



# MILWAUKIE

*Dogwood City of the West*

**To:** Kenny Asher, Community Development and Public Works Director  
Katie Mangle, Planning Director

**From:** Ryan Marquardt, Associate Planner

**Date:** February 25, 2011

**Subject:** History of Planning in Central Milwaukie

The purpose of this memo is to provide an overview of historical and current plans for Central Milwaukie. This memo includes a brief history of the development of these plans and highlights key dates and policy decisions.

## CENTRAL MILWAUKIE AREA

The central Milwaukie area is roughly defined as the area east and north of Highway 224, south of Balfour Street, and west of 37th Avenue. Highway 224 forms a definitive boundary to the south and west side of the area, while its northern and eastern boundaries are more nebulous. See figure at right.

In contrast to downtown Milwaukie, central Milwaukie is not a cohesive or easily identifiable geographic area. Properties or development within central Milwaukie, such as the Milwaukie Providence Hospital or the Milwaukie Market Place, are more likely to be identifiable than the area itself.

The area is characterized by diverse land uses including single family dwellings, apartment buildings, medical services, commercial uses, and sizeable areas of vacant land. Appendix A describes the current land uses and property ownership in the area.



## BACKGROUND

There is little information available regarding the pre-World War II history of the central Milwaukie area. Sanborn Fire Insurance maps from 1928 show the area as sparsely developed, with most structures identified as dwellings. Notable non-residential uses include a grocery store and repair garage on Harrison Street, a tool manufacturing company on 32nd Avenue, and the McFarland creosote plant. Most subdivision plats of this area date from the late 1910s to early 1920s. Notable historic land use patterns in this area include a commercial node at 32nd Avenue and Harrison Street, and a commercial corridor extending north on 32nd Avenue. The area west of the railroad tracks and north of Harrison Street was the site of a large scale industrial use, which was likely constructed sometime after 1930. The railroad tracks running northwest to southeast have been present in this area since the early 1900s.

The major development events for the central Milwaukie area are summarized below:

- **1942:** Approximately 100 housing units are built at Hillside Park site. The units were built to house military or families of the wartime workforce.
- **1968:** Dwyer Memorial Hospital (currently Milwaukie Providence Hospital) opens.
- **1969:** The Milwaukie Expressway (Highway 224) opens. Crossings were added for Harrison, Monroe and Oak Street. Penzance Street and Myrtle Street became dead end streets on both sides of the highway.
- **1970:** The Clackamas County Housing Authority opens Hillside Manor, a 9-story apartment complex, within the existing Hillside Park property.
- **1989:** Milwaukie Market Place is constructed. The first phase of development creates approximately 196,000 square feet of retail space. Later phases ending in 1998 brought the total to over 200,000 square feet of floor area. The development occupies 20.5 acres.

The site of the development was mostly farmland. The City of Milwaukie moved its public works facility, which had been located at the southeast corner of Oak Street and Campbell Street for several decades, to create room for the development.

The Murphy Plywood company abandons its industrial use of the site near 32nd Avenue and Harrison Street around this time as well.

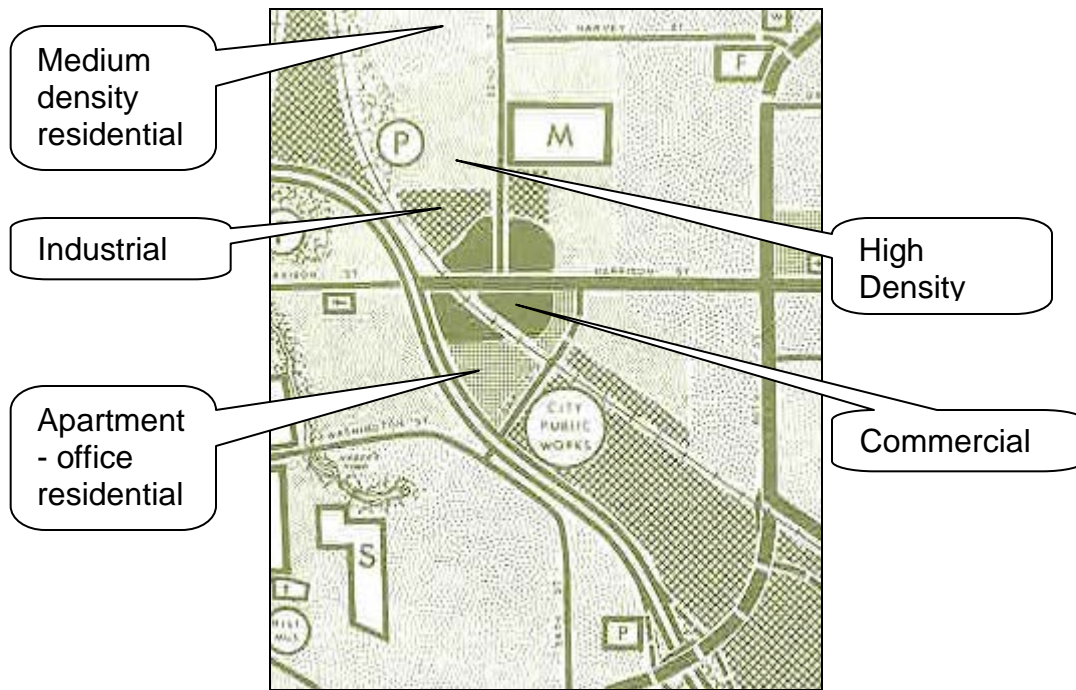
- **1993:** City of Milwaukie constructs its Public Safety Building at the southeast corner of 32nd Ave and Harrison St, occupying 2.9 acres. The prior land use on the site was an Albertson's grocery store. The structure had been vacant, presumably due to Albertson's relocating to the Milwaukie Market Place, for a few years before the construction of the Public Safety Building.
- **2006:** The Oak Street Square development, comprising approximately 2 acres, opens at the northwest corner of Highway 224 and Oak Street. Approximately 11 homes and 5 multifamily apartment structures were demolished to clear the site for development.

## **CENTRAL MILWAUKIE PLANNING**

Because central Milwaukie is not a well-defined geographic area, there have not been planning efforts specifically directed at the area. This stands in distinction to downtown Milwaukie, which has been the topic of several specific studies and plans in the past. The planning for central Milwaukie has instead been done within the context of the City Comprehensive Plan and the Town Center Master Plan in 1997. These plans as they pertain to central Milwaukie are described below.

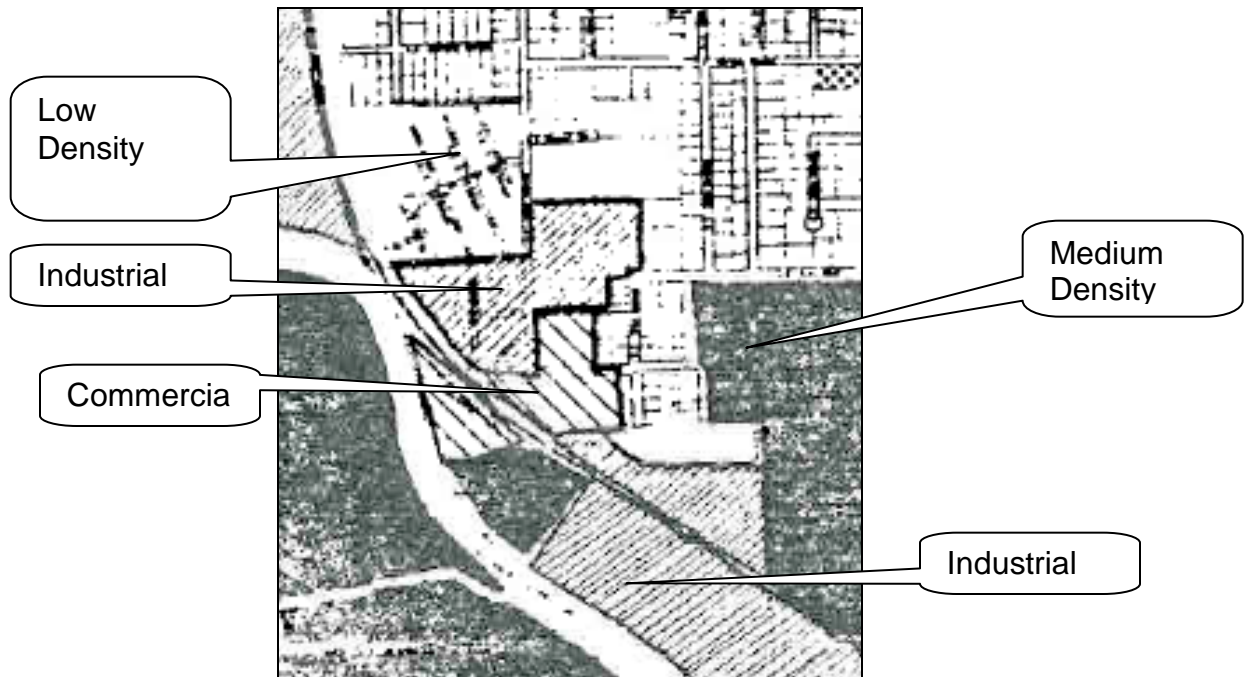
### **Timeline of Studies and Plans**

- **1969 Comprehensive Plan:** This is the earliest master planning document on file for Milwaukie. The text of the plan does not have specific recommendations for the central Milwaukie area. The map that accompanies the plan lays out the land uses envisioned for Milwaukie. The central Milwaukie area is shown below.



The map in this plan appears to be a mixture of envisioned future projects and land uses as well as a reflection of existing conditions. The diversity of land uses types within the relatively small central Milwaukie area is a striking aspect of this plan.

- **1979 Comprehensive Plan**

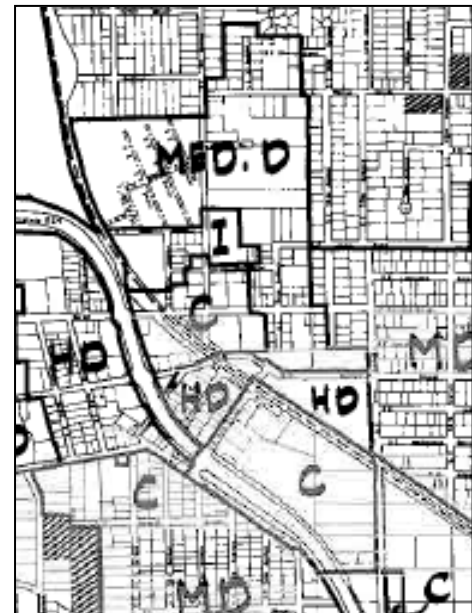


This Comprehensive Plan did not change significantly from the 1969 plan with regard to the land uses for central Milwaukie. Key provisions of the plan with regard to various land use designations are:

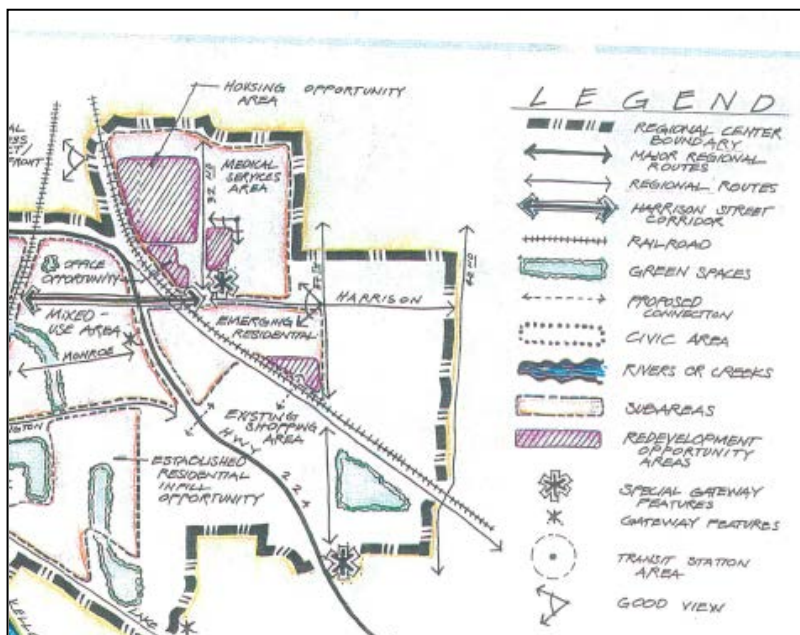
- Industrial – new industrial uses are encouraged to locate in the three major existing industrial areas. The industrial site at 32nd and Harrison is not identified as one of the areas appropriate for new industrial uses. The plan does not take a position on protection or continued existence of the industrial use in the area.

- Commercial – the commercial area on 32nd Avenue is identified as a commercial district center (two others identified in the plan were downtown and the King Road/42nd Avenue area). The plan states that the 32nd Avenue area “...contains a mix of commercial, residential, and industrial uses. It is the City’s intent to allow the zone to remain but not expand. Future improvements or changes in the area will ensure the adequate visual and sound buffering of adjacent residential areas; and conversion from residential to commercial uses are discouraged.”
- **1989:** The 1989 Comprehensive Plan contained one major change from the 1979 plan. The area on the north side of Highway 224 and east of Oak Street changed from Industrial to Commercial. This change had actually occurred in 1987 when Ordinance #1619 changed both the comprehensive plan and zoning designation of the site. The language of the plan regarding commercial areas was changed to add a “Community Center” category in the spectrum of commercial land use types. This designation is one step below a regional shopping center, such as Clackamas Town Center, and one step above a district center, such as the 42nd and King Road area. The Community Center Designation applies only to the Milwaukie Market Place site.

Another change in the 1989 plan is that light rail transit would come east from downtown on Washington Street and the go south along Highway 224. There was no significant change in polices for industrial lands.



- **Regional Center Master Plan (RCMP), 1997:** The City adopted the Regional Center Master Plan (RCMP) in 1997 to comply with Metro’s adoption of the Urban Growth Management Functional Plan (“Functional Plan”) in 1996. Milwaukie was designated a Regional Center during this process, and was required to prepare a plan to show how the city would meet the employment and household targets established by the Functional Plan. area.



The RCMP continued the course set by the 1989 Comprehensive Plan, the 1995 Milwaukie Vision Statement, and the City’s commitment to the Metro 2040 Concept Plan to plan for compact, mixed use development in the Regional Center area. The plan identified five major implementation items: Urban Design; Land Use; Infill and Redevelopment Opportunities; Economic Development Strategies; and Transportation.

The RCMP divided the regional center into 6 subareas. The central Milwaukie area considered for this summary

contains all of Subareas 2 and 4.

Large portions of the central Milwaukie area are identified as redevelopment opportunity areas. The Murphy site north of Harrison and east of the railroad line is identified as an office opportunity area, and the Hillside Park area is identified as a housing opportunity area. The McFarland site is identified as a redevelopment area, although the type of development is not specified on the diagram. There is a proposed connection between the McFarland site and the Milwaukie Marketplace.

Subarea 2 includes the Hillside Park site and Murphy Site. The total amount of job and housing growth planned by the RCMP for Subarea 2 is substantial. Employment was planned to increase from 49 existing jobs to 1,083 jobs. Much of the increase would have been accommodated in area 2-1 (Murphy site). The number of housing units was planned to increase from 265 dwelling units to 805 dwelling units. Most of this increase was planned for the Hillside Park site, which was scheduled to have 626 total housing units.

A rough development scheme for the Murphy Plywood site was included in the Subarea 2 section of the RCMP. This development scheme is predicated on the presence of a transit station or light rail stop at Harrison and Hwy 224. This scheme no longer appears to be valid since the proposed alignment for light rail is through downtown and not on Hwy 224.

Subarea 4 of the RCMP includes areas south of Harrison Street and north/east of Highway 224, including the vacant McFarland site (Subarea 4-1). This is the only part of Subarea 4 that was scheduled for population growth, with an addition of 210 dwelling units. The employment growth of 501 new jobs was assigned to the remaining subareas. The majority of this growth would have been the 433 jobs scheduled for Subarea 4-2. Employment growth was scheduled for the remaining Subarea 4-2 (bounded by Highway 224, Monroe Street, the railroad, and Oak Street) with an addition of 433 jobs.

- **Follow-Up Actions from the RCMP:** The RCMP was adopted by City Council in December 1997. The following summarizes actions following the adoption of the RCMP.
  - **Economic Development Assessment for Milwaukie Regional Center Study Area – E.V. Hovee & Company, August 1997:** This study was done to provide a more detailed market analysis and development of marketing strategies for the Regional Center areas. The areas analyzed were the traditional downtown core and the hospital area bounded by Harrison, the railroad, Balfour St, and 36<sup>th</sup> Ave. Page 7 of the report lists the employers located in the Hospital subarea. There were 14 employers with a total of 466 employees. Milwaukie Providence was by far the largest with 370 employees. Only 10 employees were part of the retail sector.

The study included two possible development scenarios. Both scenarios focused redevelopment on the Murphy site and on the properties on 32nd Avenue between Harrison Street and Lewellyn Street. One scenario included retail uses close to 32nd and office uses further off of 32nd Avenue. The other called for different level of mixed use development through the redevelopment area.

- **Adoption of the Mixed Use overlay zone, May 1998:** City Council adopted the Mixed Use (MU) overlay to codify the land use and urban design envisioned by the RCMP. The overlay applied to downtown and other subareas identified by the RCMP. The MU regulations applied to the McFarland site conform to the RCMP vision for the site. The MU regulations for the Murphy property also contain the RCMP vision for the site, but contain a significant exception. Representatives of the Murphy Company retained Hobson Johnson to do an economic assessment of the property during the adoption process of the RCMP. That study asserted that the costs to construct office space needed to accommodate the employment numbers assigned to the Murphy Site would not be profitable until 2017 at the earliest. The recommendation was to allow light industrial use to continue to be an allowed use at the site. This request has been

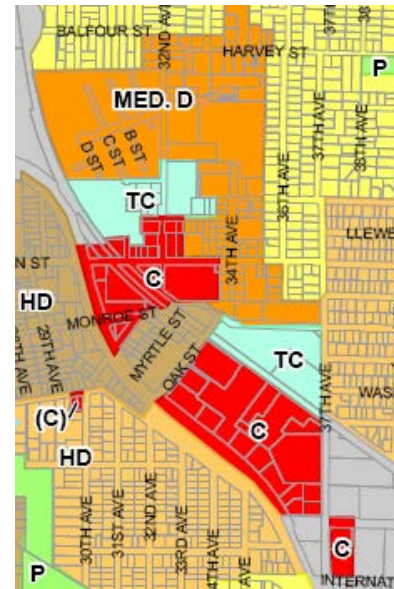
codified in the MU regulations and allows for Business Industrial zone use to be permitted on the Murphy site.

A final note regarding the RCMP process is that the 1998 Functional Plan Compliance report (FPCR) to Metro included a request to amend Milwaukie's Regional Center designation to a Town Center, and to adjust the number of job identified as the target employment capacity in 2017. The city asserted that Milwaukie is better able to meet the job and housing targets expected of a town center than a regional center. The Metro Council approved a resolution to re-designate the regional center to a town center in October 1999.

- **Transportation System Plan (2007):** The Transportation System Plan (TSP) is part of the Milwaukie Comprehensive Plan and governs the long term goals and policies related to Milwaukie's transportation. The TSP was updated in 2007, and includes several projects that affect the central Milwaukie area.
  - Highway 224 –most intersections along Highway 224 are projected to exceed capacity ratios within the next 20 years. The TSP identifies 3 potential alternatives to avoid this situation: (1) Make Highway 224 a 7 lane road, (2) Create a new interchange between Harrison Street and 37th Avenue, (3) Separate the grade of Highway 224 and local streets, either with an overpass or by lowering the grade of Highway 224. None of the alternatives is identified as a preferred alternative, though all of them would help alleviate the barrier that Highway 224 causes on the western edge of the central Milwaukie area.
  - 29th Avenue connection – the TSP proposes that 29th Avenue south of Balfour Street continue south and connect with Meek Street. This connection would provide an alternative to 32nd Avenue as a north/south route through the northern central Milwaukie area.
  - Intersection improvements – various improvements are proposed for the intersections along Highway 224 at Harrison Street, Oak Street, and 37th Avenue/International Way to increase the safety and ease of travel for all travel modes.
  - Railroad Quiet zone – the TSP proposes safety improvements to intersections within the central Milwaukie area that would eliminate the need for trains to sound their horn along that section of track. These safety improvements have already been installed at the Oak Street crossing, and improvements at Harrison Street and 37th Avenue are part of the 2010-2014 Capital Improvement Plan.
- **Recent community outreach:** The city has conducted projects that have not resulted in the adoption of a plan, but have given a chance for residents to voice their thoughts about areas within central Milwaukie. A 1998 community infill development survey generated comments from the Ardenwald NDA that mixed use development was acceptable on sites like the McFarland and Murphy sites, as well as along 32nd Avenue, with a preference for businesses that provide services for residents along 32nd Avenue. The Hector Campbell NDA also expressed that mixed use development would be suitable for the McFarland site, and that a park would also be a desirable use on the site.

In 2008, the city and Housing Authority of Clackamas County began a project to plan for the Murphy site and surrounding area, including redevelopment of Hillside Park. A group of Ardenwald NDA leaders and a limited number of residents participated in the early part of the project. They were generally supportive of mixed use redevelopment, but were concerned about increasing the number of low income housing units. The city and housing authority did not proceed with the project due to these concerns and a lack of support from the NDA for redevelopment at Hillside Park.

- **Current Comprehensive Plan:** The current Comprehensive Plan for the central Milwaukie area maintains a mixture of medium density residential, commercial, and mixed use town center areas. It is notable that the area near 32nd Avenue no longer contains an industrial land use designation. Outside of downtown, the Comprehensive Plan designates central Milwaukie as the area of the highest intensity land uses within the city. The goals and policies in the plan maintain Milwaukie Marketplace's designation as the primary community shopping center in the city. The town center designations maintain the policy that town center areas are appropriate for mixed use development as described in the RCMP.



## CURRENT ZONING

The base zones within central Milwaukie include: Residential zone R7; Residential zone R3; Residential zone R2; Residential zone R1; Residential Office Commercial zone with a Mixed Use overlay; Commercial general; and Commercial – Community Shopping Center.

The ROC / Mixed Use overlay zone and the CCS zone are unique to the central Milwaukie area, and not found elsewhere within the city. The other zones in the central Milwaukie area are traditional Euclidean use zones that prescribe the uses that can locate in each zone and generally aim to keep different land uses separated. These zones have not resulted in development benefits or hindrances different from other similarly zoned areas in the city.

The CCS zone appears to have been a situation where a proposed development was the impetus for the legislative amendments that created the zone. Current planning staff has little practice in implementing this section of code because the site is built out and no modifications have been proposed for the buildings at the site, most of which are relatively new. The review of development in the CCS zone appears well suited to large scale development and may prove to be process-heavy for small scale incremental changes.

The ROC/ MU zoning is a direct result of the planning from the RCMP, and applies only to the Murphy site and McFarland site. The zoning in effect for these sites is very prescriptive in that proposed development must conform to the RCMP. The combination of zones and the interrelatedness to the RCMP makes the zoning applicable to these sites the most perplexing within the zoning code. The zoning appears to require that the jobs, housing, and general development on the site should match what is described in the RCMP. The zoning is essentially an “all or nothing” scenario where a developed can construct the basic development program envisioned by the RCMP for the site or construct nothing at all. The Planning Department has had many conversations over the past 5 year with developers interested in the sites. However, the lack of an actual development proposal for either site leads staff to believe that the zoning prescribes uses and development that is not consistent with uses and development that can be profitably constructed at either site.

The regulatory specifics of how a use allowed by the Business Industrial (BI) zone could locate on the Murphy are not clear. The wording of the code that applies to the Murphy site is clear that BI zone uses are allowed. However, development on the site is also subject to Mixed Use overlay review that requires development to comply with the Regional (Town) Center Master Plan. It is likely that BI uses may not meet the general intent of the RCMP, and it is unclear whether this loophole exempts the site from compliance with the RCMP entirely or not.

Two properties in the area (3235 SE Harrison and 10399 SE 34th) are designated as Significant Historic Resources and have that overlay zone applied to them. 3235 SE Harrison Street is a

single family dwelling constructed in 1888 and occupied by William Schindler, Milwaukie's first mayor. The property also used to contain an exceptionally large and old dogwood tree that significantly contributed to Milwaukie being referred to as the dogwood city. 10399 SE 34th Avenue is a single family dwelling built in 1912. The house was occupied by a prominent Portland and Milwaukie attorney, and the property was the site of Hector Campbell's residence.



## APPENDIX A Existing Conditions

The central Milwaukie area, defined in this memo, contains approximately 135 acres, including public right of way areas. The area contains 209 separate tax lot accounts. Data is from the 2010 Clackamas County Assessor's data.

**Table 1 – Land Uses by Property Assessor's Land Use Code**

<b>Assessor Property Code</b>	<b>Lots</b>	<b>Acres</b>	<b>% of Total Acres</b>
100 – Single Family Residential, Unimproved	11	1.34	1.18%
101 – Single Family Residential, Improved	110	25.33	22.16%
200 – Commercial, Unimproved	2	1.38	1.21%
201 – Commercial, Improved	57	45.74	40.01%
300 - Industrial, Unimproved	1	0.62	0.55%
301 - Industrial, Improved	12	7.63	6.68%
700 – Multifamily, Unimproved	4	7.88	6.90%
701 – Multifamily, Improved	11	24.30	21.26%
Other	1	0.06	0.06%
<b>TOTAL</b>	<b>209</b>	<b>114.32</b>	<b>100.00%</b>

For comparison, the assessor's data about the land use type is shown in Table 2. This data is also depicted in Figure 1.

**Table 2 – Land Uses by Property Assessor's Land Use Designation**

<b>Assessor Land Use Designation</b>	<b>Lots</b>	<b>Acres</b>	<b>% of Total Acres</b>
COM	57	45.74284	40.01%
IND	12	7.639823	6.68%
MFR	11	24.30576	21.26%
SFR	110	25.33593	22.16%
VAC	18	11.23616	9.83%
(blank)	1	0.068808	0.06%
Total	209	114.3293	100.00%

Data about the relative value of the assessed improvements compared to the assessed land value is shown in Table 3. This ratio is a rough indicator of the likelihood for redevelopment to occur. This data is depicted in Figure 2.

**Table 3 – Structure Value / Land Value Ratio, by Land Use Designation**

<b>Assessor Land Use Designation</b>	<b>Structure Value / Land Value &gt; 50%</b>	<b>Structure Value / Land Value &lt; 50%</b>	<b>Other / no data</b>	<b>Total</b>
COM	4	16	7	57
IND	2	10		12
MFR		1		11
SFR	53	8		110
VAC		17	1	18
(blank)			1	1
Total	59	52	9	209

The following table illustrates zoning (by acreage) within the area.

**Table 4 – Acres by Zoning Designation**

<b>ZONE</b>	<b>Acres</b>
BI	1.8576
CG	17.9231
CSC	21.1544
M	1.0952
R1	0.8323
R2	3.7750
R3	55.8770
R7	13.1947
ROC	19.5828

The following table shows the 20 property owners with the largest amounts of land in the central Milwaukie area.

**Table 5 – Owners of largest Amount of Property, by Acres, in Central Milwaukie**

<b>OWNER</b>	<b>ACRES</b>	<b>Notes</b>
HOUSING AUTHRTY CO CLACK	15.9478	Hillside Manor Public Housing
PROVIDENCE HEALTH SYSTEM-OREGON	15.1765	Milwaukie Providence Hospital
DOWNS ALICE M TRUSTEE	9.4381	~60% Milwaukie Marketplace
PK II MILWAUKIE MARKETPLACE LLC	6.0332	~30% Milwaukie Marketplace
MURPHY COMPANY	5.8936	Murphy Plywood site
L D MCFARLAND COMPANY LTD	4.7210	NW side of McFarland site
CITY OF MILWAUKIE	3.4738	Public Safety Building, Water well, Hector Campbell park
NOBLE PROPERTIES LLC	2.6653	Apartments north of McFarland site
MCFARLAND CASCADE POLE & LUMBER	2.5170	SE (contaminated) portion of McFarland site
LEE WAY W TRUSTEE	2.3941	Apartments north of Dwyer
SISTERS OF PROVIDENCE IN OR	2.0659	Portion of Milwaukie Providence (on 32 <sup>nd</sup> south of Dwyer)
OAK STREET SQUARE LLC	2.0655	Oak Street Square
GERBER KAREN E BAKER	1.8112	Historic residential property south of Milwaukie Providence
THE MURPHY CO	1.6049	Small lots east of Murphy Plywood site
COLUMBIACARE SERVICES INC	1.2588	Balfour Secure Res. Facility
HUSTED CHAMP A CO-TRUSTEE	1.2578	Milwaukie Bowl
MEDICAL BLDG INVESTORS	1.1380	Medical offices @ 224 & Monroe
PRINCETON PROPERTY MANAGEMENT	1.1180	Apartments on Harrison east of 34th
EXPRESSWAY RESTAURANTS	1.0897	McDonalds @ Milwaukie Marketplace

Figure 1 – Land Uses by Property Assessor’s Land Use Designation

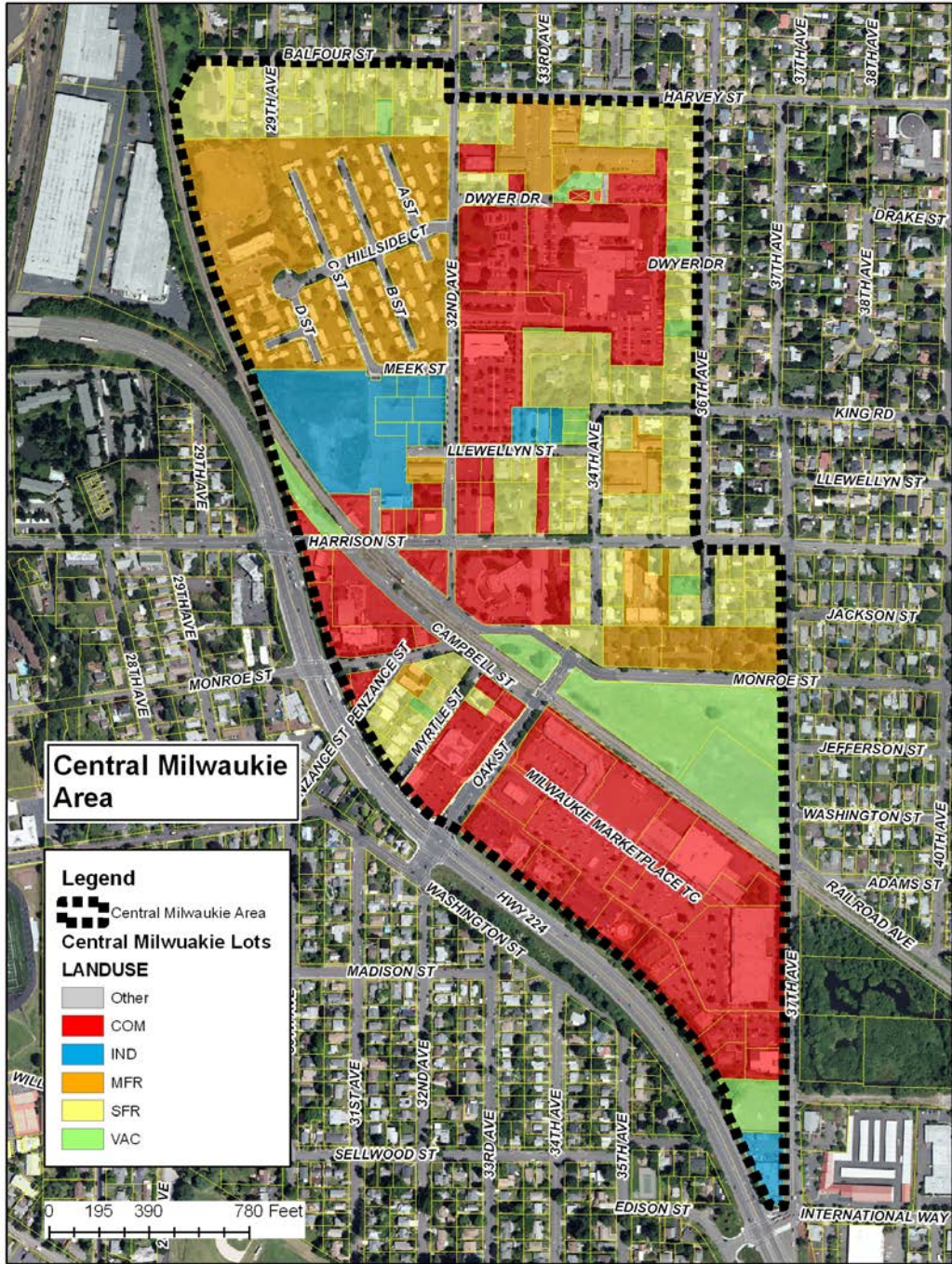


Figure 2 – Structure Value / Land Value Ratio

