



Work Session

WS

Milwaukie City Council

COUNCIL WORK SESSION

Ledding Library, 10660 SE 21st Ave

www.milwaukieoregon.gov

REVISED AGENDA

MAY 16, 2023

(Revised May 15, 2023)

Council will hold this meeting in-person. This meeting will not be broadcast live or recorded. The public may attend the meeting by coming to the library; audience seating will be limited. **Written comments** may be delivered to City Hall or emailed to ocr@milwaukieoregon.gov. Council will not take public comment.

Note: agenda item times are estimates and are subject to change.

1. **Equity Training** (3:30 p.m.) (Start time revised.)

Council will participate in an equity training.

2. **Adjourn** (5:30 p.m.)

Executive Session

After the work session Council will meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660 (2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room.

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at ocr@milwaukieoregon.gov or phone at 503-786-7502. To request Spanish language translation services email espanol@milwaukieoregon.gov at least 48 hours before the meeting. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's YouTube channel](#) and Comcast Channel 30 in city limits.

Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA)

La ciudad se compromete a proporcionar igualdad de acceso para reuniones públicas. Para solicitar servicios de asistencia auditiva y de movilidad, favor de comunicarse a la Oficina del Registro de la Ciudad con un mínimo de 48 horas antes de la reunión por correo electrónico a ocr@milwaukieoregon.gov o llame al 503-786-7502. Para solicitar servicios de traducción al español, envíe un correo electrónico a espanol@milwaukieoregon.gov al menos 48 horas antes de la reunión. El personal hará todo lo posible para responder de manera oportuna y atender las solicitudes. La mayoría de las reuniones del Consejo de la Ciudad se transmiten en vivo en el [canal de YouTube de la ciudad](#) y el Canal 30 de Comcast dentro de los límites de la ciudad.

Executive Sessions

The City Council may meet in executive session pursuant to Oregon Revised Statute (ORS) 192.660(2); all discussions are confidential; news media representatives may attend but may not disclose any information discussed. Final decisions and actions may not be taken in executive sessions.



CITY OF MILWAUKIE

Memorandum

To: City Council
From: Joseph Briglio, Community Development Director
CC: Ann Ober, City Manager
Date: May 16, 2023
Re: Community Development Department Update

Community Development, Economic Development, & Housing	Planning	Building	Engineering
<ul style="list-style-type: none"> City Hall Economic Development Housing Update 	<ul style="list-style-type: none"> Comprehensive Plan Implementation Planning Commission Design and Landmarks Committee Land Use/Development Review 	<ul style="list-style-type: none"> April Review 	<ul style="list-style-type: none"> CIP Traffic/Parking Projects Right-of-Way Permits PIP Document Administration

COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT/HOUSING

City Hall Projects

Historic City Hall

- After a formal solicitation and bid process, the city hall evaluation committee selected Henry Point Development as the next owner of the historic building. They plan to repurpose it into a commercial venture that includes a bakery, coffee shop, restaurant, brewery, and non-profit office space.
- City staff and representatives from Henry Point Development have officially executed the disposition and development agreement (DDA). The DDA serves as the roadmap for preparing city hall for its next intended use and ensuring that the historic façade is maintained, among other conditions, is compulsory to the property transfer.
- Henry Point Development has started conducting several site and building inspections to further understand the costs associated with purchasing and rehabilitating city hall. These have so far included a phase I environmental assessment, topographical survey, mechanical, electrical, and structural inspections, exploratory demolition, and historic preservation consultations.

- During the initial site inspections, two underground storage tanks were located at the rear of city hall. Both tanks will need to be properly decommissioned per the DEQ standards. Staff are working through bids and hope to have this work completed during the summer.

New City Hall

- Electrical rough-in is nearly complete and drywall is going up.
- Mechanical and plumbing rough-in are underway.
- Concrete scanning happened this week and core drilling will happen next week for conduit pathway between floors.
- On May 30th a crane will be staged in front of the building to set a new HVAC unit onto the roof.
- The project schedule is on track for our target move-in timeline between September 11-22.

Economic Development

- Milwaukie Marketplace: Planet Fitness is open, and Luna's Ice Cream will be opening in the coming months. Construction has stalled for the New Seasons space, which originally was planned to open in Fall 2023; however, the city was recently notified that they will be pushing out the opening date to early 2024 due to unforeseen supply and material delays.
- Milwaukie Station: In order to address new state wastewater requirements for food cart pods, staff has been working on improving the site with sewer and grease interceptor traps. Without these upgrades, the food carts would no longer be allowed to operate at Milwaukie Station. The construction started as of April 10th and is occurring at night to reduce the business impact to vendors. The project is nearly 100% complete.
- Enterprise Zone: Staff recently met with two businesses relocating to Milwaukie's north innovation area and taking advantage of the North Clackamas Enterprise Zone tax incentives. The two businesses are Swagelock and Overland Van Project. Additionally, Alpine Foods is interested in applying in order to help offset their current expansion costs.

Housing Update

- Sparrow Site: The city purchased the parcel ("main property") at the northeast corner of SE Sparrow Street and the Trolley Trail from TriMet for the purpose of land banking to support affordable housing several years ago. More recently, staff received a Metro Brownfields grant to support due diligence for the acquisition of 12302 SE 26th Avenue ("auxiliary property") from TriMet in order to help rectify access constraints to the main property. The city recently closed on the 12302 SE 26th Ave ("auxiliary") property and is considering next steps.
- Coho Point: The Developer presented an update to the city council during its February 21 work session and requested a 12-month extension of the Disposition and Development Agreement (DDA) due diligence period because of extenuating circumstances involving supply chain and subcontractor timing issues related to the COVID-19 pandemic. The due diligence period was officially extended to March 31, 2024. City Staff recently signed off on the Developer's conditional letter of map revision (CLOMR) submittal to FEMA so that they

can begin the approval process to build within the flood plain. Staff were notified on May 10, 2023, that Black Rock had submitted the CLOMR to FEMA. The review process will take several months to complete.

- **Construction Excise Tax (CET) Program:** The CET Program was established by the city council in 2017 and codified within chapter 3.60 (Affordable Housing Construction Excise Tax) of the municipal code. The CET levy's a one percent tax on any development over \$100,000 in construction value. In example, a property owner who is building an addition that has an assessed construction value of \$100,000 would have to pay \$1,000 in CET to the city. As development continues throughout the city, the CET fund increases in proportionality.

The city released its inaugural competitive bid process for CET funds through a formal Request for Proposals (RFP). The RFP prioritized both workforce and affordable housing with a preference for the greatest number of income-restricted units for the longest duration. It further prioritized projects that offered deeply affordable (30% AMI) units designed to transition people out of homelessness, provide supportive services on-site, prevent displacement, involve community land trusts, provide first-time homebuyer education, serve historically underserved communities (i.e. BIPOC), and serve other high priority special needs populations as outlined in the Milwaukie Housing Affordability Strategy (MHAS). Lastly, since the city lacks the resources to manage income-restricted units and qualify tenants on an on-going basis, it was imperative that each proposal guaranteed continuing income-verification administration and unit restriction management for at least a 30-year term.

The selection committee scored the Hillside Park Phase I project highest; however, it also felt that the Milwaukie Courtyard Housing Project warranted some award amount due to its rare land trust model and ownership niche. Therefore, Hillside Park Phase I was awarded \$1.7M (requested \$2M) and the Milwaukie Courtyard Housing Project with \$300K (requested \$600K).

On March 7, 2023, the city council authorized the city manager to execute the necessary grant agreements in the amounts listed above. Staff have completed the draft agreements and sent them to the recipients for review and comment.

- **Housing Capacity Analysis/Housing Production Strategy:** Planning and Community Development staff held their final meeting with the Housing Capacity Technical Committee (HCTC) on April 27 to discuss potential housing production strategies that the city might include for submission to the state as required by [House Bill 2003](#). Council will be discussing those recommended strategies on May 16.. The next step is to hold public hearings with the Planning Commission on May 23 and Council on June 6.

PLANNING

Comprehensive Plan Implementation

- Planning and community development staff continue to meet regularly with the consultant team to work on the Neighborhood Hubs implementation project, including a tour of all of the 13 hub locations. The community engagement strategy has been finalized as a working, dynamic document. Staff published a Pilot article for the May edition highlighting an ongoing code analysis and a survey for business and property owners in the identified hub areas. Staff will be providing updates to the NDAs in May and June and provide an update

to the Planning Commission on April 25th. Upcoming activities include the survey for property and business owners in the identified Hubs, scheduling of interviews with property and business owners, initial outreach to underrepresented communities, and the consultants are continuing the code audit after the tour of each of the Hub locations.

- Planning and Engineering staff selected a consultant for the Transportation Systems Plan (TSP) in May of 2022. The Council appointed the TSP Advisory Committee on February 6 comprised of members with geographic representation within the city and community members that historically have been excluded from transportation planning processes. The Oregon Department of Justice has been reviewing the scope for several months and sent back comments on the scope on May 8. Staff is working with ODOT to address the comments. Staff hope to kick off the TSP update in the Spring of 2023.

Planning Commission

- ZA-2023-001: A Type V application for a package of “housekeeping” code amendments. The Planning Commission held a work session to discuss the amendments on January 10th. A public hearing was held on February 14th where the Commission voted 6-0 to recommend approval of the amendments. The City Council public hearing was held on April 18 where it was unanimously approved. The effective date of the amendments is May 18.
- ZA-2023-002: A Type V application for a package of more substantive code amendments. The original goal of this package was to review recent Type III variances in an effort to streamline the code and reduce barriers for residents. The package includes amendments to access spacing standards modification process in Title 12, allowing attached cottages in cottage clusters in the R-MD zone, allow encroachments for back decks into the rear yard setback, and revise the minimum lot size for townhouse corner lots, among other proposed amendments. The Planning Commission held a work session on February 28th to discuss the amendments. The public hearing was held on April 25, where the Commission voted 4-1 in favor of a motion to recommend approval to City Council. A Council work session to discuss the amendments has been scheduled for June 20.
- ZA-2023-003: A Type V application for code amendments related to psilocybin facilities. The City Council held two work sessions to discuss the issue and provided direction to staff regarding amendments related to home occupations and manufacturing (grow) facilities in the NMIA zone. The public hearing with the Planning Commission has been scheduled for May 23.
- ZA-2022-005: A Type V code amendment application related to Climate Friendly Equitable Communities rulemaking. The Planning Commission held a public hearing on February 14th and voted 6-0 to recommend approval of the code amendments. The City Council discussed the amendments during the regular session on March 7th. These code amendments are currently on hold while the rulemaking process continues through the fall of 2023.
- The Planning Commission acting as the Community Involvement Advisory Committee held a joint meeting with the NDA’s last fall. A result of that meeting was the development of an NDA training titled “So You Received a Land Use Notification, Now What?” Staff will be presenting the training over the summer as NDA agendas allow.

Design and Landmarks Committee

- The DLC has been on a hiatus since August 2022. Staff will be discussing the DLC with the Council on June 6, 2023.

Land Use/Development Review¹

- A-2023-001: An application for expedited annexation of the property at 8909 SE 55th Ave. The property is zoned Gi (General Industrial) in the county and will take on the City's Manufacturing (M) zoning designation upon annexation. The property owner has requested an emergency connection to City sewer. The proposed annexation was approved by the Council on April 4 and is now in the post-approval notification and filing process.
- CU-2023-001, VR-2023-004: A Type II application, a minor modification of the existing conditional use at 10425 SE 42nd Ave. The proposal would change the existing vehicle sales and repair use to vehicle repair only. The existing building would be renovated, with a significant addition to add vehicle service bays. New landscaping and dedicated parking stalls would be established, and the two existing driveways on 42nd Avenue would be closed. The application was approved on May 4.
- A-2023-003: An application for expedited annexation of the property at 9214 SE 55th Ave. The property is zoned R7 in the county and will take the City's Moderate Density Residential (R-MD) zoning designation upon annexation. The property owner is trying to sell the property and wants to facilitate a future connection to City sewer. The standard initial review by the Oregon Department of Revenue has been initiated but a date with Council has not yet been set (June or July).

¹ Only land use applications requiring public notice are listed.

BUILDING

Permit data for	April	FY to Date:
New single-family houses:	0	6
New ADU's	3	3
New Solar	3	68
Res. additions/alterations	7	22
Commercial new	0	4
Commercial Alterations	4	49
Demo's	0	6

Total Number of Permits issued: 1159

(includes fire, electrical, mechanical, plumbing, and other structural)

Total Number of Inspections: 2051

Total Number of active permits: 999

ENGINEERING

Capital Improvement Projects (CIP):

CIP 2018-A13 Washington Street Area Improvements

Summary: This project combines elements of the SAFE, SSMP, Water, Stormwater, and Wastewater programs. SAFE improvements include upgrading and adding ADA compliant facilities along 27th Ave, Washington St, and Edison St. Street Surface Maintenance Program improvements are planned for Washington Street, 27th Avenue, and Edison Street. The Spring Creek culvert under Washington Street at 27th Avenue will be removed, and a new structure added. The water system along Washington Street will be upsized from a 6" mainline to an 8" mainline. The stormwater system along Washington Street will be upsized from 18" to 24" storm lines. The project is being designed by AKS Engineering and Forestry.

Update: Final drafts of the construction plan set and bid documents are under review in preparation to go out for Best Value Construction Bid soon. This has been a longer process due to the 90% design changes and revising the standard city bid documents to use a different procurement process. The roadway design was changed from full road reconstruction with concrete treated base to grind and inlay. This change required redesign of several intersections and a different construction schedule for underground utility work and trenching.

CIP 2016-Y11 Meek Street Storm Improvements

Summary: Project was identified in the 2014 Stormwater Master Plan to reduce flooding within this water basin. The project was split into a South Phase and a North Phase due to complications in working with UPRR.

Update: Staff received approval from Council on March 21st for property purchase and pipeline easements. Land use application is moving through the process. Staff are working on preparing to go out to bid for construction in late April or early May.

CIP 2020-A12 SAFE & SSMP FY 2021 Improvements (Home Ave & Wood Ave)

Summary: Project includes the Home Avenue SAFE and SSMP improvements and the Wood Avenue SSMP improvements.

Project is mostly completed; a few items remain that needed to be done during warm weather.

Update: Staff is working on closing out the Project.

CIP 2022-W56 Harvey Street Improvements

Summary: The project includes water improvements and stormwater improvements on Harvey Street from 32nd Avenue to the east end, on 42nd Avenue from Harvey Street to Johnson Creek Boulevard, 33rd Avenue north of Harvey Street, 36th Avenue north of Harvey Street, Sherry Street west of 36th Avenue, 41st Street north of Wake Court, and Wake Court. Sanitary sewer work will be done on 40th Avenue from Harvey Street to Drake Street. The project also includes the installation of an ADA compliant sidewalk on Harvey Street from 32nd Avenue to 42nd Avenue and 42nd Avenue from Harvey Street to Howe Street. Roadway paving will be done throughout the project area.

Harvey Street: RFQ posted in April. A design consultant will be selected by June.

CIP 2021-X39 FY 2021 Wastewater Improvements

Summary: Project includes replacement of old, high maintenance sanitary sewer mainlines at Kent Street, 37th Avenue, and Washington Street. Project also includes the installment of new sanitary connections for the trucks at the Milwaukie Station Food Carts and lining existing sanitary mains at Home Street and Harrison Street.

Update: The project is awarded to McDonald Excavating, Inc. Construction at the Milwaukie Station Food Carts is complete and moved to Washington Street on May 15, 2023.

CIP 2021-W61 Ardenwald North Improvements

Summary: Project includes street repair on Van Water Street and Roswell Street with a shared street design for bicycles, pedestrians, and vehicles. Stormwater catch basins in the project boundary will be upgraded, the water system will be upsized on 29th Avenue, 30th Avenue, and 31st Avenue, and there will be wastewater improvements on 28th Avenue, 29th Avenue, and 31st Avenue to address multiple bellies and root intrusion to reduce debris buildup.

Update: Work is progressing on 90% design. Staff anticipates bidding the project this summer.

CIP 2022-A15 King Road Improvements

Summary: King Road (43rd Avenue to city limits near Linwood Avenue) SAFE/SSMP Improvements will replace existing sidewalk and bike lane with a multi-use path, improve stormwater system, replace water pipe, and reconstruct roadway surface.

Update: Kittelson & Associates received Notice to Proceed, and the project kick-off meeting is being scheduled for May. Survey notifications have been sent out to residents within the project area.

Milwaukie Bay Park

Update: Project was put on hold indefinitely.

Wavery Heights Sewer Reconfiguration

Summary: Waverly Heights Wastewater project was identified in the 2010 Wastewater System Master Plan. The project may replace approximately 2,500 feet of existing clay and concrete pipe.

Update: Staff is working on the RFQ to advertise in June.

Monroe Street Greenway

Summary: The Monroe Street Greenway will create a nearly four-mile, continuous, low-stress bikeway from downtown Milwaukie to the I-205 multi-use path. Once complete, it will serve as the spine of Milwaukie's active transportation network connecting users to the Max Orange Line, Max Green Line, Trolley Trail, 17th Avenue Bike Path, I-205 path, neighborhoods, schools, and parks. Funding grants through ODOT and Metro will allow the city to complete our 2.2-mile section of the Monroe Greenway from the Trolley Trail to Linwood Ave in the next five years.

Update: 37th Avenue to Linwood Avenue: The staff will meet with ODOT this month to select a design consultant. This will be installed using RFFA and City Funds over Fiscal years 2025 and 2026.

Monroe Street & 37th Avenue (34th to 37th): This segment is being constructed as part of the private development of the Seven Acres Apartments under the review and inspections of the Engineering Department during Fiscal Year 2023.

Monroe/Campbell/Oak streets (29th to 34th): The city has received the draft IGA from ODOT and it is under review. This is needed to transfer \$1.55 M in STIP funding to the city to manage this segment of the Monroe Street Greenway. City UR and Transportation Funds will also be used for the design and construction of this segment during Fiscal Years 2025 and 2026.

Monroe & Hwy 224 Intersection: the first set of plans have been received, reviewed, and returned to ODOT. This project has now been combined with a larger project which will mill and overlay Highway-224 from Rusk Road to 17th Avenue. A consultant is anticipated to be selected in September 2023. Staff has begun regular meetings with the ODOT team managing the Highway-224 mill & overlay project. This project will also include permanently closing several crosswalks, however, none of the proposed closures are currently striped, or being used. Construction is anticipated in Fiscal Year 2025.

Milwaukie Bay Park to 29th Avenue: This segment is currently unfunded.

Kellogg Creek Restoration and Community Enhancement Project

Summary: Project to remove the Kellogg Creek dam, replace the McLoughlin Blvd. bridge, improve fish passage, and restore the wetland and riparian area. City of Milwaukie staff are part of the project Leadership Team, Core Technical Team, and the Technical Advisory Committee. The Leadership Team and Core Technical Team both meet monthly. In addition to city staff, these groups include staff from North Clackamas Watershed Council (NCWC), Oregon Department of Transportation (ODOT), and American Rivers. The Technical Advisory Committee (TAC) for the Kellogg Creek Restoration & Community Enhancement Project involves all collaborative partners that include the Confederated Tribes of the Warm Springs Indian Reservation of Oregon, the Confederated Tribes of Grand Ronde, Clackamas Water Environment Services, Metro, North Clackamas Parks and Recreation District, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Division of State Lands, the Native Fish Society, and the Natural Resources Office of Governor Kate Brown.

Update: The TAC has held three of the five meetings for Phase One of the project. The next meeting is planned for summer after some geotechnical data gathering has been completed and evaluated.

The geotechnical work is needed to gather data for an existing sanitary pipe running under the creek, for the railroad trestle bridge footings, and to evaluate the bank stability along the creek corridor. This work requires a larger boat than previous studies, so it is planned for the seasonal high water. Seasonal high water typically occurs in late May or early June. Once collected and analyzed, this information will be used in the alternative analysis study. The TAC will select the final design alternative for construction at the next meeting.

Traffic / Parking Projects, Issues

Right-Of-Way (ROW) Permits (includes tree, use, construction, encroachment)

Downtown Trees and Sidewalks

Update: Staff has a contract with AKS; working on what type of design works best now and in the future with both the trees and sidewalks & curbs.

Private Development – Public Improvement Projects (PIPS)

Monroe Apartments – 234 units

Update: We anticipate completion of all ROW improvements in spring 2023. The developer has received a TCO for two buildings.

Henley Place (Kellogg Bowl redevelopment)- 175 units

Update: A Right-of-Way permit has been issued; construction of improvements is underway.

Walnut Addition Subdivision – 9 lot subdivision at Roswell St. & 33rd Ave.

Update: Most of the street work has been completed; construction is in the project correction phase.

Elk Rock Estates – 5 lot subdivision at 19th Ave & Sparrow St.

Update: Most of the street work has been completed; construction is in the project correction phase.

Birnam Oaks Apartments (formerly Waverly Woods) – 130 units (all phases)

Update: All street work along Waverly Court has been completed; including street grind and inlay, curb work, sidewalk, crosswalk, and driveway construction.

Shah & Tripp Estates – 8-lot subdivision at Harrison Street and Home Ave.

Update: Design plans are under review.

Jackson / 52nd – 5-unit development.

Update: Design plans are under review.

Document Administration

Master Plans

Summary: Stormwater Master Plan is upcoming and will be managed by Peter Passarelli. RFQ proposals are due April 19th.