



COUNCIL WORK SESSION

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

MINUTES

FEBRUARY 21, 2023

Council Present: Councilors Robert Massey, and Rebecca Stavenjord, Council President Desi Nicodemus, and Mayor Lisa Batey

Council Absent: Councilor Adam Khosroabadi

<p>Staff Present: Joseph Briglio, Community Development Director Ryan Burdick, Police Captain Mandy Byrd, Development Project Manager Justin Gericke, City Attorney Vera Kolias, Senior Planner</p>	<p>Nicole Madigan, Deputy City Recorder Ann Ober, City Manager Scott Stauffer, City Recorder Luke Strait, Police Chief Laura Weigel, Planning Manager</p>
--	---

Mayor Batey called the meeting to order at 4:01 p.m.

1. Coho Point at Kellogg Creek Update – Discussion

Mayor Batey noted that Councilor Khosroabadi was excused as absent from the work session.

Briglio introduced Farid Bolouri with Black Rock Development and Real Estate, and Bolouri's Coho Point architect, Alan Jones, and explained this was an opportunity for Council to get to know the selected developer for the Coho Point project and for Bolouri and Jones to provide a project update.

Bolouri and **Jones** introduced themselves and provided a brief history of the project that included a timeline, rendering of the completed building, and a site plan. **Mayor Batey** asked if retail spaces would be located on the Main Street side only. **Jones** replied that in addition to Main Street, retail space would wrap both corners and extend to the public plaza. The group discussed Jones' statement that the project would include affordable housing. **Jones** noted plans for improvements to the Adams Street right of way as well as a connecting path to and rehabilitation of Dogwood Park.

Jones presented building specifications that included square footage, the number of apartment units, bike, and vehicle parking spaces, where the entrances were located, the aesthetic look of the building, and provided an explanation of how each floor would be laid out. **Jones** mentioned the retaining wall along Kellogg Creek and explained that civil engineers were working with the Federal Emergency Management Agency (FEMA) on an application for cut and fill and relocation of the wetlands.

Jones reviewed the FEMA application process which resulted in the need to submit a full conditional letter of map revision (CLOMR) application package, which **Jones** believed would be ready to submit later that week. **Jones** shared a list of tasks that the city and developer would work on together. **Jones** stated that an extension was needed for due diligence to March 31, 2024, and for the land use approval to October 2024.

Jones presented what the next steps would be if extensions and applications were approved that would culminate in building occupancy late summer of 2026.

Mayor Batey commented on the scale and drop of the path along the Kellogg Creek side of the building. The group discussed the Kellogg Dam removal project in connection with Coho Point. **Jones** addressed the Mayor's comments by stating that

the project involved a great deal of fill, and the garage would be built above the 1996 flood line.

Councilor Massey asked if there were other issues that had delayed the project. **Jones** responded that besides the CLOMR process other delays were a result of the pandemic.

Council President Nicodemus asked about funding and inflation concerns and **Bolouri** informed Council that other avenues were being considered to assist in offsetting inflation.

Councilor Stavenjord asked how many commercial tenants **Bolouri** was expecting. **Bolouri** advised that they do not plan for a number of tenants but explained there was over 6600 square feet of retail space with several entrance options and expressed hope for a restaurant. **Stavenjord** asked what contingencies **Bolouri** had planned for. **Bolouri** shared that the main contingency would come from working with interested institutions that would likely want more equity.

Mayor Batey noted the solar panels on the Coho Point roof and asked what green building standard the project would be going with. **Jones** explained they were considering both the Energy Trust of Oregon's Path to Net Zero and the Leadership in Energy and Environmental Design (LEED) as well as reviewing the new energy efficient changes to the city and state building codes.

Briglio advised that staff would approve the extensions.

2. Psilocybin Code Amendments – Discussion

Kolias presented background information on the Oregon Psilocybin Service Act which involved options for how the city could incorporate or prohibit the act. **Mayor Batey** believed that city no longer had an option to prohibit. **Kolias** was unsure if there was a time limit for prohibiting and would look further into the matter. **Kolias** shared the different types of licenses that the Oregon Health Authority issued for psilocybin. The group discussed what the service facilitator's role was and what was needed to acquire a license.

Kolias presented state law restrictions for the psilocybin act and shared that at the time of the presentation, the Planning Department had received both an inquiry for building a service center that was denied – due to the state's law prohibiting a center in a residential zone, and an inquiry for manufacturing that the Planning Department had endorsed.

Mayor Batey and **Kolias** discussed commercially growing marijuana in the city.

Kolias again presented Council's options and stated that staff believed the state regulations were sufficient. **Ober** added that the police department had concerns to share, and that Strait and Burdick would be arriving soon.

Mayor Batey and **Kolias** discussed the law around growing psilocybin in residential settings.

Council President Nicodemus, Kolias, and Mayor Batey discussed if and when the city may see tax revenue from the sale of psilocybin.

Burdick shared concerns the police department had considered, including theft and burglaries, staff impacts and workload for enforcement, and suggested the city should wait and observe how the psilocybin would be handled in neighboring cities for a year.

The group discussed Burdick's concerns, acknowledging residential burglaries as a possibility, pointing out the differences in growing marijuana versus psilocybin and that Milwaukie would not be the only city in the area to offer psilocybin services. They discussed the addiction aspect including that background checks were part of the licensure process, and that psilocybin could only be given and taken in a psilocybin service center.

The group discussed ways to address the police departments concerns that included looking into the ability to change and restrict the code as necessary to respond to possible negative incidences, and how changes could affect individuals already endorsed by the city. The group commented on the licensure requirements for facilities, and the applicant's process after the city endorses a land use compatibility statement (LUCS) for growing psilocybin.

Councilor Stavenjord asked how the city would be notified of issued psilocybin licenses. **Kolias** responded that for the city, besides the service facilitator license, the other three state issued licenses would require a business license and the Planning Department's standard zoning enforcement would apply. A service facilitator would not be required to obtain a license as they can only work within a service center which would already have a business license.

The group discussed what it would mean to restrict the zoning for psilocybin and how anyone with a city endorsed LUCS would be grandfathered in and that the state's annual process to renew a license would likely not give the city an opportunity to revoke a LUCS.

Ober stated that staff would bring back the psilocybin code amendments discussion to Council. **Mayor Batey** shared contemplations on banning psilocybin in residential zones and **Ober** noted that Oregon is leading the way for this new treatment, as such there is no one to learn from. **Mayor Batey** suggested planning to ban and with an option to roll back if the no issues arise.

Gericke believed, after quick review of the act, that there is no time limit for referring a ban to voters, but a voter approved ban would only stop new licenses from being issued.

Ober asked if Council had any other questions for staff to look into to bring back for conversation. **Councilor Stavenjord** wanted to know what the Oregon Health Authority's (OHA) capacity for enforcement was statewide and **Mayor Batey** wanted to know about the cash nature of the psilocybin business.

3. Adjourn

Mayor Batey announced that after the meeting Council will meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660 (2)(f) to consider information or records that are exempt by law from public inspection.

Mayor Batey adjourned the meeting at 5:07 p.m.

Respectfully submitted,



Nicole Madigan, Deputy City Recorder

This page intentionally left blank.