

STUDY SESSION

**AGENDA
MILWAUKIE CITY COUNCIL
STUDY SESSION
FEBRUARY 26, 2013**

MILWAUKIE CITY HALL

Conference Room
10722 SE Main Street

A light dinner will be served

STUDY SESSION – 5:00 p.m.

Discussion Items:

	<u>Time</u>	<u>Topic</u>	<u>Presenter</u>	
1.	5:00 p.m.	Ethics and Conflicts of Interest Training for City Council, Budget Committee, Planning Commission, and Design and Landmarks Committee	Bethany Reeves, Program Analyst/Trainer, Oregon Government Ethics Commission	
2.	6:30 p.m.	Library Expansion Task Force Update	Katie Newell	1
3.	6:45 p.m.	Feasibility Study of Energy Savings in Facilities	JoAnn Herrigel/Gary Parkin	2
4.	7:00 p.m.	Sustainability Plan Update	JoAnn Herrigel	10
5.	7:30 p.m.	Metro Construction Excise Tax (CET) Grant for Commercial Core Enhancement Project (CCEP)	Steve Butler	35
6.	8:00 p.m.	Adjourn		

Information

Executive Session: The Milwaukie City Council may meet in executive session pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. 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. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

Public Notice

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the one previous to it.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.
- The City of Milwaukie is committed to providing equal access to information and public meetings per the Americans with Disabilities Act (ADA). If you need special accommodations, please call 503.786.7502 or email ocr@ci.milwaukie.or.us at least 48 hours prior to the meeting.



To: Mayor and City Council

Through: Bill Monahan, City Manager

From: Katie Newell, Library Director

Subject: Library Expansion Task Force Update for Council

Date: February 26, 2013

ACTION REQUESTED

None. For information only.

BACKGROUND

At its February 1, 2011 Work Session meeting, City Council met with the Ledding Library Board and discussed the space needs of the library as well as the process necessary to evaluate options for enlarging the Library. The availability of \$1 million of capital funds from the Library District of Clackamas County in 2013 requires the City undertake an analysis of how to use the funds and develop a plan to address space needs. At its March 15, 2011, meeting, the Milwaukie City Council authorized the creation of the Library Expansion Task Force (LETF) to look into the issues surrounding the expansion of the Ledding Library. The first meeting of LETF was June 23, 2011, with representatives from City Council, Library Board, Library Foundation, Planning Commission, Budget Commission, Neighborhoods, Business, Library staff.

A progress report was presented to Council on October 16, 2012, recommending that the Task Force hire an outside consultant to complete an unbiased needs assessment/programming plan for the Ledding Library. Council agreed that the Task Force could move forward with this.

RECOMMENDATION

The Task Force has chosen a firm to complete the needs assessment/programming plan and would like to recommend that this consultant be hired to do this.

FISCAL IMPACTS

None to the City. \$35,000 has been set aside from the Library Endowment to be used for this plan.

WORK LOAD IMPACTS

Library Director Katie Newell will be involved in any plans to move forward.

ALTERNATIVES

Take no action.

Council Staff Report – LETF Progress Report

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To: Mayor and City Council

Through: Bill Monahan, City Manager

**From: JoAnn Herrigel, Parks and Sustainability Director
Gary Parkin, Operations Director**

Subject: Energy Service Companies

Date: February 26, 2013

ACTION REQUESTED

Provide staff with direction on whether to pursue a feasibility study with an Energy Service Company

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

None.

BACKGROUND

Siemens Industries recently approached Community Development staff regarding the City's interest in having their company conduct a study to estimate the implementation costs and energy and operational savings of a variety of facility improvements for our City buildings. Siemens would not charge the City any money for this study and the resulting report would be shared with staff and the Council before any further action was taken.

Siemens is one of several "Energy Service Companies" (ESCOs) which work with governments and schools under what are called Energy Performance Contracts (EPCs). An EPC is an agreement between an energy services company and a building owner for the identification, evaluation, design and construction of energy conservation measures that guarantee energy savings or performance. In other words, the ESCO uses the clients' energy costs savings to pay for the project construction. Continued energy savings are guaranteed by the ESCO and any savings decrease would be rectified by the ESCO at their own expense.

The study Siemens is proposing would precede any formal contract with an ESCO. Siemens would look for opportunities the City might have to implement energy saving

Council Staff Report – Energy Service Company
Page 1 of 2

projects that would decrease our energy use. If enough of these opportunities (or a few larger opportunities) are identified that Siemens feels would generate significant energy cost savings – the City could consider issuing an RFP for an ESCO to enter into an Energy Performance Contract with the City for implementation of these projects. (Siemens may also find that there are not enough savings available to make the City's efforts eligible for an ESC.) A copy of Siemens' proposed Letter of Understanding for a Feasibility Study is attached for Council's review.

The Energy Trust of Oregon provided the City with a list of pre-qualified Energy Service Companies (ESCO). The list is attached for Council's information.

Staff would like Council's direction regarding whether to proceed with such a study with Siemens.

CONCURRENCE

The Operations Director and the Facilities Maintenance Coordinator have reviewed the Siemens proposal.

FISCAL IMPACTS

No cost would be associated with the proposed study.

WORK LOAD IMPACTS

Some staff work would be required from the Facilities, Operations and Community Development staff to gather existing information for Siemens.

ALTERNATIVES

- Direct staff to issue an RFP for a similar study
- Direct staff to decline Siemens' offer and take no additional action
- Request that staff coordinate a presentation to Council by Siemens or another ESCO

ATTACHMENTS

- 1.Pre-Qualified ESCO list
- 2.Siemens Letter of Understanding
- 3.Case Study for Tigard-Tualatin

Energy Savings Performance Contracting (ESPC)

Department

Search

About Us

Contact Us

A-Z Index

FAQs

For Residents

For Businesses

For Schools

Performance Contracting

Energy Savings

Energy Loan Program

CONSERVATION HOME

ODOE HOME

Following is a list of pre-qualified Energy Service Companies (ESCO). The Oregon Department of Energy is providing the list to assist Oregon state agencies and public building owners/managers in select of entering into an Energy Savings Performance Contract (ESPC). The Oregon Department of Energy warrants, either expressed or implied, of the quality, performance, workmanship, or service of said companies.

Firm	Contact	Telephone
<u>Johnson Controls, Inc.</u> <ul style="list-style-type: none"> • Response to RFQ 	Jason Higbee	503.314.6549
<u>McKinstry</u> <ul style="list-style-type: none"> • Response to RFQ 	Tom Konicke	(503) 331-2476
<u>Ameresco Quantum, Inc.</u> <ul style="list-style-type: none"> • Key Personnel Resumes • Response to RFQ • Experience Chart 	Alan Dakessian, PE Regional Manager	Desk: 503-290- Cell: 971-279-
<u>Schneider Electric Building Americas, Inc.</u> <ul style="list-style-type: none"> • Key Personnel Resumes • Response to RFQ 	David Palmer	503.545.1443
<u>Siemens Industry, Inc.</u> <ul style="list-style-type: none"> • Response to RFQ 	Joe O'Donnell	503.869.2356
<u>Trane U.S. Inc</u> <ul style="list-style-type: none"> • Key Personnel Resumes • Response to RFQ 	Anton Mogilevsky	503.431.2516



Industry
Building Technologies Division

January 10th, 2013

City of Milwaukie
Attention: JoAnne Herrigel
6101 SE Johnson Creek Blvd
Milwaukie, Oregon 97206

Re: Letter of Understanding for Feasibility Study ("Study")

Dear JoAnn:

City of Milwaukie ("Name") has asked the Building Technologies Division of Siemens Industry, Inc. ("Siemens") to conduct a(n) Study to estimate the implementation costs and the energy and operational savings of a variety of facility improvement measures ("FIMs") at the following location(s): City of Milwaukie.

Siemens is pleased to perform this Study for the purpose of determining if any FIMs are financially viable and will do so at no charge to the City of Milwaukie with the following understandings:

1) Client will provide the following:

- Copies of all actual utility bills for gas, electric, water, oil, and distributed steam, hot water, and chilled water (if any), for at least the past twenty-four (24) months.
- Available copies of lists, specifications, and drawings of the current mechanical and electrical equipment.
- Physical access to survey the facility and its associated equipment and an escort that is knowledgeable in the operation and use of this equipment.

2) Siemens will use the information to:

- Identify FIMs that could be implemented as a project to improve the mechanical/electrical system infrastructure and operational efficiencies.
- Make preliminary estimates of implementation costs and operational savings.
- Present the results of this Study, including a preliminary financial analysis and recommended approach/process.

3) Client and Siemens agree to:

- Treat exchanged information as confidential and not share it with anyone who is not directly involved with this Study, except to meet legal requirements.
- Maintain fully adequate, comprehensive insurance on their respective goods, services, and operations, as applicable. Each party agrees to indemnify, defend and hold the other harmless from all claims, costs, suits, damages or liability to the extent related to the indemnifying party's negligent acts or omissions.

Thank you for the opportunity to be of service. Please sign and date in the space below and return this letter to me at your earliest convenience in order to proceed.

Best regards,

Joe O'Donnell
Business Development
Energy & Environmental Solutions

Accepted for City of Milwaukie:

Sign: _____

Print: _____

Title, Date: _____

SII-BTD-EES LOU

Energy Savings Performance Contract

Tigard-Tualatin Schools reap benefits of an ESPC

Tigard-Tualatin School District is one of the fastest growing school districts in the state. The suburban Portland district began in 1853 when Wilson Tigard and his neighbors built a log school on property just off Tigard's Main Street. In 1865, a little red school house was built in Tualatin.

More than a century later, in 1969, the Tigard-Tualatin School District had 9 schools, 253 teachers and served 5,000 students. Thirty-six years later, the district found it had grown to 15 schools, 647 teachers and more than 12,000 students.

With this growth, came bond issues to build more schools. Tigard-Tualatin School District boasts one of the best records in the state for approving bond measures. Since 1978, 17 funding measures have been placed on the ballot and all but two have passed the first time they went to voters.

District administrators put energy efficiency high on the priority list for new facilities that received bond measure funds, but found that money for older school building improvements was much more restricted.



Fowler Middle School in the Tigard-Tualatin School District saw the benefits of energy efficiency projects as part of an Energy Savings Performance Contract with Johnson Controls, Inc..

Projects on existing schools

In 1997, Tigard-Tualatin School District hired Johnson Controls, Inc. (JCI), an energy services company (ESCO), to identify and analyze energy efficiency improvements in the District's buildings. The cash flow of the project was structured so the energy cost savings and energy program incentives would pay for the project within the debt term.

JCI also guaranteed the energy savings for the project and would provide the district with a shortfall check if the savings were not achieved. The arrangement, known as an Energy Savings Performance Contract (ESPC), offered the district a solution to address needed improvements in existing buildings.

The 1997 ESPC included lighting replacements and various control system upgrades in two elementary schools and the swim center.

Satisfied with the success of the first ESPC, Tigard-Tualatin School District decided to begin another contract with JCI in February 2003. The first phase included lighting and



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control system improvements at Durham Elementary School, Fowler Middle School, Hazelbrook Middle School and Tigard High School and installation of security systems districtwide. All measures were installed between 2003 and 2005. The 10 year savings projection was for \$3,129,414.

The second phase of the ESPC included lighting and control system improvements at Tualatin High School; Twality Middle School; and Bridgeport, Mary Woodward, Deer Creek and Byrom Elementary Schools. This work began in June 2005 and was completed in August 2006 with a savings projection of \$1,797,182 over 10 years.

Rising cost of energy

“When we reviewed energy use by Oregon school districts between 2003 and 2007, we found that electric costs increased by 4 percent per year and natural gas costs increased by 13 percent per year,” said Bruce Alford, energy analyst with the Oregon Department of Energy Schools Program. “This means that a district is paying an increasing amount of its operating budget on its utility bills and has less for addressing energy efficiency measures.”

For Tigard-Tualatin School District, the impact of increasing energy costs was minimized by successful energy savings in their facilities.

“Tigard-Tualatin School District’s energy use decreased 11.7 percent between the baseline year of 2003 and 2007,” said Alford. “During this time period, it’s interesting to note, the District increased its total square footage.”

Sandy Spencer, performance assurance engineer with JCI, noted that some of the older schools with ESPC projects are now performing better than the newer schools.

“This is an example of how constant management really pays off,” Spencer said. “The ESPC project focused on 10 schools with on-going monitoring and fine tuning of facility operations. The newer schools are operating with average attention, and it may be the case that savings opportunities are being missed.”

Phil Wentz, Facilities Manager with Tigard-Tualatin School District notes, “Over time, we have gained better management of the control systems, particularly through the performance contract projects, which has helped to improve the learning environment.”

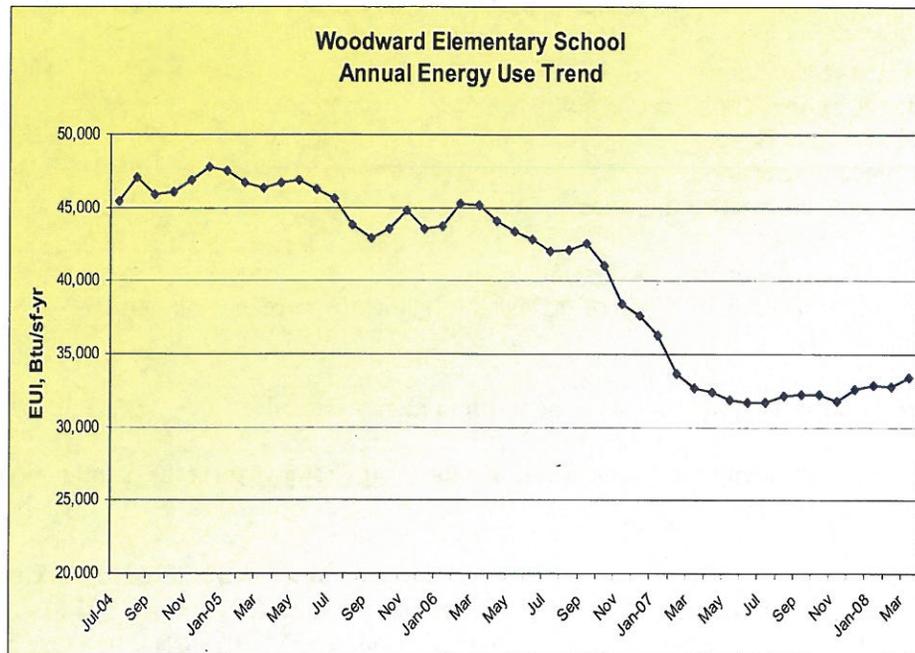
Team approach

Both the District and JCI share the perspective of a team approach to maintain energy savings and the original intentions of the performance contract. “It’s a continual process of monitoring and communicating with each other to maintain the systems as intended,” Wentz said.

The final total cost of both phases was \$2,934,000. The projects qualified for SB 1149 funds of \$1,853,995 and Business Energy Tax Credit pass-through funds of \$214,246. Simple payback is estimated at 20.1 years.

For Tigard-Tualatin School District, performance contracting was a successful option. The District has been able to afford energy efficiency projects that, in turn, have controlled their rising energy costs. If your school district is interested in learning more about energy savings performance contracting, contact the Schools Team at the Oregon Department of Energy at 1-800-221-8035. Grant funding from the US Department of Energy’s Rebuild America program helped provide technical support and assistance to the school district through the performance contract process.

Mary Woodward Elementary School Annual Energy Use Trend



At Mary Woodward Elementary School, JCI replaced fluorescent lighting, installed premium efficiency motors and made improvements to the HVAC control systems. A review of the school's annual energy use reveals an average savings per month of 15,518 kWh and 283 therms from the baseline year.

The school also achieved the status of an Oregon Green School, recognizing their commitment to resource efficiency programs that improve school environments and communities.

"This accomplishment has likely helped to educate students and staff about conservation practices and how to contribute to saving resources in their school," said Spencer.



What is an Energy Savings Performance Contract?

An energy savings performance contract (ESPC) has three distinguishing features:

1. A single procurement is used to purchase a complete package of services in which one contractor is accountable for:
 - Investigating existing conditions
 - Calculating energy savings and project costs
 - Completing all necessary designs
 - Procuring the subcontractors
 - Providing project and construction management
 - Commissioning
 - Training staff to effectively operate the systems
 - Providing measurement and verification of savings throughout the term of the contract
 - Guaranteeing the results
2. Project financing covers the entire project costs so no up-front money is needed.
3. An energy savings performance contract is structured so that the energy savings meet the monthly or annual loan payments. It is budget "neutral."

A conventional process to purchase energy-efficiency improvements generally requires three separate solicitations and contract awards. ESPC replaces multiple solicitations with a single request for proposals (RFP) covering all aspects of the project and one set of contract documents with the selected Energy Services Company (ESCO).

Process

The process begins with an evaluation of a facility's potential for energy efficiency improvements by the facility staff. If the potential seems promising, the school district prepares an RFP. This RFP covers all engineering, equipment purchasing, construction, and commissioning needed to complete the project. The school district awards the contract to a single contractor who is accountable for all services and guarantees a level of savings to the facility.

Once selected, the ESCO performs a detailed study of energy efficiency opportunities at the facility. The school district reviews this study and approves a final list of energy efficiency improvements. The ESCO then prepares plans and specifications that the school district reviews and approves.

After receiving notice to proceed, the ESCO furnishes, installs, and commissions the energy efficiency improvements. Commissioning includes verification of system installation and operating parameters, training of operations and maintenance staff, providing equipment manuals and documentation, and all warranty information. When the project is complete, the energy savings measurement and verification process begins and the savings guarantee goes into effect. These activities continue for the duration of the contract term.

The school district monitors the day-to-day performance of the ESCO during the construction phase in the same manner as any capital improvement project. After construction is completed and accepted, the school district reviews equipment operation and measurement and verification reports to ensure the guaranteed energy savings are achieved.

Step 1 - Get information

The Oregon Department of Energy Schools Team is available to provide a Guidebook (on the Web at www.oregon.gov/ENERGY/CONS/school/docs/ESPCGuide.pdf). For additional information on the Web visit: www.oregon.gov/ENERGY/CONS/school/espctemp.shtml or call toll-free in Oregon 1-800-221-8035.



Agenda Item:
Meeting Date: 2-26-13

COUNCIL AGENDA ITEM SUMMARY

Issue/Agenda Title: Sustainability Plan Update

Prepared By: JoAnn Herrigel, Parks and Sustainability Director

Dept. Head Approval: Steve Butler, Interim Community Development Director

City Manager Approval:

Reviewed by City Manager:

ISSUES BEFORE THE COUNCIL

Provide staff with input and guidance on current and future City-lead sustainability efforts.

STAFF RECOMMENDATION

NA

KEY FACTS & INFORMATION SUMMARY

City Council adopted the Milwaukie Sustainable City Plan in March, 2009. The Plan focuses on internal City operations, City-owned facilities and the public fleet of vehicles it operates. The four main areas addressed in the Plan are:

- Waste Reduction
- Purchasing
- Energy and Fossil Fuels, and
- Outreach/Education

Staff is seeking input from Council on current and future sustainability efforts in the City.

OTHER ALTERNATIVES CONSIDERED

NA

CITY COUNCIL GOALS

NA

ATTACHMENT LIST

Sustainability Plan

Goal Status Matrix

FISCAL NOTES

NA



To: Mayor and City Council

Through: Bill Monahan, City Manager

From: JoAnn Herrigel, Parks and Sustainability Director

Subject: Sustainability Plan Update

Date: February 26, 2013

ACTION REQUESTED

Provide staff with input and guidance regarding City-lead sustainability efforts.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

September 2007: Council approved Resolution 59-2007 adopting the US Conference of Mayors Climate Change Agreement.

February 2009: Staff discussion with Council regarding proposed City Sustainability Plan.

March 2009: Council approved a resolution adopting City Sustainability Plan.

April 2010: Staff provided Council with a Sustainability Plan Update.

BACKGROUND

City Council adopted the Milwaukie Sustainable City Plan in March, 2009. The Plan focuses on internal City operations, City-owned facilities and the public fleet of vehicles it operates. The four main areas addressed in the Plan are: Waste Reduction, Purchasing, Energy and Fossil Fuels and Outreach/Education.

The Sustainability Team (S-Team), comprised of three department heads and eight staff members, representing all city departments, meets bi-monthly to track Plan progress and assess progress or challenges in Plan implementation.

In December 2012, with the creation of the Parks and Sustainability Director position, the S-Team began a review of the status of the plan goals. A matrix showing the plan goals and current status of each is attached.

At the February 26 Study Session, staff is seeking Council's input on the current plan goals and direction on future sustainability efforts.

Potential focuses over the next five months include:

- ***Sustainability fair expansion:*** Last year the S-Team coordinated a Sustainability Fair, in April, focused on City staff. This year we are considering a City-wide Sustainability Fair, in June or July, to be held on a Saturday with workshops and demonstrations for the general public.
- ***Enhance Education:*** Increase consistency of inter- and intra-net site updates, frequency of communication with staff re: environmental tips and strategies and promotion of community events focusing on sustainability.
- ***Enhance resource use tracking:*** Collate data gathered by City staff and monitor use of energy, gas, water and materials.

CONCURRENCE

The S-Team is interested in Council's input and direction on future sustainability efforts.

FISCAL IMPACT

None

Work Load Impacts

Typically, sustainability strategies change how staff approaches their work, rather than increasing how much work they do.

Alternatives

None

Attachments

1. Sustainability Plan
2. Goal Status Matrix



THE CITY OF MILWAUKIE SUSTAINABLE CITY PLAN

Final Draft

January 30, 2009

CITY OF MILWAUKIE SUSTAINABLE CITY PLAN

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THE CITY OF MILWAUKIE SUSTAINABILITY COMMITTEE

The City of Milwaukie Sustainability Committee (or “S-Team”) is made up of volunteer City staff from a variety of departments and each City facility. The S-Team meets on a monthly basis, and also works in smaller Action Teams. The S-Team includes:

Karin Gardner
Esther Gartner
JoAnn Herrigel
Brett Kolver
Sarah Lander
Willie Miller

Annette Quinn
Beth Ragel
Ernie Roeger
Pat Salvione
Paul Shirey
Alicia Stoutenburg

I. MILWAUKIE – A COMMITMENT TO SUSTAINABILITY

Sustainability is defined generally as the use of a resource so that the resource is not depleted or permanently damaged. Ensuring a more sustainable Milwaukie means working throughout the city, within municipal departments, and, eventually, out in the community with citizens, businesses and organizations to meet the needs of the present without compromising the ability of future generations to meet their own needs. It means coordinating efforts to use resources efficiently, reduce waste, prevent pollution and environmental impacts and more. It means taking into account our shared objectives for a healthy environment, quality of life and economic vitality.



Climate change is a glaring symptom of why doing business as usual is no longer sustainable. Local governments have the power to affect the main sources of pollution directly linked to climate change: energy use, transportation, and waste. Cities have an opportunity to lead by example and make changes that can help reduce the level of carbon released into the atmosphere. Cities control the day-to-day activities that determine the amount of energy used and waste generated by their community - from land use and zoning decisions to control over building codes and licenses, infrastructure investments, municipal service delivery and the management of schools, parks, and recreation areas. A widespread municipal acknowledgement of this municipal responsibility resulted in the development of the US Conference of Mayors Climate Change Agreement. In 2007, the Milwaukie City Council adopted this agreement and, with this document is establishing a plan for pursuing its goals.

The Milwaukie City staff has played an active role over the past ten years in identifying ways that the City can use its

resources more efficiently and act more sustainably. In 1996, the City was awarded grants from Metro and the Department of Environmental Quality to hire a Resource Efficiency Coordinator to complete evaluations of City-owned buildings and their resource use in the areas of solid waste, energy, water and fuel. Several efficiency measures were implemented at City facilities as a part of this effort. While a permanent staff committee would not be formed for several years, these efforts demonstrate the City's early awareness and interest in action regarding sustainability.

In 2007, the City formed a Sustainability Team in order to enhance sustainable practices used by City employees at its facilities. One of the major tasks undertaken by this team was to develop and adopt a Sustainability Plan to guide the City's on-going activities. The Milwaukie Sustainable City Plan looks specifically at City-owned facilities and the public fleet of vehicles. The Plan will be expanded in 2009 and beyond to include actions that may be taken by City residents and business owners.

The following events illustrate the highlights of Milwaukie's more recent sustainability efforts:

- Spring 2007 – Milwaukie Sustainability Committee (the “S-Team”) formed. The team has members from a variety of City departments and meets on a monthly basis.
- July 2007 – Energy Trust of Oregon conducted energy audit of four City buildings.
- September 2007 – The Milwaukie City Council adopted the US Conference of Mayors Climate Protection Agreement.
- February 2008 – The City offered the first employee training session on the basic principles of sustainability.
- March 2008 – City employees dedicated a community garden in front of the Johnson Creek Building. Employees will continue to use the garden to grow organic produce and plan to donate produce to local shelters and retirement facilities.
- March 2008 – The City of Milwaukie became a member of the International Consortium of Local Environmental Initiatives. This organization is comprised of local government members actively working toward sustainable goals.
- Spring 2009 – The Sustainability Committee plans to submit the Milwaukie Sustainable City Plan to City Council for discussion and vote.
- Ongoing – City-owned facilities continued to use basic conservation principles in day to day operations - like using green cleaning products, using low energy light bulbs, recycling, etc.

II. THE NATURAL STEP FOR MILWAUKIE

The City of Milwaukie’s Sustainable City Plan is founded on the principles of The Natural Step Framework (TNS). TNS is one of the best-known approaches to explaining sustainability and is based on principles describing how nature and societies use their resources. The Natural Step framework is intended to serve as a foundation, and recognizes the interconnections between resource use, the environment, and human needs. It also allows our community to use a common set of tools to address specific Milwaukie issues. The Milwaukie Sustainability Team recommends that the City of Milwaukie use the Natural Step as a general framework to introduce employees to the importance of sustainability.



The Oregon Natural Step network was formed to support Oregon business, governmental, and educational organizations. The framework encourages dialogue, consensus building, and systems-thinking (key processes of organizational learning) and creates the conditions for profound change to occur.

From a business perspective, The Natural Step framework enables organizations to intelligently, and profitably, integrate environmental considerations into strategic decisions and daily operations.

The Natural Step’s Four System Conditions are summarized below. Organizations measure their actions against these conditions.

In a sustainable society:

1. Fossil fuels, metals, and other minerals cannot be extracted at a faster rate than they can be re-deposited.

Or, can the earth replace what we take ?

2. Toxic substances must not be produced at a faster rate than they can be broken down in nature, and synthetic compounds that do not break down must be systematically eliminated.

Or, are we poisoning the earth, air or water?

3. We critically examine how we harvest renewable resources and adjust our consumption and land-use practices to fall well within the regenerative capacities of ecosystems.

Or, do we respect the biodiversity of plants and animals?

4. There must be a fair and efficient use of resources to meet human needs (locally and globally).

Or, are the choices we make fair and equitable?

III. FOUR AREAS OF ACTION

The Plan focuses on City operations. The S-Team selected four important resource areas to concentrate City efforts on. Positive changes in these four areas will have a strong impact on the overall health and long-term sustainability of the Milwaukie community.

i. WASTE REDUCTION

Reduce the amount of solid waste produced at City facilities and at public meetings hosted by the City.

iii. PROCUREMENT

Develop a purchasing plan to guide the City in obtaining the most resource-efficient goods and services possible.

ii. ENERGY AND FOSSIL FUEL CONSUMPTION

Reduce energy use, fossil fuel use and greenhouse gas emissions related to the operation of City-owned facilities and public fleet of vehicles.

iv. ONGOING CITY COMMITMENT & EDUCATION

Foster continued support for the Plan with regular communication to elected officials, all City employees and the general public recognizing the efforts of City staff and by allocating resources to support those efforts.

The team then developed specific activities within each action area. The group prioritized the selected activities into specific milestone target dates, with a beginning date of 2009; one year (2010); five years (2014), ten years (2019) and, in some cases twenty years (2029).

As mentioned above, the Plan focuses on actions to be taken specifically by the City, in and around City-owned facilities. The S-Team would like to expand this in the future and develop action areas to be addressed by other parts of the community (such as our residents and businesses).

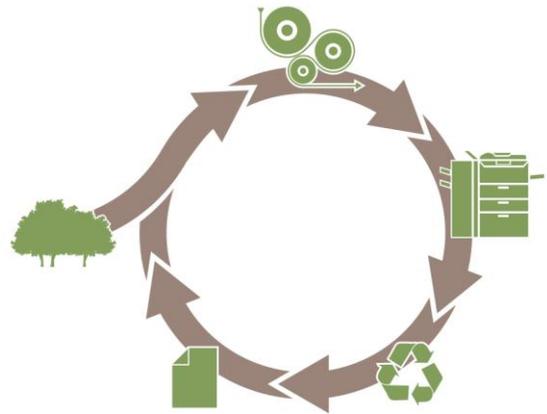


ACTION AREA – WASTE REDUCTION

The primary goal of this action area is to reduce waste generation and increase recycling within City facilities, thereby reducing the quantity of waste the City sends to the landfill.

Current State:

- Milwaukie City Council has reduced material consumption at its meetings. Pitchers of water have replaced individual water bottles and reusable flatware has replaced disposable flatware.
- An inventory of all existing waste containers (number, size and collection frequency) has been conducted at all four City buildings.
- Waste audits were conducted at all four city buildings in March 2008 to determine what volume of trash was being disposed and to evaluate the general composition of waste in the containers.
- City has provided “side bins” (that attach to all garbage cans) for recyclable items to all employees at all City buildings where this collection method is appropriate. The “side bins” are hung on the side of existing trash containers at employee workstations. These have been provided at City Hall, the Library and JCB. (PSB declined use of the side bins but has central collection bins in all areas of the building).
- Fliers, describing what materials can be recycled at City buildings were distributed to all city employees.
- Internal and external collection containers at all four city buildings were evaluated and adjusted based on need and materials generated.
- Compost bins have been installed at City Hall and JCB for food scraps and other organic material.
- Ledding Library recycles used toner cartridges for the City of Milwaukie through Toner Ink.
- The Sustainability Team is working with Information Technology to determine the best methods for introducing duplex printing at workstations throughout the City.



Milestones (Proposed Actions) – by 2010:

Decrease waste production by:

- Providing cloth towels near all kitchen facilities as an alternative to paper towels (coordinate washing).
- Providing reusable utensils and napkins for employee use at all facilities.
- Making available reusable shopping bags at all City facilities for City shopping.



Eliminate all recycled materials from the City’s regularly occurring waste stream:

- Educate employees regarding what is recyclable.
 - Put signs in central and break areas.
 - Conduct brown bag lunch training.
 - Distribute recycling flier regularly and post on intranet.
 - Encourage use of compost bins where available.
- Conduct spot checks—show employees what they are throwing away.
- Educate employees on reducing paper use.
 - Print both sides when possible.
 - Reuse paper when possible (one sided copies for drafts).
 - Print only when necessary (and only what is needed).

Reduce Paper Consumption:

- Determine key paper uses (e.g. bulk mailings, bills) and develop ways to reduce paper use for these activities:
 - Establish electronic bill pay
 - Provide Pilot electronically
- Default printers to duplex.
- Provide “single sided copy” bins near all printers.
- Encourage employees to re-use paper when possible.

Performance Measures:

- Track waste generation and reduction by:
 - Conducting an annual waste audit at all City Buildings for one month. Audits will monitor number of external waste collection containers, frequency of collection required, volume of waste in each container and general composition of waste collected.

Milestones (Targets) - By 2014

- Decrease waste production (as measured by reducing the capacity of solid waste containers by one size and/or reduce the frequency of waste removal services at each City building.)
- Eliminate all recyclable materials from the City's regularly occurring waste stream. (This does not include all waste generated by special City events, although recycling services will be made available at City events).
- Reduce recyclable paper generation (use) within the City to 50% of 2008 levels.



ACTION AREA – ENERGY & FOSSIL FUEL CONSUMPTION

Goals:

The primary goals of this action area are to reduce the City's energy and fossil fuel consumption and thereby, its greenhouse gas emissions.

Current State:

- Energy Trust of Oregon conducted energy audit of four City buildings in July 2007.
- Signed Mayors' Climate Protection Agreement and joined Cities for Climate Protection Campaign; received tools to conduct greenhouse gas emissions inventory.
- High-efficiency pumps are specified when wastewater lift station pumps are replaced.
- New or upgraded water pump stations have high efficiency pumps and motors to meet future capacity in a more energy efficient manner.
- Lighting fixtures in most city facilities have been upgraded to T-8.
- City Fleet includes one hybrid gas/electric vehicle.
- Heating and Air Conditioning controls have been upgraded to operate more efficiently.
- A bike fleet program is in place for employees to travel between city facilities.



Milestones (Proposed Actions) – By 2010

Energy

Inventory greenhouse gas (GHG) emissions from City operations and develop emissions reduction action plan.

- Evaluate costs of purchasing renewable electric energy (wind, solar, thermal) for all city facilities.
- Identify energy efficiency standards for equipment, appliances, and vehicles and include environmentally preferable purchasing (EPP) policy and coordinate with Procurement Team.
- Evaluate areas to invest in energy efficient upgrades at all City-owned facilities.
- Identify and budget one building efficiency upgrade.
- Conduct feasibility analysis of installing solar panel at all facilities.

Fleet

Conduct a fleet needs assessment and develop a green fleets plan to increase vehicle MPG, reduce GHG, and improve overall maintenance and vehicle longevity.

- Pursue state grant to retrofit diesel fleet with emissions reduction equipment.
- Decrease fossil fuel consumption of City-owned fleet vehicles by 5% over next two years.
- Establish minimum emissions standard by vehicle class.
- Switch from B20 to B99 for most diesel vehicles, at minimum during summertime operations.
- Train City employees with driving responsibilities in more efficient driving and idling techniques.

Milestones (Targets) – By 2014

Energy

- Develop green building policy and adopt Leadership in Energy and Environmental Design (LEED) Silver as the standard for new City buildings and remodels.
- Reduce energy consumption of electricity (kWhs), natural gas (BTUs) and fossil fuels by 5% from 2006 levels.
- Reduce greenhouse gas emissions to 10% below 2007 levels, in keeping with the US Mayors' Climate Protection Agreement. (Greenhouse gas emissions will be measured by reduced emissions of gases such as carbon dioxide, methane, carbon fluorocarbons and related gases. The City will work with its utility partners to determine a baseline for existing facilities and a possible course of action.)
- 50% of energy consumed is from renewable resources (on-site and from electric utility).
- 25% of City fleet is fueled by alternative fuels/technology.
- Increase overall vehicle miles per gallon (MPG) by 10% across the entire fleet.
- New construction and major remodels of City-owned facilities meet or obtain LEED Silver certification.

Sustainable End Point Goals- By 2029

- Zero net increase of carbon and other greenhouse gas emissions (climate neutral).
- Energy sources are 100% renewable.

Performance Measures:

- Track annual facility and infrastructure energy use by:
 - Total citywide consumption.
 - Report by facility, account number and department.
 - Quantify renewable energy use.
 - Measure carbon footprint of all buildings.
 - Number of City buildings that meet or exceed LEED Silver.
- Track annual fleet energy use by:
 - Vehicle miles traveled or hours operated.
 - Gallons of fuel, by type, consumed.
 - MPG ratings, including operating and maintenance cost.
 - Measure carbon footprint of all vehicles in City fleet.



ACTION AREA – PROCUREMENT

The primary goal of this action area is to create a City procurement system that includes environmental and social welfare considerations, as well as cost considerations.



Current State:

- Green Seal cleaning products purchased through Coastwide Labs, a local vendor, are used in all City buildings.
- Procured 100% post- consumer recycled copy paper through Multnomah County. Began a six month pilot program for testing paper at Johnson Creek Building, beginning September 2008.
- Began evaluating preferred vendors for office supplies with regard to sustainable practices and recycled products offered.
- Purchased Toyota Prius Hybrid for Johnson Creek Facility in summer of 2007
- The City’s newsletter, The Pilot, is printed on Forrest Stewardship Certified (FSC) paper using soy inks at an FSC printing plant.

Milestones (Proposed Actions) – by 2010:

- Begin City-wide departmental audit to identify areas where sustainable purchase options are applicable.
- Develop procurement guidelines that establish a preferred procurement hierarchy.
- Train City employees responsible for purchasing to follow Procurement Guidelines.
- Develop and implement financial tracking system to track percentage of environmentally preferred purchases made per department.
- Begin shifting all City paper stock to stock which contains 30% post consumer waste, is acid free, FSC certified, and is printed with soy-based ink.

Milestones (Targets) – By 2014

- Increase the percentage of total materials and services purchased that meet environmentally preferred procurement program.
- Perform annual audits via financial tracking system of products purchased to ensure minimum sustainable percentage.

Sustainable End Point Goals – By 2029

- All products and services purchased consider environmental impact with regard to percentage of recycled materials, sustainable sources, reuse and/or recycling options, and socially responsible providers.
- Environmentally preferred (non-toxic) options replace all chemicals and materials used throughout City facilities.

Performance Measures:

- Adopt a preferred procurement hierarchy for the City in 2010 and develop a financial tracking method to monitor the quantity and the cost of buying sustainable products
- Report to Council annually on the percentage of sustainable purchases by department and measure cost differences



ACTION AREA – ONGOING CITY COMMITMENT & EDUCATION



Goals:

The goal of this action area is to support the City’s ongoing commitment to sustainability through comprehensive outreach to Milwaukie employees, our elected officials and the community regarding the City’s sustainable actions and policies.

Current State:

- Provided sustainable education training in February 2007 available to all employees.
- Hosted Master Recycler Plastics Roundup in October 2008.
- Became a member of the International Council for Local Environmental Initiatives (ICLEI.)
- Began Sustainability Corner in the City newsletter, The Pilot, featuring updates and information regarding the City’s efforts toward sustainability as well as general educational information.

Milestones (Proposed Actions) – by 2010:

- Develop annual budget for needed resources to support the implementation of the Plan.
- Launch “Sustainability in Milwaukie” website on the City Intranet.
- Begin creating “Sustainability in Milwaukie” internet website for citizen and community use.
- Include updates, information, tips and book suggestions on intranet website for employees and internet website for citizens.

Milestones (Targets) – By 2014

- Provide regular brown-bag lunch classes for employees on sustainability topics.
- Host annual events such as Master Recycler Plastics Roundup, Earth Day events, etc.
- Establish City-wide policy for employee education, including new employee training requirements.

Sustainable End Point Goals – By 2029

- Fully integrate sustainability principles into all decisions and actions taken regarding City business and operations.

Performance Measures:

- Report to City Council annually on the number of educational events, articles and various outreach efforts.
- Periodically conduct a poll of City employees to determine level of effectiveness in changing behavior and attitudes around sustainable practices.



WASTE REDUCTION				
	Status	Target Goal Year		
		2010	2014	2029
Cloth Towels in all facilities	In place at CH,LL, JCB	✓		
Reusable utensils in all facilities	Available at all buildings	✓		
Reusable shopping bags in all facilities	Available at CH,JCB, LL	✓		
Signs in central and break areas	In place at all buildings	✓		
Conduct Brown bag lunch training	6 held in 2009, 5 held in 2010, 2 held in 2011 and organized 2012 Sustainability Fair	✓		
Distribute rec flier/post on intranet	On Intranet	✓		
Encourage use of compost bins	JCB only, City Hall system retired in 2012	✓		
Conduct spot checks	Irregular	✓		
Educate on double side printing	Irregular but good compliance anyway	✓		
Educate on paper reuse	Passive only - boxes in place	✓		
Encourage printing only when needed	On all outgoing emails	✓		
Identify key paper users and decrease	Departments have completed this task on their own to decrease paper costs. Council packet printing significantly reduced and Council lap tops to be purchased in 2013.	✓		
Establish electronic bill pay	Utility billing - 2011 Business License 2013 Parking permits - 2010	✓		
Provide Pilot electronically	Paper copy in water bills -6 Mo only - 2012 Major paper reduction	✓		
Default printers to duplex	This is done on a Department level as equipment allows	✓		
Place 1-sided cop bins near all copiers	In place at CH, JCB	✓		

Conduct annual waste audits – 1 mo/yr	Sporadic - but those conducted showed waste containers to be right size and collection frequency and very little recycling in with garbage at all buildings	✓		
Reduce garbage service size/frequency	JCB reduced the size and frequency of their waste collection form 8 cu yds a week to 2.5 cu yds once a week. City Hall reduced their container size from 2 cu yds to 1 cu yd. No other container size/frequency changes. (Minimum size established and maintained.)		✓	
Eliminate recyclables from waste stream	Most buildings doing very well here.		✓	

ENERGY & FUEL CONSUMPTION				
	Status	Target Goal Year		
		2010	2014	2029
Evaluate cost of renewable energy for City facilities	Done. All City buildings were assessed in 2006/7 to see if they were solar eligible. JCB was the best candidate, PSB second and City Hall less so due to tree cover. Capital costs at the time prevented conversions. In general, the cost tradeoff is operation funds verses capital funds - an issue which Council would have to weigh in on.	✓		
Identify energy efficient standards for equipment/vehicle and develop EPP purchase policy	Done. Facilities and fleet staff apply criteria for energy and resource efficiency to all equipment replacement. They consider the performance, resource efficiency and costs of all purchases.	✓		
Evaluate areas for energy efficiency upgrades at City facilities	Done. An energy audit was completed in 2006-7 and upgrade recommendations were developed. Where upgrades were cost efficient - recommendations were implemented. In addition, a full facility assessment and inventory was completed in 2009 by Faithful + Gould which contained recommendations for equipment and building efficiency enhancements.	✓		
Identify and budget one building efficiency upgrade	Done. <u>At least</u> one efficiency upgrade is implemented each year at more than one building.	✓		

Conduct feasibility analysis of installing solar panels at all facilities	Done. All City buildings were assessed in 2006/7 by Advanced Energy Systems to see if they were solar eligible. JCB was the best candidate, PSB second and City Hall less so due to tree cover. Capital costs at the time prevented conversions. In general, the cost tradeoff is operation funds verses capital funds - an issue which Council would have to weigh in on.	✓		
Pursue grant to retrofit diesel fleet with emission reduction equipment	Done. City received a DEQ grant to place catalytic converters on 7 vehicles. 5 converters were installed (2 were not feasible.)	✓		
Decrease fossil fuel consumption by 5% from 2009 to 2011		✓		
Establish minimum emission standards by vehicle class		✓		
Switch from B20 to B99 for most diesel vehicles (at least in summer)	Currently all Diesel fuel is B5. Higher levels of Biodiesel have been used but chronic stalling and high maintenance requirements resulted in reduction to 5 percent levels.	✓		
Train City staff in efficient driving and idling techniques	Fleet staff has not completed this goal but plans training for Ops Crews in March 2013. All safety lights have been converted to LEDs making idling for vehicles and equipment unnecessary.	✓		
Develop green building policy and adopt LEED Silver as standard for new City buildings/remodels	Facilities staff has attended LEED trainings. Most construction projects are minor office space changes which would be time consuming and potentially costly to complete according to LEED standards		✓	
Reduce City electric, gas and fossil fuel consumption by 5% of 2006 levels	Electricity and gas use has increased over the past three years except at the Ops building and PSB. It is unlikely that this goal can be met by 2014 without major conversion of buildings and equipment to alternative fuels.		✓	
Reduce greenhouse gas emissions to 10% below 2007 levels			✓	
50% of energy consumed is from renewable resources (on-site and from PGE)	Source of PGE-provided City facility power is unknown. 20,833 kWhs of wind power is purchased from PGE each month under an agreement signed in August 2012.		✓	

25% of City Fleet is fueled by alternative fuels/technology	4 out of 16 vehicles currently in the City fleet are hybrids. No electric vehicles are currently owned.	✓		
Increase overall MPG by 10% across fleet	Fleet staff recommends that V8s in PD be replaced with V6s. This will decrease MPG significantly.		✓	
New construction/remodels meet or exceed LEED Silver certification	Facilities staff has attended LEED trainings. Most City construction projects are minor office space changes which would be time consuming and potentially costly to complete according to LEED standards		✓	
Zero net increase in carbon and other greenhouse emissions				✓
Energy Resources are 100% renewable	It is unclear that this goal can be reached without conversion of all City buildings to solar energy.			✓
Track total city-wide energy consumption	Done. Finance Department tracks energy and gas consumption on a monthly and annual basis and information is stored on the S Drive. Recent review of annual usage shows trend upward except at Ops Building and PSB.			✓
Track energy consumption by facility, account number, and department	Energy consumption can only be tracked according to meters. Most buildings have only one meter. Tracking by Dept. is not currently feasible.			✓
Quantify renewable energy use	Currently the City is not using any renewable energy. City does pay PGE a small annual payment for Wind Power development, however.			✓
Measure carbon footprint of all buildings	Staff would need training to attain this goal.			✓
Track Number of City buildings that meet or exceed LEED Silver				✓
Track vehicle miles traveled or hours operated	DONE. Fleet staff track mileage for all vehicles using Gasboy system.			✓
Track gals of fuel, by type, consumed	DONE. Fleet staff track fuel use using Gasboy system.			✓
Track MPG ratings, including operation and maintenance costs	May be adequate data collected to do this type of tracking.			✓
Measure carbon footprint of all City vehicles in City fleet	Staff would need training to attain this goal.			✓

PROCUREMENT				
	Status	Target Goal Year		
		2010	2014	2029
Begin City-wide departmental audit to ID sustainable purchase options	Irregular. Some Departments and individuals look for sustainable options and some track them.	✓		
Develop procurement guidelines for preferred procurement hierarchy	In 1991 the City passed a resolution amending the purchasing rules to "prefer" recycled content items if they were within 5% of the lowest cost alternative. Current City policy does not contain a preference like this.	✓		
Train city staff to follow procurement guidelines	No specific guidelines have been set.	✓		
Develop and implement financial tracking system for tracking preferred purchases by Dept.	JCB and City Hall currently have established centralized purchasing on a regular schedule. Items purchased are tracked by central purchaser. Before purchasing, inventory is checked and recycled content options are considered.	✓		
Begin shifting paper stock to 30% post-consumer, acid free, FSC certified and soy-based ink	100% recycled content purchased under Multnomah County contract from 2008 to 2012. In 2012 Multnomah County arrangement stopped and City began purchasing 30% recycled content based on most efficient pricing.	✓		
Increase % of total materials and services purchased that meet preferred procurement policy			✓	
Perform annual audits via financial tracking system of products to ensure minimum sustainable %			✓	
All products and services purchases consider environmental impact re: % recycled content, sustainable sources and reuse and recycling options and socially responsible providers				✓
Environmentally preferred (non-toxic) options replace all chemicals and materials used at City facilities	Done. Facilities currently purchases only non-toxic, environmentally safe products for use at city buildings.			
Report to Council annually on the % of sustainable purchases by Dept and measure cost differences		✓	✓	✓

ONGOING EDUCATION

		Status	2010	2014	2029
Develop annual budget for needed resources to supplement S Plan	Currently sustainability projects are integrated into the city budget. No separate fund or line item has been established.	✓			
Launch Sustainability in Milwaukie website on City Intranet	Done. Sustainability information and links have been placed on the City Intranet.	✓			
Begin creating Sustainability internet website for citizen use	Done. Sustainability information and links have been placed on the City Web site.	✓			
Include updates, info , tips and book suggestions on intranet and internet pages	Done, but not consistently updated.	✓			
Provide regular brown bag classes for employees on sustainability	6 held in 2009, 5 held in 2010, 2 held in 2011 and organized 2012 Sustainability Fair			✓	
Host annual events such as plastic round ups, earth day events, etc.	Clean up event coordinated annually but focus is on waste.			✓	
Establish City-wide policy for employee education, including new employee training requirements				✓	
Fully integrate sustainability principles into all decisions and actions taken by the City					✓
Measure: Periodically conduct a staff poll to determine level of effectiveness in changing behavior and attitudes re: sustainable practices		✓	✓	✓	✓



Agenda Item: SS
Meeting Date: 2/26/13

COUNCIL AGENDA ITEM SUMMARY

Issue/Agenda Title: Metro CET Grant / Commercial Core Enhancement Program

Prepared By: Stephen Butler, Planning Director and Interim Community Development Director

Dept. Head Approval: Stephen Butler

City Manager Approval: Bill Monahan

Reviewed by City Manager: 2/26/13

ISSUE BEFORE THE COUNCIL

Staff is requesting that Council provide guidance regarding the revised scope of work for Metro review. The scope of work is the next step in accepting the City of Milwaukie's \$224,000 Construction Excise Tax (CET) grant award for work related to the Commercial Core Enhancement Program (CCEP).

STAFF RECOMMENDATION

Proceed with final preparation of a detailed scope and preparation of an IGA between the City and Metro, if the Council is in agreement with the proposed scope at the end of the study session.

KEY FACTS & INFORMATION SUMMARY

Over the past several years, Council has expressed an interest in addressing long-standing issues in downtown and central Milwaukie. In 2009, Council directed staff to apply for a grant through Metro's Construction Excise Tax (CET) program to fund an urban renewal plan and address identified issues in downtown and central Milwaukie.

During worksessions in September 2012, Council indicated discomfort with the inclusion of an urban renewal plan in the CET grant scope of work, and expressed concerns about workload and funding impacts if the City were to accept the funds. Staff has not moved forward with negotiating the IGA, but has continued to brief Council on discussions with Metro regarding the revision of the scope to remove the urban renewal plan component. Between November 2012 and the present, City staff has proposed revisions to the original scope that would remove the urban renewal plan task and allow for greater focus on updating the downtown zoning code.

As described at a recent Council worksession, staff has been working on a revised scope of work for the CET grant, which would include the following components:

1. Public involvement plan
2. Development plans for key opportunity sites in downtown and central Milwaukie
3. Downtown code and plan “refresh”
4. Central Milwaukie land use and transportation plan
5. Neighborhood Main Streets implementation

Metro is amenable to revising the grant scope; however, one of the key milestones of the CET grant award will be adoption of an implementation strategy, including the removal of barriers to development and establishing a funding mechanism to support public infrastructure improvements. It is this milestone on which staff would like to focus at the study session.

OTHER ALTERNATIVES CONSIDERED

Staff has identified two alternatives. Council could direct staff to: 1) utilize existing resources to accomplish, over time, elements of the CCEP; or 2) seek local funding in future budgets.

CITY COUNCIL GOALS

2012 Council Goal 2.b – Promote development of neighborhood-centered commercial centers.

2013 Council Goal 9 – Complete revisions of the downtown code.

ATTACHMENT LIST

1. Draft revised CET grant scope, dated February 15, 2013
2. Project flow chart

FISCAL NOTES

\$224,000 in grant revenue and \$30,000 in general fund match were included in the 2012 adopted budget. Electing to pursue the CCEP with CET funding would require a budget amendment to accept the grant funds. Matching funds would be entirely covered by the existing Community Development Department budget.

**METRO COMMUNITY DEVELOPMENT & PLANNING GRANT
CITY OF MILWAUKIE “COMMERCIAL CORE” ENHANCEMENT PROGRAM
2013 REVISED SCOPE**

PROJECT OVERVIEW

Milwaukie has multiple core commercial areas, including downtown, central Milwaukie, and other smaller commercial nodes throughout the city. The Commercial Core Enhancement Program (CCEP) seeks to define what the community wants to see in these commercial areas and how to get it.

Each different commercial area in the City needs different kinds of work. Some need a plan – a vision for the character and function of the area. Some need development analysis and study to refine the existing vision and encourage redevelopment. Some need implementation, including code refinement, zone changes, and action plans for capital projects. They may all need incentives for private investment.

The CCEP program covers many related projects, and will be a way to tackle several specific issues that have been identified by the community, including:

- Higher design standards for new commercial/ office development throughout the City.
- Major “refresh” of the downtown zoning code and Framework Plan.
- Funding the desired streetscape improvements in downtown and central Milwaukie.
- Addressing existing, underutilized commercial areas that have potential to serve the neighborhoods

PROJECT MILESTONES

The project work is organized under six milestones:

1. Project Launch

This proposal assumes that most technical work will be conducted by a carefully selected consultant team with expertise in community planning, land use regulations, community engagement processes, and redevelopment planning. City staff will participate by providing strategic direction based on knowledge of the local context (economic, political, and findings of previous technical studies), public involvement assistance, document review, and all necessary internal staff work in support of submissions to Planning Commission and City Council.

All phases of the project will be conducted with a high degree of community and stakeholder involvement; a key component of this milestone is the creation of a public involvement plan to ensure community engagement and transparency throughout the project.

Key deliverables:

- Develop RFP. Written by City staff in consultation with project partners.
- A detailed project scope written with the participation of the selected consultant team.
- Background memo by consultant team summarizing review of previous research and key publicly-available data. Primary purpose of this task is to ensure a base-line

common understanding of Milwaukie's reality among consultant team, City staff, and project partners.

- Public involvement (PI) plan. The consultants and staff will develop all land use plans in consultation with project stakeholders, Milwaukie citizens, local businesses, representatives from the development community, and participating agencies. The PI plan will identify key stakeholders, their issues, levels of involvement and strategy for outreach.

2. Downtown Milwaukie Opportunity Site Development Planning

Development of these key opportunity sites has been discouraged by: a) a lack of infrastructure; b) high standards for public area improvements and lack of public financial assistance for these improvements; and c) inflexible or overly complex zoning designations.

The purpose of this task is to work with the community and property owners to develop conceptual development plans for each site; identify barriers to implementation; and develop strategies to overcome those barriers. A key outcome will be the identification of specific actions (such as capital investments, zone changes, or code amendments) needed to successfully implement the development plans for each opportunity site.

The project will carry out targeted site-specific pre-development planning to prepare identified opportunity sites for development activity. Work will focus on five sites in downtown Milwaukie. The City may revise the list of opportunity sites, if an initial assessment indicates that a specific site is not a viable development site:

- Site 1: The Texaco Block is publicly owned (by Metro and City of Milwaukie) and is adjacent to City Hall, fronting both Main Street and McLoughlin Blvd. In 2005, Metro and the City entered a partnership to plan for joint development of this block. The proposed project, Olson Point, stalled due to challenging market conditions. The City and the Metro TOD Program staff are interested in jointly working to create a new concept for this valuable block that defines an appropriate and achievable intensity of development.

Planning for the Texaco block will focus on market analysis and development alternatives for the site. Land use constraints will be addressed under Milestone 3.

- Site 2: This TOD Opportunity Site (the "triangle site") is immediately east of the planned Milwaukie light rail station at 21st Avenue and Lake Road. It has been acquired by the Portland to Milwaukie Light Rail project and made available for Transit Oriented Development (TOD). This development will provide a visual landmark for the station with uses that activate the platform area to make it safer and more comfortable.

Site planning and urban design of the TOD site will build on the outcomes of the City's South Downtown Concept. Focused research on programming specific uses for the site and development alternatives is needed.

- Site 3: The Cash Spot site is almost a full block, is City-owned, and is in a key location in the south downtown area. Planning for the Cash Spot site will focus on market analysis and development alternatives for the site. Land use constraints will be addressed under Milestone 3.

- Sites 4 and 5: Publicly or privately-owned key redevelopment or adaptive reuse sites in the downtown area, to be selected in collaboration with property owners, City staff, the consultant team, and Metro staff.

Key deliverables:

- A. Market and Development Opportunities Analysis: Outlining potential development opportunities for each opportunity site, based on accommodating end users likely to be present in the market.

If this analysis demonstrates that short-term development (2-5 years) of a specific opportunity site is unlikely, the project team may choose to end the evaluation of that site at this step and/or add additional opportunity sites.

- B. Development Alternatives: Two to three conceptual plans (“Concepts”) for each opportunity site will be developed for presentation to the public and City officials. This deliverable assumes property owner commitment to moving forward with development of the site. A commitment from private property owners will be required prior to development of concepts for each site.
- C. Action Plans: Recommended implementation strategy; comprehensive plan and zoning changes that would be needed or recommended to implement the each property’s site plan; and infrastructure projects that would remove obstacles to development.
- D. Implementation Strategy: Evaluation of regulatory, non-regulatory, and financial strategies to implement the Action Plans for each site.
 - i. Cost analysis of necessary infrastructure and public improvements to encourage development on opportunity sites.
 - ii. Evaluation of potential funding mechanisms to support implementation of the opportunity site Action Plans. These funding mechanisms could include local improvement districts, bonds, developer incentives, and/or other methods.
 - iii. Recommendations regarding best approaches for City Council action.
- E. City Council adoption of preferred implementation strategy.

3. Downtown Plan and Code Refresh

The work in this milestone will build on the *Road Map for Downtown Milwaukie* being prepared by PSU graduate students in winter/ spring 2013.

In 2000, the City Council adopted the Downtown Plan, which provides a framework for redevelopment that recognizes and builds upon the character and history of the downtown. To implement the Downtown Plan, the City Council adopted five downtown zones, specific use and development standards, public area requirements, and design standards. The plan assumed large-scale, market-driven development and significant public investment in public spaces. Without a local dedicated funding source for either development incentives or capital investment, implementation has relied upon stringent regulation of development.

The City is committed to the vision outlined in the Downtown Plan. However, after implementing the plan for more than 12 years, staff has found that the specific and prescriptive code standards do not provide enough flexibility to accommodate a gradual

transition between existing uses and buildings and the future vision. This awareness has been reinforced and better-defined through multiple planning efforts, including the 2011 South Downtown Concept and 2009 Urban Renewal Feasibility Study processes.

Through a TGM Code Assistance grant in 2009, the City hired Angelo Planning Group to evaluate the code that governs downtown zones. That study identified the key code obstacles to achieving the vision in the Downtown Plan, including:

- The code is very prescriptive regarding use and design. For example, ground floor retail uses are required, and personal services limited, on Main Street.
- Many existing uses and buildings are significantly non-conforming, and severely limited in how they could be used until redeveloped to full conformance. For example, since all of the buildings in the Downtown Residential (DR) zone have nonconforming uses and buildings, the code should provide better guidance about how to handle incremental changes until the entire site is redeveloped.
- The minimum height (35 feet or 3 stories) for buildings fronting Main Street is quite aggressive when compared with regulations developed for other Town Centers in the region.

An element of the 2009 urban renewal feasibility study was a pro forma financial analysis of possible development programs on five sites in the downtown. This study confirmed several of the Angelo Planning Group's findings, and also demonstrated that public area requirements and parking standards pose clear barriers to financially feasible development at current rent levels.

Key deliverables under this milestone:

- A. Code and Plan Review for Technical & Policy Effectiveness: A memo reviewing and critiquing existing plans and policies with regard to the following objectives:
 - i. Ensure that the regulations implement the goals of the Downtown Plan.
 - ii. Foster revitalization by protecting existing businesses and responding to the current marketplace.
 - iii. Define what is essential to Milwaukie's urban design vision for downtown, and what standards are overly prescriptive or extravagant.
 - iv. Establish a design review process that is clear, reasonable, and effective.
- B. Code and Plan Review for Financial and Market Feasibility: A memo presenting findings from an analysis of the cumulative impact of regulations on development feasibility. This work will require both financial and market feasibility and design analysis of existing nonconforming situations and existing development standards.
- C. Proposed Code and Plan Amendments to the development code and the Downtown Plan, based in part on work in Milestone 2. The proposed amendments would address the deficiencies identified in the tasks listed above, including development standards, design review process, parking regulations and use limitations.
- D. City Council Adoption of Code and Plan Amendments.

4. Central Milwaukie Opportunity Site Development Planning

The project will carry out targeted site-specific pre-development planning to prepare identified opportunity sites for development activity. Work will focus on two sites in central Milwaukie. The City may revise the list of opportunity sites, if an initial assessment indicates that a specific site is not a viable development site:

- Sites 6 and 7: The privately-owned Murphy and McFarland sites, just east of Hwy 224 in central Milwaukie, are both vacant, former brownfield sites that lack infrastructure and a reliable vision for what development could offer the community. Both are burdened with outdated, complex zoning overlays. Strategic development planning is needed before rezoning can occur.

Study of these sites will include evaluation of public infrastructure, particularly transportation infrastructure, given the proximity of Highway 224. A key aspect of the study will be to define assumptions for the use and form of possible development and development requirements. Market analysis, urban design study, and code changes are assumed to be necessary elements.

Key deliverables:

- A. Needs, Opportunities, and Constraints Analysis: Based on a summary of stakeholder research; site research and analysis; feasibility studies; governing policies and standards; and economic, engineering, and environmental constraints.
- B. Market and Development Opportunities Analysis: Outlining potential development opportunities for each opportunity site, based on accommodating end users likely to be present in the market.
- C. Development Alternatives: Two to three conceptual plans (“Concepts”) for each opportunity site will be developed for presentation to the public and City officials. This deliverable assumes property owner commitment to moving forward with development of the site. A commitment from private property owners will be required prior to development of concepts for each site.
- D. Action Plans: Recommended implementation strategy; comprehensive plan and zoning changes that would be needed or recommended to implement the each property’s site plan; and infrastructure projects that would remove obstacles to development.
- E. Implementation Strategy: Evaluation of regulatory, non-regulatory, and financial strategies to implement the Action Plans for each site.
 - i. Cost analysis of necessary infrastructure and public improvements to encourage development on opportunity sites.
 - ii. Evaluation of potential funding mechanisms to support implementation of the opportunity site Action Plans. These funding mechanisms could include local improvement districts, bonds, developer incentives, and/or other methods.
 - iii. Recommendations regarding best approaches for City Council action.
- F. City Council adoption of preferred implementation strategy.

5. Central Milwaukie Land Use and Transportation Plan

- A. Land use and transportation plan for Central Milwaukie, including Murphy and McFarland sites: The plan should incorporate outcomes from Milestone 4, as well as an evaluation of public infrastructure, specifically transportation due to the proximity of Hwy 224.
- B. Proposed citywide development and design standards for commercial properties
- C. Proposed Code, Comp Plan, and Zoning Map Amendments: The proposed amendments would address the deficiencies identified in Milestone 4 and the tasks listed above, including development standards, permitted uses, and urban design.
- D. City Council Adoption of Amendments.

6. Neighborhood Main Streets

Continuation of 2012 Neighborhood Main Streets project, which addressed neighborhood commercial districts along 32nd and 42nd Avenues. Deliverables should build on recommendations and action plan provided by Horizon Planning in 2012.

Key deliverables:

- A. Proposed Code and Comp Plan Amendments: The proposed amendments should implement recommendations from the 2012 action plan, address development standards, permitted uses, design standards, and expansion of the zones.
- B. City Council Adoption of Amendments

PROJECT SCHEDULE

Final milestones and expected completion dates, scope of work, and budget will be established in collaboration with Metro upon grant award. The estimated project timeline is approximately 24 months from the date of City Council approval of the final work program.

“Commercial Core” Enhancement Program: Timeline

