



## AGENDA

### MILWAUKIE PLANNING COMMISSION and DESIGN AND LANDMARKS COMMITTEE JOINT SESSION

Tuesday, February 11, 2014, 6:30 PM

MILWAUKIE CITY HALL  
10722 SE MAIN STREET

- 1.0 Call to Order - Procedural Matters**
- 2.0 Planning Commission Minutes – Motion Needed**
  - 2.1 August 27, 2013
  - 2.2 September 10, 2013
  - 2.3 October 22, 2013
  - 2.4 November 12, 2013
- 3.0 Information Items**
- 4.0 Audience Participation –** This is an opportunity for the public to comment on any item not on the agenda
- 5.0 Public Hearings –** When hearings are on the agenda, they follow the procedure listed on the reverse side
- 6.0 Joint Session Items**
  - 6.1 Summary: Moving Forward Milwaukie: Enhancing Our Commercial Districts  
Staff: Li Alligood/ECONorthwest
- 7.0 Planning Department Other Business/Updates**
- 8.0 Planning Commission Discussion Items –** This is an opportunity for comment or discussion for items not on the agenda.
- 9.0 Forecast for Future Meetings:**
  - February 25, 2014      1. Public Hearing: CSU-13-14 5197 SE King Rd Road Home Program
  - March 11, 2014      1. Public Hearing: ZA-13-02 2316 SE Willard St NW Housing Alternatives
  - 2. Public Hearing: ZA-14-01 Public Murals Program *tentative*

### Milwaukie Planning Commission Statement

The Planning Commission serves as an advisory body to, and a resource for, the City Council in land use matters. In this capacity, the mission of the Planning Commission is to articulate the Community's values and commitment to socially and environmentally responsible uses of its resources as reflected in the Comprehensive Plan

1. **PROCEDURAL MATTERS.** If you wish to speak at this meeting, please fill out a yellow card and give to planning staff. Please turn off all personal communication devices during meeting. For background information on agenda items, call the Planning Department at 503-786-7600 or email [planning@ci.milwaukie.or.us](mailto:planning@ci.milwaukie.or.us). Thank You.
2. **PLANNING COMMISSION MINUTES.** Approved PC Minutes can be found on the City website at [www.cityofmilwaukie.org](http://www.cityofmilwaukie.org)
3. **CITY COUNCIL MINUTES** City Council Minutes can be found on the City website at [www.cityofmilwaukie.org](http://www.cityofmilwaukie.org)
4. **FORECAST FOR FUTURE MEETING.** These items are tentatively scheduled, but may be rescheduled prior to the meeting date. Please contact staff with any questions you may have.
5. **TIME LIMIT POLICY.** The Commission intends to end each meeting by 10:00pm. The Planning Commission will pause discussion of agenda items at 9:45pm to discuss whether to continue the agenda item to a future date or finish the agenda item.

#### **Public Hearing Procedure**

Those who wish to testify should come to the front podium, state his or her name and address for the record, and remain at the podium until the Chairperson has asked if there are any questions from the Commissioners.

1. **STAFF REPORT.** Each hearing starts with a brief review of the staff report by staff. The report lists the criteria for the land use action being considered, as well as a recommended decision with reasons for that recommendation.
2. **CORRESPONDENCE.** Staff will report any verbal or written correspondence that has been received since the Commission was presented with its meeting packet.
3. **APPLICANT'S PRESENTATION.**
4. **PUBLIC TESTIMONY IN SUPPORT.** Testimony from those in favor of the application.
5. **NEUTRAL PUBLIC TESTIMONY.** Comments or questions from interested persons who are neither in favor of nor opposed to the application.
6. **PUBLIC TESTIMONY IN OPPOSITION.** Testimony from those in opposition to the application.
7. **QUESTIONS FROM COMMISSIONERS.** The commission will have the opportunity to ask for clarification from staff, the applicant, or those who have already testified.
8. **REBUTTAL TESTIMONY FROM APPLICANT.** After all public testimony, the commission will take rebuttal testimony from the applicant.
9. **CLOSING OF PUBLIC HEARING.** The Chairperson will close the public portion of the hearing. The Commission will then enter into deliberation. From this point in the hearing the Commission will not receive any additional testimony from the audience, but may ask questions of anyone who has testified.
10. **COMMISSION DISCUSSION AND ACTION.** It is the Commission's intention to make a decision this evening on each issue on the agenda. Planning Commission decisions may be appealed to the City Council. If you wish to appeal a decision, please contact the Planning Department for information on the procedures and fees involved.
11. **MEETING CONTINUANCE.** Prior to the close of the first public hearing, *any person* may request an opportunity to present additional information at another time. If there is such a request, the Planning Commission will either continue the public hearing to a date certain, or leave the record open for at least seven days for additional written evidence, argument, or testimony. The Planning Commission may ask the applicant to consider granting an extension of the 120-day time period for making a decision if a delay in making a decision could impact the ability of the City to take final action on the application, including resolution of all local appeals.

*The City of Milwaukie will make reasonable accommodation for people with disabilities. Please notify us no less than five (5) business days prior to the meeting.*

#### **Milwaukie Planning Commission:**

Lisa Batey, Chair  
Clare Fuchs, Vice Chair  
Scott Barbur  
Sine Bone  
Shaun Lowcock  
Wilda Parks  
Gabe Storm

#### **Planning Department Staff:**

Denny Egner, Planning Director  
Ryan Marquardt, Senior Planner  
Li Alligood, Associate Planner  
Brett Kelter, Associate Planner  
Vera Koliass, Associate Planner  
Alicia Martin, Administrative Specialist II

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**CITY OF MILWAUKIE  
PLANNING COMMISSION  
MINUTES  
Milwaukie City Hall  
10722 SE Main Street  
TUESDAY, August 27, 2013  
6:30 PM**

9 **COMMISSIONERS PRESENT**

10 Lisa Batey, Chair  
11 Clare Fuchs, Vice Chair  
12 Scott Barbur  
13 Sine Bone  
14 Shaun Lowcock  
15 Wilda Parks  
16 Gabe Storm

**STAFF PRESENT**

Stephen C. Butler, Planning Director  
Brett Kelper, Associate Planner  
Peter Watts, City Attorney

17  
18 **1.0 Call to Order – Procedural Matters\***

19 **Chair Batey** called the meeting to order at 6:30 p.m. and read the conduct of meeting format  
20 into the record.

21  
22 ***Note:** The information presented constitutes summarized minutes only. The meeting video is  
23 available by clicking the Video link at <http://www.ci.milwaukie.or.us/meetings>.*

24  
25 **2.0 Planning Commission Minutes**

26 2.1 April 9, 2013

27  
28 **It was moved by Commissioner Parks and seconded by Commissioner Storm to approve  
29 the April 9, 2013 Planning Commission minutes, as amended to remove Chris Wilson  
30 from the attendance list. The motion passed with Vice Chair Fuchs and Commissioner  
31 Barbur abstaining.**

32  
33 2.2 April 23, 2013

34  
35 **It was moved by Commissioner Parks and seconded by Vice Chair Fuchs to approve the  
36 April 23, 2013, Planning Commission minutes, as written. The motion passed with  
37 Commissioners Bone (Adams) and Barbur abstaining.**

38  
39 **3.0 Information Items**

40  
41 **Steve Butler, Planning Director**, stated that the Commercial Core Enhancement Program  
42 (CCEP) project was renamed to Moving Forward Milwaukie: Enhancing Our Commercial

43 Districts. The project advisory committee (PAC) needed a representative from the Planning  
44 Commission. The first public meeting for the project was tentatively scheduled for October 7,  
45 2013. The first PAC meetings were scheduled for September 23 and October 21, 2013.

46

47 **4.0 Audience Participation** – This is an opportunity for the public to comment on any item  
48 not on the agenda. There was none.

49

50 **5.0 Public Hearings** – None

51

52 **6.0 Worksession Items**

53 6.1 Summary: Discussion about Transportation-Related Educational Webinar/Videos  
54 Staff: Steve Butler

55

56 **Mr. Butler** requested the Commission watch two videos prior to the meeting; one was a webinar  
57 on right-sizing streets, and the other was a presentation by Jeffrey Tumlin on “Walkable  
58 Urbanism” which focused on ways to downsize streets, increase walkability, and improve traffic  
59 conditions.

60

61 **The Commission** discussed the videos.

62

- 63 • **Commissioner Parks** appreciated Tumlin’s philosophical and societal-oriented points of  
64 view.
- 65 • **Commissioner Parks** saw some opportunities for “road diets” in Milwaukie, and agreed with  
66 the video’s sentiment and wanted Milwaukie to be a memorable and comfortable place.
- 67 • **Chair Batey** said the single most important thing was to make walking more attractive to  
68 everyone.
- 69 • **Commissioner Sine** said the best transportation plan was to have a good land use plan. In  
70 Milwaukie, parking was an issue; the City should consider pricing parking.
- 71 • **Commissioner Lowcock** disagreed with Tumlin and did not see Vancouver as a good  
72 example of transportation. He believed Portland should be used as a good transportation  
73 example.
- 74 • **Chair Batey** noted that the webinar on right-sizing streets was not as relevant to Milwaukie  
75 as the Tumlin presentation, although some statistics were worthwhile and may be relevant.

- 76 • **Commissioner Bone** felt that streets should not be design to accommodate big cars or high  
77 speeds. Focus should be on creating traffic calming and if there is no money for curbing and  
78 sidewalks, other solutions should be considered, e.g. striping.

79  
80

81 6.2 Summary: Transportation System Plan (TSP) Update preparation  
82 Staff: Brett Kelper

83

84 **Mr. Butler** recognized **Jason Rice, Engineering Director**, and **Jamin Kimmel, Planning**  
85 **Intern**, in the audience.

86

87 **Brett Kelper, Associate Planner**, presented the staff report. He noted that the TSP was an  
88 ancillary document to the Comprehensive Plan and therefore any changes required a legislative  
89 process for adoption. He reviewed the purpose of the TSP and noted the update was required  
90 to comply with Metro's Regional Transportation Plan. The update was also to adjust the forecast  
91 horizon from 2030 to 2035 and to update project priorities.

92

93 **Mr. Kelper** noted that the following questions and topics have come up through public  
94 involvement and may be heard during future public hearings:

95

- 96 • How does the TSP relate to maintenance of the current street infrastructure? He clarified  
97 that the TSP was not designed to address paving and general street maintenance issues;  
98 those issues were managed through the Street Surface Maintenance Program (SSMP).
- 99 • How does the TSP address the light rail? He explained that the TSP focused on studying  
100 the system and infrastructure in place; once light rail was operating and an active part of the  
101 system, it would be included in future analysis of the whole system. An example of a new  
102 issue that might need future study was the need to better connect the various  
103 neighborhoods to light rail.
- 104 • Downtown Parking – How would light rail affect parking downtown and in the neighborhoods  
105 near the stations? He noted that even before the light rail project, there have been questions  
106 about how downtown parking functions, how it is managed, how is it enforced, etc. The 2007  
107 TSP included language outlining the existing process for establishing residential parking

108 permit programs. Staff conducts an annual inventory of downtown parking utilization, but  
109 perhaps there should be a comprehensive study of downtown parking outside of the TSP.

- 110 • Can large projects be broken into smaller segments to increase the chances of getting  
111 funding? He explained that the listing of large projects would not prevent them from being  
112 tackled in smaller segments if partial funding became available.
- 113 • A lot of sidewalk projects were described as “build sidewalk on both sides of the street.” Why  
114 not start by building a sidewalk on just one side of the street? He noted that, like large  
115 projects being funded in smaller pieces, a project’s full description would not prevent the  
116 City from constructing only part of it in order to save money to use for other projects.
- 117 • There has been a suggestion to show projects by neighborhood. He said that could be  
118 addressed with some new appendix materials.
- 119 • Some people have wanted more opportunities for public involvement. He indicated that the  
120 scope of the update project had not allowed for as much public involvement as some would  
121 have liked but that there had been effective public input received through several open  
122 houses and public meetings. He explained that he had tried to identify which issues or  
123 suggestions could be addressed through the update process and which ones would be more  
124 effectively handled in some other way.

125

126 **Chair Batey** would like to explore the City’s ability to lower the speed limit on some residential  
127 streets to 15 mph.

128

129 **Mr. Kelper** indicated that the Neighborhood Traffic Management chapter might be a place to  
130 address that issue.

131

132 **Mr. Rice** explained that the House bill allowing speeds down to 20 mph on neighborhood  
133 greenways may only be implemented in cities with populations over 100,000 citizens. However,  
134 he would look into seeing if the City could lower the speed limit to 15 mph on streets with a  
135 paved width of 18 ft or less.

136

137 **Mr. Kelper** outlined the timeline for adoption of the TSP updates. Public hearings with the  
138 Commission would be in September, with a worksession and hearings at City Council to follow  
139 in October.

140

141 **Mr. Butler** encouraged the Commissioners to take advantage of the evening's session to ask  
142 questions and prepare for the upcoming public hearing. He noted the overall project deadline  
143 from Metro was for the end of 2013 and suggested that the sooner the TSP updates could be  
144 adopted, the sooner the City could turn its attention to implementing some actual TSP projects.

145  
146 **Mr. Kelper** explained the format of the proposed TSP amendments and then highlighted the key  
147 proposed changes, chapter by chapter.

148  
149 **Chair Batey** encouraged Commissioners to continue reading the TSP and contact staff if a  
150 question arises.

151

## 152 **7.0 Planning Department Other Business/Updates**

### 153 7.1 Planning Commission Notebook Update Pages

154

155 **Mr. Butler** noted there was a TSP open house and public meeting scheduled for September 5,  
156 2013.

157

158 **Mr. Butler** and the Commission also discussed the Moving Forward Milwaukie Project Advisory  
159 Committee (PAC). The PAC would consist of members of the Commission and Design and  
160 Landmarks Committee, downtown business owners, and other stakeholders. **Commissioner**  
161 **Bone** was interested in participating and **Commissioner Barbur** offered to consider being an  
162 alternate.

163

## 164 **8.0 Planning Commission Discussion Items**

165

166 **Chair Batey** talked about a large garage expansion being built in Island Station. She felt it  
167 should have been subject to the conditions of an accessory structure; but because there was an  
168 insulated connection between the garage and the existing house, it was considered to be an  
169 expansion of the house and not an accessory structure or barn.

170

171 **Mr. Kelper** confirmed that the insulated connection made it an extension to the existing house.

172

173 **Commissioner Parks** asked if it was possible to look into clarifying the meaning of "connection"  
174 for future projects.

175

176 **Chair Batey** said the Code could be amended to address that.

177

178 **9.0 Forecast for Future Meetings:**

179 September 10, 2013 1. Public Hearing: CPA-13-03 Transportation System Plan (TSP)  
180 Update

181 September 24, 2013 1. Public Hearing: CPA-13-03 Transportation System Plan (TSP)  
182 Update

183

184 Meeting adjourned at approximately 10:10 p.m.

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187

188 Respectfully submitted,

189

190 Hannah Haugen, Administrative Specialist II, for

191 Alicia Martin, Administrative Specialist II

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196 \_\_\_\_\_  
Lisa Batey, Chair



**CITY OF MILWAUKIE**  
**PLANNING COMMISSION**  
**MINUTES**  
**Milwaukie City Hall**  
**10722 SE Main Street**  
**TUESDAY, September 10, 2013**  
**6:30 PM**

**COMMISSIONERS PRESENT**

Lisa Batey, Chair  
 Scott Barbur  
 Sine Bone  
 Shaun Lowcock  
 Wilda Parks  
 Gabe Storm

**STAFF PRESENT**

Stephen C. Butler, Interim Planning Director  
 Brett Kelper, Associate Planner  
 Damien Hall, City Attorney

**COMMISSIONERS ABSENT**

Clare Fuchs, Vice Chair

**1.0 Call to Order – Procedural Matters\***

**Chair Batey** called the meeting to order at 6:35 p.m. and read the conduct of meeting format into the record.

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**2.0 Planning Commission Minutes – None**

**3.0 Information Items**

**Steve Butler, Interim Planning Director**, noted that the Commercial Core Enhancement Program (CCEP) project was renamed to Moving Forward Milwaukie: Enhancing Our Commercial Districts. The first project advisory committee meeting was scheduled for September 23rd. The first public meeting was scheduled for October 3rd.

ArtMOB, the City's arts committee, was hosting a public meeting on October 10th about the proposed mural program.

**4.0 Audience Participation** –This is an opportunity for the public to comment on any item not on the agenda. There was none.

**5.0 Public Hearings**

5.1 Summary: Transportation System Plan (TSP) Update

44 Applicant: City of Milwaukie  
45 File: CPA-13-03  
46 Staff: Brett Kelper  
47

48 **Chair Batey** called the hearing to order and read the conduct of legislative hearing format into  
49 the record.

50  
51 **Brett Kelper, Associate Planner**, gave the staff report on the Transportation System Plan  
52 (TSP) update. The reason for the update was to comply with the state's Regional Transportation  
53 Plan. He gave an overview of the TSP: structure, project priorities, costs, and action plans. He  
54 reviewed the comments received since the Planning Commission's worksession.

55  
56 He reviewed the timeline for adoption with a goal for recommendation to City Council by the  
57 Commission and adoption by Council by the end of October/early November. The deadline for  
58 compliance with Metro was December 31st.

59  
60 **Chair Batey** opened the public testimony.

61  
62 **David Aschenbrenner, Chair of the Hector Campbell NDA**, requested a bike and pedestrian  
63 improvement project for Railroad Ave be included. He also asked for projects near Campbell  
64 Elementary School to be left in – although the school was not currently in use, it was used for  
65 activities and could be brought back into operation at any time.

66  
67 **Ray Bryan** said that the sidewalk on the south side of Washington St (east of 27th Ave) was  
68 narrower than what was shown in the TSP. He reviewed some of the projects and issues that he  
69 thought were important and advocated for stronger language for funding the Walk Safely  
70 Milwaukie Program.

71  
72 **Greg Baartz-Bowman** spoke in favor of the various Neighborhood Greenway projects identified  
73 in the TSP and encouraged people to join Bike Milwaukie on the group's upcoming ride to tour  
74 Portland-area neighborhood greenway routes.

75  
76 **Greg Hemer** and **Zac Perry** both asked for some large-scale projects (such as sidewalks along  
77 the entire length of Stanley Ave) to be broken down into smaller projects.

78

79 **Regis Niggemann** asked for the TSP to include pedestrian improvements on Linwood Ave.

80

81 **Gwen Alvarez** and **Vincent Alvarez** asked for the TSP to include more traffic calming elements  
82 on Lake Rd.

83

84 **Jean Baker, speaking for Historic Milwaukie NDA**, requested that bus shelter elements be  
85 added to the TSP, as well as a solution to the truck traffic on Monroe St.

86

87 **Chris Ortolano** noted the importance of providing safer east-west connections across the city  
88 from the eastern neighborhoods to downtown and the new light rail stations.

89

90 **Karin Power** spoke to the economic benefits of bike and pedestrian improvement projects.

91

92 **Chair Batey** closed the public testimony.

93

94 **The Commission** summarized their main concerns and the concerns raised by the public  
95 testimony as the following:

96

- 97 • Keep projects related to Campbell Elementary School
- 98 • Neighborhood Loop bus
- 99 • Hwy 224 crossings improvements—Do all the crossings need to be high priority or should  
100 they be ranked?
- 101 • Break up some of the larger-scale projects into smaller projects, e.g., Monroe St and Stanley  
102 Ave neighborhood greenways and Linwood Ave sidewalks
- 103 • Downtown parking and its relation to light rail—residential parking permit program
- 104 • Flexibility to build less than traditional sidewalks
- 105 • Traffic signal at Johnson Creek Blvd and 42<sup>nd</sup> Ave
- 106 • Truck traffic in downtown
- 107 • Sidewalks on Logus Rd
- 108 • Bike sharing and education
- 109 • Maintenance of swales
- 110 • Right turn on Oatfield Rd (safety)

- 111 • Traffic calming on Lake Rd

112

113 **Mr. Kelper** said that staff would prepare information on the above-listed issues for the  
114 September 24th meeting.

115

116 **It was moved by Commissioner Parks and seconded by Commissioner Storm to continue**  
117 **the public hearing, without public testimony, for CPA-13-03 to a date certain of**  
118 **September 24th.**

119

120 **6.0 Worksession Items – None**

121

122 **7.0 Planning Department Other Business/Updates – None**

123

124 **8.0 Planning Commission Discussion Items – None**

125

126 **9.0 Forecast for Future Meetings:**

127 September 24, 2013 1. Public Hearing: CPA-13-03 Transportation System Plan (TSP)

128 Update *continued*

129 October 8, 2013 1. Public Hearing: AP-13-01 Pendleton Woolen Mill Parking  
130 Appeal

131 2. Worksession: Murals Code Project

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133

134 Meeting adjourned at approximately 10:10 p.m.

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137

138 Respectfully submitted,

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140 Hannah Haugen, Administrative Specialist II for

141 Alicia Martin, Administrative Specialist II

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145 \_\_\_\_\_  
146 Lisa Batey, Chair

**CITY OF MILWAUKIE**  
**PLANNING COMMISSION**  
**MINUTES**  
**Milwaukie City Hall**  
**10722 SE Main Street**  
**TUESDAY, October 22, 2013**  
**6:30 PM**

**COMMISSIONERS PRESENT**

Clare Fuchs, Vice Chair  
 Scott Barbur  
 Sine Bone  
 Shaun Lowcock  
 Wilda Parks

**STAFF PRESENT**

Stephen C. Butler, Interim Planning Director  
 Ryan Marquardt, Senior Planner  
 Beth Ragel, Program Coordinator  
 Peter Watts, City Attorney

**COMMISSIONERS ABSENT**

Lisa Batey, Chair  
 Gabe Storm

**1.0 Call to Order – Procedural Matters\***

**Vice Chair Fuchs** called the meeting to order at 6:30 p.m. and read the conduct of meeting format into the record.

*Note: The information presented constitutes summarized minutes only. The meeting video is available by clicking the Video link at <http://www.ci.milwaukie.or.us/meetings>.*

**2.0 Planning Commission Minutes**

2.1 May 14, 2013

2.2 May 28, 2013 Design and Landmarks Committee Joint Session

**It was moved by Commissioner Parks and seconded by Commissioner Bone to approve the minutes of the May 14th and May 28th Planning Commission minutes as presented.**

**The motion passed unanimously.**

**3.0 Information Items**

**Steve Butler, Interim Planning Director**, noted upcoming public meetings on October 28 and 29 for the Moving Forward Milwaukie project. The October 28th meeting would discuss downtown opportunity sites and the October 29th meeting would discuss central Milwaukie.

The Planning Commission was encouraged to attend an elections law training workshop scheduled for November 20th.

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**4.0 Audience Participation** –This is an opportunity for the public to comment on any item not on the agenda. There was none.

**5.0 Public Hearings**

- 5.1 Summary: Parking Determination Appeal
- Applicant/Owner: Pendleton Woolen Mills
- Address: 2516 SE Mailwell Dr
- File: AP-13-01
- Staff: Ryan Marquardt

**Vice Chair Fuchs** called the public hearing to order and read the conduct of appeal hearing format into the record.

The public hearing was an appeal of the Director’s Determination DD-13-04. The application concerned the status of parking stalls along the northern edge of the Pendleton Woolen Mills property in the North Industrial Area. The applicant requested the parking stalls to be classified as legal off-street parking spaces but the director’s determination ruled the parking stalls did not qualify as legal off-street parking spaces.

**Ryan Marquardt, Senior Planner**, presented the staff report via PowerPoint. He explained that the site’s parking stalls were established in 1967, before parking standards were in place in 1968, and so were legal nonconforming. The PMLR project moved some of the parking stalls further into the Mailwell Dr right-of-way. Staff recommendation was to uphold the decision of DD-13-04, with a correction noted in the number of parking spaces described in DD-13-04.

**Vice Chair Fuchs** called for the applicant’s testimony.

**Bill Horning, Western Planning Associates**, represented the applicant. He recognized that the parking stalls are nonconforming. The appeal was because the spaces were never abandoned – TriMet took and rebuilt the parking stalls. Out of the 18 parking stalls, the City approved 3 legal nonconforming off-street spaces but 3 of the remaining 15 were not moved.

**Mike Donavon, General Manager at the Pendleton Woolen Mills distribution center**, noted there was signage indicating that the parking stalls are only to be used by Pendleton employees and shoppers.

77

78 **Charles Bishop, Vice President of Pendleton Woolen Mills**, said the PMLR project had a big  
79 impact on their business.

80

81 **Mr. Marquardt** revised the recommendation to count an additional 3 parking stalls that were not  
82 moved as legal nonconforming parking stalls.

83

84 Staff and the applicant's representative responded to questions from the Commission.

85

86 **Vice Chair Fuchs** closed public testimony.

87

88 **It was moved by Commissioner Parks and seconded by Vice Chair Fuchs to uphold the**  
89 **decision of DD-13-04 with the revised findings in Attachment 1 to include 3 additional**  
90 **nonconforming parking stalls. The motion passed with Commissioners Lowcock and**  
91 **Barbur opposing.**

92

### 93 **6.0 Worksession Items**

94 6.1 Summary: Murals Code Project briefing

95 Staff: Ryan Marquardt & Beth Ragel

96

97 **Beth Ragel, Program Coordinator**, gave an overview of the proposed mural project and noted  
98 current public opinion of the project. The proposed mural code included two permitting options:  
99 one was an objective review with a permit fee, and the other was a discretionary review that  
100 could include matching grant funds. She noted the project timeline to return to the Commission  
101 by the end of the year with code language. She planned to host a public workshop in the spring  
102 on the mural application process and tips on mural creation.

103

104 6.2 Summary: Land Use 101 Training: An Overview for the Milwaukie Planning  
105 Commission

106 Staff: Ryan Marquardt &

107

108 **Mr. Marquardt** gave an overview of statewide planning program milestones and how decisions  
109 were made.

110



111 **Peter Watts, City Attorney**, explained ex parte contact, bias, and conflict of interest. He  
112 recommended contacting the Oregon Government Ethics Commission if there were questions  
113 regarding these items.

114

115 **Mr. Marquardt** also offered for the Commission to notify Planning staff if there was a question  
116 of conflict of interest.

117

118 **7.0 Planning Department Other Business/Updates**

119 7.1 Summary: Attendance

120 Staff: Steve Butler

121

122 **Steve Butler, Planning Director**, asked for Commissioners to notify Planning staff if there was  
123 to be an absence.

124

125 **8.0 Planning Commission Discussion Items —None**

126

127 **9.0 Forecast for Future Meetings:**

128

129 November 12, 2013 1. Public Hearing: DR-13-05, 10400 SE Main St Veterinarian  
130 Clinic Design Review

131 2. Worksession: Moving Forward Milwaukie project briefing  
132 *tentative*

133 November 26, 2013 1. TBD

134

135

136 The meeting adjourned at approximately 10 p.m.

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138

139 Respectfully submitted,

140

141 Hannah Haugen, Administrative Specialist II for

142 Alicia Martin, Administrative Specialist II

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147

Lisa Batey, Chair

**CITY OF MILWAUKIE**  
**PLANNING COMMISSION**  
**MINUTES**  
**Milwaukie City Hall**  
**10722 SE Main Street**  
**TUESDAY, November 12, 2013**  
**6:30 PM**

**COMMISSIONERS PRESENT**

Lisa Batey, Chair  
 Clare Fuchs, Vice Chair  
 Scott Barbur  
 Sine Bone  
 Shaun Lowcock  
 Wilda Parks

**STAFF PRESENT**

Steve Butler, Interim Planning Director  
 Li Alligood, Associate Planner  
 Peter Watts, City Attorney

**COMMISSIONERS ABSENT**

Gabe Storm

**1.0 Call to Order – Procedural Matters\***

**Vice Chair Fuchs** called the meeting to order at 6:30 p.m. and read the conduct of meeting format into the record.

*Note: The information presented constitutes summarized minutes only. The meeting video is available by clicking the Video link at <http://www.ci.milwaukie.or.us/meetings>.*

**2.0 Planning Commission Minutes**

2.1 September 24, 2013

**It was moved by Vice Chair Fuchs and seconded by Commissioner Bone to approve September 24, 2013 Planning Commission minutes as presented. The motion passed unanimously.**

**3.0 Information Items None**

**Steve Butler, Interim Planning Director**, noted the next Moving Forward Milwaukie project advisory committee meeting was scheduled for October 14, 2013.

**4.0 Audience Participation** – This is an opportunity for the public to comment on any item not on the agenda. There was none.

**5.0 Public Hearings**

5.1 Summary: Design Review for Veterinarian Clinic

44 Applicant/Owner: Alyssa Leeviraphan & Kim Freeman  
45 Address: 10400 SE Main St.  
46 File: NCU-13-02 & DR-13-05  
47 Staff: Li Alligood  
48

49 **Chair Batey** recused herself from the public hearing for a potential bias and left the room.  
50

51 **Vice Chair Fuchs** called the hearing to order and read the conduct of quasi-judicial hearing  
52 format into the record.  
53

54 **Li Alligood, Associate Planner**, presented the staff report via PowerPoint. The property was  
55 located in the downtown residential zone DR. The applicant proposed a major exterior alteration  
56 and expansion of an existing nonconforming use. The proposal was subject to nonconforming  
57 use review and downtown design review. The Design and Landmarks Committee recommended  
58 approval for the design review proposal on October 23, 2013.  
59

60 **Ms. Alligood** explained that in February 2013, the Commission approved the change of use  
61 from a credit union to a veterinarian clinic. She believed the current proposal would not change  
62 the findings of that approval. Staff received a letter in support of the proposal from the Historic  
63 Milwaukie Neighborhood District Association. Staff recommended approval with the  
64 recommended findings and conditions of approval.  
65

66 **Vice Chair Fuchs** called for public testimony.  
67

68 **Alyssa Leeviraphan, Mahlum Architects**, spoke on behalf of the property owner and  
69 described the proposed site and floor plans.  
70

71 **Greg Hemer, DLC Chair**, spoke in support of the proposal.  
72

73 **Vice Chair Fuchs** closed public testimony and the Commission deliberated.  
74

75 **It was moved by Commissioner Bone and seconded by Commissioner Parks to approve**  
76 **NCU-13-02 and DR-13-05 with recommended findings in Attachment 1 and 2.**

77

**78 6.0 Worksession Items**

79 6.1 Summary: Moving Forward Milwaukie Project Briefing

80 Staff: Li Alligood

81

82 **Li Alligood, Associate Planner**, gave an update on the Moving Forward Milwaukie project.

83 The consultant team had established a detailed scope of work and schedule. The kick-off event

84 was on October 3rd. The next advisory committee was scheduled for November 18th where

85 opportunity sites to consider would be drafted, which would be presented to Council on

86 December 3rd. A public meeting was scheduled for January 16th, and there would be a

87 worksession and study session with Council in February.

88

89 **Chair Batey** asked for survey results from the open house.

90

91 **Ms. Alligood** would forward those results to the Commission.

92

**93 7.0 Planning Department Other Business/Updates**

94 7.1 Summary: Transportation System Plan (TSP) Update

95

96 **Mr. Butler** noted that the TSP update was almost through the adoption process. Language was

97 added that acknowledged that neighborhoods could conduct their own transportation studies;

98 and the downtown parking structure was moved from low to high priority.

99

100 7.2 Summary: Adams Street Project

101

102 The Adams Street project, located between 21st Ave and Main St, was to convert that portion of

103 Adams St to a pedestrian way and the plans were nearly final. The hope was to bid out in

104 February 2014 and for the construction to be done in late summer 2014.

105

106 7.3 Summary: Riverfront Park

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108 The City received major funding from the Oregon Marine Board and Oregon Parks and

109 Recreation. The project elements funded through these grants must be completed by October

110 2014.

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7.4 Summary: Staffing Update

The Planning Department was in the process of filling two vacant positions. One was the Assistant Community Development Director (aka Planning Director) and the other was for an Associate Planner. There were finalists for the Assistant CD Director and interviews were scheduled for later in the week.

**8.0 Planning Commission Discussion Items — None**

**9.0 Forecast for Future Meetings:**

- 1. November 26, 2013 1. Cancelled
- 1. December 10, 2013 1. Cancelled

The meeting adjourned at approximately 7:35 p.m.

Respectfully submitted,

Hannah Haugen, Administrative Specialist II, for  
Alicia Martin, Administrative Specialist II

---

Lisa Batey, Chair



# MILWAUKIE

*Dogwood City of the West*

**To:** Planning Commission  
Design and Landmarks Committee

**Through:** Dennis Egner, Planning Director

**From:** Li Alligood, Associate Planner  
Ryan Marquardt, Senior Planner

**Date:** February 4, 2014, for February 11, 2014, Worksession

**Subject:** Moving Forward Milwaukie: Project Briefing #2

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## **ACTION REQUESTED**

None. This is a briefing for discussion only. This is the second in a series of project briefings to the Planning Commission and Design and Landmarks Committee.

## **BACKGROUND INFORMATION**

The *Moving Forward Milwaukie: Enhancing our Commercial Districts* (MFM) project began in July 2013 and will continue into early 2015. The project was preceded by the *Fresh Look Milwaukie: Downtown Road Map* project (January – June 2013).

The MFM project is focused on bringing new activity to Milwaukie's commercial districts: downtown, central Milwaukie, and the neighborhood main streets of 32nd & 42nd Avenues. The major phases of the project are:

- Market Study (completed December 2013);
- Opportunity Site Development Concepts (in progress);
- Downtown and Central Milwaukie Action & Implementation Plan (next up);
- Downtown Plan and Code Amendments;
- Central Milwaukie Land Use & Transportation Plan; and,
- Central Milwaukie and Neighborhood Main Streets Plan and Code Amendments

### **A. History of Prior Actions and Discussions**

- **November 12, 2013:** The Commission was briefed on the results of the market study and provided input into its findings.
- **August 5, 2013:** The Committee was briefed on the project overview and schedule.

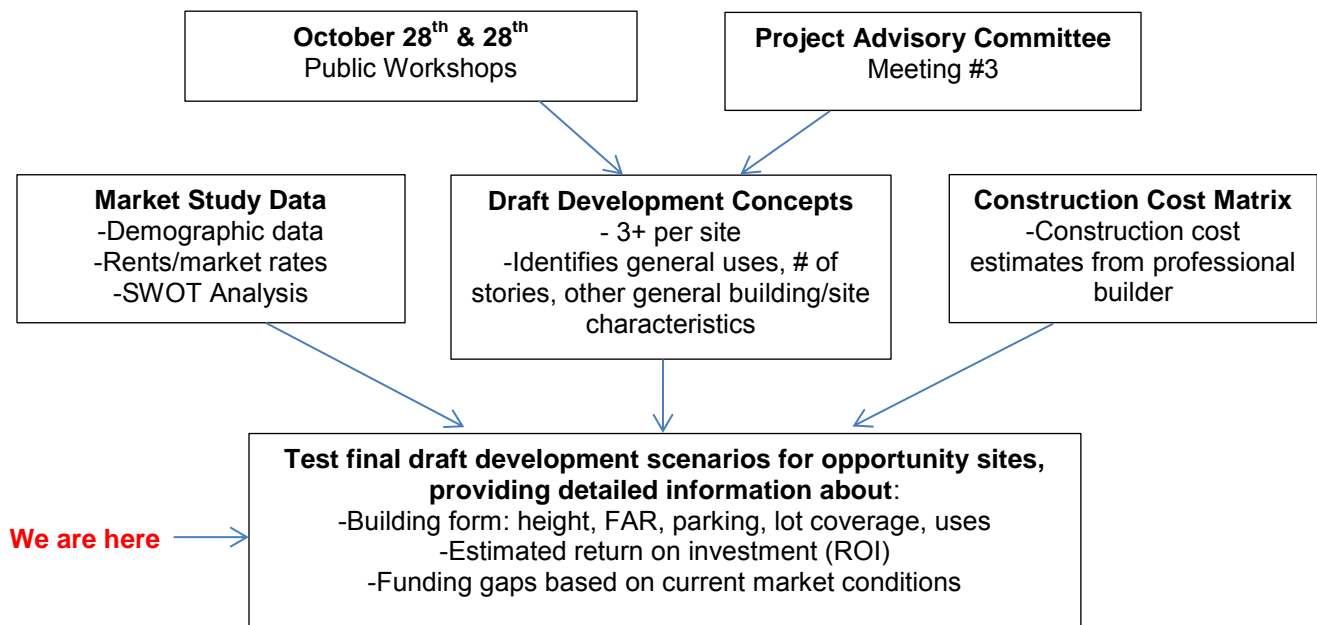
- **May 28, 2013:** The Planning Commission and Design and Landmarks Committees were briefed on the final recommendations of the *Fresh Look Milwaukie: Downtown Road Map* project.

## B. Opportunity Site Development Concepts

There are seven opportunity sites in the MFM project, known as the Texaco Site, Cash Spot Site, Dark Horse Site, Graham Building, Triangle Site, Murphy Site, and McFarland Site. These sites were chosen for their potential to catalyze new development in downtown and central Milwaukie and the willingness of the property owners to participate in the project.

Ultimately, the project consultants will create three development concepts for each of the seven sites and analyze the financial feasibility of each concept (e.g. whether the development will “pencil out.”) This analysis will inform the recommendations of the *Downtown and Central Milwaukie Action and Implementation Plan* and identify the policy, regulatory, and financial tools and actions the City may need to consider to realize short- and medium-term development on the opportunity sites.

The creation of the development concepts is illustrated by the graphic below:



## C. Feasibility of Opportunity Site Development Concepts

The next step in the refinement of the draft development concepts is examining the financial feasibility of each through financial pro forma analysis and the Envision Tomorrow tool. The Envision Tomorrow tool is an analysis tool developed by Fregonese Associates, a member of the Moving Forward Milwaukie project team, for testing the physical and financial feasibility of development. It allows examination of the current development market and considers the impact of on-site parking, minimum and maximum height requirements, construction costs, rents, and subsidies. The construction costs that are input into Envision Tomorrow are based on a construction cost matrix. This matrix is based



on current construction costs for various construction types and finishes, and is prepared by a commercial developer.

A major goal of the MFM project is to encourage commercial development and explore what the City may need to do to realize (and/or support) commercial development. The expected benefits of encouraging this commercial and mixed-use development are building the City’s tax base, making Milwaukie’s commercial areas more active and attractive to residents and visitors, and encouraging commercial growth in areas that are accessible by a variety of transportation modes.

In December and January, the project team created draft concepts incorporating feedback from the Project Advisory Committee; technical resources group; property owners; staff; and developers. The team then refined the concepts with input from Council, and began testing the financial feasibility and market demand for each of the draft concepts.

**C. Next Steps**

The project team will present the refined draft concepts to Council at its February 18 worksession. Council feedback will be incorporated into the draft concepts, three for each opportunity site, which will be presented to the public on March 6, 2014. The third round of concepts will include detailed development cost and financing information (the pro forma); an evaluation of policy and regulatory revisions that would be required to allow development of the concepts; and a discussion of the tradeoffs of those revisions.

Once Council has incorporated public comments from the March 6, event and identified the preferred concept for each site, the project team will create a development package that includes detailed building characteristics, financial pro formas, and 2-D photorealistic visualizations. These materials will be ready for distribution to potential developers and brokers.

The recommendations identified through the development concept process (policy, regulatory, and financial) will be incorporated into a *Downtown and Central Milwaukie Action and Implementation Plan*, which will be reviewed with Council and the Planning Commission in the spring.

**ATTACHMENTS**

Attachments are provided as indicated by the checked boxes. All material is available for viewing upon request.

	PC/DLC Packet	Public Copies	E- Packet
1. Draft Development Concepts, dated January 10, 2014	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Absorption Analysis, dated January 17, 2014	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Draft Development Concepts – Preliminary Feasibility Analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Key:

PC/DLC Packet = paper materials provided to Planning Commission and DLC 7 days prior to the meeting.

Public Copies = paper copies of the packet available for review at City facilities and at the Planning Commission meeting.

E-Packet = packet materials available online at <http://www.milwaukieoregon.gov/planning/planning-commission-97>.



**DATE:** January 10, 2014

**ECO Project #: 21485**

**TO:** Milwaukie City Council

**FROM:** ECONorthwest

**SUBJECT: MOVING FORWARD MILWAUKIE – REFINED POTENTIAL DEVELOPMENT CONCEPTS**

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The Moving Forward Milwaukie project includes the identification of three draft development concepts for each of seven opportunity sites in Downtown and Central Milwaukie. The development concepts will be modeled using Envision Tomorrow software, and will include site diagrams, building programs, illustrations/visualizations, and financial pro formas.

City staff and the consultant team have brainstormed numerous potential development concepts, which were developed based on conversations with key stakeholders, the public, and the Project Advisory Committee (PAC) and presented them to Council at its December 3, 2013, worksession. The project team has taken Council input, met with the property owners, and refined the list based on that feedback.

The project team is seeking direction from City Council to confirm or change the three draft development concepts. Following the January 21 worksession, the three preferred options will be refined (including a site plan, massing study, code evaluation, and pro forma evaluation) and presented to Council on February 18 and to the community at an early March public event for public feedback and selection of the preferred concept for each site.

Notes about the concepts:

- Unless specifically stated otherwise, each concept will include on-site parking.
- All of the concepts have been reviewed by the property owners, with the exception of the Graham Site.

## Texaco Site

The Texaco site is comprised of two tax lots of (almost) equal size. The western tax lot, fronting McLoughlin Blvd, is owned by Metro and was purchased with state funds in 2006 in anticipation of a joint development with the City. The eastern tax lot, fronting Main St, is owned by the City. The options below include half block and full block concepts.

**Figure 1. Texaco site boundary options**



### Top three options

1. Full block: four stories – ground floor commercial, residential above. U-shaped building with open space in the U.
2. Two buildings, each on ½ block, with some ground-level open space:
  - Western parcel. Four stories – ground floor commercial, residential/office above. Fourth floor is set back.
  - Eastern parcel. Three stories – ground floor commercial, residential/office above. Third floor is set back.
3. Two buildings, each on ½ block, sharing a full-block one-story podium with ground floor tuck under parking:
  - Western parcel. Five stories – ground floor commercial, residential or office above.
  - Eastern parcel. Three stories – ground floor commercial, residential or office above.

## Dark Horse Site

The Dark Horse site is privately owned. The boundary of the site has a few possible options. The original opportunity site boundary included only the properties fronting SE 21<sup>st</sup> Ave (approximately the eastern 1/3 of the block). There are three existing buildings on this frontage.

The property owner, however, is open to development concepts that would include the adjacent surface parking lot (as long as that parking is replaced), as well as development concepts that include the other Dark Horse-owned properties on the block. These alternative site boundaries are shown below in Figure 2.

**Figure 2. Dark Horse Site boundary options**



Source: ECONorthwest, 2013

### Top three options

Note that for all three concepts, for ground floor commercial spaces not located on Main Street, we will explore the possibility of initially allowing residential uses in these spaces, to be converted to commercial uses at a later date, when supported by market conditions.

1. Boundary #1 - Three stories, live/work units
2. Boundary #2 – Four stories, ground floor commercial residential above.
3. Boundary #3 – two buildings.
  - Building 1. Adaptive reuse of existing Dark Horse office on NW corner of block. Primary intent is to remodel the ground floor for commercial use.
  - Building 2. New development on Boundary #2. Four stories, ground floor commercial with office above. The primary intent is to allow Dark Horse to consolidate their operations all onto one block (albeit, two separate buildings), potentially with room to grow, and to minimize disruption to Dark Horse from remodel of the ground floor of their existing offices.

## Graham Site

This site is also privately owned, and contains an existing building. Options include both retention and demolition of existing building on site, and assume no on-site parking.

Figure 3. Graham Site boundary



### Top three options

1. One story – adaptive reuse of existing building for commercial use (such as a restaurant); utilize existing parking lot for the adjacent commercial use (e.g. patio seating). This concept will explore the possibility of including a rooftop patio, assuming it is structurally feasible.
2. Three stories – new development, ground floor commercial with residential above.
3. Three stories – new development, rooftop restaurant/bar, with ground floor commercial and other stories as commercial/office.

## Cash Spot Site

For all Cash Spot site development concepts (unless otherwise noted), the number of stories refers to the building height at Main Street level, and ground floor refers to use on Main Street. The site is comprised of four tax lots covering almost an entire block. The northeast corner of the site is privately-owned and is not included in the proposed concepts. The options below include half block and full block concepts.

Figure 4. Cash Spot image



### Top three options

1. Three stories on Main St, four-five stories on McLoughlin Blvd– ground floor commercial with office above and **structured parking below**. Potential for rooftop restaurant/bar.
2. Half-block building fronting Main St, no development on McLoughlin Blvd. Building on Main Street would be three stories with ground floor commercial with office above; **“tuck under” parking below**. **Interim surface parking** on McLoughlin frontage, to be developed as a second phase. No structured parking. Potential for rooftop restaurant/bar.
3. Multiple buildings of various heights (up to three stories) with **no onsite parking**. Multifamily residential with ground floor commercial. Buildings would be shorter on the western side of the site, and taller on the eastern side, maximizing views of the river.



## Triangle Site

The Triangle site is fairly level, with the ground floor at grade on its SE 21<sup>st</sup> Ave frontage. The light rail station platform to the west of the site is elevated and would be level with the second story of a building. An additional platform could be constructed as part of the development on this site, but is not assumed. No off-street parking is assumed in these development concepts.

**Figure 5. Triangle Site boundary**



### Top three options

1. Two stories – ground floor commercial, office above.
2. Three stories – ground floor commercial, residential above.<sup>1</sup>
3. One story – commercial (“tall” building with high ceilings)

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<sup>1</sup> Note that we will run a similar option in Envision Tomorrow, looking at a four-story building, to determine the financial impact of developing four vs three stories, all else being equal.

## Murphy Site

This site is a large, mostly vacant parcel (~7 acres). Development options on this site assume multiple buildings and inclusion of streets or drive aisles providing access to the buildings.

**Figure 6. Murphy Site boundary**



### Initial Concepts

Ultimately, we anticipate this site will develop with a mix of uses, described below in the “top three options.” For the initial analysis, however, we are evaluating single-use concepts. This allows us to identify how much of a given product could be accommodated on the site, and what the financial feasibility of each use is. Later, we will create refined concepts showing a mix of uses. These refined concepts will also include:

1. Internal circulation
2. Access points to the site
3. Massing studies along Harrison & 32<sup>nd</sup>

### Top three options

1. One – four stories – Mixed-use
  - Senior housing (multifamily residential) to the north
  - Medical offices along street frontages and/or interior of site
  - Small office and/ or commercial component on ground floor along Harrison St and 32<sup>nd</sup> Ave frontages
2. One - five stories - Mixed-use
  - Multifamily residential to the north

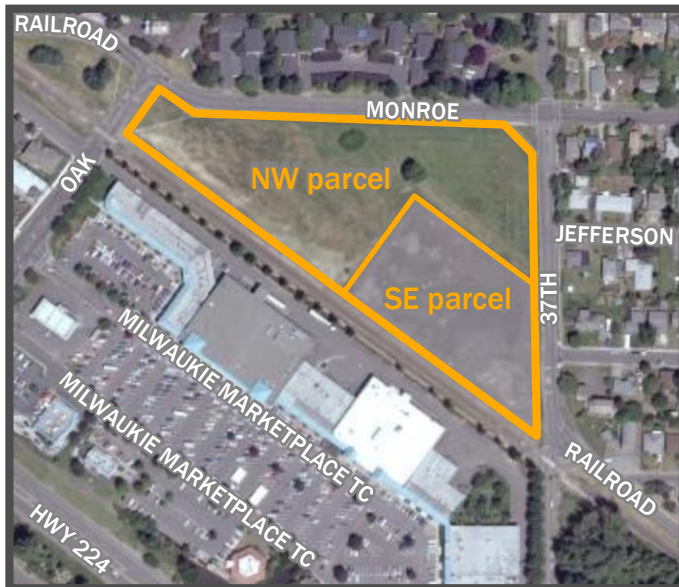


- Mixed-use residential with ground floor commercial along Harrison St and 32<sup>nd</sup> Ave
  - Office
3. One – three stories - Mixed use
- Flex space<sup>2</sup> (one story)
  - Ground floor office and/or commercial on Harrison St and 32<sup>nd</sup> Ave
  - Multifamily residential (optional)

## McFarland Site

This site is a large, mostly vacant parcel (~7 acres). Development options on this site assume multiple buildings and inclusion of streets or drive aisles providing access to the buildings. Project staff has learned that contamination issues on the fenced-off SE corner (~2.5 acres) of the site would require mitigation that would make residential development prohibitively expensive. Other uses may involve mitigation, but not to the same level as required for residential uses. The options below reflect this limitation on residential uses.

**Figure 7. McFarland Site boundary**



### Initial Concepts

Ultimately, we anticipate this site will develop with a mix of uses, described below in the “top three options.” For the initial analysis, however, we are evaluating single-use concepts. This

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<sup>2</sup> Flex space is a type of building designed to be versatile and which may contain a combination of office, research and development, wholesale, light industrial, warehouse, and/or distribution uses.

allows us to identify how much of a given product could be accommodated on the site, and what the financial feasibility of each use is. Later, we will create refined concepts showing a mix of uses. These refined concepts will also include:

1. Internal circulation
2. Access points to the site
3. Massing studies along Oak, Monroe, and 32nd

### Top three options

1. One - five stories - Mixed-use
  - Multifamily residential (no residential on SE Parcel with contamination issues)
  - Mixed-use, residential above ground floor commercial along Monroe St (NW Parcel)
  - Office along street frontage of SE Parcel and interior
2. One - four stories - Mixed-use
  - Multifamily residential (no residential on SE Parcel)
  - Mixed-use, residential above ground floor commercial
  - Office
3. Max height of three stories - Mixed use:
  - Multifamily residential (no residential on SE Parcel)
  - Live/work units along Monroe and/or 37<sup>th</sup> Ave
  - Flex on SE Parcel



**DATE:** January 17, 2014  
**TO:** Milwaukie City Council  
**FROM:** Nick Popenuk, ECONorthwest  
**SUBJECT:** MOVING FORWARD MILWAUKIE: ABSORPTION ANALYSIS

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**ECO Project #: 21485**

## Overview

The Moving Forward Milwaukie project is in the process of creating and testing development concepts. These are prototype buildings that could be developed on the seven opportunity sites identified in Downtown and Central Milwaukie. We will be discussing these draft concepts with City Council at the Council Work Session on January 21.

At a previous City Council meeting, members of the Council requested information on future absorption of different uses. This absorption analysis is intended to provide context for the City Council as they consider the draft development concepts. It will help the Council answer questions like:

- How many square feet of new retail, office, or industrial space is expected to develop in the City in the future?
- How does each individual prototype compare to the forecast growth citywide?
- How many of these prototypes could reasonably be expected to develop in the short-term, based on the expected future absorption?

Absorption is defined as the net change in the amount of occupied building space. Absorption can be either positive or negative. Positive absorption can come from new construction (and subsequent leasing of the new space), or leasing previously vacant space in an existing building.

## Absorption Forecast

Two basic methods are used to forecast absorption. One method is to look at historical trends and extrapolate them into the future. The other method is to use an existing forecast of growth for population or employment and correlate it with absorption. We use both methods (including two variations of the first method) to provide a range of forecasts. This range provides a reasonable estimate of future growth. However, neither method is perfect, and absorption forecasts should be taken with a grain of salt.

### Local historical trends

Exhibit 1 shows local historical trends for absorption in the City of Milwaukie. Data was provided by CoStar, which includes data going back to 2003 for office and industrial properties, but only as far back as 2006 for retail properties. Over the past decade the City of Milwaukie has seen average annual absorption of 105,000 square feet (SF) of industrial space, 7,200 SF of office space, and negative 1,700 SF of retail space. One method of forecasting absorption would be to extend these trends into the future.

**Exhibit 1. Historical absorption, City of Milwaukie, 2003 to 2013**



Calculated by ECONorthwest, with data from CoStar.

**Regional historical trends**

A variation on this method is to look at regional historical trends. Exhibit 2 shows absorption over the past decade for the tri-county metropolitan region. The metro region experienced average annual absorption of 575,000 SF of retail, 675,000 SF of office, and 2,194,000 SF of industrial space over the past decade.

**Exhibit 2. Historical absorption, tri-county metropolitan region, 2003 to 2013**



Calculated by ECONorthwest, with data from CoStar.

By extending these recent regional historical trends into the future, we can attribute a share of the regional growth to the City of Milwaukie, to arrive at a different local forecast of absorption. This method can be used to show what would happen if Milwaukie received its “fair share” of growth. To determine the fair share of growth, we used the percentage of regional households that were located in Milwaukie in 2010, which is 1.3%. This results in 7,200 SF of retail space, 8,500 SF of office space, and 27,700 SF of industrial space per year.

### Employment forecasts

Another method for forecasting absorption is to take an existing forecast for something that is correlated with rentable building area. We used the most recent employment forecasts produced by Metro.<sup>1</sup> Metro’s forecast includes an estimate of Milwaukie employees for 2010, and a forecast for 2025. This forecast calls for average annual growth in employment of 1.3% per year. A subset of this employment growth is retail employment, which is forecast to grow at 1.4% per year. Applying these same growth rates to the existing inventory of retail, office, and industrial space in the City of Milwaukie, we arrive at a third forecast of future absorption. This results in 12,600 SF of retail, 8,500 SF of office, and 74,500 SF of industrial space per year.

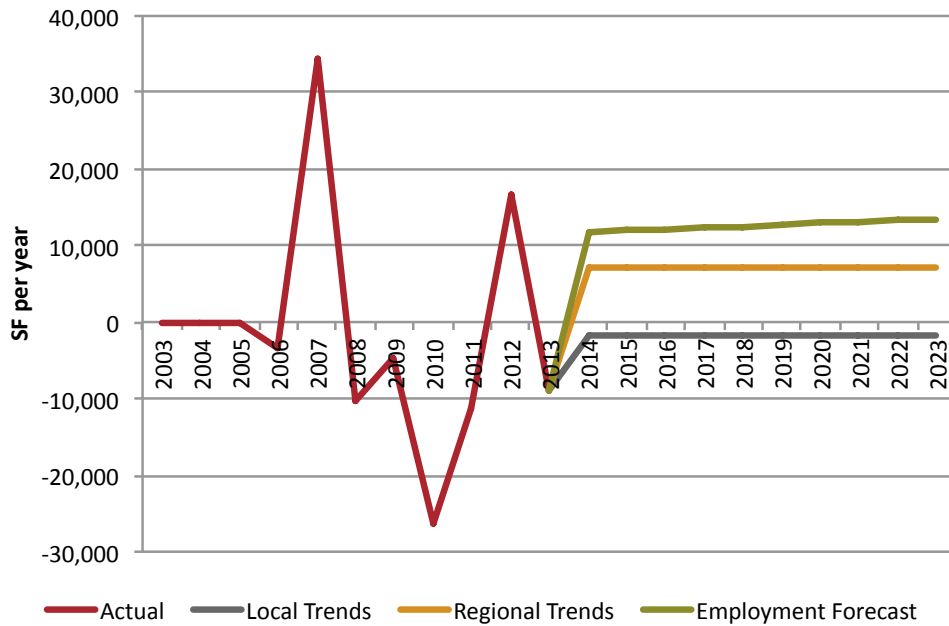
Exhibits 3, 4, and 5 show all three forecasts for retail, office, and industrial space for the City of Milwaukie. The legend is the same for each table:

- Actual historical data from CoStar for the City of Milwaukie
- Local Trends shows the historical average for the City of Milwaukie extended into the future.
- Regional Trends shows the historical average for the tri-county region extended into the future with Milwaukie receiving its “fair share” based on the number of households.
- Employment Forecast shows absorption based on the corresponding growth rate for the employment forecast.

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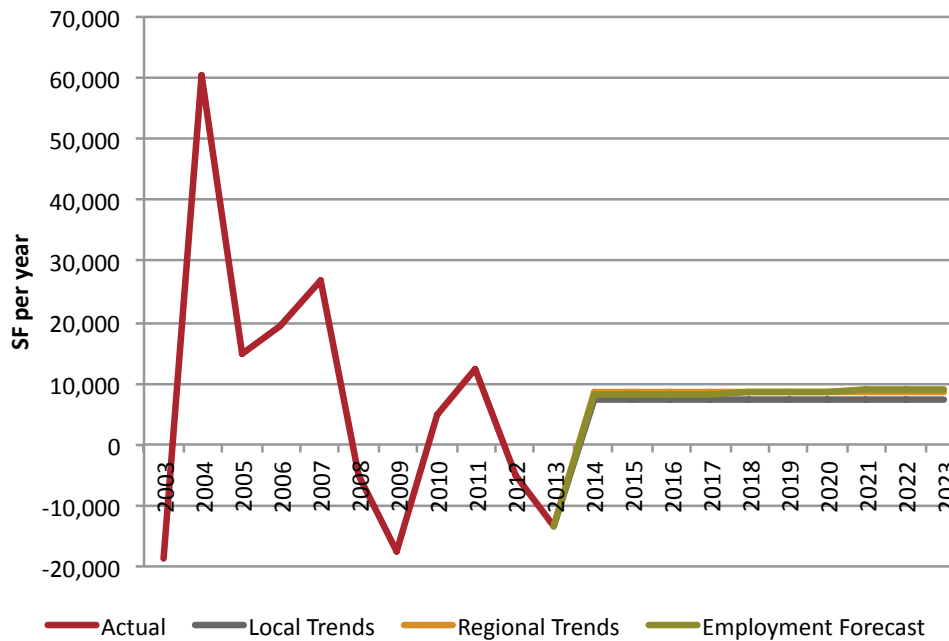
<sup>1</sup> Metro ‘Gamma’ Forecast Distribution Profiles by City and County 2025 / 2035 / 2040. Published 11/2/2012.

**Exhibit 3. Historical and forecast retail absorption, City of Milwaukie, 2003 to 2023**

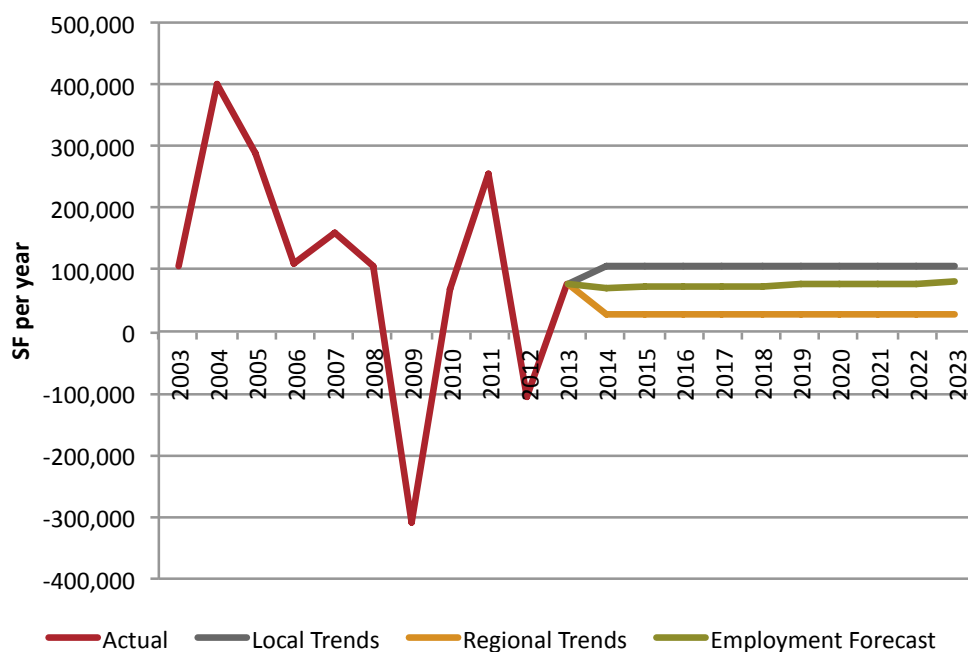


Calculated by ECONorthwest with data from CoStar and Metro.

**Exhibit 4. Historical and forecast office absorption, City of Milwaukie, 2003 to 2023**



Calculated by ECONorthwest with data from CoStar and Metro.

**Exhibit 5. Historical and forecast industrial absorption, City of Milwaukee, 2003 to 2023**

Calculated by ECONorthwest with data from CoStar and Metro.

Exhibit 6 summarizes the results of the three forecasts for retail, office, and industrial development. The analysis shows that average annual absorption for retail space should be between -1,700 and 12,600 SF per year. Office absorption should range from 7,200 to 8,500 SF per year, and industrial absorption should range from 27,700 to 104,800 SF per year.

**Exhibit 6. Summary of absorption forecasts, City of Milwaukee, average SF per year, 2013 to 2023**

Use	SF per year		
	Local Trends	Regional Trends	Employment Forecast
Retail	-1,700	7,200	12,600
Office	7,200	8,500	8,500
Industrial	104,800	27,700	74,500

Source: ECONorthwest with data from CoStar and Metro

## Implications for Moving Forward Milwaukee

Note that the forecasts described in this memorandum have limitations. The purpose of the Moving Forward Milwaukee project is to change the paradigm in Milwaukee. The project will identify barriers to development, and create strategies to overcome these barriers. If this is successful, Milwaukee should expect to experience more development in the future than in the past. Even without changes in public policy, Milwaukee may already expect to see different levels of development in the future due to recent investment in light rail. Similar projects have been a catalyst for development elsewhere in the region. Additionally, development is notoriously unpredictable, with boom and bust cycles. One or two big projects could occur

simultaneously that would provide far more new SF of development than is shown in our forecasts, which show average annual SF.

Even with those limitations, the analysis is still instructive for evaluating the development concepts. Some key findings include:

- Future absorption in Milwaukie is likely to come from new development, rather than leasing existing space. Although not mentioned previously in this memo, the Moving Forward Milwaukie Market Study that was completed in Fall 2013 showed that vacancy rates for all types of space in Milwaukie was less than 7%. This is a healthy vacancy rate, and in the long-term, additional absorption is likely to come from new development.
- Office development is likely to occur relatively slowly. All three forecasts arrived at almost the exact same number of SF of office absorption: between 7,200 and 8,500 SF per year. Some of the development concepts we are evaluating call for 50,000 SF or more of office space. Any one of these prototypes would satisfy six or seven years worth of demand for new office space in the Milwaukie Market.
- Demand for retail space is likely to be similar to the demand for office space, however, our three forecasts resulted in a much wider range of potential absorption per year. Over the past decade, Milwaukie has seen negative absorption, as tenants have moved out of the City. While this could continue into the future, Metro's employment projections suggest a different trend that correlates to positive absorption of 12,600 SF of retail space per year.
- Industrial space has been a bright spot for Milwaukie, in terms of recent absorption. In fact the City has been getting more than its "fair share" of industrial absorption.
- All of these absorption forecasts should be taken with a grain of salt. The Moving Forward Milwaukie project has the power to transform Milwaukie. We have seen this happen before in places like Alberta, St. Johns, and Belmont. Successful catalyst projects can trigger a boom of development in the surrounding area, and historical results may not dictate future trends. These forecasts are only one lens that the Council can use as they evaluate the draft development concepts.



ATTACHMENT 3  
**MFM: Preliminary Development Concepts**

Site	Concept	Cost	Return	Potential Risk
Texaco	1. One building. Full block. 4 floors. Residential above ground floor commercial and parking.	Medium	Low	Medium
	2. Two buildings. Each half-block. 3 and 4 floors. Residential above ground floor commercial and parking.	Medium	Negative	High
	3. Two buildings. Each half-block. 3 and 5 floors. Residential above ground floor commercial and parking.	Medium	Low	Medium
Dark Horse	1. Small boundary. 3 floors. Live/work units.	Low	Negative	High
	2. Medium boundary. 4 floors. Residential above ground floor commercial.	Low	Low	Medium
	3. Large boundary. 2 buildings. (a) Rehab of existing Dark Horse office for ground floor commercial. (b) New development, 4 floors, office above ground floor commercial and parking.	Medium	Negative	High
Graham	1. Adaptive reuse. 1 floor. Commercial use.	Low	Medium	Low
	2. New development. 3 floors. Residential above ground floor commercial.	Low	Low	Medium
	3. New development. 3 floors. Commercial/office with rooftop restaurant/bar.	Low	Negative	High
Cash Spot	1. Full block. Structured parking. 2 buildings above. (a) Facing Main, 3 floors, office above ground floor commercial. (b) Facing McLoughlin, 4 or 5 stories, office, rooftop restaurant/bar.	Medium	Negative	High
	2. Tuck under parking. Half-block. One building facing Main. 3 floors. Office above ground floor commercial.	Low	Negative	High
	3. Full block. No parking. One building. 3 floors. Residential.	Low	Low	Medium
Triangle	1. 1 floor. Commercial	Low	Low	Medium
	2. 2 floors. Office above ground floor commercial.	Low	Negative	High
	3. 3 floors. Residential above ground floor commercial.	Low	Low	Medium
	4. 4 floors. Residential above ground floor commercial.	Low	Low	Medium
Murphy	1. Residential. 3 floors.	High	Low	High
	2. Two buildings: (1) Office. 3 floors. (2) Commercial. 1 floor.	High	Negative	High
	3. Flex. 1 floor.	Medium	Negative	High
McFarland	1. Residential. 2 and 3 floors.	Medium	Low	Medium
	2. Two buildings: (1) Office. 3 floors. (2) Commercial. 1 floor.	High	Negative	High
	3. Flex. 1 floor.	Medium	Negative	High

**Definitions:**

- Cost: Total development cost including hard, soft, and contingencies.
- Return: Internal Rate of Return assuming sale in year 10.
- Potential Risk: Combination of cost and return - e.g. High Cost and Negative Return = High Risk.

**Notes:**

- All numbers are preliminary based on early drafts. These numbers will change as key assumptions are refined.
- Some prototypes that were modeled do not exactly match the narrative descriptions.

Legend			
	Cost	Return	Potential Risk
Negative	N/A	<0%	Qualitative Assessment
Low	< \$10M	0-10%	
Medium	\$10-25M	10-15%	
High	> \$25M	>15%	