



**Work Session**

**WS**

**Milwaukie City Council**



**MILWAUKIE CITY COUNCIL  
WORK SESSION**

City Hall Conference Room  
10722 SE Main Street  
www.milwaukieoregon.gov

**AGENDA  
June 7, 2016**

A light dinner will be served.

**Page #**

**4:00 p.m. EXECUTIVE SESSION**

The City Council will meet in Executive Session pursuant to Oregon Revised Statute (ORS) ORS 192.660(2) (h) to consult with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

- |   |           |
|---|-----------|
| <b>1. 4:15 p.m. Solid Waste Rates</b>   | <b>1</b>  |
| Staff: Reba Crocker, Right of Way and Contract Coordinator  |           |
| <b>2. 4:45 p.m. Emergency Management</b>  | <b>8</b>  |
| Staff: Gary Parkin, Public Works Director   |           |
| <b>3. 5:00 p.m. Jurisdictional Transfer of 99E Frontage Road between SE Milport Road and SE Ochoco Street</b> | <b>11</b> |
| Staff: Kenny Hill, Stormwater / Streets Supervisor  |           |
| <b>4. 5:15 p.m. Urban Growth Management Agreement (UGMA) Update</b>   | <b>28</b> |
| Staff: Mitch Nieman, Assistant to the City Manager  |           |
| <b>5. 5:45 p.m. Adjourn</b>   |           |

**Meeting Information**

- The time listed for each item is approximate; the actual time each item is considered may change due to the length of time devoted to the previous item. The Council may vote in Work Session on non-legislative issues.
- 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 are allowed to attend Executive Sessions 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.
  - Executive Sessions are closed to the public.
- For assistance/service per the Americans with Disabilities Act (ADA), please dial TDD 503-786-7555. During meetings the Council asks that all pagers and cell phones be set on silent mode or turned off.



MILWAUKIE CITY COUNCIL  
STAFF REPORT

**WS 1.**  
**June 7, 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 7, 2016

**ACTION REQUESTED**

Discussion on Solid Waste Rates.

**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.

**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.

At least one business within the City of Milwaukie requires a unique level of solid waste collection service. This business generates a *special waste* required to be delivered to landfills permitted, by the DEQ, to receive the material. All such permitted landfills are located outside the Metro area. Hillsboro landfill is the current recipient of the material. In addition to the distance traveled this business requires collection of multiple drop boxes per day. This level of service differs significantly from the predominant service levels contemplated when establishing the drop box fees.

Staff recommends creating a special class of service for special wastes delivered outside the Metro region. This fee will apply to asbestos contractors and others with special wastes required to be disposed in an appropriately permitted landfill. The proposed fee represents a \$21.00 increase from the standard customer collection fee for 10 and 20 cubic yard drop boxes. All other drop box fees remain the same and will be appropriately applied to this new class of service.

<b>Special waste delivered outside the Metro region</b>	<b>Current</b>	<b>Proposed</b>	<b>Change</b>
<b>10/20 yard Drop Boxes</b>	\$119.00	\$140.00	\$21.00

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 not included in the analysis for this year, but will impact the ROR and possibly cause a rate increase next year.

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

- 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 \$.09 per cubic yard serviced. This reflects the adjustments to labor and garbage disposal costs as mentioned above.

**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**

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. Milwaukie Composite
2. Proposed Solid Waste Rates
3. Solid Waste Rate Resolution

*Adjusted*  
**Return on Revenues**  
*City of Milwaukee January 1 to December 31, 2015*

	Residential Service			Commercial Service		Drop Box	Grand Totals
	Solid Waste	Recycling	Yard Debris	Solid Waste	Recycling		
<b>Collection &amp; Service Revenues</b>	<b>2,156,802</b>	<b>5,651</b>	<b>93,368</b>	<b>1,181,265</b>	<b>3,864</b>	<b>1,146,367</b>	<b>4,587,317</b>
<b>Direct Costs of Operations</b>	<b>809,798</b>	<b>424,950</b>	<b>375,330</b>	<b>623,884</b>	<b>251,422</b>	<b>1,114,014</b>	<b>3,599,398</b>
	% of revenue	% of revenue	% of revenue	% of revenue	% of revenue	% of revenue	
Disposal Expense	312,672	29,350	108,748	346,936	49,233	685,798	1,532,737
Labor Expense	240,352	233,488	162,747	136,961	129,184	307,020	1,209,752
Truck Expense	124,802	135,145	86,617	53,635	47,040	75,054	522,293
Equipment Expense	15,900	21,840	13,760	25,179	23,289	19,285	119,253
Franchise Fees	110,818	0	0	58,101	0	20,351	189,270
Other Direct Expense	5,254	5,127	3,458	3,072	2,676	6,506	26,093
<b>Indirect Costs of Operations</b>	<b>349,989</b>			<b>147,591</b>		<b>38,051</b>	<b>535,631</b>
Management Expense	85,929			32,219		9,297	127,445
Administrative Expense	93,460			38,663		11,764	143,887
Other Overhead Expenses	170,600			76,709		16,990	264,299
<b>Total Cost</b>	<b>1,960,067</b>			<b>1,022,897</b>		<b>1,152,065</b>	<b>4,135,029</b>
<b>Less Unallowable Costs</b>	<b>2,008</b>			<b>1,264</b>		<b>338</b>	<b>3,610</b>
<b>Allowable Costs</b>	<b>1,958,059</b>			<b>1,021,633</b>		<b>1,151,727</b>	<b>4,131,419</b>
<b>Franchise Income</b>	<b>297,762</b>			<b>163,496</b>		<b>-5,360</b>	<b>455,898</b>
<b>Customer Count / Yards / Hauls</b>	<b>6,880</b>		<b>6,616</b>	<b>76,427</b>	<b>83,876</b>	<b>2,088</b>	
<b>Revenues</b>	<b>2,255,821</b>			<b>1,185,129</b>		<b>1,146,367</b>	<b>4,587,317</b>
	% of revenue			% of revenue		% of revenue	
<b>Direct Costs of Operations</b>	1,610,078			875,306		1,114,014	3,599,398
<b>Indirect Costs of Operations</b>	349,989			147,591		38,051	535,631
<b>Total Cost</b>	1,960,067			1,022,897		1,152,065	4,135,029
<b>Less Unallowable Costs</b>	2,008			1,264		338	3,610
<b>Allowable Costs</b>	1,958,059			1,021,633		1,151,727	4,131,419
<b>Franchise Income</b>	297,762			163,496		-5,360	455,898
<b>Return on revenues</b>	<b>13.20%</b>			<b>13.80%</b>		<b>-0.47%</b>	<b>9.94%</b>

Projected 2016 Results  
Return on Revenues  
City of Milwaukee

	Residential Service Recycling			Commercial Service Recycling			Drop Box	Grand Totals	
	Solid Waste	Yard Debris		Solid Waste	Yard Debris				
		% ▲ from prior year			% ▲ from prior year		% ▲ from prior year		
<b>Collection &amp; Service Revenues</b>	<b>2,203,399</b>	2.2%	<b>420</b>	-92.6%	<b>93,368</b>	0.0%	<b>1,151,682</b>	0.5%	<b>4,630,192</b>
<b>Fee Increase</b>	<b>13,592</b>				<b>3,569</b>		<b>63,399</b>		<b>80,560</b>
<b>Direct Costs of Operations</b>	<b>812,422</b>		<b>457,517</b>		<b>390,077</b>		<b>1,129,275</b>		<b>3,709,408</b>
Disposal Expense	317,518	1.6%	56,251		119,623	13.1%	691,113	0.8%	1,627,295
Labor Expense	245,544	2.2%	238,537	2.2%	166,275	2.2%	313,775	2.2%	1,236,106
Truck Expense	125,177	0.3%	135,644	0.4%	86,876	0.3%	75,513	0.6%	524,304
Equipment Expense	15,967	0.4%	21,918	0.4%	13,817	0.4%	19,302	0.1%	119,886
Franchise Fees	102,918	-7.1%	0		0		23,028	13.2%	175,541
Other Direct Expense	5,297	0.8%	5,167	0.8%	3,485	0.8%	6,543	0.6%	26,277
<b>Indirect Costs of Operations</b>	<b>353,934</b>				<b>149,214</b>		<b>38,538</b>		<b>541,686</b>
Management Expense	87,173	1.4%			32,709	1.5%	9,441	1.6%	129,323
Administrative Expense	94,881	1.5%			39,292	1.6%	11,960	1.7%	146,133
Other Overhead Expenses	171,881	0.8%			77,213	0.7%	17,137	0.9%	266,231
<b>Less Unallowable Costs</b>	<b>2,008</b>				<b>1,264</b>		<b>338</b>		<b>3,610</b>
<b>Revenues</b>	<b>2,310,779</b>				<b>1,184,892</b>		<b>1,215,081</b>		<b>4,710,752</b>
		% ▲ from prior year				% ▲ from prior year			
<b>Direct Costs of Operations</b>	1,660,016	3.3%			920,116	5.1%	1,129,275		3,709,408
<b>Indirect Costs of Operations</b>	353,934	1.1%			149,214	1.1%	38,538		541,686
<b>Total Cost</b>	<b>2,013,950</b>	<b>2.9%</b>			<b>1,069,330</b>	<b>4.5%</b>	<b>1,167,813</b>		<b>4,251,093</b>
<b>Less Unallowable Costs</b>	<b>2,008</b>	<b>0.0%</b>			<b>1,264</b>	<b>0.0%</b>	<b>338</b>		<b>3,610</b>
<b>Allowable Costs</b>	<b>2,011,942</b>				<b>1,068,066</b>		<b>1,167,475</b>		<b>4,247,483</b>
<b>Franchise Income</b>	<b>298,836</b>				<b>116,826</b>		<b>47,606</b>		<b>463,268</b>
<b>Projected Return on Revenues</b>	<b>12.93%</b>				<b>9.86%</b>		<b>3.92%</b>		<b>9.83%</b>
<b>2015 Return on Revenues</b>	<b>13.33%</b>				<b>13.80%</b>		<b>-0.47%</b>		<b>10.00%</b>

Inflation Assumptions for Line Item Expenses					
Solid Waste		Res. Recycling & Yard Debris			
Driver Wage	2.10%	Driver Wage	2.10%	PUC	0.00%
Health Ins	3.38%	Health Ins	3.38%	Drop Box Tip Fee	0.78%
Fuel	0.00%	Fuel	0.00%		
Tip Fee	1.55%	Yard Debris Disposal	10.00%		
Liab-Prop Ins	1.23%	Liab-Prop Ins	1.23%		
Inflation	1.23%	Inflation	1.23%		

Changes in Revenue
<b>Residential &amp; Commercial Revenue</b>
Six months of prior year's increase
<b>Recycling Revenue</b>
Projected revenue from material sales is \$0
Processing fee = cost/ton x estimated tonnage
<b>Drop Box Revenue</b>
Increase = tip fee + special box fee

**Uniform Solid Waste and Recycling Rates - Effective July 1, 2016**

<b>Residential and Commercial Can/Cart Service</b>			
<b>Service Level</b>	<b>Current Rate</b>	<b>Rate Proposed</b>	<b>\$ Increase</b>
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

<b>Commercial Container Services</b>			
<b>Service Level</b>	<b>Current Rate</b>	<b>Rate Proposed</b>	<b>\$ Increase</b>
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

<b>Drop Box Service</b>			
<b>Service Level</b>	<b>Current Rate</b>	<b>Rate Proposed</b>	<b>\$ Increase</b>
10&20 cubic yard boxes for special wastes	\$ 119.00	\$ 159.00	\$ 40.00



**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;

**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; and

**Now, Therefore, be it Resolved** that the rates for garbage and recycling, herein attached as "Uniform Solid Waste and Recycling Rates, 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: **WS 2.**  
Meeting Date: June 7, 2016

To: Mayor and City Council  
Through: Bill Monahan, City Manager

Subject: **Emergency Management**

From: Gary Parkin, Public Works Director

Date: May 24, 2016 for the June 7, 2016 Work Session meeting

### **ACTION REQUESTED**

This report is to present on the City's Emergency Management program specifically the training exercise planned for June 8, 2016 and the upcoming update of the Emergency Operations Plan (EOP).

### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

**10-21-2014:** City Council Work Session – Staff presentation on the status of Emergency Management. Interaction with the Citizen Emergency Response Team (CERT) and information about the (then) proposed Beacon Program were presented.

### **BACKGROUND**

The Public Works Department (Gary Parkin) assumed the emergency management role of Emergency Manager for the City in January 2014. The role is one that is planned to rotate between the Public Works and Police Departments. It was previously held by the Police Department (Captain Rash).

The focus of this report is an update of the Beacon project and the upcoming Cascadia training exercise. Also discussed will be an update to the City's Emergency Operations Plan, a document prepared under the direction of Captain Rash in February of 2012.

The Beacon project provides communication and emergency supplies in cached neighborhood sited locations for use in the event of a large scale disaster, specially an earthquake. Council approved funding the project allocating \$20,000 in the December 2014 supplemental budget. Working with CERT, staff have located the first Beacon cache, a partially buried utility box, in Homewood Park. Materials have been purchased for three additional sites in the neighborhoods of Island Station (Eagle Street next to the treatment plant property), Linwood (in the park next to water reservoir #6 on Stanley) and Lewelling/Ardenwald (on the City's 40<sup>th</sup> and Harvey site). CERT members will staff the sites and set up a communication network for citizens until regular measures are back in place.

A Cascadia Subduction Zone earthquake and resulting tsunami is thought to be the greatest threat to Oregon. The Oregon Office of Emergency Management (OEM) is leading an exercise to synchronize efforts across the state in response to a Cascadia Subduction Zone earthquake.

From June 7-10, the Cascadia Rising 2016 (CR-16) region-wide functional exercise will help prepare the Pacific Northwest to coordinate a response to a Cascadia Subduction Zone earthquake and tsunami. One of the primary goals of Cascadia Rising is to train and test a whole community approach to complex disaster operations together as a joint team.

Participants in this exercise include agencies at state, local and federal levels in Oregon, Washington and Idaho. The City is participating in conjunction with Clackamas County and other area cities on the second day of the exercise, June 8.

One of the exercise elements will be for the City to declare an emergency with the County and review the City's Emergency Powers as specified in the Emergency Operations Plan (section 1.5). Declaration to the County provides the City standing with the State (ORS 401) to receive aid and support from the County, State and Federal Governments.

Declaration of a local state of emergency under the City's Emergency Operations Plan (EOP) (section 1.5) provides clarity of authority for emergency coordination. A major reason for the local declaration is to enact section 80 of the City's Public Contracting Rules. During a declared emergency, emergency contracting is authorized making the procurement process faster.

The last item for your attention is the updating of the Emergency Operations Plan (EOP). The City's EOP was completed under the direction of Police Captain Rash in 2012. State and Federal requirements mandate a four to five year update of County EOPs. Clackamas County is beginning a process of coordinating the updates of its plan and encouraging cities in the county to also update their plans. The County is offering assistance to those cities wishing to update their EOP beginning with a workshop on June 16<sup>th</sup> that the City plans to attend.

#### **CONCURRENCE**

N/A

#### **FISCAL IMPACTS**

N/A

#### **WORK LOAD IMPACTS**

Emergency Management efforts extend directly to the Public Works Director and an Administrative Specialist. During the time leading up to the Cascadia Rising exercise about 3 hours per week have been expended on Emergency Management.

#### **ALTERNATIVES**

N/A

#### **ATTACHMENTS**

1. Declaration of State of Emergency

**DECLARATION OF STATE OF EMERGENCY**

To: \_\_\_\_\_,  
Clackamas County Office of Emergency Management

From: \_\_\_\_\_,  
City of Milwaukie, Oregon

At \_\_\_\_\_ (time) on \_\_\_\_\_ (date),

a/an \_\_\_\_\_ (description  
of emergency incident or event type) occurred in the City of Milwaukie  
threatening life and property.

The current situation and conditions are:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The geographic boundaries of the emergency are:

\_\_\_\_\_  
\_\_\_\_\_

WE DO HEREBY DECLARE THAT A STATE OF EMERGENCY NOW EXISTS IN THE CITY OF MILWAUKIE AND THAT THE CITY HAS EXPENDED OR WILL SHORTLY EXPEND ITS NECESSARY AND AVAILABLE RESOURCES. WE RESPECTFULLY REQUEST THAT THE COUNTY PROVIDE ASSISTANCE, CONSIDER THE CITY AN "EMERGENCY AREA" AS PROVIDED FOR IN ORS 401, AND, AS APPROPRIATE, REQUEST SUPPORT FROM STATE AGENCIES AND/OR THE FEDERAL GOVERNMENT.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_ Date & Time: \_\_\_\_\_

*This request may be passed to the County via radio, telephone, or fax. The original signed document must be sent to the County Emergency Management Office, with a copy placed in the final incident package.*



MILWAUKIE CITY COUNCIL  
**STAFF REPORT**

Agenda Item: **WS 3.**  
Meeting Date: June 7, 2016

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: **Jurisdictional Transfer of 99E Frontage Road  
between SE Milport Road and SE Ochoco Street**

From: Kenny Hill, Transportation Supervisor

Date: May 24, 2016, Work Session

### **ACTION REQUESTED**

Acceptance of the jurisdiction of 99E Frontage Road between SE Milport Road and SE Ochoco Street (see attachment 1) currently under the jurisdiction of the Oregon Transportation Commission (OTC) and maintained by the Oregon Department of Transportation (ODOT). ODOT identifies this frontage road as 081AH.

The transfer includes a small stormwater swale that the City currently maintains as it accepts flow from Ochoco St a City maintained street. ODOT has the stormwater facility currently included under their jurisdiction.

Staff has prepared a report for the regular session following this work session that includes a resolution providing for Council to give permission to the City Manager to sign a Memorandum of Understanding (MOU) (attachment 2) and a Jurisdictional Transfer Agreement (attachment 3) with the OTC to provide for the transfer of jurisdiction of a 99E frontage Road to the City.

### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

None

### **BACKGROUND**

The City was poised to take over jurisdiction of the subject 99E Frontage Road in 2005/2006 based on ODOT's anticipated street repairs. After ODOT's repairs, City staff at the time were not satisfied with the street repairs and decided not to accept the transfer of jurisdiction.

ODOT approached the City just over a year ago to see if there was interest in the City taking jurisdiction of the 99E frontage. This frontage road serves as a local access road. ODOT's policy is to eliminate non-state highways from their maintenance inventory. Therefore, it is requesting that the city take jurisdiction after it is improved.

City staff has determined that ODOT has not and most likely will not take proper care of this road section. It is generally understood by city street division staff that this section of road is perceived by citizens (passersby) as a city road. Thus some passersby might be critical of how Milwaukie maintains this section of road (that in fact is not a city road). In 2015, staff assessed the 99E frontage road and determined the repairs that are needed to bring it up to a 15-20 year life, including roadway surface and signage improvements.

Staff went to ODOT with a list of the repairs and after reviewing the list ODOT staff agreed in principle without knowing if it would be possible for them to budget to complete the repairs in 2016.

ODOT came to the City earlier this year with a plan to add the 99E Frontage Road repairs to their Preservation and Repaving Project from SE Harrison St to SE Harrold St. In addition to the work done as part of their Project, ODOT will perform repairs using ODOT staff. ODOT staff will complete maintenance work such as striping, crack sealing and signage replacement per the MOU (attachment 2).

This is consistent with the City staff position, City staff supports the transfer with ODOT's consent to complete the City requested repairs.

The section that the City would be obligated to maintain after the ODOT work is completed to City standards is from Milport Rd to Ochoco St as shown in attachment 1.

### **CONCURRENCE**

The Transportation Division of Public Works worked to develop this action and concurs with the jurisdictional transfer with its conditions.

### **FISCAL IMPACTS**

Maintenance of this street section will add about \$1,000 per year including striping, general maintenance and future overlays.

### **WORK LOAD IMPACTS**

Acceptance of this section has little impact on the current workload as it adds about 1 lane mile to the 158 lane miles that the City currently maintains.

### **ALTERNATIVES**

Not accepting this jurisdictional transfer would put us at odds with ODOT and potentially lead to the road not being maintained properly or possibly the City taking over jurisdiction without the upgrades being completed by ODOT.

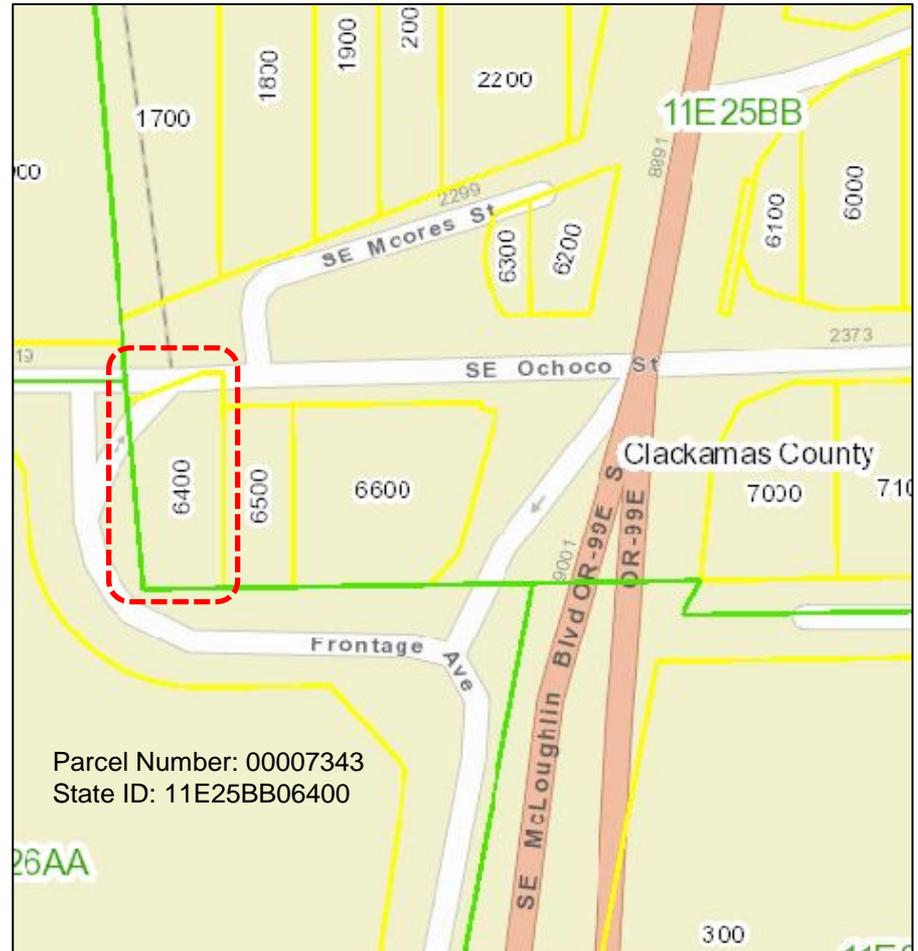
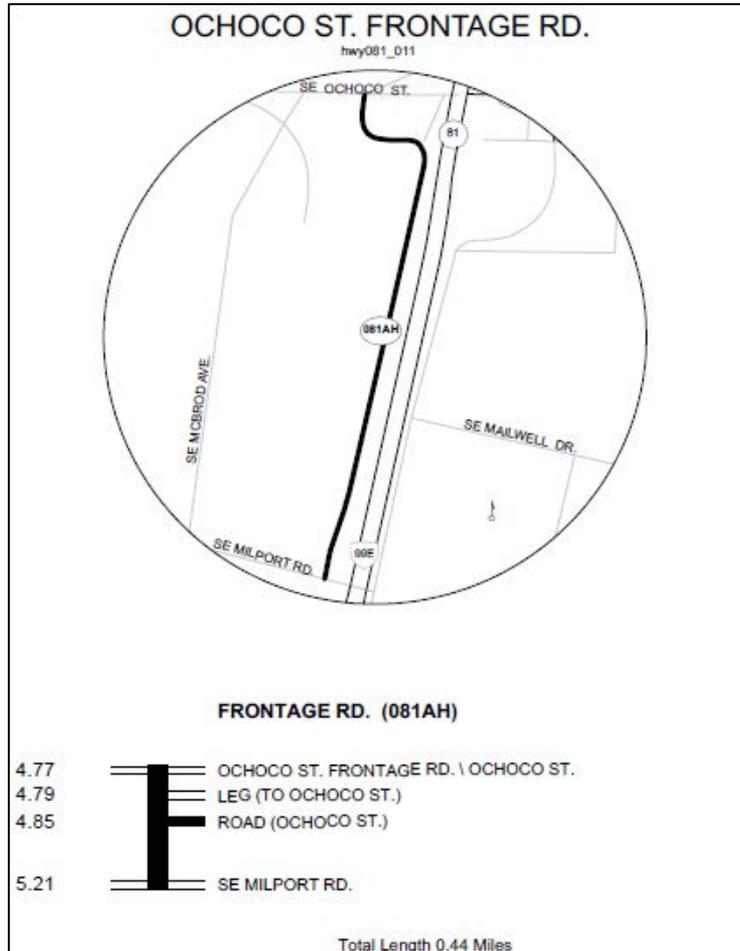
### **ATTACHMENTS**

1. Map showing extend of road transfer including the transfer of the property that contains the stormwater facility related to this road section.
2. Draft Memorandum of Understanding providing for ODOT maintenance work to be done in addition to contracted work
3. Draft Jurisdictional Transfer Agreement

# JURISDICTIONAL TRANSFER AGREEMENT

OR-99E SE HAROLD ST – SE HARRISON ST  
FRONTAGE RD 081AH

# DRAFT





NOT TO SCALE

MCBROD

MILPORT

McLOUGHLIN  
BLVD-OCHOCO ST

OCHOCO

MOORES

FRONTAGE

McLOUGHLIN

McLOUGHLIN

MAIN

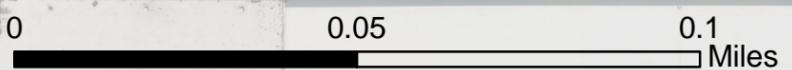
MAILWELL

BETA

STUBB

24TH

WS14



**MEMORANDUM OF UNDERSTANDING  
MAINTENANCE IMPROVEMENT PROJECT  
OR99E FRONTAGE ROAD 081AH**

This Memorandum of Understanding (MOU) is made and entered into by and between the State of Oregon by and through its Department of Transportation, hereinafter referred to as "State"; and the City of Milwaukie, by and through its elected officials, hereinafter referred to as "City", both herein referred to individually or collectively as the "Party" or "Parties".

**RECITALS**

1. Pacific Highway East, State Highway No. 1E, designated as State Route OR99E (aka SE McLoughlin Blvd) is part of the State Highway System under the jurisdiction and control of the Oregon Transportation Commission, herein "OTC". The frontage road designated 081AH, linking said frontage road to city streets and to Pacific Highway East are part of the State Highway System under jurisdiction and control of the OTC.
2. It is the intent of State and City to document in this MOU, the terms and conditions of a maintenance improvement project on OR99E Frontage Road 081AH.
3. The terms and conditions of this MOU are contingent upon the fully executed Jurisdictional Transfer Agreement No. 817 between the State and City.

**NOW THEREFORE**, the Parties agree to the following:

**TERMS AND CONDITIONS**

1. State intends to perform a maintenance improvement project on OR99E Frontage Rd 018AH, including:
  - a. Seal asphalt pavement surface cracks through northern S-section of frontage road (0.08miles).
  - b. Standardize all signs along entire length of frontage road.
  - c. Install new striping through northern S-section of frontage road (0.08miles).
2. The maintenance improvement project is intended to be scheduled by the State to occur separately from but in a timely manner coincident with the OR 99E SE Harold St - SE Harrison St STIP project.

3. State and City intend that, if an impasse or disagreement should occur on issues pertaining to the MOU, a collaborative process will be initiated to resolve the difference. A collaborative process may be requested by either Party and will conform to the best practices for mediation, as prescribed by the Oregon Resolution Program.
4. This MOU shall become effective when all required signatures have been obtained and shall remain in effect until the recording of a subsequent Jurisdictional Transfer Document, when this MOU automatically terminates.
5. The terms of this MOU may be amended or terminated by mutual written consent of the Parties.
6. The foregoing Memorandum is a nonbinding proposal and is not and should not be construed as a commitment by either Party. Notwithstanding the signing or delivery of the Memorandum, any past, present or future actions; or approvals by either Party based upon this Memorandum, neither Party is under any legal obligation with respect to the intentions outlined above and no binding commitment of any nature whatsoever will be implied.
7. This MOU may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this MOU so executed shall constitute an original.

**SIGNATURE PAGE TO FOLLOW**

**THE PARTIES**, by execution of this MOU, hereby acknowledge that their signing representatives have read this MOU, understand it, and agree to its terms and conditions.

**CITY OF MILWAUKIE**, by and through its elected officials

**STATE OF OREGON**, by and through its Department of Transportation

By \_\_\_\_\_

By \_\_\_\_\_  
Region 1 Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

**APPROVAL RECOMMENDED**

**APPROVAL RECOMMENDED**

By \_\_\_\_\_

By \_\_\_\_\_  
Region 1 Right of Way Manager

Date \_\_\_\_\_

Date \_\_\_\_\_

**City Contact:**

Gary Parkin, Public Works Director  
Public Services Building  
6101 SE Johnson Creek Blvd  
Milwaukie OR 97206  
503-786-7600  
[ParkinG@milwaukieoregon.gov](mailto:ParkinG@milwaukieoregon.gov)

**State Contact:**

Ted Miller  
Region1 Maintenance & Operations Mgr  
123 NW Flanders St  
Portland OR 97206  
503-731-8559  
[Theodore.C.MILLER@odot.state.or.us](mailto:Theodore.C.MILLER@odot.state.or.us)

**JURISDICTIONAL TRANSFER AGREEMENT**  
**OR 99E: SE Harold St - SE Harrison St**  
Frontage Road 081AH Section  
Pacific Highway East, State Highway Number 1E, State Route OR 99E  
County of Clackamas  
**City of Milwaukie**

THIS AGREEMENT is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State"; and the CITY OF MILWAUKIE, acting by and through its elected officials, hereinafter referred to as "City," both herein referred to individually or collectively as "Party" or "Parties."

**RECITALS**

1. Pacific Highway East, State Highway No. 1E, designated State Route OR 99E is under the jurisdiction and control of the Oregon Transportation Commission (OTC). The frontage road designated 081AH, lying westerly of Pacific Highway East is a part of the State Highway System under jurisdiction and control of the OTC. SE Ochoco Avenue and SE Milport Road are both part of the City street system under jurisdiction and control of the City of Milwaukie.
2. By the authority granted in Oregon Revised Statute (ORS) 190.110, 366.572 and 366.576, State may enter into cooperative agreements with counties, cities and units of local governments for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting Parties.
3. By the authority granted in ORS 366.395, State may relinquish title to any of its property not needed by it for highway purposes to any other governmental body or political subdivision within the State of Oregon, subject to such restrictions, if any, imposed by deed or other legal instrument or otherwise imposed by State.
4. State maintains a state route system to assist the motoring public in their travels. Designated routes may be composed of both state highways and local roads. Designation and elimination of state routes is under authority of the Oregon Transportation Commission.
5. For the purpose of furthering the development of a state highway system adopted in all particulars to the needs of the people of the State of Oregon, State and City agree to eliminate from the state highway system a portion of the Pacific Highway East described below and hereinafter referred to as Unit A.

City/State  
Agreement No.

6. ODOT is completing a preservation project OR 99E: SE Harold St - SE Harrison St. The jurisdictional transfer in this Agreement will occur upon completion of this project.
7. The Department of Transportation (ODOT) and the Oregon Liquor Commission (OLCC) have an agreement [insert MC&A#] whereby ODOT agreed to maintain the frontage road that is a subject of this Agreement. That agreement is hereby terminated effective on the execution date of this Agreement.

**NOW THEREFORE**, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

**TERMS OF AGREEMENT:**

1. Subject to the provisions of this Agreement, State and City agree, conditioned upon approval by the Oregon Transportation Commission, or designee, that Unit A be eliminated as a portion of the Pacific Highway East and the state highway system; that the Unit pass to and vest in City; and that City maintain the Unit as a part of its city street system as long as needed for the service of persons living thereon or a community served thereby. If said right of way is no longer used for public street purposes, it shall automatically revert to State. The location of the Unit is approximately as shown on the sketch map attached hereto, marked Exhibit A, and by this reference made a part hereof. This section of roadway will not retain the State Route OR 99E designation.
2. State will complete the OR-99E: SE Harold Street to SE Harrison Street project, which includes design and construction of pavement repairs and ADA improvements, hereinafter Project, at State's expense. Total Project construction cost is estimated at \$8,264,000. The Project will be financed with State funds.
3. The term of this Agreement begins on the date all required signatures are obtained and terminates upon acceptance and recording of a Jurisdictional Transfer Document or within two (2) calendar years of completion of Project and final payment, whichever is earlier. The State shall pursue approval by the OTC or designee, and the actual transfer of property shall be accomplished by acceptance and recording of the Jurisdictional Transfer Document.

## STATE OBLIGATIONS

1. Upon completion of the Project and upon adoption of a Resolution by the Oregon Transportation Commission or designee, providing for elimination of Unit A, as hereafter defined, as a portion of the state highway system, and upon completion of the Project, State shall formally eliminate Unit A as a portion of the Pacific Highway East Highway (State Highway number 1E) and the state highway system. Upon acceptance and recording of a Jurisdictional Transfer Document, all right, title, and interest of State, including all jurisdiction, maintenance, and control, shall pass to and vest in City. If said right of way is no longer used for public street purposes, it shall automatically revert to State. Unit A is described as follows:

### Unit A

All right of way boundaries of the Pacific Highway East, State Highway number 1E, Frontage Road 081AH, Highway Engineer's Station to and lying in Section 26, Township 1S, Range 1E, Willamette Meridian, Clackamas County, Oregon.

3. State shall place Unit A in serviceable condition either before or within a reasonable time after the said Unit is transferred and title is vested in City.
4. State hereby relinquishes all maintenance and repair responsibilities and liability over Unit A, and City hereby accepts all maintenance and repair responsibilities and liability for Unit A, upon execution of this Agreement.
5. State agrees to furnish City copies of any maps, records, permits, and any other related data available that may be required to administer Unit A upon City's written request.
6. State agrees that it will notify the Travel Information Council (TIC) of the transfer of jurisdiction when there are any TIC signs on such facility, in accordance with ORS 377.708.
7. State's Project Manager for this Project is (insert title, address phone number and e-mail address), or assigned designee upon individual's absence. State shall notify the other Party in writing of any contact information changes during the term of this Agreement.

## **CITY OBLIGATIONS**

1. City agrees to accept all of State's right, title and interest in Unit A; to accept jurisdiction and control over the property, and to maintain the property as a portion of its city street system as long as needed for the service of persons living thereon or a community served thereby (including all traffic signals, signs and illumination and all things and appurtenances within the transferred right of way.) Any right of way being transferred in which State has any title shall be vested in City so long as used for public street purposes. If said right of way is no longer used for public street purposes, it shall automatically revert to State.

*(If applicable: if State wants to retain access control in specific locations, add the following paragraph)*

2. City agrees that the existing access control on the west side of the new alignment of OR-99E from Engineering Station \_\_\_\_\_ to Engineering Station \_\_\_\_\_, as shown on right of way map \_\_\_\_\_ and identified on attached Exhibit A, will be retained by State to preserve the integrity of the intersection.
3. City is aware that title of Unit A will not be vested in City until the subsequent Jurisdictional Transfer Document is executed by State, accepted by City, and recorded with the county in which the City is located. However, City agrees to accept all liability and maintenance responsibilities, as described in Paragraph 4 of State Obligations, immediately upon execution of this Agreement.

*If applicable, add the following paragraph if State is to convey surplus property to City*

4. City agrees to accept all of State's right, title and interest in the surplus property described as Unit B, as described on Exhibit B. City is aware that title of Unit B will not be vested in City until the subsequent deed is executed by State, accepted by City, and recorded with the county in which the City is located.
5. City shall return permit files, utility permit files, right of way maps and as-built files to State if any or a portion of Unit A reverts to the State, or in the event that the OTC or designee does not approve the transfer.

*If State awarding contract and on City street, add paragraph re ORS373.030(2).*

6. City, by execution of Agreement, gives its consent as required by ORS 373.030(2) and ORS 105.760 to any and all changes of grade within the City limits, and gives its consent as required by ORS 373.050(1) to any and all closure of streets intersecting the highway, if any there be in connection with or arising out of the Project covered by the Agreement.

City/State  
Agreement No.

7. City certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of City, under the direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind City.
8. City's Project Manager for this Project is (insert title, address phone number and e-mail address), or assigned designee upon individual's absence. City shall notify the other Party in writing of any contact information changes during the term of this Agreement.

## **GENERAL PROVISIONS**

1. The properties above described are relinquished and transferred subject, however, to the rights of any utilities located within said properties and further subject to the rights of the owners of said existing facilities, if any there be, to operate, reconstruct, and maintain their utility facilities presently located within said properties.
2. This Agreement may be terminated by mutual written consent of both Parties. State may terminate this Agreement effective upon delivery of written notice to City, or at such later date as may be established by State, under any of the following conditions:
  - a. If City fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
  - b. If City 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 State, fails to correct such failures within ten (10) days or such longer period as State may authorize.
  - c. If OTC or designee fails to adopt a resolution eliminating Unit A from the state highway system and approve the Jurisdictional Transfer of Unit A to City.
  - d. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
  - e. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or if State is prohibited from paying for such work from the planned funding source.

City/State  
Agreement No.

3. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
4. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or City with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
5. With respect to a Third Party Claim for which State is jointly liable with City (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by City in such proportion as is appropriate to reflect the relative fault of State on the one hand and of City on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of City on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.
6. With respect to a Third Party Claim for which City is jointly liable with State (or would be if joined in the Third Party Claim), City shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of City on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of City on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. City's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

City/State  
Agreement No.

7. The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
8. If City fails to maintain facilities in accordance with the terms of this Agreement, State, at its option, may maintain the facility and bill City, seek an injunction to enforce the duties and obligations of this Agreement or take any other action allowed by law.
9. All employers, including State and City, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Employers Liability insurance with coverage limits of not less than \$500,000 must be included. State and City shall ensure that each of its subcontractors complies with these requirements.
10. State and City acknowledge and agree that State, the Secretary of State's Office of the State of Oregon, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of State and City which are directly pertinent to the specific Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of six (6) years after final payment or completion of Project Copies of applicable records shall be made available upon request. Payment for costs of copies is reimbursable by State.
11. Each Party hereby grants the other Party authority to enter onto each other's right of way for the purpose of performing any required work or maintenance services.
12. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding 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 and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement shall not constitute a waiver by State of that or any other provision.

City/State  
Agreement No.

**THE PARTIES**, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

This Project is in the 2016-2018 Statewide Transportation Improvement Program, (Key #18776) that was approved by the Oregon Transportation Commission on [ ](or subsequently approved by amendment to the STIP).

**CITY OF MILWAUKIE**, by and through its elected officials

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**APPROVED AS TO LEGAL SUFFICIENCY**

By \_\_\_\_\_  
City Counsel

Date \_\_\_\_\_

**City Contact:**

Name/Title:

Address:

Phone:

Email:

**State Contact:**

Name/Title:

Address:

Phone:

Email:

**STATE OF OREGON**, by and through its Department of Transportation

By \_\_\_\_\_

Date \_\_\_\_\_

**APPROVAL RECOMMENDED**

By \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

**APPROVED AS TO LEGAL SUFFICIENCY**

By \_\_\_\_\_  
Assistant Attorney General

Date \_\_\_\_\_

City/State  
Agreement No.

**EXHIBIT A – Unit A  
(Map of Frontage Rd)**

**EXHIBIT B – Unit B  
(Map of Surplus Property)**

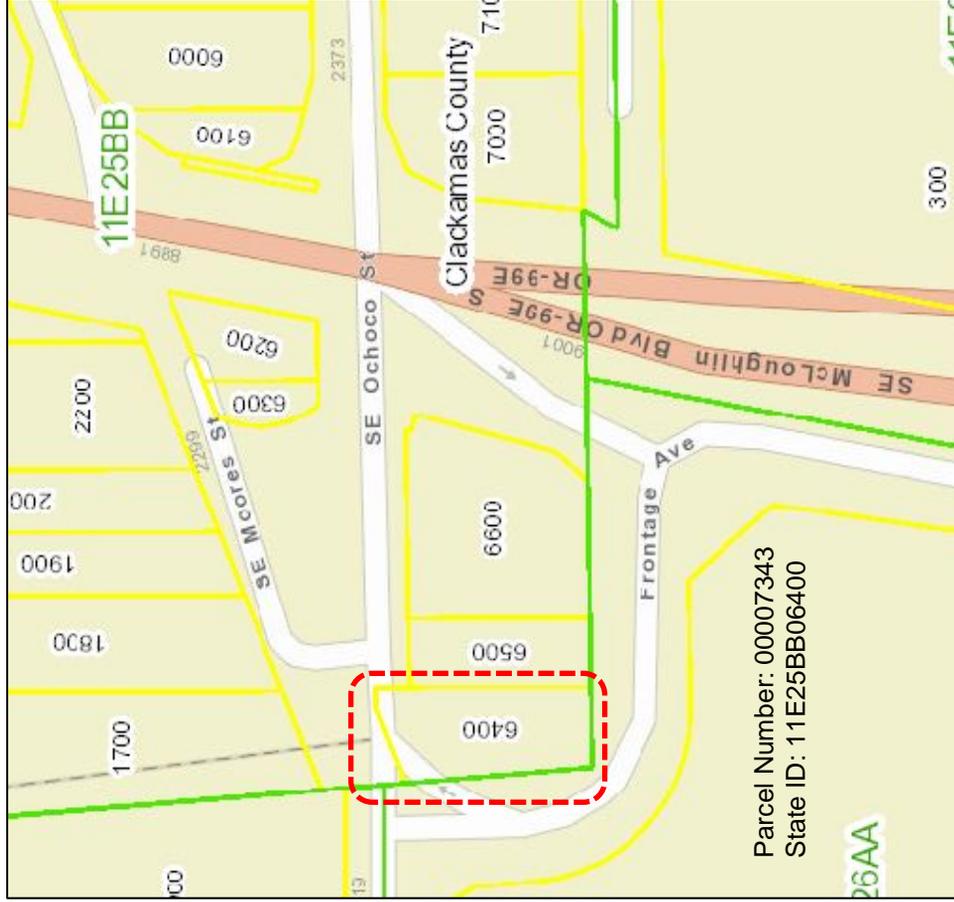
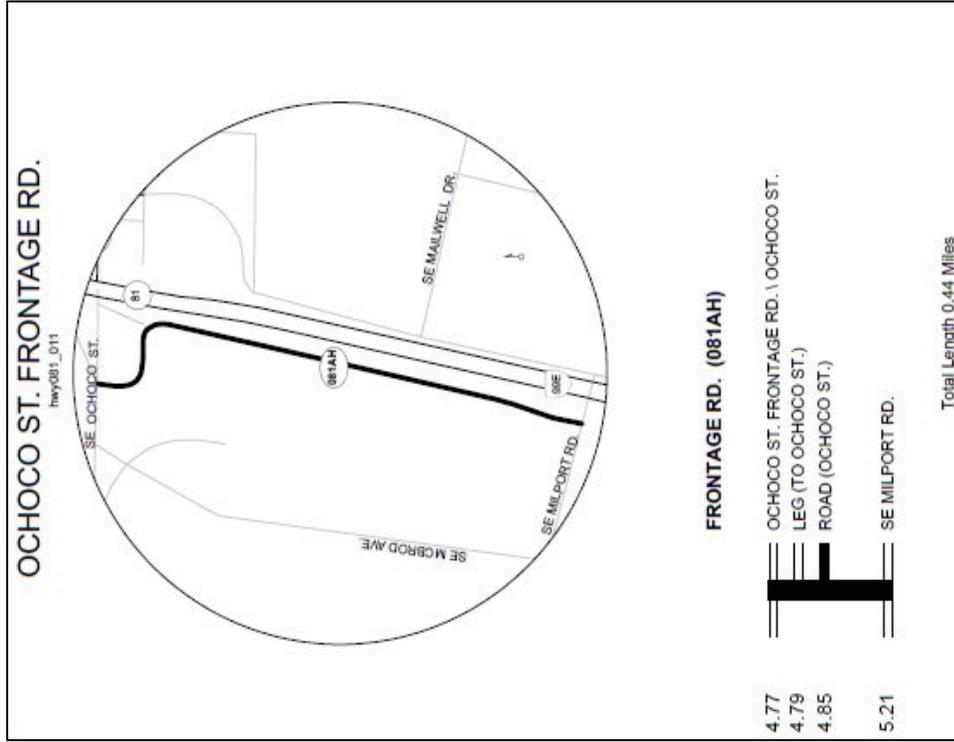
**DRAFT**

**DRAFT**

# EXHIBIT A & B

## JURISDICTIONAL TRANSFER AGREEMENT

OR-99E SE HAROLD ST - SE HARRISON ST  
FRONTAGE RD 081AH





MILWAUKIE CITY COUNCIL  
STAFF REPORT

Agenda Item: **WS 4.**  
Meeting Date: **June 7, 2016**

To: Mayor and City Council  
Through: Bill Monahan, City Manager  
Subject: **Receive and File Urban Growth Management Agreement (UGMA) Update**  
From: Mitch Nieman, Asst. to City Manager  
Date: June 7, 2016

### **ACTION REQUESTED**

None. This update is informational.

### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

June 1990: Clackamas County and City of Milwaukie UGMA was ratified.

July 1990: UGMA was amended to include an updated map.

December 2002: Clackamas County and City of Milwaukie commissioned an Urban Services Study and Financial Analysis prepared by The Executive Leadership Institute at Portland State University.

September 2005: The Government Executive League prepared an Annexation Evaluation for the City based on findings from the abovementioned study and financial analysis.

December 2011: Staff met with the City of Happy Valley, Clackamas County, community planning organizations and service providers to discuss Milwaukie and Happy Valley UGMAs.

October 2012: Staff sent a letter to Happy Valley to confirm the natural boundary of I-205 as the UGMA dividing line between Milwaukie and Happy Valley

April 2013: Staff updated Council on a comprehensive UGMA analysis and annexation strategy that was prepared by a local business analyst.

November 2013: Clackamas County approved Happy Valley's UGMA amendment to extend their UGMA westbound to the east side of I-205.

April 2014: Staff updated Council further discussion of annexation the 3-Creeks area and proceeding with revisions to the UGMA and subsequent boundaries.

- October 2014: Staff met with representatives from the city attorney's office and Clackamas County to discuss potential annexation triggers for developed and undeveloped properties.
- December 2014: Staff identified and prioritized short and long-term objectives to deploy a comprehensive annexation strategy.
- April 2015: Staff analyzed short and long-term annexation objectives to determine if an UGMA amendment should be expedited prior to development of strategies to facilitate annexations.
- September 2015: Staff and the city attorney's office performed a comparative analysis of Milwaukie's UGMA to Happy Valley's UGMA to gain a perspective of what level of an amendment the County would likely consider for adoption.
- November 2015: Staff provided a thorough debriefing to Council on the difference between Milwaukie's UGMA and Happy Valley's UGMA. Also, Staff briefed Council on the City of Portland's interest in transferring land within its Clackamas County UGMA to Milwaukie's UGMA.
- Jan - March 2016: Staff held a series of meetings with the City of Portland to finalize land transfers between Clackamas County UGMAs.

## **BACKGROUND**

The current UGMA with Clackamas County establishes the area in which Milwaukie may plan for growth and provision of urban services, and outlines the City's interest in annexation.

Currently, the City's UGMA extends from eastern City limits to the west side of the I-205, to the north to Portland and to the south to areas of unincorporated Clackamas County.

## **DISCUSSION**

The Milwaukie-County UGMA was executed in July 1990. Therefore, many of its exhibits and much of its language have become outdated. The original Happy Valley-County UGMA was executed in 1992. In November 2013, the County adopted an amendment to the Happy Valley UGMA, which replaced their original UGMA executed in 1992, and amended in 2001.

Staff is working with the County to execute an amendment to eliminate existing and antiquated language, reaffirm boundaries, and be consistent with provisions in Happy Valley's 2013 UGMA amendment as a precursor to setting up agreements to facilitate long-term annexation strategies.

The attached draft is currently under review with County staff. They are expected to complete their review by mid June. Staff expects that they may not agree with all provisions in the draft, especially Section 3.5 "Interest Areas." This is because language requiring the consent to annex and annexation for land that is contiguous and non-contiguous to city boundaries, respectively, has been deemed to be very "aggressive" in nature per the city attorney's opinion.

## **ANALYSIS**

As discussed with Council in November 2015, the Happy Valley UGMA does not do much to encourage annexation. The intent of the language that persons seeking access to Happy Valley services “for example, Planning, Engineering or Building Division permits” may be required to annex is unclear since the UGMA does not authorize Happy Valley to provide any services in the Happy Valley Urban Planning Area either on its own or on behalf of the County.

Milwaukie’s proposed amendment does encourage annexation and the consent to annex. It authorizes Milwaukie to process land divisions in the entire Milwaukie Urban Planning Area (MUPA) either on its own or on behalf of the County. Further, in cases where land divisions are contiguous to city boundaries, the City would provide development related services, too.

According to the city attorney, UGMA’s really do not “manage” urban growth, but simply provide a framework for coordinating land use related matters within the designated area. If Milwaukie is satisfied with this limited role, it makes sense to update the UGMA based on the Happy Valley model. However, staff strongly believes that executing an amendment keeps boundaries clear and opens the door for future (and more complicated) annexation discussions and agreements.

As discussed in prior conversations, the only way to really encourage annexation is to take a more aggressive position and have the UGMA expressly provide that consent to annex is required to obtain land use approvals for all properties in the MUPA, and annexation is required to obtain building permits, etc, for properties that are contiguous to city boundaries. Staff has identified this as part of the City’s long-term strategy, which is much farther than the Happy Valley UGMA (and our existing UGMA) goes, and may be difficult to obtain.

## **FISCAL IMPACTS**

None. There is no cost to receive an update. However, periodic investigations and UGMA agreement amendments coupled with continued planning efforts will require legal counsel assistance and staff resources.

## **WORK LOAD IMPACTS**

Staff continues to plan and implement this goal per Council’s 2014 adopted work plan.

## **CITY COUNCIL GOALS**

Information contained herewith is aligned with 2014 Council Goal #6: Complete the UGMA process and develop and initiate an annexation strategy.

## **ALTERNATIVES**

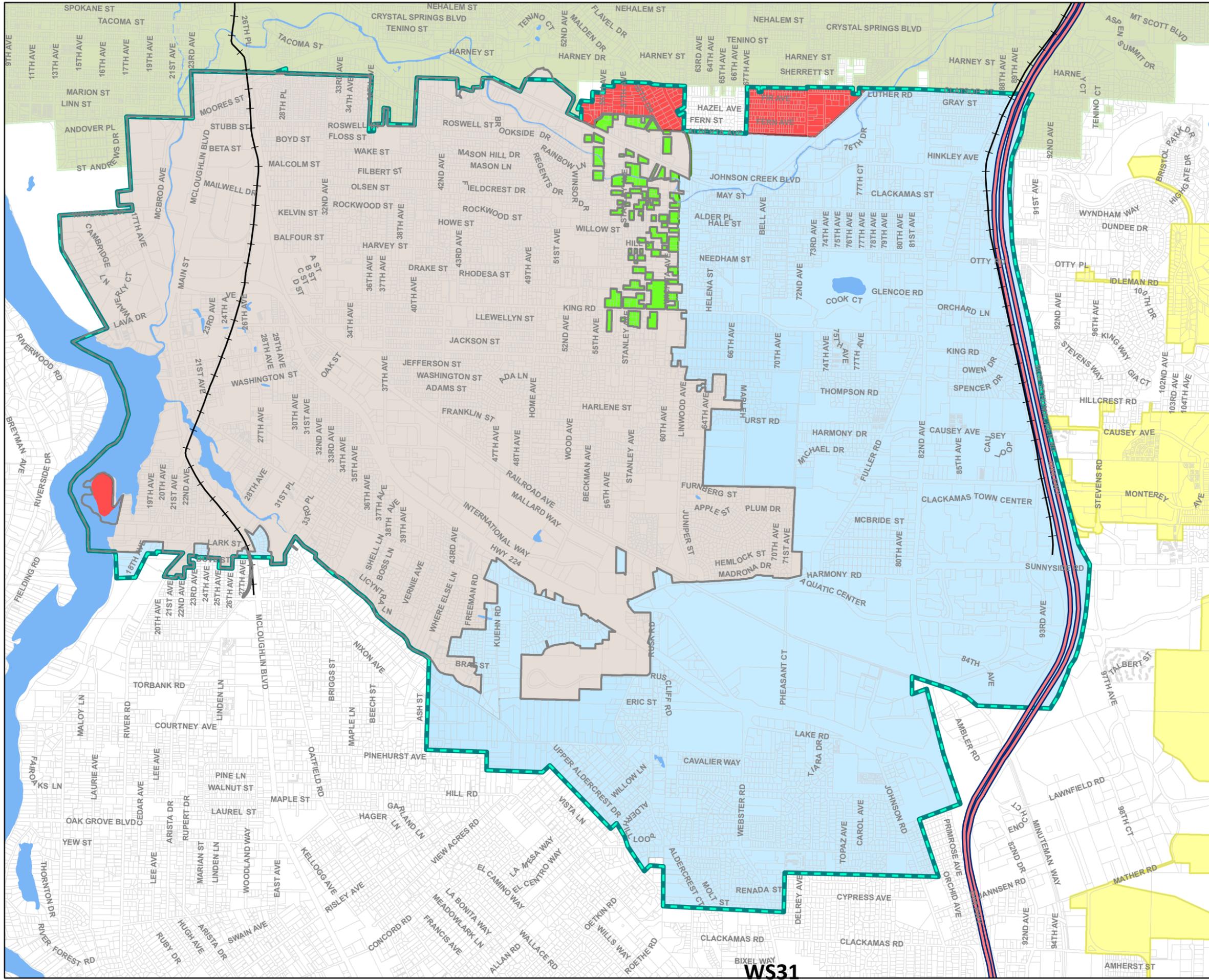
N/A

## **ATTACHMENTS**

1. Draft Boundary Map
2. Draft UGMA to be provided under separate cover



# Milwaukie Urban Growth Management Area



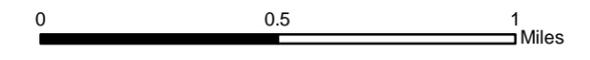
- Proposed Milwaukie UGMA
- Transfer From Portland UGMA
- City of Milwaukie
- UGMA Amendment Areas**
- Milwaukie Interest Area "A"
- Milwaukie UGMA Area "B"
- City of Happy Valley
- City of Portland



Data Sources: City of Milwaukie GIS, Clackamas County GIS, Metro Data Resource Center  
Date: Wednesday, May 25, 2016

The information depicted on this map is for general reference only. The City of Milwaukie cannot accept any responsibility for errors, omissions or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of errors would be appreciated.

GIS Coordinator  
City of Milwaukie  
6101 SE Johnson Creek Blvd.  
Milwaukie, OR 97206  
(503) 786-7498



WS31