

DATE: October 25, 2013

ECO Project #: 21485

TO: Li Alligood

FROM: Nick Popenuk

SUBJECT: MEETING MINUTES FROM OCTOBER 21, 2013, PAC MEETING

Notes from Moving Forward Milwaukie Project Advisory Meeting #2

Location: Milwaukie Public Safety Building

Date: October 21, 2013, 6:00-8:00pm

Attendees

Advisory Committee Members Present

- David Aschenbrenner
- Greg Hemer
- David Hedges
- Kim Keehner
- Larry Cole
- Neil Hankerson
- Sine Bone
- DJ Hefferman (Alternate)
- Dion Shepard
- Paul Lisac
- Brian Sims
- Sherry Grau
- Paul Klein
- Betty Fulmore
- Debby Patten
- Lisa Batey (Alternate)
- Rudy Kadlub

Advisory Committee Members Absent

- Lars Campbell

Community Members

- Jean Baker
- Ed Zumwalt
- Kacey Teel, Ardenwald NDA Alternate

City of Milwaukie

- Steve Butler – Community Development Director
- Li Alligood – Associate Planner/Project Manager
- Ryan Marquardt – Senior Planner

Consultant Team: ECONorthwest /Fregonese Associates

- Nick Popenuk
- John Fregonese
- Scott Fregonese
- Erin Haswell

PowerPoint presentation

The consultant team gave a presentation on the following topics:

- Tonight's Meeting Agenda
- Project Schedule
- Upcoming Work
- Advisory Committee Schedule
- Kickoff Meeting Results
- Freshlook Milwaukie Principles
- Goals and Priorities for Downtown

Refer to the PAC #2 PowerPoint Presentation for the complete presentation materials.

Housing Choices - Discussion

- David A: Didn't the attendees have more support for senior housing and affordable housing, if it was developed as part of a mix of housing types?
 - Scott F: This was consistent with feedback we received from kickoff event attendees: mixed-use and affordable housing is more desirable if it is mixed in with other housing types as part of a diverse and complete community, not just isolated in one location.
- Lisa: The North Main Village project was intended to have a mix of incomes, but it wound up being more and more affordable units. The project needed subsidized funding that came with the affordable housing units.

Visual Preference Survey (VPS) - Discussion

Image 1:

- Neil H: Do the results of the VPS correlate to the age demographics at all?
 - Nick: No. We did anonymous polling, so the results cannot tie back to demographics
- Lisa: This building may be more appropriate for some locations than others. On Main Street this would not be desirable, but on 21st, maybe so.

Image 2: Live-work units

- Greg H: Streetscape made a big difference. Lots of trees. People want a nice, livable environment

Kickoff Event - Discussion

- Greg: If so many people want restaurants, why don't people want food carts more strongly?

- John: Some people view them as competition with existing restaurants
- Larry: Can someone define food truck?
 - John: Three types of food carts: (1) mobile food trucks, (2) stationary carts, (3) stationary carts forming a large “pod.”
- David A: You mentioned 3 types of food carts, what about 4th type - the ‘NYC’ hotdog/pretzel stand?
 - Nick: Those types of carts typically operate in the public right of way (i.e., not paying rent for a specific location), so those types of hotdog stand carts are less applicable for opportunity site development concepts.
 - John: Food carts are not currently permitted in Milwaukie. Food trucks are, but are much more expensive.
- Dion: Affordable housing, senior affordable housing, could you clarify the difference between different kinds, subsidized, low income, is construction subsidized? How do rents differ between the types?
 - Nick: Affordable housing: looking at income level of the tenant. Construction is typically subsidized (tax credits, or abatement). However there are a number of different types of affordable housing, and our survey questions on the subject have not been specific.
 - Nick: What we’ve heard from the community is:
 - Housing Authority site, old WWII areas, low density, run down properties, not a lot of desire to have more of that.
 - North Main Village: mixed income, with some affordable housing units.
- Betty: Do we have any kind of regulations on affordable housing, renter/ownership, restriction high or low?
 - John: It is illegal in Oregon for codes to say anything about housing prices.
- Betty: We have parking requirement for housing units?
 - John: There are not parking requirements downtown, which is normal for cities in Oregon.
- Kim: North Main Project: cost of condos, people that bought in bailed out, property values went down, don’t want to see that happen again and that is part of the concern with affordable housing. Developer didn’t have complete funding, in order to complete funding, went out and sought out low-income tax credits, not what we want.
- Kim: Friend said that he saw inappropriate behavior on decks of building, and that was a ‘first impression’ of downtown. If that is what affordable housing draws into this community, not appropriate downtown.

Market Study Overview

Recap of Previous Results

- Lisa: Median household income is \$52,000 for Milwaukie vs. \$50,000 in the City of Portland. City of Portland and the State of Oregon as a whole are lower than Milwaukie. Census Quick Facts has a higher number for Milwaukie.
 - General comments: Push back on the Market Study finding that Milwaukie has relatively low incomes.
 - Nick: We will check in on the exact income figures and respond to you. Most likely it is just a discrepancy in the year of Census data being used. The most logical areas for comparison for Milwaukie are Clackamas County, and the larger Portland region. And Milwaukie does have lower incomes than both of those geographies. The City of Portland is not an ideal area for comparison, because it (like most central cities) has a higher population of very low income folks. The State of Oregon is not an ideal area for comparison, because it includes rural areas with lower costs of living.
- Dion: What do you consider to be the city of Milwaukie? She read article an article with higher than what we reported.
 - Nick/Scott: Census definition, does it match taxing blocks... very close to city limits

Industrial Market Trends: Downtown and Central Milwaukie vs. other market areas in the region

- Greg: How do owner occupied buildings affect the CoStar rental data? ...
 - Neil: As someone who owns several owner-occupied buildings, I suspect that those properties do not factor into the rental rate information.
 - Nick: if there is not a lease involved, then it won't show up in these numbers.

Market Study Discussion

- DJ: How much of a variance is there in the average rents, how tight is the distribution?
 - Nick: I believe that there is a rather wide spectrum, but I have not looked into the distribution of rents for each of these markets.
 - Li: Per the draft market study, there are two spaces with higher rents, Oak Street square (\$24 SF) and another small space downtown (\$30 SF)
- John: Another side to it to, a business that is really successful can afford to pay a lot more, an above average business can do an above average project
- Greg H: Even though we are on the low end of average rent, our vacancy rate is in the median. It is economically viable, why is there the lack of new development?
 - Nick: Lots of reasons: recession, lack of recent comparable projects in the community to prove viability, overly prescriptive downtown zoning code, etc.
 - John: \$14 a square foot, can't build a new building and rent

- Kim: What does that magic number look like for rental price per square foot?
 - Nick: What we heard from the developer roundtable was that \$25 per SF would not require a subsidy. But that's the opinion of a developer. Maybe it's really \$23, maybe less, but it's definitely not \$14. There is no magic number. It's a range.
- Betty: Do you have any idea about the Graham site? Is rent too high?
 - Nick: We had conversation with the property owners. They believe that the requirement to have only retail tenants is responsible for the vacancy in their building. They claim to have demand from other commercial tenants.

Opportunity Site Discussion

Texaco Site

Concerns

- Kim: Has that property been completely cleaned up? Cannot build restaurant if it has not been completely cleaned up?
 - Li: it has been remediated... Don't know about any specific constraints for a restaurant.
- Greg/Paul: Does the soil quality restrict height of the building? Can you dig down into that, can you put in supports?
 - Nick: We will follow up on this.

Use

- Betty: Whatever is built there has to be nice looking from all sides
- Paul: View from the building isn't nearly as important as the view of the building. Needs to have visual appeal.
- Ed: Milwaukie Bay is one of only four or five spots on the Willamette where you get a sunset, and that should make the site attractive for development.
- David A: I was a member of Olsen Point project, thought it was coming along very well. The consultant team should go back and take a look at that project.
- Debby: The site should be a public plaza, where people go to hang out. That won't displace the farmers market. Make it a beautiful space, attractive for folks driving by. Like Pioneer Square.
 - Sine: Food carts on that space, performance space
 - Betty: town square
- Lisa: Can Milwaukie make use of two plazas (one at the Texaco site, and the proposed plaza in the South Downtown Plan)? Maybe not enough demand. I encourage people to

stand at both sites, and see which would make a better plaza. The South Downtown site has a better view of the River.

Building Height

- David/Lisa: 5 stories
- Betty: 2-3
- Kim: If we are planning this for the long term of Milwaukie, then everything along McLoughlin should be lower, to preserve the views of buildings that will be built further to the east.
 - John: We should do a view analysis

Dark Horse Site

Uses

- Neil: It's just a matter of what makes sense. Only three property owners on the whole block.
- Larry: If you put residential there, I wouldn't want to look out on the lumber yard, and have the noise earlier in the morning.
- Dion: Should not dismiss residential, lumber yard may not be there forever.
- Betty: Why do you think people are going to be walking all the time?
- Li: Policies we have in place, prioritize pedestrian use
- General comments: We do need a parking structure downtown
- General comments: The area needs streetscape improvements

Building Heights

- Betty: Will there be onsite parking?
 - John: The site would not lend itself to a full ground floor of parking.
 - Betty: Then there can't be tons of people coming and going (retail)
- Brian: Sees this as owner-occupied, live-work units
- Greg: If there is any place for a four to five story building, this is it. It is the low point [elevation] of Milwaukie.

Cash Spot Site

Uses

- Jean Baker: I thought for years that that would be an ideal site for several stories of parking with a restaurant on top
- Greg: don't forget that there is a treatment plant off to the left

- Nick: The City is planning to plant thousands of trees
- David A: Access to McLoughlin is a problem. Can only do right in-right out on Washington. To do a parking structure, you are going to have to have an entry on Main Street.
- Kim: I agree that we need more parking, but do we want people who are driving north on McLoughlin to see a parking structure as the first thing at the first stop light in Milwaukie?
 - John: Parking garages can be designed to look like regular buildings, and not just parking garages.
 - Sine: McLoughlin needs to be aesthetically pleasing
- David A: If you do a ramp on Main Street, it impacts the plaza idea. Part of plaza idea is that you would be able to close off Main Street for big events

Building Heights

- David A: Two levels of parking with ground floor retail on Main, two stories of office above. View to north from grassy plaza on top of that structure would be great, and above traffic noise level
 - Lisa: That plan also called for a walkway from the Main Street level. Possible that the lot has some different heights, a walkway that went around and had an overcrossing of McLoughlin
- General comments: the building should be three stories or higher
- David A: Three floors from Main Street level.
- Kim/David A: The parking structure needs to avoid being a park and ride

Triangle Site

Uses

- Larry: I am still going to be a big advocate for some sort of auxiliary police/public rest area, need some sort of rest/security area, maybe a couple of food carts, need police presence
- John: Has anyone talked to police about having a presence here?
 - All: Yes. Police support it
- David A: There was a previous design for a train station building, with place for the police, area for bike storage, bike mechanic, some type of shared office space.
- ***Comment from audience member***: Coffee, someplace to get out of weather, bathrooms, more of a permanent structure to get out of the weather
- Betty: the high school is also right there, and uses at the site should try to capitalize on that.

- David: More reason to build something there
- Sine: Triangle building (like on Burnside), unique structure that plays into coming into downtown Milwaukie. Come up with cool design.
- Greg: Have talked to a couple of developers, and they would be willing to build a bathroom and elevator, but would not want to be responsible for security/maintenance
- Lisa: would like to see building, love to see a clock tower. It evokes old train stations, something visible from McLoughlin

Graham Site

Uses

- Betty: can that building be raised, can you put more stories on top of it? Seems like wasted space, can do two stories maybe.
- David A: what are the possibilities of the backside of the building, some nice views?
- David H: Why would you put restaurant on ground floor? Should put another story on the building, or a third floor with a restaurant and a rooftop garden.
 - Paul: buildings on either side are also not very attractive
 - David A: Ground floor retail, with rooftop bar
 - Paul: Jack up the building and move it to the street, so it isn't set back.

Murphy Site

Uses

- Betty: It is landlocked, only one way to get in to it (32nd Ave)
 - Nick: Traffic impacts are an important consideration
- Betty: Low density, don't want any heavy residential because it will be too much traffic
 - Betty: Housing Authority next door. We don't want a continuation of that development on the Murphy Site.
 - John: Could do low-density, but not be "affordable housing." Nice cottages, with some common spaces, that sell for \$250,000.
- Paul: What do the owners want to do? Sell it?
 - John: They are interested in what comes out of this process, zoning and other things put them in limbo
 - Paul: We could come up with great idea, but property owners could just dismiss it
 - DJ: One of the reasons we want to go through this process is because the property owner has considered development ideas that haven't been well received. The

property owner wants to know things that would be embraced by the City and community, but also wants a few options, some flexibility

- Nick: They want to maximize value of land, and put it in a productive use.
- Paul: Do property owners have money and access to actually develop it?
- Paul: I still advocate for a water park and hotel.
- Greg: Love the medical idea.
- Jean: Since Portland is exploring the idea of buying golf courses for industrial land, we here in Milwaukie, we could have industrial space, careful what kind, but don't think there would be a shortage of people that would want to use it

McFarland Site

Uses

- Debby: Indoor baseball facility, indoor athletic facility
- David A: Need to look into 37th Ave., south of the railroad tracks. I believe there is a weight restriction, which could limit the ability to do industrial development. I also like the sport complex idea
- Lisa: Aren't there still some brownfield limitations?

Wrap-up Discussion

- Dion: Can you tell us about the experience of the developers who participated in the developer roundtable?
 - Nick: Greg Specht has experience with residential and industrial/flex space. David Hassin does adaptive reuse throughout the Portland area. Matt Brown has experience on large, mixed-use projects with Williams and Dame. Dwight Unti does urban housing, targeted at seniors, usually with small grocery stores on the ground floor. Mary Hanlon does smaller infill development.
- Paul: Out of everything I heard, the thing that makes the most sense is what Debby brought up. That the Olsen brothers Texaco site, if that is left flat and made to be the city's 'living room' streets could still be shut off, concert venues, farmers market, character of Milwaukie, town hall right there looks nice, very center of Milwaukie, new restaurants nearby.
- Li: Next steps are site design workshops on October 28 and 29. Hope to see you all there!