



## ECONOMIC DEVELOPMENT STRATEGY

2017-2022



## ACKNOWLEDGMENTS

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# I. INTRODUCTION

The City of Milwaukie has a robust economic base, with an enviable stable of firms providing a high level of local employment. The area is one of the few smaller jurisdictions within the Portland metropolitan area that is a net importer of labor, with local employment significantly exceeding the local labor force.

As a first tier suburb, the City of Milwaukie's central location within the region is attracting new investment. With the City of Portland and the Central Eastside industrial district becoming significantly more expensive, this trend is likely to continue. The recent completion of the Orange Line in Tri-Met's light rail system has increased regional accessibility for downtown Milwaukie as well as the North Milwaukie Industrial Area, and is expected to attract additional investment. This development pressure should be helpful in realizing long-held objectives in Downtown Milwaukie. In the North Milwaukie Industrial Area, this pressure will likely lead to a marginal increase in the intensity of development, but the existing use patterns and ownerships will present challenges to realizing redevelopment and attracting new investment.

While historically the City has performed well from an economic perspective, future development will increasingly be limited to infill and redevelopment. The inventory of developable sites is minimal, and occupancy in industrial and office space is currently high. The City has a pro-growth policy position, with an emphasis on providing high-quality local employment opportunities for residents. The City is also concerned with issues of equity and sustainability, balancing growth objectives with a commitment to providing a level playing field for all businesses and respecting the concerns of residents.

The strategy is designed to provide an attractive environment for existing local businesses as well as prospective new employers. This includes a readily available inventory of sites and/or space at competitive rates, good infrastructure, an available and appropriately trained labor force, and responsive and adequately funded public services. In some cases, the strategy identifies specific actions to intervene in markets to encourage an outcome that furthers policy objectives. These are not intended to distort markets or subsidize development, but to provide incentives to leverage private investment to more closely match market outcomes with public objectives.

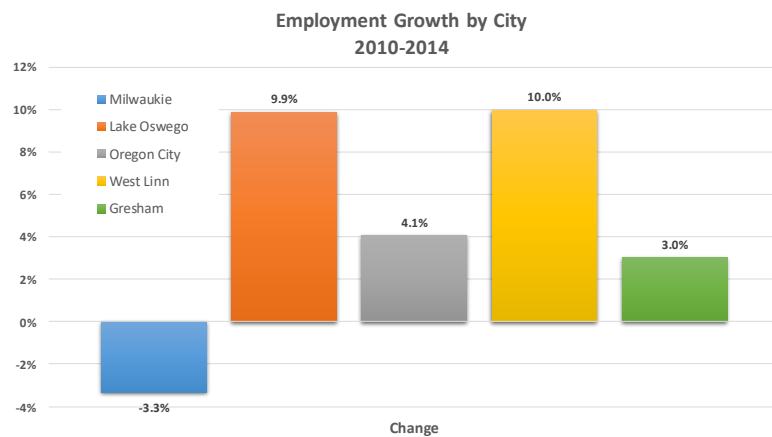
The City has a number of distinct employment concentrations, each of which is unique in terms of attributes, development patterns, and tenant mix. As a result, economic development issues vary, as do appropriate solutions.

This economic development strategy outlined in this report is intended to provide general direction with respect to objectives, and a series of actions that work towards advancing those objectives. As with any economic development plan, it is important to recognize that the economy is highly dynamic, and any plan needs to allow for significant latitude to respond to opportunities and/or threats with flexibility.

This strategic plan relies upon the City of Milwaukie's Economic Opportunities Analysis (EOA), completed in 2016. The EOA addresses projected employment land needs and capacity over a five-year and twenty-year horizon. This strategy primarily addresses short-term actions.

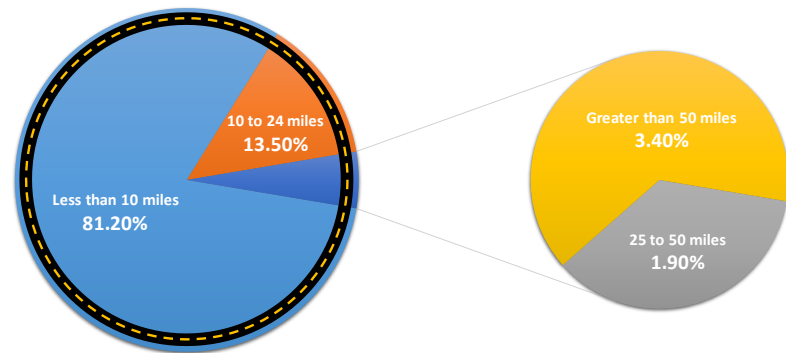
## II. CURRENT ECONOMIC OVERVIEW

The City of Milwaukie has a very robust economic base, with strong employers providing high quality jobs. The area has an estimated 3,300 more jobs than residents active in the workforce, and is one of the few jurisdictions in the Portland metropolitan area that is a net importer of labor. While the City has a relatively large employment base, employment growth since 2010 has lagged that of neighboring cities, with the employment base contracting 3.3% from 2010 to 2014.<sup>1</sup>

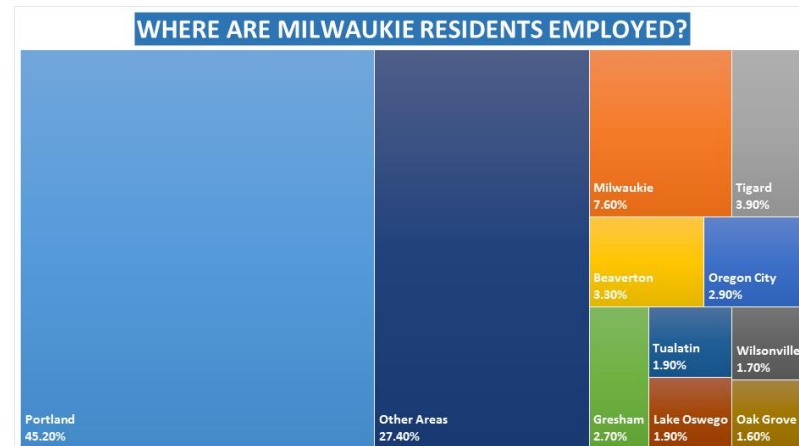


While the employment base in Milwaukie is robust, less than 8% of the local workforce lives and works within the City. Over 45% of the workforce commute to Portland, while the remainder commute to a range of proximate jurisdictions. More than 81% of the local workforce commute less than ten miles for employment. Approximately 94% of the local labor needs are met by persons living outside of the City limits.

**AVERAGE COMMUTING DISTANCE OF MILWAUKIE RESIDENTS**



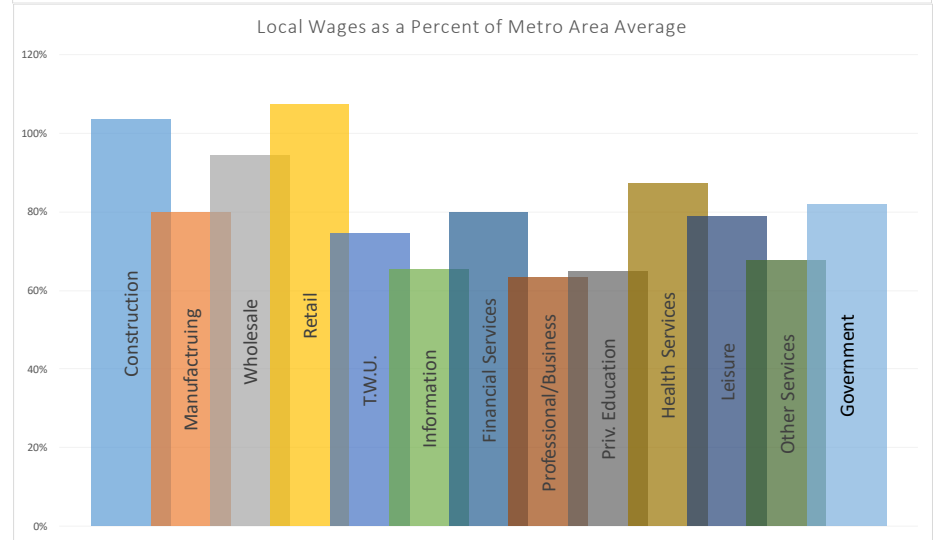
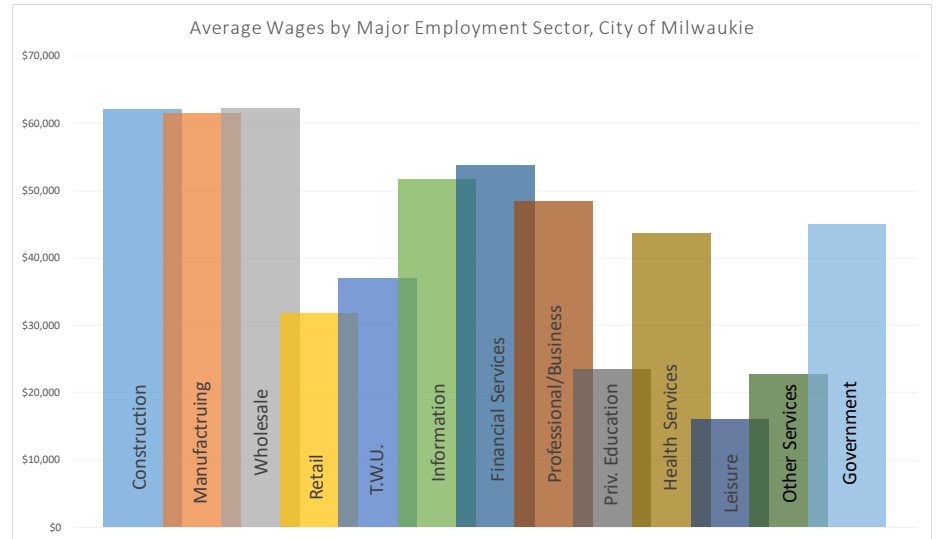
**WHERE ARE MILWAUKIE RESIDENTS EMPLOYED?**



<sup>1</sup> OnTheMap, US Census Bureau

The City has a number of larger firms, with 44 firms employing greater than 50 employees. These firms accounted for over 7,121 jobs in 2014, with an average annual wage of close to \$53,000 per year. An additional 66 firms employed between 20 and 49 employees, with average annual wages approaching \$49,000 per year. The highest average wages by sector were reported for wholesale trade, construction, and manufacturing. Construction and retail trade are the only two sectors that reported average wage levels in excess of the metro area average.

**Milwaukie Firms Grouped by Employment Capacity and Wages Paid**  
 (Data from Oregon Employment Department 2014)



### III. TARGET INDUSTRIES

The City has significant strength and potential for growth in several key industries. The following table summarizes targeted industries organized by industry clusters, and includes examples of local employers in these clusters:

CLUSTER	
Target Industries	Current Employers
<b>FOOD PROCESSING AND STORAGE</b>	
<ul style="list-style-type: none"> <li>▪ Commercial Baking</li> <li>▪ Flour Milling</li> <li>▪ Grocery Merchant Wholesalers</li> <li>▪ Alcohol Merchant Wholesalers</li> <li>▪ Commercial Printing</li> <li>▪ Specialty/Craft Manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bob’s Red Mill</li> <li>▪ Dave’s Killer Bread</li> <li>▪ Breakside Brewing</li> <li>▪ Alpine Foods</li> <li>▪ Unified Grocers</li> <li>▪ Core Mark International</li> </ul>
<b>METALS, MACHINERY &amp; TRANSPORTATION EQUIPMENT</b>	
<ul style="list-style-type: none"> <li>▪ Primary &amp; Fabricated Metals</li> <li>▪ Machinery</li> <li>▪ Transportation Equipment</li> <li>▪ Metals and Equipment Wholesalers</li> <li>▪ Testing &amp; Calibration Labs</li> <li>▪ Computer &amp; Electronic Systems for Aerospace</li> <li>▪ Software &amp; R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>▪ Miles Fiberglass</li> <li>▪ PCC Structurals</li> <li>▪ Blount</li> <li>▪ American Metal Specialties</li> <li>▪ Warn Industries</li> <li>▪ Ran-Tech Engineering</li> <li>▪ OEKO</li> </ul>
<b>HEALTH SERVICES AND CONTINUING CARE</b>	
<ul style="list-style-type: none"> <li>▪ Hospitals</li> <li>▪ Offices of Physicians, Dentists, and Specialists</li> <li>▪ Kidney Dialysis Centers</li> <li>▪ HMO Medical Centers</li> <li>▪ Nursing and Residential Care</li> <li>▪ Pharmacy Services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sunnyside Hospital</li> <li>▪ Providence</li> <li>▪ Kaiser</li> <li>▪ Consonus</li> <li>▪ American Medical Response</li> <li>▪ Rehab Specialists</li> <li>▪ Willamette View</li> </ul>

CLUSTER	
Target Industries	Current Employers
<b>WAREHOUSE &amp; DISTRIBUTION</b>	
<ul style="list-style-type: none"> <li>▪ Durable Goods Wholesale</li> <li>▪ Nondurable Goods Wholesale</li> <li>▪ Wholesale Trade Agents &amp; Brokers</li> <li>▪ Truck Transportation</li> <li>▪ Warehousing &amp; Storage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unified Grocers</li> <li>▪ Core Mark International</li> <li>▪ Cross Point NW</li> <li>▪ Norlift</li> <li>▪ Titan Freight</li> <li>▪ HD Supply Management</li> </ul>
<b>BUSINESS, PROFESSIONAL &amp; INFORMATION SERVICES</b>	
<ul style="list-style-type: none"> <li>▪ Software/Computer Programming</li> <li>▪ Specialized Design</li> <li>▪ Engineering &amp; Technical Consulting</li> <li>▪ Financial, Legal, &amp; Real Estate Services.</li> <li>▪ Temporary Help Services</li> <li>▪ Enterprise Headquarters</li> <li>▪ Administration Services</li> <li>▪ Back Office Functions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Princeton Prop. Management</li> <li>▪ Active Telesource</li> <li>▪ Moda Health</li> <li>▪ Crossmark</li> <li>▪ Pacific marketing</li> <li>▪ K &amp; B Engineering</li> <li>▪ Advantis Credit Union</li> <li>▪ Warehouse Demo Services</li> </ul>
<b>MAKER MANUFACTURING &amp; AMENITY RETAIL/HOSPITALITY</b>	
<ul style="list-style-type: none"> <li>▪ Publishing &amp; Software</li> <li>▪ Coffee Roasting/Baking/Food Products</li> <li>▪ Brewing/Vinting/Distilling</li> <li>▪ Craft Manufacturing/Custom Fabrication</li> <li>▪ Specialty Agriculture</li> <li>▪ Apparel/Jewelry/Recreation Equip.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Dark Horse Comics</li> <li>▪ NW Flexspace</li> <li>▪ Bee Thinking</li> <li>▪ Breakside</li> <li>▪ Specialty Food/Grocery</li> <li>▪ Coffee/Café</li> <li>▪ Brew Pub/Wine or Bottle Shops</li> <li>▪ Full Service Local Restaurants</li> <li>▪ Food Cart Pods</li> <li>▪ Boutiques</li> <li>▪ Wellness &amp; Spa Services</li> </ul>



Regional economies are often organized around a healthy set of **industry clusters**—similar and related businesses and industries that are mutually supportive, regionally competitive, attract capital investment, and encourage entrepreneurship. Generally, clusters develop as an agglomeration of businesses in a geography that holds an innate competitive advantage in that industry. In many local economies, we find also that a large firm or group of firms can often anchor a local cluster—the most obvious examples in Milwaukie being Blount and PCC Structural's anchoring the Metals and Machinery manufacturing cluster.

Targeted industries are subsectors within those clusters where a particular community may have a competitive advantage. For example, an industry that fills an existing gap in the supply chain network, or a completely unrelated industry that has similar labor demands. Further, a targeted industry does not have to be part of an existing cluster network, or even be present in the local economy. In this analysis we identify some “aspirational” industries with emerging opportunities for the City.

## **CLUSTER DISCUSSIONS**

The following are short discussion of the clusters outlined.

### **Metals, Machinery, & Transportation Equipment**

Metals and Machinery Manufacturing is a legacy industry in Clackamas County. In Milwaukie, the majority of metals manufacturing activities are tied to the machinery or transportation equipment industries, specifically aerospace.

The future is likely to bring increased integration of microelectronics, software, and optics into transportation and equipment systems, creating opportunities for horizontal pivots into new industries outside of metals. Successful firms in this industry will be those that adapt well to new additive manufacturing practices.

### **Food Processing and Storage**

Food Processing in Milwaukie is organized around several large employers, and can be considered an extension of a regional food processing cluster that extends east of the city, across I-205 and into the Clackamas Industrial Area. While commercial brewing does not show up in the state employment data (the employer most likely claims it's employment at another location), Breakside Brewing's commercial operations and taproom have become a staple of the Milwaukie Expressway industrial corridor.

Food manufacturing was identified as the leading driver of growth in the economy since 2010, with the combined industries identified here growing by 29 percent over the same period. Looking forward, an infusion of capital from recent acquisitions and investments should facilitate expanded markets for existing firm. However, real opportunities for growth exist for smaller craft firms and startups, which are surprisingly absent in the market.

### **Health Services and Continuing Care**

Health Care and Health Services is the single largest sector of the study area economy, accounting for one out of every five jobs. Despite continued growth in the Health Service sector at the regional and even national level, growth among local companies has been stagnating. The sector is well balanced across subsectors, with considerable employment in hospital, health services, and continuing care. Milwaukie's health sector is largely population-serving health care services. The economy does not have much activity in medical manufacturing, laboratories, research, or biotechnology.

Demographics and policy will continue to drive need for these types of health services, specifically continuing care. The extent to which the local economy can capitalize on anticipated regional growth in biotechnology



research/development remains to be seen. Workforce characteristics may be favorable but it is seen as unlikely that the cluster will expand beyond population serving functions.

### **Warehouse & Distribution**

Businesses in Warehousing and Distribution include those involved in the wholesale, storage, or movement of goods and services. Warehousing and Distribution is generally an ancillary economic function in the economy. In some instances, geographic location (proximity to markets) and site advantages (multi-modal transit linkages) attract regionally serving distribution and logistics activities exogenous of local industry. In Milwaukie, it would appear most of this sector's impact is driven by local business factors.

Over the last several years, the industry has declined slightly in the local market. However, the region is currently in a development cycle for W&D space, largely locating on greenfield sites.

### **Business, Professional, and Information Services**

Business and Professional Services industries are expected to make up the lion's share of regional growth over the next 20-years. These businesses include a range of services from creative design, computer programming, technical engineering, call centers and financial services.

They are industries that more commonly require more traditional office space, but some sectors locate in either creative office or flex business parks. New applications in business technology (IT) and strong corporate profits provide a rosy outlook for businesses in this sector. Specifically, Professional and Technical Services is expected to expand by over 26% over the next ten years. Increasing rents for Class A office space in the Central Business District will increasingly drive small and medium sized

firms into secondary locations. Milwaukie currently has a below-average supply of businesses in these industries.

### **Maker Manufacturing & Amenity Retail/Hospitality**

In addition to the aforementioned sector based targeted industries, Milwaukie should prioritize recruitment and development in the following areas. These industry groups have community-wide ancillary impacts ranging from a positive influence on property values to attracting new residents and tenants. These industries often influence the culture and character of districts within a community.

In Portland's Central City, the Central Eastside Industrial District has undertaken a considerable transition over the last ten years. The district emerged as a low cost incubator district, with some of the region's most successful businesses starting up in the area. However, the district has transitioned in recent years as space costs have increased markedly. The recent SE Quadrant Plan changed zoning in parts of the district to accommodate higher intensity uses. The lack of affordability will increasingly displace niche and incubating firms. As a part of the SE Quadrant process, areas of the Central Eastside—including Milwaukie, were identified as likely outlets for future incubating activity.

Quality retail, restaurant, recreation, and hospitality tenants make a community an attractive place to live and work. Studies have shown that amenity based supportive uses have a positive impact on housing values and attract residents and businesses alike. This is a growing phenomenon in the context of emerging consumer preferences observed across Millennial and Boomer generations. Attraction of these types of businesses offers Milwaukie to raise its amenity profile and work toward becoming a true 18-hour community where people gather to work as well as recreate.

## IV. EMPLOYMENT DISTRICT ANALYSIS

The City's primary challenge in attracting and retaining new growth is a limited inventory of vacant and developable sites. There are virtually no vacant sites or greenfield opportunities within the study area. As a result, realizing the demand projections will require significant intensification of developed employment areas, as well as extensive redevelopment.

The City of Milwaukie as well as the broader UGMA is projected to be supply constrained over the next twenty years, as the projected demand for employment land and capacity exceeds the available inventory. Many of the jurisdictions' major employment concentrations have been developed for decades, often at relatively low intensities. While the use pattern does not represent the current highest and best use development forms, the still considerable value of the existing improvements make redevelopment difficult to achieve.

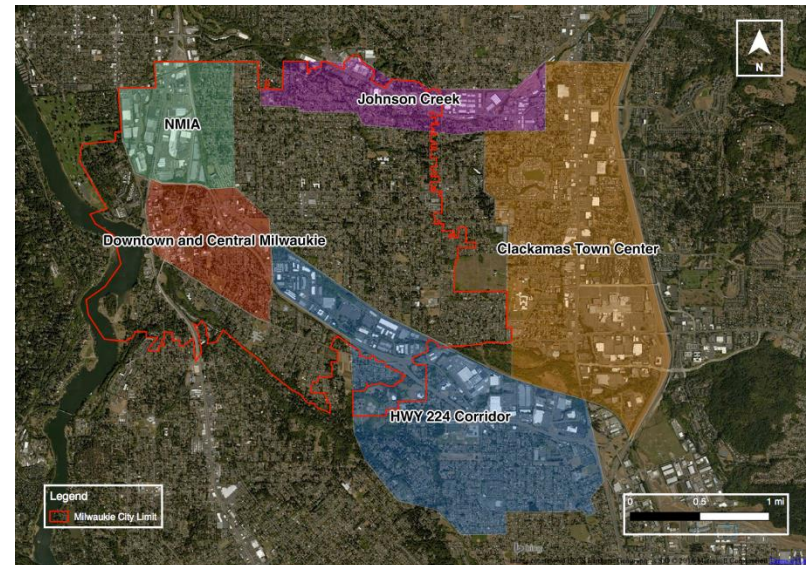
The City's extensive inventory of built space offers a marketing advantage for firms that are price sensitive in terms of space, as this space can be made available at rates well below what would be necessary to support new construction. While future development patterns are expected to be more intensive, it is important to recognize that increasing pressure on pricing has the potential to negatively impact some local businesses, and impact the City's competitive position within the region.

The City's policies should actively encourage redevelopment and/or reinvestment in established business and industrial parks, with an objective of intensifying the usage of these economic resources over time. This may include active intervention to encourage new development for targeted industries and/or in desired development forms.

Employment concentrations within the City have distinct attributes, and the appropriate strategic approach will vary by district. We have defined five districts with the City and UGMA.

- North Milwaukie Industrial Area (NMIA)
- Johnson Creek Boulevard
- Highway 224 Corridor
- Downtown and Central Milwaukie
- Clackamas Regional Center

The following map outlines the geographic scope of these districts.



One of the city's strengths in terms of economic development is the unique nature of these districts, and the range of location options they offer. Each district is summarized in the following sections, followed by general as well as district-specific recommendations

## NORTH MILWAUKIE INDUSTRIAL AREA

The North Milwaukie Industrial Area is expected to see the greatest level of market pressure in terms of redevelopment. The area is immediately south of the Max Orange Line’s SE Tacoma/Johnson Creek station, providing outstanding transit links. The existing building stock in the area is dated, and reflects a combination of distribution buildings, obsolete retail structures, yard space, and limited office developments. The area houses a diverse mix of businesses, including major employers such as Goodwill Industries, the Oregon Liquor Control Commission and Stoner Electric. The area accounts for 6% of employment within the UGMA, but 49% of public administration, 31% of construction, 17% of transportation & warehousing, and 15% of wholesale trade.

STRENGTHS
<ul style="list-style-type: none"> <li>▪ Diverse mix of affordable space, with some large spaces</li> <li>▪ Good local access via Highway 99E and Highway 224</li> <li>▪ Excellent transit access</li> <li>▪ Visibility from Highway 99E</li> <li>▪ Opportunity sites (ODOT)</li> <li>▪ EB-5 Targeted Employment Area, Enterprise Zone, NMTC Eligible</li> </ul>
WEAKNESSES
<ul style="list-style-type: none"> <li>▪ Freight movement conflicts</li> <li>▪ Parking limited for flex buildings</li> <li>▪ Obsolete and aging structures</li> </ul>
OPPORTUNITIES
<ul style="list-style-type: none"> <li>▪ High potential for redevelopment and repurposing of existing buildings, with physical improvements depreciated</li> <li>▪ Potential for mixed-use that leverages transit investment</li> <li>▪ Appeal to businesses displaced from Central Eastside</li> <li>▪ Makers market users, models such as NW Flex Space</li> </ul>
THREATS
<ul style="list-style-type: none"> <li>▪ Displacement of current businesses</li> <li>▪ Potential for increase in conflict with greater intensity</li> <li>▪ Loss of competitive price advantage</li> </ul>

## JOHNSON CREEK BOULEVARD

The Johnson Creek Boulevard corridor houses a range of businesses, which are largely industrial in nature. The area has difficult accessibility to the west for truck traffic, but has a full interchange with I-205 to the east. Major employers in the area include Precision Castparts, Dennis’ Seven Dees, and Cross Point NW. This area has relatively affordable land and building lease rates, but is impacted by the floodplain of Johnson Creek.

The area is a major manufacturing center, accounting for 17% of the manufacturing and construction employment in the UGMA. The area offers relatively cheap space as well as lower land values for yard space, making it highly attractive for construction and manufacturing firms.

STRENGTHS
<ul style="list-style-type: none"> <li>▪ Diverse mix of affordable space</li> <li>▪ Regional accessibility to the east</li> <li>▪ Proximate to workforce</li> <li>▪ Springwater Trail access</li> <li>▪ Tax advantage vis-à-vis Portland, which is immediately north</li> <li>▪ EB-5 Targeted Employment Area, Enterprise Zone</li> </ul>
WEAKNESSES
<ul style="list-style-type: none"> <li>▪ Difficult access to the west</li> <li>▪ Limited capacity on Johnson Creek Boulevard</li> <li>▪ Obsolete and aging structures</li> <li>▪ Floodplain issues with Johnson Creek</li> </ul>
OPPORTUNITIES
<ul style="list-style-type: none"> <li>▪ Potential for limited redevelopment, although achievable lease rates are low</li> <li>▪ Low cost space option, with an ability to house industries that are less concerned with curb appeal</li> <li>▪ Better control of Johnson Creek could increase site utilization</li> </ul>
THREATS
<ul style="list-style-type: none"> <li>▪ Neighborhood conflicts with industry</li> </ul>

## HIGHWAY 224 CORRIDOR

The Highway 224 Corridor represents one of the City’s major employment concentrations, accounting for 26% of all employment in the UGMA. Major employers include Blount International, Unified Grocers and OECO. The employment base is quite diverse, led by manufacturing wholesale trade, and health care. Other areas of concentration include transportation & warehousing, management of companies, real estate, information and professional services.

This area enjoys strong regional access via Highway 224, which links Highway 99E with Interstate 205. As a result, it is the only area outside of downtown Milwaukie and the North Milwaukie Industrial Area that has the potential for Class A office space development. Sites in the area are impacted by a creek running north of Highway 224.

STRENGTHS
<ul style="list-style-type: none"> <li>▪ Diverse mix of affordable space, although rent levels are higher in this district</li> <li>▪ Regional accessibility via Highway 224, I-205 and Highway 99E</li> <li>▪ Good visibility from Highway 224</li> <li>▪ Proximate to a large workforce</li> <li>▪ Home to several major and growing businesses</li> <li>▪ Tax advantage vis-à-vis Portland</li> <li>▪ EB-5 Targeted Employment Area, Enterprise Zone</li> </ul>
WEAKNESSES
<ul style="list-style-type: none"> <li>▪ Transit access within area is limited</li> <li>▪ As use patterns change in flex space, parking is inadequate</li> <li>▪ Floodplain issues</li> <li>▪ Limited room for expansion of existing businesses</li> </ul>
OPPORTUNITIES
<ul style="list-style-type: none"> <li>▪ Intensification of uses likely over time</li> <li>▪ Potential capacity in surface parking with active management</li> <li>▪ Suburban Class A office locations fronting Highway 224</li> </ul>
THREATS
<ul style="list-style-type: none"> <li>▪ Parking limitations will conflict with intensification trend</li> </ul>

## DOWNTOWN AND CENTRAL MILWAUKIE

Downtown Milwaukie is the historic core of the City, while Central Milwaukie is the commercial services hub. It accounts for 6% of the employment base in the UGMA, with a concentration in food services, educational services information, and management of companies. Milwaukie’s downtown core has the potential to both accommodate a significant amount of incremental employment, as well as to serve as an amenity that will increase the attractiveness of the City for employers and residents. The City has done extensive planning on downtown opportunities and in central Milwaukie, and should continue to pursue development in the district that increases the marketability of the community. In the short-term, while mixed-use is encouraged, this may be weighted more towards residential development, which capitalizes on the recent completion of the Orange Line. The addition of more residents will support greater levels of urban amenities such as restaurants and retail, which in turn increases the attractiveness of the area for businesses.

STRENGTHS
<ul style="list-style-type: none"> <li>▪ Existing buildings provide for affordable space</li> <li>▪ Regional accessibility via Highway 224 and Highway 99E</li> <li>▪ Orange Line light rail stop</li> <li>▪ Good visibility from Highway 99E</li> <li>▪ Several opportunity sites in downtown</li> <li>▪ Two major redevelopment sites (Murphy and McFarland) in central</li> <li>▪ Farmer’s Market, First Friday</li> <li>▪ Riverfront Park</li> <li>▪ EB-5 Targeted Employment Area, NMTC Eligible</li> </ul>
WEAKNESSES
<ul style="list-style-type: none"> <li>▪ Truck access to businesses in downtown</li> <li>▪ Kellogg Creek Plant</li> </ul>

#### OPPORTUNITIES

- Increase residential density in area with mixed-use development
- Need parking management in downtown
- Many redevelopment sites
- New urban renewal area
- Expanded enterprise zone

#### THREATS

- Limited parking may limit growth potential

### CLACKAMAS REGIONAL CENTER

The Clackamas Regional Center area is within the UGMA, but currently not within the City of Milwaukie. The area accounts for 20% of employment within the UGMA, with retail trade, accommodation and food service, and manufacturing the largest major employment sectors. Employment is concentrated along 82<sup>nd</sup> Avenue and Sunnyside Road, two major commercial service corridors. The area includes Clackamas Town Center and the Clackamas Promenade, two major regional retail center.

While located outside of the City, Clackamas Regional Center serves many of the retail needs of residents.

## V. THE STRATEGIC PLAN

### POLICY DIRECTION

The City of Milwaukie has consistently adopted policies supporting economic development, emphasizing access to employment and commercial opportunities for local residents, as well as recognizing the fiscal benefits of a robust economic base.

The City of Milwaukie's current comprehensive plan was adopted in 1985, and has been amended over the last few decades by a series of ancillary documents that refine portions of the plan. The City is in the process of updating the Comprehensive Plan for 2035. The Economic Base and Industrial/Commercial Land Use Element addresses economic development. The Comprehensive Plan contains a series of objectives and associated policies that are supportive of continued economic growth and vitality, as well as support for improved access to commercial services for local residents and businesses. The following is a summary of economic development objectives contained in the plan:

#### Objective 1 – Economic Development

The City will encourage an increase in the overall economic development activity within the City, will strive to retain existing businesses as well as actively attract new businesses, particularly those identified as having growth potential.

#### Objective 2 – Employment Opportunity

To continue to support a wide range of employment opportunities for Milwaukie citizens.

#### Objective 3 - Coordination

To continue to participate in economic development and employment programs and develop a working partnership with the private sector and various agencies to meet the economic development needs of Milwaukie.

#### Objective 4 – Industrial Land Use

To encourage new industries to locate within the three major industrial areas of the City, in order to take maximum advantage of existing access and public facilities serving industry.

#### Objective 5 – Industrial Impacts

To minimize the adverse effects of industrial and employment center development and operation on surrounding areas.

#### Objectives 6 through 11 – Commercial Land Use

- To encourage new commercial uses to locate within designated commercial areas of the City, in order to take maximum advantage of existing access and public facilities serving these areas.
- To accommodate major comparison shopping needs within existing regional shopping centers.
- To provide for the weekly and comparison goods shopping needs of the City's and surrounding areas' residents.
- To provide maximum convenience to City residents for regular and convenience shopping needs by concentrating commercial uses into selected commercial clusters.
- To limit intrusion of commercial uses into neighborhood areas, while providing easy accessibility for residents.
- To recognize commercial areas dependent upon street traffic for business and to provide locational standards for these centers.

#### Objective 12 – Town Center

To emphasize downtown Milwaukie and the expanded city center as a Town Center with the major concentration of mixed-use and high density housing, office, and service uses in the City.

#### Objective 13 - McLoughlin Boulevard

To provide for limited highway service uses along McLoughlin Boulevard while improving the visual and pedestrian-oriented linkages between downtown and the Willamette River, and making McLoughlin Blvd. more attractive.

#### Objective 15 – Tacoma Station Area

- An active station area employment district
- Multimodal access to the Tacoma light rail station and enhanced connections within the station area
- Increased employment intensity and number of high-paying jobs in the area
- Support for existing businesses
- Complementing development goals in the nearby downtown area
- A more transit-supportive mix of employment uses in the long term
- A balanced approach to parking demand management

#### Objective 16 – Central Milwaukie

Enhance economic opportunities and improve Central Milwaukie as the City’s primary commercial center.

- encourage development of the Murphy and McFarland opportunity sites with a mix of uses, including opportunities for some employment uses on the Murphy site.
- promote high-quality, urban design in Central Milwaukie that is complementary and protective of the surrounding area.
- encourage a mix of uses, including commercial, office, institutional and a range of housing types, within Central Milwaukie.
- work to improve connectivity to and within Central Milwaukie, particularly for pedestrians and cyclists.

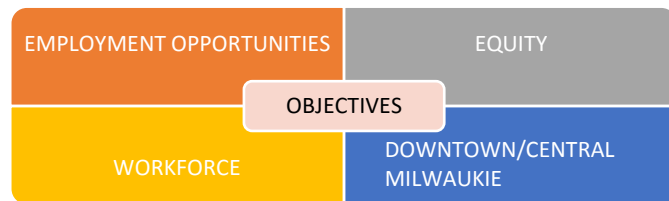
Ancillary reports such as the Central Milwaukie Land Use and Transportation Plan (2015), Milwaukie Downtown and Riverfront Land Use Framework Plan (2000), Tacoma Station Area Plan (2013), and Moving Forward Milwaukie (2014) provide greater detail, yet retain the same objectives.



## SETTING PRIORITIES

Recognizing the economic and policy context, the next step is to set priorities and objectives for the City’s economic development efforts.

For this strategy, we have organized actions based on the following four broad objectives:

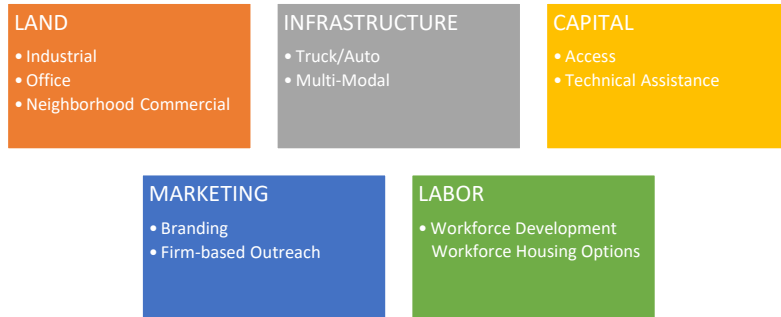


A number of more specific objectives can be organized using this structure, which are summarized to the right:

EMPLOYMENT OPPORTUNITIES	
▪ Job creation and retention	Support ongoing creation and retention of employment, with an emphasis on “family wage and/or “traded sector” jobs
▪ Infrastructure	Ensure that investments in infrastructure are made to support existing and new employment. This includes issues such as parking and freight movement.
▪ Site/Space Availability	Work to ensure that the City has an adequate inventory of developable sites as well as available leasable area to support employment growth.
WORKFORCE	
▪ Workforce development	Ensure that workforce training resources are in place, to serve job seekers as well as businesses
▪ Appropriate housing options	Encourage a broad spectrum of housing choices, both type and price, to match workforce needs
▪ Access to employment	Ensure transportation linkages for workforce
EQUITY	
▪ Level Playing Field, Access to Opportunity	Support small emerging businesses, with less access to capital <ul style="list-style-type: none"> <li>▪ Technical assistance</li> <li>▪ Micro loan programs</li> <li>▪ Master leases</li> <li>▪ Credit enhancement</li> </ul>
▪ Anti-Displacement	Mitigate the potential impact of changing investment patterns on existing businesses, particularly lease holders.
▪ Local Access to Goods and Services	Encourage neighborhood commercial and service nodes
▪ Sustainability	<ul style="list-style-type: none"> <li>▪ Incorporate eco-industrial concepts</li> <li>▪ Capitalize on potential synergy between new and existing businesses</li> </ul>
DOWNTOWN/CENTRAL MILWAUKIE	
▪ Encourage investment and reinvestment in the downtown Core	Take actions to encourage ongoing strengthening of the downtown core, providing an amenity to residents and businesses, and reflecting the extensive infrastructure investments in the area.

## ACTION PLAN

Economic development requirements are often divided into the five major categories: land, infrastructure, capital, marketing, and labor.



Each of these plays a critical role in attracting and retaining economic activity. The area has to have adequate capacity to accommodate employment, which means sites or spaces that are adequate and available. In addition, the spaces need to be appropriately priced and have necessary infrastructure. While this will be a challenge in Milwaukie due to the shortage of developable property, the action plan is intended to help the City maximize the utilization of the resources it does have.

The strategy defines a series of core initiatives, as well as specific actions to support these initiatives. Each action is categorized in terms of the appropriate employment district, as not all actions or objectives pertain to all districts.

The core initiatives are as follows:

### Employment Opportunities

- Support and expand employment in target industries
- Enhance business outreach and communication
- Support small business development
- Work to meet industrial and commercial site needs
- Provide infrastructure to leverage business investment
- Support and engage regional and statewide partners

### Workforce

- Enhance K-12 education linkages
- Promote workforce training resources
- Provide a range of housing options appropriate for and affordable to the local workforce

### Equity

- Promote policies and dedicate resources to mitigate potential displacement of businesses
- Develop programs to assist emerging and/or under-capitalized firms locate and thrive in the community
- Provide for proximate commercial services
- Encourage sustainable development patterns and operations

### Downtown/Central Milwaukie

- Actively seek development of opportunity sites
- Complete establishment of the Urban Renewal District programming
- Evaluate actions to increase marketability of the district
- Marketing campaign to promote district

The follow series of matrixes provides a summary of these core initiatives, associated actions, lead agencies, and timeline.

CORE INITIATIVE					North Milwaukee Industrial Area	Johnson Creek Boulevard	Highway 224 Corridor	Central Milwaukee
Actions	Notes	Lead	Timeline					
<b>JOBS</b>								
<b>SUPPORT AND EXPAND EMPLOYMENT IN TARGETED INDUSTRIES</b>								
Adopt and regularly update target industry profiles	Industry patterns over time can change significantly, and the target industries should be updated regularly.	ED Staff	Annual					
Enhance business outreach and communication	Coordinate business cluster and employment district networking opportunities	ED Staff	Ongoing					
Facilitate the development of a marketing plan to attract businesses within the identified target industry business sectors	Assemble and distribute materials of specific interest to targeted industries, and identify key industry groups	ED Staff	2017					
Support and engage regional and statewide partners	Regularly meet and coordinate with groups such as Business Oregon, Clackamas County Econ Dev, Greater Portland Inc.	ED Staff	Ongoing					
Promote Enterprise Zones		ED Staff	Ongoing					
<b>SUPPORT SMALL BUSINESS DEVELOPMENT</b>								
Develop and/or market programs to assist emerging and under capitalized firms	Technical assistance, micro loans, master leases, and credit enhancement	ED Staff	2017-18					
Evaluate development of a makers collective	Look for opportunities to repurpose existing space to support multi-tenant maker space	ED Staff	2017-18					
Connect small business opportunities with property owners	They can serve as a clearinghouse or matchmaker, matching business needs with local property owners. This could include food carts, which can serve as an incubator for future food service tenants.	ED Staff	Ongoing					
<b>MEET INDUSTRIAL AND COMMERCIAL LAND NEEDS</b>								
Establish and maintain an inventory of employment capacity within the City, which can be readily accessed by the public, employers, and the development community	Actively work with property owners and their representatives to ensure that development and redevelopment sites are known, as well as vacant spaces	ED Staff	Ongoing					
Encourage mixed-use development forms where appropriate to increase intensity of development	Assure that the code allows for more intensive development.	Planning	Ongoing					
Expand infrastructure as needed to accommodate growth	Work with the appropriate agencies to coordinate the funding of infrastructure necessary to accommodate anticipated growth, particularly in areas that are expected to intensify uses.	Planning, ED Staff	Ongoing					
Facilitate clean up and utilization of brownfield sites	Work with the appropriate agencies to identify requirements, as well as potential funding sources, to bring environmentally contaminated sites to productive use.	Planning, ED Staff	Ongoing					
Evaluate parking management programs to potentially free up developable property	In areas such as the Highway 224 Corridor, there are large parking areas that could potentially be better utilized.	Planning	2017-18					
Evaluate wetland mitigation to increase developable land inventory	The creek in the Highway 224 Corridor and Johnson Creek in North Milwaukee limits developable area.	Planning/Engineering	2017-18					
Seek to capitalize on key infrastructure improvements, including commuter rail, freight rail, and freight-appropriate improvements	Actively seek to maintain to the extent practical rail infrastructure serving industrial areas, such as rail spurs	Planning/ED Staff	Ongoing					

CORE INITIATIVE					North Milwaukee Industrial Area	Johnson Creek Boulevard	Highway 224 Corridor	Central Milwaukee
Actions	Notes	Lead	Timeline					
<b>WORKFORCE</b>								
<b>ENHANCE WORKFORCE TRAINING</b>								
Enhance K-12 Education Linkages	Match programs to employers, potentially coordinating internships or regular interaction with local businesses.	ED Staff	Ongoing					
Clackamas County Workforce Partnership	Develop partnership with CCWP to meet the needs of employers	ED Staff	Ongoing					
Encourage satellite College and University Campus facilities in Milwaukee	Contact Clackamas Community College, as well as the OUS to assess interest in local educational opportunities.	ED Staff	2017-2019					
Facilitate customized employer-driven training for Milwaukee target industry clusters.	Follow up on any identified workforce training needs from industry outreach	ED Staff	2016-2018					
Promote workforce training resources	Increase knowledge of existing resources	ED Staff	Ongoing					
<b>WORKFORCE HOUSING</b>								
Develop a plan to maintain an appropriate mix of housing for the local population.	The local area's relative affordability is an economic development advantage, and development pressure is eroding that advantage.	Planning	2017					
Support local affordable housing developers	The Milwaukee area does not have a strong base on non-profit housing developers. This action would be to initiate outreach to existing entities to highlight local opportunities.	Planning/ED Staff	2017					
Consider alternative housing options	Potential development forms such as cluster housing and tiny houses have the potential to increase the range of options within the community, allowing greater flexibility in the market and potentially a better match between need and supply.	Planning/ED Staff	2017					
<b>EQUITY</b>								
<b>MITIGATE POTENTIAL DISPLACEMENT OF BUSINESSES</b>								
Develop a strategy and programs to assist businesses to stay at their current location or within the City	Development patterns are likely to place price pressure on businesses leasing space. While a generally positive sign for the City, these would be programs to assist businesses to thrive in a changing environment.	ED Staff	2017					
<b>ASSIST EMERGING AND/OR UNDER-CAPITALIZED BUSINESSES</b>								
Develop a toolkit to help small businesses to thrive	Potential programs could include credit enhancement, a revolving loan fund, storefront improvement grants, workforce training, and small business workshops	ED Staff	2017					

CORE INITIATIVE					North Milwaukee Industrial Area	Johnson Creek Boulevard	Highway 224 Corridor	Central Milwaukee
Actions	Notes	Lead	Timeline					
<b>DOWNTOWN &amp; CENTRAL MILWAUKIE</b>								
<b>ACTIVELY SEEK DEVELOPMENT OF OPPORTUNITY SITES</b>								
Coordinate and issue RFPs for properties owned by the City and Metro's TOD program	Clarify objectives and solicit developer interest to get these parcels under development	Planning/CD Staff	2016-2018					
<b>URBAN RENEWAL PLAN</b>								
Implement the project list in the recently adopted urban renewal plan and report		Planning/ED Staff	Ongoing					
<b>SUPPORT AND STRENGTHEN CURRENT DOWNTOWN TENANTS</b>								
Implement the Moving Forward Milwaukee strategy	The strategy includes a number of useful strategies, as well as a documentation of challenges.	Comm Dev/ED Staff	2017					
Prepare a parking study	Support a better understanding of the parking dynamics downtown, as well as potential solutions	Planning	2017					
Marketing of Downtown District	Prepare marketing materials, including maps, directories, and improved wayfinding	ED Staff/Chamber	2017, Ongoing					
Continue programming to increase traffic	Events such as First Friday and the Farmer's Market drive business and increase profile. Programming at Riverfront Park can serve a similar purpose.	ED Staff/Chamber	Ongoing					
Actively recruit under-represented retail sectors	Key retail sectors would include expansion of the food carts, as well as a grocer, potentially specialty in nature.	ED Staff	2016-2018					
Evaluate the use of an e commerce enterprise zone	This would support local businesses that may be able to expand their market through online sales.	ED Staff	2016-2018					
Implement a Main Street or Local Initiatives Support Corporation (LISC) program development	These programs provide resources and a proven structure to encourage support of downtown commercial districts.	Planning/ED Staff	2017-2018					
Implement a refined South Downtown Refinement plan for relocation of the Farmer's Market	The successful relocation of the Farmer's Market will be a key requirement of future redevelopment in downtown.	Planning/ED Staff	2017					
Initiate a pop-up shop program for vacant spaces	Work with property owners to encourage this use, i.e., PDX Pop Up Shops	ED Staff	2017					