

**RECOMMENDATIONS**

*To*

**The City of Milwaukie, Oregon**

*For*

**The South Downtown Project**

**June 28, 2010**

**Development Advisors Panel:**

**Jerry Johnson  
Johnson Reid LLC**

**Michael Mehaffy  
Structura Naturalis Inc.**

**Marilee Utter  
Citiventure Associates LLC**

June 28, 2010

Kenny Asher  
Development Director  
City of Milwaukie  
10722 SE Main Street  
Milwaukie, Oregon 97222

Dear Kenny,

RE: South Downtown Project: Development Advisors Recommendations


Thank you again for inviting us to review and make recommendations for your exciting project. Following is a report summarizing our recommendations.

If we can be of further assistance, please do not hesitate to let us know.

Sincerely,



Jerry Johnson  
Johnson Reid LLC



Michael Mehaffy  
Structura Naturalis Inc



Marilee Utter  
Citiventure Associates LLC

## Background

The City of Milwaukie is planning a major redevelopment project for its South Downtown area, adjacent to a station on the new light rail line that is expected to open in 2015. The City has engaged consultants to develop a pattern language and other planning documents for the site, and to carry the plan forward into implementation. As part of this process, the City invited a board of development advisors to tour the site, meet with stakeholders, meet with the City staff and consultants, review the materials to date, and engage in a discussion of implementation.



*Top: Aerial of the city in relation to Portland, with South Downtown site located at right of bridge.  
Bottom left: team tour on June 10, 2010. Bottom right: team meeting with city staff and consultants from Walker Macy landscape architects*

## **Recommendations of the advisors:**

### **General**

1. The “organic” and small-increment approach of the pattern language is indeed compatible with the economic opportunities we see presently in Milwaukie, and in the current market in general (more on this below). It is also well-suited to keeping and enhancing the small-town qualities that residents say they value.
2. We believe it will be critical to continue to identify and work closely with local businesses and cultural assets, to develop proposals for their increasing role in evolving projects. This approach has been aptly termed “economic gardening.”
3. We believe the South Downtown project should be seen as integral to a larger strategy for all of downtown; and in particular, to seek new businesses over time, and to enhance existing businesses, using a suite of tools such as storefront improvements, streetscape remodels, planting, etc. These can be funded with revolving loan funds, grants, and other public financing and funding mechanisms. Even modest initial investments can help to catalyze a significant revitalization over time.
4. Regarding parking, we recommend starting with on-street and tuck-under parking, and secondarily, unobtrusive surface parking lots.
5. Short of a major external funding source, we do not see the economic feasibility of structured parking until relatively late in the project. But we do recommend that a place be designated in your plan, centrally located, covered by liner buildings, and perhaps used as surface parking in the interim. We would caution against the present concept of the important gateway at Washington and McLaughlin presenting a parking garage as the front door to downtown.

### **Current economics**

6. In general, the commercial market in this area is highly limited by the relatively small number of residences in the catchment area. Most of the market we see is for office and residential. Opportunities for commercial are more encouraging for destination retail, outlet stores for manufacturing businesses (e.g. Dark Horse), small family businesses with low overhead (e.g. “shop houses,” live/works), Milwaukie commercial overall is quite over-built and the market is doubtful even for the time period of the light rail opening (e.g. 2015). Typical rents at present are in

- the range of \$12 triple net (i.e. renter pays taxes, insurance and maintenance costs). This is not likely to be sufficient to support even the most modest new construction project. Therefore, developers will have to attract higher rents, or find rent subsidies.
7. There may be more promising and short term opportunity for incubators of small businesses, particularly those that play on existing resources – e.g. creative businesses, small manufacturing, Internet businesses, etc. Some existing buildings may be the most affordable and should be promoted to full advantage with incentives.
  8. Phasing will be critical. Because the current downturn is expected to be protracted for commercial especially, phasing strategies should be employed for successional use of land, e.g. surface parking or temporary uses that can be developed later. Structured parking can also be considered for a later phase if economically feasible. But given the vision of the community for less intensive development, the limited market for commercial and the likelihood that required parking ratios will come down with the coming of light rail and other trends, we believe a centralized structured parking facility may not be warranted.

### **Potential catalysts**

9. If the Farmers' Market can be moved to this area, that would be a major asset for the project, and a strong complement to the vision expressed in the pattern language. (See e.g. the CES project in Fresno, California.)
10. There was some discussion of moving City Hall and/or the library. These could be very significant catalysts and anchors for a strong South Downtown development.
11. The station building should be thought through carefully. It will provide the opportunity for additional station-related activities, but will need to be planned to have better connection to the other side of the development. A joint facility with City Hall would be ideal. At the same time, station amenities would be very beneficial (coffee, newspapers, Bike rental/storage, possibly drop-off daycare, etc).
12. Dark Horse and other distinctive local businesses might be persuaded to have at least an outlet facility in the new area, so that it begins to have a distinctive local character and cultural interest.
13. We believe the waste treatment plant modification must be prioritized. In addition to the area liability posed by its current condition, a new plant offers promising opportunities for synergies from waste heat recovery and district energy, as well as adding area for open space and/or development.

## **Discussion of patterns and proposed adjustments**

14. The proposal for an “outer tier” of shops could still be implemented in the context of the Farmers’ Market, and associated small local vendors that are both temporary and permanent. This facility might begin as an inexpensive trellis-like structure, and gradually become more substantial over time. (Again, see the CES project in Fresno for reference.)
15. There may also be opportunities for live/works or “shop houses,” notably along the front edge of the project along Washington Street, and possibly at the light rail station.
16. The proposal for pedestrianization of the plaza area can be implemented through an incremental approach that allows cars into a “shared space” in a controlled way, varying at different times. Cars can be entirely removed at certain times, but we recommend that this be kept adjustable as conditions require. We believe this will be important to assure that businesses do not fail for lack of pedestrian density. (We also understand and support the desire to maintain mixed-mode connectivity in the area.)
17. The proposal for a pedestrian bridge across McLaughlin should be phased for a later stage, after study of the operation of at-grade crossings and a path along the new creek, under the proposed new vehicular bridge on McLaughlin. Overhead bridges are expensive and in many cases they have failed to get the expected use.
18. The connection from Lake Road to the south is a significant source of traffic for the downtown retail and should be accommodated carefully.

## **Urban design**

19. We understand the consultants’ suggestion that the plaza can be smaller, and might shift to the north to afford better views. In any case, we believe a close connection must be made to the light rail station – perhaps by re-aligning a diagonal pedestrian connection in the present area of SE Adams.
20. We suggest that the plaza and the buildings around it can be smaller grain and perhaps more irregular, more like what is shown in the armature drawing, to give greater charm and distinctiveness.
21. We recommend a strategy of creating a new code for the coordination of acts of building by separate owners. This code might function as a guide for laying out spaces, i.e. as a “generative” code or a similar set of design guidelines for new construction. Work is proceeding in this and related areas, and we recommend that the City investigate this opportunity further.

### **Architectural character**

22. We believe that the spirit of craftsmanship and individuality called for in the pattern language is feasible, but given economic limitations, will need to be interpreted in a simple and inexpensive way.
23. We believe the character of the existing blocks establishes an appealing precedent, using small buildings massed together. But as noted earlier, the needed economies of scale usually achieved by a single large owner will have to be secured by the City itself and the agencies it establishes, in the form of lower-cost utilities, infrastructure, group purchases, etc.
24. Regarding common structures like arcades, a code can specify how such a structure would continue across separate buildings and owners.
25. We recognize the concerns of the consultants regarding arcades in a relatively dark northern climate. But rather than expensive glass, simple pergolas, trellises or awnings might also be sufficient.

### **Implementation mechanisms**

26. We recommend that the City look at ways of setting up a development entity – perhaps a community development corporation or redevelopment agency. As noted, this will be essential for implementation, for coordination, and to achieve economies of scale that would otherwise be provided by larger owner/developers.
27. We recommend the City look carefully at innovative incentives such as a community land trust, shared equity programs, incentives (e.g. vouchers?), tax-exempt financing, low interest loans, etc. for small-scale developers, local residents and owners to become engaged.
28. A public investment by the City will likely be required at some level to realize the type of development the Steering Committee seeks. Determining the amount, source, timing, purpose and management of such an investment will be key in moving forward.
29. In any case, the scale of development should remain modest for the most part. Parcelization into smaller lots, appropriate coding, and use of community land trust funds can be helpful, particularly on publicly-owned land. At the same time, the City and its partners should also be mindful of opportunities for property owners that have larger pieces of land, so as to encourage a mix of scales of development.
30. We recommend that the City' new development entity consider establishing (or facilitating) a "master builder guild" to provide resources for owners and builders.
31. We recommend that resources be provided to support and enhance the design and building skills of owners, to become consistent with the

community's vision of craftsmanship and individuality. These might include pattern languages, pattern books, builder guides, sample plans, etc. These could be offered in a "resource center" format, in conjunction with the "master builder guild."

32. An ombudsman to help discuss financing options and public-private partnerships would also be helpful to user-owners without previous experience in development.



*Existing downtown fabric*

