



The State of the City Address
As presented by Mayor James Bernard
on Tuesday, September 28th, 2004

I would like to begin by thanking the Rotary Club of Milwaukie for once again providing me with the opportunity to speak with you today about the state of the City of Milwaukie. This is the third time in as many years that I have been invited to do so, and I am honored to appear on behalf of my fellow Councilors and Milwaukie's citizens.

I once again am pleased to report to you that the state of this City is strong. And considering what will be taking place within our City in the next year alone, the state of our City will only become stronger.

For example: A year from today work will have begun on McLoughlin Boulevard – work that will change the way the thousands of motorists who travel through our City every day will view our Downtown and Riverfront.

And one year from now ground will have been broken on the North Main Street Project, a development that will breathe new life into our Downtown.

I'll talk more about these efforts and others, but right now I want to emphasize that the bedrock of these and other efforts is the active participation of our neighborhoods. Milwaukie's

neighborhoods and its neighborhood leaders are valued partners in charting the City's future. In my discussions with other mayors throughout the State, I am proud of the fact that our volunteers continue to serve in a more active role than any other city. That investment in participation from the grass roots will continue to serve us well as we meet the challenges of the future.

And there will be challenges. The Transit Center sighting process has shown us that. But this City is at a point where dramatic progress can be made. There are projects and resources within sight and within our reach that will enable us to move Milwaukie forward, and our Neighborhoods will have to work together in order for us to maximize the vast potential that stands before us.

One of the projects I mentioned earlier was our North Main Project, and I'd like to tell you some more about it. We believe this project will transform the north end of our Downtown and we continue to move toward a spring 2005 groundbreaking. The City is partnering with a private developer—Tom Kemper—to create a mixed-use retail and residential development on the City-owned former Safeway property. The North Main project will feature 97 new dwelling units, including for-sale townhouses, loft condominiums, and rental apartments. The ground floor of the buildings on Main Street will feature retail spaces with potential for new restaurants, shops and services. This project is going to implement design elements from our Downtown Plan and will demonstrate to our citizens an example of what we hope our Downtown will be like in the future. If you look at the drawings here you can see that we are creating a new kind of development in our Downtown. For the first time in a long time we are bringing people to live in our Main Street District so they can frequent Downtown shops and businesses without having to get in their car. This is an exciting project, and I can't wait for work to begin.

Investment in our City by the private sector is more visible today than it has been in some time.

Redevelopment of the entire block at King and 42nd is just one example of the changes we're seeing. That site is five acres and was populated with a collection of buildings built in the 70's. The grocery store that was on the site was not so affectionately called "The Disco Mart" by some of our residents.

If you drive by it today, there's not much "Disco" left. Instead you see a couple of classy looking modern buildings that serve as example of what's to come when the new Safeway store is built.

You'll also notice the four intersection improvements that have been constructed as a result of the development, the new curbs and sidewalks and the great looking landscaping that's been added.

Some of the other less visible examples of private investment I'd like to bring to your attention include the industrial development project being proposed for the 6.2 acre parcel at the intersection of Harmony, Lake and International Way. The Panattoni Development Company is proposing 75,000 sq. ft. of industrial/warehouse/office space in five buildings at the site. Construction could begin next Spring and be completed later that same summer.

We're also making progress in the North Industrial area. The 160,000 sq. ft. Hanna South Building is a perfect example. That building had been vacant for years and was rapidly deteriorating. But with the help of the Milwaukie Enterprise Zone program, the building was purchased by two business owners who have since significantly renovated the space. Last summer Portland Mechanical Contractors moved in, bringing with them 60 employees. They will soon add another 30 high paying jobs.

There have been many successes in recent years in Milwaukie and Bob's Red Mill is just one example. It started with a change of retail space in industrial zones, hiring an inspector that does

the job right and is customer friendly, and the developer and the City working together for their mutual benefit. Now after a year and ½ Bob's Red Mill has expanded again into our industrial district.

Last week we had our cities first economic development summit. The goals of this committee are many. What we hope to build is a stronger partnership with our business community, develop strategies to support, retain, and recruit new businesses, and finally create more employment opportunities.

The other project I talked about before was the McLoughlin Boulevard Improvement Project. This project spans from Harrison Street to the Kellogg Creek Bridge and has only been made possible through our successful acquisition of \$4 million dollars in State and Federal funds.

Once completed--and as I said earlier, construction will begin next spring--this stretch of road will feature wider sidewalks, planting strips on both sides of the roadway, bike lanes, landscaped medians near Monroe Street and improved pedestrian crossings. We'll also have new and improved signals at Harrison, Monroe and Washington Streets.

This project will create a sense of place, and by that I mean people will know when they've entered Downtown Milwaukie. First of all, they're going to slow down. Second of all, they're going to see views of the Willamette and Elk Rock Island they've never seen before. And with these improved intersections motorists will have greater access to Downtown. Finally, with the landscaped medians, not only will the roadway look much better, but pedestrians will have a much safer crossing to our Riverfront.

Speaking of our Riverfront, under the Clearwater Project the North Clackamas region is moving towards a wastewater service solution that would not only improve water quality and better

protect the environment and public health, but would lead to the decommissioning of the Kellogg Sewage Treatment Plant.

I don't have to explain to anybody in this room how important this is for the future of our Riverfront, and I can tell you that right now, with this Clearwater Project recommendation we have the basis for support on a regional level to meet this long-term objective.

The decision will ultimately be made by the Board of County Commissioners, because they are the governing body for that treatment facility, so our residents will have to be vigorous, as the City will be, in persuading the commissioners that the Clearwater proposal is the best course of action.

A series of public meetings are coming up in the next couple weeks, and I encourage our residents to attend each and every one of them to voice their opinions so we can get that treatment plant off of our Riverfront.

In the next month I and many others will be working to get the word out about Measure 3-152. This is a County-wide measure to provide stable funding for the Ledding Library and the dozen other libraries of the County.

Between 1994 and 2004 library circulation in the county increased by 108 per cent. The revenue provided by Measure 3-152 will help libraries keep pace with this growth. If passed, the Ledding Library could restore hours of operation, could purchase more books and other materials, restore staffing levels and maintain highly popular programs like the Children's Reading Program.

The five year levy would increase property taxes by 29 cents per \$1,000 assessed value. I hope the county's residents carefully consider this measure, as it will directly and substantially affect the future of our library.

The City is continually looking for ways to boost revenue sources so we don't have to rely on money measures like the one I just described.

Recently, the Council approved specific action that will lead to annexation of presently unincorporated areas east of the City to Interstate 205. The City has long talked about annexation to the west and south. In the past few years we have focused our attention on those unincorporated areas west of the City. A recent study jointly funded by Clackamas County and the City found a positive revenue impact on both entities if annexation were to occur. But there is more to annexation than revenue enhancement. We believe that we have done the hard work of paring down our costs while focusing our efforts on efficient and superior service delivery. Our employees are second to none, and we believe that they are an excellent base to build upon—and our best argument for extending our responsibilities west.

The past year has been a busy one. Much of it was occupied with trying to figure out where we could move our downtown transit center. With the adoption of the City's "Downtown And Riverfront Land Use Framework Plan" in September of 2000, a site was designated on the property formerly occupied by the Safeway store. That site was later rejected as being too small.

Attention was then focused north at the old Southgate movie theater site. But then we heard from our partners in the North Industrial area that a site at that location would not only completely wipe out several businesses but would overburden the transportation system in the area and cripple some businesses to the point they would likely move elsewhere. As I've tried to make clear today, we're trying to increase our tax base. We cannot lose businesses, their jobs

and their taxes. So we went back to the drawing board a third time to find a suitable transit center site.

After a six month process that sought the input of North Industrial Area business leaders, the City's neighborhood leadership and affected stakeholders in the Downtown and Kellogg Lake areas, a transit center site was recommended on City-owned property bordering McLoughlin Boulevard and Kellogg Lake.

I don't know how many of you realize this--I hadn't until recently--but the City of Milwaukie has been trying to eliminate bus layovers on our Downtown streets since 1983. The decision we have just made has been "pending" since the early eighties!! Twenty-one years after the issue first emerged, the Council voted to approve the recommended Kellogg Lake site.

Much like the Johnson Creek Boulevard project that was completed earlier this year, the transit center issue has been contentious and has created some cracks in the community. But with leadership comes a responsibility to make tough decisions. The Johnson Creek Boulevard project had been in dispute and bogged down for 20 years. But your Council made the tough decision and pressed forward. I think the Chair of the Ardenwald Johnson Creek Neighborhood said it best in a meeting I attended with her last week. She said that project was almost completed over her dead body. But after working with city staff to improve the plans, she'll tell you that the Johnson Creek Boulevard project has been of benefit to her community.

I have walked every neighborhood in Milwaukie. Citizens and developers are reinvesting in their community. Housing values are on the rise and not only are they selling quickly they are selling above the asking price. We are a gem only recently discovered.

There is so much to be gained in this City. And I'm not talking about ten or twenty years from now, I'm talking about in the next five years. Last year we put the cap on the City's first 100 years. But in order to provide the kind of community we want our children and our children's children to live in for the next 100 years, we're going to have to work together and repair some of the cracks that have surfaced.

We can do it, and we will do it. As we've talked about today, there's too many good things taking place today, and there's too much opportunity that awaits us tomorrow not to.

I have one final announcement. Thanks to the Rotary club of Milwaukie on November 5 at 7:30 am the City of Milwaukie will be hosting the North Clackamas Chamber of Commerce AM Business Connection and will be dedicating the "Welcome to Milwaukie" sign, a gift from this Rotary Club, and carved by one of our citizens Sharon Klein. The citizens of Milwaukie as well as the City Council and the staff of Milwaukie would like to thank you for your contribution. I hope you can all attend

Thank you.