

MINUTES
MILWAUKIE CITY COUNCIL WORK SESSION
DECEMBER 3, 2013

Council President Hedges called the work session to order at 5:06 p.m. in the City Hall Conference Room.

Council Present: Councilors Scott Churchill and Mark Gamba

Excused: Mayor Jeremy Ferguson and Councilor Mike Miller

Staff Present: City Manager Bill Monahan, City Recorder Pat DuVal, Community Development Director Steve Butler, Associate Planner Li Alligood, Senior Planner Ryan Marquardt, and Public Works Director Gary Parkin

City Manager's Report

Mr. Monahan briefly reviewed the evening's agenda and those of the upcoming December 17 and January meetings. The December study session was cancelled.

The group discussed attendance at the Oregon Plan Business Leadership Forum on December 9 and endorsement of Wilda Parks' appointment to the Metro Policy Advisory Committee (MPAC). Extension of the Wildlands' Feasibility Period would be considered, and Mr. Monahan suggested extending it through May 2014. In the previous meeting's audience participation, Mr. Parecki discussed street trees and a Charter amendment.

Community Development Department Projects

Mr. Butler provided an update on Parks and Sustainability. Related to the four undeveloped parks in Milwaukie, the Park and Recreation Board (PARB) had reviewed the draft request for proposals (RFP) at its November 26 meeting. New language was being developed to address the unique situation of Kronberg Park. The North Clackamas Parks and Recreation District (NCPRD) would be the lead agency on the master planning project. He addressed the new contract with David Evans and Associates (DEA) for Riverfront Park work.

Council President Hedges commented on the low level of support indicated in the recent ballot measure survey for Park development.

Mr. Butler discussed Planning Department applications and briefly commented on medical marijuana dispensaries. **Mr. Monahan** added Milwaukie staff was monitoring the issues taking place in other communities. **Mr. Butler** announced new hires in the Community Development Department. The Quiet Zone project was substantially complete. Staff was addressing questions that had come up related to the Adams St Connector and potential for future relocation of the Sunday Farmers' Market. The Clackamas County Board of Commissioners would hold its first hearing on the County Transportation System Plan (TSP) on December 4.

Council President Hedges recessed the work session at 5:44 p.m. Councilor Churchill arrived at 6:40 p.m., and Council President Hedges reconvened the work session at 6:40 p.m. Council President Hedges recessed the work session at 7:01 p.m. and reconvened it at 7:47 p.m. after the regular session was adjourned to complete the agenda topics.

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Moving Forward Milwaukie: Development Concepts – Tools and Assumptions

John Fregonese and **Nick Popenuk** briefed the City Council on the development concepts for the opportunity sites and sought direction regarding which draft concepts would receive further evaluation and financial analysis. Currently, the project is considering multiple prototype buildings that could be built on each of the seven sites. The City Council and public will have the chance to articulate what types of development were desirable on each and learn whether or not those concepts were financially feasible. Necessary Code, plans, and policy amendments would be identified to implement the desired development and give property owners the ability to make money.

Mr. Fregonese added if obstacles were identified, then solutions could be considered that took into account the developers' perspective. Initially, a simple site plan would be developed with an internal rate of return (IRR) of 12% - 15%.

Mr. Popenuk described the proposed outcomes from the January roundtable.

Mr. Fregonese explained there would be photo simulations of the best ideas and financial pro formas developed. The goal was that the City Council, public, professional consultants, and property owners move forward collegially.

Councilor Churchill commented that in the past there was some lack of clarity around certain properties and what they might support.

Mr. Popenuk said they would look for feedback on three draft options from which broad concepts would be tested and the numbers run.

Mr. Fregonese noted at this point it was a zoning and massing study, and he had not run the pro formas. He discussed building heights and options for development of the McFarland and Murphy sites. He noted the proximity of the Murphy site to Milwaukie Providence Hospital and feasibility of a senior care facility. There were certain restrictions related to the contaminated portion of the McFarland property.

Councilor Churchill wanted to make sure what was feasible from a financial standpoint and to have an understanding of the risks.

Mr. Popenuk added the Project Advisory Committee's (PAC) key point was the maximum height on most of the sites. A live/work development might be a possibility depending on transportation access.

Councilor Churchill was concerned about the amount of traffic generated by a five story development at a high risk intersection.

Council President Hedges would like to see one and five stories modeled.

Mr. Fregonese discussed the Dark Horse Comics site. The consensus was for three or four stories with commercial on the group floor.

Mr. Popenuk added that Dark Horse Comics was not opposed to consolidating its buildings in a robust redevelopment, but there would be a large gap to fill.

Council President Hedges thought Dark Horse Comics was a great asset, and he wanted to keep the company in Milwaukie.

Councilor Churchill discussed return on investment (ROI), scraping buildings, and identifying adaptive reuse.

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Mr. Fregonese said the top options for the Graham site were adaptive reuse and perhaps more height for a top floor restaurant to take advantage of the River views. It would be important to find out if the building was worth saving. There could be an interim use if the market did not justify a teardown.

Councilor Churchill saw Graham's as infill and more dense use of the site.

Mr. Fregonese discussed the Cash Spot site which was owned by the City and potential uses. There was consensus this could be a gateway to Milwaukie; however auto access to the site was challenging. The slope could lend the site for structured parking.

Councilor Churchill thought it would be difficult to support structured parking on the site because of the cost.

Mr. Fregonese reviewed the options for the Triangle site. The uses would be transit oriented and might perhaps be an interim food cart pod. Development should activate the station and could house a police substation.

Councilor Gamba was interested in the second floor use for a coffee and pastry shop and a newsstand people could visit while waiting for the train. He recommended something that would enliven the area even though it might be temporary.

Councilor Churchill suggested an historic building reconstruction.

Council President Hedges suggested something unusual like an old dining car.

Mr. Fregonese discussed the Texaco site that was half owned by the City and half by Metro for a transit oriented development (TOD). The top options were for three or four stories.

Councilor Churchill had concerns about the appropriate scale and density and noted it was Metro's choice to purchase for TOD.

Mr. Popenuk reminded the group of the intergovernmental agreement related to that property.

Council President Hedges commented he did not want the view of the River from Main St to be obscured or to build a Berlin Wall.

Mr. Fregonese suggested looking at step backs and plazas.

Mr. Popenuk discussed feedback on the three concepts and commented on the original intent of the agreements and program. The Code would be considered for needed amendments.

Councilor Churchill pointed out that was a different City Council, and the Texaco site may not be as viable as it was at that time.

Council President Hedges said although people may change the City had to abide by earlier agreements. He wanted any plan to have some indication of where the Sunday Farmers' Market would be located.

Councilor Gamba said as originally envisioned the South Downtown could provide the space for the Market. He liked the concept of the u-shaped building with stepped back higher stories.

Councilor Churchill heard Metro wanted four stories which was not appropriate on Main St. His preference would be step backs on Main St and McLoughlin Blvd.

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The group discussed the demand for office and commercial space and the growing interest in live/work opportunities.

Mr. Fregonese commented on Zoning Code amendments that might cut down on subsidies and single story commercial uses such as a restaurant. It might be possible to design a building with residential on the ground floor that could be converted in the future.

Mr. Popenuk said once the pro formas were run it could be determined what type of development could stand on its own feet.

Councilor Churchill commented he did not think the small commercial space at North Main Village on Harrison St worked that well.

Council President Hedges did not think there would be a lot of support for residential space on Main St. If there were residential on the McFarland site, the additional housing would bring extra business to the Milwaukie MarketPlace. The Murphy site could be all residential to encourage Providence to stay in Milwaukie because it was a wonderful little hospital.

Council President Hedges adjourned the work session at 9:10 p.m.

Respectfully submitted,



Pat DuVal, Recorder



Work Session

WS

Milwaukie City Council



Moving Forward Milwaukie City Council Briefing #2

Moving Forward Milwaukie • December 3, 2013

Overview

- Overview of public involvement
- SWOT analysis
- Financial assumptions & inputs
- **Draft development concepts**
- Next steps



SCHEDULE / DELIVERABLES

2013

2014

AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG

Market Analysis



*Opportunity Site
Development*



*Downtown & Central
Milwaukie Action &
Implementation Plan*



*Central Milwaukie Land
Use & Transportation
Plan*



*Downtown Plan & Code
Amendments*



*Central and
Neighborhood Main
Streets Plan & Code
Amendments*



Results From the Public Workshops

Overview of Workshop Results

- Three public meetings to date
 - Kickoff Event (10/3)
 - Audience instant polling (Downtown)
 - Visual preference surveys
 - Downtown Milwaukie Opportunity Site Workshop (10/28)
 - Audience instant polling
 - Map-based small group exercise
 - Central Milwaukie Opportunity Site Workshop (10/29)
 - Audience instant polling
 - Visual preference surveys
 - Map-based small group exercise



Opportunity Site Workshops: Map Exercise

Overview of Workshop Results

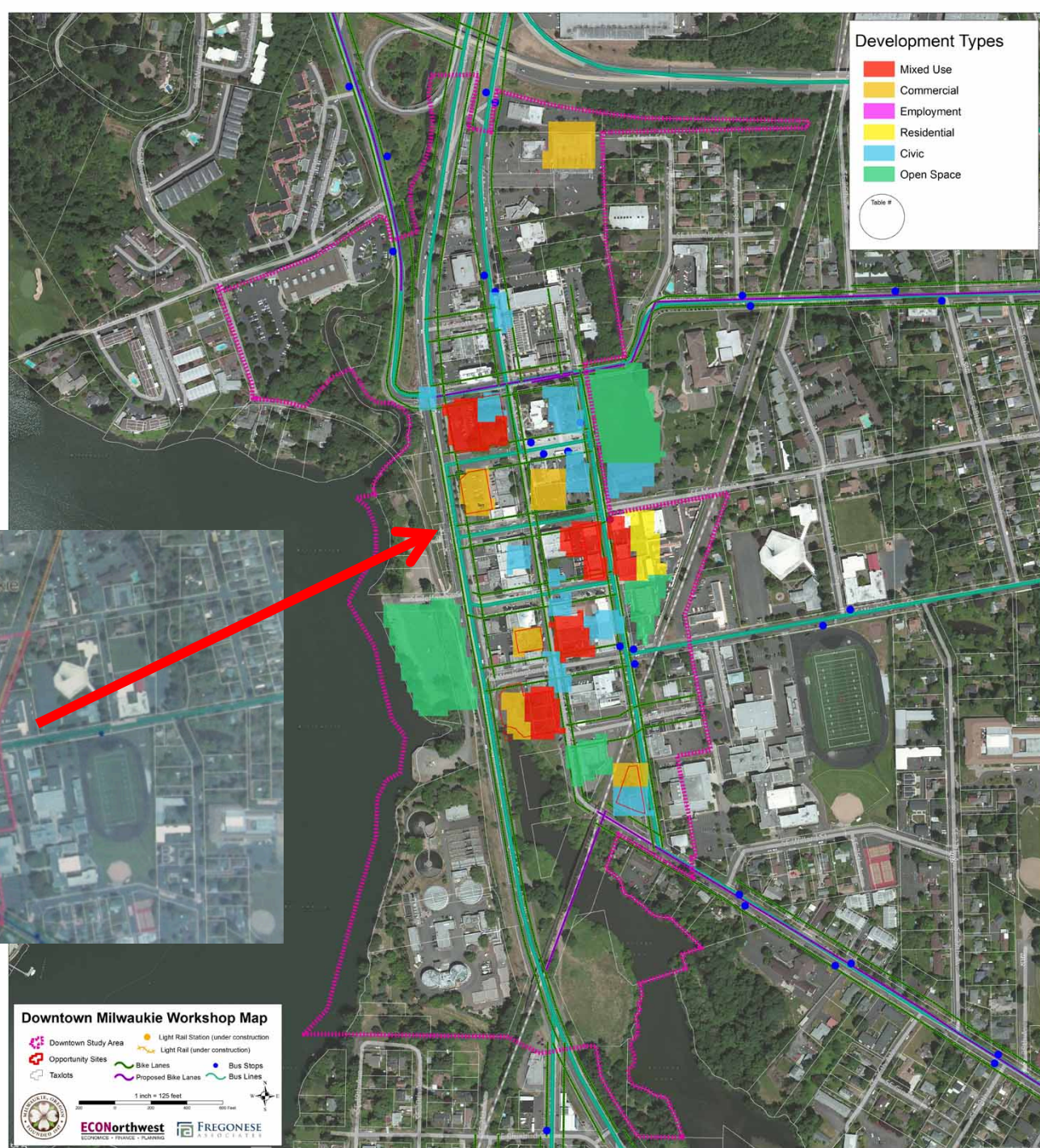
Participants build their own ideal development scenario.



Group #2

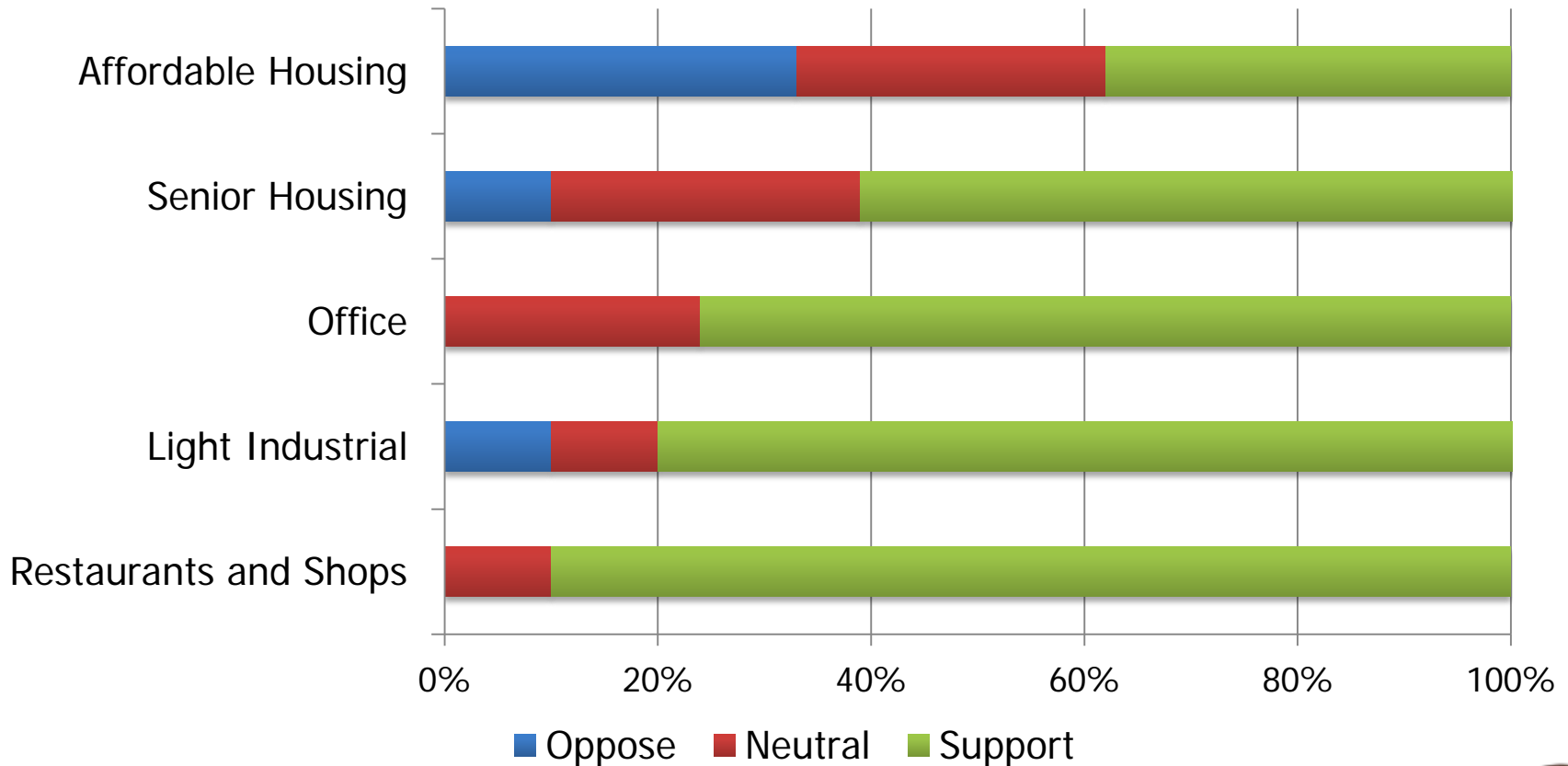
Digitized Workshop Map

Downtown Workshop



Central Milwaukie: Instant Polling

Overview of Workshop Results



Note – We did instant polling at the Central Milwaukie event because it was the first discussion of that area of the project. At the kick-off event instant polling was used for the Downtown.



Central Milwaukie: Instant Polling

Overview of Workshop Results

- Consensus on...
 - New business, new housing, and more retail variety are the top development priorities
 - Medical, manufacturing and retail/service jobs are needed
 - There was strong support for new restaurants and retail (90%), followed by light industrial/flex uses (81%) and office (76%)
- No consensus on...
 - Goal for Murphy & McFarland Sites
 - Desired uses for Murphy & McFarland Sites
 - Vision for Central Milwaukie



Central Milwaukie: Visual Preference Survey

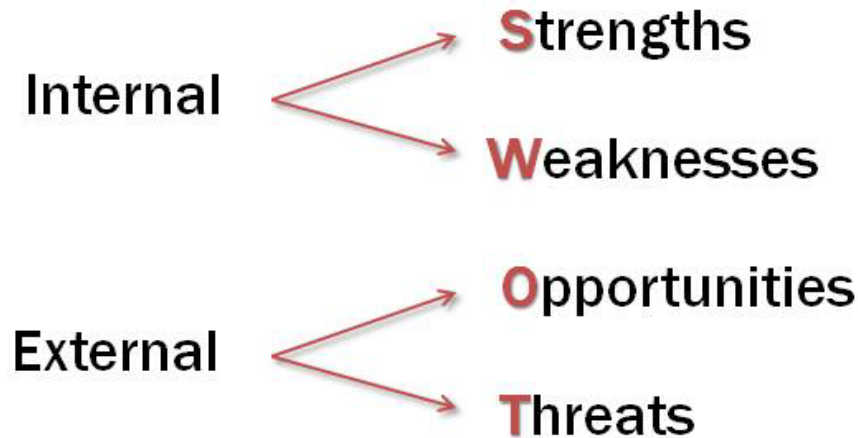
Overview of Workshop Results



What is a SWOT Analysis?

SWOT Analysis

SWOT Analysis



The team recently completed a SWOT analysis for all 7 sites. The current draft is included in your briefing packet.



Key Findings

SWOT Analysis

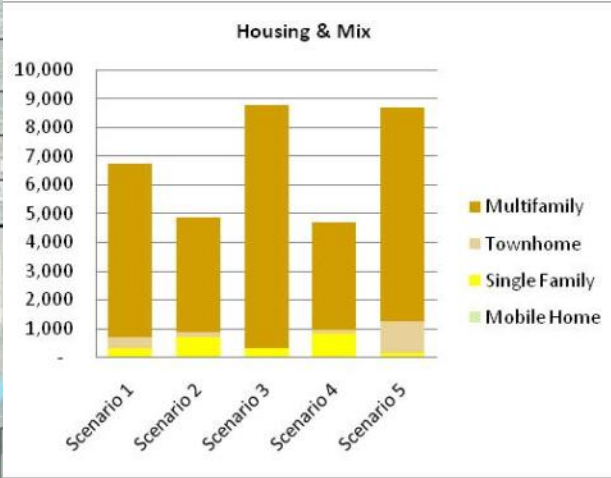
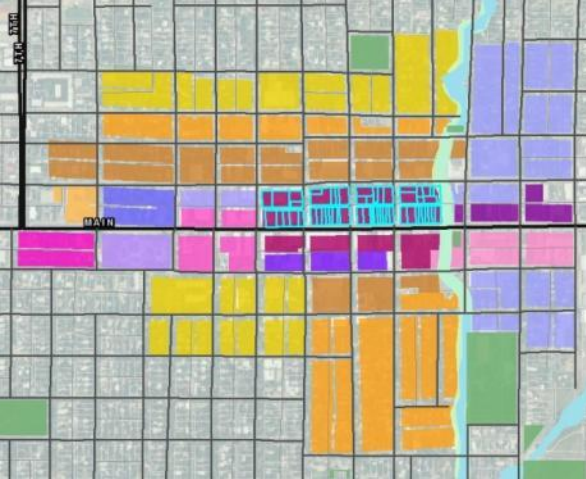
- Market
 - Lower retail and office rental & vacancy rates than the region
 - Strong market demand for existing retail and office buildings
 - New construction requires much higher rents than current levels
- Demographics
 - Lower household income than the region
 - Aging population
 - Opportunities for first-time homebuyers and seniors to “age in place”



Financial Assumptions & Inputs

- Envision Tomorrow
- Construction Cost Matrix
- Pro Forma Analysis



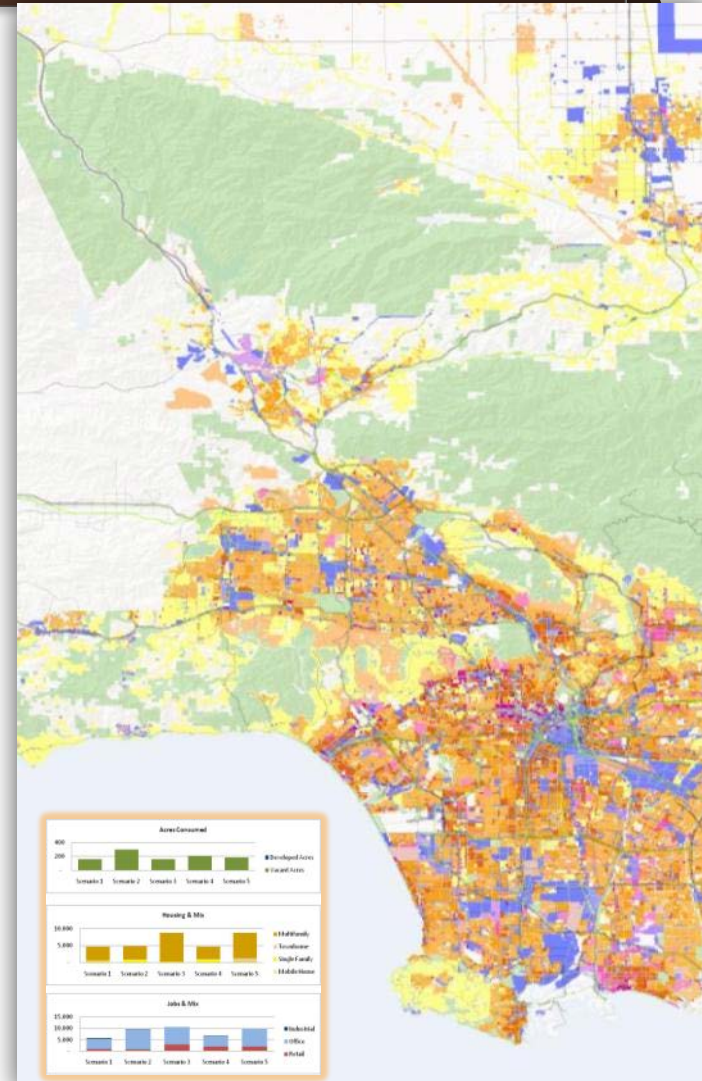


Scenario Planning with Envision Tomorrow

What is Envision Tomorrow?

Overview of Envision Tomorrow

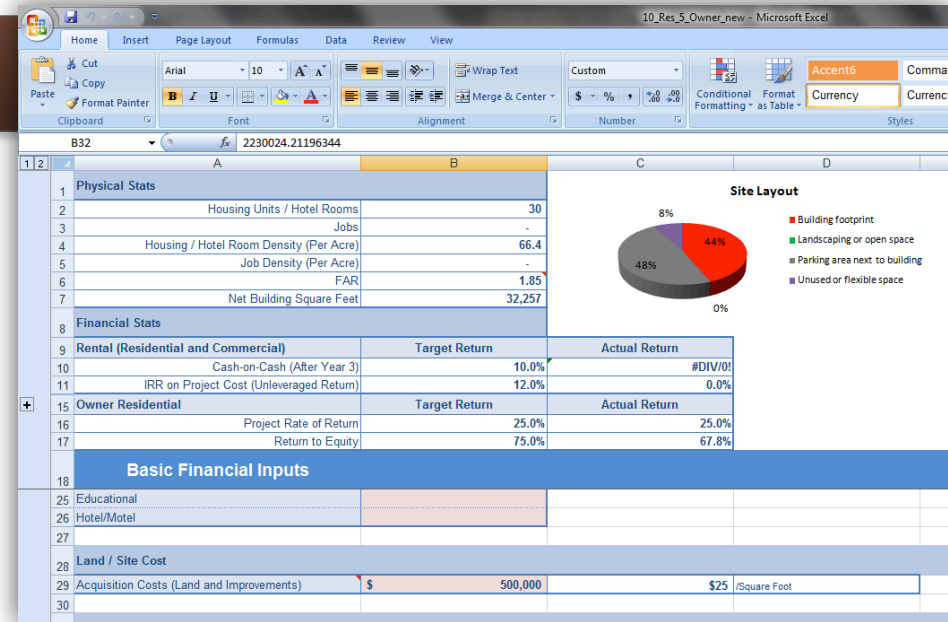
- Prototype Builder
 - Return on Investment (ROI) model
- Scenario Builder
 - Extension for ArcGIS
- 20+ modules or “apps” funded by HUD Sustainable Communities Grants



Create Prototype Buildings

Overview of Envision Tomorrow

- Easily modeled & lots of existing data
 - Density and Design
 - Rents and Sales Prices
 - Costs and Affordability
 - Energy and Water Use
 - Fiscal Impacts
- Physical Form
 - Height
 - Unit sizes
 - Parking configurations
- Financial Reality
 - Rents / sales prices
 - Construction costs
 - Land costs



Feasible?



Prototypes Based on Market Research: Allows for “Reality-based Visualizations”

Overview of Envision Tomorrow



*Use Prototypes for Reality-based
Visualizations and 3D Modeling*



Construction Cost Matrix

Financial Assumptions & Inputs

- Range of costs
- Different construction types and different uses
- Costs for building skins, site work, and tenant improvements
- Impact of “prevailing wage” rates



Financial Pro Forma

Financial Assumptions & Inputs

Uses Table	Total	Per SF	# SF	Notes
<i>Hard Costs</i>				
Type V Construction	\$4,000,000	\$100.00	40,000	
Podium Const. (Res/Lobby/leasing)	1,500,000	150.00	10,000	
Podium Construction (Retail)	0	0.00	0	
Parking	1,250,000	100.00	12,500	
Contractor Contingency	\$675,000	10.80	62,500	X% other hard costs
Construction Management Overhead	338,000	5.41	62,500	Y% other hard costs
Subtotal	\$7,763,000	\$124.21	62,500	
<i>Soft Costs</i>				
General Soft Costs	\$1,553,000	\$24.85	62,500	Z% hard costs
Financing Fees	105,000	1.68	62,500	X% all other costs
City Fees and Permits	776,000	12.42	62,500	Y% hard costs
FF&E	388,000	6.21	62,500	Z% hard costs
Subtotal	\$2,822,000	\$45.15	62,500	
Total Cost	\$10,585,000	\$169.36	62,500	



Operating Pro Forma

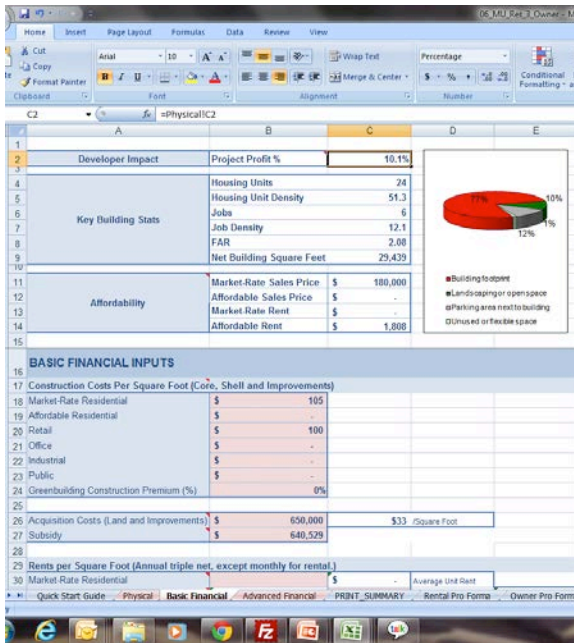
Financial Assumptions & Inputs

	Year 1	Year 2	Year 3	Year 4	Year 5
Potential Gross Revenue	\$ 727,419	\$747,241	\$755,202	\$766,029	\$790,121
General Vacancy (5%)	\$ (36,371)	\$ (37,362)	\$ (37,760)	\$ (38,301)	\$ (39,506)
Effective Gross Revenue	\$ 691,048	\$ 709,879	\$ 717,442	\$ 727,728	\$ 750,615
Total Operating Expenses	\$ (297,781)	\$ (304,618)	\$ (312,696)	\$ (325,393)	\$ (332,236)
Net Operating Income	\$ 393,267	\$ 405,261	\$ 404,746	\$ 402,335	\$ 418,379
<i>Resale Value @ Cap Rate:</i>					
7.50%	\$ 5,243,560	\$ 5,403,480	\$ 5,396,613	\$ 5,364,467	\$ 5,578,387
8.00%	\$ 4,915,838	\$ 5,065,763	\$ 5,059,325	\$ 5,029,188	\$ 5,229,738
8.50%	\$ 4,626,671	\$ 4,767,776	\$ 4,761,718	\$ 4,733,353	\$ 4,922,106



What are Development Concepts?

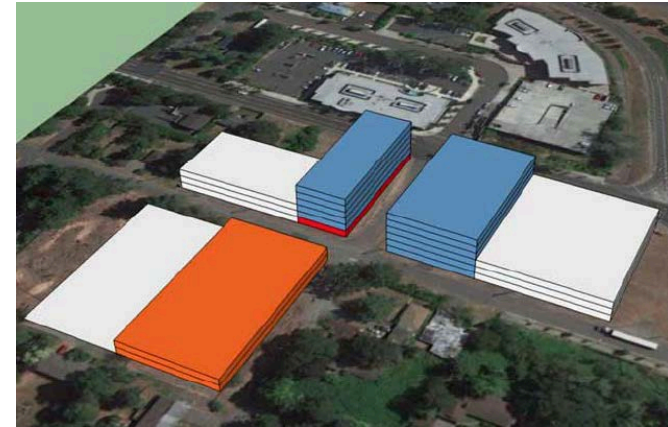
Draft Development Concepts



Development Pro Formas



Site Design Plans



Building Massing Studies

21 draft development concepts will be developed
7 will be selected for the final plan



What are Development Concepts?

Draft Development Concepts

- Looking for realistic development options that appeal to developers, property owners, and the general public.
- Identify financial gaps, and discuss potential strategies for overcoming any gaps
- Concepts will include:
 - Development pro formas
 - Sketch-level site designs
 - Building massing graphics



Why Do Development Concepts

- Used as Case Studies.
- Intended to understand any obstacles.
- Used to modify codes, plans, and policies.
- Used to understand financial feasibility and look for solutions.
- Used to understand this from a developer's perspective.
- An input into the code modification process
- NOT intended to dictate a specific development



Development Program

Draft Development Concepts

	A	B	C	D	E	F	G
1							
2	Developer Impact	Internal Rate of Return	9.5%	<p>42% 30% 24% 4%</p> <ul style="list-style-type: none"> ■ Building footprint ■ Landscaping or open space ■ Parking area next to building ■ Unused or flexible space 			
3							
4	Key Building Stats	Housing Units	134				
5		Housing Unit Density	33.2				
6		Jobs	39				
7		Job Density	9.7				
8		FAR	1.08				
9		Net Building Square Feet	133,843				
10							
92	Land Use Outputs						
93	Square Footage by Use	Gross Square Feet	Net Square Feet	Total Dwelling Units	Total Jobs	DU/acre	Jobs/acre
94	Market-Rate	80,306	68,260	84.1		21	
95	Affordable Residential	47,239	40,153	49		12	
96	Retail	6,299	5,354		5		1
97	Office	1,575	1,338		4		1
98	Health Clinic	6,299	5,354		10		3
99	Public	15,746	13,384		20		5
100	Internal Parking	31,493	31,493				
101	Total	188,955	165,336	133.5	39.1	33.2	9.7



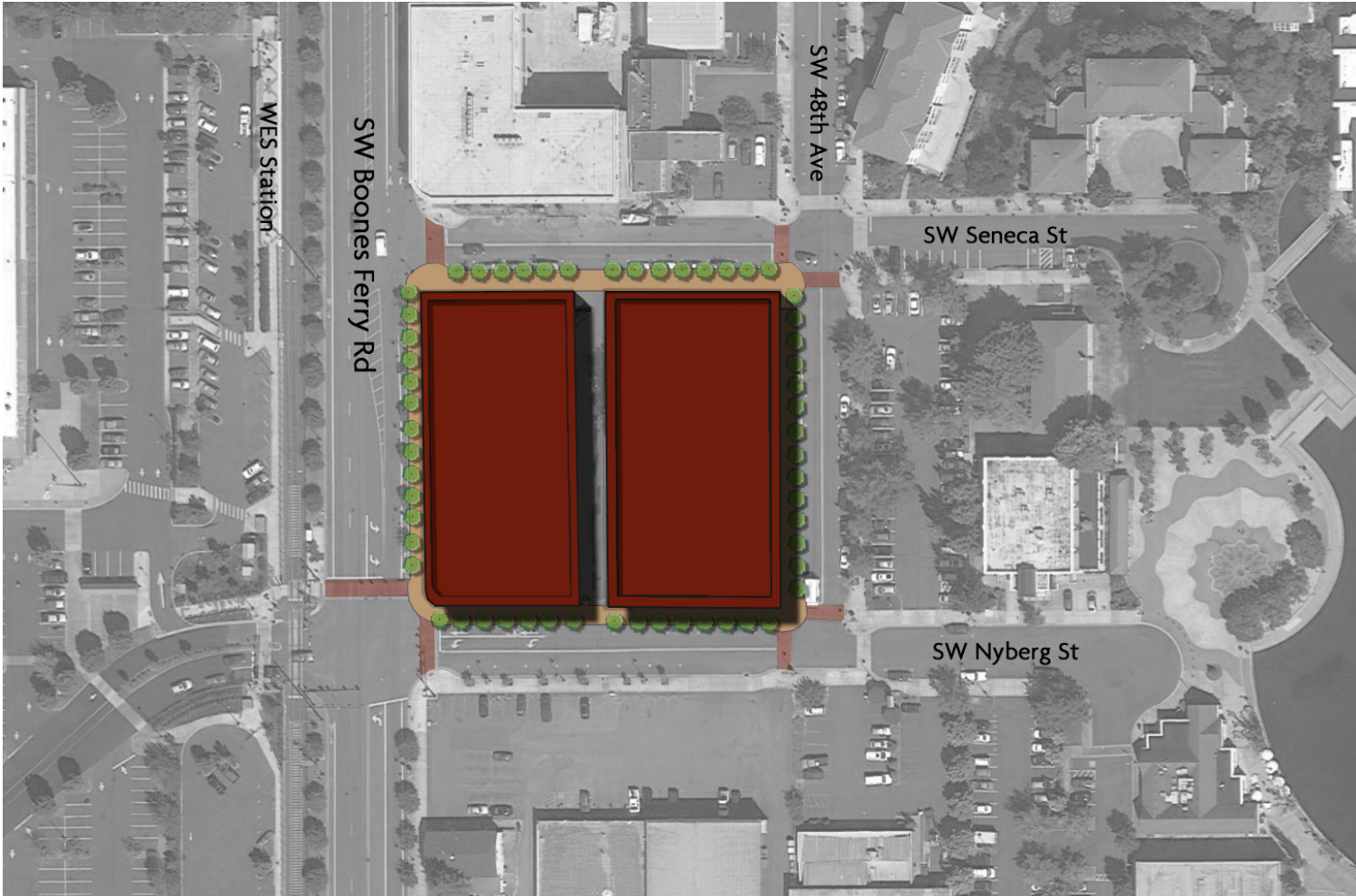
Site Plan A – One Building on Western Site

Draft Development Concepts



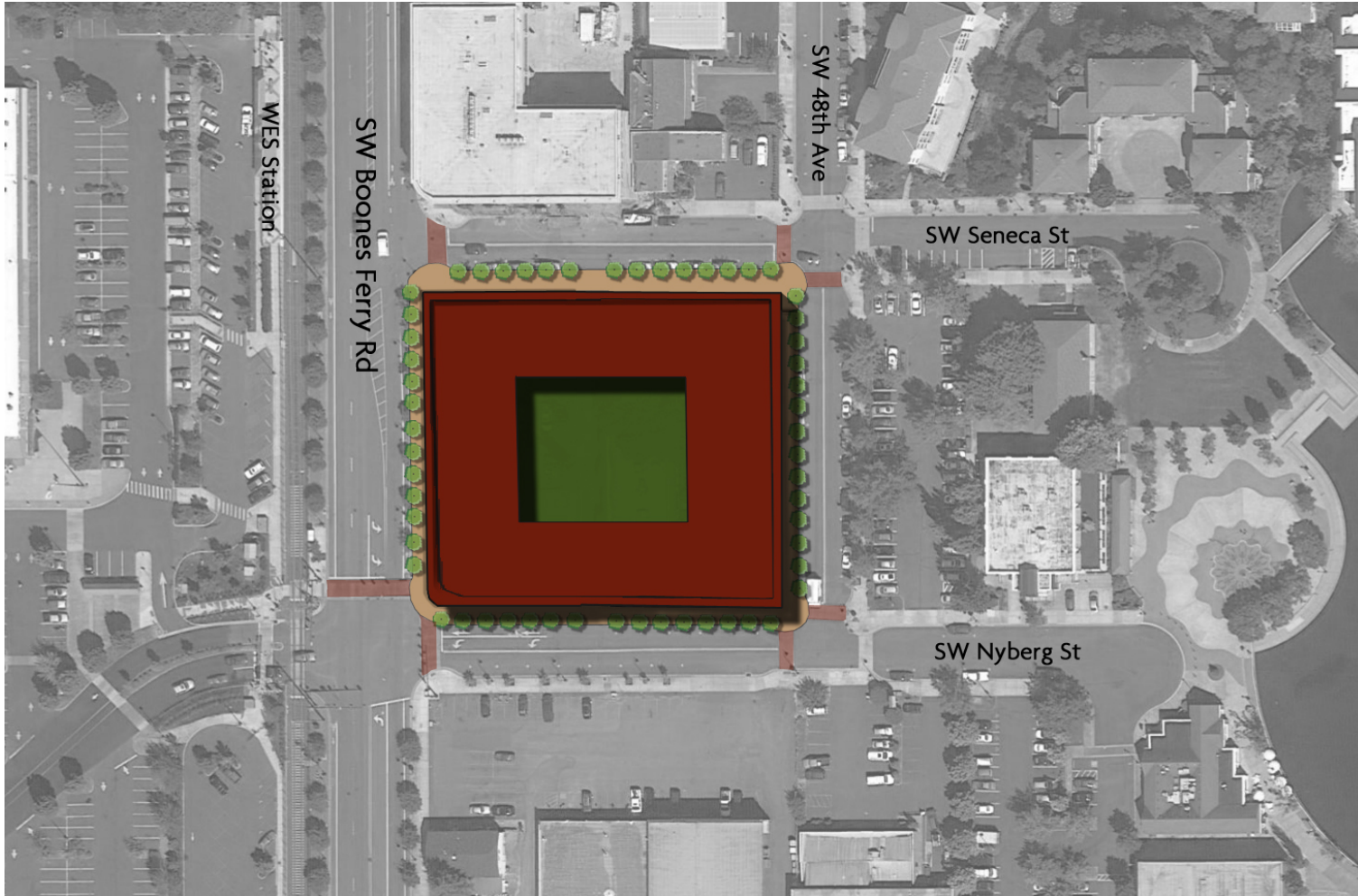
Site Plan B – Buildings on Both Sites

Draft Development Concepts



Site Plan C – One Larger Footprint Building

Draft Development Concepts



Site Plan B – Building Massing

Draft Development Concepts



Photos of Similar Developments

Draft Development Concepts



Visualizations for Final Concepts

Draft Development Concepts



View



Visualizations for Final Concepts

Draft Development Concepts



View



Visualizations for Final Concepts

Draft Development Concepts



View



Financial Pro Forma

Draft Development Concepts

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How Were the Top 3 Chosen?

Draft Development Concepts

- Kick-Off Event results
- Relevant SWOT findings
- Public workshop findings
- Property owner input
- PAC poster exercise
- Professional opinions of the consultant team

The top 3 concepts presented tonight did not incorporate all of the PAC recommendations.

Reasons for this include: Potential cost, property owner preference, etc.



Input from City Council

Draft Development Concepts

- Key factors:
 - The opinions of the general public
 - The recommendations of the PAC
 - The desires of the property owners

After understanding to the desires of the public, the committee and property owners, the next step is to test development feasibility using Envision Tomorrow.

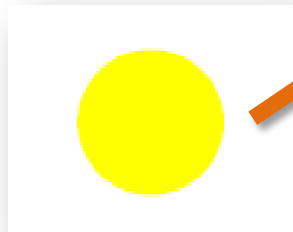


PAC Input - Poster and Sticker Exercise

Draft Development Concepts



Stickers for Voting:


- Format: Each member had 3 stickers for each site
- Directions: Place stickers on posters for uses and heights that you most want to see as draft development concepts



Place on the poster

Texaco

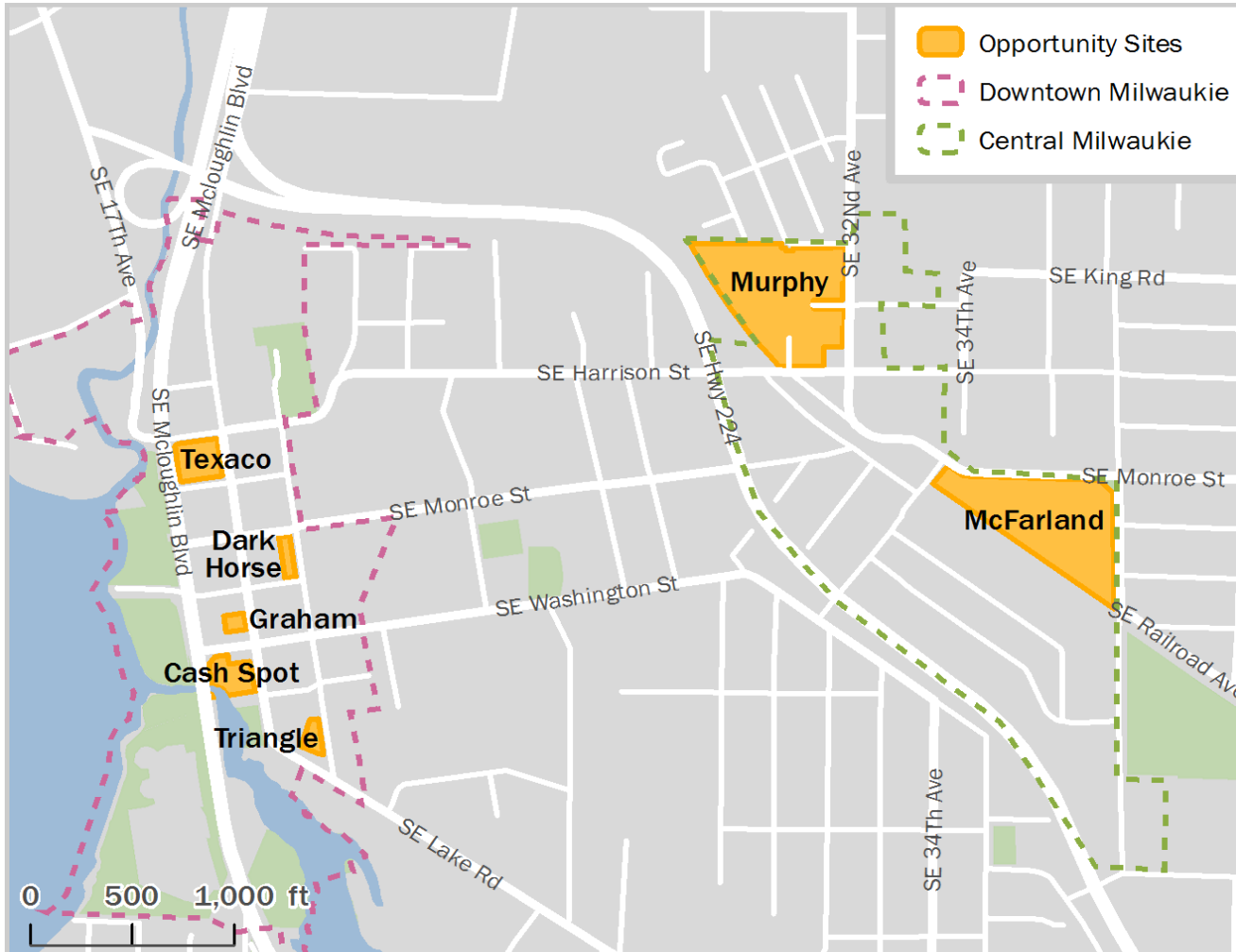


	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
MIXED USE							
Ground floor commercial, residential above							
Live/Work							
SINGLE USE							
Multifamily Residential							
Office							
Retail/Commercial							
Plaza							
Parking Garage							
OTHER 1							
OTHER 2							
OTHER 3							



Opportunity Sites Map

Draft Development Concepts



Murphy Site

Draft Development Concepts



Murphy Site

Draft Development Concepts

What we heard:

- Consensus:
 - Support for a wide-range of uses
- Lack of Consensus:
 - Specific location of different uses on the site
- Considerations:
 - Property owners are interested in a wide-range of development options, but want zoning to be flexible
 - Senior housing on Murphy Site could help hospital implement Providence Hospital's vision to become a "Center of Excellence for Senior Care"



Murphy Site

Draft Development Concepts

Top three options

- 4 stories – Mixed-use (residential, office, and commercial)
- 4 stories - Mixed-use (residential, commercial, and employment)
- *1-2 stories – Mixed-use (commercial and employment)*

Other options

- 3 stories - Indoor/outdoor sports and recreation complex
- *5 stories - mixed-use development (residential, office, and commercial)*
- *1-2 stories - mixed use development (employment and residential)*
- *3 stories - multifamily residential*
- *4 stories - office park*



McFarland Site

Draft Development Concepts

What we heard:

- Consensus:
 - Support for a wide-range of uses
- Lack of Consensus:
 - Specific location of different uses on the site
- Considerations:
 - Contamination issues on SE parcel preclude residential
 - Other uses may involve mitigation, but not to the same level as required for residential uses



McFarland Site

Draft Development Concepts

Top three options

- 1-5 story mixed-use (flex and residential)
 - One story - flex space
 - Five stories - multifamily residential
- 4 story mixed-use (recreation and residential)
- 5 story mixed-use (office and residential)

Other options

- *3 story mixed-use (residential and office)*
- *1-3 story mixed use (office and light industrial)*



Dark Horse Site

Draft Development Concepts



Dark Horse Site

Draft Development Concepts

What we heard:

- Consensus:
 - Building height for the site should be between 3 and 4 stories
 - Ground floor commercial is preferred
- Lack of Consensus:
 - How much of the entire block should redevelop
- Considerations:
 - Public workshops: ideal would be to redevelop entire block (or all Dark Horse parcels) as ground floor retail with a centralized office for Dark Horse on upper floors.
 - Property owner: redevelopment of larger Dark Horse Site would be disruptive and likely to be expensive.



Dark Horse Site

Draft Development Concepts

Top three options

- 4 stories – ground floor commercial, office above.
- 4 stories – ground floor commercial, residential above.
- *3 stories – live/work units*

Other options

- 3 stories – multifamily residential
- *4 stories – adaptive reuse and new construction*
- *5 stories – mixed-use new construction (ground floor structured parking/commercial, office)*
- *3 stories – adaptive reuse of Sully's building, live/work units on remainder of site.*



Graham Site

Draft Development Concepts



Graham Site

Draft Development Concepts

What we heard:

- Consensus:
 - Adaptive reuse is an obvious quick fix
 - Ground floor commercial is preferred
- Lack of Consensus:
 - What type of use should occupy the building
- Considerations:
 - PAC: Interest in more height and a rooftop restaurant



Graham Site

Draft Development Concepts

Top three options

- Two stories – adaptive reuse of (commercial use), adding an additional floor, and a rooftop patio/bar/restaurant as a top level.
- Three stories – new development, ground floor commercial with residential above.
- *One story – adaptive reuse of existing building for commercial use; utilize existing parking lot for the adjacent commercial use*

Other options

- Three stories – new development, ground floor commercial with office above.
- *One story – adaptive reuse of existing building for commercial use, and add a rooftop patio.*
- *Three stories – new development, top floor restaurant above two floors of office/commercial.*



Cash Spot Site

Draft Development Concepts



Cash Spot Site

Draft Development Concepts

What we heard:

- Consensus:
 - Views from site are an asset (at or above Main Street level)
 - “Gateway” for Milwaukie puts higher importance on building design
 - Ground floor commercial is preferred along the Main Street side
- Lack of Consensus:
 - Whether the site should include any “public” parking for Downtown
- Considerations:
 - Slope provides opportunity for structured parking
 - Auto access to the site is challenging
 - Environmental/flood plain overlays



Cash Spot Site

Draft Development Concepts

Top three options

- Three stories – ground floor commercial with office above and structured parking below.
- Four stories – ground floor commercial with residential above and structured parking below.
- *Three stories – half-block building fronting Main Street. Ground floor commercial with office above; “tuck under” parking below. Interim surface parking on McLoughlin frontage. No structured parking.*



Cash Spot Site

Draft Development Concepts

Other options

- *Two stories – ground floor commercial with restaurant/bar above, and structured parking below.*
- *Two – three stories - two separate buildings:
Building 1 (on McLoughlin Blvd): two stories – commercial.
Building 2 (on Main): three stories – commercial with office above. No structured parking. Tuck under parking, and surface parking between the two buildings.*
- *Four stories – ground floor commercial with office above and structured parking below.*
- *Three stories – ground floor commercial with residential above and structured parking below.*
- *Two stories – structured parking, with commercial on Main Street*



Triangle Site

Draft Development Concepts



Triangle Site

Draft Development Concepts

What we heard:

- Consensus:
 - The use(s) need to be “transit oriented”
- Lack of Consensus:
 - Food carts on the site
- Considerations:
 - Development should activate the station
 - SWOT: small building footprint and irregular shape of parcel makes development challenging
 - Opportunity for second level platform access



Triangle Site

Draft Development Concepts

Top three options

- Two stories – ground floor commercial, office above.
- Food cart pod (interim use)
- *Three stories – ground floor commercial, office above.*

Other options

- Two stories – commercial
- Public plaza
- *Three stories – ground floor commercial, residential or office above.*
- *Four stories – ground floor commercial, residential or office above.*
- *Five stories – ground floor commercial, residential or office above.*



Texaco Site

Draft Development Concepts



Texaco Site

Draft Development Concepts

What we heard:

- Consensus:
 - 3 to 4 stories
 - Mixed-use development with ground floor commercial
 - Public plaza on some or all of site
- Lack of Consensus:
 - Upper level residential or office
 - Private development of the site
- Considerations:
 - Metro purchased site specifically for a transit-oriented development (TOD)
 - Public ranked public plaza highly, but a plaza does not generate ridership or meet federal requirements
 - TOD-program eligibility will likely require minimum of 4-story building.
 - Past conversations with developers suggested higher achievable rents on 4th and 5th floors, due to better views of River.



Texaco Site

Draft Development Concepts

Top three options

- Metro half block: three stories – ground floor commercial, residential above.
Milwaukie half block: public plaza.
- Full block: four stories – ground floor commercial, residential above. U-shaped building with public plaza in the U.
- *Metro half block: three stories – ground floor commercial, office above.
Milwaukie half block: four stories – ground floor commercial, residential above.*

Other options

- Full block: public plaza
- *Full block: four stories – ground floor commercial, residential above.*
- *Full block: five stories – ground floor commercial, residential above.*
- *Metro half block: three stories – ground floor commercial, residential above.
Milwaukie half block: surface parking.*



Upcoming Project Tasks

Next Steps

- Development Concepts
 - Council provides direction on 3 draft concepts for testing
 - Build each concept in Envision Tomorrow
 - Financial pro formas
 - Development programs and massing illustrations
 - Developer Roundtable in January
 - Unveil draft concepts at public workshop in January
 - Refine concepts, select preferred concepts, and finalize
 - Present to Council



Thanks!

www.milwaukieoregon.gov/planning



The screenshot shows the Milwaukie Planning website. At the top, there is a search bar with the text "Find it here!" and a magnifying glass icon. Below the search bar is the Milwaukie logo, which features a stylized flower and the text "MILWAUKIE Dogwood City of the West". To the right of the logo is a navigation menu with the following items: "OUR COMMUNITY", "BUSINESS", "DEPARTMENTS", and "E-SERVICES". Below the navigation menu is a large banner image of white dogwood flowers. To the right of the banner is the text "Planning (Contact Us)". Below the banner is a horizontal menu with the following items: "Planning FAQs", "Overview", "Documents", "Projects", "Development Review", and "Forms, Applications, and Checklists". Below the horizontal menu is a breadcrumb trail: "Home » Departments » Planning Home". The main content area is divided into two columns. The left column is titled "Headlines" and features a headline "Moving Forward Milwaukie: Enhancing Our Commercial Districts" with a sub-headline "A healthy community needs thriving and vibrant commercial districts. Building on the insights of several past studies, *Moving Forward Milwaukie* will implement strategies that strengthen and revitalize Milwaukie's most important commercial hubs." and a "MORE" link. The right column is titled "Planning Home" and features a list of links: "Planning FAQs", "Overview", "Contact Us", "Helpful Links", "Planning Department hours Fall 2013", "Documents", "Planning Documents - Ordinances, Plans, and Guidelines", "Zoning Maps", "Milwaukie Municipal Code", "Projects", "Current Projects", "Moving Forward Milwaukie", "Downtown Milwaukie", "Central Milwaukie", "Neighborhood Main Streets", "Opportunity Site Planning", "Community Involvement", "Submit Comments", "Project Background", and "Transportation System Plan". At the bottom of the page, there is a "Key Topics" section with two items: "Moving Forward Milwaukie: Enhancing Our" and "Transportation System Plan 2013 Update".

Find it here!

MILWAUKIE
Dogwood City of the West

OUR COMMUNITY BUSINESS DEPARTMENTS E-SERVICES

Planning
(Contact Us)

Planning FAQs Overview Documents Projects Development Review Forms, Applications, and Checklists

Home » Departments » Planning Home

Headlines

Moving Forward Milwaukie: Enhancing Our Commercial Districts

A healthy community needs thriving and vibrant commercial districts. Building on the insights of several past studies, *Moving Forward Milwaukie* will implement strategies that strengthen and revitalize Milwaukie's most important commercial hubs.

MORE

Planning Home

- Planning FAQs
- Overview
 - Contact Us
 - Helpful Links
 - Planning Department hours Fall 2013
- Documents
 - Planning Documents - Ordinances, Plans, and Guidelines
 - Zoning Maps
 - Milwaukie Municipal Code
- Projects
 - Current Projects
 - Moving Forward Milwaukie
 - Downtown Milwaukie
 - Central Milwaukie
 - Neighborhood Main Streets
 - Opportunity Site Planning
 - Community Involvement
 - Submit Comments
 - Project Background
 - Transportation System Plan

Key Topics

Moving Forward Milwaukie: Enhancing Our

Transportation System Plan 2013 Update



“Back Pocket” Slides

- These will be used for explanation purposes if needed



Many Examples of Mixed Use in Town Square

Burien Town Square



Ashland Plaza



Burien, Washington Town Square

1 acre site



Burien, Washington Town Square

1 acre site



Burien, Washington Town Square

1 acre site



Burien, Washington Town Square

1 acre site



Burien, Washington Town Square

1 acre site



Public Plazas Planned for Downtown

- Riverfront Park
- South Downtown



Riverfront Park



RIVERFRONT PARK ON MILWAUKIE BAY



South Downtown Plaza



South Downtown Plaza





MILWAUKIE

Dogwood City of the West



Memorandum

To: City Council

From: Steve Butler, Community Development Director
Jason Rice, Engineering Director
Ryan Marquardt, Senior Planner
Tom Larsen, Building Official

CC: Bill Monahan, City Manager

Date: December 3, 2013

Re: Community Development Department Projects - City Council Update for 12/03/13 Work Session

Parks & Sustainability

- Neighborhood Park Completion
- Park District Cost Allocation
- City Swale/Median Maintenance Contracts
- Sustainability Plan
- Tree City USA
- Public/Government Access
- Milwaukie Riverfront Park

Engineering

- Quiet Zone Implementation
- Adams Street Connector
- 17th Avenue Bike/Ped. Path
- Clackamas County TSP Update
- ADA Ramp Grant – CDBG

Planning

- Annexations
- Land Use and Development Review
- Transportation System Plan Update
- Light Rail Permitting
- Zoning Code Enforcement
- Moving Forward Milwaukie: Enhancing Our Commercial Districts
- Code Amendments

Community Development

- Kellogg Ped/Bike Bridge
- ODOT TGM Grant—Monroe Street Neighborhood Greenway
- Adams Street Lanterns

Building

- Updates

Parks & Sustainability

Neighborhood Park Completion

- The draft RFP for selection of a landscape design/architecture firm to work on City's four remaining undeveloped parks (Balfour; Balfour; Bowman-Brae; and Wichita) was presented at the Nov. 26 Parks and Recreation Advisory Board (PARB) meeting.

Milwaukie Riverfront Park

- Staff is working towards finalizing the contract that was approved by Council during the November 19th Regular Session. Once signed, David Evans and Associates will begin to finalize the plan set with the aid of the various review agencies.
- Staff is also working to solidify three access easements needed in order to move forward with construction.
 - The first being with WES, which is currently being reviewed by the County,
 - The remaining two will be with North Clackamas Parks and Recreation for the crossing of the Trolley Trail at Washington and Jefferson Streets.
- Event at the Klein's home on Dec. 18
- Issue of retaining the existing Redwood tree; staff will be talking with Gill Williams about this issue.

Planning

Land Use and Development Review

- TriMet has submitted an application to adjust the property line on the station site to create a separate buildable lot. This process will allow the buildable area of the site to be separated from the light rail station and developed by another entity. The "triangle" site is also a MFM opportunity site. This application fulfills the 2008 IGA between TriMet and the City and is a condition of approval of the light rail station CSU.
- Notice to nearby properties was sent out for 2 land partition applications on Logus Rd last Tuesday. The comment period is open through December 10th. Staff anticipates issuing a notice of decision the 3rd week of December. Comments received after December 10th may still be considered if the notice has not yet been issued.
- The "Road Home" project at Milwaukie Christian Church submitted their land use application in late November. The application is currently in review and may be scheduled for a Planning Commission hearing as early as February 2014.

Transportation System Plan Update

- Council finalized adoption of the proposed TSP amendments at its meeting on November 19. As required, the Notice of Decision has been sent to those who participated in the hearings as well as to the Department of Land Conservation and Development (DLCD).
- Metro has advised the City that the newly adopted amendments are compliant with the Regional Transportation Plan, so the overall goal of the update project has been achieved.

Moving Forward Milwaukie: Enhancing Our Commercial Districts

- The MFM project team has prepared three draft development concepts for each of the seven opportunity sites, and will be presenting them to Council for discussion during the next agenda item.

Community Development

ODOT TGM Grant—Monroe Street Neighborhood Greenway

- An informational public meeting will be held on Wednesday, December 4, 2013 (tomorrow!) to discuss the Monroe Street Neighborhood Greenway project with interested parties and share the draft scope of work. The meeting will be held from 6:00 p.m. to 7:00 p.m. in the Community Meeting Room at the Public Safety Building (3200 SE Harrison St).
- At the Council worksession on January 7, 2014, staff will discuss the project scope that is currently being drafted by the City and ODOT. Staff will outline the general timeline and parameters for the project.

Engineering

Quiet Zone

- The project is substantially complete and punchlist items are being addressed.
- Staff has scheduled an on-site meeting with ODOT Rail on December 11th. The intent of this meeting is for ODOT inspect the Quiet Zone and to grant final approval. Once this step is complete, a letter will be sent from ODOT to FRA stating that this area has been approved for Quiet Zone and FRA will then need to notify Union Pacific Railroad.

Adams Street Connector

- Some questions have been asked about this project's design (which is now at the 100% construction drawing stage) with respect to its future use for a potentially relocated Farmers' Market site.
- Staff would suggest that a discussion be held with CMI and some of the South Downtown Concept Plan participants about this issue, with the outcome of that discussion coming back to the Council in January.

Clackamas County TSP

- On December 4th at 9:30am, the Clackamas County Board of Commissioners will conduct its first of two Public Hearings to discuss the adoption of the County's newly revised Transportation System Plan. Jason will attend along with Councilor Gamba in order to publicly support the Planning Commissions language changes to the Linwood/Harmony Overpass Project.
- As a reminder the language now says,
 - "Railroad crossing and intersection improvements based on further study of intersection operations including bikeways and pedestrian facilities to be undertaken joint by the City of Milwaukie and the County."



MILWAUKIE CITY COUNCIL WORK SESSION

City Hall Conference Room
10722 SE Main Street
www.milwaukieoregon.gov

AGENDA DECEMBER 3, 2013

A light dinner will be served.

Page #

- | | | | | |
|----|-----------|--|---------------------------------|---|
| 1. | 5:00 p.m. | City Manager's Report | Bill Monahan | |
| 2. | 5:30 p.m. | Moving Forward Milwaukie:
Development Concepts – Tools and
Assumptions | Li Alligood and
ECONorthwest | 1 |
| 3. | 6:45 p.m. | Adjourn Work Session | | |

Information

Executive Session: The City Council may meet in executive session pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

Public Notice

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the one previous to it.
- The Council requests that mobile devices be set on silent or turned off during the meeting.
- The City of Milwaukie is committed to providing equal access to information and public meetings per the Americans with Disabilities Act. For special accommodations, please call 503-786-7502 or email ocr@milwaukieoregon.gov at least 48 hours prior to the meeting.



**MILWAUKIE CITY COUNCIL
AGENDA ITEM SUMMARY**

Agenda Item: **WS 2.**

Meeting Date: **12/3/13**

**Title: Moving Forward Milwaukie: Enhancing Our
Commercial Districts
Development concepts – Tools and Assumptions**

Prepared By: Li Alligood, Associate Planner
Ryan Marquardt, Senior Planner

Department Approval: Steve Butler, Community Development Director &
Interim Planning Director

City Manager Approval: Bill Monahan

Approval Date: November 20, 2013

ISSUES BEFORE COUNCIL

Consideration of development concepts for the opportunity sites in the Moving Forward Milwaukie: Enhancing Our Commercial Districts project.

STAFF RECOMMENDATION

N/A, this is a worksession briefing.

KEY FACTS & INFORMATION SUMMARY

The project team has been engaging the community to determine its vision for development of the seven opportunity sites identified as part of the Moving Forward Milwaukie project. Staff is seeking Council consideration and direction regarding the final draft development concepts for each site.

OTHER ALTERNATIVES CONSIDERED

N/A

CITY COUNCIL GOALS

2013 Goal #9

FISCAL NOTES

No additional fiscal impacts. This is part of the Moving Forward Milwaukie project. Funding for the project is provided by a Metro Construction Excise Tax grant, with local matching in the form of staff time and \$30,000 from the general fund.

ATTACHMENTS

1. Envision Tomorrow overview
2. Construction Cost Matrix
3. Draft SWOT Analysis
4. Summary of PAC Exercise/Results
5. Description of Draft Development Concepts



MILWAUKIE CITY COUNCIL STAFF REPORT

To: Mayor and City Council

Through: Bill Monahan, City Manager

Subject: **Moving Forward Milwaukie: Enhancing Our
Commercial Districts
Development concepts – Tools and Assumptions**

From: Steve Butler, Community Development Director &
Interim Planning Director
Li Alligood, Associate Planner
Ryan Marquardt, Senior Planner

Date: November 26, 2013, for December 3, 2013,
Worksession

ACTION REQUESTED

None. This is a briefing on the development concepts for the opportunity sites. Staff requests Council's direction regarding which draft development concepts will receive further evaluation through the Moving Forward Milwaukie project, as well as direction regarding the financial analysis of each concept

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

November 5, 2013: Council was briefed on the Market Study for the Moving Forward Milwaukie project, which contains data about the market and demographic conditions affecting development in Milwaukie.

August 16, 2013: Council adopted a resolution for the City to sign a personal services agreement with ECONorthwest/Fregonese Associates to be project consultants and begin work on the Moving Forward Milwaukie project (previously the CCEP) (Res. 53-2013).

May 7, 2013: Council approved an intergovernmental agreement (IGA) with Metro to accept Construction Excise Tax (CET) grant funds for the Commercial Core Enhancement Program (CCEP), and authorized the Council President to sign the agreement on behalf of the Mayor (Res. 36-2013). The IGA was executed on May 21, 2013.

February 26, 2013: Council directed staff to proceed with final preparation of a detailed scope of work for the CCEP and preparation of an IGA between the City and Metro for grant funding.

August 2012 - February 2013: Planning Commission and Council reviewed amendments to the downtown zones and public area requirements, and directed staff to conduct a more thorough review of the downtown development, use, and design standards.

January 20, 2010: Council directed staff to request grant funds from Metro's Construction Excise Tax planning grant program to support planning efforts in downtown and Central Milwaukie (Res. 06-2010).

BACKGROUND

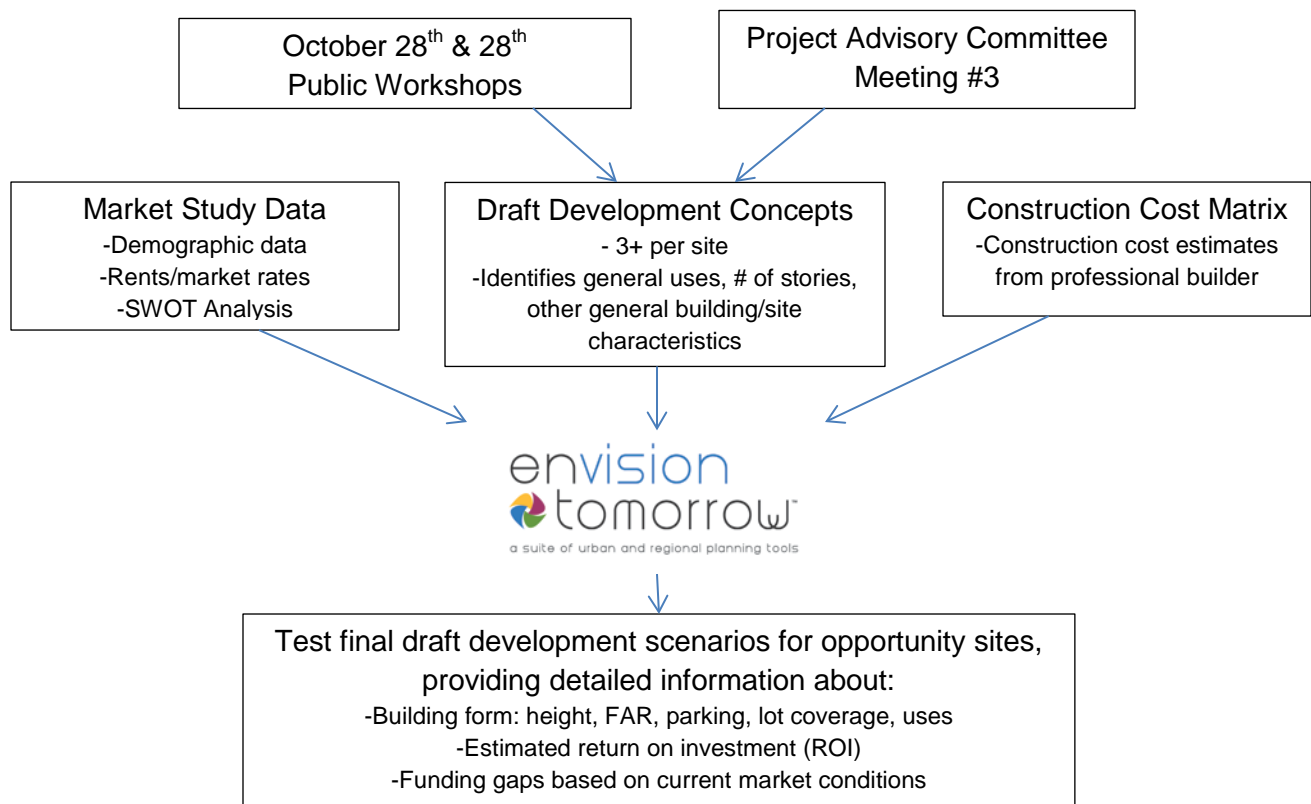
The Moving Forward Milwaukie (MFM) project is focused on bringing new activity to Milwaukie's commercial districts: downtown, central Milwaukie, and the neighborhood main streets of 32nd & 42nd Avenues. The major phases of the project are:

- Market Study;
- Opportunity Site Development Concepts;
- Downtown and Central Milwaukie Action & Implementation Plan;
- Downtown Plan and Code Amendments;
- Central Milwaukie Land Use & Transportation Plan; and,
- Central Milwaukie and Neighborhood Main Streets Plan and Code Amendments

Opportunity Site Concepts

This briefing is focused on the draft Opportunity Site Development Concepts. There are seven opportunity sites in the MFM project, known as the Texaco Site, Cash Spot Site, Dark Horse Site, Graham Building, Triangle Site, Murphy Site, and McFarland Site. Ultimately, the project consultants will create three development concepts for each site and analyze the financial feasibility of each concept. This analysis will inform the Action and Implementation Plan and identify the financial tools and actions the City may need to consider to realize development on the opportunity sites.

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



The Envision Tomorrow tool is an analysis tool developed by Fregonese Associates for testing the physical and financial feasibility of development. It allows examination of the current development market and considers the impact of on-site parking, minimum and maximum height requirements, construction costs, rents, and subsidies. The construction costs that are input into Envision Tomorrow are based on a construction cost matrix. This matrix is based on current construction costs for various construction types and finishes, and is prepared by a commercial developer. The project consultant will explain the Envision Tomorrow tool and the Construction Cost Matrix in more detail. Additional information on these resources is in Attachments 1 and 2.

The project consultant has completed a Market Study,¹ which includes an analysis of the strengths; weaknesses; opportunities; and threats (SWOT) of each opportunity site. The SWOT analysis outlines considerations for development of each site, including: physical qualities; transportation access; market value; zoning; ownership structure; and preparation requirements. Along with the market data, demographic data, and community input, the SWOT analysis will assist in the formation of the final development concepts. The draft SWOT analysis is included as Attachment 3.

Draft Development Concepts

The project team is requesting direction from Council regarding the following questions:

1. Does Council concur with the draft development concepts that have been put forth through this public involvement process, or are there modifications to these concepts, alternative concepts to be tested, or concepts that should be removed from consideration?
2. Some of the draft concepts supported by the community, such as public plazas and a structured parking garage, are likely to incur significant public costs and, in some cases, realize minimal tax or other revenue for the City. Should the project team advance community-supported draft development concepts that will require significant public investment?

There has been a great deal of energy and thought from the public, the Project Advisory Committee (PAC), and the project team to create a list of draft development concepts for each opportunity site. Creating these ideas was the major focus of the public workshops on October 28th and 29th for the downtown opportunity sites and central Milwaukie opportunity sites, respectively. The PAC focused much of their November 18th meeting on discussing and prioritizing the development concepts to be tested for each site. A summary of the PAC activity from that meeting is included as Attachment 4.

Much of the worksession discussion will focus on the draft development concepts, and direction regarding the final three concepts to be further evaluated for each site through the Envision Tomorrow tool. Attachment 5 contains a list of these draft development concepts. The list for each site includes the project team's proposal of the three concepts to test, and a list of other concepts for Council consideration. The concepts in bold font represent the top three choices of the PAC.

¹ Council reviewed the draft Market Study at its November 5, 2013, worksession.

During the worksession, project staff will discuss and explain the rationale for the proposed development concepts to be tested. The project team is presenting this array of options to allow Council to have a robust discussion of the development options that the public and PAC have considered. The presentation of these options and direction from Council at this worksession is intended to ensure that the top three development options are decided upon through an open and transparent selection process.

This is an important step in the MFM project in that it narrows the list of concepts for each site that will be further evaluated for financial feasibility and presented to the public at a workshop in January 2014.

Feasibility of Draft Development Concepts

The next step in the refinement of the draft development concepts is examining the financial feasibility of each through financial pro forma analysis and the Envision Tomorrow tool. A major goal of the MFM project is to encourage commercial development and explore what the City may need to do to realize (and/or support) commercial development. The expected benefits of encouraging this commercial development are building the City's tax base, making Milwaukie's commercial areas more active and attractive to residents and visitors, and encouraging commercial growth in areas that are accessible by a variety of transportation modes.

The project team will have preliminary information at the worksession about the financial feasibility of the concepts listed in Exhibit 5. The project team expects that most projects on the list will show that some amount of public investment is needed to make them financially feasible. Consideration of public financing will be part of future discussions about these development concepts, and is scheduled to be the main point of discussion for the MFM City Council Study Session in February 2014.

Based on the discussion at this worksession, the project team will be finalizing development concepts for presentation to the public in early January 2014. The project team would like to receive Council's perspective about presenting development concepts that require substantial public investment, and if Council is comfortable with the project team modifying the concepts that are publically presented to decrease the amount of public investment required.

CONCURRENCE

The MFM Project Advisory Committee has evaluated the draft concepts shown in bold in Attachment 5 and indicated their support for further evaluating these concepts.

FISCAL IMPACTS

No additional fiscal impacts. This is part of the Moving Forward Milwaukie project. Funding for the project is provided by a Metro Construction Excise Tax grant, with local matching in the form of staff time and \$30,000 from the general fund.

WORK LOAD IMPACTS

This is part of the Moving Forward Milwaukie project, which has been included in the Planning Department work plan through December 2014.

ALTERNATIVES

N/A

ATTACHMENTS

1. Envision Tomorrow overview
2. Construction Cost Matrix
3. Draft SWOT Analysis
4. Summary of PAC Exercise/Results
5. Description of Draft Development Concepts

Envision Tomorrow

Envision Tomorrow puts powerful tools in planners' hands to design and test land use and transportation decisions. The Envision Tomorrow GIS-based software package can help your city or region examine possibilities at a range of scales. Whether considering how to maximize growth around transit or identify development and redevelopment priorities, Envision Tomorrow provides planners with an easy-to-use, analytical decision making tool.

These tools have been used by municipalities, regional governments, and private organizations to test and refine transportation plans, produce small-area concept plans, and build scenarios. In an era when many municipalities are exploring carbon footprinting, the software can also provide baseline carbon emissions analysis of different land use patterns.

Prototype Builder / ROI Model

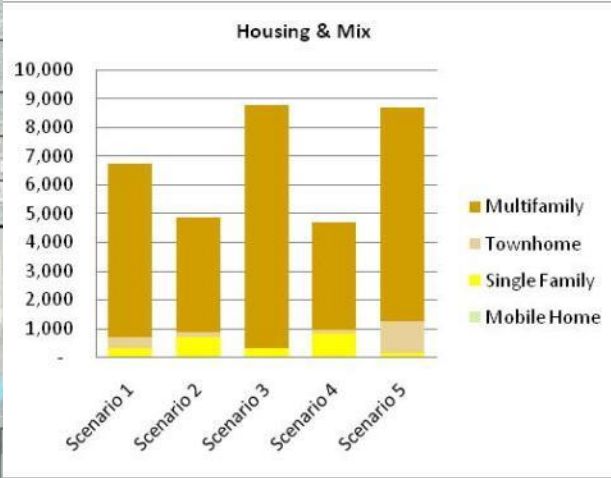
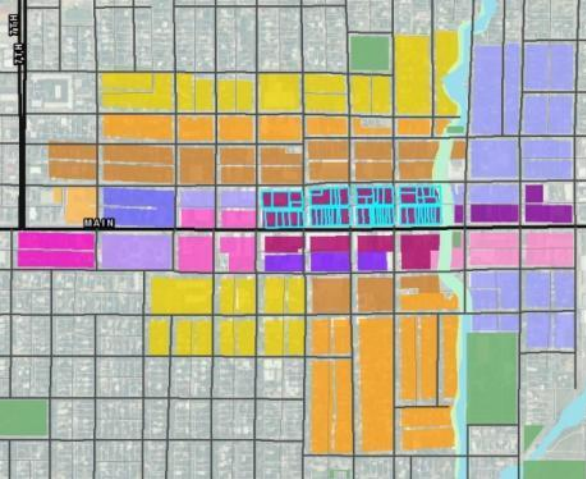
Prototype Builder tests the physical and financial feasibility of development. The tool allows you to examine land use regulations in relation to the current development market and consider the impact of parking, height requirements, construction costs, rents and subsidies. You can use this tool to see what "pencils." For example, you can assess how preferred forms of development, such as mixed-use retail with housing above, might become more financially feasible within your existing code.

Scenario Builder

Scenario Builder adds scenario-building functionality to ArcGIS. First you design prototypical buildings in Prototype Builder. Next you use Scenario Builder to "paint the landscape" by allocating different building types across your study area to create a land use scenario. Build as many scenarios as you would like and test them against each other. The tool allows real-time evaluation of each scenario's impact on land use, housing, sustainability, transportation, and economic conditions.

Who is using Envision Tomorrow?

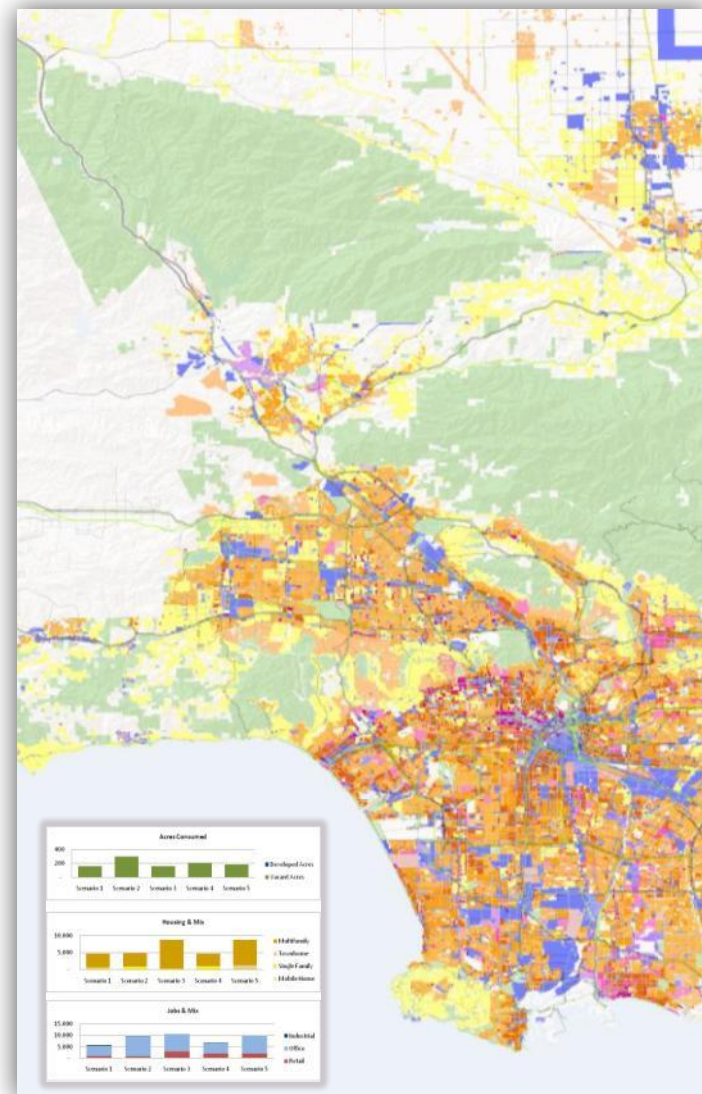
Cities and regions all over the United States use Envision Tomorrow. Regions including Chicago use the tool to conduct housing studies; Baton Rouge is analyzing future growth scenarios, while the Southern California Association of Governments in California is examining the potential for emissions reduction through pursuing different land use policies. In Portland, the regional government, Metro, is refining their ability to test land use and transportation policies through scenario planning. Smaller cities like Waco, Texas and Mountlake Terrace, Washington have found Envision Tomorrow to be a valuable addition to their planning toolbox.



Scenario Planning with Envision Tomorrow

What is Envision Tomorrow?

- Suite of open source planning tools:
 - Prototype Builder
 - Return on Investment (ROI) model
 - Scenario Builder
 - Extension for ArcGIS
 - 20+ modules or “apps” funded by HUD Sustainable Communities Grants



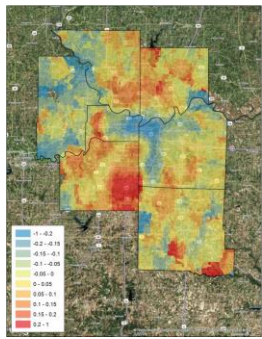
Why Use Scenario Planning?

- Weigh choices against consequences
- Test policy options quickly
- Prepare for uncertainty
- Develop strategies to optimize outcomes



WS10

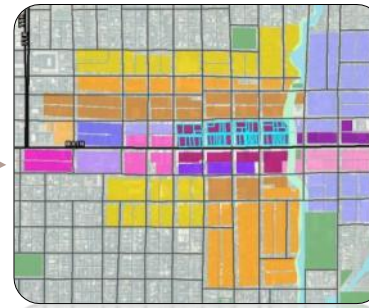
Scenario Building Process



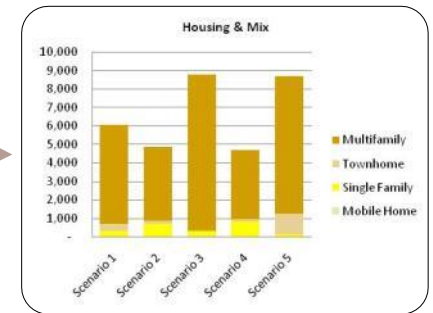
**Baseline
Analysis**



**Create Building &
Development
Types**



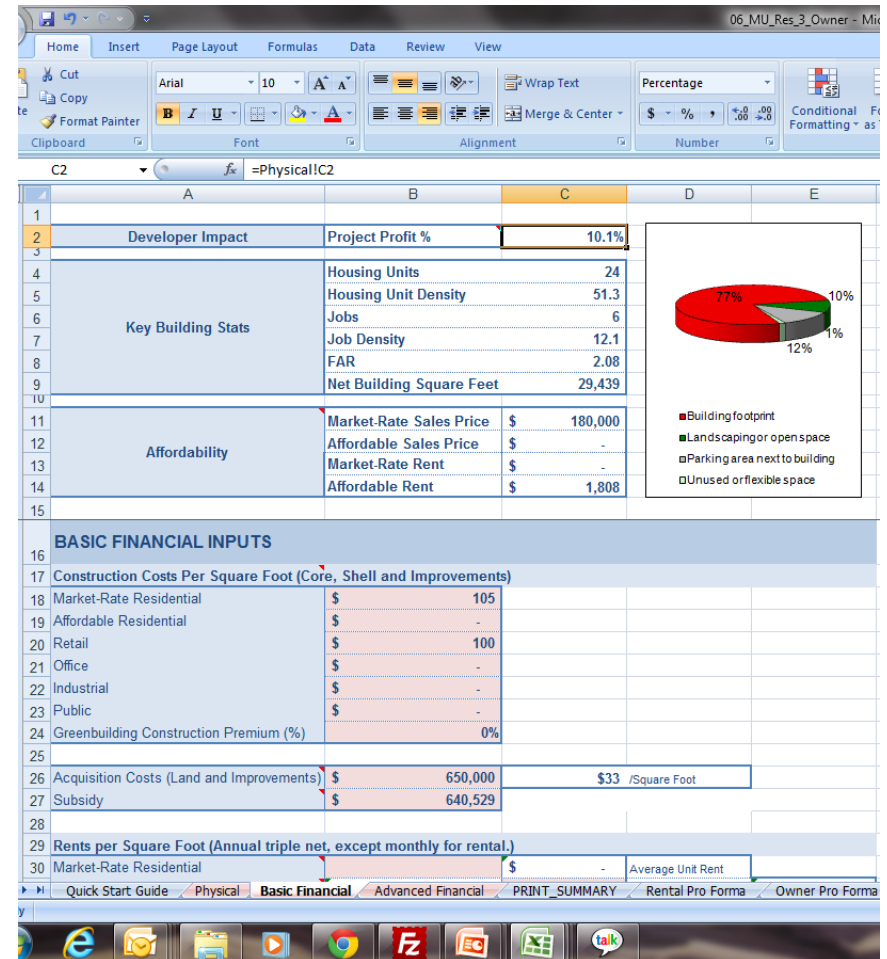
**Scenario
Development**



Evaluation

Building-Level Financial Analysis

- Envision Tomorrow Prototype Builder
- Estimate ROI (Return on Investment) based on local costs and rents/sales prices
- Gap Financing Tools



Planners Step into Developer's Shoes

<u>PD-29: 50 Foot Zone Requirements</u>	<u>Baseline</u>	<u>Optimal</u>
Height	50 Ft (~4 stories)	75 Ft (~6 stories)
Residential Parking / Unit	2 spaces	1.5 spaces
Retail Parking / 1000 Sq Ft	5 spaces	2 spaces

Baseline

4 story Mixed Use
Existing parking

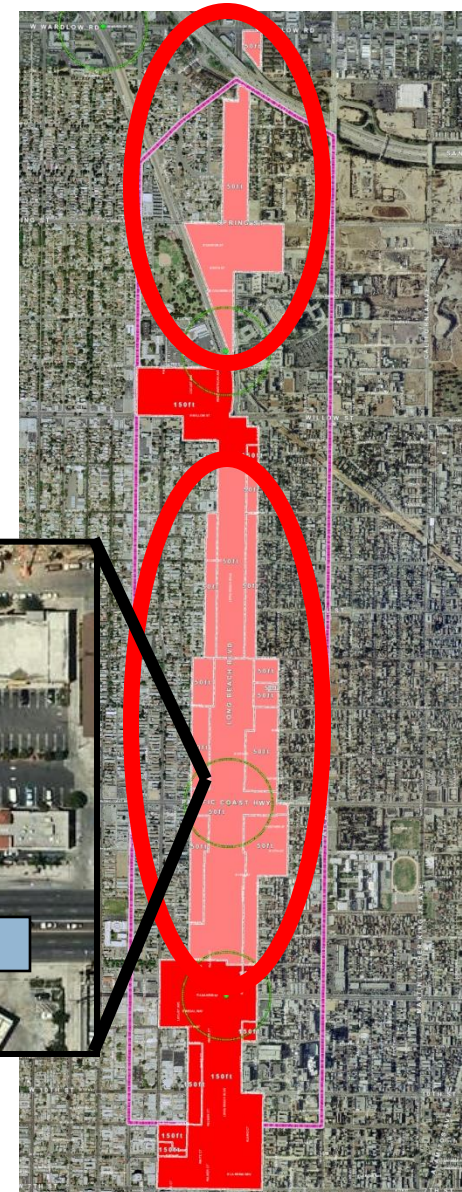


Optimal

6 story Mixed Use
Lower parking requirements



Test Site: 50 ft Zone



WS13

Test Financial Performance of Zoning Alternatives

Baseline

4 story Mixed Use with existing parking



Optimal

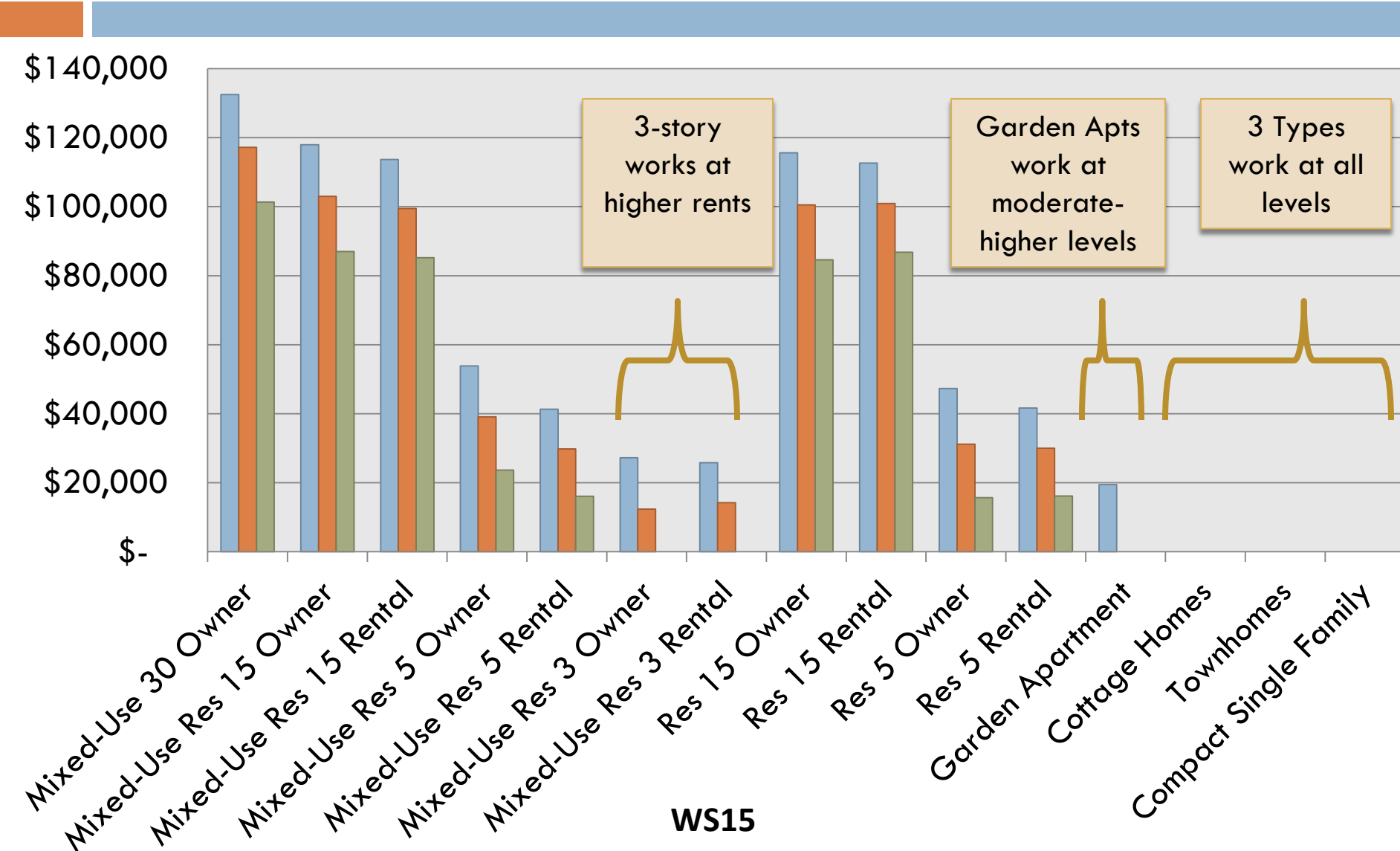
6 story Mixed Use with lower parking requirements



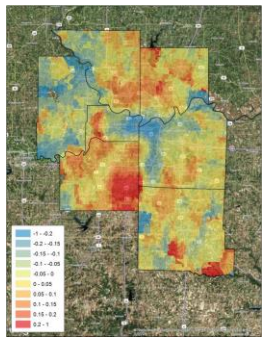
Baseline		Optimal	Change
Height	4 Stories	6 Stories	+2
Parking Spaces	127	115	-10%
Land Used	43,000 Square Ft	43,000 Square Ft	0%
Density	31 DU / Acre	63 DU / Acre	+103%
Floor Area Ratio	1.1	2.0	+79%
Project Value	\$17.3 Million	\$23.5 Million	+35%
Unit Cost	\$519,272	\$369,590	-29%

What's Feasible Today?

- **\$1.10** Rent or **\$180** Sales Price / sq ft
- **\$1.21** Rent or **\$198** Sales Price / sq ft
- **\$1.32** Rent or **\$217** Sales Price / sq ft



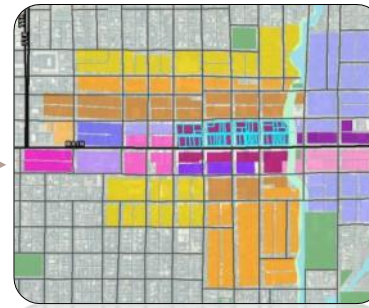
Scenario Building Process



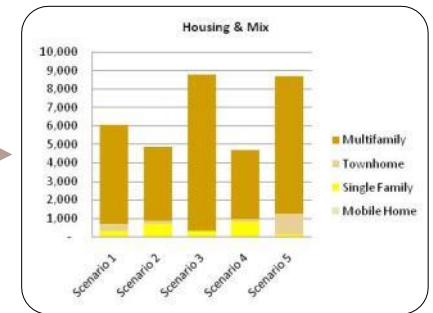
Baseline Analysis



Create Building & Development Types



Scenario Development



Evaluation

2

Create Prototype Buildings

Why start with buildings?

□ Easily modeled & lots of existing data

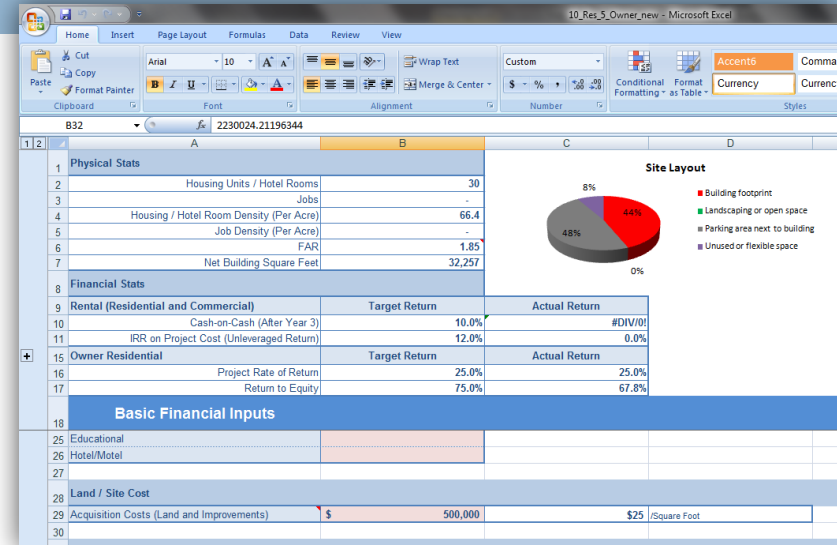
- Density and Design
- Rents and Sales Prices
- Costs and Affordability
- Energy and Water Use
- Fiscal Impacts

□ Physical Form

- Height
- Unit sizes
- Parking configurations

□ Financial Reality

- Rents / sales prices
- Construction costs
- Land costs

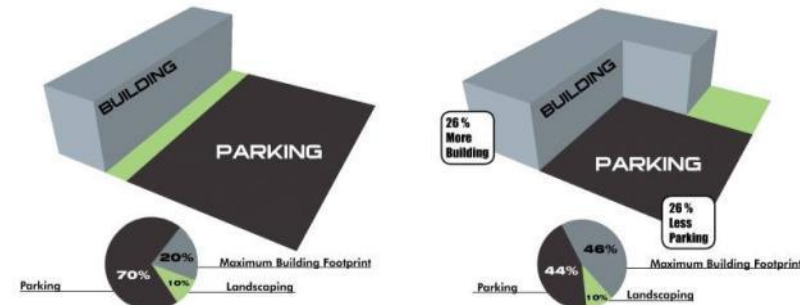
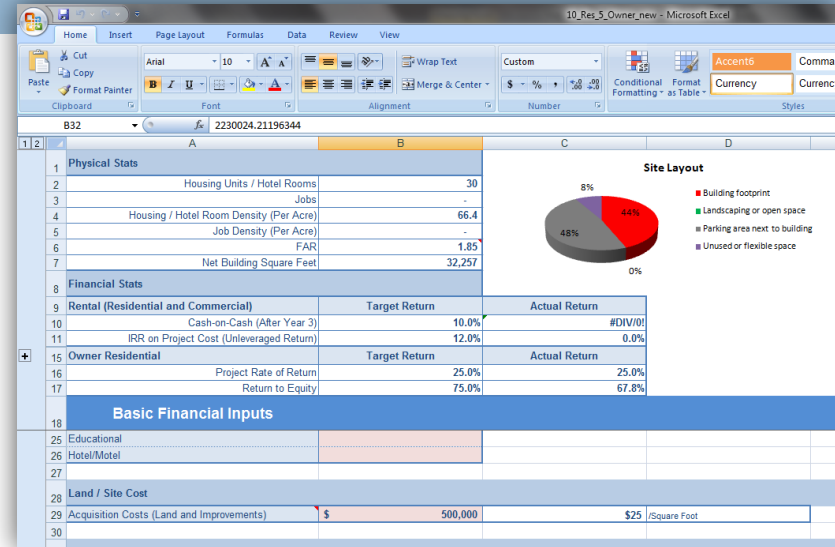


Feasible?



Prototype Builder (ROI Model): Quick Building Modeler: Physical & Financial

- Powerful as standalone tool or integrated with Scenario Builder
- Test existing regulations for financial feasibility
- Test impact of new development regulations
- Experiment with sensitivity of key variables



Building Prototypes Use Real World Examples



Dorchester, MA 18.4 units / acre



context



neighborhood



plan



street pattern



Phoenix, AZ 31.5 units / acre



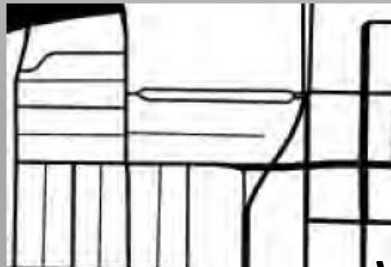
context



neighborhood



plan



street pattern



Boston, MA 52.9 units / acre



context



neighborhood



plan



street pattern



San Francisco, CA 222.0 units / acre



context



neighborhood



plan



street pattern

RIVERSCAPE TOWNHOMES PORTLAND (WATERFRONT)

- **3 Stories**
- **40 units / acre**
- **Avg Unit Size:
2,000 sq ft**



Townhome



6 units

Lot size: ½ acre

Average unit size:
2,000 sf

Parking: 2
spaces/unit

Prototypes Based on Market Research: Allows for “Reality-based Visualizations”



*Use Prototypes for Reality-based
Visualizations and 3D Modeling*



WS22



Moving Forward Milwaukee
Construction Cost Matrix
 Conceptual Draft - Internal Use Only
 11/15/2013

	Low Range	Medium	High Range	Comments
Type 1 Construction Steel - Office Shell Light Industrial Flex - Shell	\$100/SF \$70/SF	\$125/SF \$85/SF	\$150/SF \$100/SF	Shell Building, No Buildout, No Height Limit Concrete Tilt-up, No Buildout, No Height limit
Type 3 Construction - Residential Wood Frame Modified Steel - Load Bearing Metal Stud	\$120/SF \$130/SF	\$150/SF \$162.50/SF	\$180/SF \$195/SF	Concrete Podium (1-2 Floors) with 4-5 Levels Wood Concrete Podium (1-2 Floors) with 4-10 Levels LBMS
Type 5 Construction - Residential Wrap Product - Wood Frame Apartment Podium Product - Wood Frame Apartment Add for Condo Level Finish	\$90/SF \$115/SF \$50/SF	\$120/SF \$142.50/SF \$62.50/SF	\$150/SF \$170/SF \$75/SF	Interior Finish included in cost per SF, Max of 5 levels Interior Finish included in cost per SF, Max of 5 levels Higher level finishes, fixtures, appliances, etc.
Parking Structures Standalone Decks Wrap Structures Podium Structures Subterranean Structures	\$45/SF \$45/SF \$65/SF \$95/SF	\$60/SF \$60/SF \$82.50/SF \$122.50/SF	\$75/SF \$75/SF \$100/SF \$150/SF	325 SF - 400 SF / Stall 1-4 Levels Below Grade
Building Skins Curtain Wall Masonry/Brick/Metal Stucco Window Wall	\$65/FSF \$35/FSF \$30/FSF \$45/FSF	\$82.50/FSF \$37.50/FSF \$37.50/FSF \$55/FSF	\$100/FSF \$55/FSF \$45/FSF \$65/FSF	FSF = Façade Square Foot or SF of Material Contact Area
Product Types Office - TI Medical Office - TI Retail - TI	\$75/SF \$95/SF \$30/SF	\$137.50/SF \$197.50/SF \$65/SF	\$200/SF \$300/SF \$100/SF	Low = Std. Office, High = Law Office Low = Office, Medium = Exam, High = Imaging Low = Open Retail, High = Small Food Service
Sitework Grading Landscape Hardscape Paving	\$0.25/SF \$2/SF \$5/SF \$2/SF	\$.63/SF \$6/SF \$17.50/SF \$3/SF	\$1/SF \$10/SF \$30/SF \$4/SF	Low = Bark and shrubs, High = Turf and Trees Low = Sidewalks, High = Paver patios and retaining walls Low = 3" sections, High = 6" sections
Demolition Building 1-2 Story Building 3-6 Story	\$3/SF \$5/SF	\$4/SF \$7.50/SF	\$5/SF \$10/SF	Excludes handling any hazardous materials

Moving Forward Milwaukie: SWOT Analysis

November 21, 2013

Prepared for:
City of Milwaukie

Draft Report

1 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.

2 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, and 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.

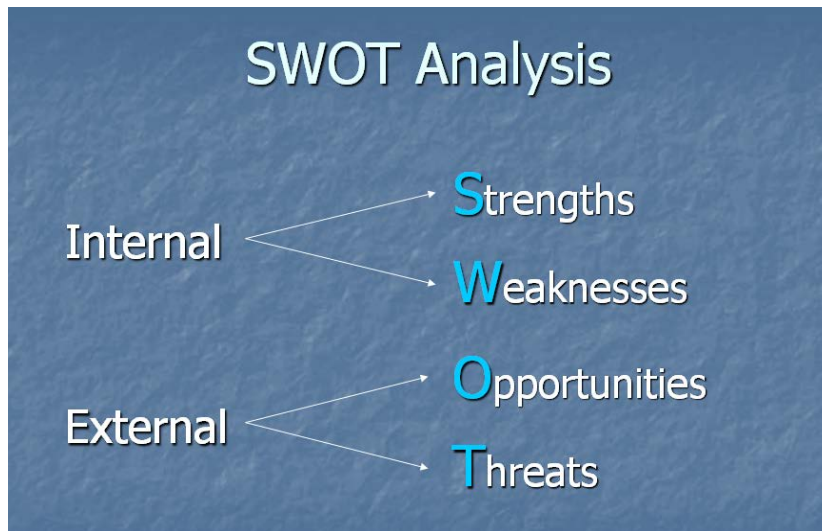
Threats

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.

2.1 Internal and External Influences

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 on the following forms:

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

2.2 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

2.3 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
- 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
- Department of Environmental Quality Database

3 Downtown and Central Milwaukie | Planning Context

3.1 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 local, 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,

¹ Milwaukie was originally designated as a Regional Center, but the designation was revised to Town Center in 1999. References within the Comprehensive Plan have been updated, but the document title and content has not.

including Downtown and Central Milwaukie. The TCMP established 6 subareas and included specific approaches to each.

3.1.1 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 Subarea 1 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 with 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.

3.1.2 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 the Providence site) 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.

The TCMP includes site-specific schematic plans identifying desired development and use types on both sites. The Murphy site falls within Subarea 2 of the TCMP, and the McFarland site within Subarea 4. For Subarea 2, the TCMP indicates an emphasis on employment, capitalizing on proximity to Providence Hospital, and encourages a mix of uses with minimal setbacks. This schematic plan assumes the location of a light rail station on the western edge of the property. The TCMP describes favorable uses for the McFarland site as medium-to-high residential with a small amount of commercial, with an emphasis on pedestrian connections.

- The current discretionary design review process is difficult to interpret and apply. Existing review 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.

3.3 Transportation Access

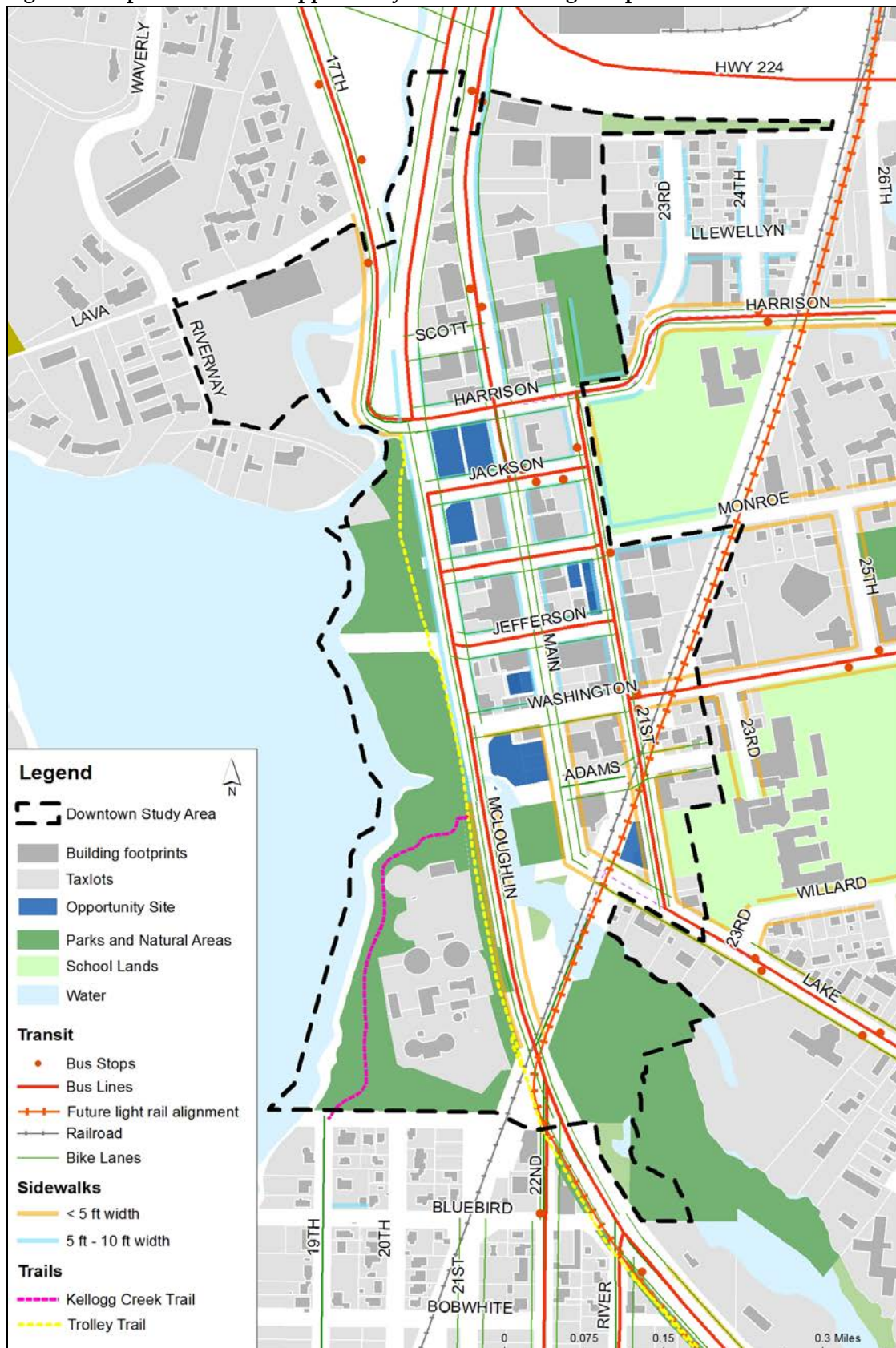
The City's TSP identifies existing issues with the transportation network (transit, auto, bicycle, and pedestrian) that could impact the development opportunity sites in Central Milwaukie and downtown. These issues are summarized below.

3.3.1 Transportation Access in Downtown Milwaukie

Downtown Milwaukie benefits from a traditional modern street grid and vehicular access to regional routes such as Hwy 99E (McLoughlin Blvd) and Highway 224; access to high quality frequent transit service; and 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.



McLoughlin Blvd presents a major barrier for pedestrian access to the waterfront, but many completed and planned projects will improve access to the riverfront. The McLoughlin Blvd improvements, including widening, sidewalks, and landscaping were completed in 2007. Two key projects underway will improve pedestrian access to Downtown Milwaukie: the Kellogg Lake bike/ped 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 this is true from a traffic modeling standpoint, 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. While it is important to consider the potential outcomes from a traffic 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.

3.3.2 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, which puts limitations on access points 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. The 75, which is a frequent bus, passes through the area, and the 29 and 30 buses are within a half mile of each site. The opportunity sites are also less than a mile from the future light rail stop in downtown and bus shelter area on Jackson St between 21st and Main St, which is served by 10 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.



3.4 Conclusions

The City of Milwaukie has made progress toward 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 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 is opportunity, 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. 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 to McLoughlin Blvd and Hwy 224. Ensuring that the major thoroughfares are still functional will be of paramount importance as the City grows, but multi modal strategies and land use strategies that provide goods and services within close distance from residents will help reduce overall trip length, and can help to reduce congestion and demand on the road network.

4 Opportunity Site 1 – Texaco Site



4.1 Overview of site characteristics

4.1.1 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.

4.1.2 Market value

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

West: \$389,436

East: \$286,568

Total: \$676,004

4.1.3 Zoning

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

- Lots fronting onto Main Street have further development and use controls than those on McLoughlin Blvd
 - Minimum building height: 35 ft for Main Street fronting lot; 25 ft for McLoughlin
 - Buildings facing Main Street must include 75% of its square footage as retail or restaurant uses fronting lot
 - Personal/business services are allowed on up to 25% of the ground floor of buildings fronting onto Main Street in this zone
 - Office uses are not permitted on the ground floor of buildings fronting Main St
- Maximum building height: MU Office with ground floor retail/restaurant = 3 floors / 45 ft; MU Office Residential is 4 floors or 55 ft (Note: Residential is included on 1 floor or 25% of the gross floor area).
 - 4th floor height bonus is contingent on the inclusion of residential uses.
- Off-street parking is not required in the DS zone
- Parking facilities are allowed by right on Main Street without restrictions

4.1.4 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 for the disposition of the site calling for a 4-5 story development (the Town Center project). That project is no longer active.⁴ Future development on the site would likely be subject to the same requirement.

4.1.5 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.

⁴ The IGA between the City of Milwaukie and Metro expired in August 2010.

4.2 SWOT Analysis

4.2.1 Strengths

- Access to the riverfront both from physically (across the street) and visually.
- High visibility - serves as a gateway into downtown Milwaukie.
- The site is just under an acre at 41,280 square feet, which could support development potential for larger scaled project.
- The site is not in the flood plain and it is level.
- The site is centrally located in Downtown Milwaukie, with frontage on both McLoughlin Blvd and Main St and 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.
- Access to auto, future light rail station, and current frequent bus service. Bike/ped connections (Trolley Trail and 17th Avenue connection) are strong here.

4.2.2 Weaknesses

- Existing trees on the site are highly valued by the community. A development of the site would likely mean the trees would be removed.
- 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 and the status of the Harrison St/McLoughlin Blvd intersection. Access will be limited to SE Jackson Street only.
- Due to previous use as a Gas Station the ground floor is not suitable for residential development, but the site can be developed with residential on the 2nd story with a separate HVAC system. If the project did go subgrade for parking it would increase development costs significantly.

4.2.3 Opportunities

- Potential multi story residential development could attract higher rents due to the view shed of the river.
- 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 residential and 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 public private partnership that provides a community benefit could include a land value write down and other incentives making this site extremely attractive for a shorter term development opportunity.
- 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 enhance outsiders' view of the City.

4.2.4 Threats

- The site currently serves as the site for the Milwaukie Farmers market. The market and its location are very important to the residents of Milwaukie, and development on the site means the market would have to relocate.
- There is lack of community consensus about maximum building heights on the site.
- Current code requirements are prescriptive and preventative and as a result difficult for the development community to navigate.
- 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.

4.3 SWOT Conclusions

4.3.1 S-O | W-O strategies

- Encourage active ground floor uses, and leverages potential for increasing visual access to the river will help create a more market feasible development.
- 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 – on the potential real returns of a City and potentially a joint City and Metro investment on this site and how it could help move the market forward in Downtown Milwaukie.
- Encourage design of new buildings that support walkability and conversion to restaurant and retail uses as the market emerges.
- Find resources to help incentivize restaurants and other desirable private amenities.
- Market the site, and Downtown Milwaukie to prospective developers and desired tenants.

4.3.2 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 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.

5 Opportunity Site 2: Dark Horse



5.1 Overview of site characteristics

5.1.1 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 avenue, including two corners, giving the site high level of visibility. The site is level and includes three existing buildings.

5.1.2 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

5.1.3 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 floors / 45 ft; MU Office with ground floor retail/restaurant = 3 floors / 45 ft; MU Office Residential is 4 floors or 55 ft (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.

5.1.4 Ownership

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

5.1.5 Preparation requirements

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

5.2 SWOT Analysis

5.2.1 Strengths

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

5.2.2 Weaknesses

- Narrow site limits development potential, particularly if it includes onsite parking.
- Hard to provide on-site parking due to site configuration and access.
- Perception that the lumber yard would impact desirability for residential development.

5.2.3 Opportunities

- This site is small and it would make a good retail location with residential development on the upper stories and tuck under parking.
- For office tenants: Chase and Key Bank right across the street.
- 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

5.2.4 Threats

- Potential noise from heavy freight and light rail which approximately 300 ft from the site.
- Parking access easement across the property for adjacent building at 2025 SE Jefferson St. There is uncertainty as to where the access easement is.

5.3 SWOT Conclusions

5.3.1 S-O | W-O strategies

- Encourage multi story development with retail uses on the ground floor, particularly at the 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.

5.3.2 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.

DRAFT

6 Opportunity Site 3: Cash Spot



6.1 Overview of site characteristics

6.1.1 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.

6.1.2 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

6.1.3 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 is within the Willamette Greenway Overlay
 - Prohibits building heights that exceed 35 ft.
- Maximum building height: 5 stories or 65 ft for Main Street 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.
- Off-street parking is required.
- FAR is limited to 0.5-3 in the DO zone.

6.1.4 Ownership

The site is owned by the City of Milwaukie.

6.1.5 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.

6.2 SWOT Analysis

6.2.1 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

6.2.2 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

6.2.3 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 Plaza.
- Good restaurant and fabulous view potential for the “ground” floor above the parking garage.
- Potential for multi-story uses (office and/or retail) in Downtown Milwaukie
- 400 feet from future light rail station

6.2.4 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
- Concern about private owner on corner of property. Ideally, would want to develop the entire property, but not impossible.
- Lack of community consensus about maximum heights in South Downtown
- Vehicular access from Main St could damage the streetscape

6.3 SWOT Conclusions

6.3.1 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 ripen to support additional development.
- Leverage site proximity to the transit station, Kellogg Creek, Riverfront Park, McLoughlin Blvd, and Main St. Project could enhance connections between Downtown to the Riverfront and provide a functional connection to the transit system and bike network.

6.3.2 S-T | W-T strategies

- Develop an access plan for the site for auto access. This will help guide any future development of the site.
- 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 such as services or office.
- If project is phased and surface parked, ensure landscaping standards enhance pedestrian environment and create an attractive entryway into the city.

7 Opportunity Site 4: Triangle Site



7.1 Overview of site characteristics

7.1.1 Physical qualities

The Triangle Site is located at 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, which is currently under construction.

7.1.2 Market value

According to the Clackamas County Assessor, the 2012 Real Market Value of the Triangle Site is \$50,977. The 2013 assessment is expected to be higher once the property line is adjusted to reflect the actual buildable area.

⁵ The current area is 6,932 square feet; the final lot configuration will include a buildable area of approximately 8,500 square feet.

7.1.3 Zoning

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

- Minimum building height: 25 ft
- Maximum building height: 5 stories or 65 ft. There is no option for added height due to 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

7.1.4 Ownership

The site is owned by TriMet.

7.1.5 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.

7.2 SWOT Analysis

7.2.1 Strengths

- Adjacent to 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

7.2.2 Weaknesses

- Small developable area
- Oddly shaped
- 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

7.2.3 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

7.2.4 Threats

- Transit users might loiter and bring an undesirable element and safety concerns
- Limited residential within walking distance may make retail uses less viable
- Off-street parking requirements must be addressed to maximize development of the site

7.3 SWOT Conclusions

7.3.1 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 on the site.

7.3.2 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.

8 Opportunity Site 5: Graham Site



8.1 Overview of site characteristics

8.1.1 Physical qualities

The Graham Site is located at 11049 SE Main Street. The site occupies 0.19 acres (626 square feet) and falls 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.

8.1.2 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

8.1.3 Zoning

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

8.1.4 Ownership/financing

The site is privately owned by Paul and Teri Graham.

8.1.5 Preparation requirements

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

8.2 SWOT Analysis

8.2.1 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
- No environmental remediation needed

8.2.2 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

8.2.3 Opportunities

- Rehab existing building
- Adaptive reuse of parking lot

8.2.4 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.

8.3 SWOT Conclusions

8.3.1 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.

8.3.2 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.

9 Opportunity Site 6: Murphy Site



9.1 Overview of site characteristics

9.1.1 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 Highway 224 with limited (right in/right out) vehicle access on Harrison St and full access from Llewellyn St and Meek St. 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, Clackamas County Housing Authority property, is located of the north of the site.

9.1.2 Market value

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

9.1.3 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.

9.1.4 Ownership

The site is owned by the Murphy family.

9.1.5 Preparation requirements

A former brownfield, the site requires no further action for industrial 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.

9.2 SWOT Analysis

9.2.1 Strengths

- Close to Providence Hospital
- Flat
- 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)
- Bike lanes planned for Harrison St.
- Four adjacent bus lines with nearby stops

9.2.2 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

9.2.3 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

9.2.4 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 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 here
- 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

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 designed to fit within the existing community.
- Enhance multi modal access (pedestrian, bike, transit) between neighboring residential areas, Providence Hospital, and downtown.
- 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. Encourage the development of a micro medical district.

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 Highway 224.
- Phase development on the site over time.

10 Opportunity Site 7: McFarland Site



10.1 Overview of site characteristics

10.1.1 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.

10.1.2 Market value

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

10.1.3 Zoning

The site is zoned Residential-Office-Commercial (ROC) with a Mixed Use overlay (MU). 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

10.1.4 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.

10.1.5 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.

10.2 SWOT Analysis

10.2.1 Strengths

- Large
- Centrally located
- Flat
- 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

10.2.2 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, access the site from 224, so you wouldn't be able to bring in heavy trucks.
- Uninviting backend of Milwaukie Marketplace
- Development on the site could require substantial transportation infrastructure improvements to address auto traffic.

10.2.3 Opportunities

- Site size and 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

10.2.4 Threats

- Current minimum FAR requirement could limit parking necessary for industrial use

10.3 SWOT Conclusions

10.3.1 S-O | W-O strategies

- Develop a master plan for the entire site that supports a range of uses and 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.

10.3.2 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 Highway 224.
- Encourage landscaping standards on commercial buildings that front residential development.

DATE: November 25, 2013

ECO Project #: 21485

TO: Li Alligood

FROM: Nick Popenuk

SUBJECT: MOVING FORWARD MILWAUKIE PROJECT ADVISORY COMMITTEE – SUMMARY OF OPPORTUNITY SITE DEVELOPMENT CONCEPT “POSTER EXERCISE”

The Project Advisory Committee (PAC) is composed of eighteen volunteer representatives from key stakeholder groups for the Moving Forward Milwaukie project. Members include representatives from the Milwaukie City Council, Planning Commission, Design and Landmarks Committee, South Downtown Concept Steering Committee, each Neighborhood District Association (NDA), and property owners and business owners within the project areas.. The purpose of the PAC is to advise the consultant team and City staff on key deliverables for the Moving Forward Milwaukie project. The PAC has met three times to date , and is scheduled to meet four more times over the course of the project.

Although there are many potential concepts that could be developed on each of the seven Milwaukie opportunity sites, the scope of work for the project limits the analysis to only three draft concepts for each site. At the November 18, 2013, PAC meeting, the PAC provided input on the potential development concepts that they would like to see included as “draft development concepts” for further analysis. A “poster exercise” was used to solicit their input.

The project team prepared seven large posters (one for each opportunity site). Each poster included an aerial photo and street view photos of the site, and a matrix with potential building uses and maximum building heights. PAC members were given three stickers for each poster, and were instructed to place those stickers on the matrix in the boxes that represented the best development options for each site, specifically use and maximum building height (for example, multifamily residential with maximum height of three stories). In the case of the Texaco Site, which is composed of two tax lots owned by two separate entities, PAC members were given two colors of stickers (orange and black) to place on each half of the site.

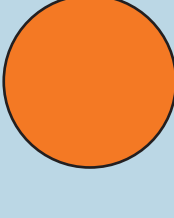
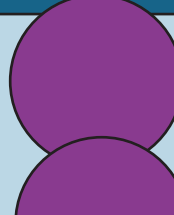
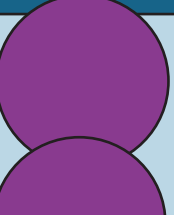
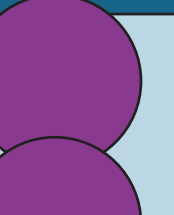
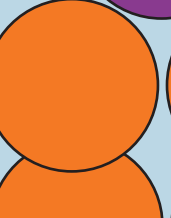
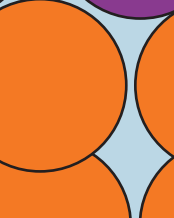

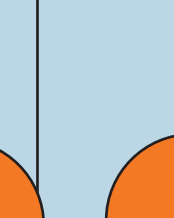
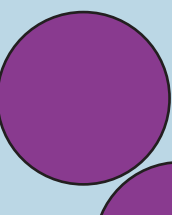
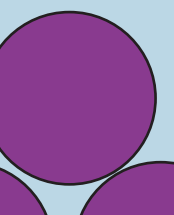
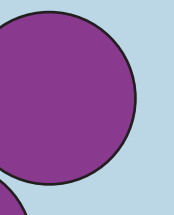
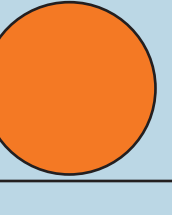
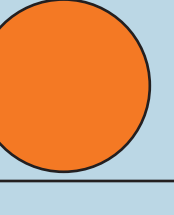
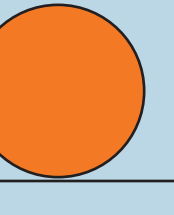
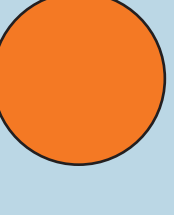
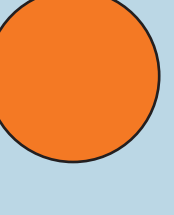
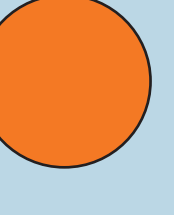
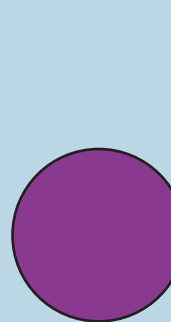
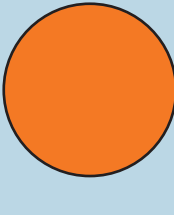
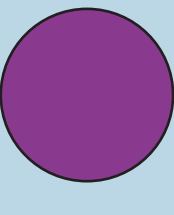
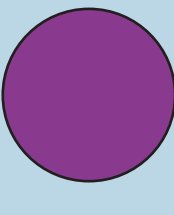
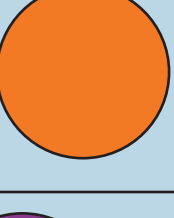
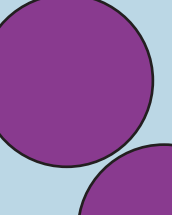
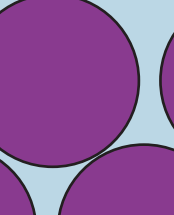

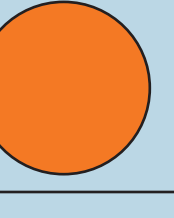
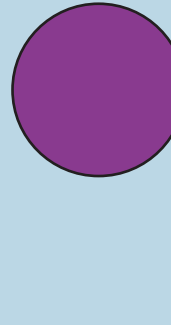
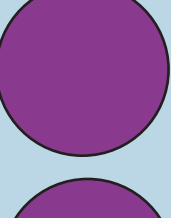
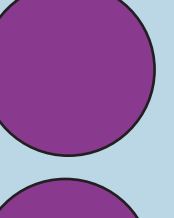
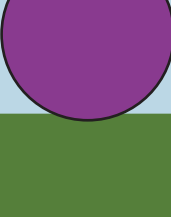
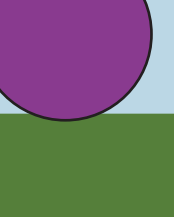
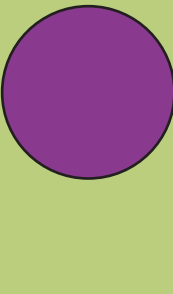






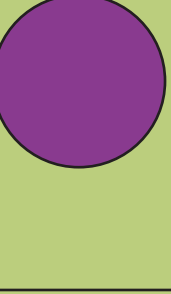
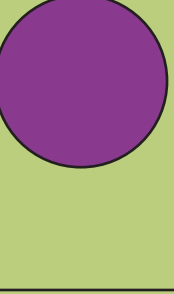

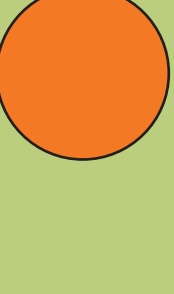




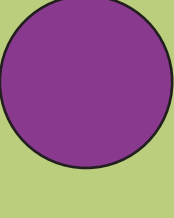

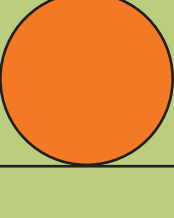
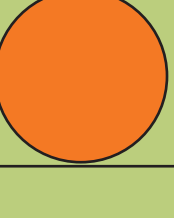
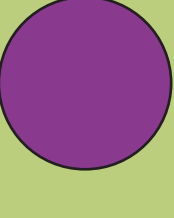
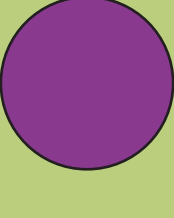
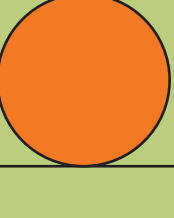

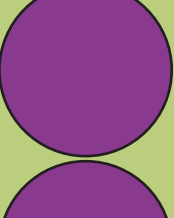
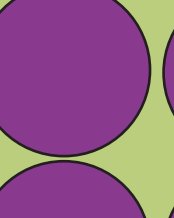






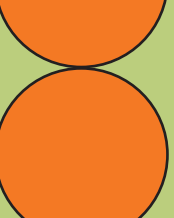


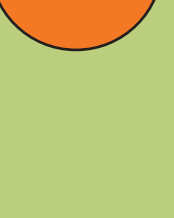
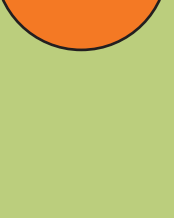

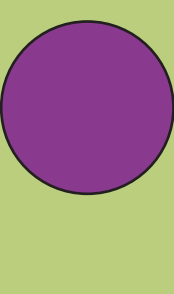
PAC members were allowed to put all three stickers in one box, or in multiple boxes. PAC members were encouraged to discuss their choices with others, and could write in additional site uses on the posters for consideration (“Other”). PAC members were instructed not to worry about how parking could be accommodated on the sites (that will be a task for the consultant team as the draft concepts are refined). After 20 minutes, the group had finished placing their stickers on the posters and the group reconvened to discuss the results. Attached are the results of the PAC poster exercise.

ATTACHMENTS

1. PAC Meeting #3 Poster Exercise Results



- East half of site
- West half of site

	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
MIXED USE							
Ground floor commercial, residential above			      	     	  		
Ground floor commercial, office above			  	   			
Live/Work			   				
SINGLE USE							
Multifamily Residential					  		
Office			  	 			
Retail/Commercial		  	    	   			
Plaza	             						
Parking Garage							

Dark Horse



	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
MIXED USE							
Ground floor commercial, residential above							
Ground floor commercial, office above							
Live/Work							
SINGLE USE							
Multifamily Residential							
Office							
Retail/Commercial							
Parking Garage							
OTHER 1							
OTHER 2							
OTHER 3							

Cash Spot



	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
MIXED USE							
Ground floor commercial, residential above			<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>			
Ground floor commercial and office			<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div></div>			
Live/Work							
SINGLE USE							
Multifamily Residential							
Office			<div><div></div></div>	<div><div></div></div>			
Retail/ Commercial		<div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>				
Parking Garage	<div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>				
OTHER 1 Com/ Retail / Art / History/ Museum		<div><div></div><div></div></div>					
OTHER 2							
OTHER 3							

Triangle



	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
MIXED USE							
Ground floor commercial, residential above							
Ground floor commercial, office above							
Ground floor office, commercial above							
Live/work							
SINGLE USE							
Multifamily Residential							
Office							
Retail/Commercial							
Food Cart Pod							
OTHER 1 Plaza							
OTHER 2 Post office							
OTHER 3							

Graham



	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
ADAPTIVE REUSE							
Retail/ Commercial		<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>				
Live/Work			<div><div></div></div>	<div><div></div></div>			
Office							
NEW DEVELOPMENT							
MIXED USE							
Ground floor commercial, residential above			<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>			
Ground floor commercial, office above			<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div></div>			
Live/Work			<div><div></div></div>				
SINGLE USE							
Multifamily Residential							
Office							
Retail/ Commercial				<div><div></div></div>			
OTHER 1							
OTHER 2							

Murphy



	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
FLEX SPACE / EMPLOYMENT		●					
RESIDENTIAL		●					
CENTER OF EXCELLENCE FOR SENIOR CARE <ul style="list-style-type: none">• Senior Housing• Medical Office Space• Small Retail/Commercial• Parks (Buffer for Railroad)			●	●●● ●●● ●●● ●●	●● ●●	●●● ●●	
MIXED-USE <ul style="list-style-type: none">• Flex Space (Buffer for Railroad)• Residential• Residential Above Commercial• Parks			●●● ●●	●●● ●●● ●●	●● ●●		
OTHER 1 Rec + Ent. District (Chelsea Piers, NYC)			●●● ●●●	●●●			
OTHER 2							
OTHER 3							

McFarland



	MAXIMUM FLOORS						
	1	2	3	4	5	6	7+
FLEX SPACE / EMPLOYMENT				<div></div> <div></div>	<div></div>		
RESIDENTIAL					<div></div> <div></div>		
MIXED-USE WITH OFFICE <ul style="list-style-type: none">Office (Buffer for Railroad)ResidentialResidential Above CommercialParks			<div></div>	<div></div> <div></div> <div></div> <div></div>	<div></div> <div></div> <div></div> <div></div>		
MIXED-USE WITH FLEX <ul style="list-style-type: none">Flex Space (Buffer for Railroad)ResidentialResidential Above CommercialParks				<div></div> <div></div> <div></div> <div></div>	<div></div> <div></div> <div></div> <div></div>		
OTHER 1 Mixed use Res./Com. + Museum (art + history)				<div></div> <div></div>	<div></div>		
OTHER 2 Sports/rec center			<div></div>	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div>			
OTHER 3							

DATE: November 25, 2013
TO: Milwaukie City Council
FROM: ECONorthwest

ECO Project #: 21485

SUBJECT: **MOVING FORWARD MIWALUKIE – POTENTIAL DEVELOPMENT CONCEPTS**

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

City staff and the consultant team have brainstormed numerous potential development concepts. The list of potential development concepts in this memorandum was developed based on conversations with property owners and key stakeholders, input received from several public workshops, recommendations from the Project Advisory Committee (PAC), and the professional opinions of City staff and the consultant team. Note that the options that most closely align with recommendations of the PAC are listed in bold.

City staff and the consultant team have identified their selections for the top three options for each site, but need direction from City Council to confirm or change the three draft development concepts that will be refined and presented at a January public workshop. Key factors to consider when deciding which potential development concepts to select as the draft development concepts include:

- The opinions of the general public.
- The opinions and recommendations of the PAC.
- The opinions of the property owners.

Texaco

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

Figure 1. Texaco site boundary options



Top three options

- **Metro half block:** three stories – ground floor commercial, residential above.
Milwaukee half block: public plaza.
- **Full block:** four stories – ground floor commercial, residential above. U-shaped building with public plaza in the U.
- **Metro half block:** three stories – ground floor commercial, office above.
Milwaukee half block: four stories – ground floor commercial, residential above.

Other options

- **Full block:** public plaza
- Full block: four stories – ground floor commercial, residential above.
- Full block: five stories – ground floor commercial, residential above. Metro half block: three stories – ground floor commercial, residential above.
Milwaukee half block: surface parking.

Dark Horse

The boundary of the Dark Horse Site has a few possible options. The official opportunity site boundary includes only the properties fronting SE 21st Ave (approximately the eastern 1/3 of the block).

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

are shown below in Figure 2. All development concepts for the Dark Horse Site assume boundary #1, unless otherwise stated.

Figure 2. Dark Horse Site boundary options



Source: ECONorthwest, 2013

Top three options

- **Four stories – ground floor commercial, office above.**
- **Four stories – ground floor commercial, residential above.**
- Three stories – live/work units

Other options

- **Three stories – multifamily residential**
- Four stories - include all Dark Horse properties on block (boundary #3). Adaptive reuse of ground floor of existing Dark Horse office, to convert to commercial uses. New building (on boundary #2) would be four stories, connecting to existing Dark Horse office. New building would be ground floor structured parking (partially wrapped with commercial), with three floors of office above.
- Five stories - include all Dark Horse properties on block (boundary #3). Demolish, and build new Dark Horse office space. Five stories – Ground floor structured parking wrapped by commercial, four floors of office above.
- Three stories - adaptive reuse of Sully's building. Three stories of live/work units on remainder of site.

Graham

Figure 3. Graham Site boundary



Top three options

- **Two stories – adaptive reuse of existing building for commercial use, adding an additional floor, and a rooftop patio/bar/restaurant as a top level.¹**
- **Three stories – new development, ground floor commercial with residential above.**
- One story – adaptive reuse of existing building for commercial use; utilize existing parking lot for the adjacent commercial use

Other options

- **Three stories – new development, ground floor commercial with office above.**
- One story – adaptive reuse of existing building for commercial use, and add a rooftop patio.
- Three stories – new development, top floor restaurant above two floors of office/commercial.

Cash Spot

For all Cash Spot development concepts, the number of stories refers to the building height at Main Street level, and ground floor refers to use on Main Street. Note that building heights may be restricted to 35 ft on the western half of the site due to the Willamette Greenway overlay on

¹ Note that additional analysis would be required to determine if this is structurally possible without being prohibitively costly.

that portion of the property. The site is comprised of four tax lots covering almost an entire block. The northeast corner of the site is privately-owned and is not included in the proposed concepts. The options below include half block and full block concepts.

Figure 4. Cash Spot image



Top three options

- **Three stories – ground floor commercial with office above and structured parking below.**
- **Four stories – ground floor commercial with residential above and structured parking below.**
- Three stories - half-block building fronting Main Street. Ground floor commercial with office above; “tuck under” parking below. Interim surface parking on McLoughlin frontage. No structured parking.

Other options

- Two stories – ground floor commercial with restaurant/bar above, and structured parking below.
- Two – three stories - two separate buildings: Building 1 (on McLoughlin Blvd): two stories – commercial. Building 2 (on Main): three stories – commercial with office above. No structured parking. Tuck under parking, and surface parking between the two buildings.
- Four stories – ground floor commercial with office above and structured parking below.
- Three stories – ground floor commercial with residential above and structured parking below.
- Two stories – structured parking, with commercial on Main Street

- Two stories – standalone structured parking

Triangle

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

Figure 5. Triangle Site boundary



Top three options

- **Two stories – ground floor commercial, office above.**
- **Food cart pod**
- Three stories – ground floor commercial, office above.

Other options

- **Two stories – commercial**
- **Public plaza**
- Three stories – ground floor commercial, residential or office above.
- Four stories – ground floor commercial, residential or office above.
- Five stories – ground floor commercial, residential or office above.

Murphy

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

Figure 6. Murphy Site boundary



Top three options

- **Four stories – Mixed-use (residential, office, and commercial)**
 - Senior housing
 - Medical offices
 - Small commercial component
 - Green space (with big trees) to buffer railroad
- **Four stories - Mixed-use (residential, commercial, and employment)**
 - Multifamily residential
 - Mixed-use residential with ground floor commercial
 - Flex space² on western portion of site to provide buffer for railroad noise
- **One-two stories – Mixed use (commercial and employment)**
 - Light industrial and flex space on the majority of the site.
 - Commercial development along the perimeter of the site (along 32nd and Harrison).

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

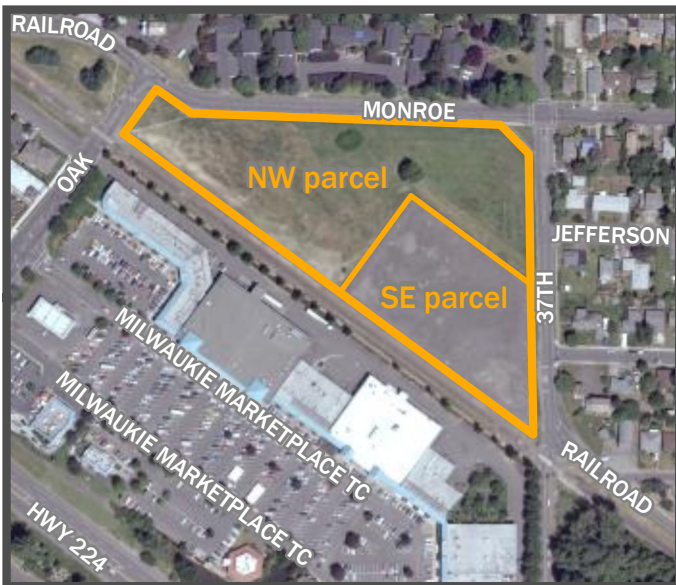
Other options

- **Three stories - Indoor/outdoor sports and recreation complex (examples include driving range, health club, skating rink, field house, etc.)**
- Five stories - mixed-use development (residential, office, and commercial)
- One –two stories - mixed use development (employment and residential)
 - Flex space along railroad
 - One and two story cottage homes and rowhouses
- Three stories - multifamily residential
- Four stories - office park

McFarland

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

Figure 7. McFarland Site boundary



Top three options

- **Mixed-use (flex and residential)**
 - One story - flex space along railroad tracks as sound buffer

ATTACHMENT #5

- Five stories - multifamily residential (no residential on SE parcel with contamination issues).
- Five stories - residential above ground floor commercial around perimeter of site (37th, Monroe, Oak).
- Include existing local park.
- **Mixed-use (recreation and residential)**
 - Community sports/rec center
 - Four stories - Multifamily residential
 - Green space (with big trees) to buffer railroad
- **Mixed use (office and residential):**
 - Five stories - office space along railroad tracks as sound buffer
 - Five stories - multifamily residential on NW parcel
 - Five stories - mixed-use, residential above ground floor commercial for perimeter of site.
 - Include existing local park.

Other options

- Mixed-use (residential and office)
 - Two stories - multifamily residential on NW parcel
 - Two-three stories - office on SE parcel
- Mixed use (office and light industrial)
 - Three stories - office park
 - One story - flex space buffer along tracks.