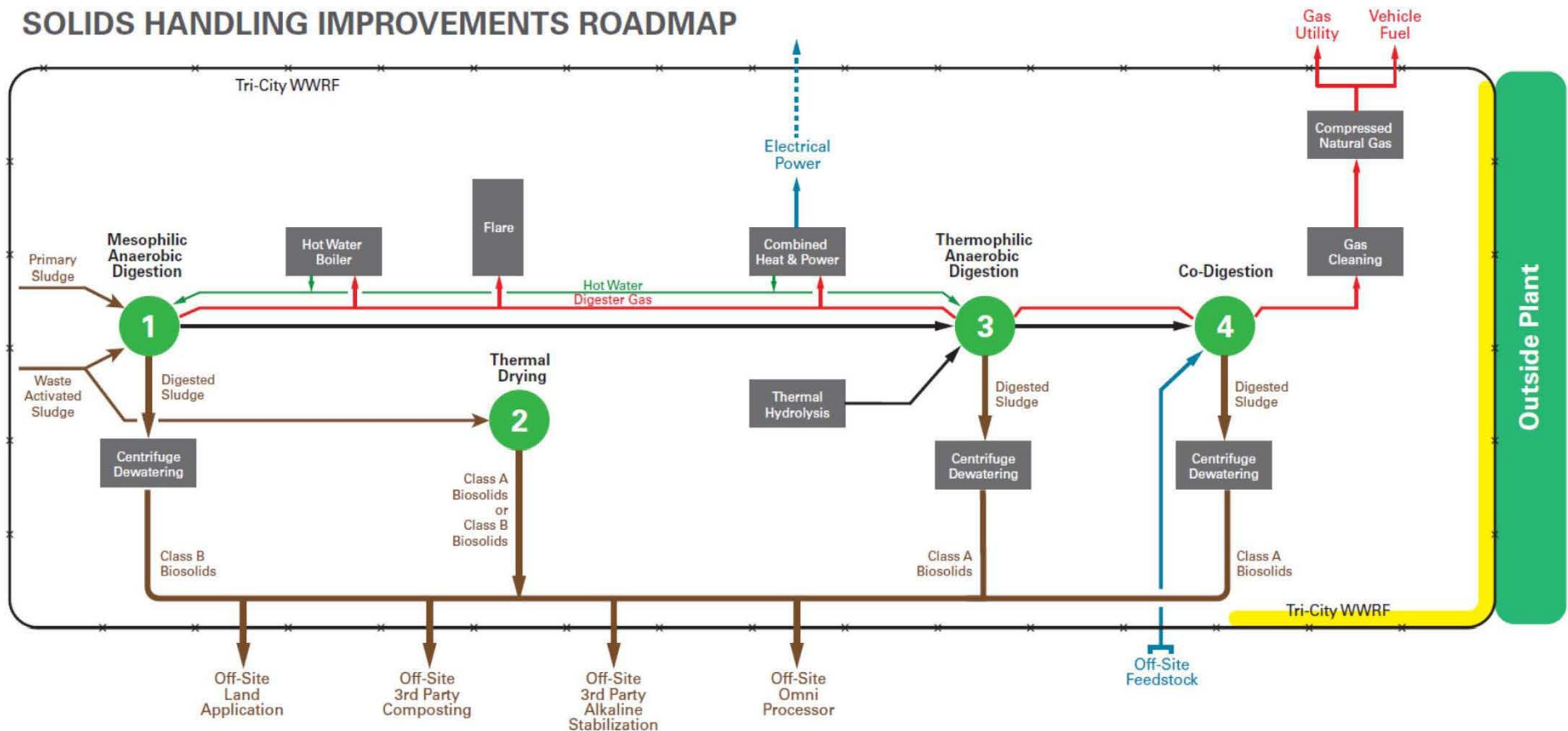
Credit: CAMBI™

Potential Options (If Anaerobic Digestion Retained for Further Evaluation)

- Class B to Class A
 - Temperature Phased
 - Batch Thermophilic
 - Thermal Hydrolysis
- Biogas Utilization
 - Combined Heat and Power (CHP)
 - Compressed Natural Gas (CNG)
- Side Stream Management
 - Operational changes
 - Storage (EQ or EQ with low diurnal flow discharge)
 - Treatment (Deammonification)

Solids Handling Technology Screening Resulted in Path Forward for Detailed Evaluation

SOLIDS HANDLING IMPROVEMENTS ROADMAP



Next Steps and Schedule

- Finalize flows and loads
- Develop WRRF model with solids balance
- Confirm existing and required unit process capacities
- Size alternative technologies and develop life cycle costs
- Select recommended technology
- Develop Conceptual Design (layouts, line diagrams) with construction cost estimate
- Draft Conceptual Design anticipated late June 2016

Questions





REGIONAL WASTEWATER TREATMENT CAPACITY ADVISORY COMMITTEE

May 26, 2016
6:30 PM – 8:30 PM

Water Environment Services
Development Services Building, Rm 115
150 Beavercreek Road, Oregon City

AGENDA

1. Welcome, Introductions, Opening Remarks – 6:30pm
 - a. Approval of 4/21/16 Minutes
 - b. Damascus Participation
2. Public Comment Period
3. Janicki Bioenergy Presentation on Omni Processor and Discussion (45 minutes)
4. Permit and Regulatory Discussion with Dr. Ken Williamson and Discussion (30 minutes)

Dr. Ken Williamson is Director of Regulatory Affairs at Clean Water Services and Emeritus Professor of Chemical, Biological & Environmental Engineering at OSU. Dr. Williamson holds a Ph.D. in Environmental Engineering from Stanford University, and a M.S. in Environmental Engineering and B.S. in Civil Engineering from OSU.
5. Next Meeting: August 4, 2016 (?)
6. Adjourn - 8:30pm

Actions Required For This Meeting:

Items to Track After This Meeting:

Please note: This meeting is being recorded and will be available online within a few days.

Rev: May 19, 2016

DRAFT

Regional Wastewater Treatment Capacity Advisory Committee

April 21, 2016 Meeting Summary

The Regional Wastewater Treatment Capacity Advisory Committee met on April 21, 2016 at 6:30 PM, in the auditorium, room 115, of the Development Services Building, Clackamas County.

Advisory Committee members in attendance:

Markley Drake	Member	Councilor, City of Happy Valley
Diana Helm	Member	Mayor, City of Damascus
Eric Hofeld	Member	Unincorporated Clackamas County, CCSD#1 RiverHealth Advisory Board Chair
Dan Holladay	Member	Mayor, City of Oregon City
Steve Johnson	Member	Councilor, City of Gladstone
Brenda Perry	Member	Councilor, City of West Linn
Karin Power	Member	Councilor, City of Milwaukie
Kay Mordock	Member	Mayor, City of Johnson City

Advisory Committee members absent:

None

Public and WES staff in attendance:

Greg Geist	WES, Director
Greg Eyerly	WES, Water Quality Manager
Lynne Chicoine	WES, Capital Program Manager
Chanin Bays	WES, Resource Recovery Supervisor
Randy Rosane	WES, Civil Engineering Supervisor
Ed Nieto	Clackamas County Public and Government Affairs
Amanda Keller	County Counsel
Ron Wierenga	WES, Surface Water Manager
Ernest Hays	Clackamas County Board of County Commissioners
Barbara Muller	Happy Valley
Lance Powlison	Oregon City
Brian Johnson	Johnson City
Kevin Johnson	Gladstone
Tom Mersereau	Gladstone
Bob Martin	West Linn
Damon Mabee	Oregon City
Katie Wilson	WES, Administrative Assistant
Steve Hyland	MWH
Art Umble	MWH
Chris Machado	MWH
Adam Odell	MWH
Bob Armstrong	MWH
Darren Aevertmann	CCOC

The full meeting discussion and presentation materials are available at:
http://clackamas.granicus.com/ViewPublisher.php?view_id=6#reg, “Regional Wastewater Treatment Capacity Advisory Committee, April 21, 2016”.

The Regional Wastewater Treatment Capacity Advisory Committee meeting was called to order at 6:30 p.m. by Committee Chair, Karin Power. Introductions of the Regional Wastewater Treatment Capacity Advisory Committee were made.

I. Welcome

- 1) Committee Chair, Karin Power welcomed everyone.
- 2) The Committee briefly discussed the meeting summary. Eric Hofeld asked that moving forward, more detail be included regarding amendments to meeting summaries and content of public comment. The Committee voted unanimously to approve the meeting summary from the March 31, 2016 RWTCAC Meeting.

II. Public Comment:

There was none.

II. Presentations/Discussions:

- 1) Lynne Chicoine, Capital Program Manager and Art Umble of MWH reviewed the portion of the Solid Handling Workshop presentation they completed at the March 31, 2016 meeting and continued to review the results of the workshop with the committee.

Mayor Holladay moved to agree with the rejection of the technologies rejected at the Solids Handling Project Technical Workshop. Councilor Perry Seconded. The question was called and passed unanimously.

Additionally, all members but Councilor Johnson agreed to accept anaerobic digestion as a reasonable possibility.

All committee members agreed to accept thermal drying as a reasonable possibility.

Councilor Drake moved to reject composting. Mayor Holladay seconded. The question was called and passed unanimously.

Mayor Holladay moved to continue investigating the OmniProcessor. Eric Hofeld Seconded. The question was called and passed unanimously.

There was a lengthy discussion regarding the lack of information provided to staff by the Janicki Corporation, the dangers and environmental impact of incineration, the permitting process for incineration, the possible locations of an incinerator if the OmniProcessor was installed, the risks associated with new technologies, and the energy created by anaerobic digestion as compared to the OmniProcessor.

The committee members discussed touring the Janicki facility in Washington as well as a facility with drying technology.

Karin Power suggested inviting Peter Janicki to provide comment to the committee as well as Janet Gillaspie.

The committee asked Mr. Umble to provide a list of appropriate questions to ask Peter Janicki.

Director Geist asked Mr. Umble to explain if there was anything Peter Janicki could provide at the next meeting that would cause Mr. Umble to move the OmniProcessor technology from reserved to accepted status. Mr. Umble stated there was nothing, in his opinion.

Director Geist clarified that staff would continue on schedule to move forward with the Solids Handling project.

Councilor Johnson asked staff to contact him in the event that they continue to have difficulty getting information from the Janicki Corporation as he has contacts there.

III. Actions Taken:

- 1) Motion made by Eric Hofeld to approve the meeting summary as amended from the March 31, 2016 RWTCAC Meeting. Seconded by Councilor Perry.

Councilor Power	Aye
Councilor Drake	Aye
Mayor Holladay	Aye
Mayor Helm	Aye
Councilor Perry	Aye
Councilor Johnson	Aye
Eric Hofeld	Aye
Mayor Mordock	Aye

Motion passed unanimously

- 2) Motion made by Mayor Holladay to agree with the rejection of the technologies rejected at the Solids Handling Project Technical Workshop. Seconded by Councilor Perry.

Councilor Power	Aye
Councilor Drake	Aye
Mayor Holladay	Aye
Mayor Helm	Aye
Councilor Perry	Aye
Councilor Johnson	Aye
Eric Hofeld	Aye
Mayor Mordock	Aye

Motion passed unanimously

- 3) Motion made by Councilor Drake to reject composting. Seconded by Mayor Holladay.
- | | |
|-------------------|-----|
| Councilor Power | Aye |
| Councilor Drake | Aye |
| Mayor Holladay | Aye |
| Mayor Helm | Aye |
| Councilor Perry | Aye |
| Councilor Johnson | Aye |
| Eric Hofeld | Aye |
| Mayor Mordock | Aye |
- Motion passed unanimously
- 4) Motion made by Mayor Holladay to continue to investigate the OmniProcessor as a possible solids handling solution. Seconded by Eric Hofeld.
- | | |
|-------------------|-----|
| Councilor Power | Aye |
| Councilor Drake | Aye |
| Mayor Holladay | Aye |
| Mayor Helm | Aye |
| Councilor Perry | Aye |
| Councilor Johnson | Aye |
| Eric Hofeld | Aye |
| Mayor Mordock | Aye |
- Motion passed unanimously

IV. Follow Up:

- 1) Mayor Mordock asked for Janicki to explain why they have not provided staff with the information requested.
- 2) Committee members to schedule their own tours of the Janicki facility and a facility with drying technology.
- 3) Peter Janicki and Janet Gillaspie to be invited to speak at the next RWTCAC meeting.
- 4) Mr. Umble to provide questions to ask Peter Janicki.
- 5) After a discussion regarding the length of technical presentations and the responsibilities of the Committee, the Committee requested the next meeting be devoted to the Solids Handling Technical Workshop presentation and discussion.

V. Next meeting

May 26, 2016 at 6:30pm

The meeting was adjourned at 8:34pm.

/kw

April 21, 2016

Regional Wastewater Treatment Capacity Advisory Committee
Clackamas County Board of Supervisors
150 Beaver Creek Road
Oregon City, Oregon

Janicki Bioenergy Waste Processor ROM Overview and Estimated Cost Proposal

Dear Committee Members,

We thank you for your interest in our waste processing technology. Our Processor is a unique piece of equipment, designed specifically for processing wet waste streams while producing net energy, and is ideally suited for the type and volume of biosolids produced at the Tri-City Water Pollution Control Plant.

Janicki Bioenergy is submitting this overview and cost estimate to you directly due to the circumstances relating to our status in this process. Following your review, we propose meeting to provide an opportunity for a more in-depth discussion regarding our Processor and your operations to more accurately define the scope of work required for this project.

BACKGROUND

Currently, Tri-City Water Pollution Control Plant (TCWPCP) produces approximately 20 wet tons per day of dewatered biosolids from two anaerobic digesters. This material is loaded into trucks and is hauled to Eastern Oregon for land application at a significant cost. Furthermore, the solids handling process in use is operating at or near capacity and is currently not being operated as designed. Our S200 Processor could easily handle this volume, and was offered previously in a proposal for approximately \$5.5 M.

However, in order to meet projected solids production at this location through 2035 and beyond, we would recommend a larger Processor to meet this demand. Using proven components that are well tested, this larger Processor could consume, in addition to the biosolids currently being hauled for land application, a significant portion of the thickened raw sludge currently entering the digesters. By adding this additional waste stream to the Processor, plant operators could reduce the volume entering the digesters and return this process to its originally designed configuration. In fact, this larger Processor could eventually consume all the thickened and dewatered sludge produced at TCWPCP, allowing for the complete decommissioning of your anaerobic digestion process.

OMNI PROCESSOR TECHNOLOGY BENEFITS

The Processor and process proposed would permit TCWPCP to:

1. Eliminate transportation and landfilling costs
2. Right-size and correct the current anaerobic digestion handling process
3. Provide excess solids handling capacity
4. Provide excess electricity
5. Provide excess heat for heating buildings, or hot water (if desired).
6. Reduce or eliminate Part 503 compliance requirements associated with your current operation.

Furthermore, our Processor would permit Clackamas County to:

1. Forego the purchase of 2 additional anaerobic digesters at a significant capital cost savings to the rate-payer,
2. Maintain current anaerobic digestion/bio-gas production and biosolids beneficial use program while using the Processor to consume any excess and future biosolids,
3. Reduce transportation and liability costs associated with the biosolids program currently in use.

PRICE ESTIMATE

The estimated price for the Processor proposed is approximately \$10 M.

An additional \$2 M is recommended for sludge receiving and storage, pumping and conveyance systems, and required emission control and monitoring equipment that may be required following a detailed integration analysis.

Janicki Bioenergy will guarantee the performance of our Processor to ensure all contracted specifications are met, without having to co-fire with an auxiliary fuel source.

An annual maintenance contract is offered at an additional \$500k/yr.

This annual maintenance contract includes full cost of replacement or upgraded parts and components, technical support and monitoring by Janicki engineers, in addition to software and hardware upgrades for the duration of the contracted period.

SCOPE OF WORK

Janicki Bioenergy will be fully responsible for design, fabrication, shipping, assembly, and commissioning of the machine and associated components based on the following specifications;

SPECIFICATIONS

Using the Solids Handling Loading Parameters data provided by MWH, our proposal is based on the following specifications:

- Total Raw Sludge Influent prior to Digesters: 61,000 lbs/day @ 4.3% solids (30.4 wtpd)

- Dewatered Digested Biosolids: approximately 49,400 lbs/day @ 22% solids (24.7 wtpd)

The proposed Processor would be capable of processing in a 24 hour period approximately:

- Single Stage Dryer Capacity: up to 100 wet tons/day @ 20% solids
- Boiler Capacity: 15 – 20 dry tons/day

This would provide:

- Excess Dryer and Boiler capacity allowing for future population growth beyond 2035 projections,
- Approximately 300 kW of electricity (250 kW of excess electricity),
- Approximately 20,000 gallons of distilled, non-potable water/day,
- 1.0 – 3.0 tons/day of dry, pathogen-free fly ash for disposal or resale.

These estimates are subject to refinement based on detailed analysis of the wastewater treatment process at TCWPCP, however, Janicki Bioenergy is reasonably confident in the above.

DELIVERABLES

Janicki Bioenergy would be responsible for the following:

1. Design and Fabrication. Janicki Bioenergy would design the Processor to meet the needs of TCWPCP based on contracted specifications. This would include scaling up several components including the boiler and in-feed system, and building multiple driers to be used in parallel.
 - a. The system would not include the potable water generation capability.
2. Assembly and Commissioning. Janicki Bioenergy would fully assemble and commission the Processor once it had arrived onsite, and ensure it meets contracted performance specifications.
3. Training. Janicki Bioenergy will train site personnel to operate and maintain the Processor. The training period would be approximately 4-6 weeks and would be conducted onsite at Janicki Bioenergy's facilities prior to shipment and during assembly and commissioning onsite.
4. Warranty. Janicki Bioenergy will provide a LIMITED WARRANTY on the Omni Processor and associated components for a period of 12 months following commissioning against all defects in material or workmanship.
 - a. This warranty will cover the cost of part(s) and labor - not to exceed \$250,000.
 - b. This warranty does not cover the replacement of parts or components due to normal wear and tear, misuse or abuse.

5. Performance Guarantee. To ensure the long-term success of your operation, Janicki Bioenergy offers the following performance GUARANTEE to start at the completion of commissioning on site:
 - a. We guarantee your Omni Processor and associated components will meet or exceed contracted performance specifications, and will
 - b. Meet all Environmental, Health and Safety requirements.If unable to meet contracted specification(s), Janicki Bioenergy will upgrade or replace process or component until specification is met – at no additional cost.
6. Maintenance and Support. To maximize your operational efficiency and minimize unexpected maintenance costs, Janicki Bioenergy offers an ANNUAL MAINTENANCE CONTRACT that will replace or upgrade any failed or obsolete part or component over the contract period at no additional cost. This cost effective service agreement is a predictable yearly maintenance expense tailored to make your annual maintenance budgeting simple and affordable.

TCWPCP would be responsible for:

1. Site preparation per the following specifications:
 - a. Building Enclosure/Reinforced Concrete Pad – at a minimum 105' x 100' (approximately 10,500 sqft)
 - b. Electrical – 480 VAC, 3-phase
 - c. Natural Gas – input 2" min
 - d. Water – < 1 gal/min (make-up water for steam generation system)
 - e. Sewer – TBD, if discharged directly to wastewater treatment plant.
2. Consumables for the operations of the Processor. These would include:
 - a. Solids – dewatered, digested biosolids and thickened undigested sludge at 18% solids minimum
 - b. Start-up fuel (Propane, Natural Gas, etc.)
 - c. Make-up water. The processor would require approximately 1.0 – 3.0 gallons/minute of makeup water. This water is required to make up for water consumed in the steam generation process.
 - d. Chemical additives. (Daily)
 - e. Sand for the fluidized bed boiler (Periodic)
3. Fly Ash Disposal. Operator is responsible for the disposal of fly ash generated by the Processor.
4. Daily maintenance and mechanical operation
 - a. Onsite mechanics. During normal operation, 1 person per shift will be sufficient in order to run the machine; however additional personal should be available in order to help do regular maintenance and service on the machine.
 - b. Other onsite labor. An additional person may be required to perform daily testing on the machine depending on the local environmental regulations.

SHIPPING

FOB Sedro Woolley, WA -

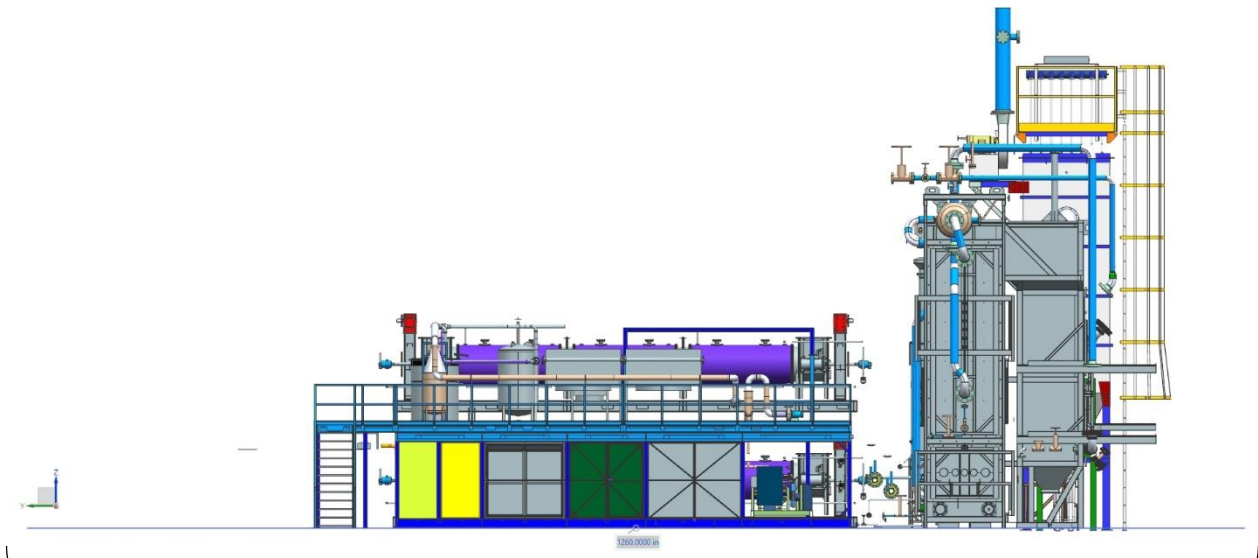
1. Actual shipping arrangements shall be according to the PO requirements and with the approval of your designated representative.

SCHEDULE ESTIMATE

The following is an estimated schedule for the fabrication, shipment, assembly and commissioning/certification of the Omni Processor:

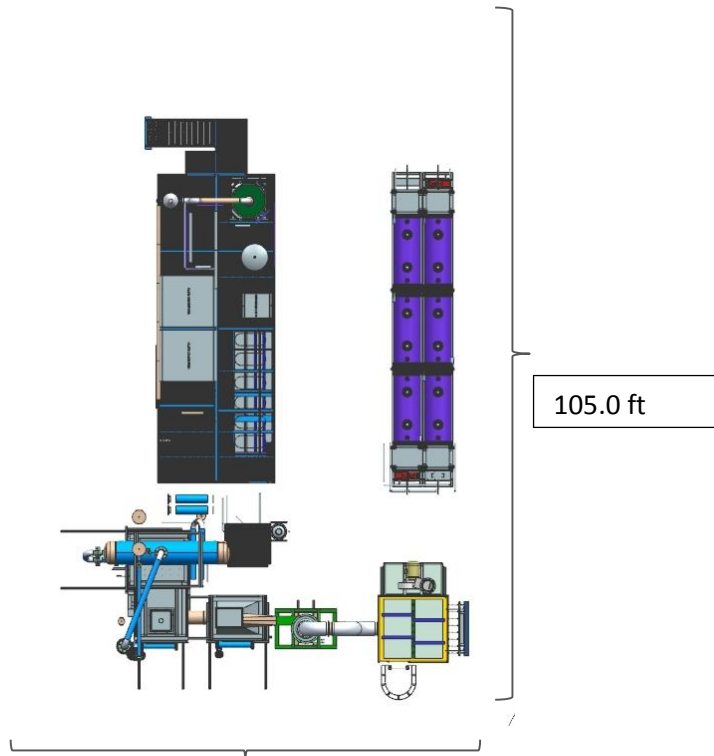
Project Activity	Month of Project																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Contract Signed																						
Engineering																						
Site Prep																						
Fabrication																						
Shipment																						
Assembly & Commissioning																						
Final Certification																						

PHOTOS



Side View

105.0 ft



Top Level View

100.0 ft

105.0 ft

Thank you again for the opportunity to provide you with this proposal. We are available to discuss this proposal in more detail at your convenience.

Sincerely,



Sara VanTassel
President
360.814.1826 Direct
sara@janickibioenergy.com

JANICKI BIOENERGY

Clackamas County
May 26, 2016

Peter Janicki, CEO
Sara VanTassel, President



— Founded by Peter & Susan Janicki in 1993 —

- ▶ Locations in WA & UT
- ▶ 650 Employees
- ▶ 135 Engineers
- ▶ State-of-the-Art Facilities
- ▶ R&D
- ▶ Project Management
- ▶ Engineering Design & Analysis
- ▶ Composite & Metal Mfg.
- ▶ Large Scale, High Precision

Advanced Composite Parts & Tools



RS237

JANICKI INDUSTRIES — B-21 PROGRAM

Subcontractor for Air Force B-21 Stealth Bomber



U.S. AIR FORCE

Air Force names 7 subcontractors on Northrop's B-21 stealth bomber

The U.S. Air Force has named seven subcontractors that will accompany Falls Church-based Northrop Grumman Corp. (NYSE: NOC) on the \$80 billion B-21 stealth bomber program.

At a briefing Monday, Secretary of the Air Force Deborah Lee James revealed that the subcontractors will include Pratt & Whitney, BAE Systems, GKN Aerospace, Janicki Industries, Dulles-based Orbital ATK Inc. (NYSE: OA), Rockwell Collins Inc. (NYSE: COL) and Spirit Aerosystems (NYSE: SPR).

Washington Business Journal — Mar 7, 2016, 3:58pm EST Updated Mar 7, 2016, 4:18pm EST



A NEW PATH

Four years ago, we were approached by the Bill & Melinda Gates Foundation...

They wanted SOLUTIONS.

RS239

► New Delhi, India,
March 2014



THE PROBLEM

How can we destroy human born fecal pathogens such that they cannot make people sick and contaminate the local water supply without adding financial burden to the community?

RS240

► Kibera slum, Kenya,
June 2014



RS241



**THE JANICKI
BIOENERGY
TEAM SPENT
TIME
INVESTIGATING
THE PROBLEM**

► Peter and Susan
Janicki entering
Mukuru slum, Kenya,
July 2012



**2.5 BILLION
PEOPLE LIVE
WITHOUT
ACCESS TO
ADEQUATE
SANITATION**



RS242

► Sara VanTassel,
President of Janicki
Bioenergy with
children in Kibera
slum, Kenya, June
2014



**1.5 MILLION
CHILDREN DIE
OF DIARRHEA
EVERY YEAR**

RS243

► Kenya, June 2014



**THE SCALE OF
THE PROBLEM
IS MASSIVE**



RS244

▶ **Left:** Kenya, June 2014
Bottom Right: Ivory
Coast, March 2014



**THE INPUTS TO
THE PROBLEM
ARE VARIED**

RS245

► South Africa, July 2012

OUR SOLUTION



RS246

► Janicki OP Pilot Plant
In Dakar, Senegal

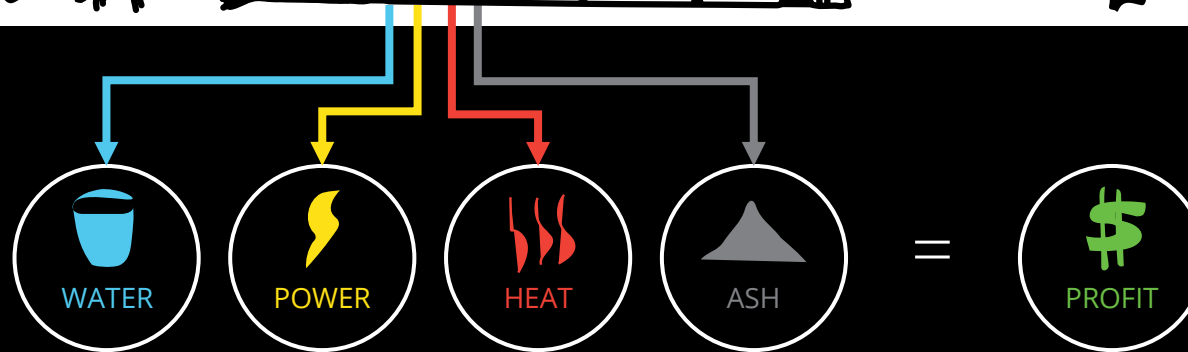
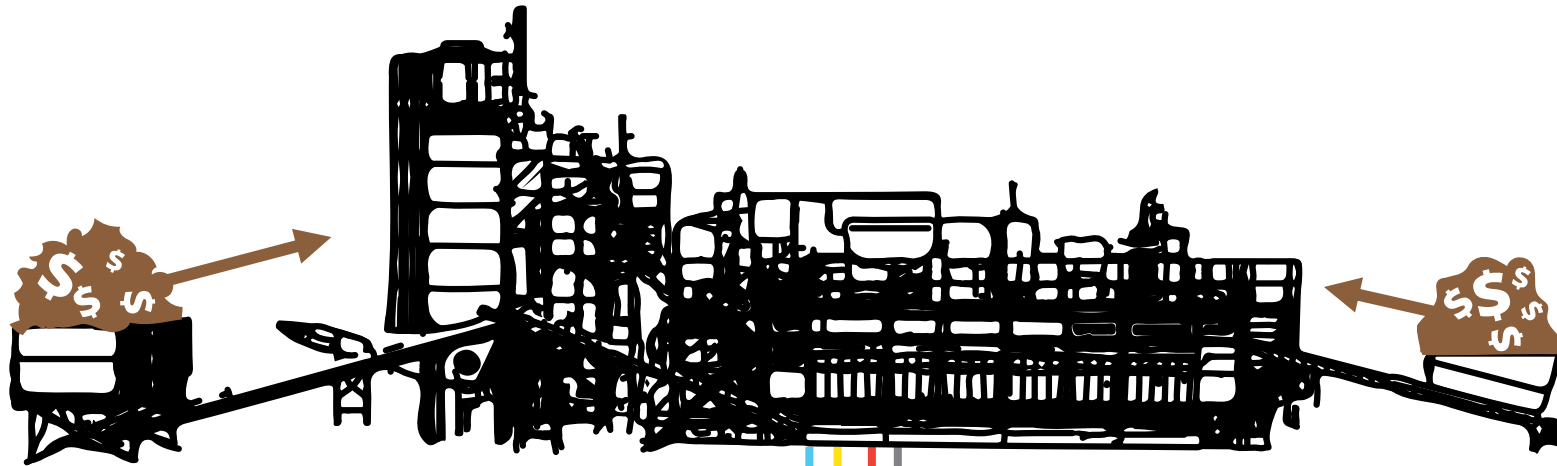
AUTOMATED CONTROLS



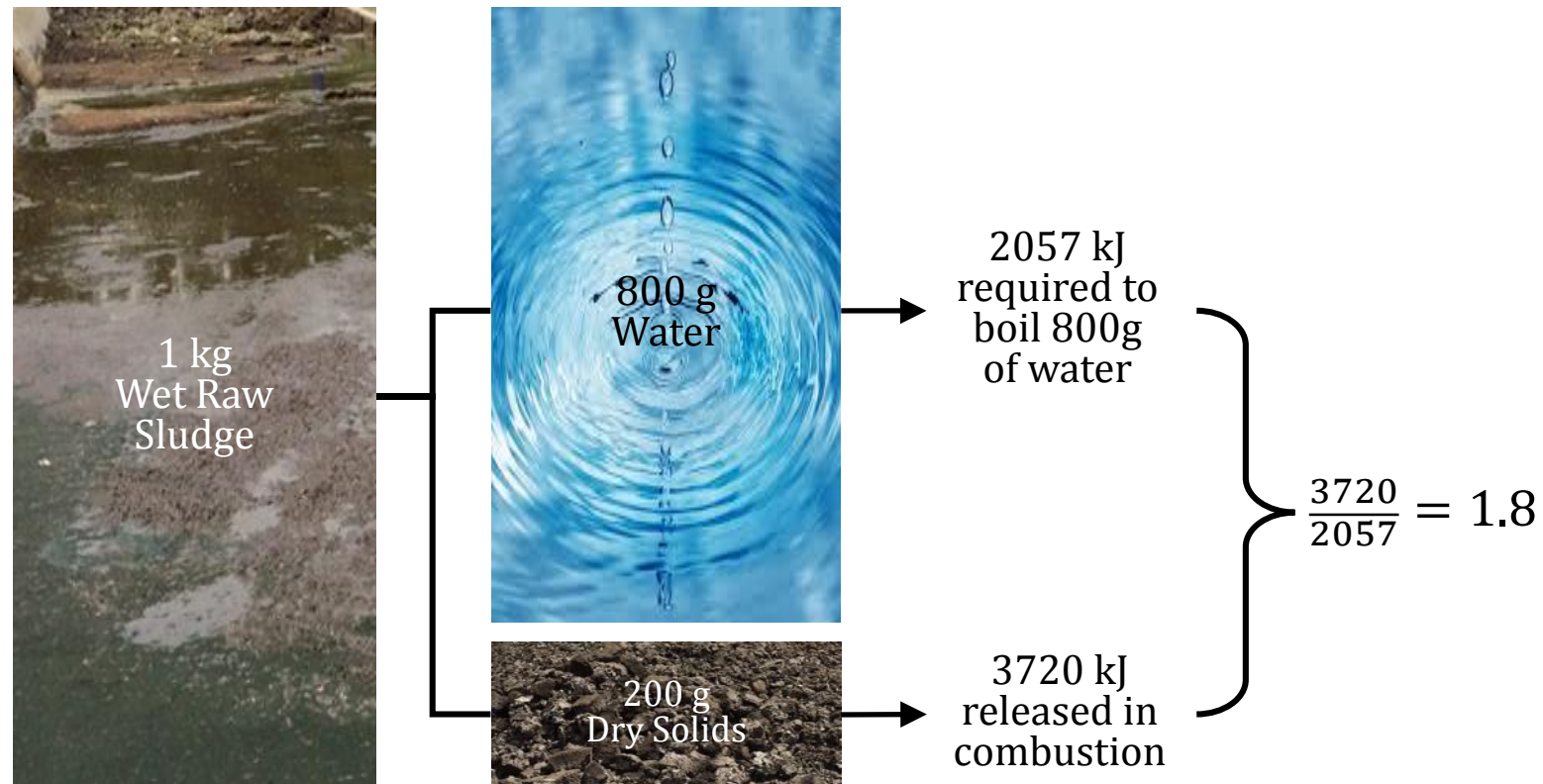
RS247

DISRUPTIVE TECHNOLOGY

When aligned with a good business plan and modern manufacturing processes, the Janicki OP revolutionizes the treatment of fecal sludge and other waste products, providing revenue potential instead of a parasitic cost to society.



THERMODYNAMICS OF THE PROBLEM

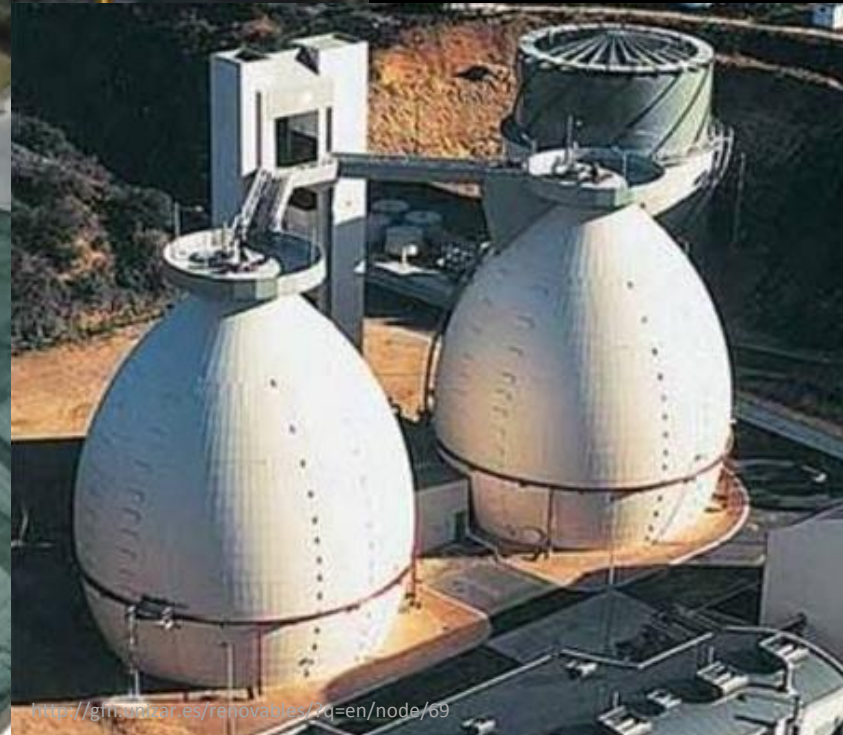


There is nearly twice the amount of energy within the dry solids of the sludge as there is energy required to boil the water out of the sludge.

CURRENT DOMESTIC SOLUTIONS



RS251



CURRENT SOLUTION #1

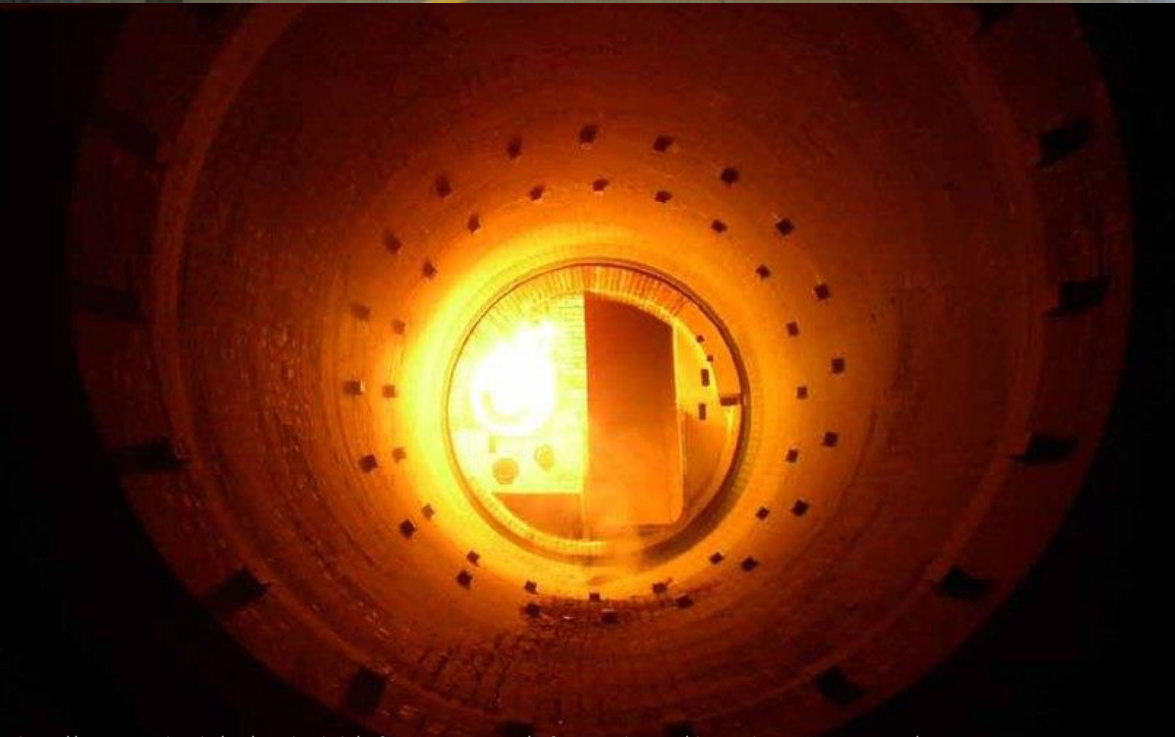
Anaerobic Digestion



► Bottom Right: Sludge discharged from an overloaded anaerobic digester



http://www.budimex.com.pl/repository/offerr/realizacje/Ekologiczne/2L13/thumb/940x538c__MG_0232.jpg



<http://www.steuler.de/en/steuler-kch/refractory-systems/refractory-linings/thermal-waste-treatment/>



RS252

<http://www.bdheat.com/bd/comct/comct.html>

CURRENT SOLUTION #2

Incineration of
unprocessed wet
biosolids



<http://www.ageofautism.com/2013/01/ask-white-house-epa-to-ban-land-application-of-sewage-sludge-biosolids.html>



<https://oecotextiles.wordpress.com/2015/08/25/are-biosolids-safe/>

CURRENT SOLUTION #3

Land Application



<http://www.ecy.wa.gov/programs/swfa/biosolids/fac.html>



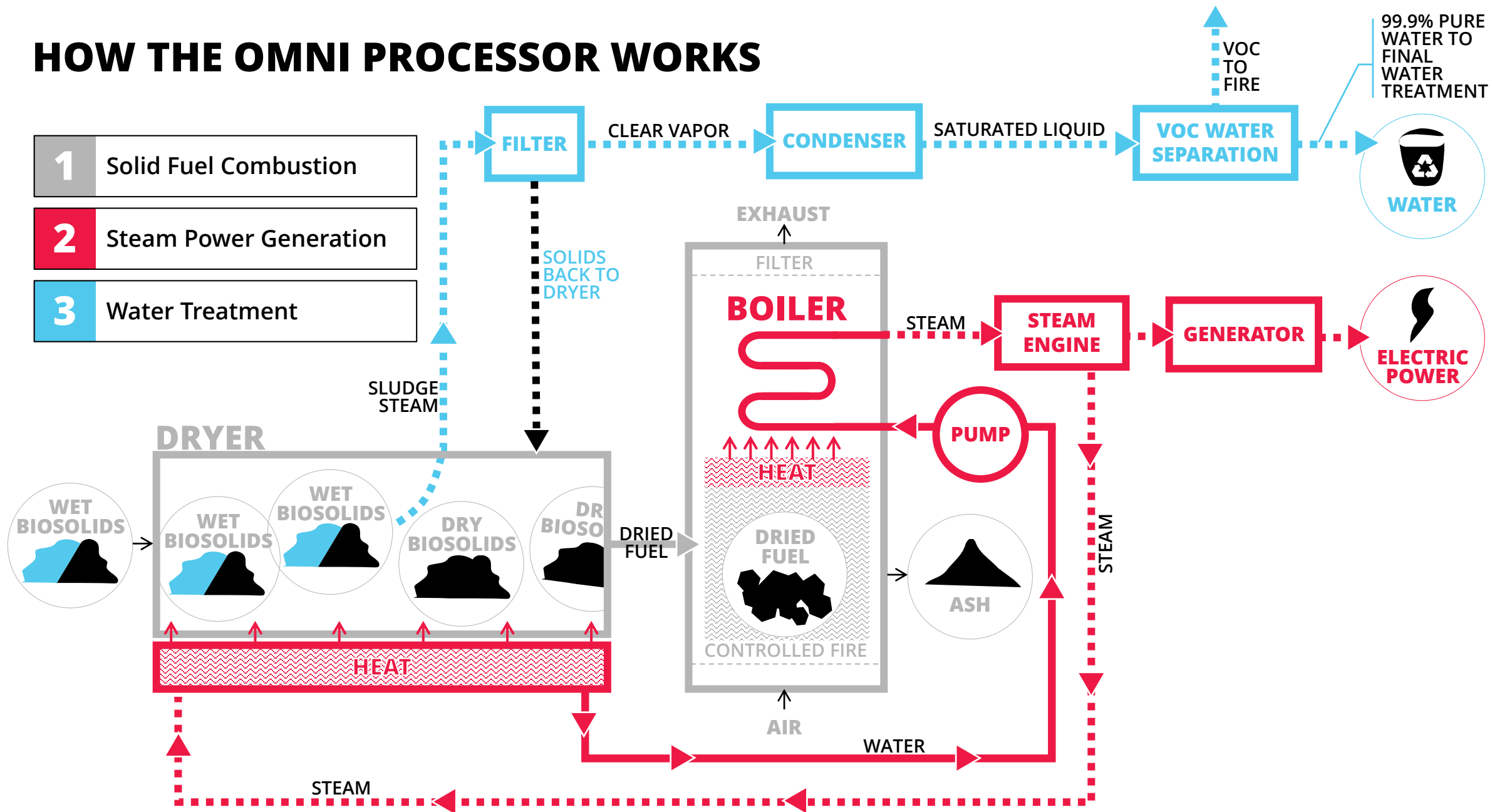
<http://sustainablefoodtrust.org/articles/human-manure-closing-the-nutrient-loop/>



RS253

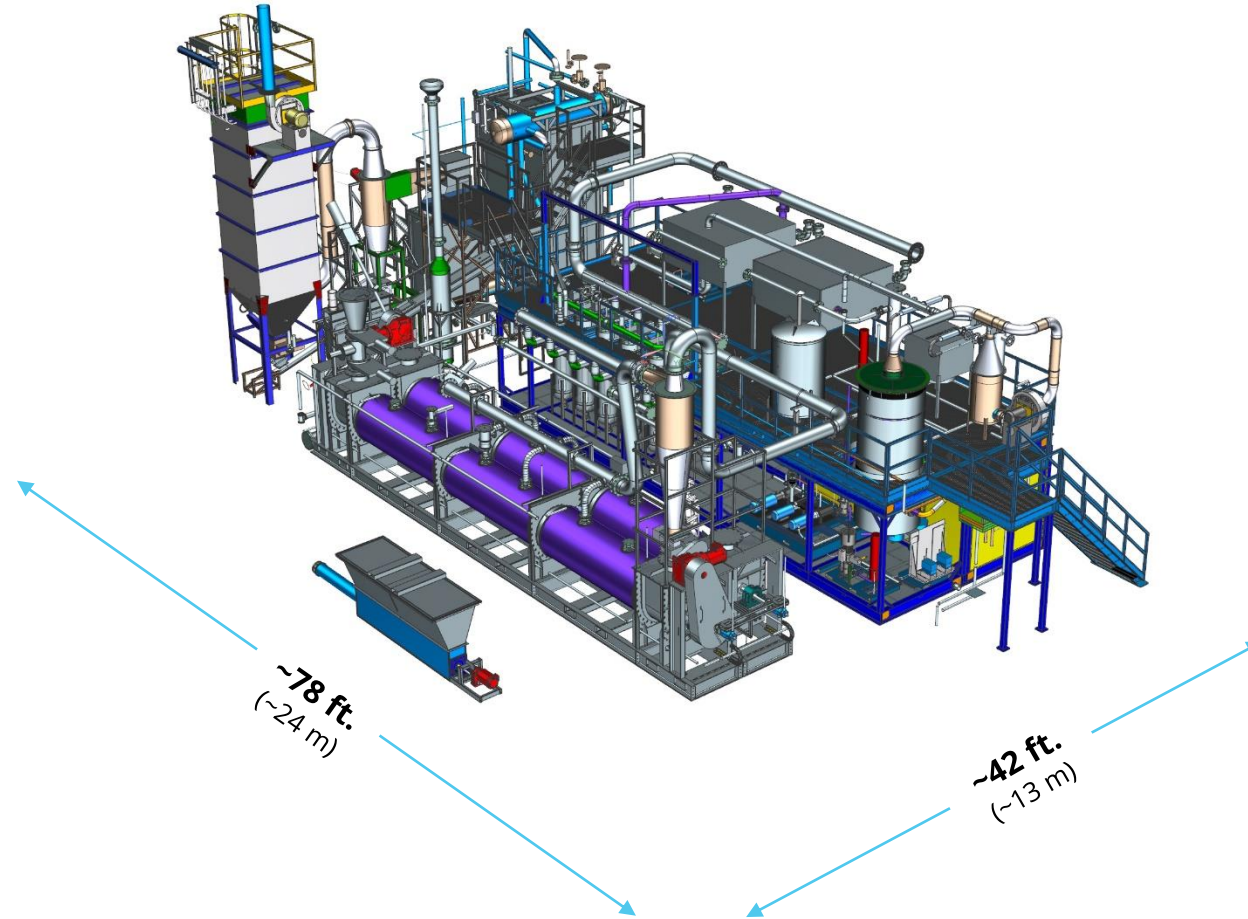
<https://www.victoriaadvocate.com/news/2015/nov/14/fight-against-sewage-sludge-site-gains-support/>

HOW THE OMNI PROCESSOR WORKS



OP S200 PLANT DIMENSIONS

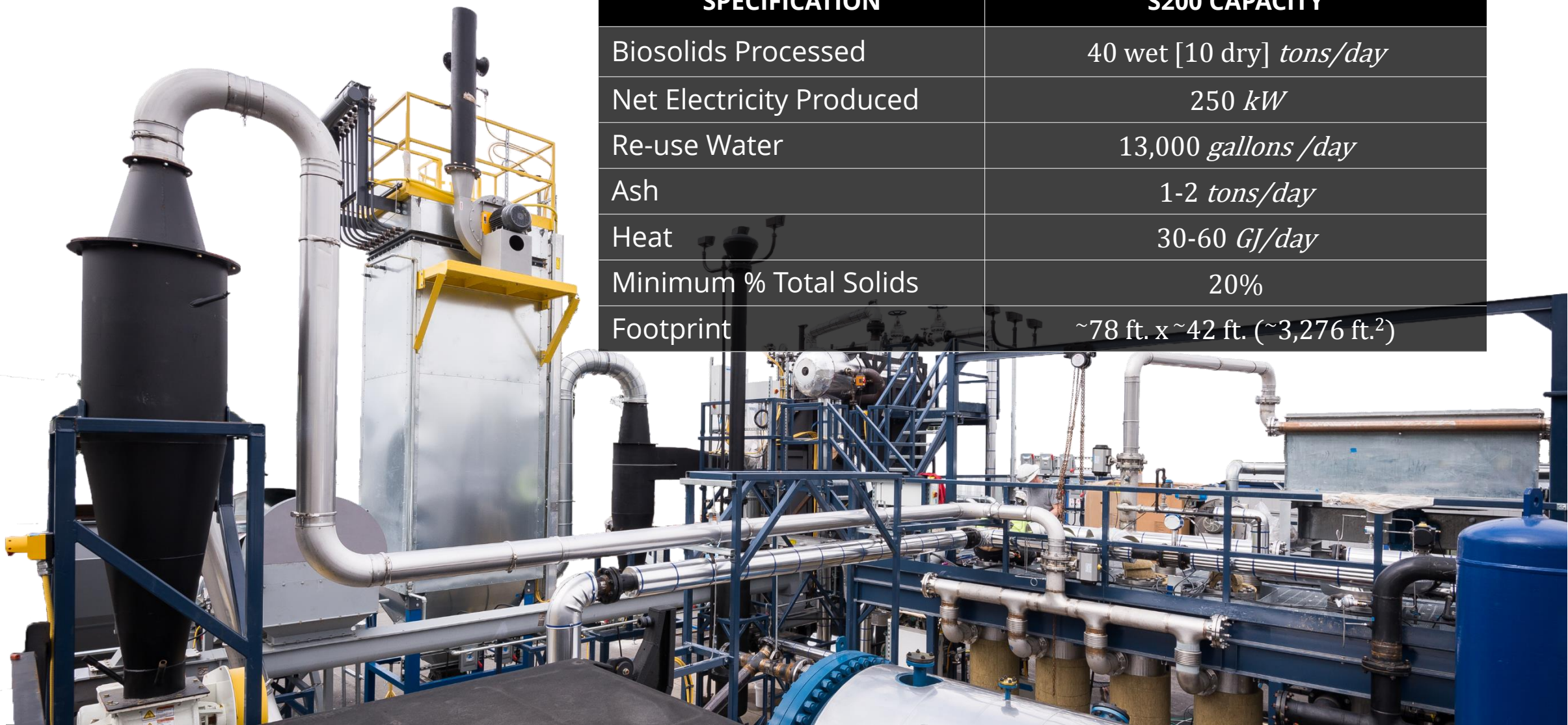
The Janicki OP is much smaller than typical treatment and/or power plants. This provides several benefits to the solution.



OMNI PROCESSOR S200

STANDARD SPECIFICATIONS

SPECIFICATION	S200 CAPACITY
Biosolids Processed	40 wet [10 dry] <i>tons/day</i>
Net Electricity Produced	250 <i>kW</i>
Re-use Water	13,000 <i>gallons /day</i>
Ash	1-2 <i>tons/day</i>
Heat	30-60 <i>GJ/day</i>
Minimum % Total Solids	20%
Footprint	~78 ft. x ~42 ft. (~3,276 ft. ²)



RS257

JANICKI BIOENERGY



Air Emission Controls:

GASEOUS POLLUTANTS

1.
**THERMAL
CONTROL**
2.
**DRY SORBENT
INJECTION**

NON-GASEOUS POLLUTANTS

3.
BAGHOUSE

RS2

Emissions

HEAVY METALS

- ✓ They adsorb to the ash and are collected on the baghouse
- ✓ Low stack temp

DIOXINS & FURANS

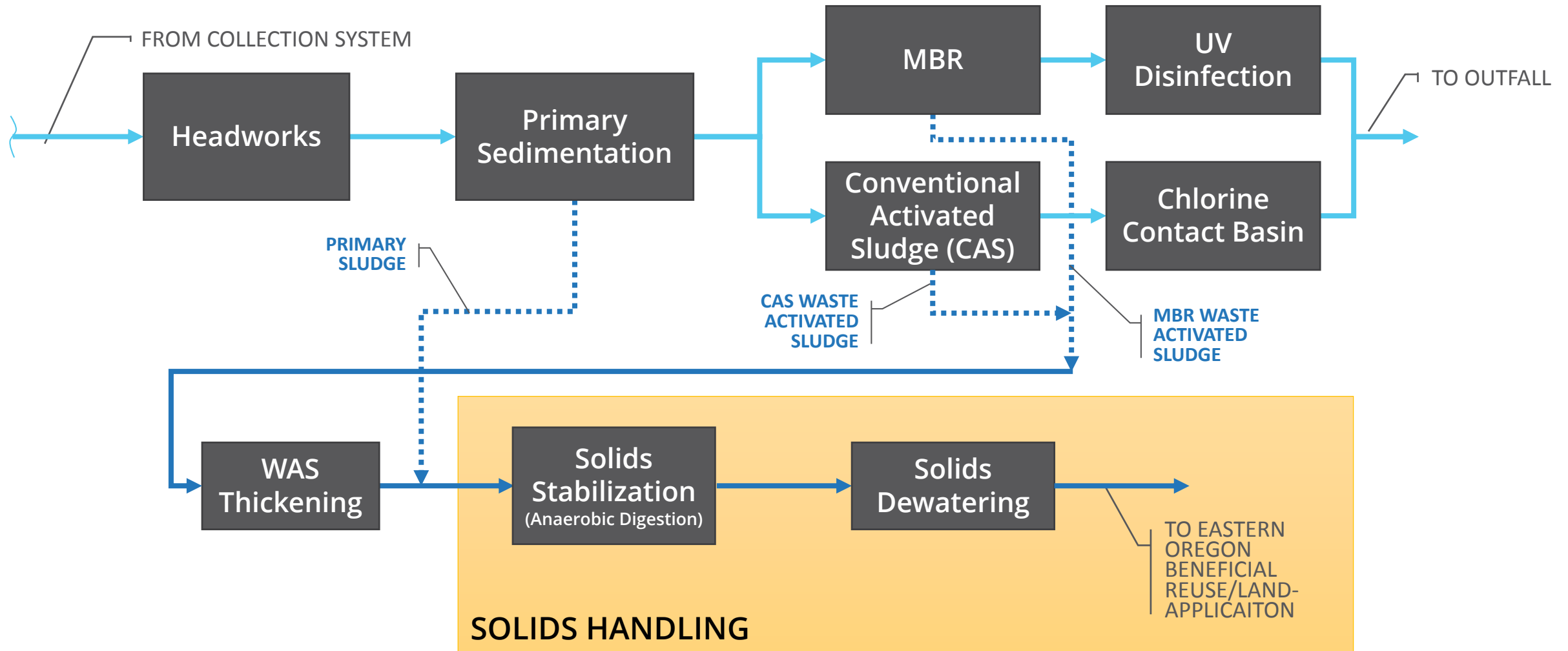
- ✓ Typical dioxin/furan formation requires chlorine
- ✓ Controlled by adding lime to the flue gas
- ✓ They adsorb to the ash and are collected in the baghouse

CO2 & OTHER GREENHOUSE GASSES

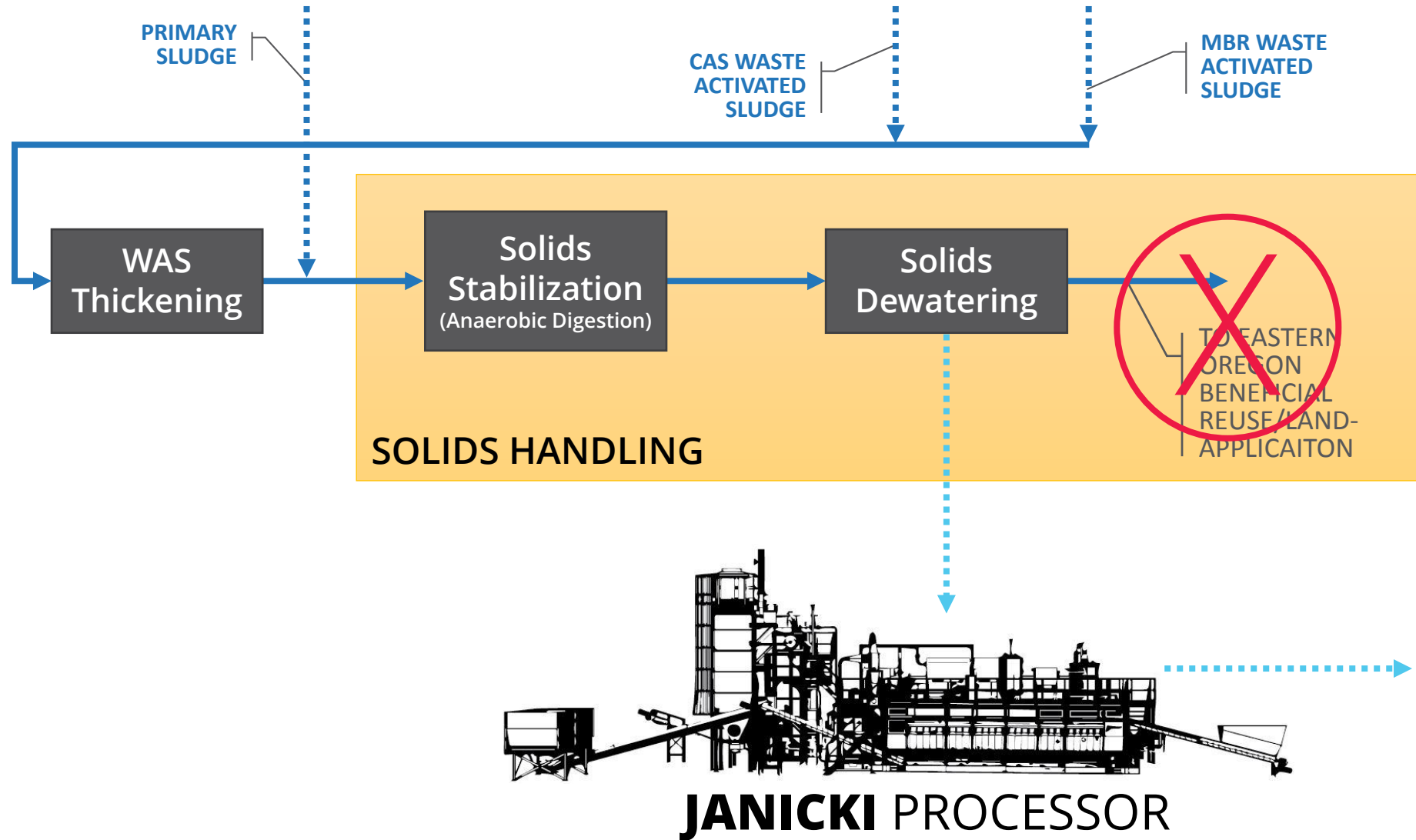
- ✓ Waste left alone will emit methane
- ✓ The use of this technology eliminates production of methane

RS259

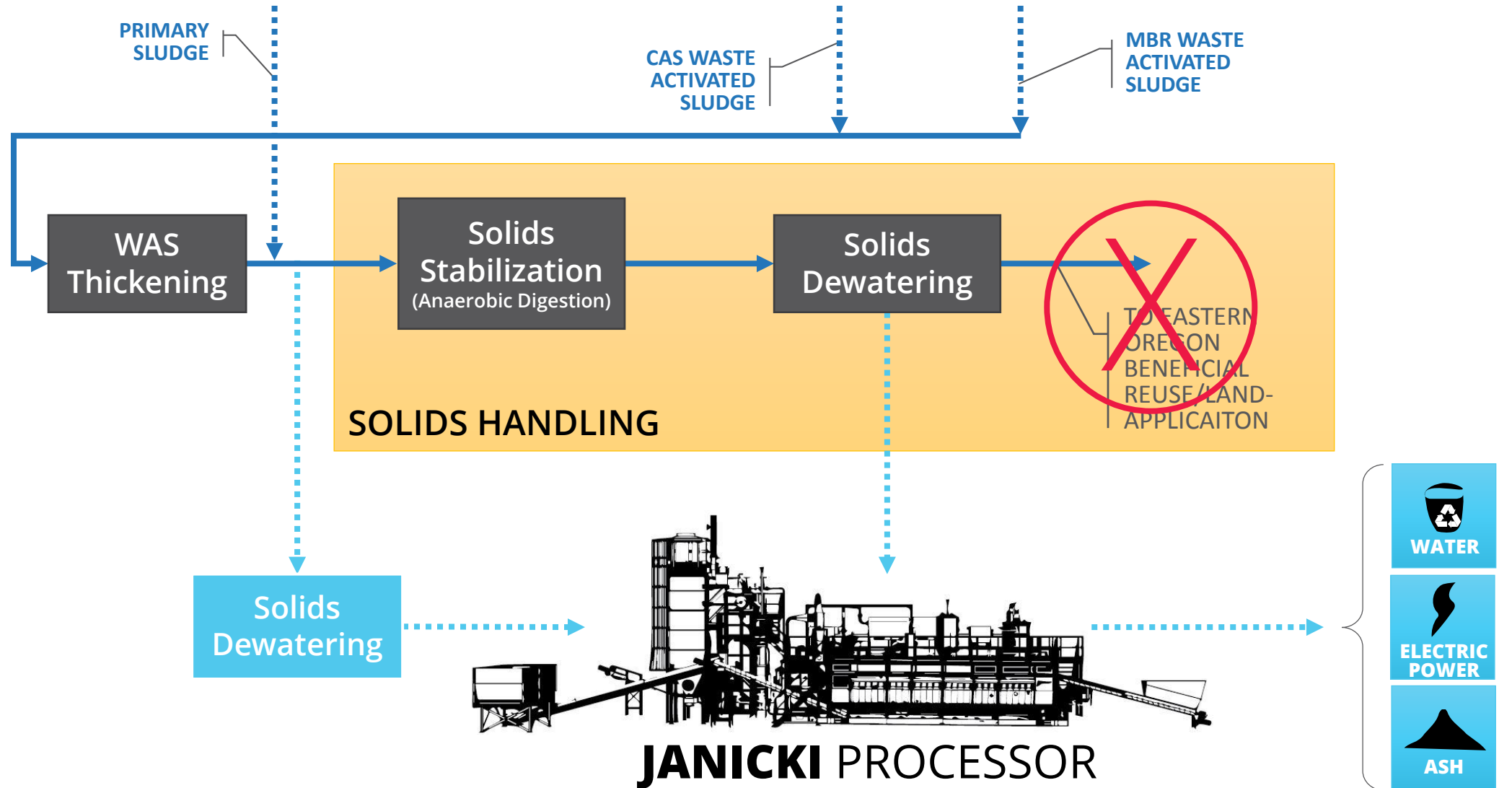
EXISTING PROCESS FLOW DIAGRAM



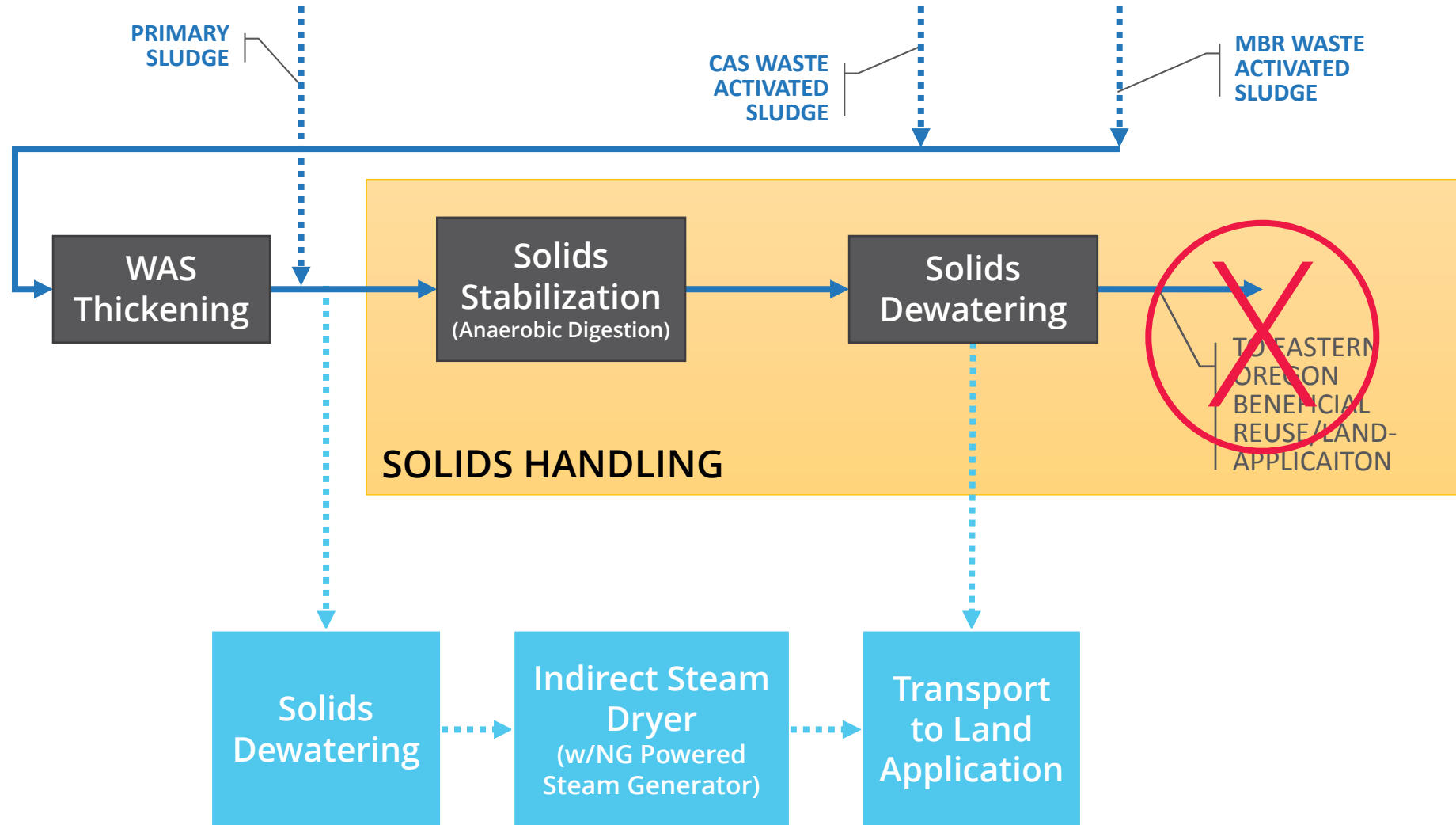
PHASE 1



PHASE 2



REDUNDANCY



CLARIFICATION

Correcting Some Misconceptions

Addressing concerns from the MWH/WES Omni Processor
Presentation to the Regional Wastewater Treatment Capacity
Advisory Committee on April 21st, 2016



JANICKI BIOENERGY

Our boiler does *not* require a certified operator.

**From State of Oregon Building Codes Division
OAR, Chapter 918 (2015)**

918-225-0470 Boiler Operation -

(1) A person suitably trained in boiler operation and control must be assigned responsibility for the boiler and shall be in close proximity of the boiler whenever it is in operation.

http://www.cbs.state.or.us/bcd/programs/boiler/BoilerPV_Rule_and_Law.pdf



**The Omni Processor
Pilot Plant in Dakar,
Senegal is designed to
last 20+ years (not 1-3).**

JANICKI BIOENERGY

RS266



JANICKI BIOENERGY

There are two machines currently processing municipal sludge:

- 1. Our pilot plant, now located in Dakar, has processed municipal sludge for the last 3-yrs., both in WA *and* in Dakar.**
- 2. Our S200 processor in WA has been processing municipal sludge from a multitude of sources for 8-mos.**

WHERE JANICKI BIOENERGY IS CURRENTLY AN ACCEPTED RFP BIDDER

Accepted RFP Bidder List:

MUNICIPALITY	DESCRIPTION / STATUS
City of New York	Accepted RFP Bidder
City of Pittsburgh	Accepted RFP Bidder
City of Cincinnati	RFP Bidder
City of Miami / Dade County	PPP List thru City Commissioners as 3rd Party Contractor w/ Merrell Bros
City of St. Louis	Accepted RFP Bidder
Los Angeles County	Pilot Project In-Work w/ SCAQMD
San Diego County	Accepted RFP Bidder
City of Louisville	In RFI Process
City of Toho/Kissimmee	Submitted RFP / Awaiting Results – Possible First Domestic Site
City of Naples	Accepted RFP Bidder
City of Victoria, BC	In RFI Process



Interconnected pipes, support structure and boiler tubes are custom built by Janicki.

All pumps, motor, fan, augers, electronics and controls are industry standard, readily available components.

JANICKI BIOENERGY

RS269

PROPOSAL

RS270

PROPOSAL

PURCHASE OPTION – TCSD/WES Operates

\$10 – 12 M (Co-located at TCSD)

- ✓ Right-size & Correct Current Solids Handling Process & Capacity
- ✓ Forego Purchase of Additional Anaerobic Digesters
- ✓ Reduce or Eliminate Transportation & Land Application Costs

SERVICE OPTION – JB/MBI Operates

\$2 M (+/- 10%) Annually (Location TBD)

- ✓ Eliminates all Land Application & Administrative Costs
- ✓ Increase Solids Capacity thru 2035
- ✓ Forego Purchase of Additional Anaerobic Digesters
- ✓ Provide Excess Sludge/Solids Processing Capacity should current process become interrupted or fail

QUESTIONS

Audience Q&A

North Clackamas Urban Watersheds Council



1900 SE Milport Rd, Suite C • Milwaukie, OR 97222
coordinator@ncuwc.org • ncurbanwatershed.wordpress.com

May 19, 2016

Clackamas County Board of County Commissioners
150 Beavercreek Road
Oregon City OR 97045

Honorable Commissioners:

Thank you for this opportunity to testify on the matter of the proposed incineration facility at the Tri-Cities Wastewater treatment plant, which is located in the heart of urban Clackamas County.

After careful consideration, the North Clackamas Urban Watersheds Council is opposed to any new incineration facility in our region.

While it is agreed that new technology can solve some of our toughest problems, incineration is not new no matter how fancy the proposed new process is. Incineration is guaranteed to pollute our air and water and existing federal regulations fail to address the complete fallout of incineration. Oregonians have worked hard to reduce waste streams and redirect waste to alternative, low technology processes that actually reduce pollution. We have been phasing out incineration in Oregon and until zero emission technology is proven, there should not be any new incinerators installed in Oregon.

Given the recent exposing of DEQ failures to comply with existing expectations in Portland, it is unfathomable that a new source of air pollution will ever be approved for the Metro region or anywhere else in Oregon.

It is clear that while incineration reduces the amount of end product, it also changes the form of the waste into ultra-fine particles that have been found to be a major source of chronic health problems, particularly in urban settings.

We congratulate the inventor of this proposed technology for his ingenuity, however urban Clackamas County is the wrong place for a new incinerator. Please discontinue spending any more public money deliberating on this poisonous alternative. Please support the very capable staff at Water Environment Services, which has taken a "No!" position on a new incinerator.

Thank you for your own careful consideration to this issue.

Sincerely yours,

Terry John Gibson

Chair, North Clackamas Urban Watersheds Council

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Alexandria, VA

May 24, 2016

Regional Wastewater Treatment Citizen Advisory Committee
c/o Water Environment Services of Clackamas County
150 Beaver Creek Road
Oregon City, Oregon 97045

Members of the Regional Wastewater Treatment Advisory Committee:

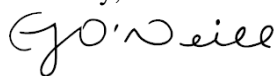
The Water Environment Federation (WEF) is a not-for-profit technical and educational organization of 33,000 individual members and 75 affiliated Member Associations (MAs) representing water quality professionals around the world. Since 1928, WEF and its members have protected public health and the environment. As a global water sector leader, our mission is to connect water professionals; enrich the expertise of water professionals; increase the awareness of the impact and value of water; and provide a platform for water sector innovation.

WEF and its global network of members and MAs provide water quality professionals with the latest in water quality education, training, and business opportunities. WEF's diverse membership includes scientists, engineers, regulators, academics, utility managers, plant operators, and other professionals. WEF uses this collective knowledge to further a shared goal of improving water quality around the world.

Water Environment Services (WES) staff have been active in WEF or its MAs for decades. As a Utility Partner Program organization, WES can access programs like the Leaders Innovation Forum for Technology (LIFT) through WEF's partnership with the Water Environment and Reuse Foundation. WES and its staff are also able to network with other utilities around the globe via WEFTEC (annual conference), specialty conferences, committee participation and a variety of publications. Through their participation, WES and other utilities share their experiences with vendors, technologies and stakeholders for the education of all. Our members take seriously their charge to protect the water environment and public health and maximize the value of services to their ratepayers. Programs like LIFT allow utilities to share the risk of testing new technologies across members interested in a particular sector. WEF members operate with the highest level of professionalism, from managers to operators, as is demonstrated by our high level of collaboration.

WEF commends Water Environment Services and its team on their ongoing work to protect the water environment. We invite you to expand your knowledge of water quality by taking advantage of the many opportunities WEF offers.

Sincerely,



Eileen J. O'Neill, Ph.D.
Executive Director
Water Environment Federation



571-384-2100

werf@werf.org

May 18, 2016

Regional Wastewater Treatment Advisory Committee
c/o Water Environment Services
150 Beaver Creek Rd.
Oregon City, OR 97045

Members of the Regional Wastewater Treatment Advisory Committee,

As a subscriber to the Water Environment & Reuse Foundation (WE&RF, formerly Water Environment Research Foundation), Water Environment Services has access to a wealth of information on the latest technologies and best practices from across the US and around the world.

The WE&RF, a nonprofit organization formed in 1989, is America's leading independent scientific research organization dedicated to wastewater, stormwater, and water reuse issues. In 2012, we partnered with Water Environment Federation (WEF) to create the Leaders Innovation Forum for Technology (LIFT). The LIFT program's mission is to accelerate innovation of water technologies by engaging the entire water sector in all phases of the innovation process to accelerate adoption.

This is accomplished through seven strategic areas:

- Accelerating Innovation
- Informing Innovation
- Connecting Innovators
- Funding Innovation
- Creating an Innovation Environment
- Promoting Innovation

In a very short time, LIFT has a strong track record of success that includes, but is not limited to:

- *Industry Participation* – over 300 utility participants
- *LIFT Technology Scans* – evaluated 98 innovative water technologies
- *Targeted Collaborative Research* – managed 3rd party evaluations of pilot technologies
- *Water Resource Recovery Test Bed Network* – resource to help innovative technologies achieve market acceptance across different regulatory regimes

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ARCADIS U.S., Inc.

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Los Angeles County

RS275

These efforts, and in particular the LIFT program, represents WE&RF's commitment to advancing the state of the wastewater, stormwater, and water reuse industries by filling a critical need linking innovation with the market. Attached please find a brochure that further defines the LIFT program. We encourage you to get more engaged and to share this program with your colleagues in the water industry. Please let us know if you have any questions regarding LIFT or any of the other many services WE&RF offers its members.

Sincerely,



Melissa L. Meeker
Chief Executive Officer
Water Environment & Reuse Foundation



May 21, 106

Regional Wastewater Treatment Citizen Advisory Committee
c/o Water Environment Services of Clackamas County
150 Beavercreek Road, Oregon City, Oregon 97045,
SUBJECT: Proposal for Rate Payers of Clackamas Water Environment Services to Fund Janicki
Industries Omniprocessor Unit for \$12M Plus Operating Costs

Dear Madam and Sir:

I have consulted the reference website for this technology (<http://janickibioenergy.com/s200.html>), which provides what appears to be a sufficient description of the technology to complete an initial assessment of it. What is presented on this website is well-known and characterized technology, consisting of a fluidized bed incinerator with energy recovery through the production of high pressure steam for electrical energy production. The condensed steam is further represented to providing a drinking water source. It is reasonable to expect that such a unit will be able to combust dewatered municipal wastewater sludge and produce an ash, and that the water evaporated in the fluidized bed incinerator can be recovered and will be of high quality. What is not reasonable is the expectation that energy can be produced. It is well known that dewatered municipal wastewater sludge, produced even using the most advanced technologies, contains too much water for combustion to be autogenous – that is, self-sustaining. Rather, supplemental fuel, such as diesel oil or natural gas, must be added to provide sufficient heat energy from combustion to evaporate the water contained in the feed sludge. This constraint is not a matter of the combustion technology but simply of the nature of municipal wastewater sludge. Thus, it is not reasonable, nor even possible, for the technology described to produce the electrical energy claimed with municipal sludge as the feedstock. A significant input of supplemental fuel (e.g. diesel oil or natural gas) would be required, and the result would be a net consumption, rather than production, of energy.

An investment by the rate payers of Clackamas Water Environment Services is clearly inappropriate at this time. I understand that it is proposed that this technology be evaluated through the Water Environment Research Foundation (WERF) LIFT program. This can be done at a cost to the Clackamas Water Environment Services rate payers which will be no more than 1 % of the cost proposed above, and would provide an independent and scientifically sound evaluation to determine whether some unique feature of the technology would allow it to meet its claims. In the absence of such independent validation it must be concluded that the proposed claims simply cannot be met.

I would be happy to discuss this matter further.

Glen T. Daigger, Ph.D., P.E., BCEE, NAE

Professor Engineering Practice
Immediate Past President of the International Water Association
Distinguished Fellow, IWA
Fellow, Water Environment Federation
Voted Most Influential Global Water Professional for 2015

May 26, 2016

Regional Wastewater Treatment Capacity Advisory Committee
Water Environment Services
150 Beavercreek Road
Oregon City, OR 97045

Re: Comments on the Negative Impacts of Incineration on Public Health and the Environment

Dear Advisory Committee Members and Water Environment Services Personnel,

As of 2010, there were 218 sewage sludge incinerators (SSIs) operating in the U.S., most being of either multiple hearth or fluidized bed design. In 2010, as a result of numerous lawsuits and outcry, and based upon two subparts of the Clean Air Act, EPA proposed new regulations to cut emissions of mercury, particle pollution and hazardous pollutants from new and existing SSIs. [1-3]

EPA's new regulations took effect this March, and specify emission limits for 9 pollutants: Cadmium, Carbon Monoxide, Dioxin/Furans, Hydrogen Chloride, Lead, Mercury, Oxides of Nitrogen, Particulate Matter, and Sulfur Dioxide. [4]

In announcing its proposed reductions in mercury, EPA noted that SSIs are "the sixth-largest source of mercury air emissions in the United States." [1]

EPA also noted that: "Mercury in the air eventually deposits into water, where it changes into methylmercury, a highly toxic form that builds up in fish. People are primarily exposed to mercury by eating contaminated fish. Because the developing fetus is the most sensitive to the toxic effects of methylmercury, women of childbearing age and children are regarded as the populations of greatest concern." [1]

In announcing its proposed reductions in particle pollution, EPA noted that particle pollution is linked to a variety of serious health effects, including aggravated asthma, heart attacks and premature death in people with heart and lung disease." [1]

Numerous medical associations have issued similar statements. The American Heart Association, for instance, notes that the greater the exposure to fine particulate matter (PM2.5) produced by combustion, the greater the likelihood of:

"cardiovascular deaths, heart attacks, strokes, heart failure and irregular heartbeats, especially in susceptible individuals" [namely] "the elderly, those with existing heart diseases, such as heart failure or coronary artery disease, and perhaps those with diabetes." [5]

The AHA goes on to say that:

"there are several ways by which PM2.5 could affect the cardiovascular system ... one leading

explanation suggests that several components of PM2.5, once inhaled, can cause inflammation and irritate nerves in the lungs. These responses can start a cascade of changes that adversely affect the rest of the body." [5]

For additional statements by medical associations about the adverse health effects of particulate pollution from sewage sludge and other types of biomass incinerators, see references 6, 7, and 8.

In addition to all that is known about the adverse health effects of particulates that are regulated and measured, it's important to note that the most health impairing and deadly forms of particulate air pollution -- ultrafines -- are neither regulated nor measured under current regulations, but yet are released in vast quantities by incinerators.

Ultrafine particles are incredibly small and vary in size from 1 to 100 nanometers, or billionths of a meter (100 nanometers is equal to about 1/1000th the width of a human hair). Ultrafines have a very large surface area relative to their volume, and airborne toxins attach to this surface. Such toxic laden ultrafines then get lodged in our lungs, and enter our blood stream and organs producing inflammation and oxidative stress, and increasing the potential for a variety of serious respiratory, circulatory and other problems, and even death. Ultrafines have also been shown to cross both the blood-brain barrier and the placental barrier. For documentation on the adverse health effects of ultrafines and emissions from incinerators, see my recent comments to Metro [9]. For additional documentation, see references 10, 11, and 12.

In closing, given all the preceding medical evidence; all the recent revelations about the toxic air emissions of several Portland companies; the emissions from all the old diesel trucks that travel through Oregon and Metropolitan Portland; the repeated regulatory failures of DEQ in various areas; the escalating levels of carbon dioxide and climate change; the likelihood that incinerators will become stranded assets; and much more ... given all the preceding, we definitely don't need to add to this mess by adding a sewage sludge incinerator to the Tri-City Wastewater Treatment Plant.

An additional threat we definitely don't need, is Metro's proposal to send one-fifth of the tri-county area's trash, about 200,000 tons a year, to the Marion Covanta waste-to-energy incinerator in Brooks when current contracts expire in 2019. Metro says its proposal will require doubling the size of the plant ... which will double its air emissions of regulated and unregulated pollutants, and double its discharge of residual levels of chlorine and trace levels of mercury into the Willamette as well. For more on these issues, see references 9, 13, 14, and 15.

Thanks for considering my comments. Please note that the views expressed above represent my views as a concerned citizen, and have not been reviewed by the Oregon chapter of Physicians for Social Responsibility.

Sincerely,

Joe Miller PhD
1030 SW Jefferson St., Apt. 534
Portland, Oregon 97201

Member, Environmental Health Working Group, Oregon Physicians for Social Responsibility
Former Member, Board of Directors, Oregon Physicians for Social Responsibility
Member (representing Oregon PSR), Oregon DEQ Conversion Technology Rulemaking Advisory Committee (2012)

[1] EPA Proposes to Cut Mercury Emissions from Sewage Sludge Incinerators - EPA 10/1/10
<https://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/87ec2964cf096f91852577af005488ac!OpenDocument>

[2] Cleaning Up Sewage Sludge Incinerators - Earthjustice
http://earthjustice.org/our_work/cases/2013/cleaning-up-sewage-sludge-incinerators

[3] Wastewater Utilities Critical of EPA Strict Regulation of Incinerators - Waste Business Journal 10/8/10
<http://www.wastebusinessjournal.com/news/wbj20101012C.htm>

[4] Webinar: Proposed Federal Plan for Sewage Sludge Incinerators - EPA 6/15
<https://www3.epa.gov/airtoxics/129/ssi/20150602webinar.pdf>

[5] American Heart Association Scientific Statement: Evidence Growing of Air Pollution's Link to Heart Disease, Death 5/10/10
<http://www.prnewswire.com/news-releases/american-heart-association-scientific-statement-evidence-growing-of-air-pollutions-link-to-heart-disease-death-93328699.html>

[6] Second Opinion: The Medical Profession Diagnoses Biomass Incineration - Therese Vick - Blue Ridge Environmental Defense League 9/6/11 (Revised 11/15/11)
<http://www.bredl.org/pdf3/SecondOpinion.pdf>

[7] Medical and Health Associations Opposed to Biomass - Energy Justice Network
<http://www.energyjustice.net/biomass/health/>

[8] Airborne Particulate Matter and Public Health - Oregon Physicians for Social Responsibility 2015
<http://www.psr.org/chapters/oregon/assets/pdfs/airborne-particulate-matter.pdf>

[9] Comments by Joseph Miller to Metro Council re Waste-To-Energy Incineration Proposal 1/11/16
<http://www.psr.org/chapters/oregon/assets/pdfs/miller-testimony-metro-wastetoenergy-1-11-16.pdf>

[10] No safe level of exposure to tiny particulates, says toxico pathologist - Cork Harbour Alliance for a

Safe Environment (Ireland) 4/26/16 [statements by C. Vyvyan Howard]

<http://chasecorkharbour.com/no-safe-level-of-exposure-to-tiny-particulates-says-toxico-pathologist/>

[11] Nano air pollutants strike a blow to the brain - A. P. Stevens - Science News for Students 12/17/14

<https://student.societyforscience.org/article/nano-air-pollutants-strike-blow-brain>

[12] Study shows PM1 air pollution is most harmful - Wang Hongyi - China Daily 10/28/13

http://usa.chinadaily.com.cn/china/2013-10/28/content_17061997.htm

[13] Burning waste is an unhealthy idea - Joe Miller - Portland Tribune 1/19/16

<http://portlandtribune.com/pt/10-opinion/289408-166082-burning-waste-is-an-unhealthy-idea>

[14] Comments by Joseph Miller re proposed NPDES water quality permit for Covanta Marion, Inc.
3/25/16

<http://www.psr.org/chapters/oregon/assets/pdfs/miller-testimony-deq-covantamarion-npdes-3-25-16.pdf>

[15] Metro agrees to enter talks with operator of region's garbage incinerator - Steve Law - Portland Tribune 1/13/16

<http://portlandtribune.com/sl/288796-165969-metro-agrees-to-enter-talks-with-operator-of-regions-garbage-incinerator->