

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, ADOPTING AN URBAN RENEWAL PLAN, THE "MILWAUKIE REDEVELOPMENT PLAN."

WHEREAS, the Planning Commission and the Milwaukie Redevelopment Commission have recommended the Milwaukie Redevelopment Plan to City Council, and

WHEREAS, ORS Chapter 457 requires an ordinance be adopted with findings relating to several items,

NOW, THEREFORE, THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:

Findings:

1. City Staff and the City's consultant have met with interested citizens, property owners, business operators, public agencies, and representatives of interested or affected City Departments, and, as a result of this public participation, the Milwaukie Redevelopment Plan (the "Plan") and the Milwaukie Redevelopment Report (the "Report") were prepared in response to City Council's directive.
2. The Riverfront Citizens Advisory Committee, composed of residents of the City, reviewed the Plan and Report, suggested several changes and recommended its approval on September 29, 1987.
3. On October 13th and 27th, 1987, the Planning Commission reviewed and, after a public hearing, determined the Plan was in conformance with the City's Comprehensive Plan and recommended its adoption. The Planning Commission's recommendation is based on its proposed findings as of October 27, 1987.
4. On October 22nd, 1987, the Milwaukie Redevelopment Commission reviewed and, after a public hearing, adopted the Plan. The Commission recommended the Plan be adopted by the City Council.
5. Since the Plan contains area outside the City boundaries, it was submitted to Clackamas County for approval. The Board of County Commissioners approved the Plan and recommended its adoption on October 29, 1987.
6. The City Council has reviewed and considered the Plan and Report and conducted public hearings on November 3 and 17, 1987.

Ordinance Number 1640

7. The City Council hereby finds and determines, based on the Plan and Report, that:
- a. The Milwaukie Redevelopment Area as a whole is blighted in accordance with ORS 457.010;
 - b. Said Plan complies with all requirements of ORS Chapter 457;
 - c. Rehabilitation and redevelopment is necessary to protect the public health, safety, and welfare of the City of Milwaukie;
 - d. The Plan conforms to the City's Comprehensive Plan and provides an outline for accomplishing the urban renewal projects the Plan proposes, based on the findings attached as Exhibit A.
 - e. Provision has been made to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or handicapped individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing;
 - f. Adoption and carrying out of the Plan is economically sound and feasible. During the Council hearings, owners of the log dump site objected to the acquisition costs budgeted for their property. Although arguments were presented which suggested the property was worth more than the amount budgeted, the City does not have sufficient information to determine that the estimates are unreasonable.
 - g. Acquisition of real property is provided for in the Plan, and is necessary under the conditions described; and
 - h. The City of Milwaukie will cooperate in carrying out the Plan and shall assume and complete any activities prescribed to it by the Plan.

NOW, THEREFORE, THE COUNCIL DIRECTS:

- a. The Plan, having been duly reviewed and considered by the Council, is hereby approved and adopted by reference.

Ordinance Number 1640

- b. The Milwaukie Redevelopment Commission shall file in the Records of Clackamas County, Oregon, a copy of the Plan and this ordinance upon adoption by the Council.
- c. The City Recorder shall forward forthwith to the Milwaukie Redevelopment Commission and to the Milwaukie City Planning Commission copies of this Ordinance upon adoption by the Council.
- d. The City Recorder, in accordance with ORS 457, shall publish notice of the adoption of this Ordinance approving the Plan in the newspaper having the greatest circulation in the City of Milwaukie within four days following adoption of this Ordinance.

Read the first time on November 3, 1987 and moved to second reading by 4 - 0 of the City Council.

Read the second time and adopted by City Council on November 17, 1987.

Signed by the Mayor on November 24, 1987.

Roger Hall
Roger Hall, Mayor

ATTEST:

Jerri Z Widner
Jerri Widner, City Recorder

APPROVED AS TO FORM:

Greg Eades
Greg Eades, City Attorney

EXHIBIT A

The Milwaukie Redevelopment Plan conforms with the City comprehensive Plan and Zoning Ordinance of the City of Milwaukie. The Redevelopment Plan conforms with the overriding Management Policies and with each applicable policy of the Comprehensive Plan.

The permits such as a Willamette Greenway conditional use will need to be obtained to carry out the Redevelopment Plan. Conformance with the permit criteria awaits a specific development proposal.

Objectives and policies from the Milwaukie Comprehensive Plan that relate to the Redevelopment Plan are included below. The figures noted in this section are from the Comprehensive Plan Document and not included herein.

A. Milwaukie Comprehensive Plan

The applicable policies are:

1. Natural Hazard Element

a. Floodplain - Policy #3

The finished elevations of buildings and streets will be a minimum of one foot above the 100 year flood elevation.

b. Floodplain - Policy #4

Whenever possible, the floodplain will be retained as open space and used for recreation or special storage. Dedication of lands within the floodplain is encouraged when indicated by the Recreational Needs Element, and may be required as a condition of development along creeks and rivers.

The Redevelopment Plan conforms with this element by:

- o Elevating the downtown riverfront area above the 100 year floodplain;
- o Installing bank stabilization to protect against flooding; and
- o Providing several areas within the riverfront for public open space and flood water storage (areas along Kellogg Creek, Johnson Creek and the Willamette River). These areas will be determined when a specific development concept is prepared. It is anticipated that a large amount of space will be provided for public open space, thus meeting the intent of this policy.

2. Open Spaces, Scenic and Historic Areas, and Natural Resources Element

The applicable policies are:

a. Scenic Areas - Policy #1

Future plans for the Milwaukie riverfront area will include consideration of viewing opportunities between downtown and Willamette River, as well as special places on the riverfront for enjoying views of the river and its activities.

b. Ecologically Significant Areas - Policy #1

Natural riparian vegetation along streams and drainageways will be maintained and preserved. Such vegetation will be maintained for a minimum distance of 15 level feet from the mean bank line in areas with slopes of ten percent or less. Where slopes exceed ten percent, an additional foot of vegetation should be preserved for each additional percent of slope increase. Selective cutting, trimming and thinning will be allowed as necessary for access to the waterway.

c. Open Space - Policy #3

The significant natural areas along Johnson Creek, Kellogg Creek and Kellogg Lake, as shown on Figure 4 and defined under objective #1, will be considered open space of special importance to all city residents. Low intensive public use of these areas for walking trails, nature parks and the like will be encouraged.

The Redevelopment Plan satisfies the above policies by increasing access to the river and preserving open spaces (Elk Rock Island, Johnson Creek and Kellogg Creek). Access and viewing are increased by the pedestrian skybridge, by the Kellogg Creek underpass and by the riverfront esplanade. Specific conformance with the above policies will be shown when a development concept for the riverfront is completed.

3. Residential Land Use and Housing Element

The applicable policies are:

a. Residential Land Use: Density - Policy #6

High Density in Mixed Use Areas will be based on the following policies:

1. Within the Mixed Use Area designated on Figure 6, a range of different uses including residential, commercial and office are allowed and encouraged. It is expected that redevelopment will be required to implement these policies, and that single structures containing different uses will be the predominant building type.
2. Commercial uses will be allowed at the ground floor level, and will be located relative to the downtown area so that pedestrian access between areas is convenient and continuous.

3. Office uses will be allowed at the ground and first floor levels.
4. High Density residential uses will be allowed on all levels. At least fifty (50) percent of the floor area within a project must be used for residential purposes.
5. Within the Mixed Use Area, a residential density bonus of fifteen (15) percent over the allowable density may be granted in exchange for exceptional design quality or special project amenities.
6. All parking must be contained within a project.

b. Residential Land Use - Neighborhood Conservation - Objective #4

To maximize the opportunities to preserve, enhance and reinforce identity, pride of existing well-defined neighborhoods in order to encourage the long-term maintenance of the City's housing stock.

The Residential Land Use and Housing Element is satisfied by the Redevelopment Plan because residential use will continue to be allowed in areas where it is currently permitted. Further, by installing public facilities, parks and open spaces, residential neighborhoods will be strengthened, in conformance with Comprehensive Plan objectives.

4. Economic Base and Industrial/Commercial Land Use Element

The applicable policies are:

a. Economic Development - Policy #2

The City will actively and aggressively encourage new economic development which provides an increased tax base, and employment opportunities.

b. Economic Development - Policy #3

The City will investigate opportunities and mechanisms to facilitate assemblage of sites for large scale project development. State redevelopment laws, non-profit corporations tax increment financing and other techniques will be evaluated.

c. Economic Development - Policy #5

The City will ensure that public services now serving industrial areas are adequately maintained to serve industrial needs. Public services and facilities will be upgraded as necessary.

d. Employment Opportunity - Policy #1

The City will encourage new and existing industries, businesses and employment centers that will provide primary, head of household jobs as well as opportunities for second income sources within households.

e. Employment Opportunity - Policy #2

The City will encourage new professional and service-oriented employment opportunities to meet the diverse needs of city residents.

f. Downtown Office Center - Policy #1

Downtown Milwaukie will be considered a district commercial center, serving primarily the needs of nearby neighborhood residents.

g. Downtown Office Center - Policy #2

Through zoning and other implementation measures, adequate opportunity for increased office building will be ensured to establish downtown as a regional or sub-regional office and employment center.

h. Downtown Office Center - Policy #3

A mix of office and commercial uses is encouraged in individual structures downtown, as long as retail uses are contiguous to existing retail development. Figure 6 shows lands designated for downtown commercial and office uses.

i. Downtown Office Center - Policy #4

A Mixed Use Area adjacent to downtown is established to include residential, commercial and office uses in single structures. See Objective 2, Policy 6 in the Residential Land Use and Housing Element.

j. Downtown Office Center - Policy #5

The City will review previous plans for downtown improvements and will develop an improvement and management program for the area with affected property owners and business persons. Various methods for local and outside funding will be explored for improvements deemed necessary such as parking, street lighting, landscaping, street furniture, paving and traffic management.

k. Downtown Office Center - Policy #6

Downtown public improvements will be coordinated with private improvement efforts by local property owners. The aim of all public improvements will be to stimulate and support private investments in the area.

l. Downtown Office Center - Policy #7

When developing an improvement plan for downtown, the city will investigate means for providing a buffer or clear demarcation between the highway service uses along McLoughlin Boulevard and the office and retail commercial uses in downtown Milwaukie.

m. Downtown Office Center - Policy #8

In its planning for downtown, the City will establish location(s) for major public transit stations or interchange facilities. The City will continue to work closely with MSD and Tri-Met in planning for transit improvements.

n. McLoughlin Boulevard - Policy #1

The City will work with the Oregon Department of Transportation and MSD during their transportation planning programs to identify appropriate land uses and access arrangements along McLoughlin Boulevard. The City will integrate its own downtown improvement plans and waterfront plans with these regional transportation planning programs.

o. McLoughlin Boulevard - Policy #2

The opportunity will be taken during any improvement or modification of the McLoughlin corridor to create new and more efficient vehicular access to the riverfront, as well as pedestrian access not in conflict with motorized transportation.

p. McLoughlin Boulevard - Policy #3

Improved pedestrian and bicycle connections will be provided between downtown and the riverfront through the provision of pedestrian paths, amenities, signals, separated crossings, etc., designed to ensure the safety of pedestrians and bicyclists.

q. McLoughlin Boulevard - Policy #4

The visual relationship between the downtown area of Milwaukie and its waterfront will be improved.

The Redevelopment Plan is consistent with the Economic Base and Industrial/Commercial Land Use Element because the Plan encourages economic development in the City. Through the assembly of new serviced development parcels along the waterfront and downtown, the Plan encourages new office, retail, and hotel development that will provide employment opportunities for City residents. The downtown will continue to serve the commercial needs of nearby neighborhood residents while also providing land for new office development. The Plan encourages development of design review procedures to assure that new development projects in the downtown and along McLoughlin Boulevard satisfy community standards.

In addition, the Redevelopment Plan provides public and private incentives to increase private reinvestment downtown and in other underutilized commercial areas of the City. This action is what the Comprehensive Plan policies encouraged to revitalize the City.

5. Recreational Needs Element

The applicable policies are:

a. Riverfront Recreation - Policy #2

Existing waterfront park lands will be developed to maximize use and enjoyment of the river.

b. Riverfront Recreation - Policy #3

Consideration will be given to the development of convention facilities such as a motel and related meeting rooms along the riverfront.

c. Riverfront Recreation - Policy #4

The City will cooperate with the City of Portland to encourage suitable recreational use of Elk Rock Island.

d. Riverfront Recreation - Policy #5

The City will cooperate with the Clackamas Sanitary District to encourage the continued public use of portions of the Kellogg Sewage Treatment Plan site.

e. Riverfront Recreation - Policy #6

In the long term, the City will encourage only residential, recreational or recreationally-oriented commercial use of the shoreland and waterways along the Willamette River.

f. Neighborhood and District Parks - Policy #3

District parks will be large city-wide facilities, will serve a special function, or will take advantage of unique location characteristics such as the Willamette River. They should preferably be located on arterials or other major routes for easy accessibility from all parts of the area. North Clackamas Park and the downtown waterfront area are designated district parks.

g. Neighborhood and District Parks - Policy #4

Major "structured" recreational facilities such as lighted baseball and soccer fields, swimming pools, marinas, tennis complexes, etc., will be encouraged at district parks.

The Redevelopment Plan satisfies the Recreational Needs Element of the Comprehensive Plan by providing for new park development and increased access to and along the riverfront. New commercial development along the riverfront such as the proposed hotel and marina, will be primarily recreation oriented. Park improvements include Spring Creek Park, Elk Rock Island, and areas along Johnson Creek, Kellogg Lake and the Willamette River. With development of the Willamette Greenway Design Plan park land along the river can be further defined.

The Redevelopment Plan will further conform with the above policies when a development concept is prepared, showing the arrangement of development, public parks and open spaces, including a marina.

6. Willamette Greenway Element

The applicable objectives are:

a. Land Use - Objective #3

To encourage, in the long term, only residential, recreational and recreationally-oriented commercial use within the Willamette Greenway boundary.

b. Land Use - Policy #1

The land use designations on Figure 5 will serve as guidelines for establishing the Greenway Design Plan.

c. Land Use - Policy #2

Intensification of uses, changes in use or development of new uses are permitted only when consistent with the City's adopted Willamette Greenway Element, and the Greenway Design Plan.

d. Recreation - Objective #4

To maximize the recreational use of lands within the Willamette Greenway boundaries and the related waterways.

e. Recreation - Policy #2

Policies contained in the Recreational Needs Element will serve as guidelines for recreational planning within the greenway.

f. Public Access - Objective #5

To provide, improve and maintain public access within the Greenway and to the Willamette River.

g. Public Access - Policy #1

The City will encourage the dedication to new public access within the Greenway and to the Willamette River.

h. Public Access - Policy #3

The City will evaluate all proposals within the vicinity of the Greenway for their effect on the visual access to Willamette River.

The Willamette Greenway element is satisfied by the Redevelopment Plan because land uses within the greenway boundary are primarily recreationally-oriented commercial uses. The proposed marina, hotel, restaurant, and public plaza/walkway will provide river oriented experiences that will complement the Greenway. The Redevelopment Plan will significantly add to the amount of public open space and access to the riverfront.

The Greenway Design Plan, as required by the policies, will further define the level of development/conservation of the greenway. That Plan will serve as a guide to preparation of a development concept.

7. Neighborhood Element

The applicable objectives follow:

a. Neighborhood Area #1

1. Community Open Space - Objective #4

To preserve the open space in the neighborhood, especially farms along Lake Road, and the natural areas along Kellogg Lake and Creek, and Johnson Creek.

Important considerations are:

- a. New residential development should contribute to the parks and open space needs of the community.
- b. Public Access to and appreciation of the natural assets of Johnson Creek and Kellogg Creek and Lake should be encouraged.
- c. Natural areas should be preserved and protected.
- d. Substantial trees should be preserved throughout the neighborhood.

2. Willamette Greenway - Objective #6

To expand the present Willamette Greenway boundary to include Kellogg Lake, and establish the Willamette Riverfront as a recreational focal point for the community.

3. Traffic - Objective #7

To implement improvements proposed in the Roadway and Traffic Safety Management Plan, 1978, especially projects to improve railroad crossings, and to ease the congestion at the intersection of Harrison and the Milwaukie Expressway.

4. Walkways - Objective #8

To ensure adequate walkways are provided in both old and new residential areas, and once installed, are adequately maintained. Homeowners should assume the major responsibility to maintain and upgrade walkways on their property.

5. Streets and Drainage - Objective #9

To more adequately maintain existing city streets, and to solve the problem of surface flooding and ponding.

b. Neighborhood Area #4

1. Traffic Objective - #4

To implement improvements proposed in the Roadway and Traffic Safety Management Plan, 1978, and to improve the capacity of neighborhood collector streets such as Monroe, Home, Stanley, Wood, and Park.

2. Streets and Drainage - Objective #6

To reconstruct neighborhood streets to appropriate standards, ensure streets are adequately maintained, and to solve the problem of surface flooding and ponding. Particular emphasis should be placed on "Monroe Lake," a semipermanent pond on Monroe Street west of Home Avenue.

The Neighborhood Element is satisfied by the Redevelopment Plan because the Plan establishes the riverfront as the focal point of the community and encourages public access to the river as well as Johnson Creek, Kellogg Creek, and Kellogg Lake. The Redevelopment Plan provides for street and sewer improvements in the neighborhoods to the north and east of downtown. The Redevelopment Plan further implements the above element by solving storm drainage problems and by preserving open space areas along the creeks (Johnson and Kellogg).

8. Transportation Element

The applicable policies and objectives are:

a. Regional Traffic - Policy #2

The City will continue to participate in the MSD System Planning Program to identify solutions to the congestion problems along the McLoughlin Boulevard corridor.

In evaluating alternatives, the following factors will be considered:

1. Plans for the downtown improvement and waterfront development will be integrated with highway improvements.
2. The opportunity will be taken during any improvement or modification to create new and more efficient vehicular access to the riverfront, as well as pedestrian access not in conflict with motorized transportation.
3. Improved pedestrian and bicycle connections will be provided between downtown and the riverfront through the provision of pedestrian paths, amenities, signals, separated crossings, etc., designed to ensure the safety of pedestrian and bicyclists.

b. Regional Transit Opportunities - Objective #5

To encourage the improvement of transit service for trips through the Milwaukie area and trips leaving the area.

c. Local Transit Opportunities - Objective #6

To encourage the improvement of transit service for trips within the Milwaukie area.

d. Local Transit Opportunities - Policy #4

When roadway improvements are planned for arterials or collectors suitable for transit routes, the provision of transit facilities such as bus laybys, shelters, park and ride facilities, etc., will be considered.

e. Local Transit Opportunities - Policy #5

The timed transfer facility on Main Street will be maintained and improved to provide an attractive, safe, convenient location for transit users.

f. Pedestrian/Bikeway - Policy #2

Connections to this bikeway network from private developments is encouraged. All new developments must provide adequate pedestrian facilities.

g. Pedestrian/Bikeway - Policy #3

The City will encourage and assist local areas in establishing local improvement districts to provide adequate pedestrian facilities. The City will provide guidance in the design and location of these facilities.

h. Pedestrian/Bikeway - Policy #4

A high priority will be given to pedestrian facilities along or to transit corridors.

The Redevelopment Plan satisfies the transportation element by making improvements to McLoughlin Boulevard that:

- o Integrate the waterfront and downtown;
- o Improve traffic flow;

- o Improve pedestrian access (by constructing a skybridge); and
- o By connecting the bikeway north of Johnson Creek to the existing one south of Kellogg Creek.

The Plan further implements this element by making funds available and plans for transit improvements.

9. Public Facilities and Services Element

Applicable policies and objectives are:

a. Community Development - Policy #1

Public facilities and services will be adequately provided and maintained to meet the needs of industrial and business areas within the City.

b. Community Development - Policy #2

Public facilities and services will be developed and improved to encourage the location of new industries and businesses within the City.

c. Sanitary Sewer Service - Objective #5

To continue to provide adequate wastewater collection and treatment to all Milwaukie residents.

d. Drainage and Streets - Objective #6

To improve the storm drainage and collection system within the City in order to alleviate seasonal flooding problems and to allow for permanent street and sidewalk improvements.

e. Drainage and Streets - Policy #2

The City will promote the construction of street, curb, and sidewalk/bikepath improvements coordinated with the construction of a storm drainage system, with highest priority given to streets designated as arterials, collectors, bikeway streets, or streets serving public transportation.

f. Drainage and Streets - Policy #3

New development will be designed to limit storm drainage runoff outside project boundaries, or will provide a storm drainage and collection system within the project.

The Redevelopment Plan implements this element by making several public facility improvements. The Plan provides for storm drains, sanitary sewer lines, water lines, and street improvements in areas where new development is needed, in concert with the policies supporting community development. The Plan provides for major improvements around the shopping center site, in the Island Station area and to Harrison Street--a major traffic and transit route.

B. Milwaukie Zoning Ordinance

The Redevelopment Plan conforms with the Zoning Ordinance by encouraging development allowed by the particular zoning districts.

The Zoning Ordinance regulates maximum densities, intensities and uses of land. The Redevelopment Plan anticipates development in conformance with the Zoning Ordinance.

MILWAUKIE REDEVELOPMENT PLAN

Adopted by the Milwaukie City Council

November 17, 1987

Ordinance #1640

Prepared for:

MILWAUKIE REDEVELOPMENT COMMISSION
10722 S.E. Main Street
Milwaukie, Oregon 97222

Prepared by:

The Benkendorf Associates Corp.
522 S.W. Fifth Avenue, Suite 1406
Portland, Oregon 97204-2131
(503) 226-0068

Moore Breithaupt & Associates
147 Commercial Street, N.E.
Salem, Oregon 97306
(503) 364-9326

Kittelson & Associates
512 S.W. Broadway, Suite 220
Portland, Oregon 97205
(503) 228-5230

TABLE OF CONTENTS
Milwaukie Redevelopment Plan

	Page
I. Introduction	1
A. Statement of Purpose	1
B. Objectives of the Plan	4
1. Redevelopment Area - General Objectives	4
2. Redevelopment Districts	5
a. District 1	7
b. District 2	9
c. District 3	9
C. Plan Administration	9
D. Definitions	10
E. Effective Period of the Plan	11
II. General Description of Land Use Plan and Standards	12
A. Boundary	12
B. Land Use Plan	12
1. High Density Residential (HD)	12
2. Medium Density Residential (MedD)	12
3. Moderate Density Residential (MD)	12
4. Mixed Use (C/HD)	14
5. Commercial (C)	14
6. Industrial (I)	14
7. Public Lands (P)	14
C. Zoning and Development Standards	14
1. Zoning District Map	14
2. Land Use Regulations	15
3. Development Standards	16

	Page
III. Outline of Projects and Activities	17
A. General Development	17
B. Public Improvement	17
1. Intent	17
2. Anticipated Improvements	19
C. Acquisition and Disposition of Real Property	23
1. Acquisition	23
2. Disposition	24
IV. General Planning Analysis	26
A. Milwaukie Comprehensive Plan	26
1. Natural Hazard Element	26
2. Open Space, Scenic & Historic Areas, and Resources Element	27
3. Residential Land Use & Housing Element	28
4. Economic Base and Industrial/Commercial Land Use Permit	29
5. Recreational Needs Element	33
6. Willamette Greenway Element	35
7. Neighborhood Element	36
8. Transportation Element	39
9. Public Facilities & Services Element	41
B. Milwaukie Zoning Ordinance	42
V. Proposed Relocation Plan	43
VI. Methods of Financing Redevelopment Projects	44
A. General Description of the Proposed Projects	44
B. Self-Liquidation of Cost of Project	44

	Page
C. Prior Indebtedness	45
D. Completion of Projects	45
VII. Redevelopment Plan Amendments	46
VIII. Appendix	47
A. Legal Description	

LIST OF EXHIBITS
Milwaukie Redevelopment Plan

	Page
1. Site Location Map	2
2. Redevelopment Area	3
3. Redevelopment Districts	6
4. Land Use Districts	13
5. Proposed Land Use	18

ACKNOWLEDGMENTS

Milwaukie Redevelopment Commission

Roger A. Hall, Mayor

William N. Fitzgerald

Craig Lomnicki

Mike Richmond

Chere Sandusky

Milwaukie Riverfront Citizens Advisory Committee

Gary Michael, Chair

Bill Brod

Traute Goertzen

Marlene Graham

Alan Haight

Linda Hamilton

Patsy Lindsay

Kim Miller

Carl Nelson

Milwaukie Planning Commission

John Littlehales, Chair

Jan Fitzgerald

Robert Knudson

Patricia Lent

Gregg Newstrand, Jr.

Don Trotter

Pamela Wiley

Staff

Hugh Brown, City Manager

William Adams, AICP, Community Development Director

I. INTRODUCTION

A. Statement of Purpose

Like many communities, as the City of Milwaukie developed, its growth and economic activity focused on the downtown and the major thoroughfares through the community. The river originally provided transportation and a source of power for city residents and affected the lives of everyone living in the community. With the development of roads and new markets, people turned away from the river and over time, the river became primarily a recreational amenity. This attitude prevailed through the development of the Milwaukie Comprehensive Plan and its adoption in 1979.

In the years since the development of the plan, the citizens of Milwaukie have recognized that the Willamette River represents a unique resource that should be utilized to revitalize the community. The opportunity for new development along the river will revitalize the downtown and once again make the city's central area a vital element in the regional economy. See Exhibit 1 and 2.

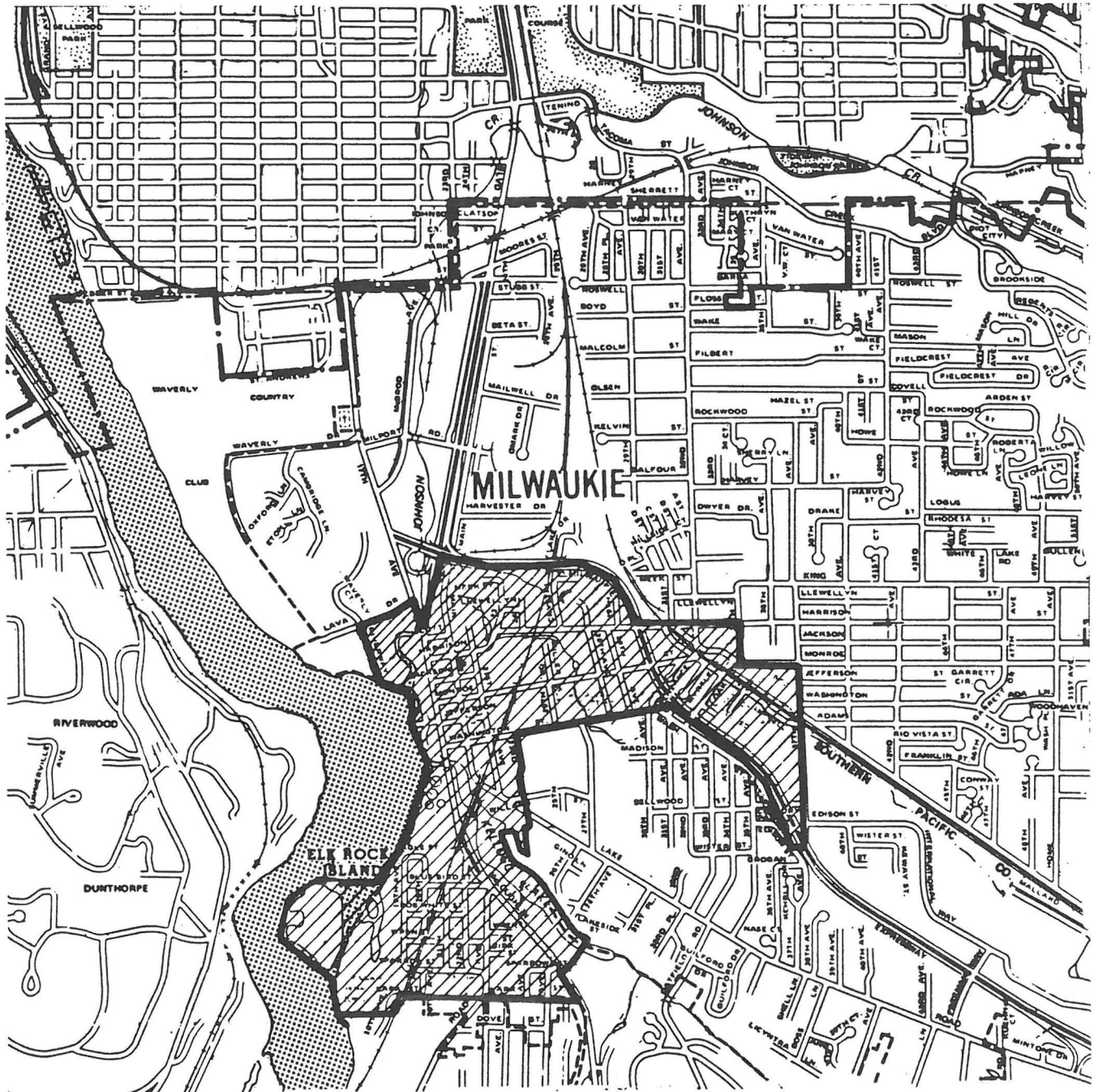
In 1986, a market analysis for the Milwaukie riverfront was conducted. The market analysis indicated that there is an opportunity for a new mixed use development on the river. The proposed uses include a marina, a hotel/motel, office, retail commercial, and two restaurants.

The City has also amended the land use designations and zoning to Commercial on 21 acres of land adjacent to Highway 224. The second major purpose of this redevelopment program is to provide the storm drainage and street improvements needed to assure redevelopment of this site.

The following Plan objectives describe the reasons for undertaking this Redevelopment Plan.

Site Location Map

1



LEGEND



MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. NE
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 S.W. Broadway
Portland, Oregon 97205
(503) 228-5230

B. Objectives of the Plan

1. Redevelopment Area - General Objectives

The objectives for the Redevelopment Area are the result of a process involving citizen participation, evaluation of the physical characteristics of the Redevelopment Area, and guidance from the Milwaukie Riverfront Citizens Advisory Committee. The projects identified in the plan are based on the following objectives:

- a. Plan for and guide development in the Redevelopment Area by focusing redevelopment activities along the riverfront and downtown.
- b. Take full advantage of Milwaukie's location on the Willamette River by orienting new development toward the river and McLoughlin Boulevard.
- c. Stimulate private development by creating substantial physical changes in the riverfront and downtown areas.
- d. Continue the practice of involving the citizens of Milwaukie in the planning process.
- e. Develop the project area in a manner which contributes to the efficiency and quality of uses, the economic well being of the community, and the livability of the community.
- f. Provide for a mix of uses in the Redevelopment Area consistent with the market assessment completed in 1986.
- g. Provide for pedestrian and street amenities where needed in the Redevelopment Area.
- h. Enhance the development potential of existing vacant and underutilized land.

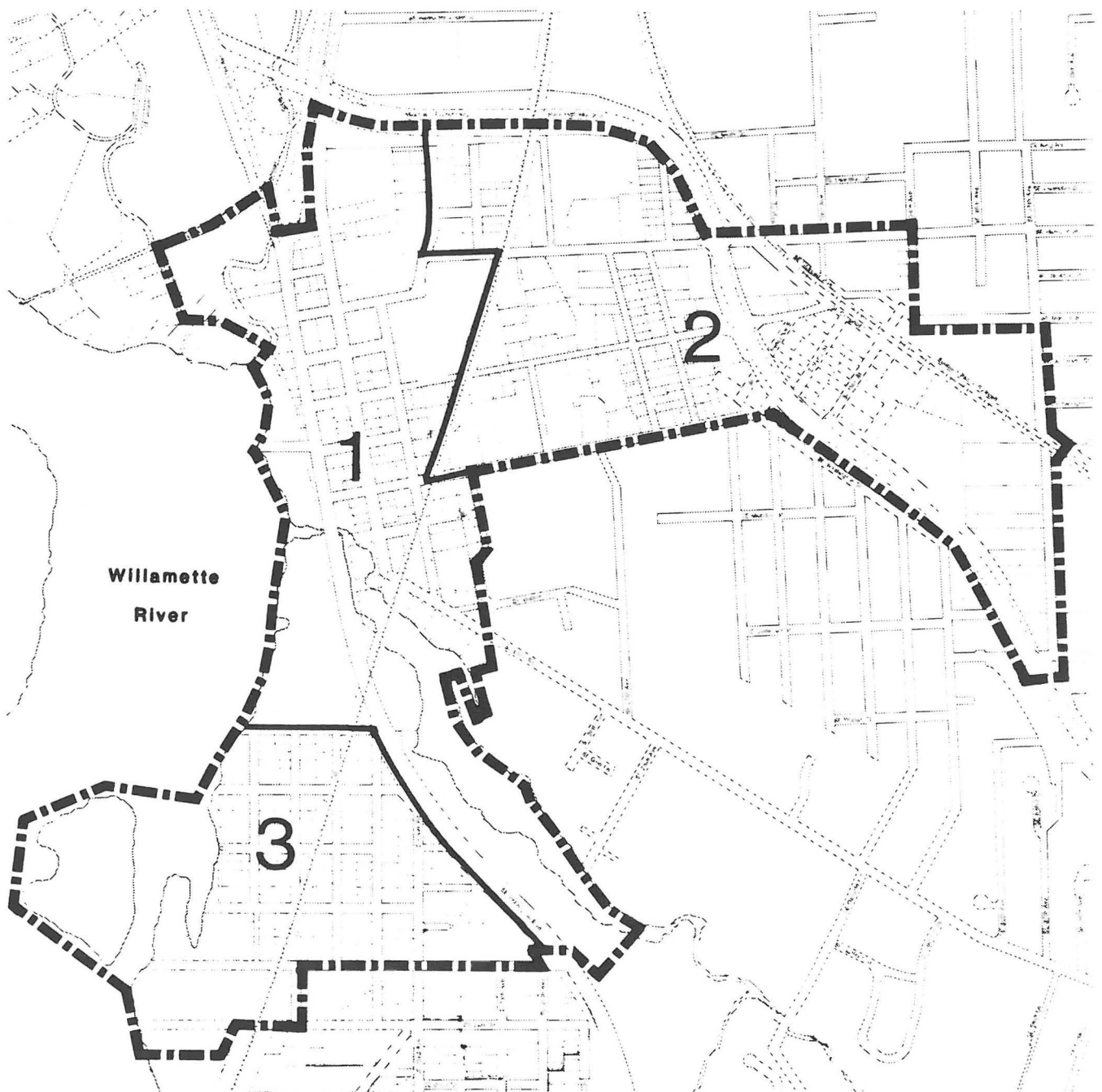
- i. Construct, install or replace publicly owned facilities such as water, storm drains, and sanitary sewers where existing facilities are inadequate, undersized or substandard.
- j. Improve and where necessary, modify existing public streets by the installation of new surfacing, curbs, gutters and sidewalks.
- k. Eliminate blighted and deteriorated structures which are not suitable for conservation or rehabilitation.
- l. Eliminate other blighting influences which prevent the area from recognizing its full economic potential.
- m. Encourage and work with the privately owned utilities to upgrade their facilities and distribution systems.
- n. Prepare quality design standards and procedures for the Redevelopment Area.

2. Redevelopment Districts

In order to respond to the varying characteristics of the Redevelopment Area and prepare specific objectives and planning projects, the Redevelopment Area has been divided into three districts. See Exhibit 3. Each district was defined by common characteristics and the need for improvements or redevelopment potential. The districts are generally described as follows:

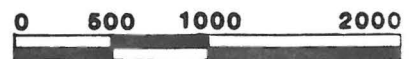
District 1: The central riverfront area and the downtown. The downtown includes a variety of retail, service, office, and government uses.

District 2: East of Downtown and east to the east side of Highway 224. Residential area and vacant commercial and industrial land. The residential area includes a mixture of single family and multi-family uses.



LEGEND

- DISTRICT 1:** THE CENTRAL RIVERFRONT AND THE DOWNTOWN.
- DISTRICT 2:** EAST OF DOWNTOWN AND EAST TO THE EAST SIDE OF HIGHWAY 224 INCLUDING RESIDENTIAL, AND VACANT COMMERCIAL / INDUSTRIAL LAND.
- DISTRICT 3:** EXISTING SINGLE FAMILY RESIDENTIAL AND ELK ROCK ISLAND.



MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. NE
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 SW Broadway
Portland, Oregon 97205
(503) 228-5230

District 3: Existing single family residential and Elk Rock Island. The district includes unimproved City park land along the river.

Plan objectives for each district are listed below.

a. District 1

1. Provide for a hotel/motel, limited commercial use, and substantial public open space and access to the riverfront (that area along the Willamette River between the Sewer Treatment Plant and Johnson Creek).
2. Encourage development of a 75-100 slip marina on the Willamette River (that area between Kellogg and Johnson Creek).
3. Provide for pedestrian linkages between the downtown and the riverfront.
4. Improve the visual connections between the downtown and the riverfront.
5. Improve the function and appearance of McLoughlin Boulevard considering surrounding development and circulation patterns.
6. Develop a Parking Management Plan for the riverfront and the downtown area.
7. Provide additional public, off-street parking facilities for the downtown and riverfront development.
8. Create visual attractions along Main Street to improve the visual appeal and visibility of the downtown area.
9. Establish a program to install new coordinated street furniture, lighting standards, and landscaping in the district.

10. Assist property owners and merchants to improve the appearance of existing buildings in the downtown.
11. Develop and implement a plan to increase the compatibility of the sewage treatment plant site with other uses in the area.
12. Use public assembly of land including, if necessary, condemnation for parking, civic or public purposes and/or resale for private development.
13. Enhance the east-west pedestrian and vehicular connections between the downtown and the residential and commercial areas to the east.
14. Improve pedestrian connections between the downtown and Kellogg Lake.
15. Improve the aesthetics and water quality of Kellogg Lake. Where possible, provide visual and sound barriers between Kellogg Lake and McLoughlin Boulevard.
16. Improve the storm sewer system.
17. Remove the existing boat ramp and work with the State Marine Board and Clackamas County to insure a new ramp at a new location prior to the removal of the existing ramp. If located in the City, the siting of a new ramp should assure protection of the adjacent residential areas.
18. Initiate and develop a Landscape Plan and Street Tree Planting Program to enhance the physical and visual environment.
19. Relocate the Bus Transfer Center in the downtown area.

b. District 2

1. Improve the east-west pedestrian and vehicular connections between the downtown and District 2.
2. Improve the development potential of the Commercial and Industrial land northeast of the Milwaukie Expressway.
3. Install storm and sanitary sewers where necessary.
4. Provide sidewalk and street improvements where needed.

c. District 3

1. Develop and implement an improvement and access plan for Spring Park.
2. Annex Elk Rock Island. Develop and implement a Master Plan for improvement of the island as a City natural park.
3. Install storm sewers where necessary.
4. Provide sidewalk and street improvements where needed.
5. Improve the intersection of McLoughlin Boulevard and River Road.

C. Plan Administration

The Redevelopment Plan for Milwaukie consists of the text and exhibits contained in this document and a separate report. The Plan applies to the specific area outlined in Exhibit 2 and further described in Section II. The plan has been prepared by the Milwaukie Redevelopment Commission for the Milwaukie City Council. The Milwaukie Redevelopment Commission shall administer the plan in accordance with Oregon Revised Statute (ORS) Chapter 457, the Oregon Constitution, and all other applicable laws and ordinances. All such applicable laws are made a part of this plan by this reference.

D. Definitions

1. **Plan** means the Redevelopment Plan for the Milwaukie Redevelopment Area, consisting of the text and accompanying exhibits.
2. **Text** means the Redevelopment Plan Text for the Milwaukie Redevelopment Area.
3. **Redevelopment Area** means the Milwaukie Redevelopment Area.
4. **Project** means any work or undertaking carried out under ORS 457.170 in an urban renewal area.
5. **Commission** means the Redevelopment Commission of the City of Milwaukie, Oregon.
6. **Planning Commission** means the Planning Commission of the City of Milwaukie, Oregon.
7. **City** means the City of Milwaukie, Oregon.
8. **City Council** means the Milwaukie City Council.
9. **County** means the County of Clackamas, State of Oregon.
10. **ORS** means the Oregon Revised Statutes (State law) and, specifically, Chapter 457, thereof.
11. **State** means the State of Oregon.
12. **Boundary** means the geographic and legal limits which encompasses the Redevelopment Area.
13. **Comprehensive Plan** means the Milwaukie Comprehensive Plan.
14. **Blight** shall have the same meaning in this Plan as defined in ORS 457.010.

15. **Persons** means any individual, family, business, firm association, or corporate entity.
16. **Property Owner** means any individual who owns property within the Milwaukie Redevelopment Area.
17. **Lot** means a unit of land that is created by a subdivision or platting of land and recorded in the land records of Clackamas County.
18. **Advisory Committee** means the Milwaukie Riverfront Citizen's Advisory Committee.
19. **Projects or Activities** means the development or improvement projects described in Section III herein.
20. **Displaced person or business** means any person or business or publicly owned facilities which is required to relocate as a result of action by the Redevelopment Commission, or any person or business who receives written notice from the Redevelopment Commission to vacate a property for public use or purpose. The methods to be used for the temporary or permanent relocation of such persons living in, and businesses situated in the Milwaukie Redevelopment Area shall be in accordance with State Law as specifically set forth in ORS 281.045 to 281.105.
21. **Master Plan** means site-specific drawings, development standards and/or policies designed to guide planned development in the Redevelopment Area.

E. Effective Period of the Plan

The intent of the City is to complete the projects in nineteen years. If the projects in this plan are completed earlier, and all indebtedness is paid, the redevelopment district shall be terminated.

II. GENERAL DESCRIPTION OF LAND USE PLAN AND STANDARDS

A. Boundary

The Milwaukie Redevelopment Area includes land in the City of Milwaukie, County of Clackamas, State of Oregon and within the boundaries illustrated in **Exhibit 2**. A legal description of the Redevelopment Area is included in the Appendix.

B. Land Use Plan

The Land Use Plan consists of the City of Milwaukie Comprehensive Plan and Map as they apply to the applicable areas within the Redevelopment Area and are incorporated herein by reference. The proposed land uses, maximum densities and building requirements for the Redevelopment Area shall be governed by the City of Milwaukie Comprehensive Plan, City Zoning Ordinance and other City codes related thereto. The applicable plan categories are described in the following text. **See Exhibit 4.**

1. High Density Residential (HD)

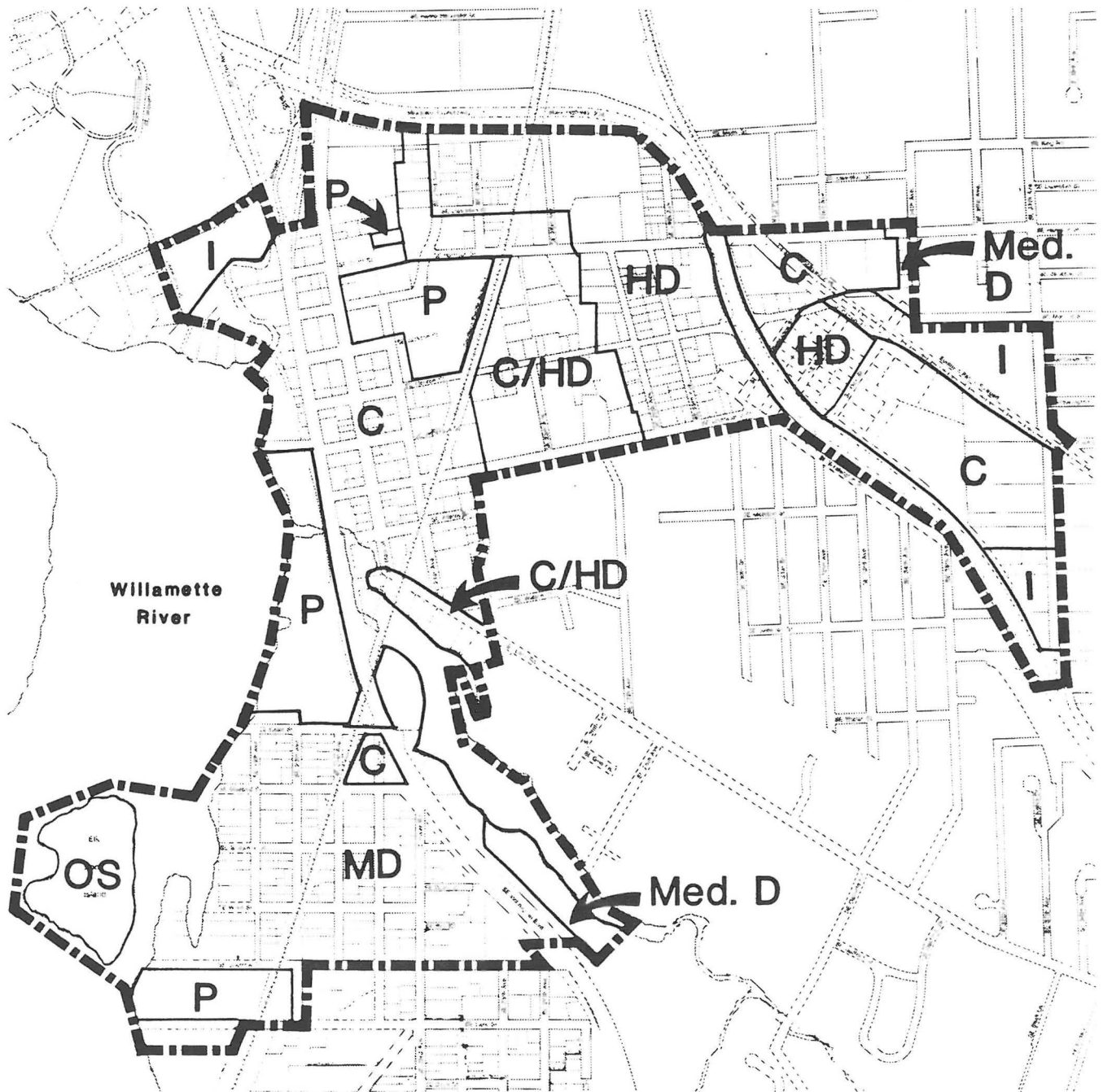
The High Density Residential Plan designation allows multi-family development at a range of residential densities from 15.1 to 31.2 units per net acre.

2. Medium Density Residential (MedD)

The Medium Density Plan Designation provides for single family development at densities ranging from 6.8 to 15.0 units per net acre.

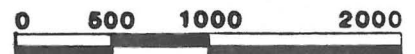
3. Moderate Density Residential (MD)

The Moderate Density Plan designation allows single family development at a range of residential densities from 6.8 to 10.7 units per acre.



LEGEND

MD	MODERATE DENSITY	I	INDUSTRIAL
Med. D	MEDIUM DENSITY	P	PUBLIC LANDS
HD	HIGH DENSITY	C/HD	MIXED USE
C	COMMERCIAL	OS	OPEN SPACE (CLACKAMAS COUNTY)



MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. NE
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 SW Broadway
Portland, Oregon 97205
(503) 228-5230

4. Mixed Use (C/HD)

The Mixed Use Plan designation allows a range of different uses including residential, commercial, and office. Commercial uses are allowed on the ground floor. Office uses are allowed on the ground and first floor levels. High density residential development is allowed on all levels and must represent at least 50% of the floor area of a project.

5. Commercial (C)

The Commercial Plan designation provides for commercial and office uses.

6. Industrial (I)

The Industrial Plan designation provides for manufacturing and warehouse uses.

7. Public Lands (P)

Although this designation appears on the Plan map, the Comprehensive Plan gives no description in the text as to the intent of this designation. It is assumed that it refers to existing public lands, although several (i.e. the parking lot across from City Hall) sites are not designated.

C. Zoning and Development Standards

The City of Milwaukie Zoning Ordinance contains the land use regulations that affect the Redevelopment Area. The applicable zoning districts are described in the following text.

1. Zoning District Map

The Zoning District Map indicates the primary zoning districts in the Project Area.

2. Land Use Regulations

The use and development of land in the Redevelopment Area shall be in accordance with regulations prescribed by the City of Milwaukie Zoning Ordinance. The following Zoning Districts apply to the Redevelopment Area:

a. Limited Commercial (C-L)

The C-L zone is primarily intended for offices, service uses, and retail establishments selling primarily from a shelf inventory. Marinas are allowed by Conditional Use. Hotels, motels, and drinking establishments are permitted by Conditional Use as high impact commercial uses.

b. Central Commercial (C-C)

The C-C zone is only applied in the downtown core area of Milwaukie and is intended for retail, office, and service uses.

c. Community Shopping Commercial (C-CS)

The C-CS zone is specifically intended to allow community scale shopping centers. It is only applied to the 21 acre site on Highway 224.

d. General Commercial (C-G)

The general commercial zone is intended for a wide variety of commercial uses which require extensive use of land.

e. Manufacturing (M)

The M zone is intended for clean employee intensive industries which may also include related accessory uses, such as commercial and office use.

f. Residential - Business Office - Commercial (R-1-B)

The R-1-B zone is intended for single family, multi-family, and office uses. Offices permitted in the zone are primarily for professional services and are required to generate a minimal amount of traffic.

g. Residential Zone R-1

The R-1 zone is intended for multi-family and single family use. Minimum lot size is 5,000 square feet plus an additional 1,400 square feet for each unit over one.

h. Residential Zone R-2

The R-2 zone is intended for multi-family and single family residential use. Minimum lot size is 5,000 square feet plus an additional 2,500 square feet for each unit over one.

i. Residential Zone R-3

The R-3 zone is intended for attached and detached single family dwellings. Minimum lot size is 5,000 square feet with a minimum of 3,000 square feet per dwelling unit. Multi-family dwellings are allowed by conditional use.

j. Residential Zone R-5

The R-5 zone is intended for single family residential use. Attached dwellings are permitted. Minimum lot size is 5,000 square feet, and lot area shall average at least 5,000 square feet per unit.

3. Development Standards

Uses permitted by the City Zoning Ordinance in the zoning districts described above are subject to specific development standards regarding lot dimensions, building height and setbacks, landscaped areas, and parking. The standards apply differently in each zone, as set forth in the City Zoning Ordinance.

III. OUTLINE OF PROJECTS AND ACTIVITIES

The following projects and activities will be undertaken by the Redevelopment Commission to achieve the objectives of the Plan. The actions of the Redevelopment Commission to achieve the objectives will be undertaken in accordance with applicable Federal, State, County, and City laws and policies. The projects and activities are set forth as follows.

A. General Development

The general approach of the Redevelopment Plan is to conform with the Milwaukie Comprehensive Plan. The Comprehensive Plan primarily encourages commercial development downtown and on a 21-acre site on Highway 224, mixed public and private uses along the Willamette riverfront and residential uses south and east of the downtown. See Exhibit 5.

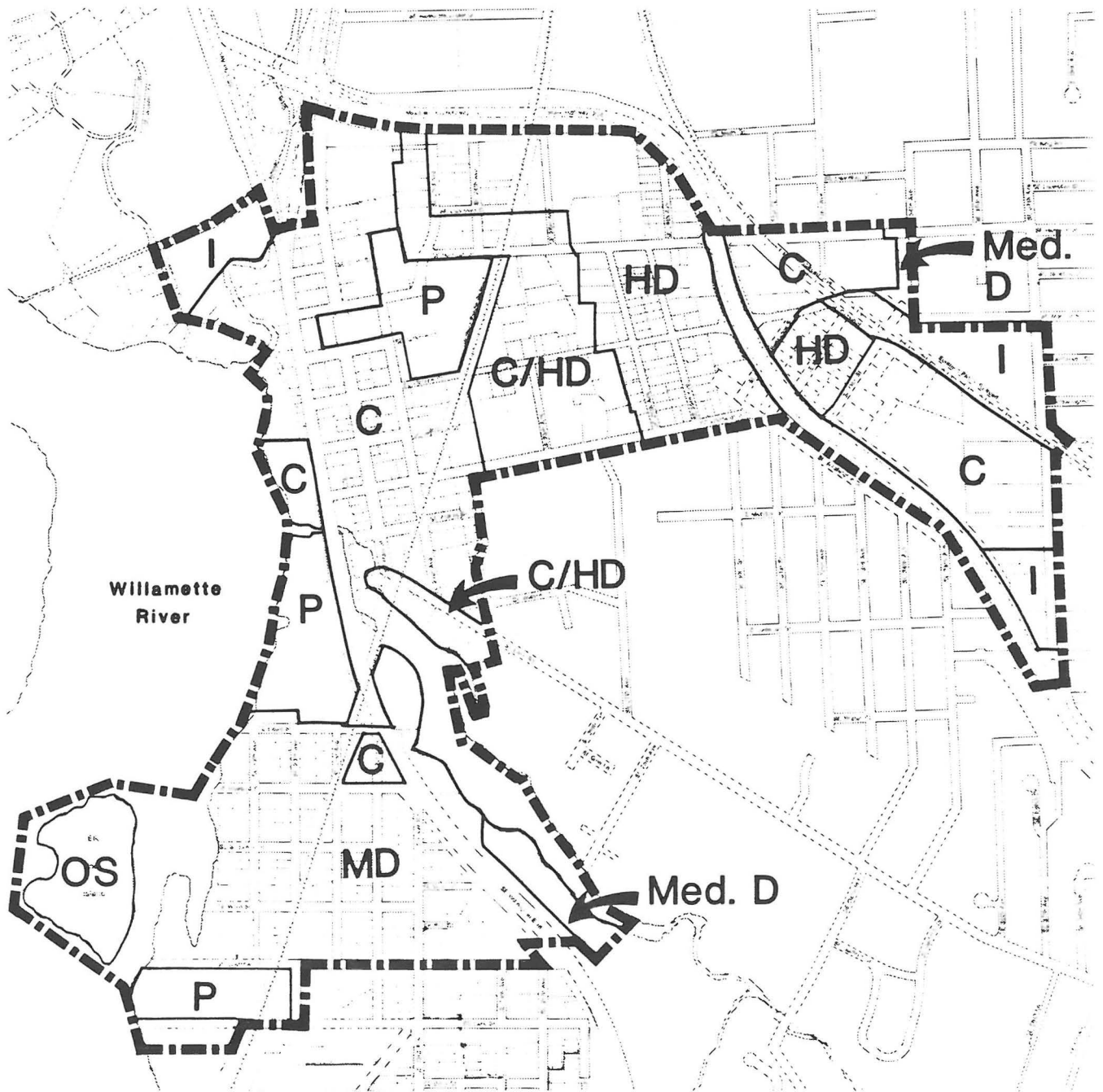
The Redevelopment Commission will prepare a Development Concept Plan to conform to the Comprehensive Plan. That Plan should show a general development concept for the area between Johnson Creek and the Sewage Treatment Plant, on both sides of McLoughlin Blvd. That Plan will be used to solicit developer proposals, to identify development parcels and to further define public access and open space improvements.

The Redevelopment Commission will accomplish construction projects by undertaking land use, design, architectural and engineering plans/studies necessary for contract purposes. The Commission will acquire all necessary permits to carry out the projects. The Commission will hire experts in the above fields to complete its work. The cost estimates in the Report include the above costs as part of the total project costs.

B. Public Improvements

1. Intent

Public facilities and utilities may be improved or constructed within public rights-of-way, easements, or on public property. These improvements may include storm and sanitary sewer



LEGEND

MD	MODERATE DENSITY	I	INDUSTRIAL
Med. D	MEDIUM DENSITY	P	PUBLIC LANDS
HD	HIGH DENSITY	C/HD	MIXED USE
C	COMMERCIAL	OS	OPEN SPACE (CLACKAMAS COUNTY)



MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. NE
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 SW Broadway
Portland, Oregon 97205
(503) 228-5230

improvements, water system improvements, street improvements, street lighting, traffic signalization, landscaping, pedestrian amenities, parking facilities, squares, plazas, and open space development. The City will work with private utility companies to make necessary modifications and adjustments to implement the objectives of the plan.

2. Anticipated Improvements

Public improvements which may be installed under this plan include, but are not limited to, the improvement of the street system, sidewalks, sanitary and storm sewer system, water system, parking lots, and landscaping.

Specifically, the following projects are intended to be implemented to carry out the objectives of the plan.

a. District 1

The following improvements will be made in District 1. The projects are organized in the order in which they will be implemented.

1. Remove the boat ramp. Site and construct a new boat ramp. Spring Park has been identified as a preliminary and feasible site for a boat ramp. Conduct an evaluation of alternative sites, select a site, and work with the State Marine Board, the neighborhood, and other affected agencies to fund and construct a boat ramp to replace the existing one.
2. Site and construct a new Bus Transfer Center.
3. Prepare the riverfront property north of Kellogg Creek for a mixed use development including a hotel, commercial uses, a marina, and public access/open spaces; by clearing and filling the site and installing rip-rap along the shore.

4. Provide storm drainage to the riverfront property. Provide water service to the riverfront property by intertie of the existing 10" line at Jefferson and McLoughlin and the 12" line at Scott and McLoughlin.
5. Create a terraced waterfront plaza. Install sidewalks, street furniture, and lighting.
6. Reconstruct and resurface Monroe Street from McLoughlin Boulevard to Main Street. Install new curbs, sidewalks, street furniture, and landscaping.
7. Install new curbs, sidewalks, street furniture, and street lights on the west side of Main Street from Jackson Street to Jefferson Street.
8. Realign the 17th Street/McLoughlin Boulevard intersection to connect with Harrison Street.
9. Construct a pedestrian esplanade along the river from the waterfront plaza to Kellogg Creek. Install sidewalks, street furniture, and lighting.
10. Install landscaping, park improvements, and a bikeway to the riverfront property immediately south of Kellogg Creek. Develop a new entry into the Sewage Treatment Plant.
11. Create a pedestrian/bicycle bridge over Kellogg Creek.
12. Reconstruct and resurface McLoughlin Boulevard from the Sewage Treatment Plant to Harrison Street. Install new curbs, sidewalks, medians, and landscaping. New signal detector loops should be incorporated.
13. Construct a McLoughlin Boulevard underpass that connects Kellogg Lake with the riverfront.

14. Construct a pedestrian bridge over McLoughlin connecting the downtown with the new riverfront development.
15. Close Jackson Street and install new pedestrian walkways and amenities, parking, site furniture, landscaping, and lighting.
16. Install new curbs, sidewalks, street furniture, and lighting on the south side of Harrison Street.
17. Develop a Parking Management Plan.
18. Create an incentive program for downtown building improvement. The program should help finance construction of awnings, new storefronts, new paint, and other building improvements.
19. Reconstruct and resurface Main Street from Washington to Jefferson and Washington Street from Main to McLoughlin. Reconstruct the east side of Main Street from Monroe to Jackson. Install new curbs, sidewalks, street furniture, and lighting.
20. When a specific site has been identified later as part of additional planning, remove existing buildings and construct a one-half block "town square" (plaza, seating, lighting, landscaping).
21. Close Jefferson Street between McLoughlin and Main. Install new parking, pedestrian walkways and amenities, landscaping, and lighting.
22. Make landscape improvements along Kellogg Lake. Install landscaping, sidewalks, and a boardwalk along the lake.
23. Install a bikeway north of the waterfront plaza along Johnson Creek. Develop park area improvements including entry signage and landscaping.

24. Where feasible place public and private utilities underground.

b. District 2

1. Reconstruct and resurface S.E. Oak Street from the Milwaukie Expressway to Monroe Street.
2. Reconstruct and resurface S.E. 37th Avenue from Monroe Street to International Way.
3. Install storm drainage facilities in S.E. 37th Avenue from Monroe Street to International Way.
4. Reconstruct and resurface the intersection of International Way and the Milwaukie Expressway. Realign the International Way/37th Avenue intersection.
5. Install new sanitary sewer lines in S.E. 37th Avenue from the existing line located east of 37th near Adams Street to International Way.
6. Install new storm sewers in Oak Street between the Milwaukie Expressway and Monroe Street. Install storm sewers in Campbell Street from Monroe Street to Oak Street.
7. Improve Spring Creek storm drainage at Washington Street by installing a new culvert.
8. Realign the Railroad Avenue/32nd Avenue intersection. Reconstruct and resurface Railroad and 32nd Avenues between Harrison Street and Oak Street. Include sidewalks.

c. District 3

1. Reconstruct and resurface Sparrow Street from River Road to Spring Park. Reconstruct the railroad underpass.
2. Install new storm sewers on S.E. River Road from McLoughlin Boulevard to S.E. Sparrow.
3. Prepare a Master Plan for Spring Park and make improvements in accordance with a Phasing Plan.
4. Annex and improve Elk Rock Island as a City Park. Install a pedestrian bridge and nature trail. Improve security by installing fencing and a gate.

d. Multi-district Projects - Districts 1 and 2

1. Install a new 48" storm sewer line in Harrison Street from S.E. 32nd to Johnson Creek.
2. Rehabilitate the existing sanitary sewer line in Harrison Street from the Milwaukie Expressway to S.E. 21st.
3. Reconstruct and resurface Harrison Street from S.E. 34th to McLoughlin Boulevard. Provide a new signal at Harrison Street and Main Street if signal warrants are met.
4. Prepare design standards to allow review of new development to assure that community zoning and development standards are satisfied.

C. Acquisition and Disposition of Real Property

1. Acquisition

It is the intent of this Plan to acquire the following properties within District 1 of the Redevelopment Area:

a. Riverfront Properties

The purpose of the acquisition is to redevelop these properties for a waterfront plaza, pedestrian esplanade, public open space, landscaped areas, hotel/motel, and limited commercial uses, as graphically defined by the future development concept. Acquisition of these properties will proceed as early as possible, with an estimated time schedule of 1989.

Map Number: 11E35AA

Tax Lots: 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3900 (part), 3901 U1 (part), 3901 U2 (part), 4400 (part), 4700, 4700 A1, 4800, and 4900.

Map Number: 11E35AD

Tax Lots: 900 (U1), 900 (U2), and 1000.

b. Downtown and Kellogg Lake

There are certain areas in the downtown east of McLoughlin Boulevard and adjacent to Kellogg Lake that may be necessary for redevelopment or public purposes. When those areas are defined in the future, the plan will be amended to indicate the specific parcels to be acquired.

2. Disposition

The Agency may make land in the Redevelopment Area available for lease, resale, or any other legal disposition to private developers or to public bodies at a value determined by the Agency to be its fair reuse value in order that it may be developed for the purposes specified in this Redevelopment Plan, and in accordance with applicable City zoning and code requirements. Real property may be conveyed by the Agency to the City or other public bodies for public use without charge.

A portion of the land acquired west of McLoughlin for private redevelopment is expected to be resold to a selected developer(s) in early 1990 to permit construction of the planned mixed-used commercial uses. The remainder of the property shall be retained for public use.

The Agency shall reserve such powers and controls in the disposition and development documents, as may be necessary, to prevent transfer, retention, for use of the property for speculative purposes, and to ensure that development is carried out pursuant to this Redevelopment Plan.

IV. GENERAL PLANNING ANALYSIS

The Milwaukie Redevelopment Plan conforms with the City comprehensive Plan and Zoning Ordinance of the City of Milwaukie. The Redevelopment Plan conforms with the overriding Management Policies and with each applicable policy of the Comprehensive Plan.

The permits such as a Willamette Greenway conditional use will need to be obtained to carry out the Redevelopment Plan. Conformance with the permit criteria awaits a specific development proposal.

Objectives and policies from the Milwaukie Comprehensive Plan that relate to the Redevelopment Plan are included below. The figures noted in this section are from the Comprehensive Plan Document and not included herein.

A. Milwaukie Comprehensive Plan

The applicable policies are:

1. Natural Hazard Element

a. Floodplain - Policy #3

The finished elevations of buildings and streets will be a minimum of one foot above the 100 year flood elevation.

b. Floodplain - Policy #4

Whenever possible, the floodplain will be retained as open space and used for recreation or special storage. Dedication of lands within the floodplain is encouraged when indicated by the Recreational Needs Element, and may be required as a condition of development along creeks and rivers.

The Redevelopment Plan conforms with this element by:

- o Elevating the downtown riverfront area above the 100 year floodplain;
- o Installing bank stabilization to protect against flooding; and
- o Providing several areas within the riverfront for public open space and flood water storage (areas along Kellogg Creek, Johnson Creek and the Willamette River). These areas will be determined when a specific development concept is prepared. It is anticipated that a large amount of space will be provided for public open space, thus meeting the intent of this policy.

2. Open Spaces, Scenic and Historic Areas, and Natural Resources Element

The applicable policies are:

a. Scenic Areas - Policy #1

Future plans for the Milwaukie riverfront area will include consideration of viewing opportunities between downtown and Willamette River, as well as special places on the riverfront for enjoying views of the river and its activities.

b. Ecologically Significant Areas - Policy #1

Natural riparian vegetation along streams and drainageways will be maintained and preserved. Such vegetation will be maintained for a minimum distance of 15 level feet from the mean bank line in areas with slopes of ten percent or less. Where slopes exceed ten percent, an additional foot of vegetation should be preserved for each additional percent of slope increase. Selective cutting, trimming and thinning will be allowed as necessary for access to the waterway.

c. Open Space - Policy #3

The significant natural areas along Johnson Creek, Kellogg Creek and Kellogg Lake, as shown on Figure 4 and defined under objective #1, will be considered open space of special importance to all city residents. Low intensive public use of these areas for walking trails, nature parks and the like will be encouraged.

The Redevelopment Plan satisfies the above policies by increasing access to the river and preserving open spaces (Elk Rock Island, Johnson Creek and Kellogg Creek). Access and viewing are increased by the pedestrian skybridge, by the Kellogg Creek underpass and by the riverfront esplanade. Specific conformance with the above policies will be shown when a development concept for the riverfront is completed.

3. Residential Land Use and Housing Element

The applicable policies are:

a. Residential Land Use: Density - Policy #6

High Density in Mixed Use Areas will be based on the following policies:

1. Within the Mixed Use Area designated on Figure 6, a range of different uses including residential, commercial and office are allowed and encouraged. It is expected that redevelopment will be required to implement these policies, and that single structures containing different uses will be the predominant building type.
2. Commercial uses will be allowed at the ground floor level, and will be located relative to the downtown area so that pedestrian access between areas is convenient and continuous.

3. Office uses will be allowed at the ground and first floor levels.
4. High Density residential uses will be allowed on all levels. At least fifty (50) percent of the floor area within a project must be used for residential purposes.
5. Within the Mixed Use Area, a residential density bonus of fifteen (15) percent over the allowable density may be granted in exchange for exceptional design quality or special project amenities.
6. All parking must be contained within a project.

b. Residential Land Use - Neighborhood Conservation - Objective #4

To maximize the opportunities to preserve, enhance and reinforce identity, pride of existing well-defined neighborhoods in order to encourage the long-term maintenance of the City's housing stock.

The Residential Land Use and Housing Element is satisfied by the Redevelopment Plan because residential use will continue to be allowed in areas where it is currently permitted. Further, by installing public facilities, parks and open spaces, residential neighborhoods will be strengthened, in conformance with Comprehensive Plan objectives.

4. Economic Base and Industrial/Commercial Land Use Element

The applicable policies are:

a. Economic Development - Policy #2

The City will actively and aggressively encourage new economic development which provides an increased tax base, and employment opportunities.

b. Economic Development - Policy #3

The City will investigate opportunities and mechanisms to facilitate assemblage of sites for large scale project development. State redevelopment laws, non-profit corporations tax increment financing and other techniques will be evaluated.

c. Economic Development - Policy #5

The City will ensure that public services now serving industrial areas are adequately maintained to serve industrial needs. Public services and facilities will be upgraded as necessary.

d. Employment Opportunity - Policy #1

The City will encourage new and existing industries, businesses and employment centers that will provide primary, head of household jobs as well as opportunities for second income sources within households.

e. Employment Opportunity - Policy #2

The City will encourage new professional and service-oriented employment opportunities to meet the diverse needs of city residents.

f. Downtown Office Center - Policy #1

Downtown Milwaukie will be considered a district commercial center, serving primarily the needs of nearby neighborhood residents.

g. Downtown Office Center - Policy #2

Through zoning and other implementation measures, adequate opportunity for increased office building will be ensured to establish downtown as a regional or sub-regional office and employment center.

h. Downtown Office Center - Policy #3

A mix of office and commercial uses is encouraged in individual structures downtown, as long as retail uses are contiguous to existing retail development. Figure 6 shows lands designated for downtown commercial and office uses.

i. Downtown Office Center - Policy #4

A Mixed Use Area adjacent to downtown is established to include residential, commercial and office uses in single structures. See Objective 2, Policy 6 in the Residential Land Use and Housing Element.

j. Downtown Office Center - Policy #5

The City will review previous plans for downtown improvements and will develop an improvement and management program for the area with affected property owners and business persons. Various methods for local and outside funding will be explored for improvements deemed necessary such as parking, street lighting, landscaping, street furniture, paving and traffic management.

k. Downtown Office Center - Policy #6

Downtown public improvements will be coordinated with private improvement efforts by local property owners. The aim of all public improvements will be to stimulate and support private investments in the area.

l. Downtown Office Center - Policy #7

When developing an improvement plan for downtown, the city will investigate means for providing a buffer or clear demarcation between the highway service uses along McLoughlin Boulevard and the office and retail commercial uses in downtown Milwaukie.

m. Downtown Office Center - Policy #8

In its planning for downtown, the City will establish location(s) for major public transit stations or interchange facilities. The City will continue to work closely with MSD and Tri-Met in planning for transit improvements.

n. McLoughlin Boulevard - Policy #1

The City will work with the Oregon Department of Transportation and MSD during their transportation planning programs to identify appropriate land uses and access arrangements along McLoughlin Boulevard. The City will integrate its own downtown improvement plans and waterfront plans with these regional transportation planning programs.

o. McLoughlin Boulevard - Policy #2

The opportunity will be taken during any improvement or modification of the McLoughlin corridor to create new and more efficient vehicular access to the riverfront, as well as pedestrian access not in conflict with motorized transportation.

p. McLoughlin Boulevard - Policy #3

Improved pedestrian and bicycle connections will be provided between downtown and the riverfront through the provision of pedestrian paths, amenities, signals, separated crossings, etc., designed to ensure the safety of pedestrians and bicyclists.

q. McLoughlin Boulevard - Policy #4

The visual relationship between the downtown area of Milwaukie and its waterfront will be improved.

The Redevelopment Plan is consistent with the Economic Base and Industrial/Commercial Land Use Element because the Plan encourages economic development in the City. Through the assembly of new serviced development parcels along the waterfront and downtown, the Plan encourages new office, retail, and hotel development that will provide employment opportunities for City residents. The downtown will continue to serve the commercial needs of nearby neighborhood residents while also providing land for new office development. The Plan encourages development of design review procedures to assure that new development projects in the downtown and along McLoughlin Boulevard satisfy community standards.

In addition, the Redevelopment Plan provides public and private incentives to increase private reinvestment downtown and in other underutilized commercial areas of the City. This action is what the Comprehensive Plan policies encouraged to revitalize the City.

5. Recreational Needs Element

The applicable policies are:

a. Riverfront Recreation - Policy #2

Existing waterfront park lands will be developed to maximize use and enjoyment of the river.

b. Riverfront Recreation - Policy #3

Consideration will be given to the development of convention facilities such as a motel and related meeting rooms along the riverfront.

c. Riverfront Recreation - Policy #4

The City will cooperate with the City of Portland to encourage suitable recreational use of Elk Rock Island.

d. Riverfront Recreation - Policy #5

The City will cooperate with the Clackamas Sanitary District to encourage the continued public use of portions of the Kellogg Sewage Treatment Plan site.

e. Riverfront Recreation - Policy #6

In the long term, the City will encourage only residential, recreational or recreation-oriented commercial use of the shoreland and waterways along the Willamette River.

f. Neighborhood and District Parks - Policy #3

District parks will be large city-wide facilities, will serve a special function, or will take advantage of unique location characteristics such as the Willamette River. They should preferably be located on arterials or other major routes for easy accessibility from all parts of the area. North Clackamas Park and the downtown waterfront area are designated district parks.

g. Neighborhood and District Parks - Policy #4

Major "structured" recreational facilities such as lighted baseball and soccer fields, swimming pools, marinas, tennis complexes, etc., will be encouraged at district parks.

The Redevelopment Plan satisfies the Recreational Needs Element of the Comprehensive Plan by providing for new park development and increased access to and along the riverfront. New commercial development along the riverfront such as the proposed hotel and marina, will be primarily recreation oriented. Park improvements include Spring Creek Park, Elk Rock Island, and areas along Johnson Creek, Kellogg Lake and the Willamette River. With development of the Willamette Greenway Design Plan park land along the river can be further defined.

The Redevelopment Plan will further conform with the above policies when a development concept is prepared, showing the arrangement of development, public parks and open spaces, including a marina.

6. Willamette Greenway Element

The applicable objectives are:

a. Land Use - Objective #3

To encourage, in the long term, only residential, recreational and recreationally-oriented commercial use within the Willamette Greenway boundary.

b. Land Use - Policy #1

The land use designations on Figure 5 will serve as guidelines for establishing the Greenway Design Plan.

c. Land Use - Policy #2

Intensification of uses, changes in use or development of new uses are permitted only when consistent with the City's adopted Willamette Greenway Element, and the Greenway Design Plan.

d. Recreation - Objective #4

To maximize the recreational use of lands within the Willamette Greenway boundaries and the related waterways.

e. Recreation - Policy #2

Policies contained in the Recreational Needs Element will serve as guidelines for recreational planning within the greenway.

f. Public Access - Objective #5

To provide, improve and maintain public access within the Greenway and to the Willamette River.

g. Public Access - Policy #1

The City will encourage the dedication to new public access within the Greenway and to the Willamette River.

h. Public Access - Policy #3

The City will evaluate all proposals within the vicinity of the Greenway for their effect on the visual access to Willamette River.

The Willamette Greenway element is satisfied by the Redevelopment Plan because land uses within the greenway boundary are primarily recreationally-oriented commercial uses. The proposed marina, hotel, restaurant, and public plaza/walkway will provide river oriented experiences that will complement the Greenway. The Redevelopment Plan will significantly add to the amount of public open space and access to the riverfront.

The Greenway Design Plan, as required by the policies, will further define the level of development/conservation of the greenway. That Plan will serve as a guide to preparation of a development concept.

7. Neighborhood Element

The applicable objectives follow:

a. Neighborhood Area #1

1. Community Open Space - Objective #4

To preserve the open space in the neighborhood, especially farms along Lake Road, and the natural areas along Kellogg Lake and Creek, and Johnson Creek.

Important considerations are:

- a. New residential development should contribute to the parks and open space needs of the community.
- b. Public Access to and appreciation of the natural assets of Johnson Creek and Kellogg Creek and Lake should be encouraged.
- c. Natural areas should be preserved and protected.
- d. Substantial trees should be preserved throughout the neighborhood.

2. Willamette Greenway - Objective #6

To expand the present Willamette Greenway boundary to include Kellogg Lake, and establish the Willamette Riverfront as a recreational focal point for the community.

3. Traffic - Objective #7

To implement improvements proposed in the Roadway and Traffic Safety Management Plan, 1978, especially projects to improve railroad crossings, and to ease the congestion at the intersection of Harrison and the Milwaukie Expressway.

4. Walkways - Objective #8

To ensure adequate walkways are provided in both old and new residential areas, and once installed, are adequately maintained. Homeowners should assume the major responsibility to maintain and upgrade walkways on their property.

5. Streets and Drainage - Objective #9

To more adequately maintain existing city streets, and to solve the problem of surface flooding and ponding.

b. Neighborhood Area #4

1. Traffic Objective - #4

To implement improvements proposed in the Roadway and Traffic Safety Management Plan, 1978, and to improve the capacity of neighborhood collector streets such as Monroe, Home, Stanley, Wood, and Park.

2. Streets and Drainage - Objective #6

To reconstruct neighborhood streets to appropriate standards, ensure streets are adequately maintained, and to solve the problem of surface flooding and ponding. Particular emphasis should be placed on "Monroe Lake," a semipermanent pond on Monroe Street west of Home Avenue.

The Neighborhood Element is satisfied by the Redevelopment Plan because the Plan establishes the riverfront as the focal point of the community and encourages public access to the river as well as Johnson Creek, Kellogg Creek, and Kellogg Lake. The Redevelopment Plan provides for street and sewer improvements in the neighborhoods to the north and east of downtown. The Redevelopment Plan further implements the above element by solving storm drainage problems and by preserving open space areas along the creeks (Johnson and Kellogg).

8. Transportation Element

The applicable policies and objectives are:

a. Regional Traffic - Policy #2

The City will continue to participate in the MSD System Planning Program to identify solutions to the congestion problems along the McLoughlin Boulevard corridor.

In evaluating alternatives, the following factors will be considered:

1. Plans for the downtown improvement and waterfront development will be integrated with highway improvements.
2. The opportunity will be taken during any improvement or modification to create new and more efficient vehicular access to the riverfront, as well as pedestrian access not in conflict with motorized transportation.
3. Improved pedestrian and bicycle connections will be provided between downtown and the riverfront through the provision of pedestrian paths, amenities, signals, separated crossings, etc., designed to ensure the safety of pedestrian and bicyclists.

b. Regional Transit Opportunities - Objective #5

To encourage the improvement of transit service for trips through the Milwaukie area and trips leaving the area.

c. Local Transit Opportunities - Objective #6

To encourage the improvement of transit service for trips within the Milwaukie area.

d. Local Transit Opportunities - Policy #4

When roadway improvements are planned for arterials or collectors suitable for transit routes, the provision of transit facilities such as bus laybys, shelters, park and ride facilities, etc., will be considered.

e. Local Transit Opportunities - Policy #5

The timed transfer facility on Main Street will be maintained and improved to provide an attractive, safe, convenient location for transit users.

f. Pedestrian/Bikeway - Policy #2

Connections to this bikeway network from private developments is encouraged. All new developments must provide adequate pedestrian facilities.

g. Pedestrian/Bikeway - Policy #3

The City will encourage and assist local areas in establishing local improvement districts to provide adequate pedestrian facilities. The City will provide guidance in the design and location of these facilities.

h. Pedestrian/Bikeway - Policy #4

A high priority will be given to pedestrian facilities along or to transit corridors.

The Redevelopment Plan satisfies the transportation element by making improvements to McLoughlin Boulevard that:

- o Integrate the waterfront and downtown;**
- o Improve traffic flow;**

- o Improve pedestrian access (by constructing a skybridge); and
- o By connecting the bikeway north of Johnson Creek to the existing one south of Kellogg Creek.

The Plan further implements this element by making funds available and plans for transit improvements.

9. Public Facilities and Services Element

Applicable policies and objectives are:

a. Community Development - Policy #1

Public facilities and services will be adequately provided and maintained to meet the needs of industrial and business areas within the City.

b. Community Development - Policy #2

Public facilities and services will be developed and improved to encourage the location of new industries and businesses within the City.

c. Sanitary Sewer Service - Objective #5

To continue to provide adequate wastewater collection and treatment to all Milwaukie residents.

d. Drainage and Streets - Objective #6

To improve the storm drainage and collection system within the City in order to alleviate seasonal flooding problems and to allow for permanent street and sidewalk improvements.

e. Drainage and Streets - Policy #2

The City will promote the construction of street, curb, and sidewalk/bikepath improvements coordinated with the construction of a storm drainage system, with highest priority given to streets designated as arterials, collectors, bikeway streets, or streets serving public transportation.

f. Drainage and Streets - Policy #3

New development will be designed to limit storm drainage runoff outside project boundaries, or will provide a storm drainage and collection system within the project.

The Redevelopment Plan implements this element by making several public facility improvements. The Plan provides for storm drains, sanitary sewer lines, water lines, and street improvements in areas where new development is needed, in concert with the policies supporting community development. The Plan provides for major improvements around the shopping center site, in the Island Station area and to Harrison Street--a major traffic and transit route.

B. Milwaukie Zoning Ordinance

The Redevelopment Plan conforms with the Zoning Ordinance by encouraging development allowed by the particular zoning districts.

The Zoning Ordinance regulates maximum densities, intensities and uses of land. The Redevelopment Plan anticipates development in conformance with the Zoning Ordinance.

V. PROPOSED RELOCATION PLAN

The Plan proposes that property in District 1 be acquired and redeveloped. Acquisition and redevelopment will result in the displacement of residents and businesses. In the event of displacement, the Redevelopment Commission will provide assistance in finding replacement facilities to such persons or businesses. Prior to displacement, the Redevelopment Commission will establish regulations and administrative rules relating to relocation payments to persons or businesses as a result of acquisition pursuant to this Plan. These regulations are intended to comply with the requirements of Oregon State Law governing relocation assistance to displaced persons and will be in accordance with the requirements of ORS 281.045 to 281.105. The Redevelopment Commission will prepare and maintain information in its office relating to the relocation program and procedures, including availability of suitable housing and commercial space, eligibility for and amounts of relocation payments, services available, and other relevant matters.

VI. METHODS OF FINANCING REDEVELOPMENT PROJECTS

A. General Description of Financing Methods

The Milwaukie Redevelopment Commission will consider all possible sources of funding in carrying out this Plan. The Commission may borrow and accept advances, loans, grants, and any other form of financial assistance from the federal government, state, city, county or other public body or from any other sources, public or private, including lease or sale of properties to developers for the purpose of undertaking and carrying out this Plan. In addition, the Milwaukie Redevelopment Commission may obtain financing as authorized under ORS Chapter 457 or any applicable statutes.

Upon request of the Commission, the City Council of the City of Milwaukie may, as necessary to achieve plan objectives, seek general obligation or issue revenue bonds, certificates, notes, improvement warrants, or form local improvement or special assessment districts to assist in completing projects earlier or financing the Plan.

The funds obtained by the Commission shall be used to pay or repay any cost, expense, advances, or any other indebtedness incurred in planning or undertaking the Plan or in otherwise exercising any of the powers granted by ORS 457.

B. Self-Liquidation of Cost of Projects

The Plan may be financed, in whole or in part, by self-liquidation of costs of the Plan as provided in ORS 457.420 - 457.450. The ad valorem taxes, if any, levied by a taxing body upon taxable real and personal property situated in the Redevelopment Project Area, shall be divided as provided in ORS 457.550. That portion of the taxes representing the levy against the assessed value attributable to the increase, if any, in true case value of property located in the Redevelopment Area, or part thereof, over the true case value specified in the certificate or amendment to the certificate filed under ORS 457.430, shall, after

collection by the tax collector, be paid into a special fund of the agency and shall be used to pay the principal and interest on any indebtedness incurred by the Commission to finance or refinance the carrying out of the Plan.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Commission or the City in connection with preplanning of this Plan may be repaid by tax increment revenues from the Redevelopment Area when and if such funds are available as provided by ORS 457.

D. Completion of Projects

Upon completion of the projects identified in this Plan or subsequent amendments to this Plan, and the satisfaction of all outstanding indebtedness, the division of taxes under ORS 457.420 - 457.450 shall cease as provided by ORS 457.450.

VII. REDEVELOPMENT PLAN AMENDMENTS

The Plan anticipates the possibility of both substantial and minor amendments becoming necessary in response to changes in economic conditions, land use, and other factors. In accordance with ORS 457.220, any substantial amendment to the Plan shall, before being carried out, be approved and recorded in the same manner as called for in the original plans adopted under the requirements or ORS 457.085.

For the purposes of this section, "substantial amendment" means:

- o Revisions in the Redevelopment Area boundaries.
- o Additions of new projects other than those listed in Section III.B.2 that exceed an estimated \$250,000 in project cost or an aggregate of \$2 million.
- o Additional real property acquisition for private or public redevelopment.
- o Extending the term of the Plan for this district.

Minor amendments to the Plan shall be approved by Resolution of the Redevelopment Commission. Presentation of any amendment to the Commission or Council shall be accompanied by the recommendations of staff or the Riverfront Citizens Advisory Committee.

Amendments to planned land uses which result from amendment of the underlying Comprehensive Plan designation or Zoning District standards will be considered minor amendments to the Redevelopment Plan, in that the City's process for Code Text and Plan Map amendments requires analysis and public involvement.

VIII. APPENDIX

A. Legal Description

LEGAL DESCRIPTION

A parcel of land located in Sections 25, 26, 35 and 36 of Township 1 South, Range 1 East of the Willamette Meridian; more particular described as follows:

Beginning at the intersection of the easterly right-of-way line of Main Street and the southerly right-of-way line of State Highway 224, also known as the Milwaukie Expressway;

thence easterly and southerly along said Milwaukie Expressway right-of-way line 2,800 feet, more or less, to the northerly right-of-way line of Harrison Street;

thence easterly along the northerly right-of-way line of Harrison Street 1,330 feet, more or less, to the easterly right-of-way line of 34th Avenue;

thence southerly along the easterly right-of-way line of 34th Avenue and its' southerly extension 510 feet, more or less, to the northerly right-of-way line of Monroe Street;

thence easterly along the northerly right-of-way line of Monroe Street 760 feet, more or less, to the easterly right-of-way line of 37th Avenue;

thence southerly along the easterly right-of-way line of 37th Avenue 2,100 feet, more or less, to the northerly right-of-way line of International Way;

thence westerly along the westerly extension of the northerly right-of-way line of International Way and the northerly right-of-way line of Edison Street 260 feet, more or less, to the southwesterly right-of-way line of the Milwaukie Expressway;

thence northwesterly along the southwesterly right-of-way line of the Milwaukie Expressway 800 feet, more or less, to the easterly right-of-way line of 35th Avenue;

thence southwesterly 60 feet, more or less, to the southwest corner of 35th Avenue and Washington Street;

thence northwesterly and westerly along the southwesterly and southerly right-of-way lines of Washington Street 3,200 feet, more or less, to the easterly right-of-way line of 23rd Avenue;

thence southerly along the easterly right-of-way line of 23rd Avenue (also known as 22nd Avenue at the south end) 1,000 feet, more or less, to the northeasterly right-of-way line of Lake Road;

thence southwesterly across Lake Road 60 feet, more or less, to the intersection of the southerly right-of-way line of Lake Road and the easterly line of that parcel of land conveyed to Dale M. and Estle M. Harlan in Instrument No. 76-31409, Clackamas County Deed Records;

thence South 10° East, 106.66 feet to the southeast corner of said Harlan tract;

thence South 73° West, 175.56 feet to the right bank of Kellogg Lake, also known as the mill pond;

thence southeasterly along the bank of said mill pond 2,000 feet, more or less, to a point on the northeasterly projection of the southeasterly line of Block 56, MILWAUKIE HEIGHTS, a duly recorded subdivision;

thence southwesterly along said projection of the southeasterly line of said Block 56 and the southeasterly line of Block 56, 400 feet, more or less, to the most southerly corner thereof;

thence northwesterly along the southwesterly line of said Block 56 140 feet, more or less, to a point on the easterly projection of the centerline of Sparrow Street (formerly Fifth Street);

thence westerly along said centerline projection of Sparrow Street 200 feet, more or less, to the easterly boundary of the Portland Traction Company right-of-way;

thence southeasterly along the easterly boundary of the Portland Traction Company right-of-way 37 feet, more or less, to the southerly right-of-way line of said Sparrow Street;

thence westerly along the southerly right-of-way line of said Sparrow Street, 1,650 feet, more or less, to the easterly right-of-way line of 20th Avenue;

thence southerly along the easterly right-of-way line of 20th Avenue 300 feet to the northerly right-of-way line of Lark Street (formerly Sixth Avenue);

thence westerly along the northerly right-of-way line of said Lark Street 360 feet, more or less, to a point on the northeasterly extension of the northwesterly right-of-way line of the Southern Pacific Transportation Company (formerly Beaverton and Willsburg Railroad Company);

thence southwesterly along said Southern Pacific Transportation Company right-of-way 340 feet, more or less, to the southeast corner of a tract of land conveyed to George and Lillian Munford in Book 478, page 408, Deed Records;

thence westerly along the southerly line of said Munford tract 412 feet, more or less, to the southwest corner thereof and the low water line of the Willamette River;

thence northerly along the low water line of the Willamette River 600 feet, more or less, to a point directly East of the southernmost tip of Elk Rock Island, formerly known as Whitcomb Island, lying near the southwest corner of the Lot Whitcomb Donation Land Claim Number 38 in Township One (1) South, Range One (1) East of the Willamette Meridian, containing fifteen (15) acres of land, more or less;

thence West to the southernmost tip of said Elk Rock Island;

thence northwesterly, northerly and northeasterly along the westerly side of said Elk Rock Island to the northernmost tip thereof;

thence East to the low water line of the Willamette River on the mainland;

thence northerly along the low water line of the Willamette River 2,800 feet, more or less, to the center of Johnson Creek as it empties into the Willamette River;

thence northeasterly upstream on Johnson Creek 200 feet, more or less, to the southwesterly boundary of the Portland Traction Company right-of-way;

thence northwesterly along the southwesterly right-of-way line of said Portland Traction Company 600 feet, more or less, to the southerly extension of the westerly right-of-way line of Riverway Lane;

thence northerly along the westerly right-of-way line of Riverway Lane 500 feet, more or less, to the northerly right-of-way line of Lava Drive;

thence easterly along the northerly right-of-way line of Lava Drive and its' easterly extension 1,100 feet, more or less, to the easterly right-of-way line of McLoughlin Boulevard (also known as State Highway 99 East);

thence northerly along the easterly right-of-way line of said McLoughlin Boulevard and the westerly right-of-way line of Main Street 260 feet, more or less, to a point on the westerly extension of the southerly right-of-way line of the aforementioned Milwaukie Expressway;

thence easterly along said westerly extension across Main Street 90 feet, more or less, to the point of beginning.

MILWAUKIE REDEVELOPMENT REPORT

Adopted by the Milwaukie City Council

November 17, 1987

Ordinance #1640

Prepared for:

MILWAUKIE REDEVELOPMENT COMMISSION
10722 S.E. Main Street
Milwaukie, Oregon 97222

Prepared by:

The Benkendorf Associates Corp.
522 S.W. Fifth Avenue, Suite 1406
Portland, Oregon 97204-2131
(503) 226-0068

Moore Breithaupt & Associates
147 Commercial Street, N.E.
Salem, Oregon 97306
(503) 364-9326

Kittelson & Associates
512 S.W. Broadway, Suite 220
Portland, Oregon 97205
(503) 228-5230

TABLE OF CONTENTS
Milwaukie Redevelopment Report

	Page
Introduction	1
I. Description of Existing Conditions and Anticipated Impacts	5
A. Physical Conditions	5
1. Topography and Floodway	5
2. Land Use	5
3. Land Use Patterns	6
4. Existing Subdivision Patterns	8
5. Building Conditions Analysis	8
6. Traffic and Circulation	8
B. Social	11
1. Population	11
2. Income	12
3. Employment	13
4. Housing	17
C. Economic	18
1. Area Qualification	18
2. Value Qualification	18
D. Condition of Area Infrastructure	19
1. Existing Conditions	19
a. Street Deficiencies	19
b. Water System	20
c. Sanitary Sewer System	20
d. Storm Drain System	20
E. Impacts on City Services and Costs	20
F. Citizen Participation	21

	Page
II. Reasons for Selection of the Redevelopment Area Involved in the Program	22
III. Relationship Between the Projects to be Undertaken in the Program and Existing Conditions in the Area	23
IV. Estimated Total Cost of Project Improvements	25
A. Projects and Costs	25
B. Future Public Improvements	28
C. Sources of Monies	28
D. Estimated Completion Date	28
V. Financial Analysis of the Plan	29
A. Anticipated Tax Increment Funds	29
B. Estimated Amount of Money Required Under Oregon State Law	32
C. Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided for Under Oregon State Law	32
D. Project Revenues and Expenditures	34
E. Statement of Fiscal Impact on Other Jurisdictions	36
VI. Relocation Report	41
A. Relocation Analysis	41
B. Relocation Methods	41
C. Housing Cost Enumeration	42

LIST OF TABLES
Milwaukie Redevelopment Report

No.	Title	Page
1.	Percentage Population by Age Group	11
2.	Educational Level, Persons 25 and Over	12
3.	Household Income in 1979	13
4.	Labor Force Participation in 1979, Age 16+	14
5.	Employment by Occupational Category, Age 16+	15
6.	Employment by Economic Sector, Age 16+	16
7.	Households - Number of Occupants	17
8.	Year-Round Housing by Year Built	18
9.	Redevelopment Area True Cash Value, Estimated Frozen Base by Property Type, January 1, 1987	29
10.	Projected Annual Tax Increment	29
11.	Tax Rate Projections	31
12.	Analysis of Borrowing and Tax Increment Debt Retirement Capacity	33
13.	Summary of Projected Revenues & Expenditures	35
14.	Tax Districts	36

No.	Title	Page
15.	Redevelopment Area Tax District Value	37
16.	City of Milwaukie Projected Tax Increment	39
17.	North Clackamas School District Projected Annual Tax Increment	40

LIST OF EXHIBITS
Milwaukie Redevelopment Report

	Page
1. Site Location Map	2
2. Redevelopment Area	3
3. Redevelopment Districts	4
4. Existing Land Use	7
5. Blighting Conditions	9

ACKNOWLEDGMENTS

Milwaukie Redevelopment Commission

Roger A. Hall, Mayor

William N. Fitzgerald

Craig Lomnicki

Mike Richmond

Chere Sandusky

Milwaukie Riverfront Citizens Advisory Committee

Gary Michael, Chair

Bill Brod

Traute Goertzen

Marlene Graham

Alan Haight

Linda Hamilton

Patsy Lindsay

Kim Miller

Carl Nelson

Milwaukie Planning Commission

John Littlehales, Chair

Jan Fitzgerald

Robert Knudson

Patricia Lent

Gregg Newstrand, Jr.

Don Trotter

Pamela Wiley

Staff

Hugh Brown, City Manager

William Adams, AICP, Community Development Director

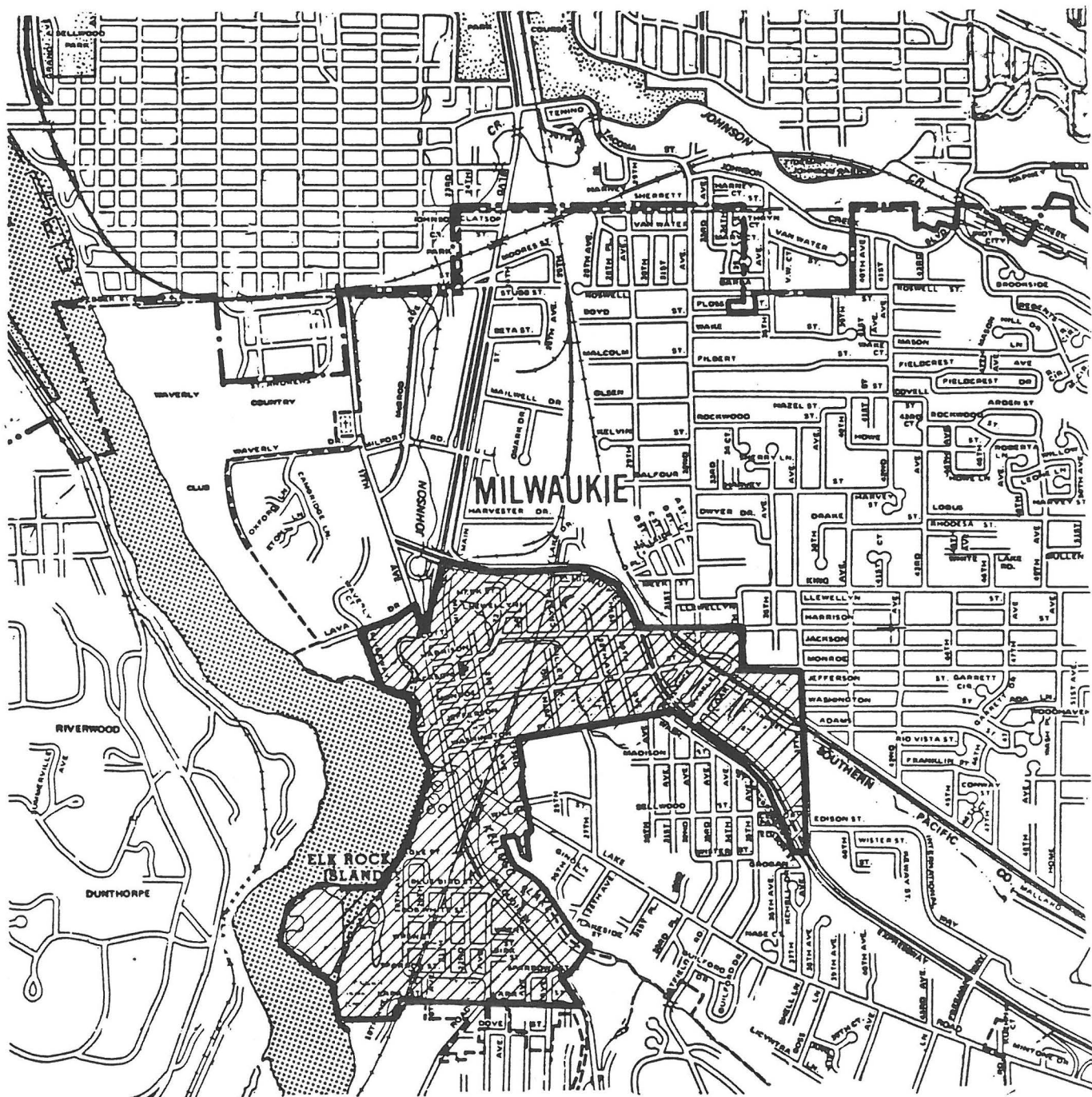
INTRODUCTION

Oregon Revised Statute (ORS) 457.-095-(3) requires that an Urban Renewal Plan be accompanied by a Report. The following document shall constitute the required report for the Milwaukie Urban Renewal Plan.

The purpose of the report is to describe the existing conditions in the Urban Renewal Area at the time the Plan is adopted. The Report also contains projected fiscal impacts, detailed project cost and completion estimates and a financial analysis of the renewal program. See Exhibits 1, 2, and 3.

Site Location Map

1



LEGEND



REDEVELOPMENT
AREA

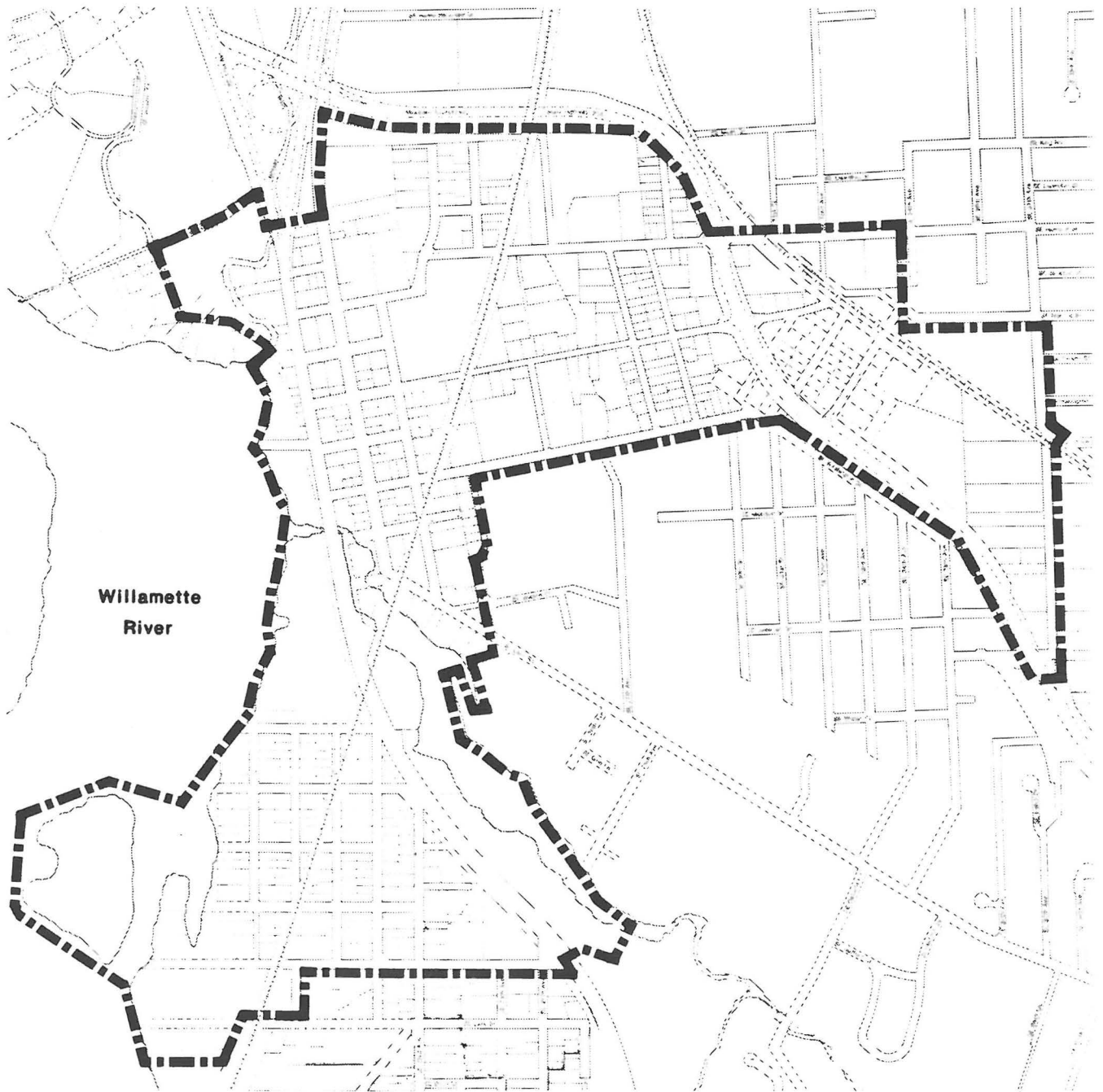


MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. N.E.
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 SW Broadway
Portland, Oregon 97205
(503) 228-5230



LEGEND

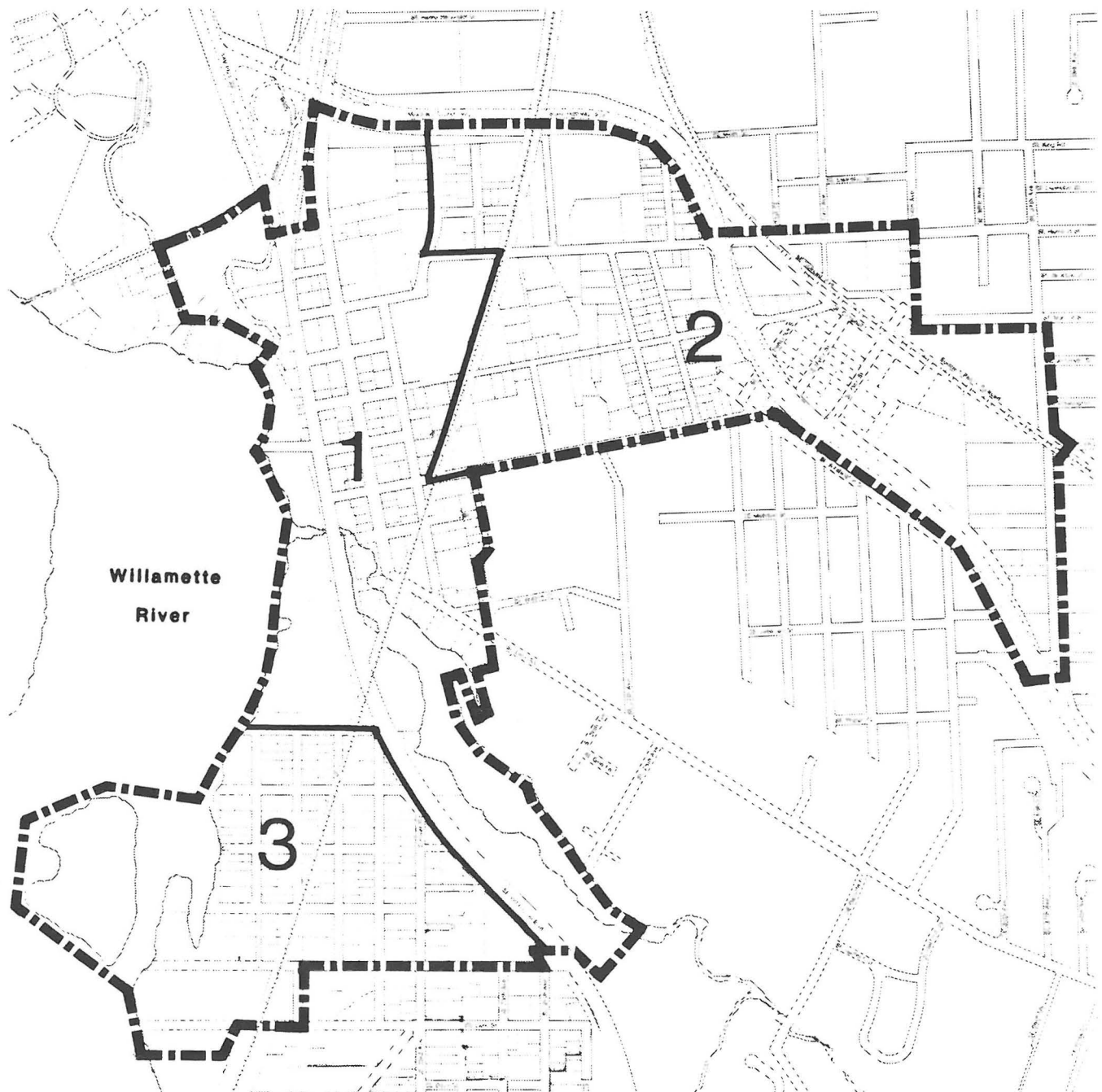


MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. NE
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 SW Broadway
Portland, Oregon 97205
(503) 228-5230



LEGEND

- DISTRICT 1:** THE CENTRAL RIVERFRONT AND THE DOWNTOWN.
- DISTRICT 2:** EAST OF DOWNTOWN AND EAST TO THE EAST SIDE OF HIGHWAY 224 INCLUDING RESIDENTIAL, AND VACANT COMMERCIAL / INDUSTRIAL LAND.
- DISTRICT 3:** EXISTING SINGLE FAMILY RESIDENTIAL AND ELK ROCK ISLAND.



MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. NE
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 SW Broadway
Portland, Oregon 97205
(503) 228-5230

L. DESCRIPTION OF EXISTING CONDITIONS AND ANTICIPATED IMPACTS

A. Physical Conditions

1. Topography and Floodway

The riverfront ranges in elevation from approximately 8 feet along the Willamette River to an elevation of 50 to 60 feet in the residential area north and south of Kellogg Park. The lower elevation of the area varies significantly with the level of the river which may rise 25 to 30 feet during a 100-year flood.

The area can be generally described as a series of river terraces oriented toward the west. Slopes adjacent to the river are 20% and greater, with some locations reaching slopes as steep as 40%.

The floodway, as mapped by the Department of Housing and Urban Development (HUD), is directly adjacent to the entire Milwaukie waterfront. This is due to the location of the City on the outside or erosion side of the bend in the Willamette River. The area between Jefferson and Eagle Streets is within the 100-year floodplain, as is the area between 19th Avenue and the floodway to the west. Base flood elevations as reported by HUD range between 31.8 feet at the north city limits to 32.9 feet at the south city limits.

The Flood Insurance Study for the City includes a photograph of the waterfront during the 1964 flood. The photo shows water levels up to McLoughlin Boulevard and extending south almost to Eagle Street. The overflow of Kellogg Lake flooded the area between McLoughlin and Main north near Washington Street.

2. Land Use

The Redevelopment Area encompasses 294 acres located within the city limits of Milwaukie and 22 acres, including Elk Rock Island and surrounding water areas, located outside but adjacent to the city

limits. The existing land use within the Redevelopment Area is varied and includes commercial, industrial, office, institutional, single family residential, and multi-family residential uses. See Exhibit 4, Existing Land Use. The Redevelopment Area includes a portion of the City's riverfront, the downtown core, and property adjacent to the Milwaukie Expressway.

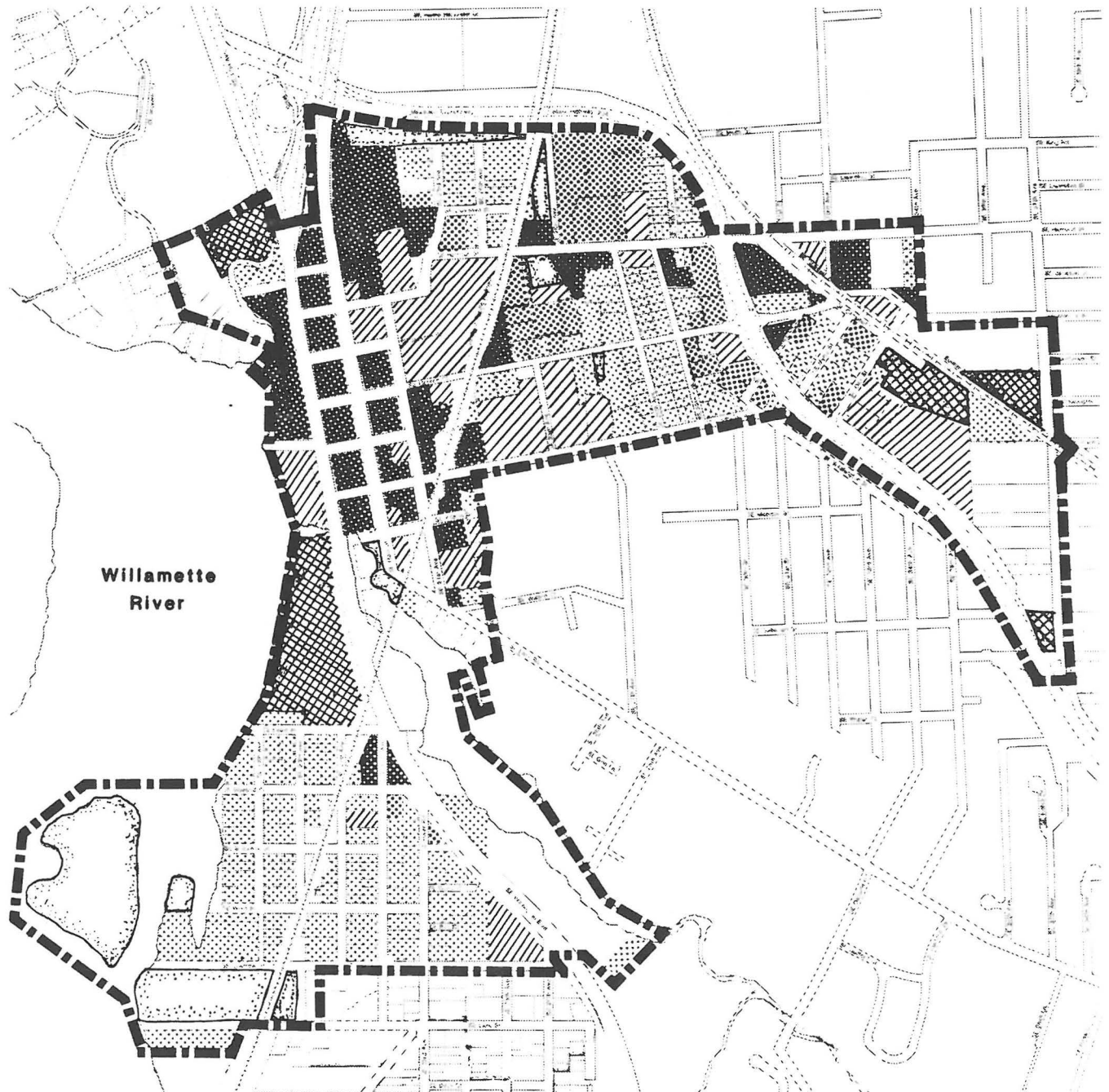
The Redevelopment Area along the riverfront includes the Sewage Treatment Plant which is the single largest land user along the river. Other riverfront property within the Redevelopment Area is used for commercial purposes, public boat access, and single family residential. Elk Rock Island is located within the Redevelopment Area and represents approximately 12 acres of undeveloped land.

The downtown core area includes the historical commercial center of Milwaukie and is oriented toward S.E. Main Street. The downtown area continues to serve as the primary commercial area within the City and provides a variety of goods and services.

The area along the Milwaukie Expressway includes 7 acres of underutilized industrial and 21 acres of commercially zoned land.

3. Land Use Patterns

The existing pattern of land use within the Redevelopment Area is consistent with the City's Comprehensive Land Use Plan in terms of commercial uses but somewhat inconsistent in terms of residential uses. Retail and office uses are concentrated in the downtown core, an area that is designated for commercial use. Multiple family apartments are located east of the downtown core and along the Milwaukie Expressway in areas designated for high density residential use. The primary inconsistencies involve the existing single family residential homes located in the high density and medium density areas north and east of the downtown.



LEGEND

	SINGLE FAMILY RESIDENTIAL
	MULTI FAMILY RESIDENTIAL
	COMMERCIAL
	INDUSTRIAL

	INSTITUTIONAL
	OPEN SPACE/PARKS
	VACANT



MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
 147 Commercial St. NE
 Salem, Oregon 97306
 (503) 364-9326

The Benkendorf Associates
 522 SW Fifth Avenue
 Portland, Oregon 97204
 (503) 226-0068

Kittelson & Associates
 512 SW Broadway
 Portland, Oregon 97205
 (503) 228-5230

4. Existing Subdivision Patterns

The Redevelopment Area exhibits examples of inefficient lotting patterns. The pattern of lot sizes in the downtown core includes numerous small scale lots that were originally platted for a mixture of residential and commercial uses. Because of the small lots and the need for consolidation, redevelopment is made more difficult. Along the riverfront, small parcels contribute to the need for the redevelopment.

5. Building Condition Analysis

Building conditions throughout the Redevelopment Area are at acceptable levels with a few exceptions. Building conditions were surveyed in April/May 1987 and the following categories were used for analysis: Standard, Deferred Maintenance, Substandard, and Dilapidated. The results of the building conditions survey are as follows:

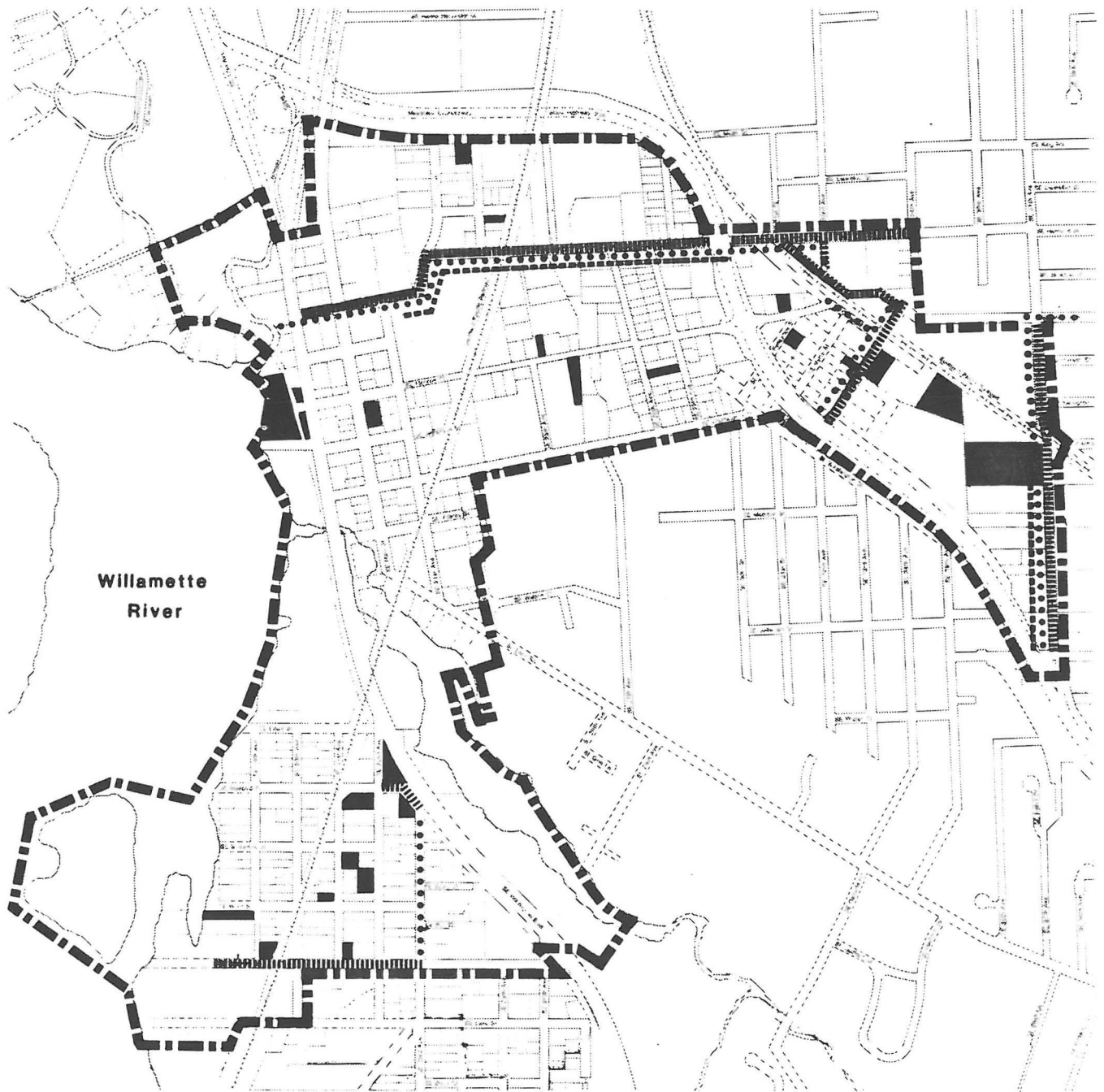
- o Two dilapidated structures;
- o Nine substandard structures; and
- o Twenty-seven structures suffering deferred maintenance.

Exhibit 5, **Blighting Conditions**, incorporates substandard, dilapidated, deferred maintenance buildings, and infrastructure deficiencies.

6. Traffic and Circulation

a. Access

The Redevelopment Area is bisected by McLoughlin Boulevard. Access is provided to the riverfront and downtown from McLoughlin Boulevard. The Milwaukie Expressway provides access to the portion of the Redevelopment Area located east of the downtown.



LEGEND

UTILITY DEFICIENCIES INCLUDE :

-  SANITARY SEWER
-  STORM DRAINAGE
-  ROADWAY DEFICIENCIES

STRUCTURAL DEFICIENCIES INCLUDE :

-  DEFERRED MAINTENANCE, SUBSTANDARD, DILAPIDATED



MILWAUKIE REDEVELOPMENT PLAN

Moore Breithaupt & Associates
147 Commercial St. NE
Salem, Oregon 97306
(503) 364-9326

The Benkendorf Associates
522 SW Fifth Avenue
Portland, Oregon 97204
(503) 226-0068

Kittelson & Associates
512 SW Broadway
Portland, Oregon 97205
(503) 228-5230

b. Collector Arterial Designations

The Transportation Plan of the Milwaukie Comprehensive Plan includes the following designations:

- | | | |
|---|-----------------------|----------------|
| o | Milwaukie Expressway: | Freeway |
| o | McLoughlin Boulevard: | Major Arterial |
| o | Harrison Street: | Minor Arterial |
| o | Monroe Street: | Collector |
| o | River Road: | Minor Arterial |
| o | S.E. 17th Street: | Minor Arterial |
| o | Washington Street | Collector |
| o | Main Street: | Collector |
| o | S.E. 21st Street: | Collector |

c. Circulation

The existing signalization and circulation system is not coordinated with the capacities and directions of the existing streets. The signals on McLoughlin are not coordinated with the major east west collectors/arterials of Washington, Monroe and Harrison Streets. As a result, additional turning movements are made in the downtown area. These movements promote congestion and inhibit access from McLoughlin into the downtown.

Access to the Sewerage Treatment Plant and the Log Dump is on a roadway adjacent to McLoughlin. The roadway entrance is at Jefferson and utilizes valuable waterfront land from Jefferson south to the plant.

The streets surrounding the City Hall block (Monroe, Harrison, Main, and 21st) are presently utilized by Tri-Met for Bus Transfer.

B. Social

1. Population

The total Redevelopment Area population as of April, 1980 was approximately 1415 persons. Of this total, it is estimated that 49.8% were male and 50.2% female. By race, the Redevelopment Area population was classified as 95% white.

The groupings by age for the Study Area are shown below. These estimated percentages are based on Census Bureau reports for the Block Groups most closely corresponding to the Study Area boundaries.

Table 1

Percentage Population by Age Group

Age Group	Redevelopment Area	City of Milwaukie
Under 5 years	5%	5%
5 to 17 years	17%	20%
18 to 64 years	66%	63%
65 and over	12%	12%
TOTAL POPULATION	1,415	17,931

Source: U.S. Census Bureau, 1980

The following table illustrates differences between the level of education attainment within the Redevelopment Area and within the City of Milwaukie.

Table 2

**Educational Level
Persons 25 and Over**

Education Level	Redevelopment Area	City of Milwaukie
Less than 4 years		
Highschool	20%	20%
4 years Highschool	29%	40%
College 1-3 years	31%	24%
College 4 or more years	20%	16%

Source: U.S. Census Bureau, 1980

2. Income

The 1980 Census indicated 1,221 persons in Milwaukie were below poverty levels. This represents 7% of the City's 1980 population. In the Redevelopment Area, approximately 10% of the population had incomes below the 1980 poverty level.

The mean household income in 1979 within the Redevelopment Area was \$20,799, slightly less than the mean household income city-wide of \$20,981. Differences in household income are illustrated in the following table.

Table 3

Household Income in 1979

Household Income	Redevelopment Area	City of Milwaukee
Less than \$ 5,000	8%	11%
\$ 5,000 - \$ 7,499	8%	7%
\$ 7,500 - \$ 9,999	10%	8%
\$10,000 - \$14,999	17%	14%
\$15,000 - \$19,999	16%	15%
\$20,000 - \$24,999	16%	16%
\$25,000 - \$34,999	11%	16%
\$35,000 - \$39,999	7%	9%
\$40,000 +	7%	4%
Mean Household Income in 1979	\$20,799	\$20,981

Source: U.S. Census Bureau, 1980

3. Employment

There was no meaningful difference in the labor force participation rates for the Redevelopment Area and the City in 1979. The following table illustrates that labor force participation rates for the Redevelopment Area and the City as a whole were similar.

Table 4

**Labor Force Participation in 1979
Age 16+**

	Redevelopment Area		City of Milwaukee	
	Male	Female	Male	Female
Persons 16+ years				
In Labor Force in 1979	81%	55%	79%	55%
Not in Labor Force	19%	45%	21%	45%

Source: U.S. Census, 1980

In the Redevelopment Area, 68% of the males worked 35 hours or more per week for 50 to 52 weeks during 1979. The city-wide average was slightly higher at 72% for males.

The following tables illustrate the distribution of employment by occupational category and economic sector. An evaluation of employment by economic sector and occupational category illustrates few significant differences between the Redevelopment Area and city-wide patterns. Employment of Redevelopment Area residents is less heavily concentrated in manufacturing than in the City as a whole. This observation is supported by occupational data which indicates a higher percentage of City residents were employed as operators, fabricators, and laborers than in the Redevelopment Area.

Table 5

**Employment by Occupational Category
Age 16+**

Occupation	Redevelopment Area	City of Milwaukie
Managerial & Professional Specialty Occupations	27%	22%
Technical, Sales and Administration Support (Incl. Clerical)	31%	35%
Service Occupations	11%	10%
Farming, Forestry and Fishing	1%	1%
Precision Production, Craft and Repair Occupations	15%	13%
Operators, Fabricators and Laborers	16%	19%
TOTAL	760	8,836

Source: U.S. Census

Table 6

Employment by Economic Sector, Age 16+

Economic Sector	Redevelopment Area	City of Milwaukie
Agriculture, Forestry, Fishing, Mining	1%	1%
Construction	6%	6%
Manufacturing, Non-durable Goods	4%	6%
Durable Goods	15%	16%
Transportation	6%	6%
Communication and Other Public Utilities	3%	2%
Wholesale Trade	6%	7%
Retail Trade	24%	18%
F.I.R.E.	6%	9%
Business and Repair Service	3%	4%
Personal, Entertainment, Recreation	2%	3%
Professional and Related Health Services	7%	8%
Education Services	6%	6%
Other	8%	4%
Public Administration	3%	4%
TOTAL PERSONS	760	8,836

4. Housing

The 1980 Census identified 684 year-round housing units within the Redevelopment Area. Approximately 63% of the occupied housing units within the Redevelopment Area were rented rather than owned by the occupant; a significantly higher percentage than the city-wide renter occupancy rate of 40%. The Redevelopment Area also exhibits a higher percentage of single person households (33%) relative to a city-wide percentage of 26% single person households.

Table 7

Households - Number of Occupants

Persons/Household	Redevelopment Area	City of Milwaukie
1 Person	33%	26%
2 Persons	37%	34%
3 Persons	12%	17%
4 Persons	12%	14%
5 Persons	3%	6%
6 Persons	3%	3%

The following table illustrates that 20% of the housing units within the Redevelopment Area were built prior to 1940. The older housing units are primarily single family structures. Considerable multifamily construction occurred in Milwaukie and within the Redevelopment Area during the 1960's & 70's.

Table 8

Year-Round Housing by Year Built

Year Built	Redevelopment Area	City of Milwaukie
1979 to March 1980	3%	3%
1975 to 1978	15%	12%
1960 to 1974	39%	40%
1940 to 1959	23%	31%
1939 or earlier	20%	14%

Source: U.S. Census, 1980

C. Economic

1. Area Qualification

ORS 457.420 specifies that the Redevelopment Area identified in the Plan may not exceed 25% of the City's land area or 25% of the City's assessed value. This plan meets that requirement.

The land area in the Redevelopment Area is approximately 316 acres while the City's land area is approximately 2944 acres. The Redevelopment Area comprises only 10.7% of the City's land area.

2. Value Qualification

The January 1, 1987 assessed value of the Redevelopment Area was approximately \$43.7 million while the City's assessed value is approximately \$600 million. The Redevelopment Area comprises only 7.3% of the City's assessed value and meets the qualification of being less than 25% of the total City assessed value.

D. Condition of Area Infrastructure

1. Existing Conditions

The infrastructure is composed of utilities and streets. Improvements are needed to the sanitary sewers, storm sewers, and street system within the Redevelopment Area.

a. Street Deficiencies

The street pattern in the Redevelopment Area results in high levels of traffic through the site on McLoughlin Boulevard and Highway 224. Both streets present significant crossing hazards for pedestrians and bicyclists. Pedestrian access to the riverfront is deficient because pedestrians are forced to walk in Jefferson Street and are not separated from vehicular traffic.

Traffic at the intersection of Harrison St. and McLoughlin Boulevard exceeds acceptable service levels. The capacity of Harrison Street is limited and may require improvements to increase capacity to accommodate new development in the area.

The intersection of 37th Avenue and Highway 224 currently exceeds capacity. Because 37th Avenue has a ten-ton load limit, it will require extensive improvement to accommodate any new development. In addition, capacity problems exist on Oak Street. The capacity and condition of Railroad Avenue is inadequate.

River Road and Sparrow Street are inadequate. The intersection of River Road and McLoughlin Avenue is hazardous. The Sparrow Street railroad underpass impairs access to Spring Creek Park.

b. Water System

Water lines along the riverfront area are inadequate. Water mains are available at Jefferson Street and 17th Avenue. The water system in the remainder of the Redevelopment Area is adequate.

c. Sanitary Sewer System

Sewer lines in the downtown core area are 50+ years old and are in need of rehabilitation. The Harrison Street sewer line is in severe need of repair. Sanitary sewer lines are needed along 37th Avenue between Highway 224 and Railroad Avenue.

d. Storm Drainage System

There are no existing storm drains in the riverfront area. The 18 inch storm sewer line in Harrison Street is experiencing capacity problems from Johnson Creek to 32nd Avenue. Sanitary sewers are needed along 37th Avenue between Highway 224 and Railroad Avenue.

E. Impacts On City Services and Costs

As vacant land is developed in the area along Highway 224, demand for public services will increase. The area will require increased police and fire protection.

As a result of this Urban Renewal Plan, it is expected that the riverfront area will be redeveloped. The area will require intersection improvements, new sidewalks, water lines, and storm and sanitary sewer lines. Cost of services will be offset to a large degree by decreased maintenance costs resulting from improvements to existing facilities.

F. Citizen Participation

The activities and projects identified in the Plan and this Report were undertaken with the participation of citizens, owners, and tenants as individuals and organizations with interests in the Redevelopment Area.

A nine member Riverfront Citizens Advisory Committee and the Redevelopment Commission participated in the preparation of the Plan and Report, meeting on a regular basis from April to October, 1987. Other methods of involving citizens during Plan preparation included the following:

- o A Tour of the downtown Salem and Portland South Waterfront urban renewal projects.
- o Three Newsletters published at key times during the development of the Plan, and distributed city-wide.
- o The formation of a Speakers Bureau to describe the Plan to local businesses and organizations.
- o The development of a Slide Show to describe the Plan to local businesses and organizations.
- o An opportunity for public comment in the second newsletter.
- o Neighborhood Meetings - Issues were raised and concerns noted.
- o Public presentations to service, business, and downtown property owners.
- o Three public hearings were conducted.
- o Several newspaper articles in the Business Journal, Oregonian, and Clackamas Review, during the course of the program.

II. REASONS FOR SELECTION OF THE REDEVELOPMENT AREA INVOLVED IN THE PROGRAM

The Milwaukie Redevelopment Area presents opportunities for the development of new commercial and industrial uses, as well as opportunities to retain and strengthen the existing businesses in the downtown core. The principle reason for selecting the Redevelopment Area was to eliminate the blighting conditions and influences which are inhibiting private investment in the area. Blighting conditions are caused by substandard or inadequate sewers, storm drains, streets, water facilities, by substandard or dilapidated buildings, or by irregularly shaped lots. Blighting conditions are described further in this report in Section I.

III. RELATIONSHIP BETWEEN THE PROJECTS TO BE UNDERTAKEN IN THE PROGRAM AND EXISTING CONDITIONS IN THE AREA

The projects to be undertaken in the Redevelopment Area are directly related to the existing conditions of the area. The following improvements, programs and activities, as set forth in Section III of the plan, are intended to correct the deficiencies described in Section I of this Report:

- o Storm drainage;
- o Sanitary sewer;
- o Water delivery;
- o Transportation;
- o Beautification; and
- o Business Retention.

The following implementation programs and activities may be utilized to correct the defined deficiencies:

- o Redevelopment financing;
- o Administrative and technical support;
- o Property acquisition and dispositions; and
- o Redevelopment and the creation of redeveloper's obligations
- o Relocation.

The following conditions exist in District 1:

- o Dilapidated and substandard buildings;
- o Lotting patterns;
- o Vacant buildings and lots;
- o Street and storm drainage inadequacies;
- o Traffic congestion;
- o Parking shortages; and
- o Minimal private investment in the area.

The projects listed in Section III of the Plan address those conditions. These include:

- o Consolidation, improvement, and sale of sites to private developers;
- o Public walkways, plazas, and other amenities to attract development;
- o Street improvements;
- o Traffic signal realignments on McLoughlin; and
- o Adding public parking spaces and grade separated walkways across McLoughlin.

The following conditions exist in District 2:

- o Substandard buildings; and
- o Inadequate roads, storm sewers, and sanitary sewer lines exist in the area, making it difficult to attract development to existing vacant and underutilized land near Highway 224.

The projects listed in Section III correct these conditions and will make it more attractive to develop the Commercial area along Highway 224 (the shopping center and Southern Pacific sites).

The following conditions exist in District 3:

- o Roadway deterioration;
- o Storm drainage inadequacies;
- o Undeveloped and inaccessible parks; and
- o Some substandard buildings.

The projects listed in Section III address these conditions by improving the parks, installing storm sewers, and improving streets (Sparrow Street).

IV. ESTIMATED TOTAL COST OF PROJECT IMPROVEMENTS

A. Projects and Costs

Estimated project costs are described below. Projects are organized by district. Project costs include 25% for engineering and contingencies and are calculated in 1987 dollars.

COST ESTIMATES BY PHASE AND DISTRICT

ITEM	TOTAL	T.I.F. SHARE
PHASE I - DISTRICT ONE		
A. PROJECTS		
1. Site Stabilization	\$433,000.00	\$433,000.00
2. Utilities	53,800.00	53,800.00
3. Waterfront Plaza	298,300.00	298,300.00
4. Monroe Street	75,900.00	75,900.00
5. Main Street (West)	42,500.00	42,500.00
6. Boat Ramp	100,000.00	100,000.00
7. Harrison/McLoughlin Re-Alignment	0.00	0.00
8. Treatment Plant Entrance	97,200.00	47,200.00
9. Spring Creek Park	50,000.00	50,000.00
10. Kellogg Lake Dredge Study	25,000.00	25,000.00
11. Development Assistance Fund	100,000.00	100,000.00
12. McLoughlin/Kellogg Lake Edge	21,000.00	21,000.00
Sub-Total	\$1,296,700.00	\$1,246,700.00
B. ADDITIONS		
1. Design, Engineering & Legal(10%)	\$129,600.00	\$124,700.00
2. Contingency (15%)	194,500.00	187,000.00
3. Inflation (0 years)	0.00	0.00
Sub-Total	\$324,100.00	\$311,700.00
TOTAL DISTRICT I	\$1,620,800.00	\$1,558,400.00
PHASE I - DISTRICT II		
A. PROJECTS		
1. SE Oak Street	\$150,100.00	\$37,500.00*
2. SE 37th Ave.	351,800.00	88,000.00*
3. International Way/Milwaukie	74,600.00	18,700.00*
4. SE 37th Ave. Utilities	128,000.00	32,000.00*
5. Oak/Campbell Street Utilities	52,000.00	13,000.00*
7. Railroad/32nd Ave.	198,600.00	49,700.00*
6. Spring Creek	10,000.00	10,000.00
Sub-Total	\$965,100.00	\$248,900.00

* 25% provided by T.I.F. and 75% by Developer.

ITEM	TOTAL	T.I.F. SHARE
B. ADDITIONS		
1. Design, Engineering & Legal (10%)	\$96,500.00	\$24,100.00
2. Contingency (15%)	144,800.00	36,200.00
3. Inflation (0 years)	0.00	0.00
Sub-Total	<u>\$241,300.00</u>	<u>\$60,300.00</u>
TOTAL FOR DISTRICT TWO	\$1,206,400.00	\$309,200.00
TOTAL FOR PHASE I	\$2,827,200.00	\$1,867,600.00

PHASE II - DISTRICT ONE ONLY

A. PROJECTS

1. Waterfront Ped. Promenade	\$240,200.00	\$240,200.00
2. Treatment Plant Park	92,700.00	92,700.00
3. Trtmt. Pt./Kell. Ck. Bike Brg.	25,000.00	25,000.00
4. McLoughlin Blvd. Ped. Underpass	30,000.00	30,000.00
5. McLoughlin Blvd. Ped. Overpass	160,000.00	160,000.00
6. Jackson St. Closure & Parking	34,200.00	34,200.00
7. Harrison Street (South)	40,000.00	40,000.00
8. Washington/Main Street	561,100.00	561,100.00
9. Town Square	216,500.00	216,500.00
10. Transit Station	1,200,000.00	0.00
11. McLoughlin/Monroe Inter.	245,300.00	**
12. McLoughlin/Washington Inter.	100,000.00	150,000.00**
14. McLoughlin Boulevard	490,500.00	**
Sub-Total	<u>\$3,435,500.00</u>	<u>\$1,549,700.00</u>

** : \$150,000.00 limited funds from T.I.F. for McLoughlin Blvd.

B. ADDITIONS

1. Design, Engineering & Legal (10%)	\$343,600.00	\$155,000.00
2. Contingency (15%)	515,300.00	232,500.00
3. Inflation (5 years @ 4%/year)	744,300.00	335,800.00
Sub-Total	<u>\$1,603,200.00</u>	<u>\$725,800.00</u>

C. NON-CONTINGENCY/INFLATION PROJECTS

1. Building Improvement Fund	\$100,000.00	\$100,000.00
2. Development Assistance Fund	150,000.00	150,000.00
Sub-Total	<u>\$250,000.00</u>	<u>\$250,000.00</u>

TOTAL PHASE II	\$5,288,700.00	\$2,525,500.00
-----------------------	-----------------------	-----------------------

ITEM	TOTAL	T.I.F. SHARE
------	-------	-----------------

PHASE III - ALL DISTRICTS

A. PROJECTS

1.	Jefferson Street (Dist.1)	\$73,000.00	\$73,000.00
2.	Kellogg Lake Park (Dist.1)	296,200.00	296,200.00
3.	Johnson Creek Park (Dist.1)	217,500.00	217,500.00
4.	Harrison St. Utilities (Multi)	464,000.00	464,000.00
5.	Harrison Street (Multi)	718,100.00	718,100.00
6.	Sparrow Street (Dist.3)	228,300.00	228,300.00
7.	River Rd. Storm Sewer (Dist.3)	40,000.00	40,000.00
8.	Spring Park (Dist.3)	285,000.00	285,000.00
9.	Elk Rock Island (Dist.3)	200,000.00	75,000.00
11.	McLoughlin/River Rd. (Dist.1)	0.00	0.00
	Sub-Total	\$2,522,100.00	\$2,397,100.00

B. ADDITIONS

1.	Design, Engineering & Legal(10%)	\$252,000.00	\$239,700.00
2.	Contingency(15%)	378,300.00	359,600.00
3.	Inflation(10 years @ 4%/year)	1,211,200.00	1,151,200.00
	Sub-Total	\$1,841,500.00	\$1,750,500.00

TOTAL FOR PHASE III	\$4,363,600.00	\$4,147,600.00
---------------------	----------------	----------------

SUMMARY OF TOTALS FOR ALL PHASES OF REDEVELOPMENT

PHASE ONE TOTAL	\$2,827,200.00	\$1,867,600.00
PHASE TWO TOTAL	\$5,288,700.00	\$2,525,500.00
PHASE THREE TOTAL	\$4,363,600.00	\$4,147,600.00
REDEVELOPMENT GRAND-TOTAL	\$12,479,500.00	\$8,540,700.00

NOTE: Estimate does not include cost of Railroad Underpass or 48" storm sewer main installation identified in district three and multi-district projects.

B. Future Public Improvements

As private redevelopment occurs within the Redevelopment Area, or as the Commission attempts to stimulate it, future public improvements, including street, sidewalk, water, storm sewer, lighting, street furniture, parking, property acquisition, etc., will be undertaken to permit, or complement such new developments and to provide necessary additional infrastructure improvements. A total of about \$8,540,000 in tax increment funds over the next nineteen (19) years is the estimated cost.

C. Sources of Monies

Tax increment revenues are planned as the major source of funding for most of the project's improvements. Proceeds from an estimated \$7.45 million in tax increment revenue bonds, direct use of tax increment for short-term indebtedness created by construction contracts, proceeds from sale of acquired land for redevelopment and various special funds from other governments and agencies (State, and County Service Districts). A local improvement district for street, sidewalk and beautification improvements in the downtown commercial area may be used, particularly if downtown property owners wish to add this source of funding to advance the completion date for these improvements.

D. Estimated Completion Date

It is estimated that all projects will be completed by year 2006.

V. FINANCIAL ANALYSIS OF THE PLAN

A. Anticipated Tax Increment Funds

Table 9 illustrates the Estimate of Redevelopment Area True Cash Value as of January 1, 1987 and will become the "frozen" base for the project area. This value is used as the starting True Cash Value of the Redevelopment Area in Table 10.

Table 9

**Redevelopment Area True Cash Value
Estimated Frozen Base by Property Type - January 1, 1987
Milwaukee Redevelopment Area**

Property Type	
Land & Improvements	\$40,810,000
Personal Property (est.)	1,100,000
State Assessed (est.)	<u>1,790,000</u>
TOTAL TRUE CASH VALUE	\$43,700,000

**PROJECTED ANNUAL TAX INCREMENT
Milwaukee Urban Renewal Area**

Table 10

Urban Renewal Area Growth Rate = 2.00%(plus projects)*

Fiscal Year	Projected U.R. Area TCV	Growth Over Frozen Base	Annual T.I. Revenue 1/	Cumulative T.I. Revenue	Estimated Tax Rate
1988	43,700,000 *	0	0	0	
1989	47,974,000 *	4,274,000	98,819	98,819	\$25.69
1990	57,583,000 *	13,883,000	340,009	438,828	\$25.78
1991	58,735,000 *	15,035,000	370,286	809,114	\$25.39
1992	68,845,000 *	25,145,000	626,649	1,435,763	\$25.43
1993	70,222,000	26,522,000	662,265	2,098,028	\$25.48
1994	71,626,000	27,926,000	697,323	2,795,351	\$25.48
1995	78,059,000 *	34,359,000	859,642	3,654,993	\$25.53
1996	79,620,000	35,920,000	898,697	4,553,690	\$25.53
1997	81,212,000	37,512,000	938,528	5,492,217	\$25.53
1998	82,836,000	39,136,000	979,159	6,471,377	\$25.53
1999	84,493,000	40,793,000	1,020,616	7,491,993	\$25.53
2000	86,183,000	42,483,000	1,062,899	8,554,892	\$25.53
2001	87,907,000	44,207,000	1,106,033	9,660,925	\$25.53
2002	89,665,000	45,965,000	1,150,017	10,810,941	\$25.53
2003	91,458,000	47,758,000	1,194,877	12,005,818	\$25.53
2004	93,287,000	49,587,000	1,240,637	13,246,455	\$25.53
2005	95,153,000	51,453,000	1,287,323	14,533,778	\$25.53
2006	97,056,000	53,356,000	1,334,935	15,868,713	\$25.53
2007	98,997,000	55,297,000	1,383,498	17,252,211	\$25.53

* These values estimated directly by Moore Breithaupt & Assoc., Inc.

1/ Estimated Composite Tax Rate in Urban Renewal Area

Table 10 shows the projected tax increment revenues to be received by the Redevelopment Commission each fiscal year beginning July 1, 1988. These projected amounts are based on the following assumptions.

1. The composite tax rate which applies to taxable property within the redevelopment area is the total of eight individual tax rates of the various districts overlapping the project area. Estimates of each district's tax rate in future years is based upon an analysis of tax rates over the past ten years plus information from specific districts of their tax levies for operating and debt retirement purposes. For example, the North Clackamas School District is levying \$14.93 in 1987-88 and the two subsequent fiscal years as a result of a voter-approved three-year tax measure. The Metropolitan Service District must pay debt service through a property tax on a recently approved \$65 million bond issue.
2. Projected tax rates for these overlapping districts and the resulting composite rate are shown in the following table for the next ten years. The composite rate of \$25.53 is continued through the estimate life of the project.

Table 11

Tax Rate Projections
Milwaukie Urban Renewal Area
Ten Years Beginning F.Y. 1988-89
(Rates Per \$1000 A.V.)

Taxing Districts*	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98
Clackamas County	\$ 2.05	2.05	2.05	2.05	2.05	2.00	2.00	2.00	2.00	2.00
School Dist. #12 a/	14.93	14.93	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
City of Milwaukie b/	5.70	5.75	5.80	5.85	5.90	5.95	6.00	6.00	6.00	6.00
Clackamas Com. Col.	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32
Educ. Serv. Dist c/	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Vector Control Dist.	.01	.01	.01	.01	.01	.01	.01	.01	.01	.01
Port of Portland	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40
Metro Serv. Dist.	<u>.33</u>	<u>.32</u>	<u>.31</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>
TOTAL TAX RATE	\$25.69	\$25.79	\$25.39	\$25.43	\$25.48	\$25.48	\$25.53	\$25.53	\$25.53	\$25.53

Notes: *For Tax Code Area overlapping the Urban Renewal Area

a/ School District's fixed rate levy should drop in 1990-91 when current three-year levy expires & district receives benefit of added tax value from Clackamas Town center's "released".

b/ City rate estimated to rise over next 7 years to about \$6.00.

c/ Education Service Districts are the combined Elementary & High School

3. Specific developments which are assumed to add to the growth of incremental values in the area consist of:

Crystal Spring Apartments	3.4 million (1988)
Shopping Center (Phase I)	8.6 million (1989)
New Riverfront Development	6.4 million (1991)
Shopping Center (Phase II)	2.4 million (1991)
Other Redevelopment Area Development	5.0 million (1994)

In addition to these values from specific new development, the annual increase in property values resulting from miscellaneous improvements and inflation has been projected at 2%.

4. The projected collection of Tax Increment Revenues assumes a tax collection rate of 91% in 1988-89, 95% in 1989-90, and 98% thereafter. These rates are based on recent history of collection records.
5. Interest earnings on both carryover cash balances within the Debt Retirement Fund and the Debt Reserve Account average annual balance are calculated at 5% per year. These interest earnings, particularly within the Debt Reserve A Account procure significant revenues for projects and especially for payment of final bond redemptions in the last year of the project.

B. Estimated Amount of Money Required Under ORS 457.420 - 457.440

Table 12 illustrates the anticipated \$17,252,211 in Tax Increment revenues collected through F.Y. 2006-07. These revenues, along with other funding, were required to repay the indebtedness incurred by the Redevelopment Commission for the period through F.Y. 2006-07.

C. Anticipated Year in Which Indebtedness will be Retired or Otherwise Provided for Under ORS 457.440.

It is anticipated that the Urban Renewal Agency's indebtedness will be incurred through:

1. Repayment of monies advanced by the City;
2. Sale of bond issues and short-term notes; and
3. Short-term indebtedness to undertake projects.

The Commission should be able to redeem the outstanding amount of bonded indebtedness requiring Tax Increment revenues, through the accumulated balance in the Debt Reserve Account and Debt Service Retirement Fund in Fiscal Year 2006-07. See Table 12. Any funds not spent after all indebtedness is satisfied would be transferred to the County Assessor for use by all the overlapping taxing districts.

D. Project Revenues and Expenditures

Based upon estimated project costs and projections of tax increment and other revenues, the overall plan appears to be financially feasible. The exact components of some of the projects and the years in which specific components can or should be accomplished will depend upon redevelopment decisions of private developers, the required approvals of the City, the actual flow of tax increment revenues and the availability of some of the other revenue sources. Values for land and new development within the Riverfront area are based upon economic analyses contained in the Hobson & Associates market study of December, 1986.

Table 12 indicates projected tax increment revenues and estimated expenditures for program administration, bonded debt service, and short-term indebtedness incurred primarily through construction contracts and repayment of advances from the City for services. The table shows three Tax Allocation Bond issues supplying most of the money necessary to accomplish the planned public improvements. Bond issuance totaling \$7,450,000 would be sold. Net proceeds of these issues (after deducting bond issuance costs of 2% and transferring 10%, or \$745,000 to the Debt Reserve Account) would pay for about \$6,556,000 of public improvement projects. The remaining cost of public improvements, net costs of land acquisition, and repayment of City advances, would be financed with non-bond funds totaling \$6,145,000. In addition, certain other projects like McLoughlin Avenue improvements would largely be financed by the State Highway Division.

Table 13 summarizes this flow of project revenues and expenditures by each of the three phases to illustrate the anticipated time for each phase. Project costs for Phase I are stated in current dollars while project costs for Phase II and III have been escalated at 4% per year for 5 and 10 years respectively. This accounts for the impact of inflation on projects undertaken some years in the future. If inflation is excessively high over the next 10 to 20 years, it will indeed increase project costs above these estimates. This situation would also undoubtedly increase property values, and hence tax increment revenues above the assumed 2% per year factor applied to these values.

E. Statement of Fiscal Impact On Other Jurisdictions

Eight taxing districts overlap the Redevelopment Area. If the Education Service Districts are separated into High School and Elementary, there are nine separate districts, but most records show these two districts with one combined tax rate. These eight districts and their 1986-87 tax rates and true case values are shown below.

Table 14

Tax Districts

District	Tax Rate	True Cash Value (In Thousands)
Clackamas County	\$2.08	\$8,420,537
North Clackamas School District	13.98	2,407,030
City of Milwaukie	4.83	599,605
Clackamas Community College	1.34	6,073,777
Educational Service Districts	1.01	8,500,000 (est.)
Vector Control District	.01	8,420,537
Port of Portland	.43	35,922,024 (est.)
Metropolitan Service District	.16	32,494,098 (est.)
Composite Tax Rate	\$23.84	

Notes: Valuation marked (est.) are preliminary.

Source: Clackamas County Assessor's Office

Table 17

PROJECTED ANNUAL TAX INCREMENT

NORTH CLACKAMAS SCHOOL DISTRICT

Milwaukie Urban Renewal Area

District Growth Rate = 2.00%

Urban Area Growth Rate 2.00%(plus projects)*

Fiscal Year	Projected U.R. Area TCV	Growth Over Frozen Base	Annual T.I. Revenue 1/	Cumulative T.I. Revenue	Projected TCV (No TI Value)2/	-----Estimated-----	
						District Tax Rate3/	Impact4/
1988	43,700,000 *	0	0	0	2,455,000,000	\$14.93	\$0.0000
1989	47,974,000 *	4,274,000	57,430	57,430	2,590,000,000 *	\$14.93	\$0.0247
1990	57,583,000 *	13,883,000	196,910	254,339	2,641,800,000	\$14.93	\$0.0789
1991	58,735,000 *	15,035,000	211,467	465,807	2,694,636,000	\$14.50	\$0.0814
1992	68,845,000 *	25,145,000	357,310	823,117	2,748,528,720	\$14.50	\$0.1339
1993	70,222,000	26,522,000	376,878	1,199,995	2,803,499,294	\$14.50	\$0.1385
1994	71,626,000	27,926,000	396,828	1,596,823	2,859,569,280	\$14.50	\$0.1430
1995	78,059,000 *	34,359,000	488,241	2,085,064	2,916,760,666	\$14.50	\$0.1728
1996	79,620,000	35,920,000	510,423	2,595,488	2,975,095,879	\$14.50	\$0.1772
1997	81,212,000	37,512,000	533,046	3,128,533	3,034,597,797	\$14.50	\$0.1815
1998	82,836,000	39,136,000	556,123	3,684,656	3,095,289,753	\$14.50	\$0.1857
1999	84,493,000	40,793,000	579,669	4,264,324	3,317,195,548	\$14.50	\$0.1805
2000	86,183,000	42,483,000	603,683	4,868,008	3,383,539,459	\$14.50	\$0.1844
2001	87,907,000	44,207,000	628,181	5,496,189	3,451,210,248	\$14.50	\$0.1881
2002	89,665,000	45,965,000	653,163	6,149,352	3,520,234,453	\$14.50	\$0.1918
2003	91,458,000	47,758,000	678,641	6,827,993	3,590,639,142	\$14.50	\$0.1955
2004	93,287,000	49,587,000	704,631	7,532,624	3,662,451,925	\$14.50	\$0.1990
2005	95,153,000	51,453,000	731,147	8,263,771	3,735,700,964	\$14.50	\$0.2025
2006	97,056,000	53,356,000	758,189	9,021,960	3,810,414,983	\$14.50	\$0.2059
2007	98,997,000	55,297,000	785,770	9,807,731	3,886,623,282	\$14.50	\$0.2093

* These values estimated directly by Moore Breithaupt & Assoc., Inc.

1/ Portion of Tax Increment Revenue derived from the estimated tax rate of this taxing district.

2/ Projection of True Cash Value excluding incremental value in the Urban Renewal Area.

3/ Estimated Tax Rate assuming existence of Urban Renewal Program.

4/ Estimated Impact on tax rate due to Urban Renewal Program's use of incremental value & revenues.

VI. RELOCATION REPORT

A. Relocation Analysis

As a result of the proposed redevelopment, residents and businesses on the following properties will be required to relocate.

1. Riverfront properties

Map Number: 11E35AA

Tax Lots: 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3900 (part), 3901 U1 (part), 3901 U2 (part), 4400 (part), 4700, 4700 A1, 4800, and 4900.

Map Number: 11E35AD

Tax Lots: 900 U1, 900 U2, and 1000.

The riverfront area contains 12 businesses or business storefronts (potential businesses). The area includes one apartment building with 16 units. Assuming a relocation cost of \$20,000 per business and \$4,000 per apartment unit, total relocation cost will be \$304,000.

B. Relocation Methods

The Redevelopment Commission will adopt a resolution, establishing administrative rules relating to requirements for making relocation payments to persons displaced by City public improvement projects, and establishing eligibility procedures and appeal procedures. These regulations are intended to comply with the requirements of Oregon State Law governing relocation assistance to displaced persons. The Redevelopment Commission will prepare and maintain information in its office relating to the relocation program and procedures, including eligibility for and amounts of relocation payments, services available, and other relevant matters.

C. Housing Cost Enumeration

In the Riverfront area 16 apartment units will be acquired and removed. The 16 units occupy a single structure on Tax Lot 2300 - Map Number 11E35AA. The assessed value of the apartment building (improved value) was \$62,940 in 1987. The assessed value of the land was \$34,840 for a total value of \$97,780.

If a \$4,000 rent subsidy is assumed for relocation assistance for each unit, relocation cost will be \$64,000.

There are no plans to add new residential units within the riverfront area of the Redevelopment Area. It is expected that the riverfront area will redevelop as a hotel/motel and commercial/office complex.