



MILWAUKIE
Dogwood City of the West

Memorandum

To: Moving Forward Milwaukie Project Advisory Committee (PAC)

From: Li Alligood, Associate Planner (Project Manager)

Date: June 19, 2014

Re: Preparation for June 26, 2014, PAC Meeting

Greetings!

The 6th meeting of the Moving Forward Milwaukie: Enhancing Our Commercial Districts project advisory committee (PAC) is **Thursday, June 26, 6:00-8:30 pm** at the Johnson Creek Facility Operations Building, 6101 SE Johnson Creek Blvd (rear campus). A light dinner will be provided. Please note the longer meeting time and the new location.

At the April PAC meeting, you provided key direction for the Action & Implementation Plan for downtown and central Milwaukie. At this meeting, we will be discussing the draft Action & Implementation Plan, as well as preliminary proposed code amendments for downtown Milwaukie.

I have enclosed some documents for you to review prior to the meeting.

- **Meeting agenda**

Much of this meeting will be dedicated to discussion. Please come prepared to share your thoughts and perspectives!

- **Minutes from the 4/21/14 PAC Meeting**

Including the discussion of the draft Action & Implementation Matrix.

- **Moving Forward Milwaukie: Key Questions**

The project team has prepared a list of key project questions for review and discussion. These questions outline the questions the project seeks to answer, identifies those questions that have been answered by the PAC and through public input, and those questions that are still outstanding. We want to focus PAC discussion on those questions that have not yet been answered and where the response has lacked consensus. We intend to use the Key Questions form as an ongoing tool to document the decisions that have been made and to identify the decisions yet to be made.

- **Draft Action & Implementation Plan**

One of the key deliverables of this project is an Action and Implementation Plan for Downtown and Central Milwaukie. This plan will identify policy, regulatory, and financial barriers to

development and recommend strategies to remove these barriers. The enclosed draft plan expands on the draft matrix you reviewed at your last meeting.

The draft Action & Implementation outlines some broad potential strategies and more detailed actions to remove barriers to new development in downtown and central Milwaukie, as well as to encourage new businesses and development. These strategies and actions are drawn from the PAC, Council, Planning Commission, and public input reflected in the Key Questions document. We will discuss key strategies and actions and determine if or how they should be refined.

The Downtown and Central Milwaukie Action & Implementation Plan (Action & Implementation Plan) will provide a "road map" for the next phase of the project, which includes draft amendments to the downtown plan and code. It will also provide direction for economic development activities and capital projects that have been identified to encourage new businesses and development in downtown and central Milwaukie.

On April 21, the PAC reviewed the draft Action and Implementation Matrix, which provided a brief overview of proposed strategies and actions in downtown and central Milwaukie. Since that time, the draft Downtown and Central Milwaukie Action & Implementation Plan (Attachment 4) has been expanded to include:

- Key findings and lessons learned from the opportunity site development concepts, including the City's adopted vision for the project areas
- Summary of obstacles to development in downtown and central Milwaukie
- Expanded recommended strategies and actions to remove obstacles

Note that this is a discussion draft and is still being revised; comments from the Planning Commission, Project Advisory Committee, the consultant team, and staff will be incorporated into the final draft for Council review.

Key Recommendations

The Action & Implementation Plan includes strategies and actions in the categories of: Policy/Comprehensive Plan; Regulation/Code; Financial; and Other Implementation. The PAC discussion will include a review and discussion of the Regulatory/Code recommendations. Key recommendations are highlighted below. The PAC's previous discussion and direction on these recommendations is described in each subsection.¹

Regulatory/Code

One of the key goals of the Moving Forward Milwaukie project is to increase flexibility and remove barriers to development and redevelopment in downtown. The Action & Implementation Plan discusses these barriers and recommends approaches to address them. The discussion with the PAC will focus on recommendations for downtown Milwaukie, as further discussion of central Milwaukie will occur during the drafting and adoption of the Central Milwaukie Land Use and Transportation Plan. Page numbers refer to the draft Action and Implementation Plan document (Attachment 4).

Key recommended downtown code revisions include:

- *Reduce the number of downtown zones (page 30)*

There are currently 5 zones and 2 overlays within the downtown project area. The Action & Implementation Plan recommends reducing the number to 1 or 2 zones. All forms of public

¹ The results of the March 31 polling exercise can be found at http://www.milwaukieoregon.gov/sites/default/files/fileattachments/pac4_polling_results.pdf. Meeting notes from the April 21 meeting are included in this packet.

input have supported this recommendation. Further refinement and discussion about the preferred character and function of these potential zones is needed.

- *Update building heights and restrictions (page 31)*

The community has voiced a strong desire to limit the height of buildings downtown. Some areas of downtown, such as south downtown (south of Washington St) currently allow buildings of up to 65 ft (5 stories). The South Downtown Plan calls for a limit of 4 stories in this area; potential code amendments may reduce these maximum heights.

At the March 31 meeting, the PAC indicated strong support of maximum building heights of 4-5 stories. At the April 21 meeting, the PAC refined its direction to retain a maximum building height of 4 stories in most parts of downtown with provisions for 5 stories in some circumstances. The Action & Implementation Plan proposes a 4-story height limit throughout downtown (allowable only for buildings that include residential uses) with the exception of the area north of Scott St, which currently allows buildings of up to 5 stories.

- *Update allowed uses, including ground-floor uses (page 32)*

Many sections of Main St require retail or eating/drinking establishments (restaurants or cafes) on the ground floor. The intent of this regulation is to encourage a vibrant, pedestrian-friendly Main St retail core. Other areas of downtown restrict the area of retail or eating/drinking establishments.

At the March 31 meeting, the PAC directed the project team to loosen ground floor retail requirements on Main St. At the April 21 PAC meeting, the group identified uses it did *not* wish to see downtown, but did not discuss which uses should be encouraged. There is strong community support for retaining a requirement for "active" uses along Main St, but additional discussion and refinement is needed to determine which uses are desirable and which, if any, should not be permitted on the ground floor of Main St buildings.

- *Waive public area requirements (PARs) for qualified projects (page 34)*

Establish alternative funding strategy for public area requirements (PARs) (page 35)

These are two recommendations related to downtown public area requirements PARs). Currently, new development in the downtown zones requires reconstruction of adjacent sidewalks and streets to the standards of the public area requirements (PARs). The developer/property owner is responsible for the full cost of the construction. Both the high quality of the PARs and the lack of assistance to construct them are unusual in the region. Additional discussion and refinement is needed before implementing either of these recommendations. A key implementation action will be to "clarify the elements of the PARs that should be implemented, given the City's constrained resources."

At the March 31 meeting, the PAC strongly supported reducing development costs through waiving PARs and SDCs. At the April 21 meeting, the PAC recommended scaling back the PAR regulations for developers (rather than removing them altogether), and constructing all of the downtown PARs at once. Additional discussion is needed to determine which elements of the PARs are crucial to realizing the community's vision for downtown, as well as how the PARs could be financed.

- *Establish a "two-track" process for development downtown (page 30)*

Currently, all new development in downtown Milwaukie is subject to Type III Downtown Design Review; this process takes 3-4 months and requires a public meeting before the Design and Landmarks Committee (DLC) and a public hearing and decision by the Planning Commission. This discretionary review process introduces a significant element of

uncertainty and risk to a development, as the developer must invest a significant amount to advance a project design far enough for review of the details of the project, but does not have any assurance of a particular outcome. A combination of clear and objective development and design standards and the opportunity for a discretionary option would provide options for developers.

At the March 31 meeting, the PAC strongly supported providing a clear and objective process for new development in downtown. The Action & Implementation Plan recommends establishing a non-discretionary review process for new development that complies with revised development and design standards to be proposed as part of the downtown code amendments.

- *Expand pedestrian-oriented standards for 21st Ave, Harrison St, Monroe St, and Washington St; and urban design standards for McLoughlin Blvd (page 33)*

During the Fresh Look Milwaukie project, the community identified 21st Ave as a priority corridor due to its position as a pedestrian connection between the light rail station and the Jackson St bus shelter area, as well as the substantial infrastructure improvements being constructed by TriMet as part of the light rail project. Currently, 21st Ave has minimal standards related to ground-floor window openings, entrance doors, and other design components that contribute to a comfortable pedestrian environment. The Action & Implementation Plan proposes applying pedestrian-oriented standards to 21st Ave and key pedestrian corridors to Riverfront Park, including Harrison St, Monroe St, and Washington St.

McLoughlin Blvd is also a key corridor due to its function as a vehicular entrance to downtown Milwaukie, as well as a pedestrian entrance to downtown via the Trolley Trail and 31th Ave. Current standards encourage new development along McLoughlin Blvd to face away from the riverfront. New urban design standards would encourage development along McLoughlin Blvd to present an attractive face to the riverfront and provide gateway features at Harrison and Washington streets.

- **Questions?**

Additional information about the project and past efforts is available on the City's project web site at <http://www.milwaukieoregon.gov/planning/movingforward>.

Please let me know if you have any questions, and thanks again for helping us with this important project. I can be reached at 503-786-7627 or alligoodl@milwaukieoregon.gov.

ATTACHMENTS

1. Meeting Agenda
2. Minutes from the 4/21/14 PAC Meeting
3. Moving Forward Milwaukie: Key Questions
4. Draft Action & Implementation Plan

ATTACHMENT 1

AGENDA

Moving Forward Milwaukie: Enhancing Our Commercial Districts

Project Advisory Committee Meeting #6

Thursday, June 26th 2014

6:00 P.M. – 8:30 P.M.

City of Milwaukie Johnson Creek Facility Operations Building, 6101 SE Johnson Creek Blvd (rear campus)

Welcome to the sixth Project Advisory Committee (PAC) Meeting for *Moving Forward Milwaukie*. We appreciate your continued involvement in this exciting project!

There will be opportunities for public participation throughout the meeting. A light dinner will be served.

The guidelines for participating in the Advisory Committee from the first meeting are again included on the back of this page for reference.

Please note the change in meeting location. This meeting will be at the City's Johnson Creek Facility on Johnson Creek Blvd, and not at the Public Safety Building where prior PAC meetings were held.

- | | |
|--|------|
| 1. Welcome and overview of meeting agenda
Presentation: 5 minutes | 6:00 |
| 2. Review of downtown vision
Presentation: 10 minutes
Discussion/Questions: 10 minutes | 6:05 |
| 3. Draft Downtown and Central Milwaukie Action and Implementation Plan
Presentation/Discussion: 60 minutes | 6:25 |
| 4. Downtown plan and code revision: Key questions
Presentation/Discussion: 60 minutes | 7:25 |
| 5. Wrap up and next steps | 8:25 |
| 6. Adjourn | 8:30 |

Moving Forward Milwaukee: Enhancing Our Commercial Districts

Project Advisory Committee

Guidance for Participating on the Advisory Committee

The following guidance is provided to help Advisory Committee members understand their responsibilities and the ground rules for participating in the Committee. These rules are design to encourage civil discussion and decision-making.

Roles and Responsibilities

All advisory group members should be provided some orientation to their responsibilities as members of the advisory group. Individual members generally should not speak for the advisory group, only for themselves, unless designated by the group as its spokesperson. At a minimum, members should:

- Commit to attend all seven meetings, or send an alternate in their place
- Read, learn and absorb information quickly and accurately
 - Review project deliverables and provide feedback
 - Provide guidance for the project team
- Articulate their interests, concerns and perspectives on any issue being addressed
- Maintain an open mind regarding other views
- Focus on the “big picture”
- Work as a team member
- Participate collaboratively in group decision-making
- Constructively manage conflict between themselves and others in the group.
- Act as liaison between the Committee and the broader community
- Take responsibility for the success of the meeting

The group should strive for consensus where possible, but establish a "fall back" method of a simple or super majority for cases where this is not possible. Minority reports may provide a mechanism for those with different views to express concerns.

Ground Rules

The group should agree to some basic ground rules for their discussions. Post the ground rules at every meeting, so that if discussion gets off track or someone is dominating the discussion, the chair or facilitator can remind the group of previously agreed-to-ground rules. Examples include:

- Listen carefully and speak honestly
- Respect the views of others
- Keep an open mind
- Critique issues, not people
- Allow everyone to speak without dominating the conversation

DATE: April 23, 2014

ECO Project #: 21485

TO: City of Milwaukie

FROM: ECONorthwest

SUBJECT: MEETING MINUTES FROM PAC MEETING #5 ON APRIL 21, 2014

Notes from Moving Forward Milwaukie Project Advisory Meeting #5

Location: Milwaukie Public Safety Building

Date: April 21, 2014

Attendees

Advisory Committee Members present:

- David Aschenbrenner, South Downtown Committee
- Greg Hemer, Linwood NDA
- David Hedges, City Council
- Larry Cole, Downtown Business/Property Owner
- Neil Hankerson, Downtown Business/Property Owner
- DJ Heffernen, Central Milwaukie Business/Property Owner
- Dion Shepard, Historic Milwaukie NDA
- Paul Lisac, 32nd Ave Business/Property Owner
- Sherry Grau, Design and Landmarks Committee
- Paul Klein, Lewelling NDA
- Debby Patten, Lake Road NDA
- Betty Fulmore, Ardenwald NDA
- Brian Sims, 42nd Ave Business/Property Owner
- Jordan Carter, Central Milwaukie Business/Property Owner
- Scott Barbur, Planning Commission (alternate)
- Alicia Hamilton, Island Station NDA

Advisory Committee Members absent:

- Lars Campbell, Hector Campbell NDA
- Kimberly Keehner, Downtown Business/Property Owner

City of Milwaukie

- Steve Butler – Community Development Director
- Dennis Egner – Planning Director
- Li Alligood – Associate Planner/Project Manager
- Vera Koliass – Associate Planner

Consultant Team: ECONorthwest

- Nick Popenuk
- Abe Farkas
- Tessa Krebs

Welcome and Overview of Meeting Agenda

Nick introduced the Action and Implementation Plan that was under way, and describes the overview of the City's vision for downtown Milwaukie.

Survey results overview

Nick reviewed the results of the online survey posted from March 31-April 8.

- **David A.:** Do you think there was confusion about the way the setback question for Central Milwaukie was asked? The two options of “are you in favor of buildings up to the edge of the sidewalk vs. set back landscaping”?
 - **Nick:** Yes, the survey takers thought they were independent options, as opposed to alternatives.
- **DJ H.:** Was there any difference between the responses in public meeting versus online survey takers?
 - **Nick:** The two groups had very similar findings, especially on conflicting issues.

Nick reports the difficulties that went along with the survey, and that there were things that needed to be changed in the next survey, including the length of the survey and improved public outreach. What was everyone's experience or frustration when they took the survey?

- **Alicia H.:** The online survey missed out on the nuances of each question. Next time add a comment section at end of each question for respondents to write what they thought the question was asking or had other concerns.
- **Larry C.:** I asked my customers if they knew about what is going on with this project, and many did not even know about it. Many people are not computer literate, and they have not heard about it. A large percent of residents are older and they get information from newspapers, not online. It might be good to get these questions in front of people not only online, but in newspapers and/or other forms of media.
 - **Dave H.:** There have been at least 3 editions of the Pilot newsletter that had the information about MFM. Can't twist people's arm to read the information.

- **Larry C.:** People don't read information that is for free.
 - **Dave H.:** It has also been in the Oregonian and Clackamas review.
- **Neil H.:** The survey was targeted to property owners and renters. How about workers in the community, and business owners? Can someone man a booth at the farmers market coming up? That is a way to have more people know about the project.
 - **Dave H.:** The information is on a display board at farmers market, too.
- **Dion S.** Are you more concerned about what residents want or what business owners and employees want? The survey felt as if the target audience was people who work here, which is probably quite different from those who live here. If the intent is broader, then go out to residents and survey them. Why didn't the City send an email to employers? I suggest reaching out via email.
 - **Nick:** Both groups are important, not one more than the other. We have the ability to look at residents vs. employees separately, and the results were similar.
 - **Dennis Egner:** I looked at the cross tabs from the survey; I lumped together the strongly agree/agree and strongly disagree/disagree. The non-resident responses had no greater than a 3% impact on total impact for all respondents. In other words, it did not sway the results by that much, even though the non-residents made up 30% of total respondents.
- **Dion S.:** Others can give input if you send email.
 - **Li:** We do have emails for employers in the area, and we send them updates about the project, including the survey.

Nick describes that they take away from this discussion is that the PAC cares about getting good feedback from the public.

- **Neil H.:** What is the goal for the number of respondents?
 - **Nick:** Fregonese Associates might have a goal, so I will need to ask them and get back to you on that. We can also look into other communities that have done this similar type of public outreach.

Key Questions

1. *How flexible should the downtown zoning be? What should be allowed on ground floor? What does a code look like to still have an active downtown?*
 - **Neil H.:** What is commercial recreation?
 - **Li:** Where people pay to recreate, like *Curves*, for example.
 - **Paul L.:** The zoning says "only retail/restaurants can be allowed on ground floor on Main St." So that would mean *Curves* and *Dark Horse* wouldn't be allowed?
 - **Li:** Something like *Curves* would be allowed on ground floor, but only in 25% of building. There is a lot more detail about those percentages that can be made up of non-retail/restaurant on ground floor on Main St.
 - **Nick:** This is not about kicking tenants out, but about who would be allowed to occupy certain spaces downtown.

1a. What don't you want to see downtown?

- **Paul L.:** I don't want to see strip clubs downtown
- **Dennis Egner:** Some uses can be allowed through the conditional use process. Some questionable uses might make sense at some point, and this process can be used.
- **David A.:** No heavy manufacturing, no more automobile repair. I would lean against flex space and light manufacturing. The biggest concern is too much truck traffic; I see that as being an issue, especially if we are trying to build a pedestrian-friendly downtown.
- **Larry C.:** I would like to see other light manufacturing downtown because I have a small part of my business in light manufacturing. I run a retail DVD store that does some DVD manufacturing.
 - **David A.:** Larry, are you physically manufacturing the DVDs?
 - **Larry C.:** No.
 - **Li:** City considers Larry's business retail
- **David A.:** I just don't want truck traffic and pollution.
- **Greg H.:** And concerned about energy needs. I am not worried as much about light manufacturing, just heavy manufacturing.
- **Dave H.:** Can you define retail? I might consider Key Bank retail because people are walking into the store.
 - **Li:** Key Bank is considered a financial institution. Retail is buying something from the shelf.
 - **Dave H.:** In a broad sense, I would allow any business that draws people in for a service, like a bank, store, etc. They are all bringing people into the neighborhood. Why limit businesses that are drawing people in?
- **Larry C.:** What are doctor and dentists offices considered?
 - **Li:** They are offices, and not permitted on the ground floor under the current zoning regulations.
- **Betty F.:** What are you considering Main St.? All the way down to the south end of downtown?
 - **Nick:** The heart of Main St. is zoned DS, but that does not include the whole street. We are looking at Main St. holistically, so tell us if some place should be treated differently.
- **Greg H.:** Are there any successful metro areas with this 75% rule?
 - **Dennis Egner:** I don't know of any that have a regulation like that. It might result in vacancies.
 - **Greg H.:** So in successful metro areas, it is 100% open to either office or retail?
 - **Dennis Egner:** Yes, usually. Retail is always encouraged. Some level of office is usually allowed, depending on the type of office. Ultimately want to encourage activity.
- **Greg H.:** In regards to this 25/75% rule: what has worked in the past? Does it have a tendency to shatter in other places with this rule? I am leaning against not doing this rule.

Li reads off list of disallowed uses listed by the PAC:

1. Adult Entertainment
2. Heavy Manufacturing
3. Automotive repair

No one disagrees with these uses that should not be allowed.

4. *Should we relax or waive parking restrictions downtown?*

Nick: There are several options for parking restrictions:

1. Keep them the same: No requirements in center of downtown, parking minimums and maximums to the north and south of central downtown.
2. Remove all restrictions
3. Variation: remove all restrictions except for residential
4. Variation: reduce parking restrictions
5. Variation: put on-street parking time limits for non-residents

- **Paul L.:** Why are you asking us to decide the parking requirements when you don't even know what you want downtown?
 - **Nick:** Whatever happens to downtown, the question is "should the City require some parking restriction?"
- **Li:** We are only talking about south of Washington (because of light rail station) and north of Scott St. where there are currently off-street parking requirements. We are not talking about other areas of downtown at this point because there are no requirements there.
- **Alicia H.:** What is the conditional use process?
 - **Li:** We have a process where a developer can request a reduction in the amount of parking required, but it is not a guarantee. There is another process that costs \$1,000. It is not an easy process.
- **Alicia H.:** Is there a way to streamline this process?
 - **Li:** No, because it is Type II, there is a public notification requirement.
- **Nick:** Milwaukie has Type I, II, III for development project review.
- **Li:** Type II means 20-day public notice period, planning director decides with public process. Feedback is that these should be streamlined. So, this is more like the Type III, which is a planning commission design review. Another one is a planning director review.
- **Alicia H.:** It seems that parking requirements are important because they have impacts on community businesses and residents. Removing these requirements seems crazy, but I would like to see an easier process for modifications.
- **Jordan C.:** I think the "let the market dictate" idea provides the best results. Businesses aren't going to build parking if they don't need it. It does change when we talk about multifamily. It depends on how big the MF unit is. In Portland, parking only impacts residents parking. Portland doesn't have requirements from retail, but that doesn't necessarily dissuade people from shopping there, it just takes a few more minutes to find parking. Let's encourage developers to come, not have

- more requirements for them to go through. It's also quite expensive. Office space won't build without parking. MF: let's encourage urban living, then we need to make it easier for developers. There are variations on size requirements like if there are 25 units, there has to be parking, or 40% rule for parking space per unit.
- **Greg H.:** Could we require one spot for every resident/employee created?
 - **Nick:** That is how it is set up now. For every x SF of office space, you have to have a parking spot.
 - **Betty F.:** On the west side by parking lot next to City Hall? Is it city owned?
 - **David A.:** Both public and privately owned.
 - **Betty F.:** How much does the City get from businesses for the spaces?
 - **Li:** Not much
 - **Betty F.:** Does the City have the right to make more parking for businesses?
 - **Li:** The City could make any parking available or unavailable.
 - **Betty F.:** I am just saying that parking is not being used
 - **David A.:** On the Triangle site – it should not be residential, so no parking requirements. North of Scott St., there shouldn't be any requirements. The question is what should the percentage be for MF? I don't want to see the 25% or less like Portland.
 - **Nick:** It is interesting that the closer to the light rail, the more requirements there are.
 - **David A.:** Yes, what is magic number? We need parking for resident in the whole downtown.
 - **Alicia H.:** Are parking exemptions on the table?
 - **Li:** The Transportation System Plan is moving towards removing parking requirements
 - **Dave H.:** People using light rail need somewhere to put their car for the day. There has to be some parking provided for residents.

Nick expresses that there is interest from the PAC to explore the middle ground on parking requirements

- **Paul L.:** Does TriMet end at Park Ave.? It could be easy for someone to get on Max at Tacoma or Park Ave. Then, the parking around the light rail station is a moot point.
 - **Debby P.:** TriMet hasn't decided anything about how they will drop people off at the Max from buses, etc.

Vote Parking Requirements

Keep the parking requirements the same as they are now. 0

Remove parking requirements entirely. 3

We should not remove parking requirements entirely. 10

It is a good idea to remove requirements except residential uses. 5

It is a bad idea to remove requirements except residential uses. 4

We should reduce parking requirements. 7

It is not a good idea to reduce requirements. **Uncertain how to vote – it depends**

- **Greg H.:** It is hard to answer these questions because it varies widely on what type of residential you build. I think we should reduce parking on non-residential uses.
 - **David A.:** Am I interested in reducing? Yes! But I need more information.
 - **Paul L.:** Isn't there a way for the developer to come in a say how much parking he needs?
 - **Li:** Typically the City tells the developer they need more parking under the current regulations.
 - **Nick:** In the Cash Spot example, one story of parking with 3 floors above does not provide enough parking to accommodate what is above, but it was really close.
 - **Greg H.:** Is there an option to reduce parking so it fits?
-

Vote Parking Requirements, cont.

In favor of limiting on-street parking time limits (current policy). **Unanimous**

- **DJ H.:** Can you look into other communities that are reducing parking requirements? What are the hurdles that developers come across?
 - **Abe F.:** Eugene and Salem are two examples of cities that opted to take on commercial/office parking for businesses coming in because they wanted to encourage business downtown. Residential developers still wanted to build own parking, so they had to do their own parking. The question is, could that work here?
 - **Jordan C.:** Downtown is such a small area; one garage could serve whole downtown.
 - **Paul K.:** Why would anyone come to Milwaukie if they had to pay for parking when the eastside of Portland has no parking fees?
 - **Jordan C.:** The Lake Oswego garage serves their entire downtown area.
 - **Nick:** That was paid for through an urban renewal area.
5. *Should we keep existing standards for PARs?*
- **Dave H.:** PARs need to be radically simplified. If someone is asked to put something in, there must be a good reason for it. The City can't just say to put in a bench just because. I have heard many complaints about them. Only two things are important: 1) consistent sidewalks, and 2) street lamps.
 - **Paul K.:** Could a developer trade parking for reducing some PAR? That might be an option.
 - **Jordan C.:** That is what goes on in Portland.

- **Meganne Steele:** I suggest that you all think about requirements that would ensure safe pedestrian environments, but still have inspiration or vision for the city on an area-by-area basis. There are two levels of improvements: one for the developer, one overarching vision that the community desires.
- **Larry C.:** I think a combination of current and new regulations would be good; the City can do all the PARs, and then pass along the maintenance to the developer/owner when it is finished.
 - **Paul L.:** Yes. Can it be written in anything that the community decides to put in, and then the businesses would be responsible for maintenance?
 - **Li:** Currently the City would be responsible for that.
 - **Nick:** An LID is another option for this issue.

Vote PAR Requirements

The current PAR regulations for developers should be scaled back. **13**

The current PAR regulations for developers should not be scaled back. **1 “maybe”**

Interested in seeing the vision implemented on a piece-by-piece method. **1**

The City should do all the PARs at once. **12**

- **David A.:** I would like a two-pronged approach. 1) The initial, basics are done by the developers, and then 2) add in other more expensive PARs (“community vision”) over time.
- **Nick:** PARs for developers are estimated to be about \$500,000 per block face.

Vote PAR Requirements, cont.

The developer should pay all of the PAR cost. **0**

The developer should pay none of the PAR cost. **0**

Both the developers and city/property owners should pay the PAR cost. **Unanimous**

- **Paul K.:** Is Milwaukie the only community in metro doing this? What are other places doing?
 - **Nick:** Two most common approaches are: LID: property owners say they want to pitch in extra taxes, grants can also help with this; and the second is creating an URA.
 - **Li:** And communities with LIDs or URAs, they don’t require as many PARs as Milwaukie.

6. *What should building heights be downtown?*

- **Betty F.:** I am not comfortable with 5 stories unless the places where it slopes down, like on 21st. I am interested in lower heights by the river.
- **David A.:** I am a fan of 4-5 story with set backs
- **Paul L.:** The Cash Spot site could be higher than 3 stories because it slopes.

- **Jordan C.:** Putting in that extra floor gets more rent. You can't see the river unless the building has 4 and 5 floors. From a developer's perspective, it will help get higher rents because won't cost much more to put the 4th and 5th story in. It is a big positive to boost revenue.
- **Paul L.:** The only way to get those views is to use that step approach.
- **Jordan C.:** The river view is not only direct in front of you, but also to the sides. It is highly unlikely that developers would build 5-story buildings next to each other in downtown Milwaukie. There are only a few sites that developers would put a 5-story building, but don't restrict options for developers to do something.
- **Greg H.:** Do developers like setbacks?
 - **Jordan C.:** No, they hate setbacks, they're expensive.
- **Alicia H.:** I don't want to see all 5-story buildings. Can we have a percentage that is taller? I don't know how we would do it, but how can we manage a view corridor?
- **Betty F.:** Can we limit it in areas? I can't see the tall buildings in the middle of downtown; it would be way out of proportion.
- **Larry C.:** So there is an option 3: decide the height by specific locations in the city.
- **Meganne Steele:** Something to think about when you create view opportunities: one story does not create view, the 2 or 3-story differential creates added value. I suggest thinking about the pedestrian experience, and gradually transitioning between adjacent buildings.

Vote Building Heights

Five stories should be allowed in all of downtown. **2 (1 audience)**

One building height should not be set for all of downtown. **9**

- **Alicia H.:** I understand that being so specific is unrealistic, but also 5 stories all over is also scary. I think developers should be able to appeal for higher building in any spot.

Financial Opportunities

TIF Zones

Abe Farkas explains TIF zones.

- **Greg H.:** What happens when the 3% rule [Measure 5 restriction on annual increases in property taxes] kicks in? Even natural property tax is included?
 - **Nick:** Only real change in property is used for these projects.
- **Dion S.:** Is this urban renewal?
 - **Abe:** Yes, it uses the urban renewal method of tax collection to fund site-specific projects.

Everyone indicates they need more information about this funding tool option.

- **Dave H.:** If we take the Cash Spot, for example. If the City just donates the site, I am reluctant to use it as a TIF zone. The City finances dictate what we can and cannot do. Are we selling the site or giving it away?
- **Greg H.:** City could sell the site, then not charge taxes.
- **David A.:** So this is a way to collect revenue for something else in the downtown area. The TIF district could collect taxes to do the PARs and other improvements. I do agree that the city property needs to get its initial investment back before providing money to the developer.

Vote Funding Tools

Keep TIF Zone tool on the table. 8

Take TIF Zone tool off the table as a funding tool. 0

Need more info. 7

- **Sherry G.:** Why would we say no for the City to have any tool in the tool kit?

Tax Abatements

Abe Farkas explains tax abatement tools.

- **Jordan C.:** These tools would be very helpful in encouraging development in Milwaukie. The developer will pay taxes on the building, but not on improvements to the building. It's a good incentive for developers to help the project pencil out in the initial phase.

Abe Farkas explains affordable housing is for individuals or families earning 60% of median income, that is about \$29,000 for a single person.

Final Thoughts





- **Brian S.:** My only concern is parking; something needs to be done about this.
- **Jordan C.:** I am trying to sell McFarland site, so I am coming from a different perspective. I also work with developers all day and know how they think.
- **Paul L.:** We are being asked to give answers without specific questions. Nobody has even figured out what we want downtown. What is the culture of downtown going to be? We still need a vision for downtown.
- **Greg H.:** In this whole process, I've learned that rents are low and no one wants to build here. So, why not make it the Wild West and take away barriers. That might be the best way to go.
- **David A.:** TIF is the most interesting tool compared to all the other tools. We need to find a way to fund downtown. Is it even feasible to build a 3-story building? Or does it need to be 4+ stories to be feasible?
- **Alicia H.:** Let's ease up on PARs. Keep regulations and zoning broader is better.
- **Neil H.:** "City's vision is champagne, and its budget is beer." The piece-by-piece method of improvements is ridiculous. The PARs look silly and they don't even make sense. Rethink PARs and simplify them.

- **Larry C.:** I agree with Paul L., there is no identity. We always talk about the low rents, but the reason I came here was because I can afford the rent. Some businesses can't survive without low rent, so we need to have a balance.
- **Sherry G.:** I am a big proponent of a vibrant downtown. It was a lot of information in one meeting and difficult to digest it all.
- **Dave H.:** I agree with Paul L. Nobody knows what type of area the downtown should or will be. What role will it play? It can't compete with the Milwaukie Marketplace for vibrant downtown.
- **Debby P.:** I am not qualified to make changes to parking, so it's difficult to answer these questions. And even if we give our input, will the City do it?
- **Paul K.:** The PARs still baffle me. I also agree with Paul L. When I worked on visioning projects with architecture firms, we helped clients to visualize what the project could be. We can't just start going without a clear vision of what the downtown vibe can be.
- **Scott B.:** Barriers are in the way. Lessening of restrictions is always a good thing.




Moving Forward Milwaukie: Key Questions

Code Type	Done?	Key Question	Outcome	Notes
Downtown Development Standards <i>Where buildings are located on the site and how large they are</i>	<input checked="" type="checkbox"/>	1. Off-street parking is required for sites south of Washington St and north of Scott St. Should the City remove off-street parking requirements in those parts of downtown?	No	4/21 PAC meeting: Support for revising/reducing standards in both areas.
	<input checked="" type="checkbox"/>	2. The public area requirements that apply only in the Downtown Zones may be acting as a disincentive to new private investment in the downtown area. Should the City eliminate the PARs?	No	4/21 PAC meeting: Support for revision and joint payment responsibility (private/public). Desire for holistic rather than piecemeal approach.
	<input checked="" type="checkbox"/>	3. Buildings of up to 5 stories are permitted south of Washington and north of Scott Street. Should 5-story buildings be permitted throughout downtown?	No	4/21 PAC meeting: 5 stories allowed with incentives, but not permitted outright. Concerns about preserving view corridors and consideration of pedestrian environment.
	<input type="checkbox"/>	4. Milwaukie requires new buildings on Main St to be at least 25 ft tall. Should the City establish more flexible building height standards?	TBD	Topic for 6/26 PAC meeting.




Code Type	Done?	Key Question	Outcome	Notes
<p>Downtown Design Standards</p> <p><i>How buildings look and interact with the street</i></p>	<input type="checkbox"/>	<p>1. Currently, some building materials are prohibited in downtown. Should the City revise building material restrictions to allow greater flexibility for developers?</p>	<p><i>TBD</i></p>	<p>Topic for 6/26 PAC meeting.</p>
	<input checked="" type="checkbox"/>	<p>2. Buildings on Main St are required to be built to the sidewalk and provide windows at the ground floor level. There are no such requirements for buildings on McLoughlin Blvd or 21st Ave. Should the City adopt pedestrian-friendly design standards for these streets?</p>	<p>YES W/FOLLOW-UP</p>	<p>Topic for 6/26 PAC meeting.</p> <p>Positive response to this question through all forms of outreach, including Fresh Look Milwaukie project.</p> <p>Q: Should the standards be the same for both streets?</p>

Code Type	Done?	Key Question	Outcome	Notes
<p>Downtown Use Standards</p> <p><i>How buildings and storefronts function and what businesses are allowed to be there</i></p>		<p>1. Nonconforming uses are not allowed to expand without Planning Commission approval. Should downtown zoning be more flexible, so more existing uses are conforming?</p>	<p>YES W/ FOLLOW-UP</p>	<p>Topic for 6/26 PAC meeting.</p> <p>Q: How flexible should they be?</p>
		<p>2. Currently, there are 5 zones in downtown Milwaukie, each with different development and use standards. Should use and development standards be uniform throughout downtown?</p>	<p>YES</p>	<p>Reinforced through project outreach.</p>
		<p>3. To encourage an active environment, Milwaukie allows only retail and restaurant uses on the ground floor along Main Street. Should the intent of this policy be retained?</p>	<p>YES</p>	<p>Topic for 6/26 PAC meeting.</p> <p>4/21 PAC meeting: Uses that should not be allowed: adult entertainment, heavy manufacturing, auto repair. Debate about light manufacturing.</p>
		<p>4. The zoning code limits retail and residential uses around the future light rail station. Should they be permitted?</p>	<p>YES</p>	<p>Reinforced through project outreach.</p>

Code Type	Done?	Key Question	Outcome	Notes
<p>Downtown Design Review</p> <p><i>The procedure by which downtown development is approved</i></p>	<input type="checkbox"/>	<p>1. The existing design review process can be excessive and may serve as a disincentive to developers. Should the City consider a lower level of review for alterations or expansions, or small-scale new development?</p>	<p><i>TBD</i></p>	<p>Topic for 6/26 PAC meeting.</p> <p>Q: Is there a limit to the amount of alteration/expansion/new construction that should be considered for lower level of review?</p>
	<input checked="" type="checkbox"/>	<p>2. Many communities have a “two track” process for development downtown— “clear and objective” track and a “discretionary” track, where the developer can meet standards in different ways. Should the City consider a two-track design review process in downtown?</p>	<p>YES</p>	

Policy or Standard	Done?	Key Question	Outcome	Notes
<p>Central Milwaukie Commercial Development Standards</p> <p><i>Where buildings are located on the site and how large they are</i></p>		<p>1. Currently there are no pedestrian-friendly development standards (such as “build-to” lines and ground floor windows) for commercial development outside of downtown. Should the City adopt these standards for Central Milwaukie?</p>	<p>YES W/ FOLLOW-UP</p>	<p>To be addressed at a future meeting.</p> <p>Q: On which frontages should they apply? What is appropriate along the Monroe St. frontage?</p>
		<p>2. Currently, there are no requirements regarding the location of off-street parking areas outside of downtown. Should the City require parking lots to be located next to or behind buildings instead of in front in Central Milwaukie?</p>	<p>YES</p>	
		<p>3. Currently, development in Central Milwaukie is limited to 3 stories. Should buildings up to 5 stories be allowed?</p>	<p>YES</p>	

Policy or Standard	Done?	Key Question	Outcome	Notes
<p>Central Milwaukie Commercial Design Standards</p> <p><i>How buildings look and interact with the street</i></p>	<input checked="" type="checkbox"/>	<p>1. Currently there are no design standards for commercial development outside of downtown. Should the City adopt these standards?</p>	<p>YES</p>	<p>Reinforced through project outreach.</p>
	<input type="checkbox"/>	<p>2. If yes, should commercial design standards be clear and objective or should there be a discretionary design review option to allow for design variations?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p>
	<input type="checkbox"/>	<p>3. Should particular construction materials be required or prohibited (similar to downtown standards)?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p> <p>Currently, any building material is permitted in central Milwaukie.</p>

Code Type	Done?	Key Question	Outcome	Notes
<p>Central Milwaukie Commercial Use Standards</p> <p><i>How buildings function and what businesses are allowed to be there</i></p>		<p>1. Currently, residential uses are not permitted in most of central Milwaukie. Should residential development be permitted in these commercial areas?</p>	<p>YES W/ FOLLOW-UP</p>	<p>To be addressed at a future meeting.</p> <p>Q: What type of housing? Should cottage housing be permitted?</p>
		<p>2. Currently, the list of permitted uses on the Murphy and McFarland sites is very specific. Should greater flexibility be allowed?</p>	<p>YES</p>	<p>Reinforced through project outreach.</p>
		<p>3. Currently, no development is permitted on the Murphy and McFarland site by right. Should development of these sights be subject to clear and objective standards?</p>	<p>YES</p>	<p>Reinforced through project outreach.</p>



Code Type	Done?	Key Question	Outcome	Notes
<p>Neighborhood Main Streets Commercial Development Standards</p> <p><i>How buildings function and what businesses are allowed to be there</i></p>	<input type="checkbox"/>	<p>1. Currently there are no pedestrian-friendly development standards (such as “build-to” lines and ground floor windows) for commercial development outside of downtown. Should the City adopt these standards for the neighborhood Main Streets?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p>
	<input type="checkbox"/>	<p>2. Currently, there are no requirements regarding the location of off-street parking areas outside of downtown. Should the City require parking lots to be located next to or behind buildings instead of in front?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p>

Code Type	Done?	Key Question	Outcome	Notes
<p>Neighborhood Main Streets Commercial Use Standards</p> <p><i>How buildings function and what businesses are allowed to be there</i></p>	<input type="checkbox"/>	<p>1. Currently, most uses are not permitted along 32nd Ave. Should the list of permitted uses be reduced or revised?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p>
	<input type="checkbox"/>	<p>2. Currently most uses are permitted along 42nd Ave. Should the list of permitted uses be reduced or revised?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p>
<p>Neighborhood Main Streets Commercial Design Standards</p> <p><i>How buildings look and interact with the street</i></p>	<input type="checkbox"/>	<p>1. Currently there are no design standards for commercial development outside of downtown. Should the City adopt these standards?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p>
	<input type="checkbox"/>	<p>2. If yes, should commercial design standards be clear and objective or should there be a discretionary design review option to allow for design variations?</p>	<p><i>TBD</i></p>	<p>To be addressed at a future meeting.</p>

Moving Forward Milwaukee: Key Questions

Code Type	Done?	Key Question	Outcome	Notes
	<input data-bbox="447 332 541 425" type="checkbox"/>	3. Currently, there are no prohibited materials in the neighborhood main streets areas. Should particular construction materials be required or prohibited (similar to downtown standards)?	<i>TBD</i>	To be addressed at a future meeting.

Tool	Done?	Key Question	Outcome	Notes
Non-Code Tools				
Financial Tools <i>How we encourage the kind of development we want</i>	<input checked="" type="checkbox"/>	1. Currently, the City takes a passive role in new development in the city. Should the City take an active role in the development of catalyst projects to get things moving sooner?	YES	
	<input checked="" type="checkbox"/>	2. Currently, City staff apply for grants to support infrastructure improvements and development. Should the City continue to pursue non-City funding sources like Metro grants?	YES	
	<input checked="" type="checkbox"/>	3. Currently, the City owns several key sites in downtown Milwaukie. Should the City consider providing City-owned sites at a reduced price for new development?	YES	

Tool	Done?	Key Question	Outcome	Notes
Non-Code Tools				
<p>Financial Tools <i>continued</i></p> <p><i>How we encourage they kind of development we want</i></p>		<p>4. Currently, the City does not have a waiver or financing program for development fees. Should the City consider tools that lower development costs, such as fee or system development charge waivers?</p>	<p>YES</p>	
		<p>5. Currently, the City does not have any programs that defer or redirect property tax revenues. Should the City consider tools that would use property tax revenues to encourage redevelopment?</p>	<p>YES</p>	<p>Topic for 4/21 PAC meeting. Discussed briefly.</p> <p>4/21 PAC meeting: 8 of 16 members willing to consider TIF, 7 want additional information.</p> <p>Q: Which of these tools should we consider? Tax abatement programs? Site specific TIF zones (maybe)?</p>

Moving Forward Milwaukie: Key Questions

Tool	Done?	Key Question	Outcome	Notes
Non-Code Tools				
	<input data-bbox="447 451 541 540" type="checkbox"/>	6. Currently, the City does not directly invest City funds in new development. Should the City consider more directly investing City funds in new development (such as assistance with structured parking)?	<i>TBD</i>	Topic for 4/21 PAC meeting. Did not address.

Moving Forward Milwaukee: Enhancing Our Commercial Districts

Action and Implementation Plan for Downtown and Central Milwaukee

June 16, 2014

Prepared for:
City of Milwaukee

Preliminary Draft Report

For Discussion Only. Do Not Cite or Quote.

Contact Information

Nick Popenuk and Abe Farkas prepared this report. ECONorthwest is solely responsible for its content.

ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has four decades of experience helping clients make sound decisions based on rigorous economic, planning and financial analysis.

ECONorthwest gratefully acknowledges the substantial assistance provided by staff at Fregonese Associates, Angelo Planning Group, and DKS Associates.

For more information about ECONorthwest, visit our website at www.econw.com.

For more information about this report, please contact:

Nick Popenuk

ECONorthwest
222 SW Columbia Street
Portland, OR 97201
503-222-6060
popenuk@econw.com

Table of Contents

1	Introduction.....	6
2	Key findings and lessons learned.....	8
2.1	Downtown	8
2.2	Central Milwaukie.....	12
3	Strategies and actions	15
3.1	Citywide.....	15
3.2	Downtown	28
3.3	Central Milwaukie.....	46
4	Action & Implementation Matrix	53
5	Opportunity Site Findings.....	61

This page intentionally left blank.

DRAFT

1 Introduction

Purpose: This document is an Action and Implementation Plan for downtown and central Milwaukie. Its purpose is to identify specific steps for the City to take to realize successful new development and redevelopment in its key commercial areas. These steps include policy (Comprehensive Plan), regulatory (Zoning Ordinance, or code), financial, and other approaches.

Moving Forward Milwaukie: This Action and Implementation Plan was completed as part of the *Moving Forward Milwaukie: Enhancing Our Commercial Districts* (MFM) project, which builds on the findings and recommendations of the 2013 *Fresh Look Milwaukie: Downtown Road Map* project. This document is a bridge between previous tasks, which focused on understanding Milwaukie's challenges and opportunities, and future tasks, which will amend Milwaukie's Comprehensive Plan, development code and zoning map to overcome those obstacles and take advantage of those opportunities. Specific sources of input for this document include:

- **Market study:** In December 2013, the ECONorthwest Team completed the Moving Forward Milwaukie Market Study, which evaluated demographic and market trends for the city of Milwaukie, and included an analysis of the strengths, weaknesses, opportunities, and threats (SWOT) of seven specific "opportunity sites" located in Downtown and Central Milwaukie.
- **Opportunity site development concepts:** For each of the MFM opportunity sites, the ECONorthwest Team created numerous hypothetical development concepts using the Envision Tomorrow software program. Each development concept included a building program, site plan, building massing diagram, and financial pro forma. These concepts were refined, and ultimately, in March 2014, three concepts were selected for each site to demonstrate a range of uses and densities that could be accommodated on each site, and the challenges for implementing each of these concepts.
- **Development Roundtables:** Two development roundtables were conducted (in September 2013 and January 2014), allowing over 20 development professionals the opportunity to learn about development opportunities in Milwaukie and to provide their comments on the challenges and opportunities for each of the opportunity sites, as well as Downtown and Central Milwaukie in general.
- **Downtown Plan and Code Review Memo:** In February 2014, Angelo Planning Group (APG), as part of the ECONorthwest Team reviewed the City's Comprehensive Plan and ancillary documents, as well as the City's development code. APG identified shortcomings of the Plan and Code, and places where the Plan and Code could be improved to better implement the City's vision for Downtown.
- **Public Involvement:** There were numerous opportunities for public involvement, including four public meetings where live-polling technology was used to solicit input from the public about the type of new development that they would like to see in Milwaukie. Additionally, these presentations and polling questions were made available to the public online following each public meeting, to solicit additional input from members of the public unable to attend the meetings in person.

- **Project Advisory Committee:** A Project Advisory Committee (PAC) was established, including 18 key stakeholders and community members, including members of City Council, the Planning Commission, Design and Landmarks Committee, South Downtown Planning Committee, business and/or property owners in the focus areas, and representatives from each neighborhood district association (NDA). . The PAC met to provide input on the MFM project, including input on all of the key issues and strategies identified in this Action and Implementation Plan. The PAC is scheduled to meet twice more before conclusion of the MFM project, to provide feedback on the Plan and Code revisions for Downtown, Central Milwaukie, and Neighborhood Main Streets.
- **City Council:** Finally, the City Council provided substantial direction regarding the strategies and actions to be included in this document. The City Council discussed the MFM Project six times at work sessions and study sessions. Additionally, each City Councilor met with the ECONorthwest Team individually to provide input on the MFM Project. The City Council will continue to be engaged on the MFM Project moving forward, as other deliverables are completed.

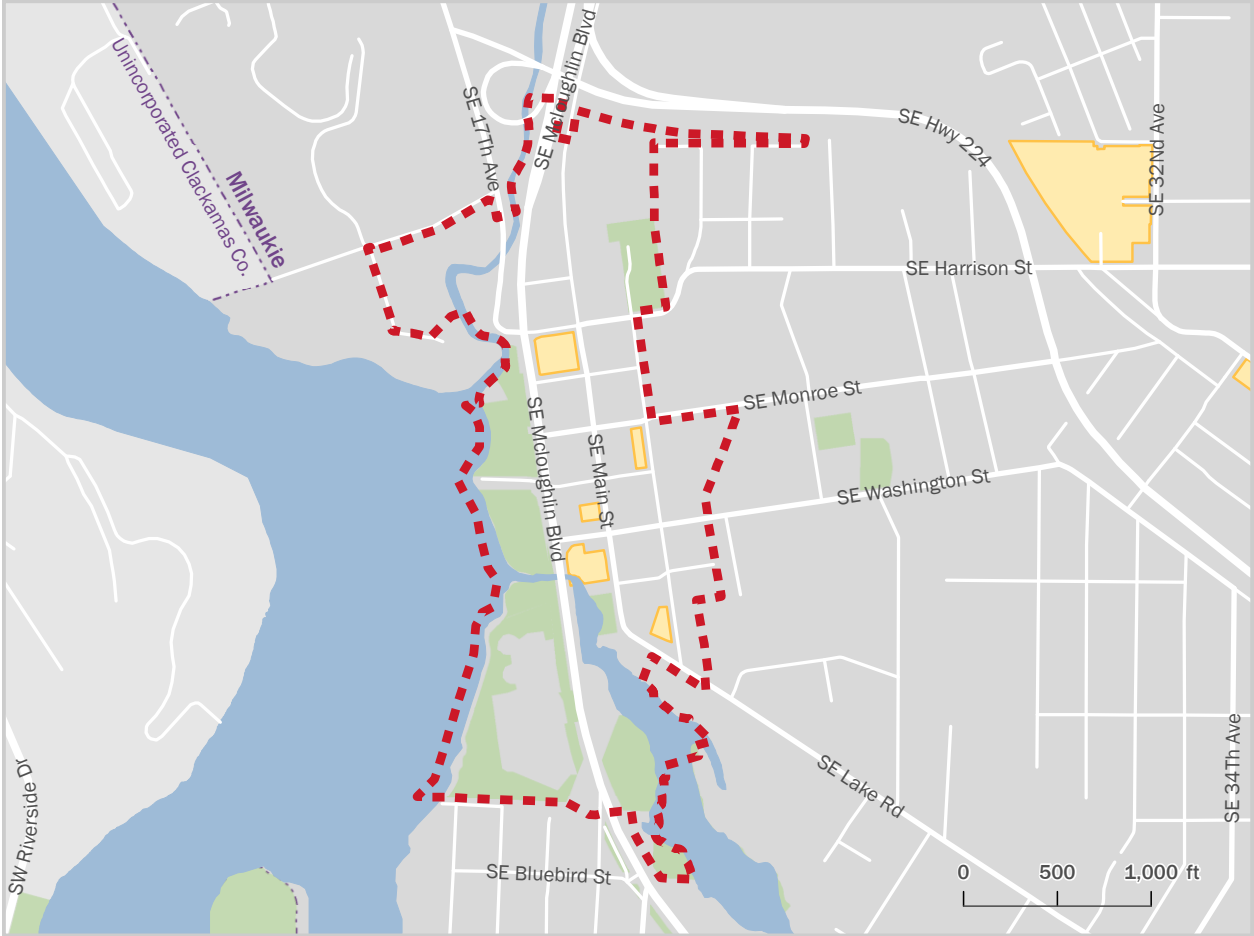
The remainder of this report is organized by geography, with separate sections for Downtown and Central Milwaukie, and a third section for strategies and actions that apply citywide. Within each geography, we describe lessons learned from the opportunity sites within that geography, and then describe the strategies to address those lessons learned, and the actions needed to implement those strategies. An Action and Implementation Plan Summary Matrix is included as an attachment to this report, providing a condensed list of all of the strategies and actions identified in this document.

2 Key findings and lessons learned

This section identifies the key findings from previous analysis on the Moving Forward Milwaukie project. The information is organized according to subarea (Downtown and Central Milwaukie), with more specific findings identified for each of the seven opportunity sites. Note that a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis was conducted for each of the opportunity sites, and included as an attachment to the Market Study. Although this document builds off of the findings from the SWOT analysis, we do not repeat all of those findings here. See Chapter 5 for details of opportunity site findings.

2.1 Downtown

Exhibit 1. Map of Downtown Milwaukie Planning Area and Opportunity Sites



Vision

The vision for Downtown is described in detail through multiple documents that have been adopted by the City Council over the course of the past three decades, including Chapter 4 of the Comprehensive Plan (1989), Milwaukie Vision Statement (1995), Town Center Master Plan (1997), and Downtown and Riverfront Framework Plan (2000). However, because the vision is

described in multiple documents, no document exists that provides a clear, yet thorough description of the entire vision. In this document, we briefly restate the key concepts for the City's adopted vision for Downtown. Key components of this vision include:

- Preserve the small-town feel of Milwaukie while creating a destination
- Active Main Street retail corridor with an emphasis on locally-owned businesses
- High-quality pedestrian environment, including improvements to the downtown streetscapes
- Improved connections to the river, both visual and physical

If the City is successful in implementing this vision, it will breathe new life into the City. Existing buildings will be renovated to look better than ever, and vacant land and worn-down buildings will be replaced with attractive new buildings that fit in with Milwaukie's unique character. As a result:

- Residents will benefit from new places to live, work, and shop.
- Landowners and businesses will benefit from increased demand and more customers.
- The City will benefit from increased tax revenues helping to pay for vital City services and important public projects like Riverfront Park.

Summary of obstacles to development in downtown

In the previous section, we identified specific obstacles to implementation of the City's vision for Downtown as they apply to individual opportunity sites. In this section, we summarize these obstacles. In following sections of the report, we describe the actions and strategies that the City will take to overcome these obstacles.

Policy – Comprehensive Plan

- None.

Regulations and code

There are several aspects of the City's development code that present obstacles to potential development:

- **Ground-floor retail requirements/restrictions.** In portions of downtown, City code requires ground-floor uses to be either retail or eating/drinking establishments. In other portions of downtown, City code prohibits individual retail and eating/drinking establishments from being more than 5,000 SF. While in many cases, developers may be able to work within these code restrictions, each of these restrictions can act as an obstacle to new development, by eliminating flexibility for developers to choose what ground-floor uses are most feasible in the market.
- **Maximum height restrictions.** All of downtown has maximum building height restrictions that range from three to five stories, depending on location and type of use. While many potential new development projects will be within this height range, these limitations may eliminate other, higher-density, development projects.

- **Minimum parking requirements.** In portions of downtown, minimum onsite parking requirements apply. These requirements stipulate a minimum number of parking stalls that must be provided for every residential unit or for every 1,000 SF of space. These parking requirements may be more than the market requires, potentially adding cost to new development projects or preventing a site from developing to its full potential. This obstacle is especially troublesome near the light rail station where transit-oriented development is appropriate.
- **Confusing and inconsistent zones.** While the zoning on any individual site in downtown may not be too problematic, the sheer number of downtown zones, each with different restrictions on height, parking, and allowed-uses, creates confusion for potential developers. A site on one side of a street might not require any onsite parking, but require ground-floor retail, when across the street the City code would have minimum and maximum parking requirements, but prohibit ground-floor retail above 5,000 SF.
- **Other regulation and code issues.** The first three code issues identified above act as obstacles for new development throughout downtown. There are other code issues that pertain to more limited situations in downtown.
- **Maximum setback requirements.** Maximum setback requirements on Main Street prohibit building designs that would include publicly-accessible open space or plazas. While these design features are unlikely to be included in many new development projects, they would be popular with residents of Milwaukie and should not be prohibited.
- **Willamette River Greenway.** The Cash Spot Site is included in the Willamette River Greenway, which imposes further restrictions on building heights and allowed uses. These act as further deterrents to new development.

Financial

- **Public Area Requirements (PARs)** describe the required streetscape improvements (street, sidewalk, landscaping, utility undergrounding, light poles, street furniture, etc.) that must be made in conjunction with new development downtown. The cost of these streetscape improvements are significant and the level of upgrades are far greater than what is required in other jurisdictions. The increased development costs for PARs are a financial disincentive for new development.
- **Current market conditions** demonstrate relatively soft demand for all types of development in downtown Milwaukie. High-quality new development in downtown may be able to achieve higher rental rates than the existing building stock, proving a stronger market. However, current market rents in downtown are relatively low, resulting in financial pro formas that show insufficient returns on investment, making it difficult for developers to obtain financing.
- **High construction costs:** Generally speaking, construction costs are fairly consistent across the Portland metropolitan region, however there are some aspects of development in downtown Milwaukie that could cause construction costs to be higher.

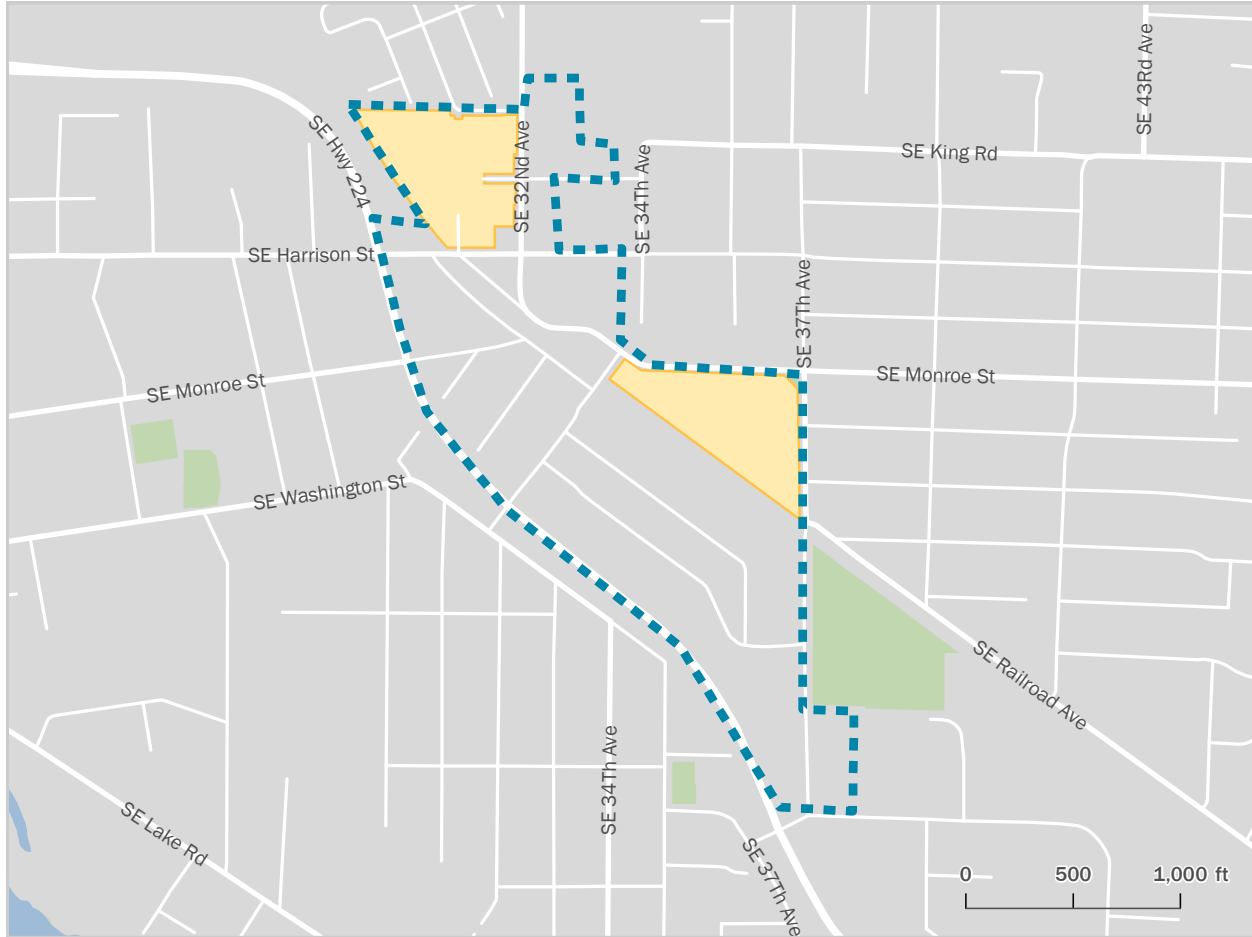
- **Public desire for “gateway” projects.** Both the Texaco Site and Cash Spot Site are located on McLoughlin Blvd, positioned as bookends for the City’s downtown. Public input has emphasized the importance for these two sites to be developed as attractive or iconic buildings that serve as visual gateways to Milwaukie. This can increase project costs through higher-quality building materials and architectural design.
- **Structured parking.** Downtown Milwaukie is a relatively high-density area, which will require new buildings to satisfy their onsite parking demand through development of structured parking, which is substantially more expensive than lower-density surface parking.

Other

- **Site access and transportation infrastructure.** There are some limitations of the transportation infrastructure downtown. Several sites downtown have access restrictions due to heavy traffic volumes and access restrictions to and from McLoughlin Blvd (Hwy 99E), and various cross streets. In particular, the Texaco and Cash Spot sites will require creative solutions to provide access to parking onsite. Additionally, many areas of downtown could benefit from streetscape improvements, including undergrounding of utilities and street tree plantings, among other improvements.
- **Parcel size and existing buildings.** Development in a downtown environment offers different obstacles to development in a greenfield area. Some parcels, like the Triangle Site, are small and irregularly shaped, presenting design challenges. Other parcels, like the Graham and Dark Horse sites, have existing buildings on them, that provide opportunities for adaptive reuse, but also challenges if the existing buildings are not well suited to the desired new use. Generally, parcel sizes in downtown are small, and parcel assembly may be required for larger-scale projects. Most sites are in close proximity to existing buildings, which requires coordination among different property owners for issues related to access and parking.

2.2 Central Milwaukie

Exhibit 2. Map of Central Milwaukie Project Area and Opportunity Sites



Vision

There is no adopted vision or framework plan for Central Milwaukie. The Moving Forward Milwaukie project is the first official City project to define a boundary for this area (shown in Exhibit 2). A Central Milwaukie Land Use and Transportation Plan will be adopted as part of the Moving Forward Milwaukie Project, and this document will define the vision for the area.

Central Milwaukie generally includes the commercial areas east of Highway 224 and consists of 6 zones and overlays: Residential-Office-Commercial Zone ROC with a Mixed Use Overlay on the Murphy and McFarland Sites; General Commercial Zone CG; Community Shopping Center CSC; and Residential Zones R1 and R2.

Summary of obstacles to development in Central Milwaukie

Policy – comprehensive plan

- **No established vision for the area.** Central Milwaukie is not an officially recognized geographic area in any previous City planning documents, and therefore the area does

not have an official vision. The Town Center Master Plan does provide some illustration of desired development on the Murphy and McFarland sites. That document, however, was adopted 17 years ago, and was based on key assumptions that have changed over time, including the assumption that Central Milwaukie would be the location of a future light rail station.

- **Existing vision for other commercial areas in Central Milwaukie may be outdated.** The General Commercial zone is described as a highway oriented commercial area, which differs from the community's current expectations about how this area will function and serve the neighborhoods.
- **Pedestrian and vehicular networks.** The area lacks a clear plan for north/south pedestrian and vehicular connections through central Milwaukie.

Regulations and code

- **Nothing is permitted outright on the Murphy and McFarland Sites.** The Mixed-Use Overlay that applies to the area requires Type III Planning Commission review for all development. This is a subjective process, which adds uncertainty to the development process, and could potentially cause lengthy delays or costly changes to a proposed development program. Additionally, the overlay requires compliance with the Town Center Master Plan, which is 17 years old, and out of date.
- **No clarity regarding design guidelines for non-residential uses.** There are no design guidelines for non-residential uses in the area. This level of freedom and flexibility is generally viewed positively by developers, but some guidelines are needed to help prevent disputes between developers, neighbors, and the City regarding building design issues.

Financial

- **Current market conditions** demonstrate relatively soft demand for all types of development in Central Milwaukie. High-quality new development in Milwaukie may be able to achieve higher rental rates than the existing building stock, proving a stronger market. However, current market rents in Milwaukie are relatively low, resulting in financial pro formas that show insufficient returns on investment, making it difficult for developers to obtain financing.
- **No internal transportation network.** The Murphy and McFarland sites are each about seven-acres in size, with no internal street grid. New developers will have to pay to build this internal transportation network, either as public streets or as private drive lanes.

Other

- **Environmental contamination.** A large portion of the McFarland site is contaminated from previous industrial use. This contamination has been remediated to allow for non-residential development, but any residential development is prohibited on this portion of the site. This limits the range of options for potential development.
- **Close proximity to heavy rail line.** An active heavy rail line runs through Central Milwaukie. The rail line is an obstacle to connectivity through the area, including bike,

pedestrian, and auto connections. Additionally, train traffic through the area generates unwanted noise and vibration, which is a deterrent for new development.

- **Site access and transportation infrastructure.** In addition to accessibility issues caused by the rail line, the Murphy Site also cannot be accessed from SE Harrison Street due to heavy traffic volumes and the close spacing of existing intersections. Additionally, many intersections in the area are projected to experience significant congestion in the future.

DRAFT

3 Strategies and actions

This section of the plan is organized by geography, with separate sections for actions that apply citywide, Downtown and Central Milwaukie. Within each geography, we describe lessons learned from the opportunity sites within that geography, and then describe the strategies to address those lessons learned, and the actions needed to implement those strategies. An Action and Implementation Plan Summary Matrix is included as Chapter 5 of this plan, providing a condensed list of all of the strategies and actions identified in this document.

The recommended Strategies and Actions are organized into four areas:

- **Policy/Comprehensive Plan:** These are the overarching adopted policies that direct planning activities in the city. These policies are general and aspirational.
- **Regulations/Code:** The Zoning Ordinance implements the policies of the Comprehensive Plan. Regulations are more specific.
- **Financial:** Non-regulatory actions that can support and encourage activity and development in the City's commercial areas.
- **Other:** Other tools, including economic development, marketing and promotion, etc.

Each Action includes a timeline:

- **0-1 Years:** Completed by June 2015. These actions are included in the scope of the Moving Forward Milwaukie project, unless otherwise noted.
- **0-2 Years:** Completed by June 2016.
- **0-4 Years:** Completed by June 2018.
- **1-4 Years:** Beginning once the Moving Forward Milwaukie amendments have been adopted; completed by June 2018.
- **2-4 Years:** Longer-term commitments.

3.1 Citywide

Policy / Comprehensive Plan

Strategy 1 – Clarify vision and update Comprehensive Plan

Description: The City's Comprehensive Plan provides a high-level, general description of the type of development allowed and prohibited throughout the City. Most of the language in the Comprehensive Plan regarding new development is still applicable and consistent with the City's vision. A few specific chapters of the Comprehensive Plan, however, are out of date and need to be updated, including Chapter 4 – Land Use, and Chapter 5 – Transportation, Public Facilities, and Energy Conservation. This Comprehensive Plan language should be updated to be consistent with the proposed changes to the City Code.

In addition to the Comprehensive Plan itself, there are 20 ancillary documents to the Comprehensive Plan. One of these ancillary documents, the *Transportation System Plan (TSP)*, is a guiding policy document for long-term transportation planning. This document should be updated to reflect any changes in transportation policy, or projects.

Another ancillary document, the *Downtown and Riverfront Land Use and Framework Plan (Framework Plan)*, provides detailed guidance on the type of new development that can occur Downtown. This document requires updating and revision to reflect the current status of the City's vision for Downtown, and to be consistent with the other strategies and actions laid out in this document. See action 1C in the Downtown section of this report.

Why it's needed: To ensure the Comprehensive Plan and its ancillary documents reflect the City's current vision, policies, and priorities.

Intended outcomes: The Comprehensive Plan and its ancillary documents will be consistent with the City's current vision, policies, and priorities, providing clarity and certainty for prospective developers² regarding City plans.

Actions:

1A. Update Transportation System Plan as needed to reflect Moving Forward Milwaukie plan and code revisions

Description: Other strategies throughout this document may result in changes to transportation policy, or priorities for future capital projects. The TSP should be updated to reflect these changes. Specific strategies that might impact the TSP include *Strategy 6 – Provide more clarity and flexibility on allowed development*, and *Strategy 10 – Provide adequate infrastructure to support new development*. Additionally, the Moving Forward Milwaukie project calls for adoption of a Central Milwaukie Land Use and Transportation Plan, which may identify additional changes regarding transportation policy and projects. Potential changes could include the establishment of one or more Multimodal Mixed-Use Area (MMA) designations, changes to parking ratios downtown, or identification of new transportation connections in Central Milwaukie, among others.

Timeline: 0-2 Years.

Required resources: Funding for updates to the TSP is provided through the Moving Forward Milwaukie project. Adoption of an MMA will require additional amendments to the Comprehensive Plan.

² Note that developers are not always large companies or agencies. A developer can be a property owner building a new home, or a company building a large-scale mixed use development. This term refers to the spectrum of people developing property.

Implementation process:

- Adopt the Central Milwaukie Land Use and Transportation Plan and implementing Comprehensive Plan and code amendments
- Adopt the Neighborhood Main Streets plan and code amendments.
- Establish one or more MMAs in Milwaukie, if conversations with the Oregon Department of Transportation (ODOT) determine that MMAs are beneficial, and appropriate for Milwaukie.
- Establish list of necessary changes to the TSP based on previous steps.
- Update TSP as needed to reflect Moving Forward Milwaukie plan and code amendments. If necessary, issue RFP for transportation consultant services to assist with the TSP update.

1B. Update Chapters 4 and 5 of Comprehensive Plan

Description: Chapters 4 and 5 of the Comprehensive Plan describe Land Use and Transportation, Public Facilities and Energy Conservation. These chapters of the Comprehensive Plan need to be consistent with the City's code. The Moving Forward Milwaukie project includes adopting revisions to City code, and the Comprehensive Plan should be updated to be consistent with these revisions.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete Plan and Code Review Memo.
- Revise and adopt the South Downtown Concept Plan as an ancillary document to the Comprehensive Plan.
- Adopt downtown plan and code amendments, amending the Comprehensive Plan as needed.
- Adopt the Central Milwaukie Land Use and Transportation Plan and implementing Comprehensive Plan and code amendments
- Adopt Neighborhood Main Streets code and plan amendments, amending the Comprehensive Plan as needed.

Regulations & Code**Strategy 2 – Enhance the culture of helpfulness**

Description: Also a component of the City's Economic Development program, representatives of the City (both staff and elected officials) should strive to be helpful to developers and

supportive of potential development efforts. City staff should help developers understand relevant plans and code and provide timely review on permits to ensure development projects move ahead smoothly. Elected officials should voice their support of high-quality development projects to show developers that the City is a committed partner in the process.

Ultimately, the City's plans and code should be clear and accurately reflect the City's vision for new development, while screening-out undesirable projects, Projects that are consistent with the plan and code should generally be supported by representatives of the City.

Why it's needed? Many regional locations offer comparable market conditions and financial incentives, and developers have a choice about which communities to work in. Frequently, developer decisions hinge on how easy it is to work in a City. Developers must work with City staff during the development process. Frequently, developers must also interact with the general public, elected officials, and the Planning Commission. These interactions have the potential to make or break a new development project. Some communities earn a reputation for adversarial staff, lengthy and unpredictable processes for project review, and fervent opposition from elected officials and the general public. Other communities earn reputations for helpful staff, swift and predictable permitting processes, and supportive elected officials and general public. The reputation that a City earns can have a big impact on the amount and quality of development that occurs.

Because of the relatively weak current market conditions in Milwaukie, it is especially important for the City to show developers that Milwaukie is an easy city to work with, with the City acting as a partner with developers rather than an adversary.

Intended outcomes: The City of Milwaukie will have a reputation as being welcoming and easy to work with, while protecting the small-town feel of the community. The City will streamline the development process, providing developers certainty that their projects will move forward quickly.

Actions:

2A. Streamline City permitting and review processes

Description: Review the City's current permitting and review process, and compare to best practices based on other jurisdictions of a similar size with a strong reputation in this area. Update the City's permitting and review process to be consistent with these best practices. Train City staff to be familiar with the new process.

Timeline: 0-2 Years.

Required resources: This action would require additional funding for implementation, either through the allocation of staff time, or through a contract for consulting services, or a combination of both.

Implementation process:

- Evaluate best practices of case study cities.
- Identify proposed changes to Milwaukie permitting and review process.
- Train City staff on the changes to the permitting and review process.
- Monitor City performance to ensure desired timelines are being met.

Financial

Strategy 3 – Invest in catalyst projects with Public-Private Partnership (PPP) tools

Description: The City has access to many different tools to invest in potential catalyst projects. The City should identify which of these tools they are comfortable using, identify criteria for when and where to use these tools, and then explore potential catalytic development options to invest in with these tools.

Why it's needed? The market study and opportunity site analysis identified a significant financial gap for new development in Milwaukie. Given current market conditions, it is unlikely that private developers will be interested in Milwaukie without public-sector partnerships to share the financial risk. By investing in catalyst projects the City may achieve high-quality new construction in downtown and/or Central Milwaukie. Successful development could help prove the market to other prospective developers, reducing the need for long-term City investment in future projects, while also providing new amenities to residents and employees of Milwaukie.

Intended outcomes: The City would achieve high-quality new development or redevelopment in downtown and/or Central Milwaukie that otherwise would not have occurred but for the use of PPP tools. The tools that the City uses would have no significant short-term negative impact on the City's budget, and long-term would have a positive fiscal impact to the City.

Actions:

3A. Establish a strategy for using PPP tools

Description: In addition to the non-City funding sources described in Action 3B, there are several additional PPP tools that do require investment of City funds. Although these can be powerful tools for achieving new development, the City has limited resources, and these tools need to be used judiciously, to ensure the City is receiving a good return on investment. The City should establish a strategy for when and where to use these PPP tools. These tools include:

- Non-City funding sources (described below)
- Site-specific tax increment financing (TIF) zones.
-
- Property tax abatement programs

- Reduction or waiver of frontage improvements and system development charges (SDCs)
- Contribution of publicly-owned land at favorable terms

Timeline: 0-2 Years.

Required resources: Depending on the tools used, This action may require additional one-time funds and staffing to create the strategy for using PPP tools.

Implementation process:

- Establish a strategy for using PPP tools.

3B. Use non-City funding sources for development

Description: There are several PPP tools available to invest in catalyst projects that use non-City funds. The City should become familiar with these tools and help potential developers secure funding from these non-City sources. These tools include:

- Metro: Transit-Oriented Development (TOD) Program and others
- EB-5 – Foreign investment program (limited application in downtown, not available in central Milwaukie)
- Low Income Housing Tax Credit (LIHTC)
- HUD Section 108 and 221d4
- Industrial Development Bonds (for industrial uses and development)

Timeline: 0-2 Years.

Required resources: This action does not require any additional resources.

Implementation process:

- City staff research and training on these programs

3C. Use site-specific TIF zones for appropriate projects

Description: One specific PPP tool is tax increment financing (TIF). Through TIF, the City can capture increased tax revenues from development and reinvest those revenues back into the project. In Oregon, an urban renewal area (URA) must be established to collect TIF. Traditionally, URAs have been relatively large, encompassing entire downtowns. A more targeted approach is to create very small URAs known as “TIF Zones” that focus on just a specific parcel or a single block. The City should establish multiple TIF Zones focused on key opportunity sites in the City. These TIF zones would have no fiscal impact to the City or other taxing districts unless development occurs. If and when development occurs on the site, the City could use the TIF zones to reinvest in

the projects, temporarily delaying the growth in tax revenues for affected taxing districts.

Timeline: 1-4 Years.

Required resources: This action would require additional one-time funds and staffing and consultant resources to create an urban renewal plan designating the boundaries of the specific TIF zone(s) and the criteria for projects to qualify for the TIF zone benefits.

Implementation process:

- Establish a strategy for using PPP tools (Action 3B).
- Identify key opportunity sites to be designated TIF zones.
- Select a consultant to write an Urban Renewal Plan establishing the TIF zones, including the approved uses of TIF funds, and the criteria for development projects to qualify for TIF funds.

3D. Use property tax abatement programs for appropriate projects

Description: There are three property tax abatement programs authorized by the State of Oregon and available for Milwaukie to use: vertical housing tax abatement; multifamily housing tax abatement; and affordable housing tax abatement. Only the affordable housing tax abatement program would be restricted to affordable housing; the other programs could be used for market rate housing. To use these programs, the City must adopt ordinances specifying the geographic areas where these programs apply, and the criteria for projects to qualify for these tax abatements.

Timeline: 1-4 Years.

Required resources: This action would require additional one-time funds and staffing to establish vertical housing tax abatement and multifamily tax abatement zones. If Action 3B was completed first, much of the analysis regarding these tax abatement programs would have been completed and costs would be lower

Implementation process:

- Establish a strategy for using PPP tools (Action 3B).
- Pass ordinances describing the qualification criteria for vertical housing, multifamily housing, and affordable housing tax abatement programs.

Other implementation

Strategy 2 – Enhance the culture of helpfulness

Description: See Strategy 2 in the Policy – Comprehensive Plan section of the Citywide chapter of this report.

Why it's needed? See Strategy 2 in the Policy – Comprehensive Plan section of the Citywide chapter of this report.

Intended outcomes: See Strategy 2 in the Policy – Comprehensive Plan section of the Citywide chapter of this report.

Actions:

2B. Support the City's strong and proactive customer service approach

Description: One part of creating a culture of helpfulness is formal: streamlining the City permitting and review process (Action 2A), but another part is informal. Regardless of how many days it takes to process a building permit, it's important for City staff to provide good customer service when interacting with developers and other members of the public. The City should enhance their existing culture of providing strong and proactive customer service.

Timeline: 0-2 Years/ongoing.

Required resources: This action would require additional one-time funds

Implementation process:

- Hire a customer service expert to provide training to members of City staff who will frequently interact with developers.
- Take lessons learned from the customer service training and write a customer service handbook that can be shared with new staff hires.

Strategy 4– Support existing businesses through actions encouraging adaptive reuse

Description: Business retention is an important component of City economic development efforts. The City should work with existing local businesses to help them improve their building facades, encourage adaptive reuse of existing buildings, and other efforts to support small businesses.

Why it's needed? The City's existing building stock downtown could benefit from reinvestment, including façade improvements or more substantial adaptive reuse and remodel of existing buildings. These projects are typically less expensive than new development, which makes them more achievable in Milwaukie in the short-term, given market conditions. Fundamentally, local small businesses are the foundation of Milwaukie's economy, and the City should explore strategies to assist these small businesses.

Intended outcomes: Façade improvements and adaptive reuse of existing buildings could enhance the existing streetscape, with the potential to make downtown and neighborhood main streets more attractive places to live, work, and shop. Other small businesses assistance efforts could help grow the local economy, generating additional demand for retail, commercial, or industrial space.

Actions:

4A. Establish a storefront improvement program

Description: Storefront improvement programs offer matching loans to building owners to upgrade their building façade. These loans are typically relatively small (less than \$10,000). Loan terms are favorable compared to traditional bank loans, and may even be forgivable if the loan recipient meets certain criteria (e.g., employment targets). Metro is considering establishing a program that would provide additional matching funds for storefront improvement projects. Milwaukie previously had a storefront improvement program, funded jointly by the City and Metro, which led to the successful renovation of multiple storefronts in downtown. The City should establish permanent funding for this program to allow for the gradual and consistent improvement of streetscapes in downtown and on neighborhood main streets.

Timeline: 0-2 Years.

Required resources: This action would require ongoing funding and staffing for program administration

Implementation process:

- Establish qualifying criteria and loan terms.
- Seek matching funds from Metro.
- Advertise the program to local businesses and property owners.

4B. Establish a small business development fund

Description: Direct revolving, very low-interest loan program from the City to small businesses. The City could seek a starter grant from the State or business community to make small loans to small businesses for expansion in Milwaukie. The type and location of recipient businesses would need to be identified.

Timeline: 0-2 Years.

Required resources: This action would require ongoing funding and staffing for program administration.

Implementation process:

- Establish program guidelines and approval criteria
- Fund the program

Strategy 5 – Proactively encourage development

Description: The City should not passively wait for developers to knock on Milwaukie’s door, but instead should proactively seek out and encourage development opportunities. City staff,

elected officials, and prominent community members should tell prospective developers, employers, and residents about the many strengths Milwaukie has to offer. City staff and leaders should connect potential developers with potential tenants and property-owners to help facilitate development deals and reinforce the City's desire to be a partner.

Why it's needed? Milwaukie is a relatively small city in the much larger Portland metropolitan area. Developers and employers tend to do business in communities that they are familiar with. Milwaukie is relatively unknown among major developers and employers in the region, which means Milwaukie is likely losing out on potential opportunities.

Intended outcomes: By proactively encouraging development, the City could expand and enhance Milwaukie's reputation, establish partnerships, and achieve high-quality new development and redevelopment.

Actions:

5A. Cultivate relationships with developers, brokers, and property owners

Description: The City's senior staff in Planning and Economic Development should establish working relationships with local property owners and regional developers and brokers. These relationships are critical to align local opportunities with interested development professionals from around the region. These informal relationships will also assist City staff in understanding the strengths and weaknesses of the City for development, and to monitor how the perception of the City with the development community changes over time.

Timeline: 0-2 Years/ongoing

Required resources: No significant funding for this action is anticipated. Some additional funding may be required for memberships to organizations, or attendance at regional events.

Implementation process:

- Identify key local property owners and employers and invite them to meet with senior City staff.
- Identify key regional developers and brokers and invite them to meet with senior City staff and elected officials to learn about opportunities in Milwaukie.
- Attend regional events where multiple key regional developers and brokers will be in attendance to stay in touch with these real estate professionals and enhance these relationships.
- When development opportunities do arise, advertise these opportunities informally through these professional connections.

5B. Establish business recruitment program

Description: Business retention and recruitment are the two primary strategies for supporting economic growth. Business recruitment focuses on attracting new businesses to locate in a community. Some business recruitment efforts occur at the State or regional level, through organizations like Clackamas County Department of Business and Economic Development, Business Oregon and Greater Portland Inc. These organizations might help to steer potential businesses to Milwaukie if they are aware of Milwaukie's assets and opportunity sites, and if those assets appeal to potential businesses. Local cities, however, can also do their own business recruitment efforts to complement state and regional efforts. The City should establish a business recruitment program to help attract new businesses to Milwaukie. The City's Economic Development Program has identified several action steps to move this initiative forward.

Timeline: 0-4 Years/ongoing

Required resources: This action would require ongoing funding and staffing for administration.

Implementation process:

- Establish business recruitment program, and allocate staff resources to run the program, including the Business Assistance Team (BAT). The BAT is a group of City officials that will work on various business assistance efforts and will serve as the clear point of contact on all communications.
- Establish and maintain a database of available spaces for lease and developable parcels. Maintaining an updated list of available properties (both land and buildings) for sale and lease is a key component for the City's Economic Development Program. When a potential business is looking at Metro Portland for a location, having basic site information about available properties in Milwaukie is necessary.
- Create promotional materials advertising the strengths of Milwaukie, including the available PPP tools.
- Identify local industry clusters. Industry clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a region or community – a critical mass. Staff is currently working to identify our own local industry clusters. Through this effort the City can help support and promote those businesses.
- Work with the County, Greater Portland Inc. and Business Oregon to ensure these larger business recruitment organizations are aware of these opportunities in Milwaukie.

5C. Explore partnership opportunities with major employers

Description: Existing employers in Milwaukie have the potential to spur new development or redevelopment through growth, or through upgrading their current office space. Existing employers already know the positive attributes of Milwaukie, which is a benefit, compared to external employers who may be unfamiliar with the city. Local employers may also have roots in the community and be willing to take on additional risk or expense if it will help the broader community. The City should forge strong relationships with major local employers to understand their needs, and to explore potential partnership opportunities for new development or redevelopment.

Timeline: Ongoing.

Required resources: No significant funding for this action is anticipated.

Implementation process:

- Identify key local property owners and employers and invite them to meet with senior City staff.
- Follow-up with periodic meetings to continue to cultivate these relationships. A key component of the City's Economic Development Program is to maintain an ongoing dialogue with local businesses and companies in the City to both introduce staff to them and to get to know their operations.

5D. Communicate positive changes to the development community

Description: Once the City plan and code has been revised, and the City has adopted a strategy for using PPP tools and streamlined its permitting process, the City should then communicate all of these positive changes to developers and brokers from around the region and solicit development proposals for key opportunity sites. In addition to meeting with developers and brokers to tell them about these positive changes, the City should produce attractive marketing materials to distribute to members of the development community.

Timeline: 2-4 Years.

Required resources: This action would require additional one-time funds to produce marketing materials.

Implementation process:

- Create marketing materials describing the advantages of Milwaukie.
- Cultivate relationships with developers, brokers, and property owners (Action 4A).
- Advertise these positive changes to the development community through informal relationships.

- Host a developer roundtable, inviting multiple developers to visit Milwaukie and learn about development opportunities.
- Develop a quarterly newsletter that focuses on new development, business and investment as well as emerging opportunities in Milwaukie. It would feature economic development-related information such as details on new companies coming to Milwaukie; business expansions; major commercial, residential or other developments; and initiatives that support Milwaukie's growth.

3.2 Downtown

Policy - Comprehensive Plan

Strategy 1 – Confirm vision and update Comprehensive Plan

Description: See Strategy 1 in the Citywide chapter of this report.

Why it's needed: See Strategy 1 in the Citywide chapter of this report.

Intended outcomes: See Strategy 1 in the Citywide chapter of this report.

Actions:

1C. "Refresh" Downtown and Riverfront Land Use Framework Plan

Description: This ancillary document to the Comprehensive Plan was adopted in 2000, including a vision for future Downtown development that is unnecessarily specific and restrictive. The *Fresh Look Milwaukee* project confirmed that the vision is still valid, but should be updated to reflect current realities and desires. Specific revisions to this document will include updates to reflect projects and goals already completed; policies that have been changed through the adoption of later documents; and updates to document graphics and images. This could include incorporating the South Downtown Concept Plan into the Framework Plan. See Action 1D.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukee project.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.
- Draft Downtown Plan and Code amendments, and solicit public input.
- Adopt the Downtown Plan and Code amendments.

1D. Revise and adopt South Downtown Concept Plan

Description: The South Downtown Concept Plan was completed by Walker Macy in 2011. The Concept Plan and an implementation strategy was adopted by City Council in 2011.³ The document provides guidance for development of South Downtown (south

³ Resolution 82-2011.

of Washington St), and should be implemented through Comprehensive Plan and code amendments, as well as amendments to the Public Works Standards.

The most direct route to implementation is to adopt the Concept Plan as an ancillary document to the Comprehensive Plan or to incorporate elements of the Concept Plan into the Downtown and Riverfront Downtown Framework Plan.

Timeline: 0-2 Years.

Required resources: Funding for some actions are provided through the Moving Forward Milwaukie project. Amendments to the Public Works Standards are not part of the Moving Forward Milwaukie project and would require additional funding and staffing.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.
- Prepare Downtown Plan and Code amendments, and solicit public input.
- Adopt the Downtown Plan and Code amendments.

Regulations - Code

Strategy 6 – Provide more clarity and flexibility on allowed development

Description: City code governs the size, placement, design, and use of buildings. Flexibility means that, where possible, the City should allow a range of uses, heights, parking requirements, and building materials. When restrictions do apply, there should be a discretionary process for developers to apply for a variance to the regulations. This does not mean that the City should have no restrictions on future development. Regulations that govern new development are important to ensure that new development is attractive and consistent with the City's vision. These regulations, however, should all serve a very clear purpose, and the regulations should be clear, concise, and easy to understand.

Why it's needed: The downtown is currently a patchwork of five different zones, each with different requirements for height, uses, and parking requirements. The City's zoning code is very specific and restrictive. This makes it difficult for developers to understand what is allowed to develop throughout downtown, and provides little flexibility for developers, which discourages new development in downtown.

Intended outcomes: The City clarifies important elements of new development downtown, while providing additional flexibility and clarity for new developers, making the downtown more attractive to developers, leading to more high-quality development downtown.

Actions:

6A. Reduce the number of downtown zones

Description: Downtown is currently divided into five different zones and 2 overlays. This results in a confusing mixture of zones, where regulations on one side of the street can be substantially different than regulations on the other side. The City should eliminate most of these downtown zones through consolidation to simplify the regulations that apply downtown, with one uniform downtown zone applying to the majority of downtown.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.
- Prepare Downtown Plan and Code amendments, and solicit public input.
- Adopt the Downtown Code and Plan amendments.

6B. Establish a “two-track” process for development downtown

Description: Although the revised downtown code is expected to already be flexible, allowing a wider-range of uses, heights, and building materials, the City should provide a formal avenue for developers to seek exceptions to the Downtown code. A two-track process will allow developers to proceed with certainty, with the knowledge that their projects are allowed by right, and not subject to discretionary review. For projects that do not meet the clear and objective standards, there is an alternative path that allows the development to be reviewed against development guidelines through a discretionary process. These decisions can be made administratively, giving developers more certainty on the timeline for the review process.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.
- Prepare Downtown Plan and Code amendments, and solicit public input.
- Adopt the Downtown Code and Plan amendments.

6C. Reduce onsite parking requirements

Description: Certain areas of downtown have minimum and maximum onsite parking requirements, while other areas of downtown do not have any onsite parking requirements. This is confusing and illogical. Additionally, the existing parking requirements were shown to be an obstacle to some development concepts that were evaluated for this project. The City's existing policies, contained in the Transportation System Plan (TSP), call for moving away from on-site parking requirements. The multi-modal connectivity of downtown, especially once the light-rail station is completed and operational, also supports reduced or eliminated parking requirements. For all these reasons, the City should modernize its parking requirements, either through eliminating parking requirements for all uses except residential uses and/or by reducing the minimum ratio of parking spaces per unit or per square foot to be in line with other similarly-sized downtowns with light-rail access.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.
- Prepare Downtown Plan and Code amendments, and solicit public input.
- Adopt the Downtown Plan and Code amendments.

6D. Update building height requirements & restrictions

Description: City code establishes maximum and minimum building heights for new development in downtown. These requirements can have an important impact on the look and feel of downtown, as well as the attractiveness of the area for new development. The City should update its code to clarify the range of appropriate building heights throughout downtown, taking into account public input, and providing flexibility for potential developers. This could result in reducing allowed heights in South Downtown.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.

- Prepare Downtown Plan and Code amendments and solicit public input.
- Adopt the Downtown Plan and Code amendments.

6E. Update allowed uses, including ground-floor uses

Description: City code specifies what types of uses are allowed in buildings in downtown. These restrictions have an important impact on the look and feel of downtown, as well as the attractiveness of the area for new development. The City should broaden the allowed uses downtown to allow greater flexibility for developers, and allowing building owners to market their spaces to a wider-range of tenants. However, some restrictions are still needed (particularly on the ground-floor of buildings on Main Street) to promote an active and attractive downtown.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.
- Prepare Downtown Plan and Code amendments, and solicit public input.
- Adopt the Downtown Plan and Code amendments.

6F. Update minimum setback requirements

Description: City code specifies the minimum and maximum “setbacks” for buildings downtown. Setbacks refer to the distance from a building face to the sidewalk. Milwaukie requires most buildings downtown to be setback no more than 10 feet. While this setback requirement is appropriate for most types of development downtown, it precludes buildings from incorporating ground-floor plazas, pocket parks, or other open space elements that could be attractive amenities downtown. The City should update their setback requirements to accommodate these potential ground-floor open space uses.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete a Code and Plan Review memorandum, identifying issues that need to be addressed.
- Draft Downtown Code and Plan amendments, and solicit public input.

- Adopt the Downtown Code and Plan amendments.

Strategy 7 – Ensure development is attractive and pedestrian-friendly

Description: Design standards regulate how buildings look and how they interact with the street, as well as the types of building materials can be used in construction and how “pedestrian-friendly” buildings must be (e.g., ground floor windows, lighting, signage, etc.). In general, the purpose of design standards is to ensure that buildings are attractive, regardless of the size of the building and the use located within the building. The City should update their design standards to ensure high-quality development that is consistent with the public vision, while providing developers with sufficient clarity and flexibility for building design.

Why it’s needed? Pedestrian-friendly design standards only apply to small areas of downtown, which means new development in downtown could be auto-oriented in design. In downtown, existing design standards restrict or prohibit a long list of materials, many of which are commonly used in attractive contemporary buildings; this is inflexible and overly prescriptive and may discourage new development.

Intended outcomes: The City’s design standards would provide sufficient clarity and flexibility, so that they are not an obstacle to new development. The City’s design standards would be consistent with the community vision, ensuring new development downtown is attractive. Areas of the City that are envisioned as being active pedestrian-friendly streets would have appropriate pedestrian-friendly design standards to implement that vision.

Actions:

7A. Expand pedestrian-oriented standards for 21st Ave, Harrison St, Monroe St, and Washington St; and urban design standards for McLoughlin Blvd

Description: Main Street in downtown Milwaukie already has urban design standards and pedestrian-oriented standards. The City vision calls for McLoughlin Blvd and SE 21st Ave to have a similar “main street” feel. The City would expand their pedestrian-oriented design standards to SE 21st Ave. Because McLoughlin Blvd is a much wider street with higher traffic volumes and higher speeds, and because development options on McLoughlin Blvd are limited to just the east side of the street, it is unrealistic to assume that development on McLoughlin Blvd can achieve the same pedestrian-oriented “main street” feel as Main Street and SE 21st Ave. Urban design on McLoughlin Blvd, however, is still very important, as it provides many commuters their first look at Milwaukie, and serves as a gateway to the City for vehicles, and bicyclists and pedestrians arriving via the Trolley Trail. Thus, urban design standards would be applied McLoughlin Blvd to improve the appearance of new development on this street.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Complete a Plan and Code Review memorandum, identifying issues that need to be addressed.
- Prepare Downtown Plan and Code amendments, and solicit public input.
- Adopt the Downtown Plan and Code amendments.

Financial

Strategy 8 – Lower the cost of development for catalyst projects

Description: In addition to using PPP tools to invest in new development (Strategy 3), the City should seek to lower the cost of development for catalyst projects. Catalyst projects are new development efforts in the short-term that can help prove the market in Milwaukie, but need some form of public-sector partnership to overcome the high degree of risk inherent in investing in unproven markets. The City can help reduce the cost of development by reducing or waiving some of the fees and charges on new development or by making publicly-owned sites available at favorable terms to private developers. , These actions result in closing the financing gap and making catalyst projects more financially feasible.

Why it's needed? The market study and opportunity site analysis identified a significant financial gap for new development in Milwaukie. Given current market conditions, it is unlikely that private developers will be interested in Milwaukie without public-sector partnerships to share the financial risk. By reducing the cost of development for catalyst projects, the City may achieve high-quality new construction in downtown and/or Central Milwaukie. Successful development could help prove the market to other prospective developers, reducing the future need for long-term City investment in future projects, while also providing new amenities to residents and employees of Milwaukie.

Intended outcomes: The City would achieve high-quality new development or redevelopment in downtown and/or Central Milwaukie that otherwise would not have occurred but for the use of strategies to reduce the cost of development. The tools that the City uses would have no significant short-term negative impact on the City's budget, and long-term would have a positive fiscal impact to the City.

Actions:

8A. Waive public area requirements (PARs) for qualifying projects

Description: The City charges new development in downtown for public area requirements (PARs) to rebuild the existing streetscape. The charges for PARs pay for improvements like street furniture, street trees, undergrounding utilities, and redesigning and repaving sidewalks. The City estimates the cost of PARs to be \$500,000 per full block face. This results in a significant additional cost for development in

downtown Milwaukie that is unique compared to other areas across the region, putting downtown Milwaukie at a competitive disadvantage for attracting new development. The City should identify criteria for desirable catalyst projects downtown and waive the charges for PARs for qualifying projects to lower the cost of development and encourage private investment in downtown.

Timeline: 0-2 Years.

Required resources: By waiving PARs for new projects in downtown, the City would lose out on a potential revenue source to pay for streetscape improvements in downtown, and would need to offset this lost revenue with another funding source. The extent of this fiscal impact depends on the amount of new development that occurs downtown. Action 8B discusses alternative funding sources for streetscape improvements downtown.

Implementation process:

- Adopt criteria for projects to qualify for a waiver or reduction of PAR charges.
- Communicate this financial benefit to potential developers.
- Establish alternative funding strategy for PARs.

8B. Establish alternative funding strategy for PARs

Description: Although the current funding mechanism for PARs is a significant barrier to redevelopment, the goal of the City's public area requirements is still important. Many downtown streets lack adequate lighting, as well as comforts such as benches and trash cans. Streetscape improvements make downtowns more attractive and pedestrian-friendly, which encourages both residents and visitors to spend more time downtown and helps to boost rents and make downtown more attractive for businesses and developers. The City should explore other funding sources to implement PARs downtown. Typical funding sources used by other jurisdictions include local improvement districts (LIDs), urban renewal areas (URAs), and general obligation bonds. The specific funding source(s) that the City would use is undetermined at this time.

The approach to implementation should be holistic. Constructing large sections of the downtown streetscape at once, rather than piece-meal (as in the past), which has resulted in incremental improvements on the segments of streets adjacent to new development.

Timeline: 0-2 Years.

Required resources: The cost for full implementation of PARs throughout downtown is unknown at this time. The 2013 Transportation System Plan estimates the costs at \$7,300,000.⁴ These improvements could be made in block-by-block phases rather than throughout the entire downtown, which may increase the overall costs. In addition, funding for staffing and consultant assistance would be required.

Implementation process:

- Clarify the elements of the PARs that should be implemented, given the City's constrained resources.
- Estimate the total cost of implementing PARs throughout downtown. Identify potential phases of implementation, with cost estimates for each phase.
- Evaluate multiple potential funding sources based on their financial capacity and their potential support from elected officials, downtown businesses and property owners, and the general public.
- Establish an alternative funding strategy for PARs based on the findings from previous steps.

8C. Waive or finance SDCs for qualifying projects

Description: The City collects systems development charges (SDCs) for new development in the city. Waiving, reducing, or financing these SDCs has the potential to reduce the cost of development, helping to close the financing gap. Although the costs of SDCs are similar to the cost of PARs downtown, the City has less direct control over these costs. The bulk of the SDCs charged by the City are passed through to other taxing districts that provide infrastructure for parks and wastewater treatment for Clackamas County. The City should explore opportunities to waive, reduce, or finance the SDCs that the City controls. Additionally, the City should collaborate with other taxing districts that charge SDCs in Milwaukie, and discuss opportunities to waive, reduce, or finance these SDCs.

Timeline: 0-2 Years.

Required resources: By waiving, reducing, or financing SDCs for new projects in downtown, the City and other affected taxing districts would lose out on a potential revenue source to pay for infrastructure, and would need to offset this lost revenue with another funding source. The extent of this fiscal impact depends on the amount of new development that occurs downtown.

Implementation process:

⁴ 2013 dollars.

- Adopt criteria for projects to qualify for a waiver, reduction, or financing of SDCs.
- Meet with affected taxing districts to attempt to negotiate their participation in the waiver, reduction, or financing of SDCs.
- Communicate this financial benefit to potential developers.

8D. Make City-owned sites available to developers at favorable terms for qualifying projects

Description: The City owns two key opportunity sites in downtown, including the Cash Spot Site, and half of the Texaco Site. Publicly-owned sites have great potential for catalyst projects, because the public-sector does not necessarily require the same profit from land sales as most private land owners. The City should be willing to sell their opportunity sites to potential developers at terms that are favorable to the developers, if the proposed project is consistent with the City vision, and has a demonstrated financing gap. These land sales should be carefully constructed so that the City has significant input into the development process, ensuring that the final development is of high-quality.

Other public entities (Metro and TriMet) own additional sites in downtown Milwaukie: the other half of the Texaco Site, and the Triangle Site. The City should work with Metro and TriMet to make these sites available at favorable terms to potential catalyst projects as well.

Timeline: 0-6 Years.

Required resources: This action would not require any additional resources, but could result in the City disposing of property for less than the desired return on investment. Thus the City could be forgoing potential future profits from land sales at a higher price point. However, these lost potential revenues are speculative, as there is no proven demand for these properties at any price point.

Implementation process:

- Issue requests for qualification (RFQs) for development of publicly-owned sites in downtown (Actions 4F and 4E).
- Evaluate the financial gap for the proposed development.
- Negotiate a disposition and development agreement (DDA) with the developer, specifying the price for sale of the land based on the magnitude of the financial gap and the public benefits that the proposed development will bring to the community.
- Identify a site and relocation plan for the Farmers Market when the Texaco Site is made available.

Other Implementation

Strategy 4 – Proactively encourage development

Description: See Strategy 4 in the Citywide chapter of this report.

Why it's needed? See Strategy 4 in the Citywide chapter of this report.

Intended outcomes: See Strategy 4 in the Citywide chapter of this report.

Actions:

4F. Encourage final development of the “Triangle” site with consideration of appropriate interim uses

Description: The City should actively seek financially feasible development opportunities on the Triangle Site. This could include, but not be limited to, issuing a request for qualifications (RFQ) for potential developers interested in the site. Before this RFQ can be issued, the City must first complete the downtown plan and code amendments that apply to the site, and must establish a strategy for when to use PPP tools to invest in new development projects.

The Triangle Site’s unusual shape and small footprint present challenges for achieving high-quality, multi-story development on the site, and it is possible that in the short-term, no financially feasible development options exist. If this occurs, the City should consider short-term, temporary uses on the site, such as a food cart pod, to generate activity on the site and support the new light rail station until market conditions improve and a more permanent development option becomes feasible.

Timeline: 0-1 Years (temporary, interim use)
1-6 Years (permanent use)

Required resources: Implementing this action will require staff time as long as active negotiations with developer(s) are ongoing.

Implementation process:

- Implement prerequisite strategies and actions:
 - Strategy 1 – Clarify vision and update comprehensive plan
 - Strategy 2 – Create a culture of helpfulness
 - Strategy 3 – Use PPP tools to invest in catalyst projects
 - Strategy 6 – Provide more clarity and flexibility on allowed development
 - Strategy 8 – Lower cost of development for catalyst projects
 - Action 4D. Communicate positive changes to the development community.
- Issue an RFQ for development of the site.

- Select a preferred developer, based on the quality of the proposed concept, the public benefits that the project would bring to the community, and the experience and financial capacity of the development team.
- Negotiate a disposition and development agreement for the site with the private developer and other public partner(s).

4E. Issue RFQs for development on Texaco and Cash Spot sites

Description: The City should actively seek financially feasible development opportunities on the Texaco and Cash Spot sites. Ultimately, this will include issuing a request for qualifications (RFQ) for potential developers interested in the site. Before the RFQs can be issued, the City must first complete the downtown plan and code amendments that apply to the sites, and must establish a strategy for when to use PPP tools to invest in new development projects.

Timeline: 1-4 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Implement prerequisite strategies and actions:
 - Strategy 1 – Clarify vision and update comprehensive plan
 - Strategy 2 – Create a culture of helpfulness
 - Strategy 3 – Use PPP tools to invest in catalyst projects
 - Strategy 6 – Provide more clarity and flexibility on allowed development
 - Strategy 8 – Lower cost of development for catalyst projects
 - Action 4D. Communicate positive changes to the development community.
- Issue RFQs for development of the sites.
- Select a preferred developer for each site, based on the high-quality of the proposed concepts, the public benefits that the projects would bring to the community, and the experience and financial capacity of the development teams.
- Negotiate disposition and development agreements for the sites with the private developers and other public partner(s).

Strategy 9 – Encourage adaptive reuse

Description: The city has many existing buildings (particularly in downtown) that should not be torn down, but could still benefit from remodeling or renovation. Through the adaptive reuse of existing buildings, the City can incrementally improve the quality of the city's building stock, helping to attract new tenants to the City, and increasing achievable rents. Adaptive reuse

has the potential to help the City realize their visions for downtown, and these projects typically cost substantially less than new construction, which means they may be more achievable in the short-term. The City should establish a strategy to encourage adaptive reuse of existing buildings.

Why it's needed? The City's downtown has relatively few vacant parcels, and many existing buildings in need of remodel or renovation. These adaptive reuse projects may be more financially feasible in the short-term.

Intended outcomes: The City would achieve more development downtown through adaptive reuse projects, contributing to an active and attractive downtown.

Actions:

9A. Create a program to encourage adaptive reuse of existing buildings

Description: The City should identify specific tools and funding sources to assist with adaptive reuse projects. Many PPP tools are geared towards new development, and are not as helpful for adaptive reuse projects. The City should identify how specific PPP tools can be used for adaptive reuse projects, and if insufficient tools exist, the City should explore creating new tools.

Timeline: 0-2 Years.

Required resources: Implementing this action will require staffing and funding.

Implementation process:

- Evaluate PPP tools for their applicability to adaptive reuse projects.
- Collaborate with Metro on the creation of new grant and loan programs to support adaptive reuse efforts.
- Establish a clearly defined program for applying these tools to help local property owners with adaptive reuse projects.

9B. Identify potential sites for adaptive reuse

Description: The City should inventory existing buildings downtown to determine which are good adaptive reuse candidates (i.e., buildings that are structurally sound but underutilized and/or unattractive).

Timeline: 0-2 Years.

Required resources: Implementing this action will require some staff time, but it is likely to be modest and should not require additional staffing or other expenditures.

Implementation process:

- Identify criteria for high-potential adaptive reuse buildings.
- Conduct an inventory of buildings in downtown, identifying those with adaptive reuse potential.

9C. Engage property owners about adaptive reuse potential

Description: The City should be proactive in encouraging adaptive reuse of building downtown. The City should invite owners of buildings with strong adaptive reuse potential to learn about the City’s new adaptive reuse program, and the available tools to help with adaptive reuse projects.

Timeline: 0-2 Years.

Required resources: Implementing this action will require some staff time, but it is likely to be modest and should not require additional staffing or other expenditures.

Implementation process:

- Create marketing materials that describe the benefits of the adaptive reuse program, and distribute these materials to downtown property owners.
- Host an open house to meet with property owners and discuss tools to assist with adaptive reuse projects.
- Invite regional developers with adaptive reuse experience to come and learn about buildings with adaptive reuse potential in downtown.
- Invite property owners of buildings with the best adaptive reuse potential to have one-on-one meetings with City staff to discuss potential adaptive reuse projects. Where possible, make connections between local property owners and interested developers with experience doing adaptive reuse projects.

Strategy 10 – Provide adequate infrastructure and public amenities to support new development

Description: One of the most basic services that cities provide to encourage development is the provision of infrastructure. This includes traditional infrastructure like streets, sidewalks, water, and sewer pipes. However, other public amenities like parks and plazas are also important infrastructure components that make areas more attractive to both developers and potential visitor and residents.

While downtown and Central Milwaukie are generally well served with regards to transportation and utility infrastructure, there are still improvements that the City can and should make. These improvements include transportation connections through the Murphy and McFarland sites in Central Milwaukie. Intersection improvements at congested intersections throughout the area. And improvements to parks and open space.

Why it’s needed? The Murphy and McFarland sites in Central Milwaukie are large and have no internal street network. Many intersections in downtown and Central Milwaukie have

congestion issues that are expected to worsen in the future. Downtown and (to a lesser extent) Central Milwaukie have policies that describe the areas as pedestrian-friendly and transit-oriented, but transportation planning for the areas may not be as supportive of these policies as it should be. Downtown has some parks and open space, but they could benefit from additional investment, and the proposed Main St/Adams St public plaza lacks funding for implementation.

Intended outcomes: The City would have all necessary infrastructure to support new development in downtown and Central Milwaukie. Parks and open space downtown would be attractive amenities, valued by both residents and developers. Transportation infrastructure is supportive of the City's vision for pedestrian-friendly, transit-oriented areas.

Actions:

10A. Explore Multimodal Mixed-Use Area (MMA) designation downtown

Description: An MMA designation allows greater flexibility for new development by lifting a requirement of the state Transportation Planning Rules (TPR) to apply automobile congestion standards to the review of certain land use changes. An MMA designation in downtown would mean that changes to City land use plans would not need to be evaluated using congestion performance standards. In short, added congestion in downtown from new development would not be an impediment to that development.

Timeline: 0-2 Years.

Required resources: Implementing this action will require staffing and funding.

Implementation process:

- Meet with ODOT to discuss the appropriateness of an MMA designation in downtown.
- Evaluate the potential impacts of an MMA designation in downtown, including how it would affect the need for capital improvement downtown, the impact on congestion, and the financial impact to the City and new developers.
- If the City determines an MMA designation downtown is beneficial, then the City would adopt a Comprehensive Plan amendment designating the area as an MMA.

10B. Address downtown pedestrian transportation infrastructure deficiencies

Description: Sections of downtown have pedestrian transportation infrastructure deficiencies, including a lack of street trees and street furniture, unattractive and obtrusive above-ground utilities, and sidewalks that do not meet the standards identified in the PARs. The City should improve the pedestrian transportation infrastructure in downtown. Given funding constraints, it is likely that this will be a long-term action, likely conducted in phases. Typical funding sources used by other

jurisdictions include local improvement districts (LIDs), urban renewal areas (URAs), and general obligation bonds. The specific funding source(s) that the City would use is undetermined at this time.

Timeline: 2+ Years.

Required resources: The cost to completely address pedestrian transportation infrastructure deficiencies throughout downtown is unknown at this time. The 2013 Transportation System Plan estimates the cost at \$7,300,000.

Implementation process:

- Identify downtown pedestrian transportation infrastructure deficiencies.
- Develop a plan for addressing identified deficiencies.
- Establish an alternative funding strategy for PARs (Action 8B).
- Collect necessary funds and implement necessary capital improvements using a phased approach based on available funding.

10C. Enhance existing downtown Parks (Dogwood and Scott)

Description: Dogwood Park is located in south downtown and extends from the intersection of Main and Adams streets to the north to the Kellogg Bridge to the south. Scott Park is located in north downtown, to the rear of Ledding Library.

Dogwood Park is minimally improved with a picnic table and a sign, and a concept plan for the park was completed in 2011. The concept plan establishes an interim design in anticipation of the implementation of the South Downtown Concept Plan.

Scott Park is partially developed but underutilized. There is an existing Master Plan for Scott Park, but much of the plan has not been implemented. These park improvements would make the area more attractive for local residents and employees of Milwaukie, as well as potential developers.

Timeline: 0-4 Years.

Required resources: Implementing this action would require capital expenditures of approximately \$100,000 for Dogwood Park, and capital expenditures of approximately \$200,000 for Scott Park.⁵ The funding source for these improvements is unknown at this time, but potential sources include the City's general fund, parks SDCs, a general obligation bond, or a local improvement district.

⁵ The 1990 Scott Park Master Plan estimated the cost of improvements at \$161,925 in 1990 dollars. This estimate does include the cost of preparing a mitigation plan for activities within mapped Natural Resources areas.

Implementation process:

- Clarify specific capital improvements for these parks, and estimate total costs.
- Identify funding source(s).
- Collect funds and construct the improvements.

10D. Provide gateway improvements along McLoughlin Blvd

Description: McLoughlin Blvd serves as a “gateway” to Milwaukie for both vehicular and pedestrian/bicycle traffic. It is the primary north-south connection through downtown, as well as the downtown gateway to the Trolley Trail multiuse facility. These entrances to the city would benefit from increased visibility and appeal. Gateway improvements at key roads and intersections on McLoughlin Blvd can help through traffic realize that they have arrived in Milwaukie, and draw attention to Milwaukie’s assets (like the existing downtown and future catalyst projects on McLoughlin Blvd). Ultimately, the purpose of the gateway improvements would be to draw more traffic off of McLoughlin Blvd and into downtown. Potential gateway improvements include: plantings, lighting, and/or signage.

Timeline: 2-4 Years.

Required resources: Implementing this action would require one-time capital expenditures. The funding source for these improvements is unknown at this time, but potential sources include the City’s general fund, or a local improvement district.

Implementation process:

- Clarify specific capital improvements and estimate total costs.
- Identify funding source(s).
- Collect funds and construct the improvements.

10E. Construct the South Downtown plaza

Description: The South Downtown Concept Plan identifies a public plaza on Adams Street, connecting the new light rail station with Main Street. The goal of the project is to create a focal point at the south end of downtown. The City has completed the planning and preliminary design phase of the project, and now needs funds for final design and construction.

Timeline: 2-4 Years.

Required resources: Implementing this action would require one-time capital expenditures. The funding source for these improvements is unknown at this time, but potential sources include the City’s general fund, a general obligation bond, or a local improvement district.

Implementation process:

- Complete final design work and refine cost estimates.
- Identify funding source(s).
- Collect funds and construct the improvements.

DRAFT

3.3 Central Milwaukie

Policy and Comprehensive Plan

Strategy 1 – Clarify vision and update Comprehensive Plan

Description: See strategy 1 in the Citywide chapter of this report.

Why it's needed: See strategy 1 in the Citywide chapter of this report.

Intended outcomes: See strategy 1 in the Citywide chapter of this report.

Actions:

1E. Adopt Central Milwaukie Land Use & Transportation Plan

Description: The Central Milwaukie Land Use & Transportation Plan will include an evaluation of current land use conditions and transportation infrastructure, a vision for the future of Central Milwaukie, and a plan for achieving that vision. The document will provide specific direction for plan and code amendments related to the Central Milwaukie area. When adopted, the document will refine the Town Center Master Plan that currently describes an outdated vision for the area.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Draft Central Milwaukie Land Use & Transportation Plan.
- Make revisions based on input from City Council, Planning Commission, the Project Advisory Committee, and the general public.
- Adopt the final Central Milwaukie Land Use & Transportation Plan as an ancillary document to the Comprehensive Plan

Regulations and Code

Strategy 6 – Provide more clarity and flexibility on allowed development

Description: See Strategy 6 in the downtown section of this report.

Why it's needed: See strategy 6 in the downtown section of this report.

Intended outcomes: See strategy 6 in the downtown section of this report.

Actions:

6G. Adopt a “Central Milwaukie Commercial” zone

Description: The City will consider adopting a zone or zones that applies to all of Central Milwaukie, excluding Milwaukie Market Place. Currently, Central Milwaukie is a patchwork of 5 different zones and overlays. With the exception of the Murphy and McFarland sites (addressed below) the bulk of Central Milwaukie is commercially-zoned, with pockets of high-density residential zoning. The commercial areas zones of Central Milwaukie are very permissive, and there are no design or development standards to ensure new development meets the community's expectations. Residential uses are not currently allowed in these commercial areas; the community may wish to revisit that restriction.

The new Central Milwaukie Commercial zone will clarify what is allowed and prohibited throughout Central Milwaukie. The new zone will include one or more overlays, as necessary, to differentiate subareas where specific uses (like flex space) will be allowed, and where they will be prohibited.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Draft a Central Milwaukie Land Use and Transportation Plan (Action 1E), describing the land use vision for Central Milwaukie.
- Draft Central Milwaukie Comprehensive Plan and code amendments to implement the plan, and solicit public input.
- Adopt the Central Milwaukie Comprehensive Plan and code amendments.

6H. Allow by-right development on the Murphy and McFarland sites

Description: The current zoning for the Murphy and McFarland sites is a confusing combination of a permissive mixed use zone and a very restrictive overlay. Any development on the site requires Planning Commission review and approval, making it difficult for potential developers to know whether any development proposal would receive approval. Development that implements the community's vision, as identified in the Central Milwaukie Land Use and Transportation Plan, should be permitted without land use review.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Adopt the Central Milwaukie Land Use and Transportation Plan (Action 1E), describing uses that should be allowed by right, allowed conditionally, and prohibited in the area.
- Draft Central Milwaukie code and plan amendments, and solicit public input.
- Adopt the Central Milwaukie code and plan amendments.

6I. Update allowed uses, including provisions for flex space on the Murphy site

Description: Use standards govern what types of activities are allowed in an area. Public input has been supportive of a wide-range of uses in Central Milwaukie, as long as the buildings are attractive (see Strategy 7). The Central Milwaukie Commercial zone will identify which uses are allowed by right, allowed conditionally, and prohibited throughout Central Milwaukie. Most of these use standards will be applied to Central Milwaukie in its entirety. One use, however, that should only be allowed in portions of Central Milwaukie is light industrial “flex” space. Code and plan amendments should ensure that flex space is allowed in certain areas like the Murphy site, at a scale that does not encourage large truck traffic, but prohibited in other areas of Central Milwaukie.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Adopt the Central Milwaukie Land Use and Transportation Plan (Action 1E), describing uses that should be allowed by right, allowed conditionally, and prohibited in the area.
- Draft Central Milwaukie code and plan amendments, and solicit public input.
- Adopt the Central Milwaukie code and plan amendments.

Strategy 7 – Ensure development is attractive and pedestrian friendly

Description: See Strategy 7 in the downtown chapter of this report.

Why it’s needed? See Strategy 7 in the downtown chapter of this report.

Intended outcomes: See Strategy 7 in the downtown chapter of this report.

Actions:

7B. Adopt design standards for commercial development

Description: The Central Milwaukie area has no design standards at all non-residential uses, which gives the City very little ability to ensure new development in the area is attractive.

Establishing design standards in this area is an element of the project scope and the approach has been supported by public input to date. The City should adopt design standards for Central Milwaukie, regulating what types of building materials can be used in construction, and how “pedestrian-friendly” buildings must be (e.g., ground floor windows, lighting, signage, etc.). These design standards should ensure high-quality development, while still being flexible enough to allow potential developers substantial freedom to design affordable buildings that work best for their tenants. This approach will need to be confirmed or revised during the Land Use and Transportation Plan adoption process.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Adopt the Central Milwaukie Land Use and Transportation Plan (Action 6F).
- Draft Central Milwaukie code and plan amendments, and solicit public input.
- Adopt the Central Milwaukie code and plan amendments.

7C. Revise development standards for commercial development

Description: Development standards regulate the size of buildings and where they are located on a site. These standards should be updated for Central Milwaukie to ensure buildings (especially buildings fronting main streets like SE 32nd Ave, or SE Harrison Street) are located close to the sidewalk with parking located at the side or rear of buildings. This approach will need to be confirmed or revised during the Land Use and Transportation Plan adoption process.

Timeline: 0-1 Years.

Required resources: Funding for this action is provided through the Moving Forward Milwaukie project.

Implementation process:

- Adopt the Central Milwaukie Land Use and Transportation Plan (Action 6F).
- Draft Central Milwaukie code and plan amendments, and solicit public input.
- Adopt the Central Milwaukie code and plan amendments.

Financial

Strategy 3 – Invest in catalyst projects with Public-Private Partnership (PPP) tools

Description: See strategy 3 in the Citywide section of this report.

Why it's needed? See strategy 3 in the Citywide section of this report.

Intended outcomes: See strategy 3 in the Citywide section of this report.

Actions:

3E. Evaluate the use of Industrial Development Bonds for flex space on the Murphy Site.

Description: There are many PPP tools that the City can apply to development throughout the City, including Central Milwaukie (see Strategy 3 in the Citywide chapter of this report). One tool with a much more specific applicability is Industrial Development Bonds. These are bonds issued by the State to provide long-term, low-interest financing to industrial projects with an eligible anchor tenant. Depending on the specific tenants that might be interested in developing flex space in Central Milwaukie, Industrial Development Bonds may be a useful tool to reduce the cost of development by providing lower cost financing. City staff should become familiar with the requirements of this program to identify potential projects in appropriate areas of Central Milwaukie (or in other industrial areas of the City) that could benefit from the program.

Timeline: 0-2 Years.

Required resources: Industrial Development Bonds are issued by the State of Oregon and would have no budgetary impact for the City. Add to Economic Development program.

Implementation process:

- Establish a strategy for using PPP tools (Action 3B).
- Evaluate potential tenants of proposed flex space projects in Central Milwaukie to determine eligibility for the program.
- Educated eligible tenants on the program, and introduce them to staff at the State of Oregon who run the Industrial Development Bonds program. Stay actively involved in establishing partnerships between private developers and the State.

Other Implementation

Strategy 10 – Provide adequate infrastructure and public amenities to support new development

Description: See Strategy 10 in the downtown chapter of this report.

Why it's needed? See Strategy 10 in the downtown chapter of this report.

Intended outcomes: See Strategy 10 in the downtown chapter of this report.

Actions:

10F. Explore Multimodal Mixed-Use Area (MMA) designation for Central Milwaukie

Description: An MMA designation allows greater flexibility for new development by lifting a requirement of the state Transportation Planning Rules (TPR) to apply automobile congestion standards to the review of certain land use changes. An MMA designation in Central Milwaukie would mean that changes to City land use plans would not need to be evaluated using congestion performance standards. In short, added congestion in Central Milwaukie from new development would not be an impediment to that development.

Timeline: 0-2 Years.

Required resources: Implementing this action will require staffing and funding to provide analysis and adopt a Comprehensive Plan amendment.

Implementation process:

- Meet with ODOT to discuss the appropriateness of an MMA designation in Central Milwaukie. This coordination should occur concurrently to discussions regarding potential for an MMA designation in downtown (see Action 10A in the Downtown chapter of this report).
- Evaluate the potential impacts of an MMA designation in Central Milwaukie, including how it would affect the need for capital improvement in the area, the impact on congestion, and the financial impact to the City and new developers.
- If the City determines an MMA designation in Central Milwaukie is beneficial, then the City would adopt a Comprehensive Plan amendment designating the area as an MMA.

10G. Address transportation infrastructure deficiencies for Central Milwaukie

Description: The Murphy and McFarland sites in Central Milwaukie are large and have no internal street network. Many intersections in Central Milwaukie are shared with Hwy 224 and have congestion issues that are expected to worsen in the future. The City should make improvements to transportation connections through the Murphy and McFarland sites in Central Milwaukie, and intersection improvements at congested intersections throughout the area. There is no strong and safe north/south pedestrian or vehicular connection between residential areas to the north and east and Milwaukie Marketplace.

Timeline: 2+ Years.

Required resources: The cost to completely address transportation infrastructure deficiencies throughout Central Milwaukie is unknown at this time. These improvements could be made in phases, spreading out the funding burden over time.

Many of these infrastructure improvements may be the responsibility of private developers to fund and construct, eliminating any budgetary impact to the City. For projects that do require City funding, typical funding sources used by other jurisdictions include systems development charges (SDCs), local improvement districts (LIDs), urban renewal areas (URAs), and general obligation bonds. The specific funding source(s) that the City would use is undetermined at this time.

Implementation process:

- Adopt the Central Milwaukie Land Use and Transportation Plan (Action 6F), identifying (at a high-level) transportation improvements that are likely to be needed in Central Milwaukie.
- For projects internal to the Murphy and McFarland sites, work with prospective developers to refine the specific infrastructure projects, cost estimates, funding responsibilities, and timeline for implementation.
- For projects not specific to the Murphy and McFarland sites, prioritize the projects relative to other City needs, and amend the TSP as necessary.

4 Action & Implementation Matrix

Many of the short-term projects identified below could be addressed through the Moving Forward Milwaukie project. Others are not part of the project scope and would require additional action by the City.

Strategies	Actions	Project Type	Timeline
CITYWIDE			
Policy - Comprehensive Plan			
1. Clarify vision and update Comprehensive Plan	1A. Update Transportation System Plan as needed to reflect Moving Forward Milwaukie plan and code revisions	MFM	0-2 years
	1B. Update Chapters 4 and 5 of Comprehensive Plan.	MFM	0-2 years
Regulations - Code			
2. Enhance the culture of helpfulness	2.A. Streamline City permitting and review process, where possible	MFM	0-2 years
Financial			
3. Invest in catalyst projects with Public-Private Partnership (PPP) tools	3A. Establish a strategy for when to use various PPP tools	Community Development	0-2 Years
	3B. Use non-City funding sources for development.	Community Development	0-2 Years
	3C. Use site-specific TIF zones for appropriate projects	Urban Renewal Plan	1-4 Years
	3D. Use property tax abatement programs for appropriate projects	Community Development	1-4 Years
Other Implementation			
2. Enhance the culture of helpfulness	2B. Support the City's strong and proactive customer service approach	Economic Development	0-2 Years/Ongoing
4. Support existing businesses through actions encouraging adaptive reuse	4A. Establish a storefront improvement program	Economic Development	0-2 Years
	4B. Establish a small business development fund	Economic Development	0-2 Years
5. Proactively encourage development	5A. Cultivate relationships with developers, brokers, and property owners	Economic Development	0-2 Years/Ongoing

	5B. Establish business recruitment program	Economic Development	0-4 Years/Ongoing
	5C. Explore partnership opportunities with major employers	Economic Development	Ongoing
	5D. Communicate positive changes to the development community	Economic Development	2-4 Years
DOWNTOWN			
Policy - Comprehensive Plan			
1. Confirm vision and update Comprehensive Plan	1C. "Refresh" Downtown and Riverfront Land Use Framework Plan	MFM	0-1 Years
	1D. Revise and adopt South Downtown Concept Plan	MFM	0-1 Years
Regulations - Code			
6. Provide more clarity and flexibility on allowed development	6A. Reduce the number of downtown zones	MFM	0-1 Years
	6B. Establish a "two-track" process for new development downtown	MFM	0-1 Years
	6C. Reduce on-site parking requirements	MFM	0-1 Years
	6D. Update building height requirements & restrictions	MFM	0-1 Years
	6E. Update allowed uses, including ground-floor uses	MFM	0-1 Years
	6F. Update minimum setback requirements	MFM	0-1 Years
7. Ensure development is attractive and pedestrian-friendly	7A. Expand pedestrian-oriented standards for 21st Ave, Harrison St, Monroe St, and Washington St; and urban design standards for McLoughlin Blvd	MFM	0-1 Years
Financial			
8. Lower the cost of development for catalyst projects	8A. Waive PARs for qualifying projects	Capital	0-2 Years
	8B. Establish alternative funding strategy for PARs	Capital	0-2 years

	8C. Waive or finance SDCs for qualifying projects	Community Development	0-2 years
	8D. Make City-owned sites available to developers at favorable terms for qualifying projects	Economic Development	0-6 Years
Other Implementation			
4. Proactively encourage development	4F. Encourage final development of the "Triangle" site with consideration of appropriate interim uses.	MFM	0-6 Years
	4E. Issue RFQs for development on Texaco and Cash Spot sites	MFM	1-4 Years
9. Encourage adaptive reuse	9A. Create a program to encourage adaptive reuse of existing buildings	Community Development	0-2 Years
	9B. Identify potential sites for adaptive reuse	Community Development	0-2 years
	9C. Engage property owners about adaptive reuse potential	Community Development	0-2 Years
10. Provide adequate infrastructure to support new development	10A. Explore Multimodal Mixed-Use Area (MMA) designation downtown	Community Development	0-2 Years
	10B. Address downtown pedestrian and transportation infrastructure deficiencies	Capital	2+ Years
	10C. Enhance existing downtown Parks (Dogwood and Scott)	Capital	0-4 years
	10D. Provide "gateway" improvements along McLoughlin Blvd	Capital	2-4 years
	10E. Construct the South Downtown plaza	Capital	2-4years
CENTRAL MILWAUKIE			
Policy - Comprehensive Plan			
1. Clarify vision and update planning documents	1E. Adopt Central Milwaukie Land Use & Transportation Plan	MFM	0-1 Years
Regulations - Code			

6. Provide more clarity and flexibility on allowed development	6G. Adopt a "Central Milwaukie Commercial" zone	MFM	0-1 Years
	6H. Allow by-right development on the Murphy and McFarland sites	MFM	0-1 years
	6I. Update allowed uses, including provisions for flex space on the Murphy site	MFM	0-1 Years
7. Ensure development is attractive and pedestrian friendly	7A. Adopt design standards for commercial development	MFM	0-1 Years
	7B. Revise development standards for commercial development	MFM	0-1 Years
Financial			
3. Invest in catalyst projects with Public-Private Partnership (PPP) tools	3E. Evaluate the use of Industrial Development Bonds for flex space on the Murphy Site.	Economic Development	0-2 Years
Other Implementation			
10. Provide adequate infrastructure and public amenities to support new development	10F. Explore Multimodal Mixed-Use Area (MMA) designation for Central Milwaukie	Community Development	0-2 Years
	10G. Address transportation infrastructure deficiencies for Central Milwaukie	Capital	2+ Years

**Action & Implementation Plan for Downtown and Central Milwaukie
Summary Matrix**

Discussion Draft - 6/16/14

Many of the short-term projects identified below could be addressed through the Moving Forward Milwaukie project. Others are not part of the project scope and would require additional action by the City.

Strategies	Actions	Project Type	Timeline
CITYWIDE			
Policy - Comprehensive Plan			

1. Clarify vision and update Comprehensive Plan	1A. Update Transportation System Plan as needed to reflect Moving Forward Milwaukie plan and code revisions	MFM	0-2 years
	1B. Update Chapters 4 and 5 of Comprehensive Plan.	MFM	0-2 years
Regulations - Code			
2. Enhance the culture of helpfulness	2.A. Streamline City permitting and review process, where possible	MFM	0-2 years
Financial			
3. Invest in catalyst projects with Public-Private Partnership (PPP) tools	3A. Establish a strategy for when to use various PPP tools	Community Development	0-2 Years
	3B. Use non-City funding sources for development.	Community Development	0-2 Years
	3C. Use site-specific TIF zones for appropriate projects	Urban Renewal Plan	1-4 Years
	3D. Use property tax abatement programs for appropriate projects	Community Development	1-4 Years
Other Implementation			
2. Enhance the culture of helpfulness	2B. Support the City's strong and proactive customer service approach	Economic Development	0-2 Years/Ongoing
4. Support existing businesses through actions encouraging adaptive reuse	4A. Establish a storefront improvement program	Economic Development	0-2 Years
	4B. Establish a small business development fund	Economic Development	0-2 Years
5. Proactively encourage development	5A. Cultivate relationships with developers, brokers, and property owners	Economic Development	0-2 Years/Ongoing
	5B. Establish business recruitment program	Economic Development	0-4 Years/Ongoing
	5C. Explore partnership opportunities with major employers	Economic Development	Ongoing
	5D. Communicate positive changes to the development community	Economic Development	2-4 Years
DOWNTOWN			
Policy - Comprehensive Plan			

1. Confirm vision and update Comprehensive Plan	1C. "Refresh" Downtown and Riverfront Land Use Framework Plan	MFM	0-1 Years
	1D. Revise and adopt South Downtown Concept Plan	MFM	0-1 Years
Regulations - Code			
6. Provide more clarity and flexibility on allowed development	6A. Reduce the number of downtown zones	MFM	0-1 Years
	6B. Establish a "two-track" process for new development downtown	MFM	0-1 Years
	6C. Reduce on-site parking requirements	MFM	0-1 Years
	6D. Update building height requirements & restrictions	MFM	0-1 Years
	6E. Update allowed uses, including ground-floor uses	MFM	0-1 Years
	6F. Update minimum setback requirements	MFM	0-1 Years
7. Ensure development is attractive and pedestrian-friendly	7A. Expand pedestrian-oriented standards for 21st Ave, Harrison St, Monroe St, and Washington St; and urban design standards for McLoughlin Blvd	MFM	0-1 Years
Financial			
8. Lower the cost of development for catalyst projects	8A. Waive PARs for qualifying projects	Capital	0-2 Years
	8B. Establish alternative funding strategy for PARs	Capital	0-2 years
	8C. Waive or finance SDCs for qualifying projects	Community Development	0-2 years
	8D. Make City-owned sites available to developers at favorable terms for qualifying projects	Economic Development	0-6 Years
Other Implementation			
4. Proactively encourage development	4F. Encourage final development of the "Triangle" site with consideration of appropriate interim uses.	MFM	0-6 Years

	4E. Issue RFQs for development on Texaco and Cash Spot sites	MFM	1-4 Years
9. Encourage adaptive reuse	9A. Create a program to encourage adaptive reuse of existing buildings	Community Development	0-2 Years
	9B. Identify potential sites for adaptive reuse	Community Development	0-2 years
	9C. Engage property owners about adaptive reuse potential	Community Development	0-2 Years
10. Provide adequate infrastructure to support new development	10A. Explore Multimodal Mixed-Use Area (MMA) designation downtown	Community Development	0-2 Years
	10B. Address downtown pedestrian and transportation infrastructure deficiencies	Capital	2+ Years
	10C. Enhance existing downtown Parks (Dogwood and Scott)	Capital	0-4 years
	10D. Provide "gateway" improvements along McLoughlin Blvd	Capital	2-4 years
	10E. Construct the South Downtown plaza	Capital	2-4years
CENTRAL MILWAUKIE			
Policy - Comprehensive Plan			
1. Clarify vision and update planning documents	1E. Adopt Central Milwaukie Land Use & Transportation Plan	MFM	0-1 Years
Regulations - Code			
6. Provide more clarity and flexibility on allowed development	6G. Adopt a "Central Milwaukie Commercial" zone	MFM	0-1 Years
	6H. Allow by-right development on the Murphy and McFarland sites	MFM	0-1 years
	6I. Update allowed uses, including provisions for flex space on the Murphy site	MFM	0-1 Years
7. Ensure development is attractive and pedestrian friendly	7A. Adopt design standards for commercial development	MFM	0-1 Years
	7B. Revise development standards for commercial development	MFM	0-1 Years

Financial			
3. Invest in catalyst projects with Public-Private Partnership (PPP) tools	3E. Evaluate the use of Industrial Development Bonds for flex space on the Murphy Site.	Economic Development	0-2 Years
Other Implementation			
10. Provide adequate infrastructure and public amenities to support new development	10F. Explore Multimodal Mixed-Use Area (MMA) designation for Central Milwaukie	Community Development	0-2 Years
	10G. Address transportation infrastructure deficiencies for Central Milwaukie	Capital	2+ Years

5 Opportunity Site Findings

Opportunity site findings

For each site, we describe the range of desired uses for the site (as evaluated through the development concepts), and the key findings from our analysis, including obstacles to achieving successful site redevelopment

Exhibit 1. Moving Forward Milwaukie Opportunity Sites



Texaco Site

Range of desired uses

- Residential
- Office/Commercial (limited on ground floor on Main St)
- Retail
- Publicly-accessible open space or plaza (as component of a mixed-use project)

Strengths for development

- Visual and (to a lesser extent) physical access to the riverfront.
- High visibility from McLoughlin Blvd.
- Willing and motivated property owners (the City and Metro), interested in pursuing development opportunities.
- Flexible off-street parking standards

Obstacles for development

- Policy – Comprehensive Plan:
 - None.
- Regulations and code:
 - Maximum setback requirements preclude the provision of ground-floor open space on the Main Street face of the block, which was a popular potential design element.
 - Ground-floor retail requirements restrict potential tenants.
 - Four stories are allowed when the 4th story is housing. Height limitations restrict the overall density that the site can achieve to no more than three stories. This restriction is partially mitigated for residential development, which qualifies for one additional story (a maximum of four stories).
- Financial:
 - Public Area Requirements (PARs) (street, sidewalk, utility undergrounding, landscaping, irrigation, street lights, street furniture) will add significantly to construction costs.
 - Current market conditions and rents in Milwaukie are insufficient to support market rate development in downtown Milwaukie.
 - The public desires development on the site to be an attractive “gateway” building, which would increase construction costs.
- Other:
 - Potential access restrictions due to proximity to McLoughlin Boulevard and the status of the Harrison St/McLoughlin Blvd intersection.

Dark Horse Site

Range of desired uses

- Residential (except on Main Street ground floor)

- Office/Commercial (office limited on Main Street ground floor)
- Retail
- Live/Work on 21st Ave

Strengths for development

- Willing and motivated property owner (Dark Horse Comics), has roots in Milwaukie, and interested in pursuing development opportunities. Potential for owner-occupied anchor tenant for upper floors. Market rents are not a key consideration for owner-occupied office space.
- Flexible site options, with property owner willing to consider redevelopment of numerous parcels on the site, including potential partnerships with other private property owners on the same block.
- Flexible off-street parking standards

Obstacles for development

- Policy – Comprehensive Plan
 - None.
- Regulations and code:
 - Ground-floor retail requirements on Main Street restrict potential tenants.
 - Height limitations restrict the overall density that the site can achieve to no more than three stories. This restriction is partially mitigated for residential development, which qualifies for one additional story (a maximum of four stories).
- Financial:
 - Public Area Requirements (PARs) will add significantly to construction costs.
 - Cost of new construction would require existing owner/tenant to significantly increase rental rates, compared to what they pay now.
- Other:
 - Streetscape on SE 21st Ave. is unattractive and in need of improvement.
 - If only the parcels fronting SE 21st Ave are included in the development, then the narrow parcel configuration limits development potential, particularly for onsite parking.
 - Site configuration and the property owner's desire to replace existing surface parking lot pose challenges to providing onsite parking.

Graham Site

Range of desired uses

- Residential above ground-floor retail
- Office/Commercial above ground-floor retail
- Adaptive reuse retail/commercial

Strengths for development

- Existing building on site provides potential for adaptive reuse at significantly lower cost than new construction.
- Close proximity (roughly 600 feet) to future Adams Street Connector, South Downtown Plaza, and light rail station.
- Potential river views if new development or redevelopment adds multiple stories to the site.
- Onsite surface parking spaces can either be used for parking or be transformed into outdoor retail or restaurant space.
- Flexible off-street parking standards

Obstacles for development

- Policy – Comprehensive Plan:
 - None.
- Regulations and code:
 - Ground-floor retail requirements on Main Street restrict potential tenants.
 - Height limitations restrict the overall density that the site can achieve to no more than three stories. This restriction is partially mitigated for residential development, which qualifies for one additional story (maximum of four stories).
 - Onsite surface parking spaces separate the storefront from the street and reduce visibility of uses within, and have a negative impact on the overall pedestrian environment of Main St.
- Financial:
 - Public Area Requirements (PARs) will add significantly to construction costs.
 - Current market conditions in Milwaukie are insufficient to support market rate development in downtown Milwaukie.
 - The structural integrity of the existing building is unknown, and cost estimates to reuse the existing building may be less accurate than a new construction project.

- Other:
 - Property owner does not own the air rights to the parcel on the west of the site. A new project there could block the view of the river from the site.
 - Adaptively reusing the existing building limits the physical options for redevelopment. Adding additional stories to the existing building is likely to be more difficult than with new construction.

Cash Spot Site

Range of desired uses

- Residential
- Office/Commercial
- Retail

Strengths for development

- Close proximity (all within 400 feet) to future Adams Street Connector, South Downtown Plaza, light rail station, Kellogg Lake, and Dogwood Park.
- Visual and relatively easy physical access to the riverfront.
- High visibility from McLoughlin Blvd.
- Willing and motivated property owner (the City), interested in pursuing development opportunities.
- Topography allows for a two-level site and could reduce the cost for providing structured parking.

Obstacles for development

- Policy – Comprehensive Plan:
 - None.
- Regulations and code:
 - Ground-floor retail restrictions limit ground-floor retail establishments to no more than 5,000 SF.
 - Willamette River Greenway overlay on western half of the site limits maximum building height to 35 feet, and makes this area of the site subject to conditional use review.

- Minimum and maximum parking restrictions apply to the site, which can restrict the site from reaching its full development potential and is not supportive of transit-oriented development.
- Financial:
 - Public Area Requirements (PARs) will add significantly to construction costs.
 - Current market conditions in Milwaukie are insufficient to support market rate development in downtown Milwaukie.
 - The public desires development on the site to be an attractive “gateway” building, which would increase construction costs.
- Other:
 - Access issues: No direct auto access permitted to/from McLoughlin, and likely right-in/right-out only on Washington Street.
 - Most of site in flood plain, which precludes residential development on the ground level along McLoughlin Blvd.
 - Portion of site contains mapped natural resources area.

Triangle Site

Range of desired uses

- Residential above ground-floor retail
- Office/Commercial above ground-floor retail
- Retail

Strengths for development

- Immediately adjacent to the new light rail station.
- Close proximity (all within 400 feet) to future Adams Street Connector, South Downtown Plaza, Kellogg Lake, and Dogwood Park.
- Willing and motivated property owner (TriMet), interested in pursuing development opportunities.
- The Portland-Milwaukie Light Rail project is rebuilding all surrounding frontages to current standards.

Obstacles for development

- Policy – Comprehensive Plan:

- None.
- Regulations and code:
 - The site is ~9,000 sf and ground-floor retail restrictions limit ground-floor retail establishments to no more than 5,000 SF.
 - Minimum and maximum parking restrictions apply to the site, which can restrict the site from reaching its full development potential and is not supportive of transit-oriented development.
- Financial:
 - Current market conditions in Milwaukie are insufficient to support market rate development in downtown Milwaukie.
- Other:
 - Small, oddly-shaped parcel.
 - Uncertainty about future light-rail ridership levels complicates retail development.

Murphy Site

Range of desired uses

- Residential
 - Multifamily
 - Senior housing
- Office/commercial
- Retail
- Flex space⁶

Strengths for development

- Close to Providence Hospital
- Large site with level topography

⁶ A building providing its occupants the flexibility of utilizing the space. Usually provides a configuration allowing a flexible amount of office or showroom space in combination with manufacturing, laboratory, warehouse distribution, etc. Typically also provides the flexibility to relocate overhead doors. Generally constructed with little or no common areas, load-bearing floors, loading dock facilities and high ceilings. (The Center for Commercial Real Estate, <http://www.cfcre.com/glossary.htm>).

- Close to Hwy 224
- No further environmental remediation required on site

Obstacles for development

- Policy – Comprehensive Plan:
 - Very detailed development program for the site does not reflect current conditions (assumes a light rail station adjacent to the site) or community desires.
- Regulations and code:
 - No uses or development allowed by-right on site.
 - No clarity regarding design guidelines for non-residential uses.
- Financial:
 - Current market conditions in Milwaukie are insufficient to support market rate development.
 - No internal transportation network, which must be provided with development.
- Other:
 - Close proximity to heavy rail line (noise and vibration)
 - Limited site accessibility due to rail line and heavy traffic on SE Harrison Street.
 - Forecast for significant future congestion at key intersections near the site.
 - Physical barriers, including heavy rail line and Hwy 224, limit connections to downtown

McFarland Site

Range of desired uses

- Residential (except where prohibited from prior environmental contamination)
 - Multifamily
 - Senior housing
 - Cottage clusters
 - Row houses
 - Live/work
- Office/commercial
- Retail
- Park or open space

Strengths for development

- Large site with relatively level topography.
- Close proximity to Milwaukie marketplace and Oak Street Square.
- Adjacent to residential neighborhoods.
- Close to Hwy 224.

Obstacles for development

- Policy – Comprehensive Plan:
 - Very detailed development program for the site does not reflect current conditions or community desires.
- Regulations and code:
 - No uses or development allowed by-right on site.
 - No clarity regarding design guidelines for non-residential uses.
- Financial:
 - Current market conditions in Milwaukie are insufficient to support market rate development.
 - No internal transportation network, which would need to be provided by development.
- Other:
 - Environmental contamination precludes residential development on a large portion of the site.
 - Close proximity to heavy rail line.
 - Forecast for significant future congestion at key intersections near the site.
 - Heavy rail line is a physical barrier to the adjacent Milwaukie Marketplace shopping center