

January 8, 2025

Board of Directors
North Clackamas Parks and Recreation District (NCPRD)
150 Beaver Creek Road
Oregon City, OR 97045

Dear NCPRD Board of Directors,

First off, our hearty congratulations to the newly sworn in Chair Roberts and Commissioner Fireside! We at the City of Milwaukie look forward to working closely with you and the full Commission in the years ahead.

Thank you for the letter provided by County Counsel Vetto and Munns on November 7, 2024 (attached), in response to our latest correspondence about Milwaukie Bay Park. We appreciate the response as we endeavor to seek a solution that restarts progress on Phase III of park development.

There are several statements in County Counsel's response that we disagree with and would appreciate the chance to discuss further in a face-to-face meeting. We are encouraged, however, that the letter implies that members of the District Board would meet with the Mayor and other city representatives now that oral argument at the Court of Appeals has concluded.

As we have routinely stated, the city would very much like to return to the table to clear up some misunderstandings that have emerged during this communication "pause" and to make forward progress on this project, which is widely supported and into which both of our agencies have already invested considerable time and resources. The last formal negotiation proposal we received from the County was a draft of a new master IGA in May 2022. This draft was delivered despite the master IGA not coming up in the months of negotiations prior to that and removed any reference to the withdrawal process currently under review by the Court of Appeals. It remains the city's position that we should not negotiate a new master IGA until the validation petition process is completed.

The city is willing, however, to renegotiate a new Milwaukie Bay Park-specific IGA that details the logistical and financial commitments and responsibilities of both parties so the project can restart. This project is a significant priority for our Council and community, and we therefore suggest returning to the negotiating table to discuss at least the following parameters:

- Which party should manage and lead the remaining planning work and project construction, including those responsibilities potentially transferring to the City of Milwaukie



CITY OF MILWAUKIE

- Project financing, including whether the city should be responsible for identifying more capital dollars in return for guarantees on SDC allocations to the project.
- Assurances regarding District resident access, programming rights, and asset capitalization that would make the Board comfortable proceeding with the project.

We are hopeful that with new leadership on the Board, we may be able to work through this stalemate and make progress that is in the best interest of all district residents. We look forward to hearing from you.

Sincerely,

Lisa M. Batey
Mayor

Robert Massey
Council President



OFFICE OF COUNTY COUNSEL

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November 7, 2024

Via email to: gerickej@milwaukieoregon.gov

Mr. Justin Gericke
City Attorney
City of Milwaukie
10722 SE Main St.
Milwaukie, OR 97222

Re: Response to Letter of October 24, 2024

Dear Mr. Gericke:

This office has been asked to provide the City of Milwaukie a response to the October 24, 2024, letter sent by Mayor Batey and Council President Massey to the NCPRD Board of Directors. The District appreciates the outreach from the City on the important issue of Phase III improvements to Milwaukie Bay Park.

The City's letter states that "the validation petition currently under consideration by the Court of Appeals is not related to the Milwaukie Bay Park project." While City's letter attempts to separate Phase III work from the City's litigation against the District, however, unfortunately the two issues are inseparable.

The District cannot agree to any financial investment in Phase III construction when it is unsettled as to how Milwaukie can withdraw from the District. This question is not theoretical; Milwaukie has long indicated that it may leave the District, and filed the pending litigation solely for a legal determination that any withdrawal would be pursuant to a statutory framework that negatively impacts District resources and finances. The financial impact of how Milwaukie withdraws necessarily informs any investment the District can make for Phase III of Milwaukie Bay Park. This impact will not be determined until either the Court of Appeals issues its decision, or Milwaukie withdraws its pending appeal.

In addition to the conclusion of the pending litigation, revisions to the Cooperative IGA between the parties are also necessary. We note that in 2022 the District offered to enter in an amended IGA with the City that left the statutory basis for withdrawal silent, but the

City refused to agree to this provision. There are a number of issues that will need to be addressed for the parties to have an updated and equitable working agreement. We assume your position remains the same with respect to our proposed amended IGA, and that you are proceeding with your appeal which is set for oral argument on December 5, 2024. If the City's position has changed on these issues, please let us know. In the meantime, the District looks forward to, meeting with the Mayor and other city representatives and listening to any proposals they may have after the Court of Appeals hearing in December.

Sincerely,



Jane E. Vetto
County Counsel



Jeffrey D. Munns
Assistant County Counsel