



Work Session

WS

Milwaukie City Council

COUNCIL WORK SESSION

City Hall Council Chambers, 10501 SE Main Street
& Zoom Video Conference (www.milwaukieoregon.gov)

AGENDA

APRIL 1, 2025

Council will hold this meeting in-person and by video conference. The public may come to City Hall, join the Zoom webinar, or watch on the [city's YouTube channel](#) or Comcast Cable channel 30 in city limits. For Zoom login visit <https://www.milwaukieoregon.gov/citycouncil/city-council-work-session-5>.
Written comments may be delivered to City Hall or emailed to ocr@milwaukieoregon.gov.

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

Page #

- | | |
|--|-----------|
| 1. Council Goal Update: Economic Development – Report (4:00 p.m.) | 1 |
| Staff: Joseph Briglio, Assistant City Manager | |
| 2. Building Department Update – Report (5:30 p.m.) | 10 |
| Staff: Patrick McLeod, Building Official | |
| 3. Adjourn (6:00 p.m.) | |

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.

COUNCIL STAFF REPORT

To: Mayor and City Council

Date Written: Mar. 19, 2025

Reviewed: Emma Sagor, City Manager

From: Joseph Briglio, Assistant City Manager

Subject: **Economic Development Goal Discussion**

ACTION REQUESTED

Council is asked to discuss the draft economic development goal action plan and provide direction to staff.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[January 31](#) – [February 1](#): Council held a two-day retreat for the purposes of reviewing feedback and survey results associated with possible goals, as well as deliberating and confirming the top three for 2025-2027.

[February 4](#): Council formally adopted economic development, parks and greenspace, and affordability as the city's three goals for 2025-2027.

ANALYSIS

Council approved three citywide goals at the February 4, regular session meeting. These goals included economic development, parks and greenspace, and affordability. During that discussion, staff agreed to provide the council with a draft action plan for each goal on a monthly rotation beginning with economic development in April.

Staff have developed the draft economic development goal action plan found in attachment 2 for this initial discussion. This action plan was developed based on discussion at Council's recent goal setting retreat. The intent is to refine this document during the work session on April 1.

The questions staff are seeking Council direction on during this work session are as follows:

- Does the action plan accurately reflect why this goal was selected and the high-level deliverables Council wants to accomplish by 2027?
- Do the performance measures included in the action plan feel realistic and meaningful to Council? Are there other metrics you want us to track?
- Are there implementation partners we have not thought of?
- What changes would Council like to make to the Action Roadmap?
 - Note: The later years of this roadmap are intentionally less detailed to allow for Council to provide direction along the way. Staff propose using this roadmap as our template for quarterly updates to Council on goal progress. Each quarter, we will update the roadmap with what has been accomplished and refine the actions for the following quarters to ensure we remain on track.

STAFF RECOMMENDATION

This is a discussion item. Staff are seeking direction and confirmation.

ATTACHMENTS

1. Council Resolution Adopting Goals
2. Draft Economic Development Goal Action Plan



COUNCIL RESOLUTION No. 10-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ADOPTING COUNCIL GOALS FOR 2025-2027.

WHEREAS establishing Council goals helps prioritize resources and capacity to address areas that are not yet embedded within the current work of the city; and

WHEREAS Council has traditionally set goals of two or three-year duration and this Council has expressed a desire to better align goal setting with the city’s biennial budget timeline to allow for strategic investment; and

WHEREAS Council discussed goal ideas and gathered community input between November 2024 and January 2025, including through a town hall meeting on January 7, 2025, and a community feedback survey on the Engage Milwaukie website; and

WHEREAS Council has hereby identified the following goals to serve as the city’s primary objectives for the remainder of the fiscal year 2024-2025 biennium and the fiscal year 2026-2027 biennium (calendar years 2025, 2026, and 2027).

ECONOMIC DEVELOPMENT: Support Milwaukie’s business districts and invest in Neighborhood Hubs.

PARKS AND GREENSPACE: Deliver Milwaukie Bay Park and expand equitable access to green space, including the future restored Kellogg Creek Natural Area.

AFFORDABILITY: Identify opportunities to provide utility relief and support more income-restricted housing development in Milwaukie.

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie, Oregon, that these City Council goals outlined above and in Exhibit A are adopted for calendar years 2025, 2026, and 2027.

Introduced and adopted by the City Council on **February 4, 2025.**

This resolution is effective immediately.



Lisa M. Batey

ATTEST:



Scott S. Stauffer, City Recorder

APPROVED AS TO FORM:



Justin D. Gericke, City Attorney

Goal title	ECONOMIC DEVELOPMENT: Support Milwaukie's Business Districts and invest in Neighborhood Hubs	
	<i>Council actions</i>	<i>Staff actions</i>
<p>2025 actions <i>FOCUS: Support downtown momentum; Business engagement and fact finding</i></p>	<ul style="list-style-type: none"> • COUNCIL GOAL ACTION PLANNING: Articulate economic development priorities and objectives, <i>in collaboration with the Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC)</i> <ul style="list-style-type: none"> • Refresh Urban Renewal Area (URA) 5-year action plan • Establish regular business engagement tables (URA, North Milwaukie Industrial Area (NMIA), International Way, and neighborhood businesses) 	<ul style="list-style-type: none"> • Hire Economic Development coordinator <ul style="list-style-type: none"> • Build relationships with business groups • Plan for investments in downtown placemaking, beautification, and streetscape improvements • Scope and explore planning/code work that supports economic development (e.g., corridor planning) • Continue URA business support grant program and begin work to replicate program citywide, funded by Construction Excise Tax (CET)
<p>2026 actions <i>FOCUS: Neighborhood Hubs + Business support, attraction, and retention</i></p>	<ul style="list-style-type: none"> • Select priority Neighborhood Hubs for placemaking investment based on market analysis • Explore opportunities for additional URAs to support economic development beyond downtown • Direct staff on planning/code work to undertake to support economic development • Continue business engagement and host Annual Business Summit • Explore tools for incentivizing business action in line with other city values (e.g., depaving) 	<ul style="list-style-type: none"> • Conduct market analysis around Neighborhood Hubs • Launch city-wide business grants funded by CET • Review Business Tax code and fees and propose adjustments that allow for greater business assistance while supporting financial stability • Explore transportation enhancements needed to support workforce and business needs and climate goals (informed by updated Transportation System Plan (TSP)) • Continue investing in downtown and launch downtown streetscape capital improvement project • Develop vacant storefront tool kit • Implement placemaking investments in Hubs
<p>2027 actions <i>FOCUS: Institutionalizing business support as a city function</i></p>	<ul style="list-style-type: none"> • Champion transportation investments that support economic development • Continue business engagement and host Annual Business Summit 	<ul style="list-style-type: none"> • Implement Business Tax changes

Goal title	PARKS AND GREENSPACE: Deliver Milwaukie Bay Park and expand equitable access to greenspace, including the future restored Kellogg Creek Natural Area	
	Council actions	Staff actions
2025 actions <i>FOCUS: Get Milwaukie Bay Park back on track and secure funding for Kellogg project</i>	<ul style="list-style-type: none"> • COUNCIL GOAL ACTION PLANNING: Articulate parks and greenspace priorities and objectives, <i>in collaboration with the Parks and Recreation Board (PARB)</i> • Continue dialogue with North Clackamas Parks and Recreation District (NCPRD) Board to advance Milwaukie Bay Park (MBP) • Advocate for MBP and Kellogg Creek Dam Removal and Restoration Project (Kellogg project) funding at regional, state and federal levels 	<ul style="list-style-type: none"> • Support MBP planning and funding efforts • Support Kellogg project planning and funding efforts • Continue engagement with NCPRD to ensure adequate maintenance and investment in Milwaukie parks • Begin scoping for greenspace strategy, including: <ul style="list-style-type: none"> • Mapping and equity analysis • Launch Good Neighbor grant program
2026 actions <i>FOCUS: Plan for the greenspace system Milwaukie wants</i>	<ul style="list-style-type: none"> • Continue advocacy for MBP and Kellogg project • Engage community in conversations around park priorities and concerns • Engage in conversations, as timely, about parks governance 	<ul style="list-style-type: none"> • Help build Milwaukie Bay Park! • Renegotiate cooperative intergovernmental agreement (IGA) with NCPRD • Develop comprehensive greenspace strategy
2027 actions <i>FOCUS: Clarify future of parks governance</i>	<ul style="list-style-type: none"> • Continue to engage and make decisions around parks governance and long-term strategy 	<ul style="list-style-type: none"> • Begin implementation of greenspace strategy

Goal title	AFFORDABILITY: Identify opportunities to provide utility relief and support more income-restricted housing development in Milwaukie	
	Council actions	Staff actions
<p>2025 actions <i>FOCUS:</i> Planning and analysis to identify most impactful actions</p>	<ul style="list-style-type: none"> • COUNCIL ACTION PLAN: Define Council’s affordability priorities and strategy, <i>in collaboration with Community Utility Advisory Committee (CUAC)</i> • Advocate for ratepayers with non-city utilities (e.g., electric, gas, broadband) 	<ul style="list-style-type: none"> • Complete utility rate design work and explore ways to deepen discounts • Review and update fee schedule as part of financial stability strategy <ul style="list-style-type: none"> • Review permit rates for different customer classes and alignment with city values (e.g., climate) • Update stormwater impervious surface area data for utility billing • Update utility billing code to reflect needed efficiencies • Conduct a cost/benefit analysis of new affordability ideas (rebates, discounts, and exemptions) • Begin Sparrow development • Adopt affordable housing code improvements (part of the city’s Housing Production Strategy)
<p>2026 actions <i>FOCUS:</i> Implementation and awareness raising</p>	<ul style="list-style-type: none"> • Continue advocacy for affordability • Develop land banking strategy 	<ul style="list-style-type: none"> • Develop and implement communications strategy <ul style="list-style-type: none"> • Outreach programming at the library, city events, etc. • Mailers, social media, etc. • Develop FY27-28 budget that allows for implementation of affordability mechanisms prioritized by Council via its strategy • Update city’s land banking strategy with a focus on acquisition of land for affordable housing development (part of the city’s Housing Production Strategy) • Complete Sparrow development • Review and make changes to the city’s R-HD zone to support housing production (part of the city’s Housing Production Strategy)
<p>2027 actions <i>FOCUS:</i> Institutionalize affordability programs</p>	<ul style="list-style-type: none"> • Continue advocacy • Plan for institutionalization of affordability work 	<ul style="list-style-type: none"> • (If funding allows) Acquire property for next affordable housing development • Continued implementation of communication strategy

Council Goal Action Plan

Last Updated:
3/26/2025

ECONOMIC DEVELOPMENT: Supporting Milwaukie's business districts and investing in neighborhood hubs

Why this goal?

Milwaukie is seeing a resurgence of economic development activity in its downtown and business districts. Inspired by the city's 2040 community vision and comprehensive plan, the city has completed foundational work to enable hubs of commercial amenities across our neighborhoods. As Milwaukie's urban renewal area (URA) and construction excise tax (CET) funds mature, the city has an opportunity in 2025-2027 to make significant investments that can support our local economy, attract and retain businesses, and revitalize our commercial areas to help build community and a sense of place.

What do we want to accomplish by 2027?

- Revitalized Main Street and Downtown
- New investments in Milwaukie's industrial areas
- At least one enhanced Neighborhood Hub
- Strong city-business partnerships
- Capital improvements that support our business districts

How will we measure success?

	BASELINE <i>(as of Dec 31 '24)</i>	End of 2025	End of 2026	End of 2027	Target
Dollars invested in direct support for local businesses <i>\$ allocated through business improvement grant programs (URA and CET)</i>	\$328,455				Minimum \$250,000 annually
Advancement of URA Five-Year Action Plan <i>% of projects that are complete or in the process.</i>	28.4%				100% Completion
Business-related meetings attended <i># of meetings, roundtables, and summits attended by City Council members</i>	5				Minimum 12
Commercial vacancy rate <i>% of commercial units vacant in the city</i>	7% (Office) 6.1% (Industrial)				Downward trend
Impressions of business friendliness <i>% of surveyed business who are happy with the City of Milwaukie's support</i>	Need a baseline survey				Upward trend
Events and tourism <i># of events produced in Milwaukie by the city or with city support</i>	6 events				Minimum of 9 events annually
Downtown foot traffic <i>Point in time counts of daily foot traffic</i>	Need a baseline count				Upward trend

Implementation partners

COUNCIL LEAD:

Councilor Rebecca Stavenjord

STAFF LEAD:

- Joseph Briglio, Assistant City Manager
- Ciara Williams, Economic Development coordinator

SUPPORTING DEPARTMENTS:

- City Manager's Office
- Community Development
- Finance
- Public Safety

EXTERNAL PARTNERS:

- Downtown Alliance of Milwaukie (DAM)
- Business of Milwaukie (BOM)
- North Clackamas County Chamber of Commerce (NCCCC)
- Neighborhood District Associations (NDAs)
- Private Property Owners and Developers

- Clackamas Small Business Development Center (SBDC)
- Clackamas Workforce Partnership
- Micro Enterprise Services of Oregon (MESO)
- TiE Oregon

Action Roadmap

YEAR/FOCUS	QUARTER	STAFF ACTIONS	COUNCIL ACTIONS
2025 FOCUS: Support downtown momentum, engage business districts, and collect better baseline data	CY-Q2 Apr - Jun	<ul style="list-style-type: none"> ✓ Hired Economic Development Coordinator <input type="checkbox"/> Continue building relationships with DAM, BOM, and NCCCC <input type="checkbox"/> Engage businesses in planning for <i>Milwaukie Fest</i> <input type="checkbox"/> Discuss strategy to engage Milwaukie businesses in all city signature events 	<ul style="list-style-type: none"> <input type="checkbox"/> Complete goal action plan <input type="checkbox"/> Share updates on committee assignment work related to economic development
	CY - Q3 Jul - Sept	<ul style="list-style-type: none"> <input type="checkbox"/> Present and refine scope of Main Street Improvements CIP project <input type="checkbox"/> Produce first annual <i>Milwaukie Fest</i> 	<ul style="list-style-type: none"> <input type="checkbox"/> Identify and send invitations for first round of business engagement tables and survey (URA, North Milwaukie Industrial Area (NMIA), International Way, and neighborhood businesses) <input type="checkbox"/> Share updates on committee assignment work related to economic development
	CY - Q4 Oct - Dec	<ul style="list-style-type: none"> <input type="checkbox"/> Prepare for launch of business improvement grant program citywide using CET funds <input type="checkbox"/> Scope planning and economic development work for 2026 related to Neighborhood Hubs and corridor plans <input type="checkbox"/> Engage business stakeholders to scope changes needed to city's Business Tax code and fees <input type="checkbox"/> Initiate market analysis around Neighborhood Hubs 	<ul style="list-style-type: none"> <input type="checkbox"/> Convene first round of business engagement tables <input type="checkbox"/> Start refresh of URA 5-year Action Plan with Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC) <input type="checkbox"/> Share updates on committee assignment work related to economic development
Annual goal review and performance measure data report			
2026 FOCUS: Enhance Neighborhood Hubs and support, retain, and attract Milwaukie businesses	CY - Q1 Jan - Mar	<ul style="list-style-type: none"> <input type="checkbox"/> Present proposed scope for Neighborhood Hubs/corridor planning, economic development, and placemaking work informed by market analysis <input type="checkbox"/> Launch citywide business improvement grant program <input type="checkbox"/> Propose updates to city's Business Tax code and fees through budget process 	<ul style="list-style-type: none"> <input type="checkbox"/> Direct staff on planning, economic development, and placemaking work to support economic development in Neighborhood Hubs and corridors <input type="checkbox"/> Select priority Neighborhood Hubs for placemaking investment based on market analysis <input type="checkbox"/> Share updates on committee assignment work related to economic development
	CY - Q2 Apr - Jun	<ul style="list-style-type: none"> <input type="checkbox"/> Present on transportation enhancements needed to support workforce and business needs (informed by updated Transportation System Plan (TSP)) <input type="checkbox"/> Propose placemaking investments in priority Hubs 	<ul style="list-style-type: none"> <input type="checkbox"/> Plan Annual Business Summit <input type="checkbox"/> Complete URA 5-year Action Plan refresh with MRCCAC <input type="checkbox"/> Share updates on committee assignment work related to economic development
	CY - Q3 Jul - Sept	<ul style="list-style-type: none"> <input type="checkbox"/> Begin construction on Main Street Improvements CIP Project <input type="checkbox"/> Implement changes to Business Tax code and prepare for annual business registration cycle in next quarter <input type="checkbox"/> Implement placemaking investments in priority Hubs 	<ul style="list-style-type: none"> <input type="checkbox"/> Explore opportunities for additional URAs to support economic development beyond downtown <input type="checkbox"/> Host Annual Business Summit <input type="checkbox"/> Share updates on committee assignment work related to economic development
	CY - Q4 Oct - Dec	<ul style="list-style-type: none"> <input type="checkbox"/> Continue construction on Main Street Improvements CIP Project <input type="checkbox"/> Develop vacant storefront tool kit 	<ul style="list-style-type: none"> <input type="checkbox"/> Direct staff on 2027 planning/code work to undertake to support economic development <input type="checkbox"/> Share updates on committee assignment work related to economic development

2027

FOCUS: Institutionalize business support as a core city function

Annual goal review and performance measure data report

CY – Q1 Jan - Mar	<ul style="list-style-type: none">□ Complete construction on Main Street Improvements CIP Project□ Propose second round of placemaking investments in priority Hubs	<ul style="list-style-type: none">□ Champion transportation investments that support economic development□ Share updates on committee assignment work related to economic development
CY – Q2 Apr – Jun	<ul style="list-style-type: none">□ Implement second round of placemaking investments in priority Hubs	<ul style="list-style-type: none">□ Plan Annual Business Summit□ Share updates on committee assignment work related to economic development
CY – Q3 Jul - Sept		<ul style="list-style-type: none">□ Host Annual Business Summit□ Share updates on committee assignment work related to economic development
CY – Q4 Oct - Dec		<ul style="list-style-type: none">□ Report on 3-year Goal progress and provide direction for ongoing operationalization of economic development work□ Share updates on committee assignment work related to economic development

DRAFT

Council Goal **Action Plan**

Last Updated:
3/26/2025

ECONOMIC DEVELOPMENT: Supporting Milwaukie's business districts and investing in neighborhood hubs

Why this goal?

Milwaukie is seeing a resurgence of economic development activity in its downtown and business districts. Inspired by the city's 2040 community vision and comprehensive plan, the city has completed foundational work to enable hubs of commercial amenities across our neighborhoods. As Milwaukie's urban renewal area (URA) and construction excise tax (CET) funds mature, the city has an opportunity in 2025-2027 to make significant investments that can support our local economy, attract and retain businesses, and revitalize our commercial areas to help build community and a sense of place.

What do we want to accomplish by 2027?

- Revitalized Main Street and Downtown
- New investments in Milwaukie's industrial areas
- At least one enhanced Neighborhood Hub
- Strong city-business partnerships
- Capital improvements that support our business districts, including construction in progress on Milwaukie Bay Park

How will we measure success?

Commented [P1]: Separate out metrics that we want to monitor v. measures of success

	BASELINE <i>(as of Dec 31 '24)</i>	End of 2025	End of 2026	End of 2027	Target
Dollars invested in direct support for local businesses <i>\$ allocated through business improvement grant programs (URA and CET)</i> <i>\$ allocated to BIPOC or LGBTQIA+ business owners</i>	\$328,455 \$\$\$ to BIPOC biz owners \$\$\$ to LGBTQIA+ biz owners				Minimum \$250,000 annually
Advancement of URA Five-Year Action Plan <i>% of projects that are complete or in the process.</i>	28.4%				100% Completion
Externally hosted Business-related meetings attended <i># of meetings, roundtables, and summits attended by City Council members</i> <i># of equity-focused meetings (e.g.)</i>	5 # of equity focused				Minimum 12
Business-related meetings convened by the city <i># of meetings, roundtables, and summits convened by staff or City Council members</i>	2				Minimum 4
Commercial vacancy rate <i>% of commercial units vacant in the city</i>	7% (Office) 6.1% (Industrial) X% (Retail)				Downward trend
Total commercial square footage <i># of square feet of commercial space that exists within city limits</i>	####				Upward trend
Cost of leasing commercial property <i>Average \$ per square foot for renting commercial space in Milwaukie</i>	\$\$ (Office) \$\$ (Industrial) \$\$ (Retail)				
Total number of businesses registered with the city <i># of business license holders operating in Milwaukie, excluding landlords/rental properties</i>	####				Upward trend
Impressions of business friendliness <i>% of surveyed business who are happy with the City of Milwaukie's support</i>	Need a baseline survey				Upward trend

Events and tourism # of events produced in Milwaukie by the city or with city support <u># of events that specifically celebrate Milwaukie's diverse communities</u>	6 events				Minimum of 9 events annually
Downtown foot traffic Point in time counts of daily foot traffic	Need a baseline count				Upward trend
Access to commercial activity and hubs <u>% of Milwaukie residents who live within a ½ mile walkshed of a commercial center or hub</u>	<u>Look to TSP analysis for baseline</u>				Upward trend

Implementation partners

- | | | | | |
|--|---|---|---|---|
| COUNCIL LEAD:
Councilor Rebecca Stavenjord | STAFF LEAD: <ul style="list-style-type: none"> Joseph Briglio, Assistant City Manager Ciara Williams, Economic Development coordinator | SUPPORTING DEPARTMENTS: <ul style="list-style-type: none"> City Manager's Office Community Development <ul style="list-style-type: none"> Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC) Finance Public Safety | EXTERNAL PARTNERS: <ul style="list-style-type: none"> Downtown Alliance of Milwaukie (DAM) Business of Milwaukie (BOM) North Clackamas County Chamber of Commerce (NCCCC) Neighborhood District Associations (NDAs) Private Property Owners and Developers Clackamas Community College | <ul style="list-style-type: none"> Clackamas Small Business Development Center (SBDC) Clackamas Workforce Partnership Micro Enterprise Services of Oregon (MESO) TiE Oregon Sabin-Schellenberg |
|--|---|---|---|---|

Action Roadmap

YEAR/FOCUS	QUARTER	STAFF ACTIONS	COUNCIL ACTIONS
2025 FOCUS: Support downtown momentum, engage business districts, and collect better baseline data	CY-Q2 Apr - Jun	<ul style="list-style-type: none"> ✓ Hired Economic Development Coordinator □ Continue building relationships with DAM, BOM, and NCCCC □ Engage businesses in planning for <i>Milwaukie Fest</i> □ Discuss strategy to engage Milwaukie businesses in all city signature events 	<ul style="list-style-type: none"> □ Complete goal action plan □ Share updates on committee assignment work related to economic development
	CY - Q3 Jul - Sept	<ul style="list-style-type: none"> □ Present and refine scope of Main Street Improvements CIP project □ Produce first annual <i>Milwaukie Fest</i> 	<ul style="list-style-type: none"> □ Identify and send invitations for first round of business engagement tables and survey (URA, North Milwaukie Industrial Area (NMIA), International Way, and neighborhood businesses) □ Share updates on committee assignment work related to economic development
	CY - Q4 Oct - Dec	<ul style="list-style-type: none"> □ Prepare for launch of business improvement grant program citywide using CET funds □ Scope planning and economic development work for 2026 related to Neighborhood Hubs and corridor plans □ Engage business stakeholders <u>regarding refresh to URA five-year action plan to scope changes needed to city's Business Tax code and fees</u> □ Initiate market analysis around Neighborhood Hubs 	<ul style="list-style-type: none"> □ Convene first round of business engagement tables □ Start refresh of URA 5-year Action Plan with Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC) □ Share updates on committee assignment work related to economic development

Commented [P2]: Delay a quarter to allow business tables to get established

2026

FOCUS: Enhance Neighborhood Hubs and support, retain, and attract Milwaukee businesses

Annual goal review and performance measure data report

<p>CY - Q1 Jan - Mar</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Present proposed scope for Neighborhood Hubs/corridor planning, economic development, and placemaking work informed by market analysis <input type="checkbox"/> Launch citywide business improvement grant program <input type="checkbox"/> Propose updates to city's Business Tax code and fees through budget process <input type="checkbox"/> <u>Engage businesses to scope changes needed to city's Business Tax code and fees, including education on current investments in business districts</u> 	<ul style="list-style-type: none"> <input type="checkbox"/> Direct staff on planning, economic development, and placemaking work to support economic development in Neighborhood Hubs and corridors <input type="checkbox"/> Select priority Neighborhood Hubs for placemaking investment based on market analysis <input type="checkbox"/> Share updates on committee assignment work related to economic development
<p>CY - Q2 Apr - Jun</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Present on transportation enhancements needed to support workforce and business needs (informed by updated Transportation System Plan (TSP)) <input type="checkbox"/> Propose placemaking investments in priority Hubs <input type="checkbox"/> <u>Propose updates to city's Business Tax code and fees through budget process</u> 	<ul style="list-style-type: none"> <input type="checkbox"/> Plan Annual Business Summit <input type="checkbox"/> Complete URA 5-year Action Plan refresh with MRCCAC <input type="checkbox"/> Share updates on committee assignment work related to economic development
<p>CY - Q3 Jul - Sept</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Begin construction on Main Street Improvements CIP Project <input type="checkbox"/> Implement changes to Business Tax code and prepare for annual business registration cycle in next quarter <input type="checkbox"/> Implement placemaking investments in priority Hubs 	<ul style="list-style-type: none"> <input type="checkbox"/> Explore opportunities for additional URAs to support economic development beyond downtown <input type="checkbox"/> Host Annual Business Summit <input type="checkbox"/> Share updates on committee assignment work related to economic development
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DRAFT

2027

FOCUS: Institutionalize business support as a core city function

Annual goal review and performance measure data report

Annual goal review and performance measure data report		
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DRAFT

COUNCIL STAFF REPORT

To: Mayor and City Council
Emma Sagor, City Manager

Reviewed: Joseph Briglio, Assistant City Manager, and
Emma Sagor, City Manager

From: Patrick McLeod, Building Official

Date Written: March 20, 2025

Subject: Building Division Report

ACTION REQUESTED

The City Council is asked to receive an update on the work of the Building Division, including data on local development, permitting, plans examining, and inspection services demand over the last seven years.

BACKGROUND AND ANALYSIS**Building Division Growth**

Over the past seven years, the City of Milwaukie has experienced a significant increase in commercial and residential development. The nature of construction has shifted from single-family dwellings, residential repairs, and additions to more complex projects, including commercial multi-family developments, mixed-use, townhomes, and cottage clusters.

In response to this growth and the evolving construction landscape, the city implemented third-party contracts and intergovernmental agreements (IGAs) to enhance plan review turnaround times, expand inspection coverage, and ensure compliance with state-mandated requirements (adopted via Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR)).

Building Division Staffing and Operational Expansion

- **Fiscal Year (FY) 2017-2018:** The Building Division operated with 3 full-time equivalent (FTE) City of Milwaukie employees and utilized contract and IGA services on an as-needed basis, the equivalent of an additional approximately 0.5 FTE.
- **FY 2023-2024:** The Building Division hired an additional City of Milwaukie FTE (now operating with 4 total) and expanded use of contracts and IGAs to meet demand, equivalent to approximately 3 FTE of additional capacity.
- **FY 2024-25:** The Building Division requested a fifth regular FTE position through a budget adjustment to help complete more work in-house and offset costs on external contracts and IGAs, which was approved. The city is actively trying to recruit for this position.

Key Metrics:

The table below summarizes the volume of permits issued and inspections over the past 10 years. Permit volumes have nearly doubled in this time and inspections have more than doubled.

FY	Permits Issued	Inspections
2014-2015	785	1,588
2015-2016	1,256	2,399
2016-2017	1,396	3,096
2017-2018	1,523	2,851
2018-2019	1,646	4,443
2019-2020	1,414	4,452
2020-2021	1,403	4,065
2021-2022	1,792	4,695
2022-2023	1,432	3,097
2023-2024	1,479	3,956

- **FY 2017-2018:** The division issued 1,523 permits, performed 2,851 inspections, generated \$1,025,334 in revenue, and had expenditures of \$374,832, of which \$0.00 was allocated to IGA and contract services.
- **FY 2023-2024:** The division issued 1,479 permits, performed 3,956 inspections, generated \$1,527,936 in revenue, and had expenditures of \$1,135,662, with \$427,502 allocated to IGA and contract services.
- **FY 2024-2025:** The building division is on pace to issue more than 1,500 permits and perform over 4,500 inspections.

Sustained Growth in Permitting and Inspection Services

Over the past five years, the City of Milwaukie has experienced a continuous increase in demand for permitting and inspection services. This growth correlates with a shift in development trends, moving away from single-family dwellings (SFD) and residential improvements toward more complex multi-unit cottage clusters and commercial apartment buildings. These more complex multi-unit commercial projects require additional levels of permit processing; greater coordination of permits within public works, building, planning and engineering; additional plan review time; and often a higher-touch level of support from city and contracted professionals to provide critical information to applicants and developers and help them stay in compliance with state regulations, building and municipal codes and to complete projects in a reasonable time frame. The Building Division has rigorous standards for response times (e.g., inspections within 1 business day of request, 10 working days for residential plan review), and maintaining these standards has been a high priority for the team.

To meet these evolving demands, the Building Division has relied on Intergovernmental Agreements (IGAs) and third-party contracts, incurring a total cost of **\$722,560 since FY 2020**. These external services have been essential in maintaining compliance with jurisdictional authority guidelines.

Looking forward, staff do not expect a slow down in the near term in this demand for the next seven years given local market trends, the growing popularity of Milwaukie, economic development patterns, and policy direction from the state that may make more building types permissible. Capitalizing on the sustained momentum of the last 7 years will increase the city's appeal to investors, commitment to affordable development, and vitality. Maintaining development appeal by providing easy access to building will be a key part of long-term growth. Advancing the Council's goals of economic development and affordability will by necessity require more development of residential and commercial units, and all of this will have a workload impact on the Building Division.

Strategic Adjustments and Recruitment Challenges

The demand for building services has remained consistently high, requiring the city to rely on contract services and IGAs for the past several years. To optimize service delivery and cost efficiency, the city has secured more flexible, inclusive, and cost-effective third-party contracts for plan review and inspection services. Additionally, efforts are underway to extend existing IGAs with multiple neighboring jurisdictions to further enhance service capacity while maintaining fiscal responsibility.

To improve operational efficiency, the city established a permit coordinator position in late 2024, adding one FTE to the Building Division. This role has been instrumental in managing complex commercial permitting, streamlining reporting and procedural workflows, and enhancing customer service. The permit coordinator has also increased accessibility to both the Building Division and the broader Community Development Department for stakeholders and the public.

Despite significant marketing and recruitment efforts at both state and national levels, the city has faced ongoing challenges in hiring qualified inspectors and plans examiners due to industry-wide shortages. To address this, the building official and human resources director are working on creative ways to attract and retain qualified candidates. In the meantime, the city continues to adapt to increasing demand while maintaining efficient and high-quality service delivery by strategically leveraging contract services, IGAs, and internal staffing enhancements.

Projected Staffing and Resource Needs

At the fall 2024 Budget Committee meeting, a committee member asked what in-house resources would be adequate to fully replace any reliance on external contracts or IGAs. Moving to a more self-sufficient model would require increasing capacity internally to support inspections, plans examination, permit issuance, administrative work, and resourcing to train existing staff.

As development activity continues to grow, the City of Milwaukie faces a decision regarding whether to internalize essential permitting and inspection functions, potentially reducing long-term reliance on external contracts, or continue to lean heavily on this external support to maintain compliance with jurisdictional requirements. This will be explored further with Council and the Budget Committee over the next year as we look ahead to the next biennium budget.

BUDGET IMPACT

The FY 2025 budgetary surplus in the building fund as of 2/28/25 stands at \$439,516 dollars, meaning we have brought in that much more revenue than forecasted. Current IGA and contract expenditures for FY 2024-2025 are \$241,536 out of \$630,000 budgeted for the fiscal year.

CLIMATE IMPACT

None.

EQUITY IMPACT

None.

WORKLOAD IMPACT

The Building Division has seen steadily increasing workload as development has increased in the city. As described in the analysis section, the city needs to explore whether to add additional resources to the division for more in-house management of this increased workload or whether to continue expanding usage of external contracts and IGAs.

COORDINATION, CONCURRENCE, OR DISSENT

The Building Division coordinates regularly with all of Community Development, Public Works, Natural Resource, and the entire city.

STAFF RECOMMENDATION

Receive the report, ask questions of Building Division staff, and share topics of interest for future presentations.

ALTERNATIVES

None.

ATTACHMENTS

None.

**WS 2. 4/1/25
Presentation**

BUILDING DIVISION GROWTH

Seven Years of Plans
Examining and
Inspections



BUILDING DIVISION STAFFING

- **Fiscal Year (FY) 2017-2018:** The Building Division operated with 3 full-time equivalent (FTE) City of Milwaukie employees and utilized contract and IGA services on an as-needed basis, the equivalent of an additional approximately 0.5 FTE.
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- **FY 2024-25:** The Building Division requested a fifth regular FTE position through a budget adjustment to help complete more work in-house and offset costs on external contracts and IGAs, which was approved. The city is actively trying to recruit for this position.



SUSTAINED GROWTH IN PERMITTING & INSPECTIONS

- Over the past five years, the City of Milwaukie has experienced a continuous increase in demand for permitting and inspection services.
- This growth correlates with a shift in development trends – movement from single-family dwellings towards multi-unit commercial apartments.
- Commercial projects generate more revenue and require a higher level of expertise. Including additional permit processing time, inspections performed, and plan review detail.
- Building Division response times for residential plan review is 10 business days. Residential inspections are to be performed within one business day of request (per ORS and OAR).



FISCAL YEAR PERMITS ISSUED & INSPECTIONS

Fiscal Year	Permits Issued	Inspections	
2014-2015	785	1,588	
2015-2016	1,256	2,399	
2016-2017	1,396	3,096	
2017-2018	1,523	2,851	Added residential plans examiner/ inspector.
2018-2019	1,646	4,443	Added permit technician and started utilizing third party services. Construction started on Milwaukie High School and NW Housing Alternative
2019-2020	1,414	4,452	Construction started on Ledding Library. Milwaukie High School and NW Housing Alternative complete.
2020-2021	1,403	4,065	Construction started on Axletree Apartments. Ledding Library complete.
2021-2022	1,792	4,695	Construction started on Seven Acres and Henley Place Apartments. Axletree Apartments complete.
2022-2023	1,432	3,097	Construction started on Bonaventure Assisted Living.
2023-2024	1,479	3,956	Construction started on Hillside redevelopment. Seven Acres and Henley Place Apartments complete. Added permit coordinator position.



BUILDING FUND FIVE YEAR REVIEW

REVENUE	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
REVENUE TOTAL	1,064,034.12	1,929,854.30	2,041,398.25	1,527,936.35	1,345,201.48
EXPENSE TOTAL	791,798.53	1,027,776.55	949,767.92	1,135,662.22	903,868.06
SURPLUS	272,235.59	902,077.75	1,091,630.33	392,274.13	441,333.42
BEGINNING BALANCE	2,294,801.92	2,567,037.51	3,469,115.26	4,560,745.59	4,953,019.72
ENDING BALANCE	2,567,037.51	3,469,115.26	4,560,745.59	4,953,019.72	5,394,353.14

