



COUNCIL REGULAR SESSION

City Hall Council Chambers, 10722 SE Main Street
& Zoom Video Conference (www.milwaukieoregon.gov)

2369th Meeting

MINUTES

NOVEMBER 15, 2022

Council Present: Councilors Adam Khosroabadi, Lisa Batey, Desi Nicodemus, Council President Kathy Hyzy, and Mayor Mark Gamba

Staff Present: Kelly Brooks, Assistant City Manager
Justin Gericke, City Attorney
Adam Heroux, Associate Planner
Brett Kever, Senior Planner
Vera Koliass, Senior Planner
Ann Ober, City Manager

Michael Osborne, Assistant Finance Director
Peter Passarelli, Public Works Director
Natalie Rogers, Climate & Natural Resources
Manager
Scott Stauffer, City Recorder
Laura Weigel, Planning Manager

Mayor Gamba called the meeting to order at 6:06 p.m.

1. CALL TO ORDER

A. Pledge of Allegiance.

B. Native Lands Acknowledgment.

2. ANNOUNCEMENTS

Mayor Gamba announced upcoming activities, including leaf drop sessions, the pre-Thanksgiving Farmers Market, city manager open door sessions, and the city's annual umbrella parade and winter solstice events.

The group noted that Council President Hyzy was participating in the meeting via Zoom.

3. PROCLAMATIONS AND AWARDS

A. Milwaukie High School (MHS) Outstanding Student Achievement – Award

Kim Kellogg, MHS Principal, introduced Logan Law and Council congratulated them on their academic and extra-curricular activities.

B. MHS Update – Report

Kellogg provided an update on events and activities at MHS, including the Hispanic Heritage and Culture assembly and a student equity training.

4. SPECIAL REPORTS

A. None Scheduled.

5. COMMUNITY COMMENTS

Mayor Gamba reviewed the comment procedures. **Stauffer** reported there was no follow-up from the November 1 comments. No audience member wished to comment.

6. CONSENT AGENDA

It was moved by Councilor Batey and seconded by Councilor Khosroabadi to approve the Consent Agenda as presented.

A. City Council Meeting Minutes:

1. October 11, 2022, study session,
2. October 18, 2022, work session, and
3. October 18, 2022, regular session.

B. Resolution 73-2022: A resolution of the City Council of the City of Milwaukie, Oregon, affirming the appointment of a Library Board member to represent the city on the Clackamas County Library District Advisory Board.

Motion passed with the following vote: Councilors Khosroabadi, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]

Mayor Gamba announced that Council would proceed to the public hearing agenda items 8. A. and 8. B. before the business items.

8. PUBLIC HEARING

A. High Density Residential Zones Adoption – Ordinance

Call to Order: **Mayor Gamba** called the public hearing on the proposed amendments to the code, file #ZA-2022-002, to order at 6:37 p.m.

Purpose: **Mayor Gamba** announced that the purpose of the hearing was to take public comment on the proposed high density residential zones code amendments.

Conflict of Interest: No Council member declared a conflict of interest.

Staff Presentation: **Heroux** reviewed previous Council discussion on the proposed code changes, noted why the changes were necessary, and listed changes that included updating terms and processes. **Councilor Batey, Heroux, and Koliass** remarked on differences between residential care facility types and zoning requirements.

Koliass explained how the new terms would result in the consolidation of some zones. **Councilor Batey and Koliass** noted what the zoning was at the Hillside Development.

Koliass explained how the new terms would impact the development standards and result in higher density residential zones, and discussed revisions requested by Council related to the definition of single room occupancy (SRO) dwelling units. The group remarked on whether the code could support single family homes being redeveloped into SRO facilities with shared kitchen and bathroom facilities and noted what other cities have done to promote multi-generational groups living together.

Koliass provided an overview of whether a full consolidation of high-density residential zones could be adopted as requested by Council, noting what land uses and building standards would be allowed by right under a consolidated zoning model. **Koliass** reviewed the approval criteria and decision options for Council to consider.

Mayor Gamba and Koliass noted that the Planning Commission had not considered the full consolidation option, and **Councilor Batey and Koliass** noted which neighborhood district association (NDA) land use committees and interested groups had been informed of the proposed code changes.

Councilor Batey and Koliass remarked on code requirements that would remain in place to ensure that high density zones next to low density zones do not create dramatic building bulk and height differences.

Conduct of Hearing: **Mayor Gamba** reviewed the commenting procedures.

Audience Testimony: **Joseph Edge**, Planning Commissioner, expressed support for the code changes, proposed an additional change that would eliminate a setback requirement in the downtown area, and suggested there was Planning Commission support for a full consolidation of high-density zones. **Mayor Gamba and Edge** remarked on how the setback change would impact development projects.

Staff Response to Testimony: **Kolias** suggested that setback requirements could be eliminated but it would affect all zones if a full consolidation was implemented.

Close Public Comment: **It was moved by Councilor Nicodemus and seconded by Councilor Khosroabadi to close the public comment part of the hearing on the proposed high density residential zones code changes. Motion passed with the following vote: Councilors Khosroabadi, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0] Mayor Gamba closed the public hearing at 7:23 p.m.**

Council Discussion: **Councilor Batey** expressed opposition to a full consolidation of zones and was somewhat in favor the setback elimination proposal.

Mayor Gamba and **Batey** remarked on whether full consolidation should be referred to the Planning Commission for discussion and what the impacts of consolidating zones could be. **Councilors Khosroabadi and Batey** commented on the types of businesses that could be allowed in all zones under a consolidated zoning map.

Council President Hyzy commented on the need for business input on the code changes and the growth of home-based businesses and expressed support for consolidating zones to encourage simplified and flexible uses.

Councilor Batey and **Mayor Gamba** remarked on differences in setback requirements in the current zoning and what the benefits could be of consolidating zones to allow for more uses. **Batey** expressed concern about losing less dense zoning.

Councilors Khosroabadi and Batey remarked on the impact of tall buildings in residential areas and making the code flexible to encourage more housing be built.

Councilor Khosroabadi expressed support for the proposed changes and agreed there was a need for input from the business community.

Councilor Batey expressed support for the proposed terminology and process updates and noted that future code change packages would present future chances for Council to consider the zoning code. **Mayor Gamba** and **Batey** commented on how much of an impact the neighborhood hubs code changes would have on zoning.

Council President Hyzy suggested the code changes be referred to the Planning Commission to further discuss the consolidation of zones.

Councilors Nicodemus and Batey discussed the usefulness of the less dense residential buffer zones around the high-density zones. **Councilor Batey** believed additional community discussion was necessary to consider a full zoning consolidation.

Mayor Gamba observed that four Council members supported a full zone consolidation with some further discussion about setback requirements. The group discussed whether to send the code changes back to the Planning Commission and **Weigel** noted the tight timeline for making the changes soon and keeping other projects on track. It was Council consensus to not refer the code changes to the Commission and for Council to consider a revised version of the code changes at the December 6 regular session.

Continue Hearing: **It was moved by Councilor Khosroabadi and seconded by Councilor Nicodemus to continue the hearing on the High-Density Residential Zones Adoption, file #ZA-2022-002, to a date certain of December 6, 2022. Motion passed with the following vote: Councilors Khosroabadi, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]**

B. Electric Vehicle (EV) Charging Infrastructure Code Amendments – Ordinance

Call to Order: **Mayor Gamba** called the public hearing on the proposed amendments to the code, file #ZA-2022-006, to order at 7:49 p.m.

Purpose: **Mayor Gamba** announced that the purpose of the hearing was to take public comment on the proposed EV charging infrastructure code amendments.

Conflict of Interest: No Council member declared a conflict of interest.

Staff Presentation: **Kelver** noted previous Council discussion on the code changes, explained that the changes were required by recent state law changes, and reviewed the proposed code changes related to level two EV charging station infrastructure.

Heroux discussed equity reasons for the changes, how the EV requirements related to the city’s Climate Action Plan (CAP) goals and reviewed how the new code requirements would affect residential and commercial developments.

Kelver noted the decision options for Council and asked for feedback.

Mayor Gamba expressed support for the code changes. **Councilor Batey** expressed support but noted concern that the commercial requirements. **Mayor Gamba** and **Kelver** noted the changes would only impact new parking, not existing parking lots.

Correspondence: No correspondence had been received on the hearing topic.

Conduct of Hearing: **Mayor Gamba** reviewed the comment procedures.

Audience Testimony: **Michael Rinella**, Milwaukie resident, expressed concern about zone consolidation and requiring EV charging stations and encouraged Council to slow the process down and talk to businesses about the costs of the code changes.

Staff Response to Testimony: **Kelver** explained that the state had set a minimum level of required EV charging stations and Council had provided direction to require more than the state minimum. **Heroux** noted that a development applicant could seek a variance to revert to the state minimum requirement.

Close Public Comment: **It was moved by Councilor Nicodemus and seconded by Councilor Batey to close the public comment part of the hearing on the electric vehicle charging infrastructure code changes. Motion passed with the following vote: Councilors Khosroabadi, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]** **Mayor Gamba** closed the public hearing at 8:10 p.m.

Council Discussion: **Councilor Batey** expressed support for the code changes.

Council Decision: **It was moved by Councilor Batey and seconded by Councilor Khosroabadi for the first and second readings by title only and adoption of the ordinance amending Municipal Code (MMC) Title 19 Zoning Ordinance to establish electric vehicle charging infrastructure requirements (File #ZA-2022-006). Motion passed with the following vote: Councilors Khosroabadi, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]**

Ober read the ordinance two times by title only.

Stauffer polled the Council with **Councilors Khosroabadi, Batey, Nicodemus, and Hyzy and Mayor Gamba voting “aye.” [5:0]**

Ordinance 2221:

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING MUNICIPAL CODE (MMC) TITLE 19 ZONING ORDINANCE TO ESTABLISH ELECTRIC VEHICLE CHARGING INFRASTRUCTURE REQUIREMENTS (FILE #ZA-2022-006).

Mayor Gamba recessed the meeting at 8:14 p.m. and reconvened at 8:20 p.m.

7. BUSINESS ITEMS

A. Climate Fund Adoption – Ordinance and Resolution

Staff Presentation: **Rogers** explained that the establishment of a climate fund had come about due to the need for a dedicated funding source to support the city's climate goals. **Rogers** reported that the fund structure had been created with consultant and Council assistance and input from residents and business owners through a community survey.

Rogers and **Passarelli** reviewed the proposed code changes related to the climate and stormwater funds, noting that a fee waiver process was part of the fund structure.

Councilor Batey asked about the impact of the fee waiver process on staff workload. **Rogers** remarked on what staff believed would take the most time in administering a new climate fund, adding that Council could refine the process as needed. The group remarked on existing development credits for construction projects that include stormwater infrastructure improvements.

Councilor Batey and **Rogers** reviewed the community survey results, noting how many people had responded and what climate projects responders supported.

Audience Testimony: **Mayor Gamba** reviewed the public comment procedures.

David James, Milwaukie resident, wondered if the city could use existing revenue to support a climate fund and suggested that a new fee be delayed due to inflation. **Mayor Gamba** and **James** clarified that James lived in the city and ran a rental business.

It was noted that Ken Crawford had submitted a comment card but was not present.

Rinella questioned who had received the climate fund survey and suggested the community did not support a new fee and that the fee would not help the climate.

Rita Lynn, Milwaukie resident, remarked on water usage rates, suggested the environment needed carbon dioxide, and urged Council to not adopt a climate fee.

Rob Reynolds, Milwaukie resident, suggested many could not afford a new fee and questioned the results of the survey and encouraged Council to refer the fee to voters.

Brad Reed, Milwaukie resident, expressed support for the climate fund and encouraged Council to adopt the fee.

Kirk Erwin, unincorporated Clackamas County resident, expressed support for the climate fund and remarked on the impacts of climate change.

Staff Response to Testimony: **Mayor Gamba** and **Rogers** noted the amount a rental property would pay if the fee were adopted. **Councilor Batey** and **Rogers** noted that businesses and rental properties had been invited to participate in the survey and that the fee, if adopted, would begin in March 2023.

Council Discussion: **Councilor Nicodemus** supported the climate fund and was concerned about adopting a fee now given the impacts of inflation and suggested Council wait to adopt it. **Mayor Gamba** and **Nicodemus** remarked on when would be a better time to adopt a fee and whether the next Council should make the decision.

Councilor Khosroabadi suggested Council wait to adopt the fee and conduct more community outreach and further refine what programs the climate fund would support.

Councilor Batey commented on the amount of community engagement done on the fund to-date, noted the lack of input from big businesses, and expressed support for adopting the climate fund fee to support the city's long-term climate work.

Council President Hyzy agreed the city needed to continue working on climate goals, observed that the community was asking for more conversation on the fee, and suggested Council conduct more outreach before adopting the fee.

The group discussed who would conduct additional outreach on the fee, noting the need for Council and staff to be involved which would take staff away from other climate work.

Councilor Nicodemus reiterated concern about passing a new fee now because of inflation, not because of the amount of engagement. **Councilor Batey** suggested a new fee could start on July 1 and **Nicodemus** suggested that the new Council be allowed to decide when and if the fee is adopted.

Mayor Gamba suggested that despite the correspondence Council had received against the fee many Milwaukians supported it. **Gamba** remarked that the intent of the fee was to support the city’s climate work and agreed with inflation concerns but suggested the fee was necessary and called on Council to adopt it.

Councilor Khosroabadi agreed with Mayor Gamba’s concerns about the climate, expressed concern about residents’ ability to afford a new fee right now, and suggested the city slow down and take more time to explain and define the fund and fee.

Ober summarized that most of Council supported delaying the fee adoption; Council agreed and noted that the fee would be brought back for consideration in 2023.

B. Safe Access for Everyone (SAFE) / Street Surface Maintenance Program (SSMP), and Urban Renewal Bonding – Discussion

Brooks explained that Council would receive an update on the recommendation to issue additional bonds to fund infrastructure projects and introduced consultants John Peterson and Gulgan Ugur. **Brooks** reviewed previous SAFE program bond funding, the proposal to combine SAFE, SSMP, and urban renewal projects under one bond issuance, and noted how the proposed \$24 million in bond funds would be spent.

Councilor Batey and **Brooks** noted what projects would be covered by the SSMP program’s bond funds and how SSMP and transportation projects were differentiated.

Brooks reviewed fiscal assumptions that had been made when the fiscal year (FY) 2023-24 budget had been adopted and noted changes that had come up since then.

Brooks replied to questions submitted by Councilor Batey, explaining why only one funding scenario had been presented and why slurry seal projects have their own line item. **Councilor Batey, Brooks, and Mayor Gamba** discussed ways to manage paying bond debt and staffing workloads. **Brooks** continued to respond to questions submitted by Batey, reporting that it would cost \$11 million to fund all projects currently “in design.”

Councilor Batey noted the questions had been raised during budget discussions.

Brooks noted infrastructure projects completed in the last two years.

Peterson discussed the previous three-year bonding structure adopted by Council in 2019, noted changes in the market and to debt rates since then, and remarked on differences between market and bank bonds, explaining that the staff recommendation was to seek the more flexible bank bonds. **Councilor Batey** and **Peterson** noted that the city was not paying as much on outstanding bond principal due to market rates and the city not issuing bonds in 2021.

Peterson noted the city’s strong bond rating and explained how a possible recession could impact construction costs. **Council President Hyzy** asked how the city’s debt load compares to other cities and **Peterson** explained that one of the city’s strengths is its low indebtedness and that Milwaukie’s debt was comparable to other cities.

Peterson presented information packets comparing market and bank bonds. The group discussed differences between the bonds, noting both were subject to the same federal regulations, that with either the interest amount would be less than the principal amount, and how bond projections factored in the possibility that the market rate would change.

Mayor Gamba expressed support for seeking bank bonds and **Peterson** remarked on the future of the market and when the city would want to seek bonds. **Ober** appreciated that the city would be able to refinance bank bonds.

Councilor Batey and **Ober** remarked on why the SAFE program build-out plan was now 11-years long, noting delays such as staffing and the COVID-19 pandemic.

Peterson highlighted and remarked on the historical interest rates graph in the packet.

Councilor Batey and **Peterson** noted that because voters had approved bond funding to rebuild the Ledding Library that debt was structured differently.

Brooks and **Ober** clarified that staffing paid for with bond funding could only be used for bond-funded projects, so some staff would be paid for by bond and stormwater funds.

It was Council consensus to proceed with seeking bank bonds instead of market bonds.

Councilor Batey noted previous and current concern about approving multiple tranches of bond funding for the SAFE program and **Ober** confirmed that Council would be asked to approve new rounds of bond funding over time as the community's goals shift.

9. COUNCIL REPORTS

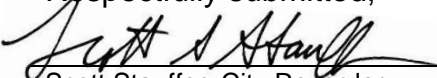
None.

10. ADJOURNMENT

It was moved by **Councilor Nicodemus** and seconded by **Councilor Batey** to adjourn the Regular Session. Motion passed with the following vote: **Councilors Khosroabadi, Batey, Nicodemus, and Hyzy and Mayor Gamba** voting "aye." [5:0]

Mayor Gamba adjourned the meeting at 10:34 p.m.

Respectfully submitted,



 Scott Stauffer, City Recorder

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