



Moving Forward Milwaukie Advisory Committee #4

Moving Forward Milwaukie • March 31, 2014

Welcome!

Welcome and Overview of Meeting Agenda/Format



Tonight's Meeting Agenda

Welcome and Overview of Meeting Agenda/Format

1. Project Schedule Update
2. Overview of Vision
3. Project Goals
4. Learning from Development Concepts
5. Policy Review
6. Public-Private Partnership Tools



Project Schedule

Tentative Advisory Committee Meetings

3/31

Discuss Components of Draft Action & Implementation Plan

4/21

Discuss Draft Action & Implementation Plan recommendations

6/5

Discuss Draft Downtown Code Revisions and Central Milwaukie Land Use and Transportation Plan

7/21

Discuss Draft Central Milwaukie and Neighborhood Main Streets, Comprehensive Plan, Code and Zoning Map Amendments



Project Schedule

	2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Project launch	■														
Market Analysis	■														
Opportunity Site Development Concepts	■	■	■	■	◆										
Downtown and Central Milwaukie Action and Implementation Plan			■	■	■	■	■	◆							
Central Milwaukie Land Use and Transportation Plan						■	■	■	◆						
Downtown Plan and Code Amendments						■	■	■				◆			
Central and Neighborhood Main Streets Plan & Code Amendments									■	■	■				◆



Project Goals

Why are we doing this?

- Make sure our commercial areas look and function the way our community wants them to
- Take steps to have our commercial areas live up to their potential
- Make sure we have the right policies and development standards in place to encourage new development



Project Goals

Why are we doing this?

- The goal of this project is to achieve appropriate development and redevelopment in the city's commercial areas.
- This project focuses heavily on implementation to transform the community's vision into reality



Community Vision

What is the vision for Central Milwaukie?

No clear vision – you will help us create one!

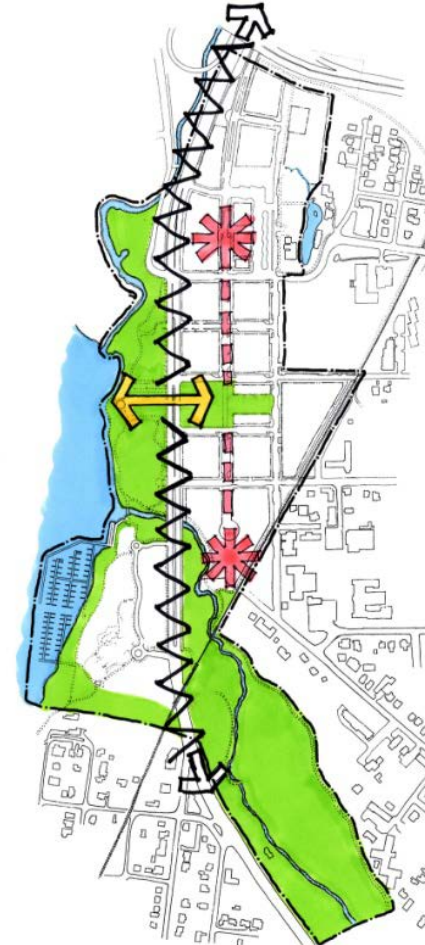


Community Vision

What is the vision for Downtown?

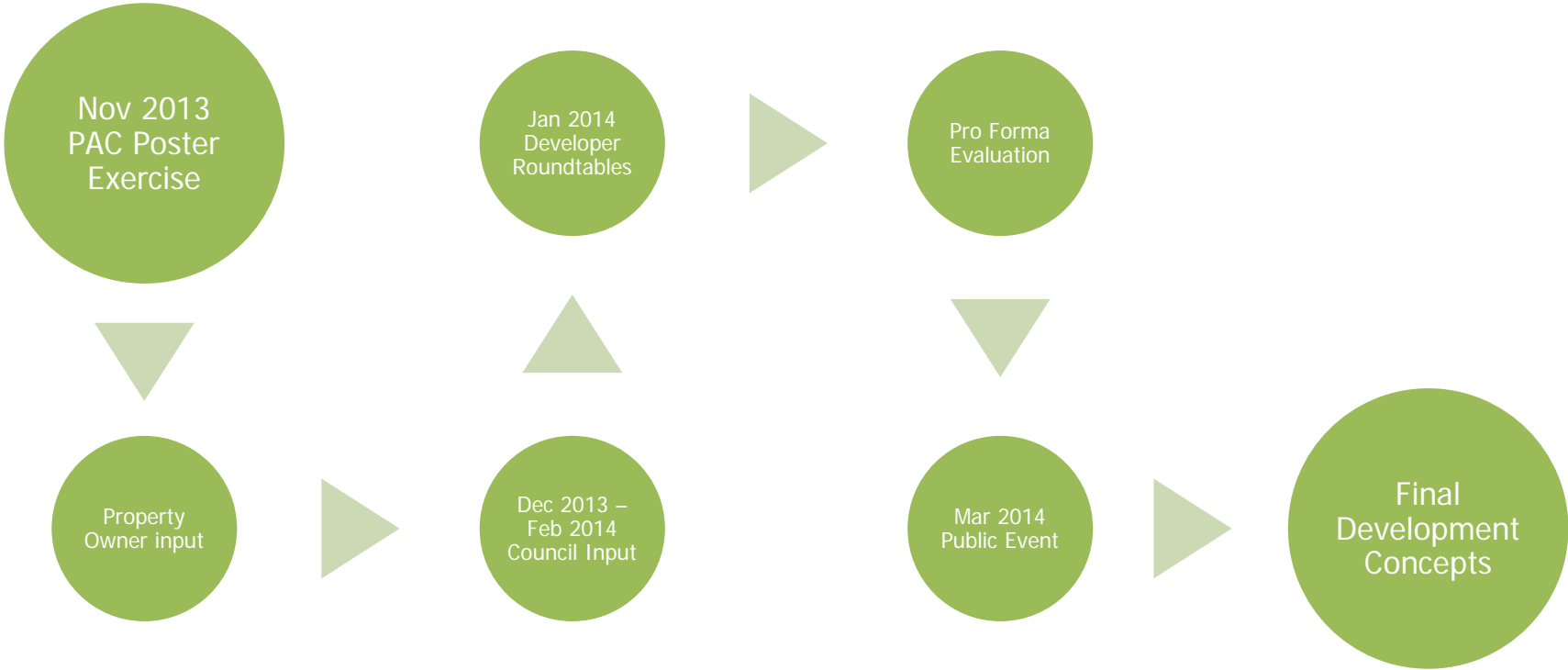
- Enhance the riverfront and Downtown to make them more attractive places to work, live, shop, and play
- Build on Milwaukie's unique character
- Facilitate economic development
- Promote connectivity and walkability

This vision is not cheap or easy to achieve. It requires investment (public and private), and collaboration.



Learning from the Development Concepts

Since we last met...



Learning from the Development Concepts

Why are we doing development concepts?

- The opportunity site development concepts help us test potential catalyst projects
- Illustrations of potential development, if code and market allow
- “Crash test dummies”
 - Engage property owners and developers
 - Identify challenges with code and site characteristics
 - Gauge the magnitude of the financial gap
 - Test the impacts of different assumptions
- Modeled concepts based on direction from the PAC, Council, public, and property owners.
- They are **not** plans to build a specific building, or definitions of the only buildings that should be allowed on a site



Learning from the Development Concepts

Other prototypes tested

- Downtown Parking Garage
- Water Park on McFarland site
- Retail on McFarland site
- Housing on contaminated site
- Aquaponic concept



Learning from the Development Concepts

Quick Recap

- Downtown development code is not a significant barrier
 - Development Standards – min/max height; off-street parking
 - Use Standards – requirements/limitations on ground floor commercial
- Central Milwaukie code is a significant barrier
 - No uses permitted by right
- Negative cash flow situation (costs greater than revenues)
- Infrastructure costs are significant – PARs and frontage improvements



Learning from the Development Concepts

Opportunities

- Lots of potential in Milwaukie!
- Light rail and other infrastructure improvements are getting people excited
- Having one or two early, catalyst projects in downtown will be key to whether things happen or not
- With new development comes increased tax revenue to the City
- Clear vision and strong support from the public and elected officials are key



Learning from the Development Concepts

Developer Perspective

- Early projects will need public-private partnerships
- The City needs to have a clear vision, and lots of support from elected officials and the public
- Usually starts with adaptive reuse, then new construction
- Zoning should give the maximum amount of flexibility
- The charming ingredients are here
- It is off the radar, but the City is ready



Key Questions

For our discussion tonight...

- What matters most to you about future development in Milwaukie?
- What is the right balance between having a specific vision for each site vs. flexibility to accommodate different development options?
- What role should the City play in making high-quality new development happen in Milwaukie?



Policy Overview

How do we apply the community's vision to new development?

- 1. Policy (Comprehensive Plan)**
2. Regulation (Zoning Ordinance)
3. Financial (Public- Private Partnerships)



Policy Overview

Central Milwaukie



Existing Policies

Central Milwaukie

- Improved east/west connectivity
- Auto-oriented, “anything goes,” commercial areas
- Specific vision for Murphy and McFarland sites
- No vision for other areas



Issues with Policies

Central Milwaukie

- No clear vision for how this area looks and feels
- No design expectations for new development
- Assumes location of light rail station at 32nd and Harrison
 - “Station area” development on Murphy and McFarland sites



Issues with Policies

Design



Issues with Policies

Design



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45°26'37.98" N 122°37'45.94" W elev. 103 ft

Google earth

Eye alt 108 ft



Potential Policy Changes

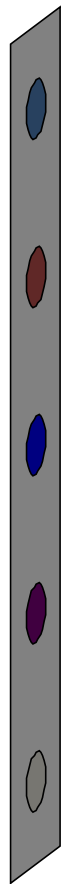
Central Milwaukie

- Revisit the community's vision for the area given changed assumptions and realities
 - Changed light rail alignment
 - Growth of the community eastward
- Create a new vision: *Central Milwaukie Land Use & Transportation Plan*
- What should it include?



We've heard that we should encourage pedestrian-friendly development in Central Milwaukee.

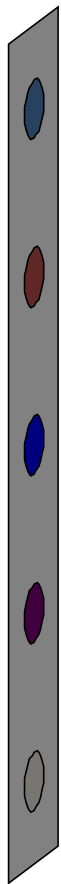
Do you agree?



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

We've heard that development in Central Milwaukie should also be auto-accommodating.

Do you agree?



0% A. Strongly agree

0% B. Somewhat agree

0% C. Neutral

0% D. Somewhat disagree

0% E. Strongly disagree

We've heard that we should allow more flexibility on the
Murphy and McFarland sites.

Do you agree?



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

Policy Overview

Downtown



Existing Policies

Downtown

- High-quality built environment
 - Buildings and public spaces
- High-quality pedestrian environment
- Standard approach to nonconforming uses
- Transit-supportive development in South Downtown



Issues with Policies

Downtown

- Focus on Main St, no expectations for McLoughlin Blvd or 21st Ave
- Assume redevelopment rather than refurbishment
- The burden of the PARs is on the private property owner
- Many buildings and uses in downtown are nonconforming
- South Downtown Concept Plan adopted but not yet implemented



Issues with Policies

Design



Issues with Policies

PARs

- PARs vs reduced development costs and less attractive streetscape
 - \$500,000 per block face downtown
 - \$1.5 million in added cost for Texaco Site (10-20% cost premium)
 - Not a common requirement for infill elsewhere in the region



Issues with Policies

PARs



Issues with Policies

PARs



Issues with Policies

Nonconforming Uses

- Most uses in downtown are nonconforming (“grandfathered in”) and it is very difficult for them to expand
- Due mostly in part to the prescriptive zoning
- Require Planning Commission approval to change or expand



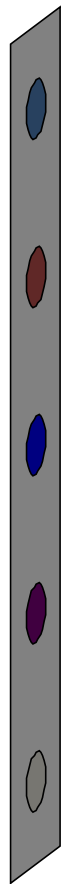
Issues with Policies

Nonconforming Development & Uses



We've heard that development on McLoughlin and 21st Ave should be attractive.

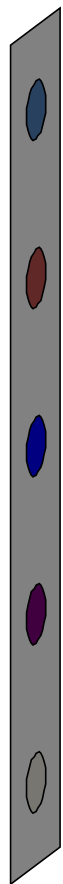
Should McLoughlin Blvd and 21st Ave be treated like main streets?



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

We've heard that people like the appearance of the PARs, but that they may make projects infeasible.

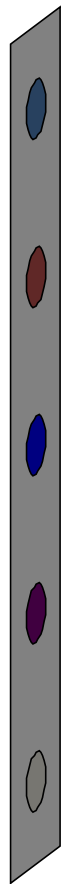
Should we: Keep existing standards?



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

We've heard that people like the appearance of the PARs, but that they may make projects infeasible.

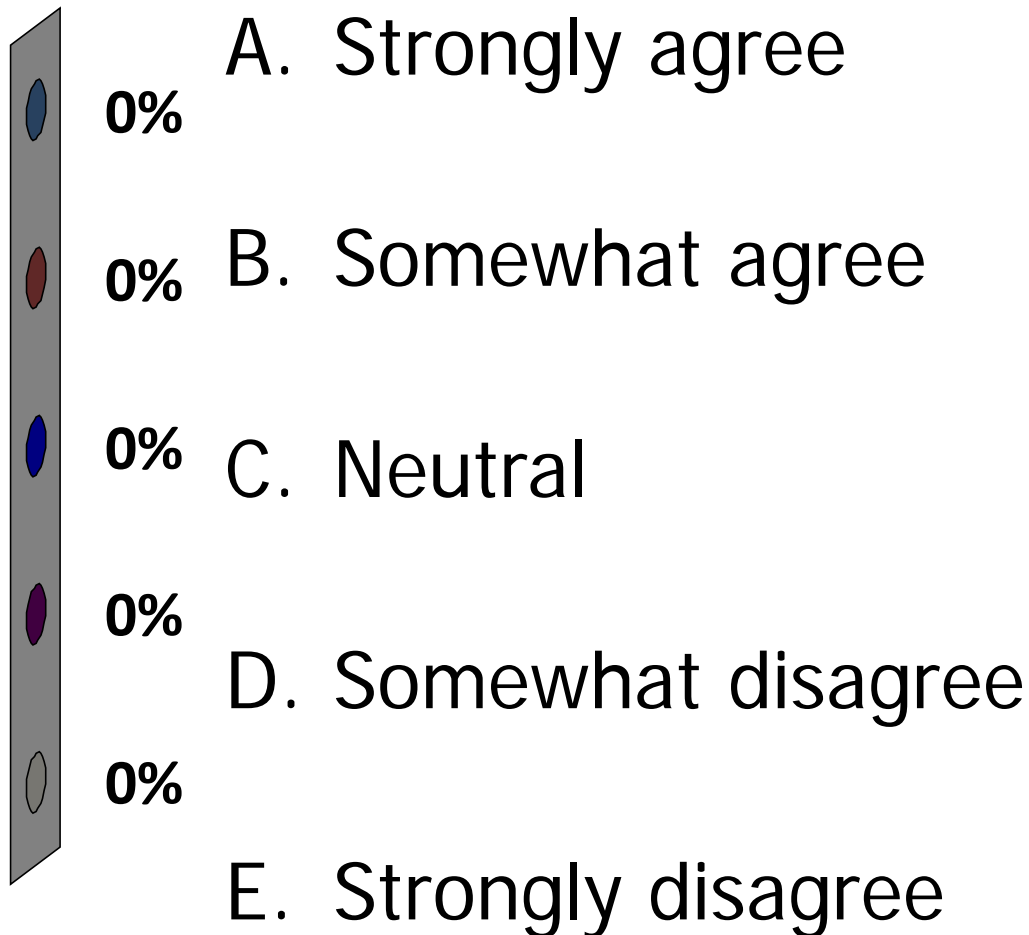
Should we: Revise to keep only the most important components?



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

We've heard that people like the appearance of the PARs, but that they may make projects infeasible.

Should we: Remove existing standards?



Nonconforming uses are not allowed to expand without Planning Commission approval.

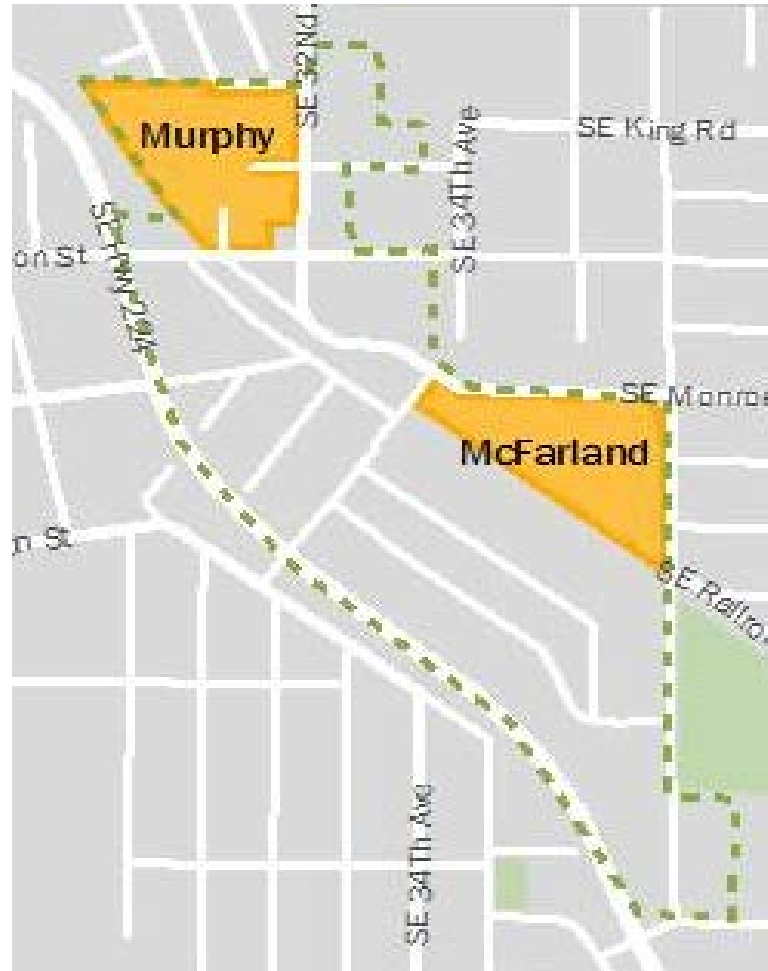
Should downtown zoning be more flexible, so more existing uses are conforming?



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

Code Overview

Central Milwaukie



Code Overview

Code barriers to new development on the Murphy & McFarland Sites

- Use Standards
 - Nothing is permitted outright
- Development Standards
 - Off-street parking requirements
 - Unclear which standards apply



Code Overview

Murphy & McFarland Sites

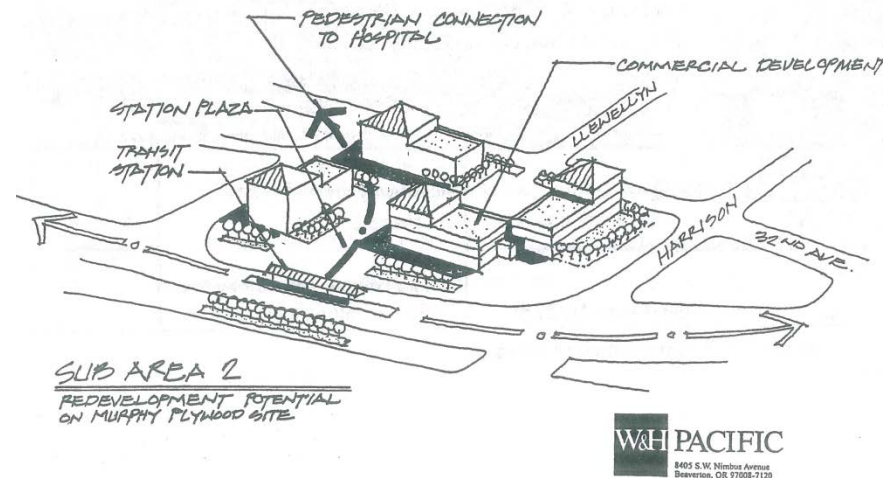
- Mixed-Use Overlay: Type III Planning
Commission review required for all development
- Requires compliance with Town Center Master Plan
- **Bottom line: Nothing is permitted outright. Lots of uncertainty. Unclear if any of the concepts would be allowed.**



Code Overview

Murphy Site Development & Use Standards

- Minimum parking requirements result in large amounts of surface parking
- Code is very prescriptive and requires conformance with the TCMP
- Flex space is allowed, but unclear how and if it would meet approval criteria for MU Overlay
- Retail and/or service uses are required for the on-street level
- No vehicular access from Harrison St



Code Overview

Murphy Site – Option 2



Does not include
ground floor
commercial uses



Code Overview

Examples of flex space



Code Overview

Murphy Site – Option 3



Does not meet 50% residential requirement or include commercial uses



Code Overview

Murphy Site – Option 1



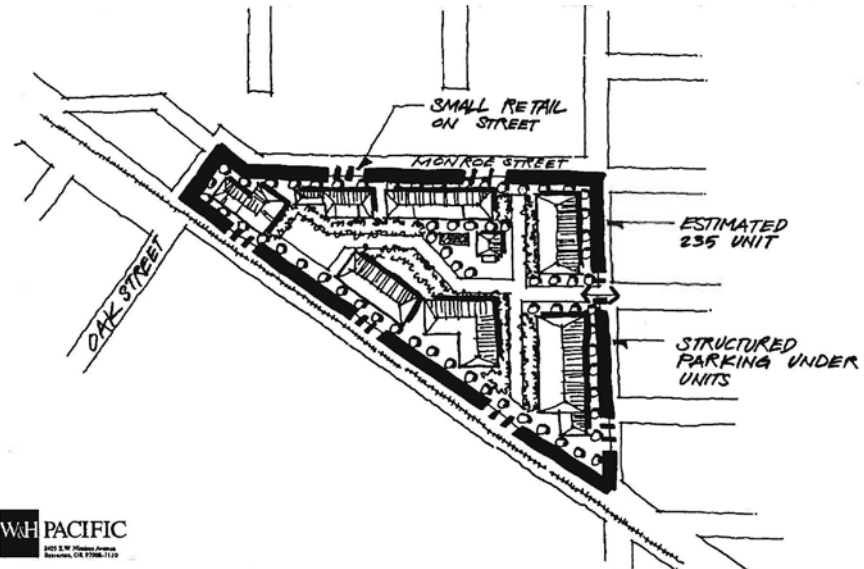
Unclear if currently permitted



Code Overview

McFarland Site Development & Use Standards

- Minimum parking requirements result in large amounts of surface parking
- Code is very prescriptive and requires conformance with the TCMP
- At least 50% of the floor area must be residential
- Maximum height of 2 stories/35 feet along Monroe & 37th



Code Overview

McFarland Site Development & Use Standards

- **Housing Types**

- Clustered residential with shared green space
- Options #1 and #2 for the McFarland Site both utilize this design
- “Cottage cluster” housing only permitted in MFR zones



Code Overview

McFarland Site – Option 2



Code Overview

Examples of cottage cluster development



No uses are permitted outright, and it's unclear what the path to approval is.

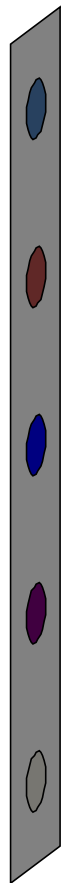
Development should be permitted through clear and objective standards.



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

There are 3 zones in central Milwaukie (not including the Milwaukie Marketplace) that allow and prohibit different things.

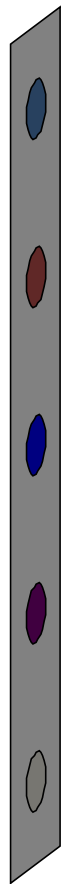
Residential, office, and retail uses should be allowed throughout Central Milwaukie.



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

The Murphy site is located on a truck route (Harrison St) and is somewhat removed from other uses.

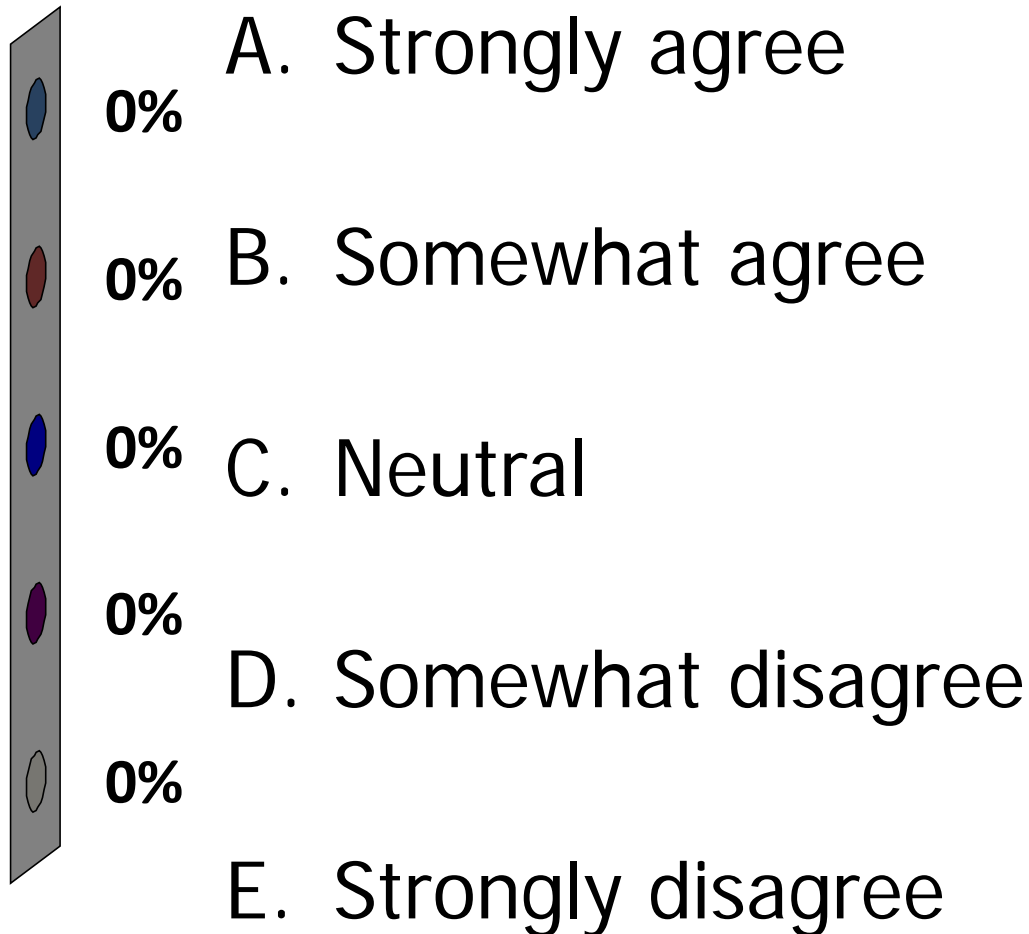
Flex space should be allowed on the Murphy Site.



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

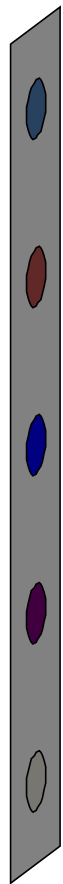
The McFarland site is not very accessible by trucks and is adjacent to residential development.

Flex space should be allowed on the McFarland Site.



Right now we don't have any standards guiding what new development should look like.

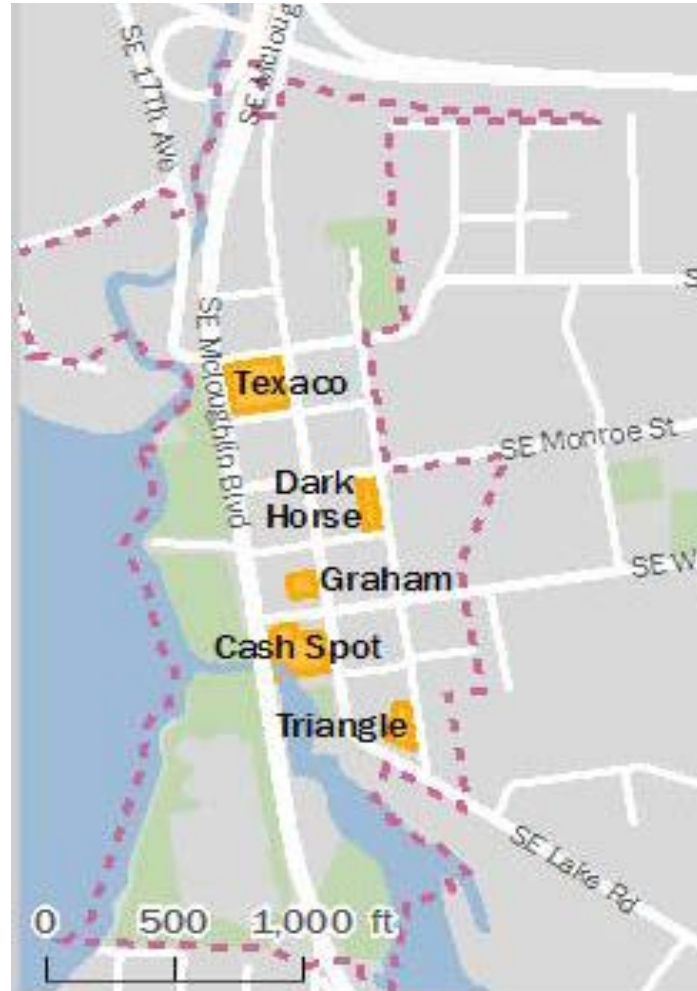
We should require new development to show a “friendly face”



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

Code Overview

Downtown



Code Overview

Code barriers to new development in Downtown

- Downtown Use Standards
 - Ground floor retail requirements
 - Limitations on retail uses in DO zone
- Downtown Development Standards
 - Off-street parking requirements
 - Public Area Requirements
 - Minimum/maximum building height



Code Overview

Downtown Use Standards

- **Limitations on ground floor retail in the DO zone**
 - Retail or eating/drinking establishments limited to 5,000 SF
 - All concepts for Triangle and Cash Spot sites potentially exceed the ground floor retail limit (depending on tenants)



Code Overview

Triangle Site – Option 3



Code Overview

Examples of ground floor retail



Code Overview

Downtown Development Standards

- **Maximum building setback**
 - Full building frontage must be within 10' of Main Street
 - Texaco Concept #1 has a public plaza that violates this requirement



Code Overview

Texaco Site – Option 1



Code Overview

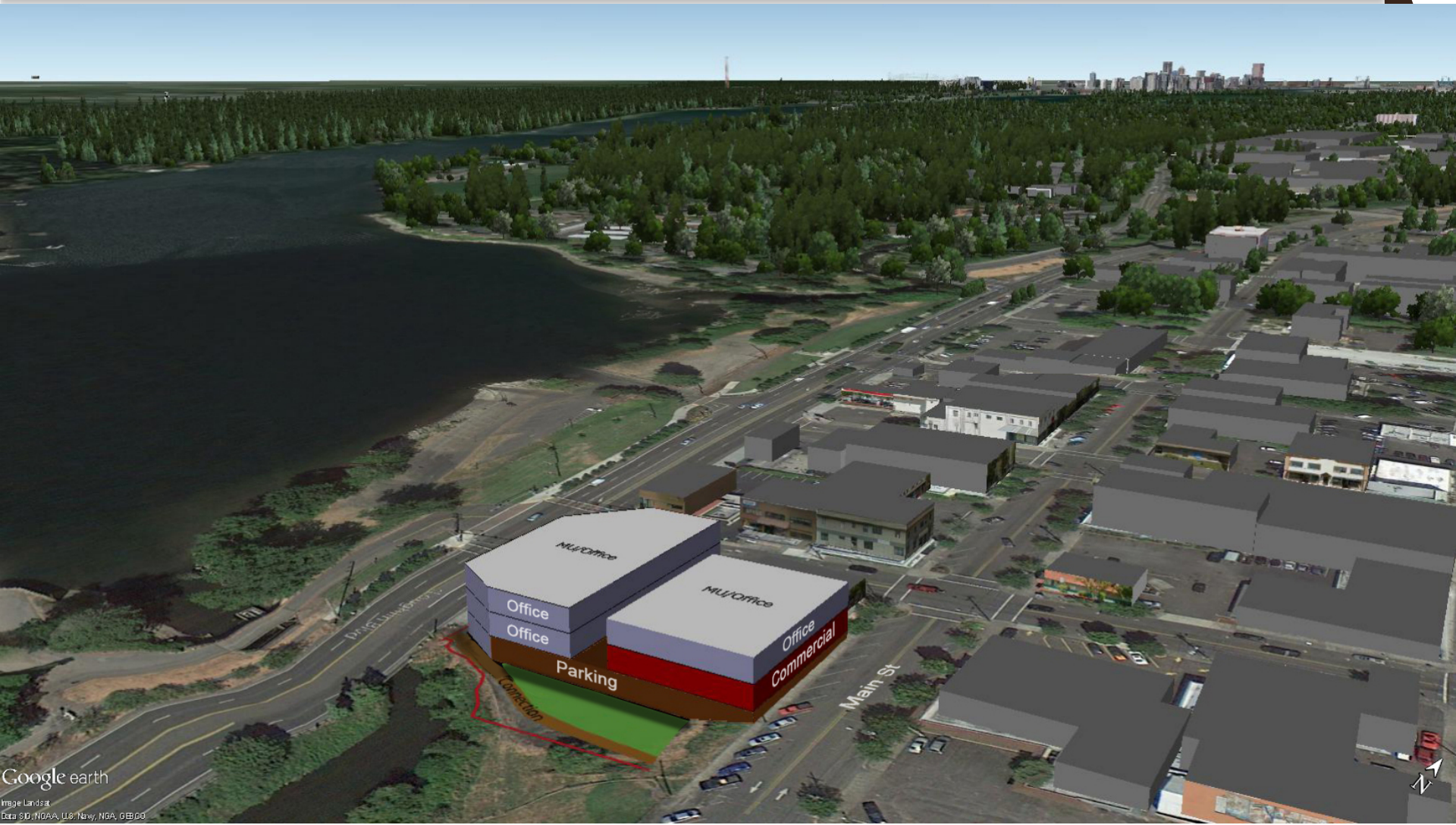
Downtown Development Standards

- **Off-Street parking requirements**
 - The parking requirement in the DO zone south of Washington Street for office and retail prevents full site build out
 - Cash Spot concepts 1 and 2, and all Triangle Site concepts provide less than the minimum amount of parking



Code Overview

Cash Spot – Option 3



Code Overview

Downtown Development Standards

- **Maximum height**

- Maximum height of 45' and 3 stories, or 55' and 4 stories with residential height bonus.
- Option #3 for the Texaco Site exceeds these limits



Code Overview

Texaco Site - Option 3



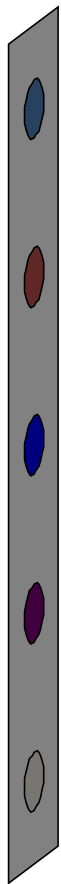
Code Overview

Examples of 5-story buildings



Currently, some appealing uses are not allowed on Main Street.

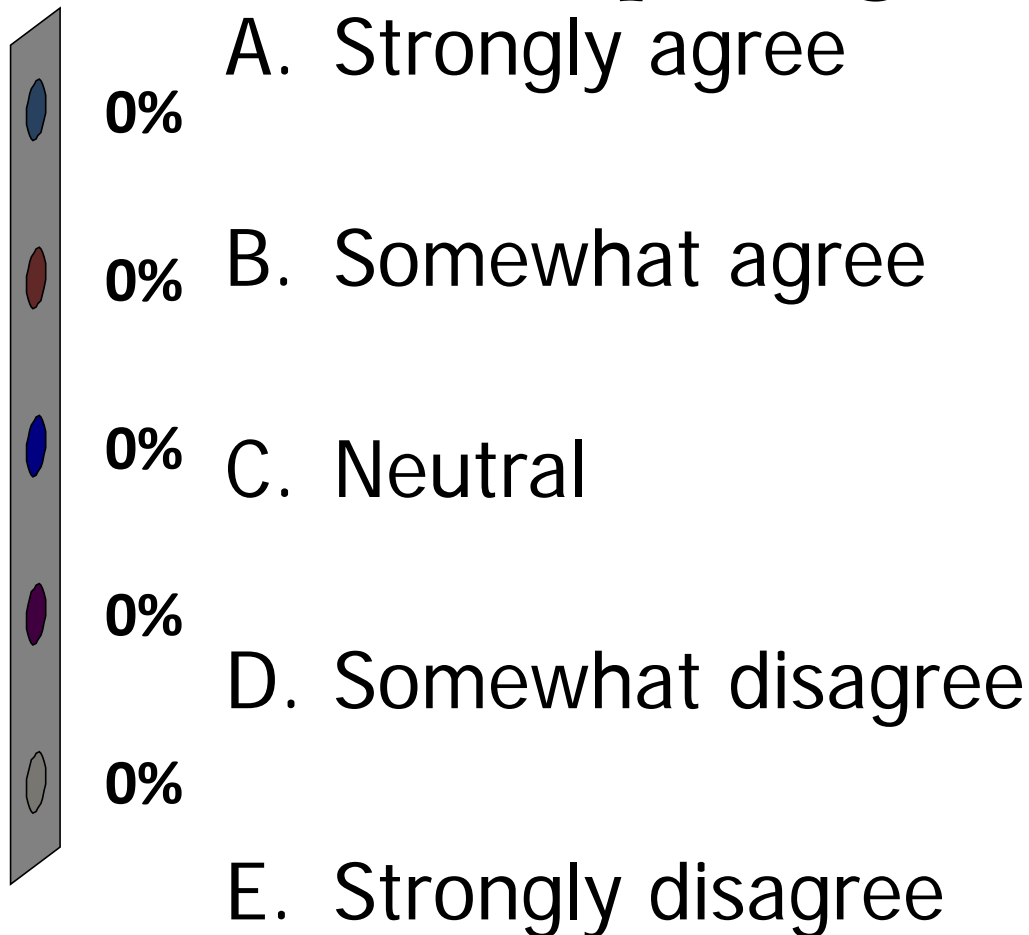
Ground-floor retail requirements on Main Street should be loosened to allow other active uses like day care facilities.



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- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

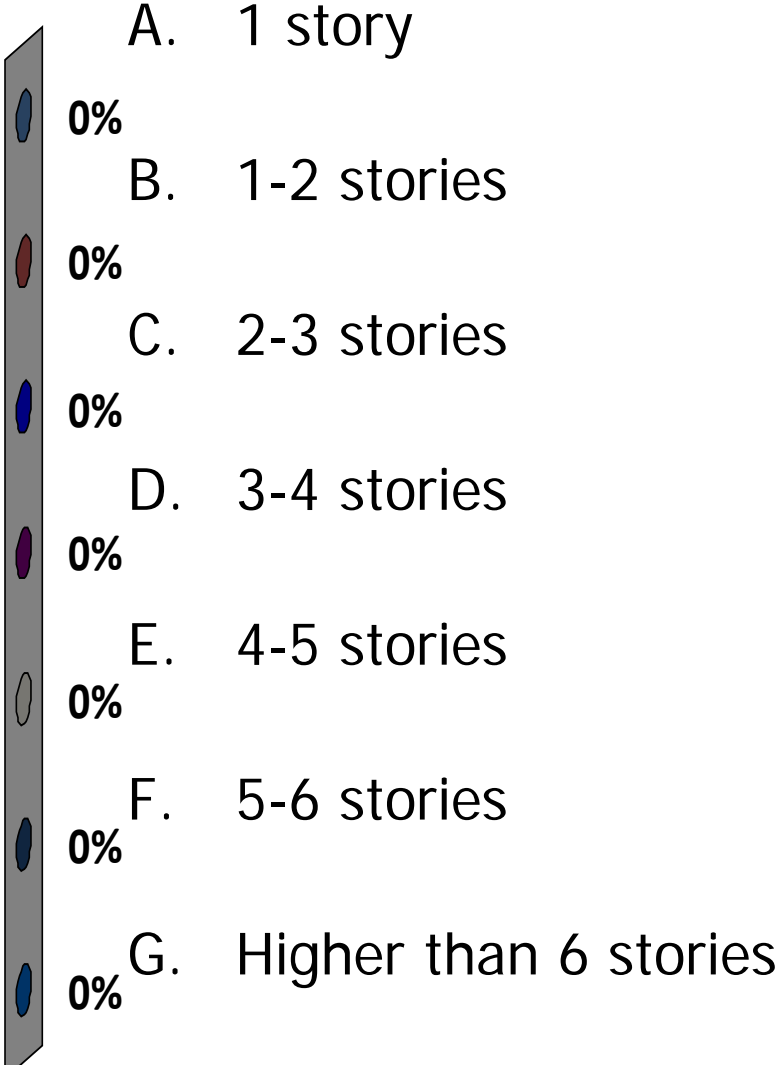
Currently, surface parking lots are allowed on Main Street (south of Washington and north of Harrison), which might encourage property owners to demolish buildings for parking and leave a hole in the streetscape.

Prohibit surface parking lots on Main Street.



Currently, buildings in the core of downtown Milwaukee can be up to 4 stories if they include residential uses.

What building height is appropriate for Downtown?



The TSP calls for reducing off-street parking requirements downtown, and the only places they apply is in south downtown, near the light rail station, and north of Scott Street.

Eliminate off-street parking requirements in south downtown where they currently apply.



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

The TSP calls for reducing off-street parking requirements downtown, and the only places they apply is in south downtown, near the light rail station, and north of Scott Street.

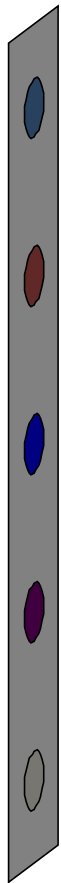
Eliminate off-street parking requirements north of Scott Street.



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

Currently, all new development in downtown is subject to DLC and Planning Commission review.

We should have the option of a clear and objective process for new development in downtown.



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A. Strongly agree

0%

B. Somewhat agree

0%

C. Neutral

0%

D. Somewhat disagree

0%

E. Strongly disagree

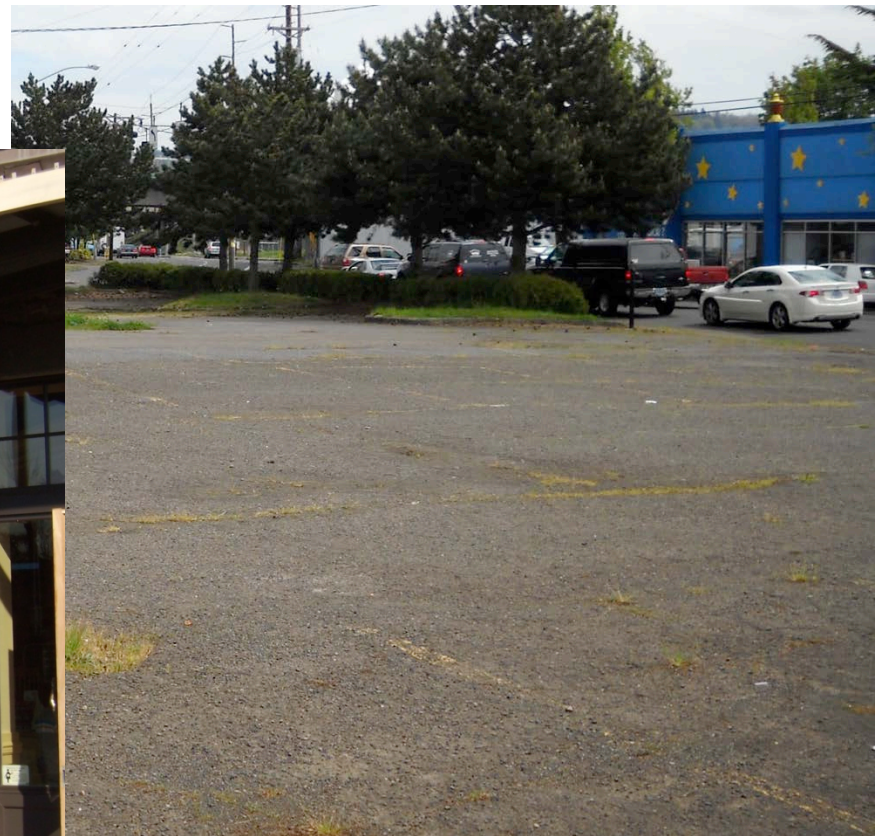
Public-Private Partnership Tools

How is the vision implemented?

1. Policy (Comprehensive Plan)
2. Regulation (Zoning Ordinance)
- 3. Financial (Public - Private Partnerships)**

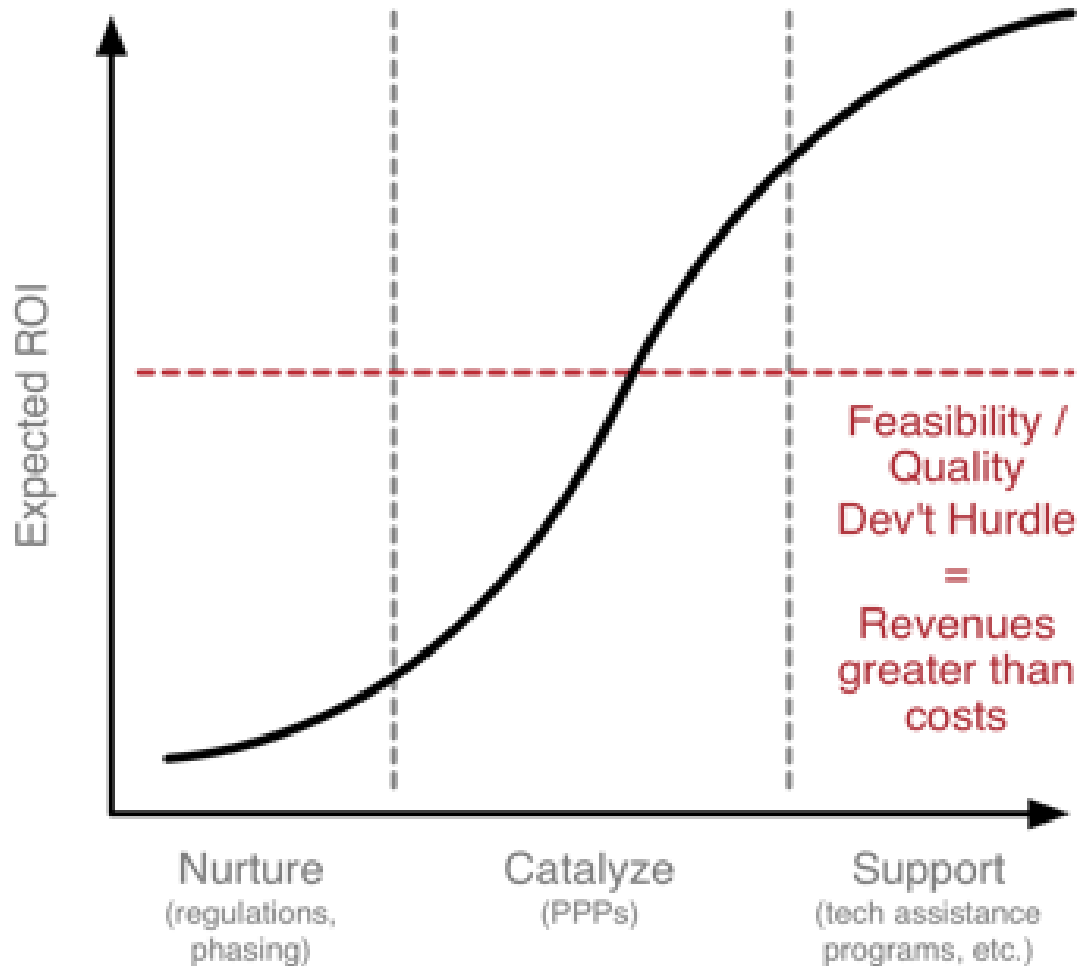


Public-Private Partnership Tools



Public-Private Partnership Tools

Framework for Public Investment



Public-Private Partnership Tools

What are Public-Private Partnership Tools?

- Policy & Regulatory Changes: Land use and development codes geared to implement the City vision
- Infrastructure improvements: Parks, streetscapes, light rail, parking
- Direct Investment: Site acquisition, facades, rehab



Public-Private Partnership Tools

What are the tradeoffs?

- Use of public money vs allowing whatever the market will support
 - May be lower-quality/less attractive than community would like
 - May not happen at all



Public-Private Partnership Tools

What are the tradeoffs?

- Leaving properties vacant vs increased tax revenue to support City operations
 - Property taxes range from \$30,000 to \$300,000 per year for individual concepts
 - City's share of property tax ranges from \$10,000 to \$100,000 per year for each concept
 - Most sites are currently vacant or publicly-owned, contributing close to \$0 per year in property taxes.



Public-Private Partnership Tools

Risks and Fears of Public Investment

- Project won't deliver on all its promises
- Catalytic impact won't enough to jump start other development
- Perception that project is doable without public funds
- Scarce public resources
- Impact on tax payers



Public-Private Partnership Tools

Benefits of Public Investment

- Provide publicly desired services and amenities
- Influence type, quality, timing of development
- Increase the tax base and revenues
- Retain existing residents, businesses and employees
- Attract new residents, businesses, employees and visitors
- Push the market: create new comps, demonstrating higher rents
- Enhance the image and perception of an area



Public-Private Partnership Tools

Categories of public investment

- Non-monetary tools
- Non-City funds
- Reduce land costs
- Reduce development costs
- Temporary reduction of site-specific future property tax revenues
- Investment of City of funds



Public-Private Partnership Tools

Non-Monetary Tools

- Regulatory
 - Code revisions
 - Streamline permitting process
- Economic Development
 - Strong leadership (elected officials, city staff, and community leaders)
 - Marketing and outreach to developers and businesses



Public-Private Partnership Tools

Non-City Funds

- Metro – TOD Program
- EB5
- Workforce housing tax credits
- HUD Section 108 and 221d4
- Industrial Development Bonds



Public-Private Partnership Tools

Reduce Land Costs

- Reduced sales price for publicly-owned sites
- Long-term ground lease for publicly-owned sites



Public-Private Partnership Tools

Reduce Development Costs

- Waive, reduce, or finance PARs and SDCs
- Local improvement district to finance infrastructure costs



Public-Private Partnership Tools

Temporary Reduction of Site-Specific Future Property Tax Revenues

- TIF Zone
- Vertical and Multifamily Housing Tax Abatement
- Affordable Housing Tax Abatement



Public-Private Partnership Tools

Investment of City Funds

- Urban Renewal District
- Site Acquisition
- Provision of infrastructure
- Façade improvement program



Implementation Options

Fork in the Road

- Milwaukie will not achieve its vision without taking action
- Option 1: Basic Involvement.
 - Plan and code revisions
 - Strong community and City support for new development
 - Explore non-City funds
 - Consider opportunities to provide City-owned sites at reduced cost
- Option 2: Enhanced Involvement.
 - Everything in Option 1, plus:
 - Consider other opportunities to reduce development costs
 - Explore temporary reduction of site-specific property tax revenues
 - Public investment in infrastructure projects that benefit the community



Implementation Options

No Action

- The City stands pat, hoping the private-sector will implement the City's vision on its own.
- Financial Risk to City. None, other than missed opportunity from lack of new development and increased property tax revenues.
- Likely outcome: Nothing ventured, nothing gained. City would likely never achieve the vision. Vacant sites would remain vacant. In 20 years, the City would probably look much like it does today.



Implementation Options

Option 1: Basic Involvement

- Revise the code. Market City-owned sites and provide them at reduced price. Help prospective developers apply for funds from Metro, Federal government, or others.
- Financial risk to City: Very low, as there is no investment of City funds.
- Likely outcome: City would make some progress toward achieving its vision. Likely nothing short-term, but a few new buildings in the longer-term, if rents rise.



Implementation Options

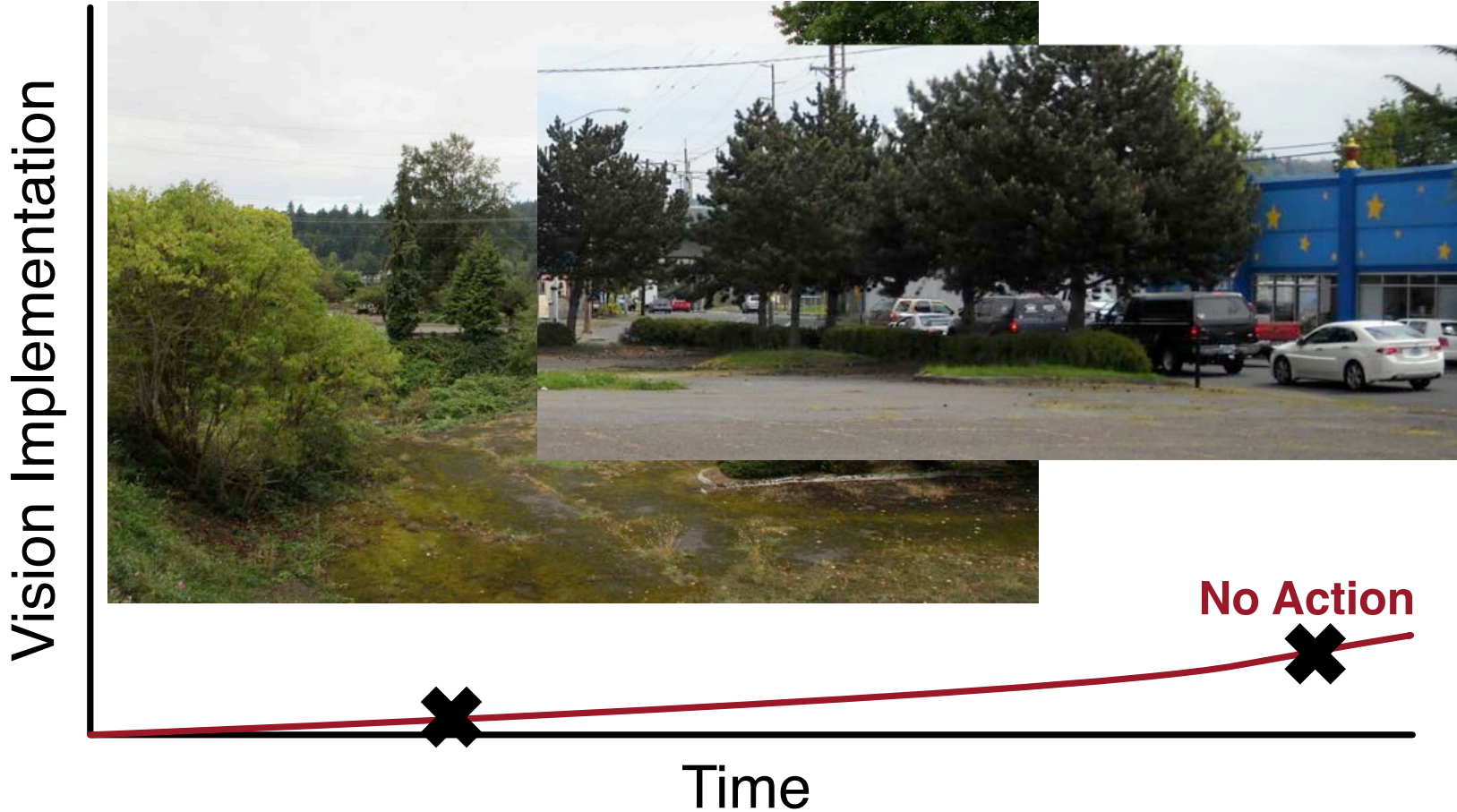
Option 2: Enhanced Involvement

- Everything in Basic Involvement plus strategic investments in catalyst projects for high-quality development.
- Financial risk to City: Limited. No direct investment of City funds. Use tools that rely on funds that wouldn't exist, but for the development they are helping to implement.
- Likely outcome: City achieves its vision. Adaptive reuse projects begin happening in next few years. Larger development projects happen after that. In 20 years, the City is vibrant, thriving community, with numerous economic development success stories.



Implementation Options

No Action



Implementation Options

Basic

Vision Implementation



Basic
✘

Time



Implementation Options

Enhanced

Vision Implementation

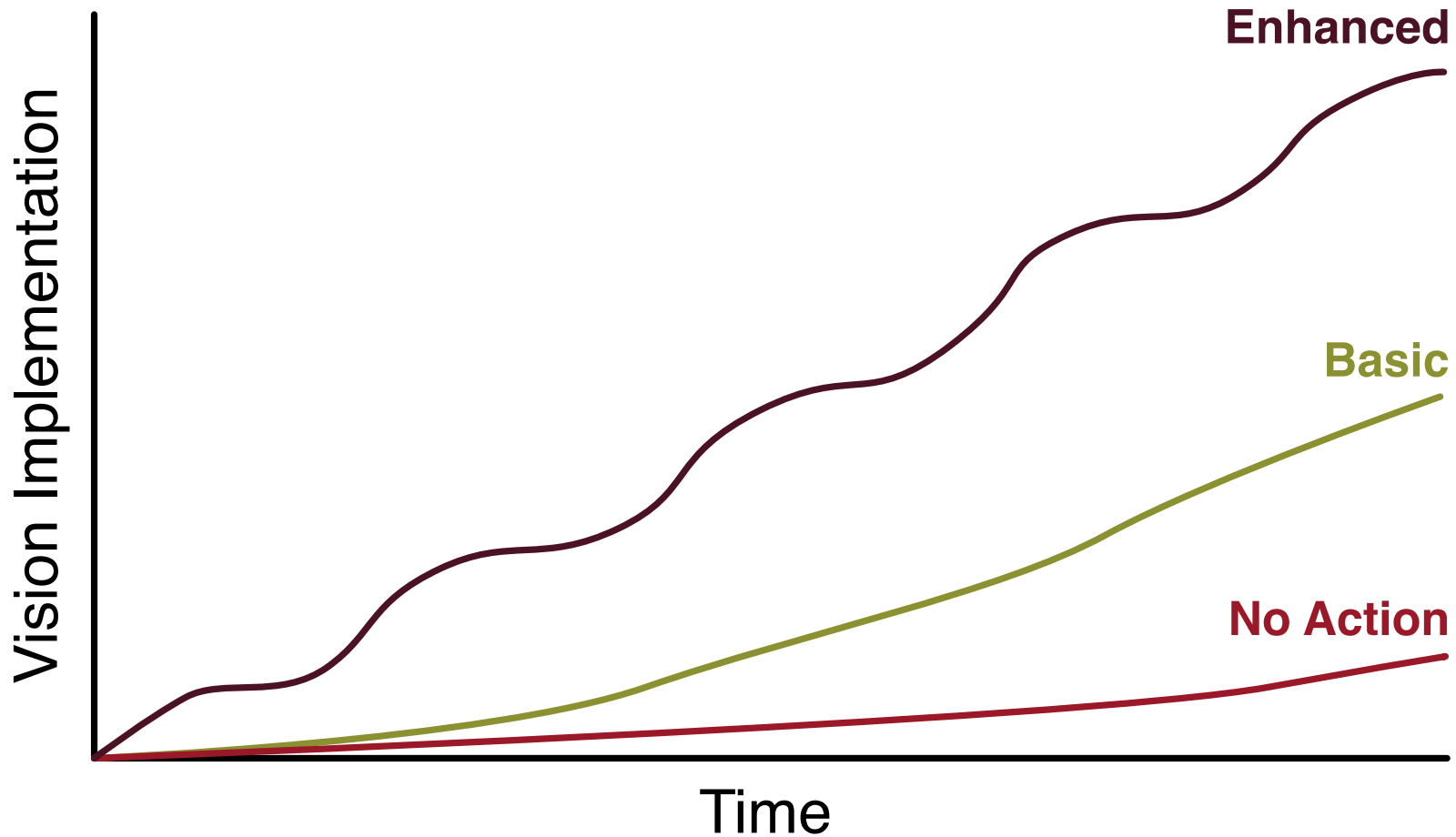


Time



Implementation Options

Comparison of Options



The best approach to implement the City's vision is:

A. No action. Let the private-sector implement the vision on its own.



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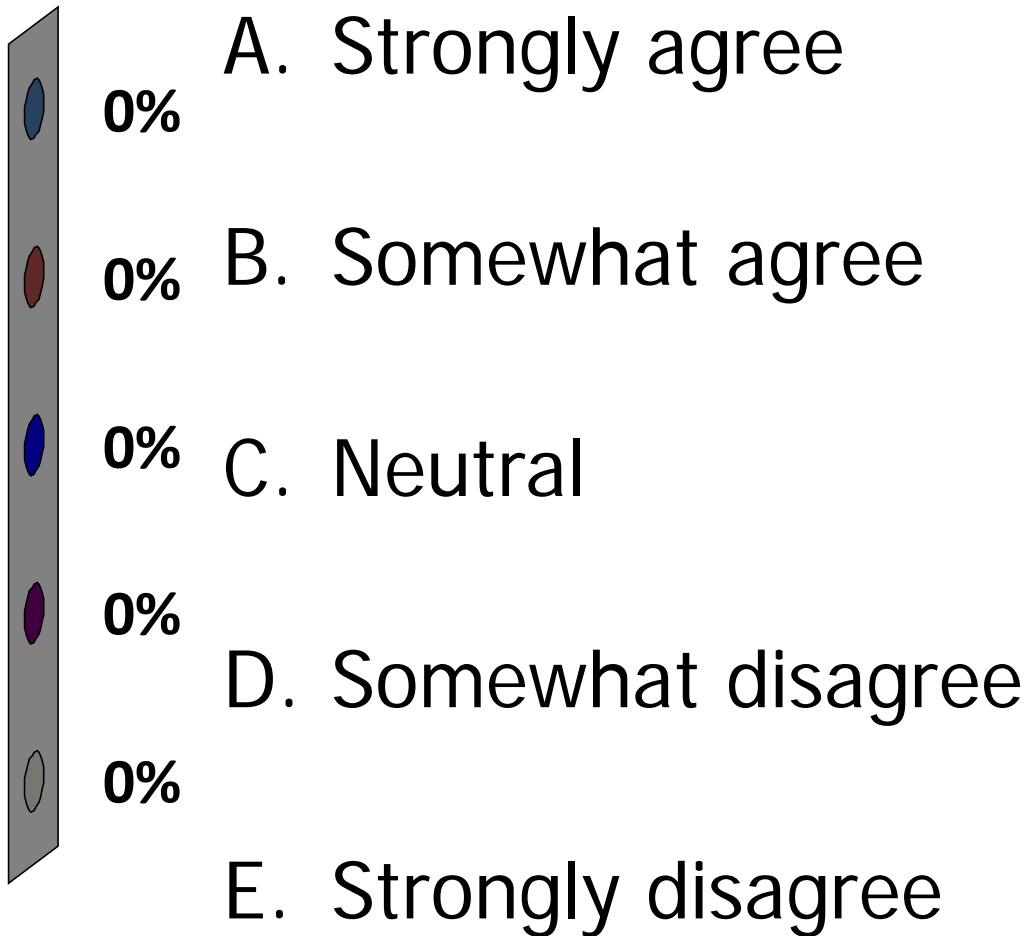
B. Option 1. Basic Involvement.

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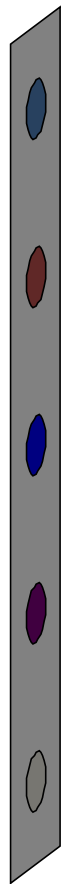
C. Option 2. Enhanced Involvement

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**The City should explore:
Non-City funding sources like Metro grants.**



**The City should explore:
Providing City-owned sites at a reduced price for
new development.**



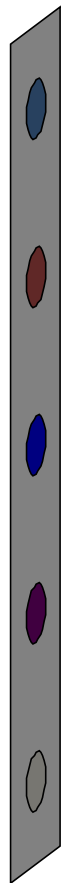
- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
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- 0% E. Strongly disagree

**The City should explore:
Reducing development costs through
waiving PARs and SDCs.**



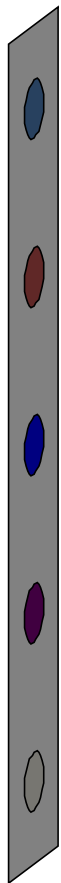
- 0% A. Strongly agree
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- 0% E. Strongly disagree

The City should explore: Temporary reductions in site-specific property taxes.



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

**The City should explore:
More directly investing City funds in new
development.**



- 0% A. Strongly agree
- 0% B. Somewhat agree
- 0% C. Neutral
- 0% D. Somewhat disagree
- 0% E. Strongly disagree

Advisory Committee Discussion

- What have we missed?
- Other strategies that we haven't thought of?
- Final comments



Next Steps

Action and Implementation Plan for Downtown and Central Milwaukie

- “Strategic Plan” directing Comprehensive Plan and Code Amendments in the next phase
- Steps the City should take to realize new development and redevelopment in downtown and Central Milwaukie
 - Policy
 - Regulatory
 - Financial



Visualizing Implementation – Video

Fork in the Road



Next Steps

- PAC Meeting #5 – April 21st
 - Review & discuss Draft Action & Implementation Plan
- Open House – TBD
 - Review Draft Action & Implementation Plan
- Council Work Session – May 20th
 - Presentation of Draft Action & Implementation Plan

