



TYPE III LAND USE REVIEW – NONCONFORMING USE ALTERATION  
10400 SE Main Street | Milwaukie, OR 97222

11 January 2013

**Required land use application forms and fees**

*Application for Land Use Action* signed by applicant

*Submittal Requirements* signed by applicant

Land Use Type III Application fee of \$2000

**Proof of ownership or eligibility to initiate application**

See attached *Application for Land Use Action* from current property owner.

**Detailed and comprehensive description of proposed use**

The site is currently owned and occupied by a financial institution, which is a legal nonconforming use in the Downtown Residential zone. The proposed nonconforming use is a specialty veterinary surgery and oncology clinic. This new use will be non-detrimental to the surrounding properties.

Veterinary Cancer and Surgery Specialists intends to build a comprehensive veterinary oncology center to provide medical, surgical, and radiation oncology consultations and services to the regional pet owning population. Their clients (pet owners) and patients (dogs and cats) come from all over the Pacific Northwest for specialized care. Their goal is to provide state of the art compassionate care to patients and their owners. This boutique oncology and surgery practice will surpass the care provided by any competing specialty clinic.

Veterinary Cancer and Surgery Specialists is excited to become a part of the Milwaukie community and will integrate well with the downtown environment. The Milwaukie site is especially desirable to this veterinary clinic which specializes in the treatment of pets with cancer and other conditions requiring complex or specialized surgeries. With its wide draw of clientele, ease of highway access to this property makes it an ideal location. The existing shops and restaurants in the neighborhood will also provide desirable services to the clinic's staff and clientele, including opportunities for convenience shopping and dining. In addition, specialty veterinary practices provide family wage salaries to members of the community.

The doctors were immediately drawn to the natural features of the property with its existing trees and nearby "water quality resource area". The proximity of the adjacent pond enhances their vision to provide a tranquil outdoor space for stress relief to their clients and staff. This resource provides an excellent opportunity to create a meditative garden for clients to wait while patients are having surgery or chemo or radiation therapy, and offers a serene environment for pet owners who may be dealing with end of life treatment for their pets.

Veterinary Cancer and Surgery Specialists plans to convert the existing building to fit their program. Since they will provide radiation treatment care to their patients, this highly specialized space will most likely result in a building addition. As with human care, the radiation unit will be held to strict shielding requirements to ensure containment of radiation and prevent any impact on the surrounding environment. This building modification will require an additional Type III review which will be addressed at a later date. Other exterior building alterations that may be addressed in the future review could include a more inviting and friendly site entry sequence, upgrades to the building facades, as well as integration of additional site features and landscaping.

As a care center where patients receive chemotherapy and other cancer care, it is imperative that the facility be kept both clean and sanitary. There will be a small enclosed and controlled outdoor area where dogs can visit for short periods of time, and only under the supervised care of a staff member. This specialty referral veterinary facility will be open during typical business hours Monday-Saturday. There will be no overnight patient accommodation provided. Given the number of patients seen during the course of a typical day, existing traffic patterns will see limited impact.

This warm and welcoming facility will integrate nicely into the existing neighborhood as well as the planned vibrant downtown residential setting. In fact, veterinary hospitals and clinics are commonly sited in or near residential and planned community settings. Studies show that the majority of pet owners view their pets as members of the family therefore the ability to seek care close to residential areas is important.

With Oregon ranking as the 3rd highest pet-owning population in the U.S., demand for primary care veterinary clinics and veterinary specialists is high. Oregon is a premiere location for pet care and downtown Milwaukie would be an ideal central location for this unique state of the art facility.

Dr. Kim Freeman graduated from the University of Pennsylvania with a BA in 1994. She earned her veterinary medical degree from the University of Tennessee, Knoxville in 1999. Dr. Freeman completed a one year internship in small animal medicine and surgery in 2000 at the Atlantic Veterinary College in Prince Edward Island, Canada. Dr. Freeman completed a three year residency training program at Gulf Coast Veterinary Specialists in Houston, TX in 2003 and became a board certified veterinary oncologist through the American College of Veterinary Internal Medicine that same year. She moved to Portland in 2003 to work as a staff veterinary oncologist at Northwest Veterinary Specialists. In 2009, Dr. Freeman opened her own practice, the Veterinary Cancer Referral Center, LLC. Due to an increase in caseload and practice success, she hired an associate veterinary oncologist in 2012. Dr. Freeman is published in several veterinary medical journals, an active member of the Portland veterinary medical community, has served on the Portland Veterinary Medical Association executive board, and provides continuing education lectures both locally and regionally. She is also an avid hiker, skier, Ultimate Frisbee player, occasional surfer, and cherishes spending time with her husband, two dogs and cat.

Dr. John Wooldridge graduated from the University of British Columbia with a BSc in Zoology/Physiology in 1987, before graduating from the University of Prince Edward Island with a Doctor of Veterinary Medicine degree in 1993. He completed an internship in small animal medicine and surgery at The Animal Medical Center in New York City in 1994, and then a residency in small animal surgery at the University of California, Davis in 1998, before becoming board-certified as a specialist in small animal surgery by the American College of Veterinary Surgeons. Dr. Wooldridge was employed for almost ten years as a staff surgeon at Northwest Veterinary Specialists in Clackamas, before founding his current practice, Veterinary Surgery & Orthopedics, LLC, in Milwaukie, in 2009. With the growth of this practice, expansion and partnership with Dr. Freeman has been planned.

#### **Applicable and specific approval criteria and development standards**

Base zone standards: The site is currently zoned Downtown Residential (DR). The Downtown Residential Zone was established to increase housing opportunities in close proximity to downtown shopping, transit, and open space opportunities. In order to meet the development requirements of the DR zone the property would need to include 24 apartment or condominium units located close to and oriented to the public sidewalk. The existing building does not meet the requirement for the DR zone and therefore would be suitable only for another nonconforming use. See attached Clackamas Federal Credit Union document for additional information.

Overlay zone standards: There are no overlay zones on the property.

Supplementary development regulations: There is a small portion of the site (SE corner) which contains a Water Quality Resource area (WQR). If development occurs within the WQR, it will be to enhance the natural setting and bring it closer to its intended state. The vet clinic envisions a meditation garden which could integrate well with this natural setting. If development occurs, all changes will adhere to City requirements. A construction management plan will be submitted as required.

Off-street parking and loading requirements: Chapter 19.605.1 requires parking for commercial services to be provided at a rate of 3.9 spaces per 1,000 SF of floor area minimum and 4.9 spaces per 1,000 SF maximum. The parking area spacing and aisles will comply with 19.606.1. Landscaping on site will provide a minimum of 4'-0" of landscape along the right-of-way and a landscape buffer between the site and the neighboring properties. Trees will be planted at no more than 40'-0" spacing and site landscaping will be equal to 25 SF for each parking stall minimum. Pedestrian access and site lighting will be provided in compliance with 19.606.3.

Public facility standards and requirements: Chapter 19.700 ensures redevelopments provide public facilities in rough proportion to their public facility impacts. We believe the minor modifications to this existing structure will not change, or perhaps may even decrease the intensity of use on the site. We also expect the change in use to decrease the number of vehicle trips from the prior use.

**Site plan**

A site plan of the property is attached.

**Pre-application conference report**

A copy of the valid *Pre-Application Conference Report* (ID# 12-018PA) is attached.

January 11, 2013

City of Milwaukie  
6101 SE Johnson Creek Blvd  
Milwaukie, Oregon 97206

Re: Location on 10400 Southeast Main Street, Milwaukie, Oregon

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## MILWAUKIE BRANCH UNPROFITABLE

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Clackamas Federal Credit Union has operated a branch at 10400 Southeast Main Street in downtown Milwaukie since 1999. In recent years, thanks in large part to the slow recovery from recession and the low interest rates that have accompanied it, the branch has become increasingly unprofitable. Unfortunately, the downtown Milwaukie market has not been able to generate the loans needed to maintain profitability. Loan balances at the Main Street location have fallen 8% per year since 2010, while the rest of the credit union has seen 2% growth.

As a result of falling loan balances and interest rates, rising expenses, and the relatively low potential of the downtown Milwaukie market, Clackamas made the difficult decision in 2012 to close the branch and sell the property.

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## FINANCIAL INSTITUTIONS NATIONWIDE ARE CLOSING BRANCHES

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Since 1997, the number of financial institutions (banks and credit unions) has fallen 36% nationwide, from 22,574 to 14,446.<sup>1</sup> In the wake of this consolidation, the number of branches initially increased, as the average bank has grown from 8 branches to 13. However, since 2009, with the recession, financial institutions are now closing their branches more frequently. The number of branches for banks and credit unions nationwide has dropped from 119,625 in June 2011 to 118,745 in June 2012, a 1% decline.

With the retail financial industry no longer expanding physical branch locations, Clackamas will have difficulty finding a financial institution willing to purchase the Main Street property at a reasonable price.

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<sup>1</sup> Source: FDIC Quarterly Bank Profile and U.S. Credit Union Profile, September 2012

## PROPERTY UNSUITABLE FOR RESIDENTIAL USE

The building at this location was designed for and has always been used as a financial institution since it was built in the early 1980's, including drive up and concrete vault room. To meet the current Downtown Zone development standard for this site (19.304.4) the new owner would have to tear down the existing building and start anew, because the new standard requires a residential density of a minimum of 10-30 units per acre.

The design, lot placement, and infrastructure of the current building are not adequate to meet those new requirements. Spending the money to redesign and upgrade to meet those new density criteria would be very cost prohibitive. Unless all the adjacent properties were also for sale and a major developer could absorb all those costs in a single downtown redevelopment, it is unlikely that type of upgrade would happen on just our small parcel.