



December 10, 2015

Board of County Commissioners

Clackamas County
Members of the Board:

Approval of an Intergovernmental Agreement (IGA) between Clackamas County and the City of Milwaukie for the Metro Community Planning and Development Grant (CPDG).

Purpose/Outcome	Approval from the Board for the Intergovernmental Agreement (IGA) between Clackamas County and the City of Milwaukie for the Metro Community Planning and Development Grant (CPDG) for the North Milwaukie Industrial Area (NMIA) Plan Project.
Dollar Amount and Fiscal Impact	\$325,000
Funding Source	\$250,000-Metro CPDG; \$75,000-Clackamas County Business & Economic Development; \$10,000-City of Milwaukie
Duration	Through June 30, 2017
Previous Board Action/Review	Board approved applying for Metro CPDG funds for the NMIA Plan project in partnership with the City of Milwaukie
Contact Person	Catherine Grubowski-Johnson, Manager, Business & Economic Development

BACKGROUND:

The purpose of the North Milwaukie Industrial Area (NMIA) Plan is to develop a framework plan and an implementation strategy that will provide guidance for future redevelopment of the NMIA as a vibrant, mixed-use urban area where light industrial, commercial, and residential uses are developed in a strategic, compatible and harmonious way and achieve the strategic community and economic goals of the City of Milwaukie, Clackamas County and Metro. The City of Milwaukie and Clackamas County want to encourage a balance of uses with the objective of greatly increasing private capital investment and family-wage job creation, and to leverage the improved transportation access to the NMIA as a result of the new light rail line.

In order to carry out the goals of the Plan, Clackamas County and the City of Milwaukie submitted a funding request to the Metro Community Planning and Development Grant (CPDG) program in the amount of \$250,000 and identifying the scope of work detailed in Exhibit A attached.

The project also includes a funding commitment from Clackamas County Business & Economic Development of \$75,000 and the City of Milwaukie for \$10,000.

The \$250,000 CPDG funding request has been awarded. Therefore, staff has prepared the Intergovernmental Agreement (IGA) Between Clackamas County and the City of Milwaukie for the Metro Community Planning and Development Grant (CPDG) for the North Milwaukie Industrial Area (NMIA) Plan Project for Board consideration.

RECOMMENDATION:

Recommended Board Order approving the Intergovernmental Agreement (IGA) Between Clackamas County and the City of Milwaukie for the Metro Community Planning and Development Grant (CPDG) for the North Milwaukie Industrial Area (NMIA) Plan Project.

Respectfully submitted,

Gary Barth, Director
Business and Community Services

INTERGOVERNMENTAL AGREEMENT

By and Between the City of Milwaukie and Clackamas County For the Metro Community Development Planning Grant (CPDG) North Milwaukie Industrial Area (NMIA) Plan

THIS AGREEMENT, is made this 3rd day of November, 2015, by and between the CITY OF MILWAUKIE, an Oregon municipal corporation (hereinafter referred to as "CITY"), and CLACKAMAS COUNTY, a political subdivision of the State (hereinafter referred to as "COUNTY"), the promises and agreements of each being in consideration of the promises and agreements of the other.

The parties agree as follows:

Background. COUNTY has applied for and been awarded a Metro Community Planning Development Grant ("CPDG Grant") in the amount of \$250,000 to complete the scope of work detailed in the grant application (incorporated as Exhibit A to this Agreement) for the North Milwaukie Industrial Area Plan ("NMIA") Project.

Term. This Agreement shall be effective on the date it is executed by all parties, and shall be in effect until all deliverables/milestones have been achieved, all required documentation has been delivered, and all payments have been made as set forth in Exhibit A, unless terminated earlier pursuant to this Agreement.

Provisions.

- A. The COUNTY shall provide project oversight, project management, grant management and reporting for the NMIA Project as prescribed in "Exhibit A".
- B. The COUNTY shall commit staff time to provide oversight, project and grant management, as well as a cash match to the Metro CPDG funds in the amount of \$75,000. The COUNTY will designate said match funds to project in budget line item.
- C. The CITY shall participate with the COUNTY on project oversight, project management, and compilation of supporting documents for grant reporting for the NMIA Project as prescribed in "Exhibit A".
- D. The COUNTY shall invoice the CITY for their cash match upon execution of this Agreement; CITY shall remit project cash match in full to COUNTY no later than June 30, 2016.
- E. The CITY shall commit staff time to the project, as well as a cash match to the Metro CPDG funds in the amount of \$10,000.
- F. The COUNTY shall keep Metro and the CITY informed of all new developments, issues, or concerns affecting the CPDG Grant and/or the NMIA Project.
- G. The COUNTY shall coordinate with and involve the CITY and Metro prior to holding any public sessions, presentations, or distributing promotion materials, or making consultant requests outside of the scope of the NMIA plan.

- H. The COUNTY shall not represent the CITY's position on current and future land uses or commitment of CITY resources without consent from the CITY, nor shall the CITY represent the COUNTY's position or commitment of COUNTY resources related to the grant project without consent of the COUNTY.
- I. The COUNTY shall notify Metro and the CITY in advance of any public announcement that is made on the subject.
- J. The CITY shall keep the COUNTY informed of all new developments, issues, or concerns affecting the CPDG Grant and/or the NMIA Project.
- K. The CITY shall notify the COUNTY in advance of any public announcement that is made on the subject.
- L. Unless otherwise specifically prescribed in this Agreement, the following provisions shall govern its interpretation:
 - 1. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number.
 - 2. Time is of the essence of this Agreement. Neither the COUNTY nor the CITY shall be relieved of its obligation to comply promptly with any provisions of this Agreement by any failure of the other party to enforce prompt compliance with any of its provisions.
 - 3. Unless otherwise specified in this Agreement, any action authorized or required to be taken by the CITY may be taken by City staff, the Council or by the City Manager. Potential actions could include arranging meeting locations and notice as needed, participating in preauthorization conferences with businesses, promoting the program to potentially eligible businesses, distributing marketing information at city hall, and coordinating business assistance with the county business and economic development team.

Additional Duties of City of Milwaukie. Potential additional duties or actions required of the CITY may include coordinating meeting locations and notifications; discussing the project with property owners, businesses, and/or stakeholders; distributing information; and coordinating updates with the Planning Commission and City Council.

Modifications. Modifications to this Agreement are valid only if made in writing and signed by all parties. The Clackamas County Administrator and the City Manager may, on behalf of the COUNTY and CITY respectively, approve any modification by amendment that does not increase the financial payment or cost.

Notices. All notices, reports, or demands required to be given in writing under this Agreement shall be deemed to be given when delivered personally to the person designated below, or when five (5) days have elapsed after it is deposited in the United States mail in a sealed envelope, with registered or certified mail postage prepaid, or on the next addressed business day if sent by express mail or overnight air courier to the party to which the notice is being given, as follows:

CITY OF MILWAUKIE

CLACKAMAS COUNTY

William Monahan
City Manager
10722 SE Main Street
Milwaukie, OR 97222

Don Krupp
County Administrator
2051 Kaen Road
Oregon City, OR 97045

Such addresses may be changed by either party upon written notice to the other party given as provided in this section.

Hold Harmless. Each party agrees to release, defend, indemnify and/or hold harmless the other, its officers, commissioners, councilors, employees, and agents from and against all damages, claims, injuries, costs or judgments which may in any manner arise as a result of the party's performance under this contract, subject to Oregon Tort Claims Act limitations.

Termination. This Agreement may be terminated by either party as of the 30th day of June of any year during the term of this Agreement by giving notice six (6) months prior.

Disputes. Disputes regarding this agreement, which cannot be resolved by respective managers, shall first be directed to each party's counsel. Failing resolution, parties shall mutually agree upon a third party mediator.

Discrimination. The parties agree not to discriminate on the basis of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, or source of income in the performance of this Agreement.

Waiver of Breach. A waiver of any breach of any provision of this Agreement by either party shall not operate as a waiver of any subsequent breach of the same or any other provision of this Agreement.

City of Milwaukie, an Oregon municipal Corporation

Clackamas County, a political subdivision of the State of Oregon

By: 
William Monahan, City Manager

by: _____
_____, County Commissioner

Approved as to form:



City Attorney

County Counsel

**CONSTRUCTION EXCISE TAX GRANT
INTERGOVERNMENTAL AGREEMENT**

**Metro – Clackamas County
North Milwaukie Industrial Redevelopment Plan Project**

This Construction Excise Tax Grant Intergovernmental Agreement (“CET Grant IGA”) is effective on the last date of signature below, and is entered into by and between Metro, a metropolitan service district organized under the laws of the state of Oregon and the Metro Charter, located at 600 Northeast Grand Avenue, Portland OR, 97232 (“Metro”), and Clackamas County (“County”), located at 2051 Kaen Road, Oregon City, OR, 97045, collectively referred to as “Parties.”

WHEREAS, Metro has established a Construction Excise Tax (“CET”), Metro Code Chapter 7.04, which imposes an excise tax throughout the Metro regional jurisdiction to fund regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary; and

WHEREAS, the CET is collected by local jurisdictions when issuing building permits, which the local jurisdictions then remit to Metro pursuant to Construction Excise Tax Intergovernmental Agreements to Collect and Remit Tax (“CET Collection IGAs”) entered into separately between Metro and the local collecting jurisdictions; and

WHEREAS, the County has submitted a CET Grant Request (“Grant Request”) for the North Milwaukie Industrial Redevelopment Plan Project (“Project”); and

WHEREAS Metro has agreed to provide the County CET Grant funding for the Project in the amount of \$250,000, subject to the terms and conditions set forth herein, and the parties wish to set forth the funding amounts, timing, procedures and conditions for receiving grant funding from the CET fund for the Project.

NOW THEREFORE, the Parties hereto agree as follows:

1. Metro Grant Award. Metro shall provide CET grant funding to the County for the Project as described in the County’s CET Grant Request, attached hereto as Exhibit B and incorporated herein (“Grant Request”), in the amounts and at the milestone and deliverable dates as set forth in Exhibit A attached hereto and incorporated herein, subject to the terms and conditions in this Agreement.
2. County Responsibilities. The County shall perform the Project described in the Grant Request and as specified in this Agreement and in Exhibit A, subject to the terms and conditions specified in this Agreement and subject to the “funding conditions” recommended by the Metro Chief Operating Officer and adopted by the Metro Council in Resolution No. 15-4640. The County shall obtain all applicable permits and licenses from local, state or federal agencies or governing bodies related to the Project, and the County shall use the CET funds it receives under this Agreement only for the purposes specified in the Grant Request and to achieve the deliverables and/or milestones set forth in Exhibit A.
3. Payment Procedures. Within 30 days after the completion of each deliverable/milestone as set forth in Exhibit A, the County shall submit to Metro an invoice describing in detail its expenditures as may be needed to satisfy fiscal requirements. Within 30 days of receiving the County’s invoice and supporting documents, and

subject to the terms and conditions in this Agreement, Metro shall reimburse the County for its eligible expenditures for the applicable deliverable as set forth in Exhibit A. Metro shall send CET payments to:

Clackamas County *Business &
Economic Devel.* Department
Attention: Catherine Comer,
Manager

COPY

4. Funding Provisions.

(a) CET Funds. Metro's funding commitment set forth in this Agreement shall be fulfilled solely through the programming of CET funds; no other funds or revenues of Metro shall be used to satisfy or pay any CET Grant funding commitments. The parties recognize and agree that if the CET is ever held to be unenforceable or invalid, or if a court orders that CET funds may no longer be collected or disbursed, that this Agreement shall terminate as of the effective date of that court order, and that Metro shall not be liable in any way for funding any further CET grant amounts beyond those already disbursed to the County as of the effective date of the court order. In such case the County shall not be liable to Metro for completing any further Project deliverables as of the date of the court order.

(b) Waiver. The parties hereby waive and release one another for and from any and all claims, liabilities, or damages of any kind relating to this Agreement or the CET.

5. Project Records. The County shall maintain all records and documentation relating to the expenditure of CET Grant funds disbursed by Metro under this Agreement. The County shall provide Metro with such information and documentation as Metro requires for implementation of the CET grant process. The County shall establish and maintain books, records, documents, and other evidence in accordance with generally accepted accounting principles, in sufficient detail to permit Metro or its auditor to verify how the CET Grant funds were expended. Metro and its auditor shall have access to the books, documents, papers and records of the County that are directly related to this Agreement, the CET grant moneys provided hereunder, or the Project for the purpose of making audits and examinations.

6. Audits, Inspections and Retention of Records. Metro and its representatives shall have full access to and the right to examine, during normal business hours and as often as they deem necessary, all County records with respect to all matters covered by this Agreement and Exhibit A. Such representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls and other matters covered by this Agreement. All documents, papers, time sheets, accounting records, and other materials pertaining to costs incurred in connection with the project shall be retained by the County and all of their contractors for three years from the date of completion of the project, or expiration of the Agreement, whichever is later, to facilitate any audits or inspection.

7. Term. This Agreement shall be effective on the date it is executed by both parties, and shall be in effect until all deliverables/milestones have been achieved, all required documentation has been delivered, and all payments have been made as set forth in Exhibit A, unless terminated earlier pursuant to this Agreement.

8. Amendment. This CET Grant IGA may be amended only by mutual written agreement of the Parties.

9. Other Agreements. This CET Grant IGA does not affect or alter any other agreements between Metro and the County.

10. Authority. County and Metro each warrant and represent that each has the full power and authority to enter into and perform this Agreement in accordance with its terms; that all requisite action has been taken by the County and Metro to authorize the execution of this Agreement; and that the person signing this Agreement has full power and authority to sign for the County or Metro, respectively.

Metro

Clackamas County

By: _____
Martha Bennett

By: _____

Title: Metro Chief Operating Officer

Title: _____

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

By: _____
Alison R. Kean

By: _____

Title: Metro Attorney

Title: County Attorney

Date: _____

Date: _____

Attachments:

Exhibit A – Milestones and Deliverables Schedule
Exhibit B – County’s Grant Request

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Exhibit A

METRO CPDG IGA

North Milwaukie Industrial Area Plan

Milestone and Deliverables Schedule for Release of Funds

Milestone/Deliverable	Due Date	Grant Payment
Execute Metro CPDG IGA and local Resolution	10-Dec-15	
Execute IGA between City of Milwaukie and Clackamas County	10-Dec-15	
1. Project Management and Administration	September 2015 to June 2017	
Manage project and grant reporting requirements	Sep 2015 - Jun 2017	
Kick-off meeting to discuss roles, responsibilities, SOW	30-Sep-15	
Identify and designate Project Management Team (PMT)	30-Sep-15	
Develop detailed project SOW with PMT	31-Dec-15	
Publish RFP for consultant to carryout scope	4-Jan-16	
Review proposals and hire consultant to complete SOW	1-Feb-16	
Consultant team selected and contract executed	15-Feb-16	
PMT meeting with consultant - final SOW, contracts, et al	28-Feb-16	
2. Existing Conditions, Inventory, and Data Compilation	January 2016 to March 2016	
Compilation of existing plans (including concurrent analysis of supply and demand of employment lands (EOA) and the urban renewal feasibility study), land use, planning codes, etc.	31-Mar-16	
Analysis of GIS data addressing land use, transportation, and natural features	31-Mar-16	
Analysis of US Census data and market data; QCEW data	31-Mar-16	
Preparation of a constraints and opportunities analysis report	31-Mar-16	
3. Public Involvement/Outreach Plan	January 2016 to March 2016	
Identify stakeholders, businesses, property owners, institutional and government agencies, area residents, and other interested parties impacted by this project	31-Jan-16	
PMT meeting with community leaders and key stakeholders to establish a "Task Force" to work with the PMT and consultants on project deliverables	28-Feb-16	
Develop an outreach strategy and timeline including, but not limited to: online surveys, one-on-one meetings with major stakeholders, focus group meetings with stakeholder groups, presentations to stakeholder groups and public city council meetings, social media outreach, website updates.	31-Mar-16	
Grant Report and Drawdown Request	31-Mar-16	\$50,000
4. Market Study/Economic Feasibility	April 2016 to June 2016	
Conduct demographic and economic research to determine the supply and demand and financial viability of uses on the properties. City would be concurrently completing an Economic Opportunities Analysis for the entire city.	30-Jun-16	
Discussions with local, regional and national developers and end-user tenants to ground truth assumptions and recommendations	30-Jun-16	
Research for possible anchor tenants	30-Jun-16	
Identify uses for the site, including: near-, mid- and long-term uses; catalytic uses and interim uses	30-Jun-16	
Grant Report and Drawdown Request	30-Jun-16	\$50,000
5. Draft Framework Plan	June 2016 to September 2016	
Eco-Industrial District Vision: establish the vision, principles, and standards needed for development of an eco-industrial district	30-Sep-16	
Tacoma Area Station Plan as appropriate; identify public open space and natural features to be protected; understand and identify land constraints (e.g. Brownfields, wetland issues, etc).	30-Sep-16	
Transportation: identify needed improvements to streets, transit, pedestrian ways, and bikeways; identify gaps in the active transportation network and implementation steps; explore and incorporate transportation demand management approaches; develop a parking plan for the district	30-Sep-16	
Infrastructure: identify and plan infrastructure (water, sewer, storm drainage) necessary to support the development of the district and consistent with the objectives of the principles for an eco-industrial district; create a phasing plan for infrastructure improvements	30-Sep-16	
Grant Report and Drawdown Request	30-Sep-16	\$50,000
6. Development Feasibility Testing	October 2016 to December 2016	
Conduct a development feasibility analysis that includes matching potential uses with existing and new buildings and performing a financial feasibility analysis; the feasibility will be based on development costs and economic viability in the near, mid, and long term. Financial sources and uses will be identified	31-Dec-16	

Exhibit A

METRO CPDG IGA

North Milwaukie Industrial Area Plan

Milestone and Deliverables Schedule for Release of Funds

Milestone/Deliverable	Due Date	Grant Payment
Test the draft Framework Plan against the development feasibility with the development experts at focus group meetings	31-Dec-16	
Based on the feasibility analysis and focus groups list plan refinements and actions necessary for implementation	31-Dec-16	
7. Draft Implementation Strategy		
January 2017 to March 2017		
Prepare a draft development/economic development action plan that outlines the programs and financing options to implement the draft framework plan	31-Mar-17	
Identify opportunities for public/private partnerships to encourage implementation	31-Mar-17	
Identify estimated costs for transportation and infrastructure improvements outlined in the framework plan	31-Mar-17	
Develop a draft funding strategy for public improvements that considers the use of urban renewal and tax increment financing	31-Mar-17	
Present Draft Strategy to Planning Commission and City Council	31-Mar-17	
Grant Report and Drawdown Request	31-Mar-17	\$50,000
8. Plan and Strategy Refinement		
March 2017 to June 2017		
Conduct a series of outreach events with the public and with advisory committees to determine the refinements needed to the framework plan and the implementation strategy	30-Jun-17	
Prepare refinements to the Framework Plan and the Implementation Strategy	30-Jun-17	
Present Revised Draft Strategy to Planning Commission and City Council	30-Jun-17	
9. Final Documents for City Approval		
June 2017		
Finalize documents and send to the City for approval by the Planning Commission and City Council	30-Jun-17	
Revise documents as needed through the approval process	30-Jun-17	
FINAL Grant Report and Drawdown	30-Jun-17	\$50,000

EXHIBIT B

Community Planning and Development Planning Grant Cover Sheet

Check one:
 Letter of Intent
 Full Application

Project Name	North Milwaukie Industrial Area Plan	Applicant Organization	Clackamas Co Business & Economic Development
Contact Name	Catherine Comer, Manager	Address	150 Beavercreek Road, Oregon City OR 97045
Phone	503-742-4303	Fax	
Email	ccomer@clackamas.us	Fed. Tax ID #	93-6002286

Fiscal Agent Organization (if different from applicant) Clackamas County Business & Community Services

Contact Name	Gary Barth, Director	Address	150 Beavercreek Road, Oregon City OR 97045
Phone	503-742-4299	Fax	
Email	garybar@clackamas.us		

Project Location Description (25 words or less)

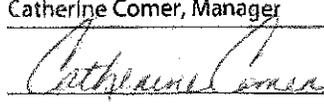
The project is located in the North Milwaukie Industrial Area in the City of Milwaukie.

Project Summary (50 words or less)

The North Milwaukie Industrial Area Redevelopment Strategy project is to develop and implement creative redevelopment-based strategies to enhance economic opportunities; increase job creation and investment; build a stronger, more competitive region; and ensure a dynamic framework for quality growth and development.

CPDG funding request	\$ <u>250,000</u>	If submitting more than one proposal, please rank this proposal in order of priority <input type="text" value="1"/>	Metro Council District of Project	<input type="checkbox"/>
Total project cost	\$ <u>446,465</u>			

We, the undersigned, attest that to the best of our knowledge the information in this application is true and that all signatories have authorization to submit this grant application to Metro's Community Planning and Development Grants Program.

Applicant	Organization Name	<u>Clackamas County Business & Economic Development</u>
	Printed Name	<u>Catherine Comer, Manager</u>
	Signature	<u></u> Date <u>6/1/15</u>
Fiscal Agent	Organization Name	<u>Clackamas County Business & Community Services</u>
	Printed Name	<u>Gary Barth, Director</u>
	Signature	<u></u> Date <u>6/1/15</u>

To ensure complete letter of intent or full application, please see section 2 of the CPDG Application Handbook for a complete list of necessary documents for submittal.

PROJECT NARRATIVE

- a. ***Project description:*** Provide an in-depth description of the project goals and expected outcomes. The project's complexity should be illustrated with sufficient detail so that viability can be assessed. The project description can be detailed further in the budget section.

The purpose of the North Milwaukie Industrial Area (NMIA) Plan is to develop a framework plan and an implementation strategy that will provide guidance for future redevelopment of the NMIA as a vibrant, mixed-use urban area where light industrial, commercial, and residential uses are developed in a strategic, compatible and harmonious way and achieve the strategic community and economic goals of the City of Milwaukie, Clackamas County and Metro. The City of Milwaukie and Clackamas County want to encourage a balance of uses with the objective of greatly increasing private capital investment and family-wage job creation, and to leverage the improved transportation access to the NMIA as a result of the new light rail line.

The North Milwaukie Industrial Area (NMIA) is of particular importance to the City; the area is comprised of nearly 200 acres and includes 87 businesses, which employ approximately 2,000 individuals generating an annual payroll of \$85.4 million. The NMIA has many identified advantages and opportunities for growth and the creation of new jobs, including:

- Location along Hwy 99E for easy vehicular access
- Proximity to downtown Portland, the central east side, PSU and OHSU
- Close proximity to the Tacoma Street Light Rail Station, Springwater Trail, and Downtown Milwaukie Light Rail Station
- Located in an Enterprise Zone
- Underutilized buildings and site space, which translates into an ability to generate higher numbers of jobs and wages per acre
- Active rail line access

The City of Milwaukie is a land locked city with few developable parcels. The NMIA Plan will create opportunities for employment growth by addressing redevelopment and environmental constraints so that sites in the area can be considered development ready. The plan will help guide the City's growth in an equitable and sustainable manner and serve to leverage the major investment in transportation infrastructure.

- b. ***Project site description:*** Include site boundaries, maps, nature of existing development, demographics, zoning, etc. and other information that describes the development context.

The area is currently zoned as two different areas: the area west of McLoughlin Blvd is zoned Manufacturing; the area east of McLoughlin Blvd is zoned Tacoma Station Area Manufacturing with a Tacoma Station Area Overlay, which allows for a broad range of uses intended to retain the area as a viable industrial zone, while also allowing other commercial uses. The code also allows for a floor area ratio (FAR) of up to 3:1 and building heights of up to 65 feet (approximately 5 stories) and minimal setback requirements unless abutting a residential zone. The current uses also bring awareness to possible development constraints that will need to be addressed (e.g. brownfields assessment and remediation, land consolidation, environmental mitigation issues, etc.).

The area is considered a diverse employment area of the city with approximately 65 percent of employment within the construction, manufacturing, and private education/health care industries.

- c. ***Project background:*** Describe the previous efforts that have led to the need for this project and how they set the stage for the proposed project, including: How was the need for the project identified? How did the proposed planning project evolve? Who has been involved to date and what other planning work has been conducted on the study area?

The Milwaukie Comprehensive Plan Goal for the Economic Base and Industrial/Commercial Land Use Element states in part: "To continue to support and encourage the development of a broad industrial base in the City..." Maintaining employment and a strong industrial tax base is an important policy direction within the Comprehensive Plan. In 2013, Milwaukie adopted the Tacoma Station Area Plan which added flexibility to the list of uses allowed in the industrial zone near the new Tacoma light rail station. This area allows for a broad range of uses intended to retain the area as a viable employment zone. However, the Tacoma Station Area Plan did not examine the entire north industrial area, instead focusing only on the east side of McLoughlin Blvd.; it also did not address the range of economic development resources that might be available to encourage redevelopment in the area. The proposed grant project will build on this previous effort to include the entire NMIA west of McLoughlin and will go beyond land use issues to address the financial and economic obstacles that may limit redevelopment of the NMIA into a mixed-use employment, housing, and open space area.

d. Evaluation criteria:

1. **Expected development outcome:** Describe key barriers to development in the location of the proposed project. Describe partnerships with property owners and other entities, or other conditions that affect your estimate that the proposed project will lead to issuance of development permits within five years. For community readiness, describe past investments and actions that will support the expected outcomes of the project.

The NMIA has a number of challenges for growth including traffic and roadway access, environmental constraints such as brownfields, large functionally obsolete buildings that limit adaptive reuse opportunities or business recruitment, high vacancy rates, a lack of amenities, confusing freight mobility patterns, and a shortage of customer and employee parking due to a predominantly warehouse/distribution land use pattern. In addition, the area has a relatively low number of jobs per acre when compared with other employment areas in the region. The City has long been interested in seeing the NMIA redevelop into a more productive area providing greater family wage employment.

To encourage a balance of uses with the objective of increasing private capital investment and family-wage job creation in the NMIA, the City of Milwaukie and Clackamas County in collaboration with Metro, state, local and regional partners, property owners, and businesses, have identified the following outcomes that will result from the NMIA Plan:

- Prepare a framework plan and an implementation strategy to provide for future redevelopment of the NMIA as a vibrant, mixed-use urban area comprised of light industrial, commercial, and residential uses.
- Adopt recommended zoning code and comprehensive plan amendments by City Council supporting the implementation of the NMIA Plan.
- Identify 1-3 key development sites and focus on strategic opportunities to promote development to occur within a 3-5-year period. The ODOT site on Ochoco St is one of the most promising opportunity sites for redevelopment.
- Prioritize and implement strategies outlined in the 2013 Tacoma Station Area Plan, including:
 - Identify current and future parking needs in the area through a comprehensive system of parking regulation and management strategies;
 - Funding of proposed public improvements in the area through a combination of public and private sources;
 - Establish a "Station Community Boundary" consistent with Metro rules which will enable the area to be eligible for regional investments to implement the redevelopment plan;
 - Work with public and private property owners and prospective businesses to attract businesses with higher levels of employment;
 - Formation of a local business association or similar private sector support group to enable property owners, businesses and other stakeholders to remain engaged in the redevelopment of the NMIA over time.
- Increase stakeholder and community awareness of the opportunities of the NMIA. Stakeholder outreach is a key component to the Plan where communications with businesses, property owners, institutional and government agencies, area residents and other interested parties will be initiated through one-on-one

interviews, focus groups, and a survey. Stakeholder feedback on the redevelopment plan will be compiled and documented as a deliverable of the overall project.

The City of Milwaukie adopted the Tacoma Station Area Plan (TSAP) in June 2013. The NMIA Plan will provide a foundation for future development in the Tacoma Station Planning area, south of the new Tacoma Light Rail Station and will identify opportunities for future land uses, new and improved transportation facilities, design concepts and standards for future development in the area as well as an implementation strategy. The TSAP serves as a policy document of the City's Comprehensive Plan and the Zoning Ordinance has been updated to aide in implementation of the NMIA Plan.

2. ***Regional significance:*** Describe the elements of the project that will support vibrant communities, economic prosperity, safe and reliable transportation, sustainability, a healthy environment and equity.

Outcomes of the Plan will identify and prioritize opportunities for a diverse balance of mixed-urban uses in order to enhance and improve accessibility to family-wage employment as well as provide sustained economic prosperity and competitiveness. The Plan will also incorporate access by all transportation modes and enhance those opportunities with the Tacoma Station, as well as identify creative redevelopment-based strategies to leverage the large scale public investment in light rail through the site to enhance economic opportunities while also increasing public open space, providing bike and pedestrian connectivity between the Springwater Corridor and the Trolley Trail and evaluating environmental assets and constraints.

In addition, the project will consider sustainability practices for redevelopment options by exploring eco-industrial development concepts for the NMIA by developing a strategy for businesses to work together with neighboring communities and with the local community in order to reduce waste and pollution, efficiently share resources (such as information, materials, water, energy, infrastructure, and natural resources), and help achieve sustainable development, with the intention of increasing economic gains and improving environmental quality.

3. ***Centers, Corridors, Station Communities and Main Streets:*** Describe the community aspiration for the project area, past effort in identifying and removing development barriers, and proposed effort to identify barriers and actions and investment to remove the barriers to development and advance the objective of making these areas the principal centers of urban life in the region.

The NMIA Plan will provide guidance for future redevelopment of the area as a vibrant, mixed-use urban community comprised of light industrial, commercial, and residential uses in order to optimize the unique opportunities present on this site and achieve the strategic goals of the City of Milwaukie, Clackamas County, and the region. A key component to the success of such a redevelopment strategy is the interplay and relationship between the various major land uses.

The City of Milwaukie is a participating member of the Clackamas County and Oregon Main Street Programs. The NMIA is located to the north of the downtown Main Street district boundary and is in close proximity to the Clackamas Regional Center. Therefore recognition of the downtown commercial/Main Street district and other regional centers will be a consideration during the visioning process of the NMIA Plan.

4. ***Other locations:*** Describe how the proposed project will facilitate investments in employment and industrial areas on the 2040 Growth Concept map, and/or addressing the needs of underserved and underrepresented groups in the community.

This project focuses on Title 4 employment lands located in the North Milwaukie Industrial Area located along OR Hwy 99E within the city limits of Milwaukie and will examine the existing conditions of NMIA and areas of current and potential land use conflict. The project will review environmental conditions, identify and understand land constraints, review the infrastructure and transportation systems and develop an implementation strategy for development readiness.

In order to better represent broader population and underserved groups, the Plan will provide guidance for future redevelopment of the NMIA area as a vibrant, mixed-use urban area where light industrial, commercial, and residential uses are developed in a strategic, compatible, and harmonious way to optimize the unique opportunities present on this site and to leverage the improved transportation access to the NMIA as a result of the new light rail line. A goal of the Plan is to link low income employees to the area through a robust implementation strategy that factors in workforce development issues and business retention and expansion assistance.

5. ***Best practices:*** Highlight the elements of the proposed project that reflect best practices and describe the community's commitment to share the expected outcomes from the project.

This project will demonstrate excellent collaboration between the City, county, state and regional partners, business and property owners, stakeholders, and the public to explore development opportunities in the NMIA. This effort will model itself after the successful collaboration of multi-jurisdictional partners in the Willamette Falls Legacy Project that lies at the southern end of this common economic and transportation corridor.

Lessons learned as a result of this project will be documented and shared with other communities throughout the region and beyond in need of identifying opportunities for underutilized industrial areas and envisioning the opportunities for development.

The scope of the project involves incorporating a multidisciplinary approach as prescribed in the Thriving Cities Alliance's "Development Readiness Assessment Diagnostics Tool" to develop a comprehensive approach. This will include an analysis of prospective users' assessment of physical conditions and land use relationships, and identify key implementation action steps to complete priority projects.

6. ***Leverage:*** Describe how the proposed project will leverage past or future public or private investments such as investments in high capacity transit station areas.

To build off the \$1.4 billion investment in the Tacoma Light Rail project, one of the primary objectives of the NMIA Plan is to identify opportunities for a broad range of public/private investment through redevelopment and economic growth through expansion of existing businesses, relocation, and recruitment fueling job creation. Throughout the scope of the project we will identify means to analyze, identify and implement strategies that will lead to investment which may include (but not be limited to):

- Establish funding tools at a local jurisdictional level (i.e. LID, Urban Renewal District).
- Explore funding tools to invest in transportation enhancements (City, ODOT, SPWF, etc.).
- Identify opportunities for existing property owners to invest in redevelopment.
- Create marketing strategy to engage private developer to investment in redevelopment.

Given the close proximity to downtown Portland, Oregon Museum of Science and Industry (OMSI), the creative class industries in the inner SE metro area, the Oregon Health and Sciences University (OHSU) Campus, and Portland State University, opportunities exist to leverage the resources of higher education institutions and recruit employers. The fields of medical research and development, high-tech, professional/business services, and other knowledge-based industry clusters are now easily accessible by light rail, enhanced bus service, and excellent bicycle pathways. The NMIA plan will provide the City with the tools necessary to take advantage of the market potential for diverse redevelopment opportunities in the area. The project will consider the mix of such uses planned with transportation alternatives to best serve the area's businesses and residents.

7. ***Match fund/potential:*** Describe the match potential, committed or pending, and document same in the proposed budget and in letters of commitment and support.

This Metro Community Planning and Development Grant (CPDG) will use both local matching funds (as provided below) in order to hire a qualified consultant to carry out the scope of the project as well as in-kind commitments from the City and County for staff resources for managing and participating this the project through completion.

Total Project Cost:	<u>\$446,465</u>
Funding Sources:	
Metro CPDG Grant	\$250,000 <i>(consultant fees and expenses)</i>
Clackamas County:	
Cash Match	\$ 75,000 <i>(consultant fees and expenses)</i>
In-Kind Match	\$ 56,375 <i>(est. staff time and expenses)</i>
City of Milwaukie:	
Cash Match	\$ 10,000 <i>(consultant fees and expenses)</i>
In-Kind Match	<u>\$ 55,090</u> <i>(est. staff time and expenses)</i>
TOTAL FUNDS LEVERAGED	<u>\$446,465</u> (% Match 45%)

8. *Growth absorption:* Describe if and how this project will help the jurisdiction handle projected population and employment growth.

In order to create future opportunities that will accommodate anticipated growth in the region, the project will consider redevelopment options for the NMIA area exploring mixed-use urban area with industrial, commercial, and residential uses. A key component to the success of such a strategy is the interplay and relationship between the major land uses. Metro's Economic and Land Use Forecasting process estimates an additional 622 jobs in the NMIA by 2035. With this analysis, we believe we can demonstrate a greater capacity for job creation and the area is represented in the Buildable Lands Inventory for employment land development, confirming the area's capacity for significant additional growth. A project goal is to greatly increase the number of jobs per acre in the district to take advantage of the excellent access to transit offered by the new light rail line and bus service.

9. *Public involvement:* Describe how the public, including citizens, businesses and appointed advisory committees, will be involved in the proposed project.

Stakeholder and public outreach will be a key component to the success of this project as it is essential for the City of Milwaukie and Clackamas County to receive input from businesses, property owners, institutional and government agencies, area residents and other interested parties in order to strengthen the overall project deliverables. The outreach and communications plan will include businesses and property owners in the NMIA as well as those adjacent to the study area; area residents, including low-income and minority populations; and other interested parties. Institutional and government agencies are primary property owners in the NMIA study area and will require a more target outreach to discuss project opportunities and deliverables. Outreach and communication will be led by a consultant team as well as the project team; efforts (will include but are not be limited to) online surveys, one-on-one meetings, phone interviews, roundtable discussions, presentations to focus groups, and personal invitations to public outreach activities are all potential methods to involve stakeholders. We will ensure that the consultant team develops a comprehensive scope of work that factors in all levels of community engagement that is both equitable and inclusive in its approaches and use sustainable best practices throughout the project.

10. *Governing body:* Highlight roles of the governing body that reflect decision makers' understanding of, and commitment to, the final recommendations of the planning project.

The City of Milwaukie is the governing body for this project and once complete, the City will be responsible for the adoption of any resulting amendments to the zoning and comprehensive plans. In addition, City staff will seek approval of the overall framework plan and implementation strategy by the Milwaukie City Council.

Clackamas County, Metro and state and regional partners will support the City in their efforts to adopt and

implement the Plan as a result of this project.

11. Capacity of applicant: Describe the skill set of the key people who will be involved in carrying out the planning project.

Clackamas County and the City of Milwaukie are submitting this funding request and will have a combined Project Management Team to manage the project. Therefore the County will manage the CPDG grant working closely with the City of Milwaukie. Building off of their combined skills and experience managing successful grants, projects and programs this CPDG grant will be successful.

e. Collaborations: A “partner” is actively engaged in the project, either financially or with in-kind support. With that in mind, list the names of organizations involved, provide their contact information, and describe the roles each will play in the project.

The City of Milwaukie, Clackamas County, Metro and state and regional partners will collaborate on this project to ensure broad multi-jurisdictional coordination and support. Letters of support from collaborating partners are provided.

f. Proposed milestones and deliverables: If approved, the applicant will be required to enter into an IGA with Metro that outlines the schedule for payments. Grant payments will be made upon the completion of project milestones and submission of deliverables. Please propose four project milestones (or more) by which to evaluate the progress of the proposed project. The milestones should be directly linked to the expected deliverables in the work scope for the project in the project description. The approach to achieving these milestones and deliverables should be described in the budget narrative. Milestones and grant payment allocations should follow the following general guidelines:

The proposed milestones, deliverables and timeline for the project provide a broad timeline for completion, predicated on approval dates of the CPDG application and corresponding executions of contracts and agreements.

<p>Final Deliverables: North Milwaukie Industrial Area Plan</p> <p>Timeline: August 2015 to June 2017</p>	<p>The NMIA Plan will include a Framework Plan for land use, transportation, and infrastructure and an Implementation Strategy that sets forth the actions, programs, and funding mechanisms to carry out the Framework Plan. The overall purpose of the NIMA Plan is to create a vital eco-industrial district that takes advantage of the recent public investment in light rail through the area and enhances economic opportunities, increases private sector capital investment, and attracts high-wage jobs while also increasing public open space and wildlife habitat along Johnson Creek and strengthening bike and pedestrian connectivity between the Springwater Corridor and the Trolley Trail.</p>
<p>The NMIA Plan will follow an iterative process based on the following work components:</p>	
<p>1. Project Management and Administration</p> <p>Time: August 2015 - June 2017</p>	<ul style="list-style-type: none"> • Executive of the Metro CPDG IGA and IGA between City of Milwaukie and Clackamas County • Consultant team selected and contract executed • Develop a detailed project SOW with consultant team • Project Management Team (PMT) meeting with community leaders and key stakeholders to establish a “Task Force” to work the PMT on project deliverables
<p>2. Existing Conditions, Inventory and Data Compilation</p> <p>Timeline: October 2015 - December 2015</p>	<ul style="list-style-type: none"> • Compilation of existing plans, land use, planning codes, etc. • Analysis of GIS data addressing land use, transportation, and natural features • Analysis of US Census data and market data • Preparation of a constraints and opportunities analysis report

<p>3. Public Involvement/ Outreach Plan</p> <p>Timeline: October 2015-March 2016</p> <p>Grant Payment: \$50,000</p>	<ul style="list-style-type: none"> • Identify stakeholders, businesses, property owners, institutional and government agencies, area residents and other interested parties • Develop a robust, equitable and inclusive outreach strategy including, but not limited to: <ul style="list-style-type: none"> – Online surveys – One-on-one meetings with major stakeholders – Focus group meetings with stakeholder groups – Presentations to stakeholder groups and public city council meetings – Social media outreach
<p>3. Market Study/Economic Feasibility</p> <p>Timeline: October 2015-March 2016</p> <p>Grant Payment: \$50,000</p>	<p>Conduct demographic and economic research to determine the demand and financial viability of uses on the properties. Potential uses include light industrial, commercial, and residential uses that are developed in a strategic, compatible and harmonious way to optimize the unique opportunities present on this site and achieve the strategic goals of the City of Milwaukie, Clackamas County and Metro. Additional work will include:</p> <ul style="list-style-type: none"> • Discussions with local, regional and national developers and end-user tenants to ground truth assumptions and recommendations • Research for possible anchor tenants • Near-, mid- and long-term uses for the site • Catalytic uses • Interim uses
<p>4. Draft Framework Plan</p> <p>Timeline: March 2016-September 2016</p> <p>Grant Payment: \$50,000</p>	<p>Create a draft framework plan that includes the following elements:</p> <ul style="list-style-type: none"> • Eco-Industrial District Vision <ul style="list-style-type: none"> ○ Establish the vision, principles, and standards needed for development of an eco-industrial district • Land Use <ul style="list-style-type: none"> – Identify opportunity sites and alternative land uses – Integrate the Tacoma Station Area Plan as appropriate – Identify public open space and natural features to be protected • Transportation <ul style="list-style-type: none"> – Identify needed improvements to streets, transit, pedestrian ways, and bikeways – Identify gaps in the active transportation network and implementation steps – Explore and incorporate transportation demand management approaches – Develop a parking plan for the district • Infrastructure <ul style="list-style-type: none"> – Identify and plan infrastructure (water, sewer, storm drainage) necessary to support the development of the district and consistent with the objectives of the principles for an eco-industrial district • Create a phasing plan for infrastructure improvements
<p>5. Development Feasibility Testing</p> <p>Timeline: September 2016-December 2016</p>	<ul style="list-style-type: none"> • Conduct a development feasibility analysis that includes matching potential uses with existing and new buildings and performing a financial feasibility analysis. The feasibility will be based on development costs and economic viability in the near, mid and long term. Financial sources and potential uses will be identified • Test the draft Framework Plan against the development feasibility with the development experts at focus group meetings • Based on the feasibility analysis and focus groups list plan refinements and actions necessary for implementation
<p>6. Draft Implementation Strategy</p> <p>Timeline: December 2016-March 2017</p> <p>Grant Payment: \$50,000</p>	<ul style="list-style-type: none"> • Prepare a draft development/economic development action plan that outlines the programs and financing options to implement the draft framework plan • Identify opportunities for public/private partnerships to encourage implementation • Identify estimated costs for transportation and infrastructure improvements outlined in the framework plan • Develop a draft funding strategy for public improvements that considers the use of urban renewal and tax increment financing

7. Plan and Strategy Refinement Timeline: March 2017-June 2017	<ul style="list-style-type: none"> • Conduct a series of outreach events with the public and with advisory committees to determine the refinements needed to the framework plan and implementation strategy • Prepare refinements to the Framework Plan and the implementation Strategy
8. Final Documents for City Approval Timeline: June 2017 Grant Payment: \$50,000	<ul style="list-style-type: none"> • Finalize documents and submit them to the City for approval by the Planning Commission and City Council • Revise documents as needed through the approval process

g. Project management: Include the name of project management staff likely to be managing the project and communicating with Metro staff and the contact name, if different.

County and City staff collaborating on the management of the project include:

Alma Flores, City of Milwaukie, Community Development Director Phone: 503-786-7652 Email: floresa@milwaukieoregon.gov Denny Egner, City of Milwaukie, Planning Director Phone: 503-786-7654 Email: egnerd@milwaukieoregon.gov Vera Koliass, City of Milwaukie, Associate Planner Phone: 503-786-7653 Email: koliassv@milwaukieoregon.gov	Gary Barth, Clackamas County Business & Community Services, Director Phone: 503-742-4299 Email: GaryBar@co.clackamas.or.us Catherine Comer, Clackamas County Business & Economic Development, Manager Phone: 503-742-4303 Email: ccomer@clackamas.us Jamie Johnk, Clackamas County, Economic Development Coordinator Phone: 503-742-4413 Email: jamiejoh@clackamas.us
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Budget documents: The budget should be clear, appropriate and sufficient to complete the project. Costs should clearly support the proposed tasks consistent with the project narrative. Applicants must submit the following three budget documents:

- *Budget narrative: This describes the scope or approach to achieving the expected outcomes and milestones.*

The total budget identified for the North Milwaukie Industrial Area Redevelopment Strategy project is \$446,465 of which \$250,000 represents the CPDG funding request; \$65,090 is City of Milwaukie's match and \$131,375 is Clackamas County's match. Each match consists of cash and in-kind commitments as follows:

- City of Milwaukie match: Cash \$10,000 + In-kind \$55,090 = \$ 65,090
- Clackamas County match: Cash \$75,000 + In-kind \$56,375 = \$131,375

The in-kind commitments from both the City and County represent staff hours and office/supply costs during the course of this project. Staff identified as contributors to the project are outlined above. CPDG funds and cash commitments will be used to engage a consultant team to assist with carrying out the milestones and deliverables identified in this funding request. The following represents the estimated timeline for completing key deliverables and when grant drawdowns might occur.

- *Line item budget: See form attached*
- *Statement of matching funds: See form attached*

Supplemental attachments (attach all that apply): See documents attached.

- ✓ Vicinity map
- ✓ Site map
- ✓ Sample of photos of existing development and/or landmark in the project site
- ✓ Letters of commitment for match by project partners
- ✓ Letters of support from the community and project partners.

**Construction Excise Tax Planning Grant Program
Project Budget Form**

Budget Form

**Metro Community Development and Planning Grant
Milwaukee Industrial Area Plan**

North

PROJECT COSTS

1) Estimate the hours of work directly related to your project for agency personnel, consultants, and non-profit personnel. You can delete rows that do not apply and/or add more for specific descriptors.

2) Explain the tasks each is expected to complete *in the budget narrative* (i.e., design development, construction estimates, public involvement, technical research, code analysis, etc.).

	Financial Match	In-Kind Match	CET Grant Request	TOTAL
Personnel Costs				
Agency staff		\$ 106,465		\$ 106,465
Consultants	\$ 85,000		\$ 250,000	\$ 335,000
Non-profit staff				\$ -
Office/supplies				\$ -
Total for Planning Services	\$ 85,000	\$ 106,465	\$ 250,000	\$ 441,465

Other Costs				
Overhead/Indirect costs - these can only be used as match		\$ 5,000		\$ 5,000
Total for Other Costs	\$ -	\$ 5,000	\$ -	\$ 5,000
TOTAL PROJECT COSTS				
	\$ 85,000	\$ 111,465	\$ 250,000	\$ 446,465

Note: See pages 27-29 of the CET Application Handbook for detail instructions.