

Attachment B: SWOT Analysis

December 5, 2013

Prepared for:
City of Milwaukie

Introduction

The purpose of this document is to provide an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) for each of seven development opportunity sites identified by the City of Milwaukie. Five of the opportunity sites are located in Downtown Milwaukie's commercial area, and two are located in the Central Milwaukie commercial area. The project contains another area of focus, the Neighborhood Main Streets of 32nd Ave. and 42nd Ave., but there are no opportunity sites located in the Neighborhood Main Streets areas. As such, this analysis focuses on Downtown and Central Milwaukie.

Figure 1. Map of Downtown and Central Milwaukie Opportunity Sites



The SWOT analysis is intended to guide and document the process of drafting and refining feasible development concepts for each site that will support the community's overarching goals for Milwaukie's commercial corridors as defined during the *Moving Forward Milwaukie: Enhancing Our Commercial Corridors* project (of which the opportunity site concepts and SWOT analysis are components).

While the primary goal of the SWOT analysis is to catalyze appropriate development on each opportunity site, it is also intended that overall themes and lessons from this evaluative process can inform and be applied to strategizing to jump start development in all of Milwaukie's commercial areas.

1 What is a SWOT analysis?

A SWOT analysis is a standard evaluation tool to assess strengths, weaknesses, opportunities and threats. In this case, the SWOT analysis approach is being applied to each of seven opportunity sites located in two of Milwaukie's commercial areas. The SWOT analysis includes information on accessibility, compatibility of adjacent uses, public perception, infrastructure, City plans and code, parcel shape, size, slope, and soil quality, among other relevant factors. Each element is detailed below.

Strengths

The strengths of a site are assessed by looking at characteristics endemic (internal) to a site, and that impact how it might be viewed by potential investors or other economic agents.

Weaknesses

Weaknesses are also focused on the endemic features of a site that have potential to impact its marketability to investors and other economic agents. Weaknesses can be categorized as real, perceived, or areas of uncertainty.

Opportunities

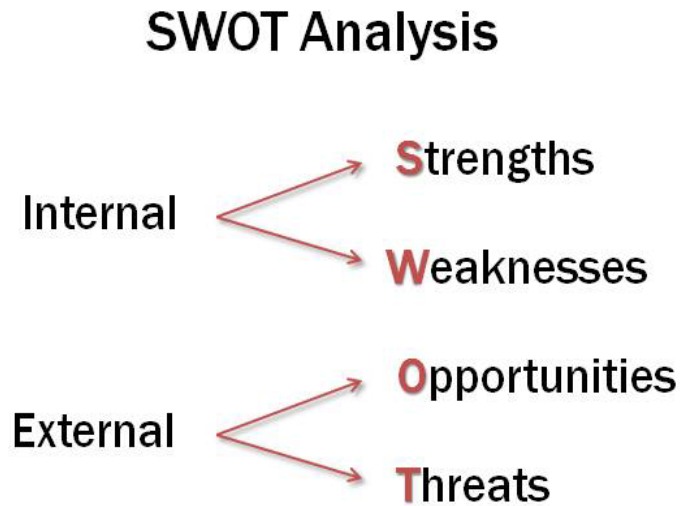
The opportunities of a site in the future are approached broadly and strategically. Opportunities are related to the physical elements of the site, market conditions and real or perceived advantages for the site.

Threats

Threats to a site can be categorized as real, perceived, or unknown. Understanding the underlying issues and causes of a threat, as well as minimizing their impacts, are methods by which their damage to a site can be mitigated.

The SWOT can be broken down into internal and external influences. Internal influences tend to be site specific, while external influences are generally area wide, or outside of the site boundaries.

Figure 2. SWOT Analysis Illustration



Strengths and weaknesses generally tend to be issues that are *internal* to the site, such as the site location or topography - things that either can or cannot be changed on the site itself. *External influences* are generally represented by opportunities and threats, those things that position a site for either success or failure that are not site specific, but rather come from outside influences. Adjacent roadways, access to transit and market conditions are examples of external influences.

SWOT strategies take the following forms:

S-O | W-O strategies – Strategies to pursue opportunities that are a good fit for the site’s strengths and overcome the site’s weaknesses.

S-T | W-T strategies – Strategies that use strengths to reduce vulnerability to external threats and establish a defensive plan to address weaknesses.

The conclusions from each site will be summarized into the above categories.

1.1 How this SWOT is organized

The SWOT will include an overview of existing plans and projects for two of the project study areas (Downtown and Central Milwaukie) to provide a framework for understanding community goals and aspirations, and efforts already underway. Overall strengths and weaknesses for each study area will also be included in this summary.

The analysis of each of the seven opportunity sites will include a summary of the site’s general characteristics and specific strengths, weaknesses, opportunities and threats. Findings for each

of the sites will be organized into SWOT strategies as a starting point for creating the development concepts.

1.2 Data Resources for the SWOT

The information included in the SWOT analysis is compiled from a variety of sources, including:

- Planning documents reviewed in the Background Memo (Task 1.2)
- Market Analysis from Task 2.3
- Interviews with property owners and stakeholders from Task 3.1
- Public input from the Project Advisory Committee, Developer Roundtables, the October 3, 2013, Kickoff Event, and City staff
- Clackamas County Assessor Real Market Value Data
- Oregon Department of Environmental Quality (DEQ) Database

2 Downtown and Central Milwaukie | Planning Context

2.1 Specific Plans and Projects

Over the past few years, the City has undertaken a number of planning efforts to understand the community's desires and goals for future development in the City. Overall the City is positioning itself to create a development-ready community and to move toward a vibrant, mixed use town center with a range of transportation choices.

The Comprehensive Plan is the official policy statement of the City establishing broad City goals, and specific policies to achieve those goals. The Comprehensive Plan provides the foundation for the development of specific area plans within the City.

Downtown and Central Milwaukie are part of the Milwaukie "Town Center" area as designated in the Metro 2040 Growth Concept. The Growth Concept defines a Town Center as an area serving the everyday needs of locals, as well as a specialty and destination retail component. Town Centers are usually connected to regional centers via major road networks and transit. A Town Center designation includes housing and employment requirements that must be included in local plans.

In 1997, following the City's designation as a Town Center, the City produced the Town Center Master Plan (TCMP),¹ an ancillary document to the Comprehensive Plan developed to meet Metro requirements for Town Centers. The TCMP is a master plan for the Town Center area, including Downtown and Central Milwaukie. The TCMP established 6 subareas and set forth specific planning approaches for each.

2.1.1 Downtown Milwaukie: Specific Plans and Projects

The community's vision for Downtown is reflected in the 2000 Downtown and Riverfront Land Use Framework Plan ("Framework Plan"), which refines the Subarea 1 content of the 1997 TCMP. The Framework Plan refines the community vision of what should occur in Downtown and the Riverfront area. The vision support new housing and an amenity-rich community with a lively and active downtown that has a strong connection to Riverfront Park. The Framework Plan includes implementation strategies and several priority projects to achieve this vision, many of which have been completed or are in progress.

The Framework Plan was implemented through five downtown zones, and led to the development of the Public Area Requirements (2000) and Downtown Design Guidelines (2003) to support and implement the plan. The Public Area Requirements (PARs) guide the development of capital improvement programs for the public right-of-way in Downtown, while the Downtown Design Guidelines provide guidelines and against which to review new development in Downtown. The Downtown Design Guidelines are implemented by downtown design standards and a design review process.

Since the adoption of the Framework Plan in 2000, the Framework Plan has been refined through the 2011 South Downtown Concept Plan. However, this plan has not yet been codified, and current regulations do not allow implementation of the plan as proposed.

2.1.2 Central Milwaukie: Specific Plans and Projects

The 1997 TCMP is the basis for current zoning regulations on the Murphy and McFarland sites. The applicable theme from the TCMP is "Infill and Redevelopment Opportunities" and "Economic Development Strategies." Recommendations for this area include rezoning high priority areas (Downtown Milwaukie, the Murphy and McFarland sites, and portions of a site owned by Providence Hospital) and financial underwriting for part or all of demonstration projects to encourage appropriate types of development, accompanied by technical assistance to illustrate project preparation requirements and financial feasibility.

¹ Also known as the Regional Center Master Plan; Milwaukie was originally designated as a Regional Center, but was redesignated a Town Center in 1999. References within the Comprehensive Plan have been updated, but the document title and content has not.

The TCMP assumes certain levels of housing and jobs on the Murphy and McFarland sites. Future plans need to consider how these sites (or others in the Town Center) will continue to accommodate the future jobs and housing.

There are over a dozen different zoning designations within Downtown and Central Milwaukie. The map below highlights the opportunity sites, and the zoning within Downtown and Central Milwaukie. This complexity impacts development potential by making it difficult to navigate the code and detailed code requirements, which can inhibit development. The zoning is examined in more detail for each of the sites to illustrate some of the issues that may be preventing new development in Downtown and Central Milwaukie

ECONnorthwest

The City of Milwaukie secured a Transportation and Growth Management (TGM) program award in 2009 to fund a citywide phased code evaluation and amendment program. Project-specific findings from the evaluation include:

- There are many existing nonconforming uses in downtown
- Downtown zoning and design standards are overly prescriptive, difficult to interpret and lack sufficient flexibility
- Minimum height requirement (35-feet) for buildings fronting Main Street is aggressive compared to other Town Centers
- The current discretionary design review process is difficult to interpret and apply. The existing process can be excessive and may serve as a disincentive to developers.
- Design guidelines are difficult to apply due to their subjectivity. They do not provide adequate direction for determining compliance.
- The public area requirements (PARs) for Downtown zones may be prohibiting new investment in downtown²
- Outside of Downtown, Milwaukie has minimal design standards for commercial development relative to similar-size cities.

2.3 Transportation Access

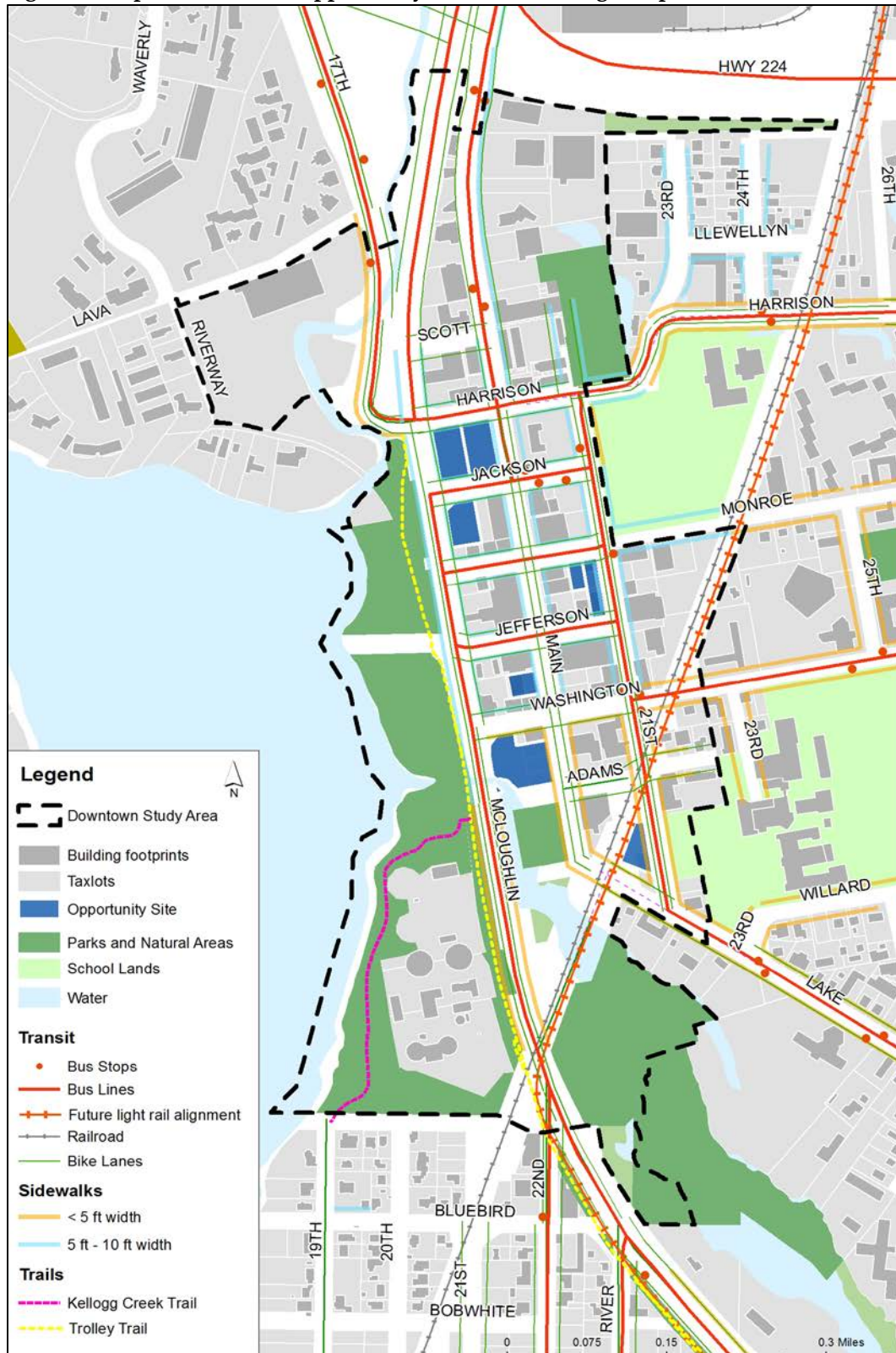
The City's TSP identifies existing issues with the transportation network (transit, auto, bicycle, and pedestrian) that could impact the development opportunity sites in Central Milwaukie and Downtown. These issues are summarized below.

2.3.1 Transportation Access in Downtown Milwaukie

Downtown Milwaukie benefits from: a traditional modern street grid; vehicular access to regional routes such as Hwy 99E (McLoughlin Blvd.) and Hwy 224; access to high quality frequent transit service; the future Portland Milwaukie light rail (PMLR) alignment, which includes stations just north of the city and in Downtown Milwaukie.

² Currently, the financial burden of constructing the PARs falls entirely on the private property owner or developer.

Figure 4. Map of Downtown opportunity sites and existing and planned transit service.



Source: ECONorthwest and City of Milwaukie, 2013

McLoughlin Blvd. presents a major barrier for pedestrian access to the waterfront, but many completed and planned projects are improving access to the riverfront. The McLoughlin Blvd. improvements—including widening of sidewalks and landscaping—were completed in 2007. Two key projects underway will improve pedestrian access to Downtown Milwaukie--the Kellogg Lake bicycle and pedestrian bridge and the Monroe Street Neighborhood Greenway.

According to the City's Transportation System Plan (TSP), the intersections of Harrison St. at McLoughlin Blvd., Main St, and Hwy 224; and the intersections of Monroe St. at Hwy 224 are projected to fail by 2030 under a no build scenario. All of these intersections are key access points for Downtown Milwaukie. While it is important to consider the potential outcomes from a traffic modeling standpoint, the City recognizes that efforts made to enhance all modes of transportation, combined with actions to help increase access to services and goods in close proximity to population centers, is an important strategy for future growth. The efforts underway to improve multimodal transportation and the land use vision for a more mixed-use community will likely help to mitigate future traffic impacts.

2.3.2 Transportation Access in Central Milwaukie

Hwy 224 provides great accessibility to Central Milwaukie. King Rd³ and 32nd Ave. are also major connections to other parts of the region, including southeast Portland to the north and Clackamas County to the east.

Overall the area lacks connectivity and does not have a traditional street grid. The Union Pacific Railroad passes through the heart of this district, limiting access to the opportunity sites adjacent to the rail line. The TSP includes projected intersection failures at all intersections on Hwy 224 (Harrison St, Monroe St, Oak St, and 37th Ave.) under a no build scenario. These intersections are key access points to Central Milwaukie from the north, west, and south.

There is access to frequent transit in the area. Frequent service line #75 passes, through the area, and the #29 and 30 buses both stop within a half mile of each site. The opportunity sites are also less than a mile from the future Downtown light rail stop, and the bus shelter area on Jackson St. between 21st and Main St, which is served by ten bus lines.

³ Note that the TSP has also identified 42nd and Harrison as a failed intersection by 2030 under a no build scenario. This is a key access point to Central Milwaukie from the east.

Figure 5. Map of Central Milwaukie opportunity sites and existing transit service.



Source: ECONorthwest and City of Milwaukie, 2013

2.4 Conclusions

The City of Milwaukie has made in moving its Downtown toward the community vision defined in the Comprehensive Plan. The City is implementing public works projects in the Downtown and addressing issues that the development community and others have identified as major barriers to development. The City is also capitalizing on its assets by reconnecting to the river and identifying potential development opportunities on both publically and privately owned sites through this project.

Central Milwaukie does not have as clear of a vision or plan as Downtown, but as part of the Moving Milwaukie Forward project, the City will create a land use and transportation framework to guide future investment in Central Milwaukie. This framework will provide a foundation to implement projects that support the community vision.

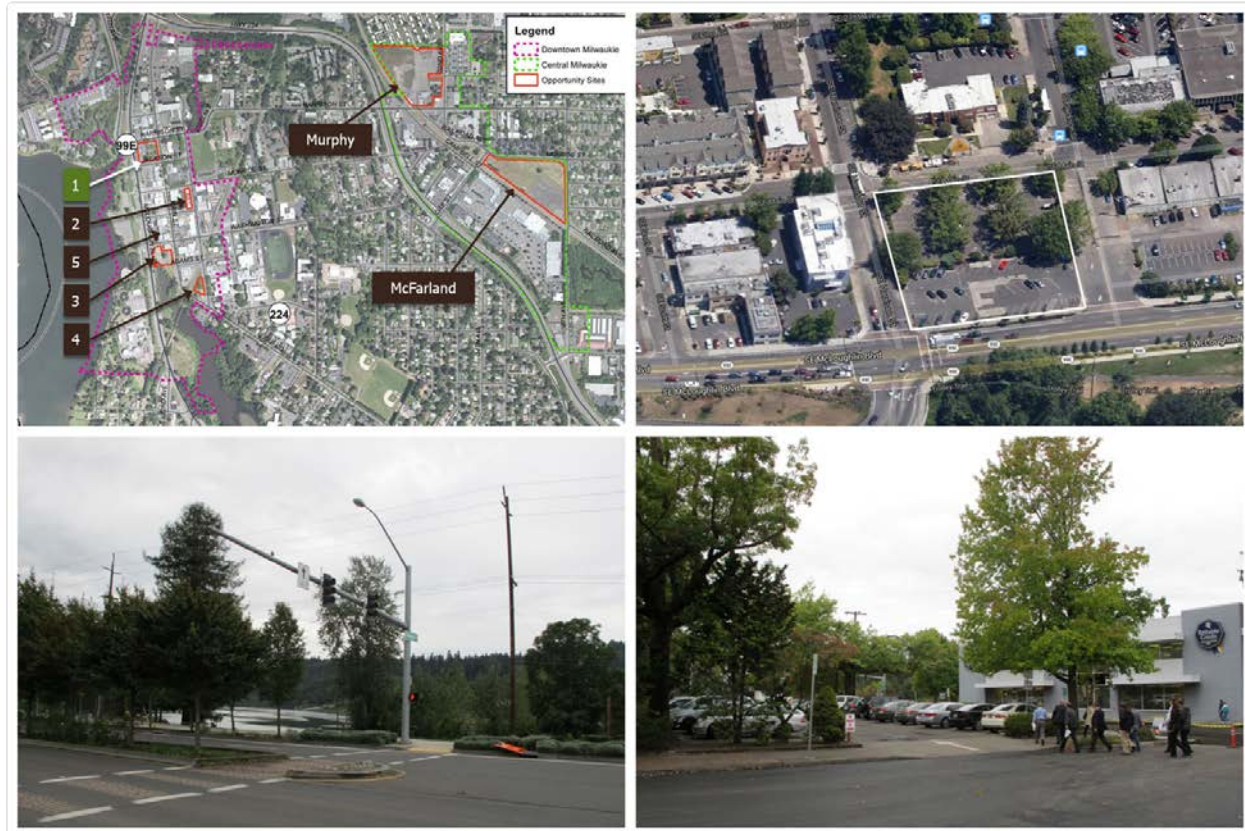
From an economic development standpoint there are opportunities, even in the challenges. There is market demand for retail and office as evidenced by low vacancy rates (see the Market Study for additional information). Low rental rates make it possible for small businesses to develop in existing buildings in the Downtown. However, new construction requires much higher rents and would be harder to fill (see the Market Study for details). Based on the market study, rental rates for office and retail property in Downtown and Central Milwaukie are lower than the broader Milwaukie commercial market area, and lower still than the region as a whole. These low rental rates suggest a lack of demand for retail and office space in Milwaukie and are an obstacle to new development.

The City has an opportunity to help set the stage for new construction that fits within the community vision, to attract retail and office users that can pay a higher premium.

Shifting demographics will also impact demand for housing. Market rate products could work here but would need to target higher income households. Downtown's largest employer, Dark Horse comics, provides potential to attract "young creatives" who want a vibrant atmosphere, and access to transit that can easily connect them to downtown Portland and other parts of the region. There are also opportunities to provide housing for seniors to "age in place" by providing quality, affordable housing near services and transit.

While the Portland to Milwaukie light rail alignment is not universally accepted, it will provide an important connection to the rest of the region and may provide some relief for traffic on McLoughlin Blvd. and Hwy 224. Ensuring that the major thoroughfares are still functional will be paramount as the City grows, but multimodal and land use strategies that provide goods and services close to residents will help reduce overall trip length, and can help to reduce congestion and demand on the road network.

3 Opportunity Site 1 – Texaco Site



3.1 Overview of site characteristics

3.1.1 Physical qualities

The Texaco site consists of two tax lots; the McLoughlin Blvd. lot is addressed as 10700 SE McLoughlin Blvd. The total site includes nearly 1 acre of flat land above the floodplain. The site is subdivided into two parcels with different owners, and could allow for a phased development.

3.1.2 Market value

According to the Clackamas County Assessor, the 2012 Real Market Value⁴ of the Texaco site is:

West: \$389,436

⁴ The sites are valued differently because the western tax lot was most recently assessed in 2007, and the eastern tax lot was most recently assessed in 1990. Current market values are based on trends and do not necessarily reflect current values.

East: \$286,568

Total: \$676,004

3.1.3 Zoning

The Texaco site is located in the Downtown Storefront (DS) zone. Relevant zoning considerations for the site include:

- Lots fronting Main Street are subject to more development and use controls than those on McLoughlin Blvd:
 - Minimum building height: 3 stories (35 feet) for Main Street-fronting lots; 2 stories (25 feet) for McLoughlin-fronting lots
 - Buildings fronting Main Street must include 75% of square footage as retail or restaurant uses; up to 25% of ground floor area may be dedicated to personal/business service uses
 - Office uses are not permitted on the ground floor of buildings fronting Main St.
- Maximum building height: Mixed use (MU) Office with ground floor retail/restaurant = 3 stories (45 feet); MU Office Residential is 4 stories (55 feet) given that residential is included on 1 entire floor, or 25% of the gross floor area.
 - A 4th floor height bonus is available, contingent on the inclusion of residential use.
- Parking facilities are allowed by right on Main Street without restrictions
- No off-street parking is required

3.1.4 Ownership/financing

The Texaco site is jointly owned by Metro and the City of Milwaukie. Metro owns 95% of the western parcel and the City owns 5%. The City owns 100% of the eastern parcel. When Metro acquired the site in 2005, using TOD funds, the City and Metro entered into an IGA (intergovernmental agreement) for the disposition of the site calling for a 4-5 story development (the “Town Center project”). That project is no longer active. Future development on the site would likely be subject to the same requirement.

3.1.5 Preparation requirements

The site was remediated for petroleum contamination in 2006. Metro negotiated a PPA (prospective purchaser agreement) with DEQ. There is a restriction against residential on the ground floor but no further action is required for development assuming the project does not go underground.

3.2 SWOT Analysis

3.2.1 Strengths

- Physical and visual access to the riverfront (across the street)
- High visibility: serves as a gateway into downtown Milwaukie.
- Large size: The site is just under an acre at 41,280 square feet, which could support development potential for larger scaled project.
- Flat and dry: The site is not in the flood plain and it is level.
- Centrally located: The site is centrally located in Downtown Milwaukie, with frontage on both McLoughlin Blvd. and Main St.
- Near amenities: proximity to the growing amenity base (restaurants and retailers), as well as civic and public amenities such as City Hall and Ledding Library in the heart of the downtown.
- Good multimodal access: By auto, to and from the future light rail station, and via existing frequent bus service adjacent to the site. Bike/ped connections (Trolley Trail and 17th Avenue connection) are also strong here.

3.2.2 Weaknesses

- Tree loss: Existing trees on the site are highly valued by the community. A development of the site would likely mean the trees would be removed.
- Adjacent to state highway: The site fronts a state highway (McLoughlin Blvd/Hwy 99E) which would likely add to development costs to offset the negative impacts of noise and pollution from the roadway and harm to rents.
- Access restrictions: Due to proximity to McLoughlin Blvd. (Hwy 99E) and the status of the Harrison St./McLoughlin Blvd. intersection, vehicular access to and from the site will be limited to SE Jackson St. only.
- Previous use as a Gas Station: The ground floor is not suitable for residential development because of prior site contamination. However, the site is suitable for 2nd-story residential with a dedicated HVAC system.
- Subgrade parking costly: Construction of underground parking would significantly increase a project's costs and require further onsite mitigation.

3.2.3 Opportunities

- An excellent view of the river from upper floors of a multistory residential development could attract higher rents.
- The site has the potential to create a new market for development in Milwaukie due to its size and potential to bring new households and services to the area.
- A well-designed project would have a positive impact on Milwaukie's desirability for further residential, office and commercial development.

- A new development on the site would give Downtown Milwaukie a new market comparable, in addition to North Main Village, which will help support any future mixed use development in the downtown.
- The potential for a public-private partnership providing community benefits could include a land value write down and other incentives, making this site extremely attractive for a near-term development.
- A well-designed, signature project could transform McLoughlin Blvd into a beautiful inviting area for Milwaukie and further enhance the connection to the river, and enhancing outsiders' view of the City.

3.2.4 Threats

- The site currently serves as the location of the Milwaukie Sunday Farmers Market. The Market and its location are very important to the residents of Milwaukie, and site development would require Market relocation.
- There is lack of community consensus about maximum building heights on the site.
- Current code requirements are overly prescriptive, difficult to navigate, and inadvertently prevent new development on this site.
- If the project is done poorly, it could negatively impact perception of Milwaukie from McLoughlin Blvd.
- Large size could make it harder to fund one cohesive development project on site and poses more financial risk.
- Some developers deterred by previous experience on site/failure to construct previous development project, specifically the community's opposition to heights over 3 stories.
- New development downtown requires discretionary review, which may act as a barrier to developers.

3.3 SWOT Conclusions

3.3.1 S-O | W-O strategies

- Encourage active ground floor uses and capitalize on opportunities to enhance visual access to the river to increase the market-feasibility of a development projects on this site.
- Enhance the pedestrian environment on McLoughlin Blvd and Main St. A project could enhance connections between Downtown to the Riverfront and provide a functional connection to the transit system and bike network.
- Engage stakeholders –residents and elected officials – in efforts to leverage public investment potential (via the City, Metro, or both) to generate real market returns and positive development momentum district-wide from site development.
- Encourage design of new buildings that support walkability and conversion to restaurant/retail uses as the market emerges.

- Find resources to help incentivize restaurants and other desirable private amenities.
- Market the site and Downtown Milwaukie as a whole to prospective developers and desired tenants.

3.3.2 S-T | W-T strategies

- Conduct a demand-based parking analysis for the entire Downtown to help right size parking for future development within the downtown and provide support for developers seeking to provide less parking than what is required by typical lenders.
- Streamline the Downtown Code to provide certainty to developers, property owners and the community.
- If full development of the site is not possible consider a phasing strategy to encourage development in the short term.

4 Opportunity Site 2: Dark Horse



4.1 Overview of site characteristics

4.1.1 Physical qualities

The Dark Horse site consists of two tax lots addressed as 2036 SE Monroe St and 10951 SE 21st Ave. The site includes the entire frontage along 21st Ave, including two corners, giving the site high level of visibility. The site is level and includes three existing buildings.

4.1.2 Market value

According to the Clackamas County Assessor, the 2012 Real Market Value of the Dark Horse site is:

North: \$156,231

South: \$234,561

Total: \$390,792

4.1.3 Zoning

The site is located in the Downtown Storefront (DS) zone. Relevant zoning considerations include:

- Minimum building height: 25 ft
- Maximum building height: Office only = 3 stories (45 feet); MU Office with ground floor retail/restaurant = 3 stories (45 feet); MU Office Residential = 4 stories (55 feet) (Note: Residential is included on 1 floor or 25% of the gross floor area).
- Ground floor “Commercial/Office – Office, professional, administrative” use is allowed by right for this site
- Ground floor “Commercial/Office – Personal/business services” use is allowed by right for this site
- “Commercial/Office – Manufacturing and production” are allowed as part of a retail or drinking/eating establishment
- 3 story non-residential buildings are allowed, but to gain a 4th floor at least 1 floor or 25% gross floor area of the project is required to be residential use
- No off-street parking required.

4.1.4 Ownership

This site is owned by Suburban Explorations LLC and Monroe Block LLC, which are controlled by Dark Horse Comics.

4.1.5 Preparation requirements

New development could require demolition of existing structures. There is no known contamination on the site.

4.2 SWOT Analysis

4.2.1 Strengths

- Good corner location with frontage on three streets and potential for ground floor development.
- Single property owner willing to consider multiple potential development options.
- Site is level, out of flood plain
- Milwaukie Lumber is a good neighbor
- Appeal of “small town” Milwaukie.
- Transit accessible.
- Close to schools.

4.2.2 Weaknesses

- Narrowness of site limits development potential, particularly if a project includes onsite parking.
- Site configuration and access poses major challenges to providing onsite parking.
- Perception that the lumber yard would negatively impact desirability for residential development.

4.2.3 Opportunities

- This small size of the site would make it appropriate for ground floor retail with upper-level residential and tuck-under parking.
- Location across the street from two banks makes office uses more attractive.
- Potential for a transit-oriented development - this site would not require any off-street parking except what might be required from a private funding perspective.
- Could potentially be a part of a larger Dark Horse redevelopment, which could free up ground-floor office spaces on Main St

4.2.4 Threats

- Potential noise from heavy freight and light rail which run approximately 300 ft from the site.
- There is a parking access easement across this property for the adjacent building at 2025 SE Jefferson St. The exact location of the access easement is unclear.

4.3 SWOT Conclusions

4.3.1 S-O | W-O strategies

- Encourage multi story development with active uses on the ground floor, particularly at corner intersections.
- Develop multi story office on this site and connect to the existing Dark Horse building.
- Redevelop the entire block to create one single development to house Dark Horse comics.
- Consider a range of housing options here.

4.3.2 S-T | W-T strategies

- Parcel consolidation of entire block for future larger scale redevelopment.
- Conduct a demand-based parking analysis for the entire Downtown to help right size parking for future development within the downtown and provide support for developers seeking to provide less parking than required by typical lenders.

5 Opportunity Site 3: Cash Spot



5.1 Overview of site characteristics

5.1.1 Physical qualities

The Cash Spot site is comprised of four tax lots; the western half of the site is addressed as 11000 SE McLoughlin Blvd. The total area of this currently vacant site is 0.81 acres (34,911 square feet). The site is bounded by McLoughlin Blvd, SE Washington St, and SE Main St. The southern boundary of the site is generally defined by Kellogg Lake and the unimproved Adams St. right-of-way. On the corner of this block is a privately-owned 5,555 square foot lot developed with an approximately 7,000 square foot building, which contains a thrift store, dentist's office, and kettle bell studio. This lot and building are not included as part of this Opportunity Site. The on-site elevation change between McLoughlin Blvd and Main St. is approximately 20 feet.

5.1.2 Market value

According to the Clackamas County Assessor, the 2012 Real Market Value of the Cash Spot Site:

West (one tax lot): \$244,403

East (three tax lots): \$105,129

Total: \$349,532

5.1.3 Zoning

The site is located in the Downtown Office zone (DO) within the South Downtown subarea. Relevant zoning considerations include:

- Minimum building height: 25 ft.
- Portion of site facing McLoughlin Blvd is within the Willamette Greenway Overlay
 - Prohibits building heights exceeding 35 ft.
- Maximum building height: 5 stories (65 feet) for the Main St. portion. There is no height bonus for inclusion of residential use.
- Residential is allowed on the 2nd floor or higher.
- Commercial/Office (all types) is allowed on all floors.
- FAR is limited to 0.5-3 in the DO zone
- Off-street parking is required.

5.1.4 Ownership

The site is owned by the City of Milwaukie.

5.1.5 Preparation requirements

A portion of the site is in the floodplain and contains Title 3 water quality resource areas. Environmental remediation has been completed and the site is appropriate for residential development.

5.2 SWOT Analysis

5.2.1 Strengths

- Topography allows for a two-level site and could reduce the cost for providing structured parking
- Riverfront views
- Kellogg Lake views
- City-owned
- Highly visible location on McLoughlin Blvd/Hwy 99E
- Near Adams Street Connector, Dogwood Park, and future South Downtown Plaza
- Adjacent to Kellogg Creek natural area
- Frontages on Main St, Washington St, and McLoughlin Blvd
- 400 feet from future light rail station

- Bike facilities on Main Street
- No contamination on site

5.2.2 Weaknesses

- No direct auto access permitted from/to McLoughlin.
- Likely right in/right out only on Washington St
- Portion of site in flood plain and contains natural resources area
- Current zoning includes a maximum of 35-ft building height on McLoughlin side of the property
- Development on western half of the site subject to conditional use review due to Willamette Greenway overlay
- Development within the natural resource area requires discretionary land use review
- Some topographical challenges (steep downward slope from east to west)
- Current zoning does not encourage/allow transit-supportive development

5.2.3 Opportunities

- Opportunity for multiple levels of structure parking, assuming access issues can be addressed
- Riverfront Park improvements could make the site more attractive for development
- Good location for water-based recreational businesses
- Main St frontage opens right up to the proposed South Downtown Plaza
- Good restaurant and fabulous view potential for the “ground” floor above a parking garage.
- Potential for multistory uses (office and/or retail) in Downtown Milwaukie
- 400 feet from future light rail station

5.2.4 Threats

- A poorly designed parking garage facing McLoughlin may not be a desirable gateway for Downtown Milwaukie.
- Although the topography could encourage structured parking, there is uncertainty about whether this is the ideal location for structured parking to serve all of Downtown
- Because there is a private owner at the corner of the property, there is uncertainty about ability to develop the entire site
- Lack of community consensus about maximum heights in South Downtown
- Vehicular access from Main St could damage the streetscape

5.3 SWOT Conclusions

5.3.1 S-O | W-O strategies

- A full block development could help infuse Downtown with residents and/or employees. This strategy would support the community's desire to bring more people into Downtown to support private amenities such as restaurants.
- Topography makes a parking structure more financially feasible on this site relative to others.
- Phased development could include surface parking on part of the site until market conditions evolve to support additional development.
- Leverage site proximity to the transit station, Kellogg Creek, Riverfront Park, McLoughlin Blvd, and Main St. A development project could enhance connections between Downtown and the Riverfront and provide a functional connection to the transit system and bike network.

5.3.2 S-T | W-T strategies

- Develop an auto access plan for the site to guide future development.
- Identify environmental restrictions and conditional use requirements and develop mitigation strategies for any new development on the site.
- If structured parking is developed on McLoughlin Blvd, ensure a pedestrian friendly design for a structure that includes ground floor retail or other active uses.
- If project is phased and surface parked, ensure landscaping standards enhance pedestrian environment and create an attractive entryway into the city.

6 Opportunity Site 4: Triangle Site



6.1 Overview of site characteristics

6.1.1 Physical qualities

The Triangle Site is addressed as 11301 SE 21st Ave. It is currently vacant and has an area of 0.2 acres (8,600 square feet).⁵ The boundary includes the MAX light rail tracks to the west, SE 21st Ave to the east, and SE Main St/Lake Rd to the south. The site will be immediately adjacent to the Downtown Main St. light rail station (currently under construction).

6.1.2 Market value

According to the Clackamas County Assessor, the 2012 Real Market Value of the Triangle Site is \$50,977.

⁵ The current area is 6,932 square feet; the final lot configuration will include a buildable area of approximately 8,600 square feet.

The 2013 assessment is expected to be higher once the property line is adjusted to reflect the actual buildable area.

6.1.3 Zoning

The Triangle Site is zoned Downtown Office (DO). Additional relevant zoning information includes:

- Minimum building height: 25 ft
- Maximum building height: 5 stories (65 feet). There is no option for added height based on inclusion of residential use.
- Residential is allowed on the 2nd floor or higher
- Commercial/office (all types) is allowed on all floors
- Retail and restaurant uses are restricted limited to 5,000 sq ft floor area on the ground floor, with additional 5,000 sq ft allowed for manufacturing or production areas associated with that use (e.g., brewing facilities that distributes/sells products elsewhere).
- FAR is limited to 0.5-3 in this zone.
- Off-street parking requirements are applicable

6.1.4 Ownership

The site is owned by TriMet.

6.1.5 Preparation requirements

The Site is being used for staging as part of the development of the Milwaukie Light Rail station. The site will be graded before the completion of the light rail station. There are no known environmental issues on the site.

6.2 SWOT Analysis

6.2.1 Strengths

- Adjacent to future light rail station
- Publicly owned
- View of Kellogg Lake
- Close to Milwaukie High School
- TriMet rebuilding all streets and sidewalks on 21st Ave. and Main St. to current standards
- Shared bike facilities on Main St. and 21st Ave. with future connection to Trolley Trail via the Kellogg Creek bike/ped bridge

6.2.2 Weaknesses

- Small developable area

- Oddly shaped
- Not centrally located – site is at south end of Downtown
- Uncertainty about future ridership levels complicates retail development
- Lack of community consensus about appropriate height for buildings in South Downtown
- Current zoning does not encourage/allow transit-supportive development

6.2.3 Opportunities

- Lack of vacant space (office and retail) in Downtown Milwaukie
- Proposed Kellogg Lake bike/ped bridge
- Construction of the Adams Street Connector to the north
- Milwaukie High School located across the street

6.2.4 Threats

- Transit users might loiter and bring an undesirable element and safety concerns
- Retail uses may be less viable due to limited presence of residential uses nearby
- Off-street parking requirements must be addressed to maximize development of the site

6.3 SWOT Conclusions

6.3.1 S-O | W-O strategies

- Leverage public ownership to create a transit oriented development that enhances Downtown and fosters safety through active uses and eyes on the street.
- Consider creating a usable space with flexible activities uses such as food carts or other programming to keep the site active if there is no short-term building development.

6.3.2 S-T | W-T strategies

- Allow for a range of uses that leverage odd shape and size and support the transit station
- Work with TriMet to ensure safety measures are taken at the station.

7 Opportunity Site 5: Graham Site



7.1 Overview of site characteristics

7.1.1 Physical qualities

The Graham Site is addressed as 11049 SE Main Street. The site occupies 0.19 acres (8,276 square feet) and is located between SE Jefferson and Washington streets. The site features an existing multi-tenant retail building fronting Main Street, with one mezzanine-level office and four vacant commercial spaces. The structure is set back approximately 45 feet from the Main Street sidewalk. Between the building and the sidewalk is a paved parking area with 5-6 spaces.

7.1.2 Market value

According to the Clackamas County Assessor, the 2012 Real Market Value of the Graham Site is:

Land: \$112,516

Building: \$271,390

Total: \$383,906

7.1.3 Zoning

The property is located in the Downtown Storefront (DS) zone. Current zoning requires retail or eating establishment uses on the ground floor and permits office or residential uses on the upper floors.

7.1.4 Ownership/financing

The site is privately owned by Paul and Teri Graham.

7.1.5 Preparation requirements

No remediation required on this site. The site is level and an adaptive reuse would not require any additional site preparation.

7.2 SWOT Analysis

7.2.1 Strengths

- Existing building on site provides potential for adaptive reuse
- Potential river views from upper levels
- High pedestrian traffic on Main St
- Pedestrian and bicycle amenities on Main St
- Near other restaurants and retail (the Golden Nugget, Cha Cha Cha!, Libbie's, and Foxy's are across the street from the site)
- 600 feet from future Adams Street Connector, South Downtown Plaza, and light rail station

7.2.2 Weaknesses

- Existing building has unattractive façade
- Large amount of impervious surface
- Vacancy may negatively impact potential developers' perception of financial feasibility for onsite retail uses

7.2.3 Opportunities

- Rehab existing building
- Adaptive reuse of parking lot

7.2.4 Threats

- The owners do not own the air rights to the parcel on the west side. A new project there could block the view of the river from the site.

7.3 SWOT Conclusions

7.3.1 S-O | W-O strategies

- Location, size and potential for adaptive reuse make the site ideal for a small scale project that could have a big impact.
- Leverage existing and potential financial resources (storefront improvement program, other regional and local funds) to encourage adaptive reuse of the site.

7.3.2 S-T | W-T strategies

- Consider funding predevelopment work on a rehabilitation to offset cost for owners and encourage private investment in the building.
- Identify funding sources for a demonstration project for the parking lot to create an active space on Main Street.

8 Opportunity Site 6: Murphy Site



8.1 Overview of site characteristics

8.1.1 Physical qualities

The Murphy Site is comprised of 14 separate tax lots, 6.2 acres of which are undeveloped. The total site area is 7.5 acres. The site is adjacent to Hwy 224 with limited (right in/right out) vehicle access on Harrison St. and full access from Llewellyn and Meek Streets. There are four bus lines with nearby stops (#28, 31, 75, and 152). Bike lanes are planned for Harrison St. The lot at the corner of 32nd and Harrison is separately owned and is not part of the site. Hillside Park and Hillside Manor, a Clackamas County Housing Authority property, is located to the north of the site.

8.1.2 Market value

According to the Clackamas County Assessor, the 2012 Real Market Value of the combined tax lots on site is \$3,859,628.

8.1.3 Zoning

Zoning on the Murphy site is mixed. The northwest 2/3rds of the site (~270,000 sq ft) is zoned Residential-Office-Commercial (ROC) with a Mixed Use overlay (MU). Remaining lots (~55,000

sq ft) are zoned General Commercial (CG). Current zoning permits mixed use or light industrial development.

8.1.4 Ownership

The site is owned by the Murphy family.

8.1.5 Preparation requirements

A former brownfield, the site requires no further action for industrial or commercial uses. It is unknown whether additional remediation will need to be conducted in order to develop the site for other uses. An internal street network will likely be required to support development.

8.2 SWOT Analysis

8.2.1 Strengths

- Close to Providence Hospital
- Level topography
- Large site
- Access to heavy rail (strength for industrial)
- Close to Hwy 224
- Close to police and fire (safe)
- No Further Action Determination for property (former brownfield)
- Future bike access: Bike lanes planned for Harrison St
- Four adjacent bus lines with nearby stops

8.2.2 Weaknesses

- Next to heavy rail (weakness for residential, commercial)
- Limited access to the site (close to 224, but hard to access it)
- Close to residential (conflicts for industrial development)
- Close to police and fire stations (sirens)
- Limited pedestrian connectivity across Hwy 224 via Harrison
- Lack of rail spur could deter distributor or manufacturer from locating on site

8.2.3 Opportunities

- Potential to create grid with intermixed housing and retail
- Could achieve cost efficiencies with construction of large building
- Job creation
- Successful residential uses have been developed next to rail in many other places

8.2.4 Threats

- Could generate a lot of traffic, and the transportation infrastructure might be insufficient
- Ardenwald NDA has fought against additional low-income housing in this area.

- Could be expensive to improve pedestrian connectivity to site (with a pedestrian overpass, for example)
- Warehouses generate low-wage, low-density employment
- Noise – quiet zone may not be sufficient to mitigate all noise impacts
- Lack of clarity about brownfield status (even though there is a letter of No Further Action from Oregon DEQ)
- Land values and rent levels probably don't support speculative development
- Corner lot on site (on Harrison and 32nd) not owned by Murphy and not for sale
- Perception that industrial land should not be converted to retail or residential use

8.3 SWOT Conclusions

8.3.1 S-O | W-O strategies

- Develop a master plan for the entire site that supports a range of uses designed to fit within the existing community.
- Enhance multi modal access (pedestrian, bike, transit) between neighboring residential areas, Providence Hospital, and Downtown Milwaukie.
- Encourage housing that transitions to other uses as the site closes in on the railroad tracks.
- Pursue partnerships with senior housing and assisted living facilities that are complimentary to adjacent uses.
- Pursue partnerships with companies that provide services and jobs that are complimentary to Providence Hospital facilities. Encourage the development of a micro medical district.

8.3.2 S-T | W-T strategies

- Work with owners to find resources for further environmental testing (if necessary) and potential remediation to make the site development-ready.
- Address traffic concerns through implementation of a Transportation Plan and Transportation Demand Management strategies to increase bike, pedestrian and transit access and reduce vehicular demand on Hwy 224.
- Phase development on the site over time.
- Encourage landscaping standards on commercial buildings that front residential development.

9 Opportunity Site 7: McFarland Site



9.1 Overview of site characteristics

9.1.1 Physical qualities

The 7.2-acre site is triangular in shape, with boundaries defined by SE Monroe St to the north, SE 37th Ave to the east, SE Oak St to the west, and the railroad tracks to the south. The site, comprised of two land parcels, is relatively flat and has no existing structures.

The site is adjacent to a multifamily residential neighborhood to the north, single-family residential neighborhood to the east, and the back of a retail center to the southwest.

9.1.2 Market value

The Real Market Value from the Clackamas County Assessor for the McFarland site is \$1,222,837.

9.1.3 Zoning

The site is zoned Residential-Office-Commercial (ROC) with a Mixed Use (MU) overlay. Relevant zoning information includes:

- MU overlay standards supersede those of the ROC zone

- The combination of the ROC zone and MU overlay is extremely confusing
- All development on the site requires Planning Commission approval
- Off-street parking requirements apply

9.1.4 Ownership

The northwestern parcel is privately owned by the LD McFarland Company LTD. The southeastern parcel is privately owned by Tyee Management Company LLC. Both properties are controlled by the McFarland family.

9.1.5 Preparation requirements

The northwestern parcel (Parcel 1) is not contaminated. The southeastern parcel (Parcel 2) is a brownfield. It has been temporarily capped and will require additional remediation as a component of any new development in that area of the property. Parcel 2 is not suitable for residential development.

9.2 SWOT Analysis

9.2.1 Strengths

- Large
- Centrally located
- Level topography
- Highly visible
- A quiet zone will be in place by the end of the year
- Proximity to Providence Hospital
- Proximity to Milwaukie Marketplace and Oak Street Square
- Adjacent to residential neighborhoods
- Adjacent to active rail line (could be good for industrial if some sort of access to the line was possible)
- Good transit access
- Less than a mile from Downtown

9.2.2 Weaknesses

- Noise impacts from trains (even with quiet zone) could make this an undesirable location for residential
- Drainage issues
- Environmental contamination
- Weight limit on 37th south of the railroad track due to adjacent wetlands. Trucks would need to access the site via Railroad or Oak St, but not 37th.
- Uninviting back end of Milwaukie Marketplace
- Development on the site could require substantial transportation infrastructure improvements to address auto traffic

9.2.3 Opportunities

- Development on a site of this size, in this location, could help knit together the surrounding community
- Potential to capitalize on market demand generated by nearby senior medical facilities at Providence
- Site size creates potential for job generation
- Site size could be an advantage for light industrial or other industrial related uses

9.2.4 Threats

- Current minimum FAR requirement could limit parking necessary for industrial use
- Warehouses generate low-wage, low-density employment

9.3 SWOT Conclusions

9.3.1 S-O | W-O strategies

- Develop a master plan for the entire site that supports a range of uses and is designed to fit within the existing community.
- Enhance multi modal access (pedestrian/bike/transit) between neighboring residential areas, Downtown and the Milwaukie Marketplace.
- Encourage housing that transitions to other uses as the site closes in on the railroad tracks.
- Strategy to attract creative class to flexible light industrial or creative flex space.
- Provide predevelopment resources to encourage unique proof of concept projects.

9.3.2 S-T | W-T strategies

- Work with owners to find resources for further testing if necessary and potential remediation to make the site development ready.
- Address traffic concerns through implementation of a Transportation plan and Transportation Demand Management strategies to increase bike, pedestrian and transit access and reduce demand on Hwy 224.
- Encourage landscaping standards on commercial buildings that front residential development.