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Milwaukie Downtown Revitalization Project: The Milwaukie Storefront (Economic Report)

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THE MILWAUKIE STOREFRONT

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EXECUTIVE SUMMARY

THE MILWAUKIE ECONOMIC PROFILE AND
RETAIL MARKET ANALYSIS

The Milwaukie Economic Profile and Retail Market Analysis prepared by the staff of the Milwaukie Storefront is intended to assist the City of Milwaukie in assessing the potential for expanding the retail base of its downtown and throughout its jurisdiction. It offers:

1) an inventory of commercial and retail activity within a two-mile radius of downtown Milwaukie;
2) an analysis of supportable square feet of retail and commercial space within this radius;
3) a demographic description of area residents;
4) a review of the 1982 survey of downtown patrons;
5) an analysis of the retail growth potential of the Milwaukie area.

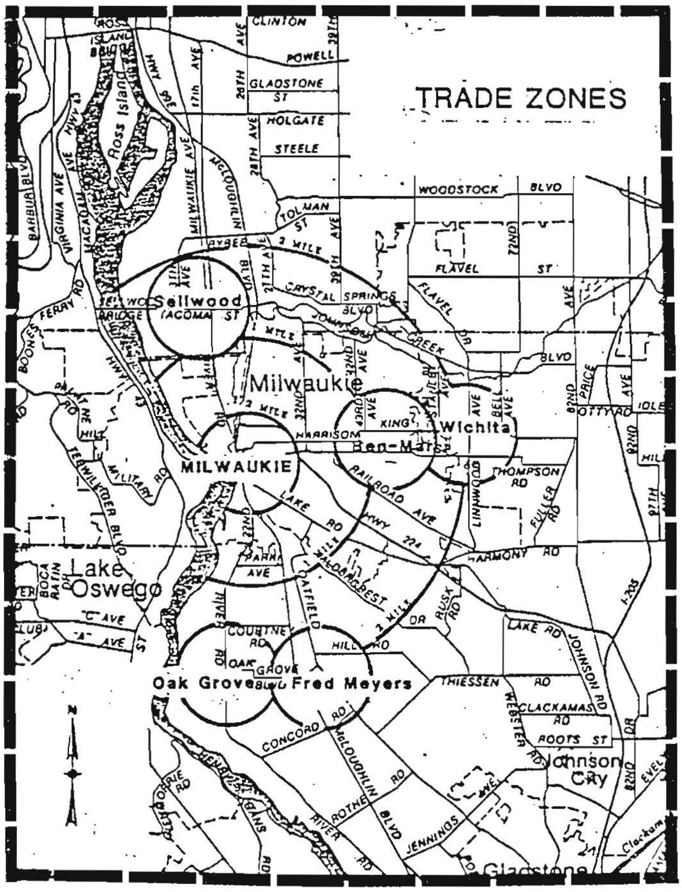
This information can also be used by interested parties as an introduction to Milwaukie's economic activities. However, a more detailed market analysis would be required for specific business expansions or location decisions.

The conclusion of this report is that the City has the potential to maintain and strengthen its retail base through the addition of new types of retail trade. This assessment is based on the existence of sufficient untapped consumer purchasing power. The report does not recommend a specific strategy to tap this potential market but does identify certain classes of retail activity which might bear further consideration as the source of new retail development. The City must decide upon an appropriate set of policies to frame its business development goals. In this context the main findings of the report will be useful in identifying potential opportunities for future development.

Inventory Findings

Within a two mile radius of downtown Milwaukie, there are an abundance of convenience type retail establishments, personal service and service related establishments, (such as grocery stores, eating and drinking establishments, financial institutions, dry cleaners, service stations, florists, jewelry stores and other specialty stores). There are, however, very few retail comparison shopping establishments (apparel,

Map 1



furniture, home appliance, radio and TV, and automobiles) in the immediate downtown area.

In the surrounding area (Southeast Portland, Oak Grove, Clackamas, etc.) the development is similar. Retail centers characteristically contain a large grocery store and are surrounded by smaller specialized retail establishments that provide a differing mix of goods and personal services. The Sellwood area is unique in that it contains a high concentration of antique stores and fewer convenience shopping establishments. It is also a regional center for the antique trade.

Milwaukie Demographics

The average Milwaukie household contains a young, middle income family. The 1979 median annual income of these families (by census tracts) ranged from $17,000 to $29,000. The highest percentage of employed persons work in durable goods manufacturing and the retail trade industry. The most common occupations were (by rank): 1) clerical and administrative, 2) crafts and repair, and 3) executive and managerial.

Downtown Shoppers Survey

In January, 1982, a shoppers survey identified retail activities which consumers perceived as "needed" in downtown. The most frequently identified business was a clothing store. Other high priority firms were a "nice" restaurant, another grocery store, and a large department store. The goods most frequently purchased downtown were groceries, restaurant food and variety items (stationery, cosmetics and housewares). Banking was also identified as a frequently used service.

Potential Growth

Despite recent population losses, the City of Milwaukie and its adjoining area are projected by the Metropolitan Service District to grow approximately nine percent annually until the year 2000. The projection for Clackamas County is for sufficient growth to produce a fifty (50) percent population increase by the year 2000. One of the major impacts of such growth is simply the movement of people from rural to urban areas. Milwaukie, as a suburb of a major city, will benefit from such population shifts. Hence, retail demand and resultant activity should increase.

Findings

The primary trade area contains more retail floor space in the convenience and miscellaneous retail categories than can be supported soley by the population with a 1/2 mile radius of this commercial core. This is to be expected. Many of these businesses draw their customers from the secondary trade area where there is a shortage of floor space in these same categories. The shortage in the secondary trade area in available floor space for eating and drinking establishments, food stores, building and hardware stores, and miscellaneous retail exceed the surplus floor area in the primary trade zone. This indicates that there is a potential for the establishment of more of these types of businesses in this area to serve the needs of residents.

Comparison goods show shortages in both the primary and the secondary trade area in all categories of goods. There is an apparent need for more of this type of retail in the Milwaukie area. However, this need should be approached cautiously. People are willing to travel relatively long distances to purchase comparison goods. Accordingly, some of the apparent demand for these goods may be going to Clackamas Town Center, just one mile beyond the edge of the secondary area.

The estimation of supportable retail floor space did not include employees as consumers for the primary zone. There are 611 individuals who work downtown and who do some portion of their shopping there. One should expect their impact to be felt mostly in the convenience type businesses.

Within the primary zone, the largest retail floor space shortage is in the general merchandise/variety stores and furniture/home furnishings categories. At present, the departments/variety stores provide only seven percent of the estimated supportable floor area needed in this area. Also, consumer buying power should support one more drug store.

In the secondary trade area, all the retail categories are deficient in supply except gasoline and service stations. Even with six existing primary trade areas in this zone, surplus consumer purchasing capacity exists to support business expansion. The category with the largest shortage is convenience goods, despite the fact that it is the dominant retail use in the area. Currently, eating and drinking establishments occupy only 32 percent of the supportable floor area for their use and food stores only 48 percent. In addition, the eating establishments serve predominately the lunch or "fast food" trade. There is room for more speciality eating establishments that rely on the dinner trade. The retail use most in need is general merchandise/variety stores.

It was necessary to adjust the miscellaneous retail category because the number of antique stores in Sellwood distorts this category. This product meets a regional as opposed to local demand. The secondary zone includes the Sellwood neighborhood with its extensive offering of antique stores. In the process of estimating the supportable retail floor space in this category only half of antique shop floor space was used. This offered a better representation of the actual demand for the specialty uses found in this broad category. The results show that the disposable income in the secondary trade area can support an increase of nearly 60 percent in floor area dedicated to specialty goods.

Conclusions

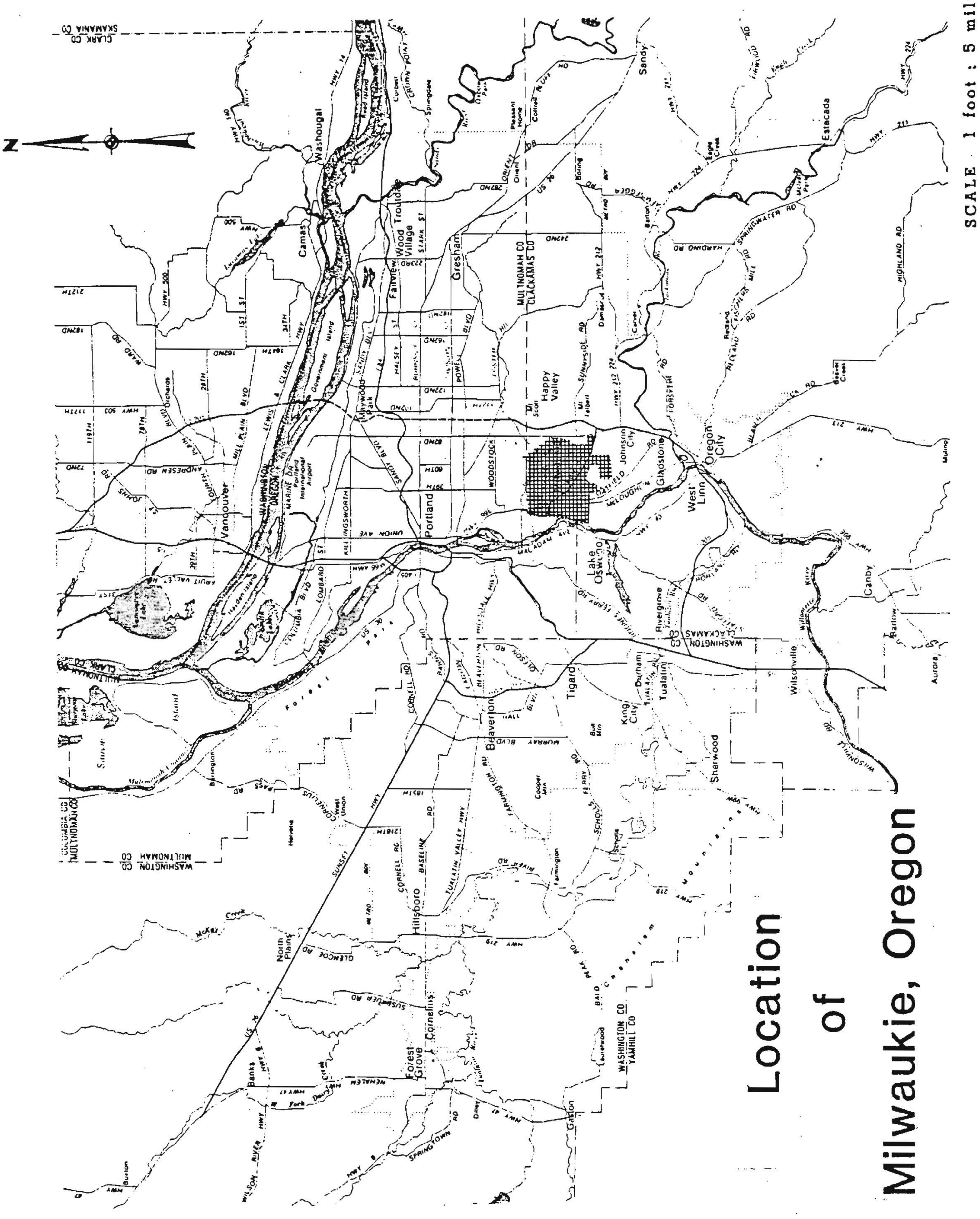
The Milwaukie area has not reached a state of retail saturation. To attract more business downtown there needs to be a greater variety of retail and commercial enterprises. The popularity of shopping centers can be attributed partially to the fact that shoppers enjoy convenience in making minimum trips and stops for goods. It is unlikely that a suburban city could effectively compete with a large, regional shopping center across all retail lines and goods. Yet, by attaining a greater mix of commercial and retail activities, a suburban downtown can enhance its attractiveness to retail patrons in specific areas which tap unexploited retail consumption potential. Milwaukie seems to have this potential in convenience and some consumer goods areas.

MILWAUKIE ECONOMIC PROFILE AND RETAIL MARKET ANALYSIS

This analysis of the retail market area of Downtown Milwaukie was conducted by the Storefront team to provide the City and the business community with a better understanding of the retail area served by the downtown. The information can be useful to the operator of an existing or new business, by providing them with a better understanding of existing and potential retail opportunities in the downtown Milwaukie market area.

This report defines the boundaries and retail composition of downtown Milwaukie and the retail districts that most directly compete with it. It also describes the demograhics of the primary and secondary trade areas of downtown. The results of the Shopper Survey conducted by the City just prior to this project are also included in the analysis. Finally, the report discusses the estimated potential for retail and service growth, general area of growth opportunity and the availability of retail space in the downtown.

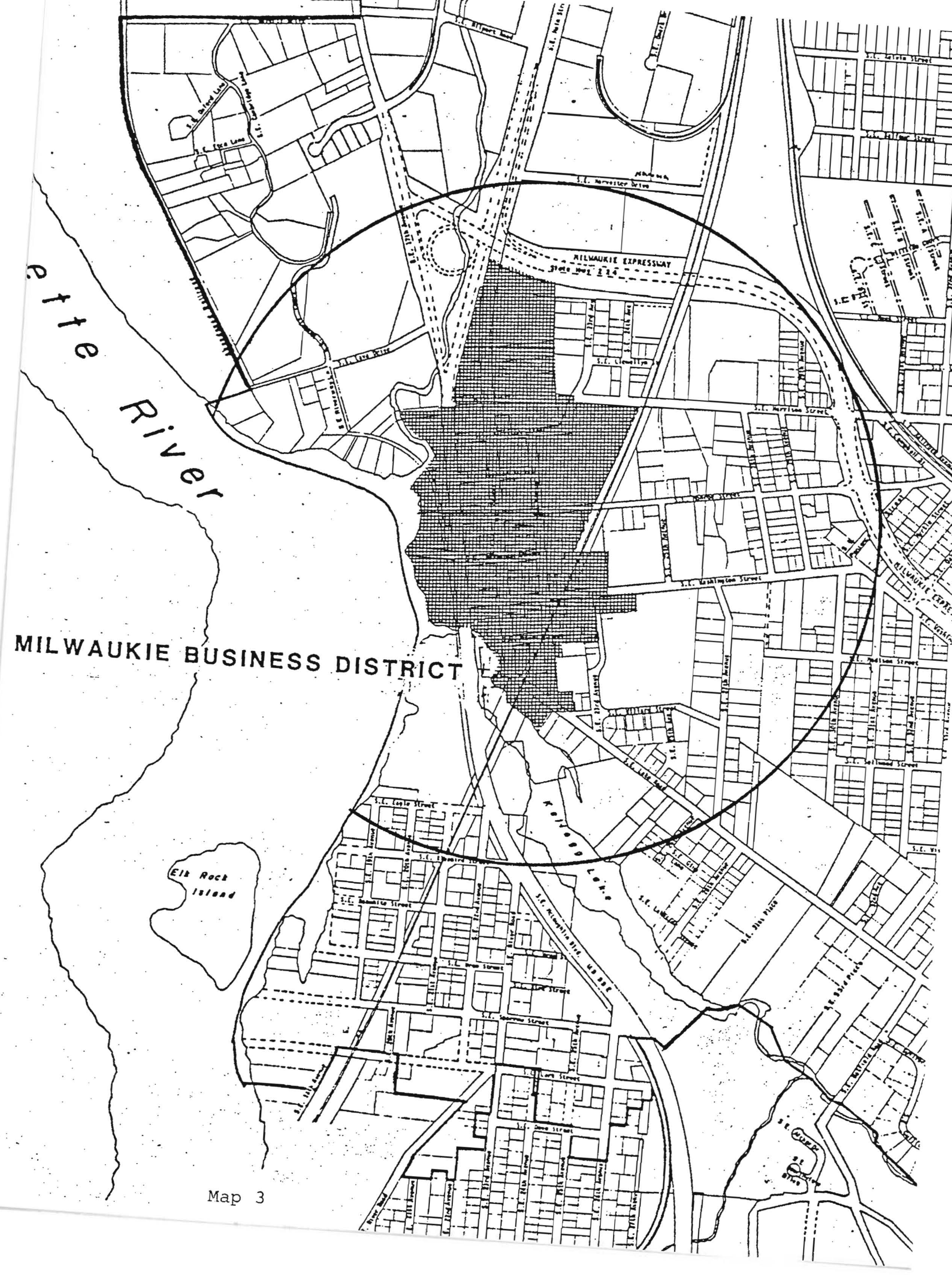
Map 2


Location of Milwaukie, Oregon
SCALE 1 foot : 5 mile
N
Portland
Vancouver
Gresham
Oregon City
West Linn
Gladstone
Lake Oswego
Beaverton
Tigard
Hillsboro
Forest Grove
Cornelius
Camas
Washougal
Troutdale
Sandy
Estacada
Canby
Sherwood
Tualatin
Happy Valley
North Plains
Banks
Gaston

At this point in time, downtown Milwaukie is undergoing a retail transition. In recent years, several established businesses have left, and a number of new businesses have replaced them. Yet, there are still empty store fronts in downtown. The filling of these store fronts with new businesses that enhance the retail diversity of the downtown is a challenge that requires the attention of both the City and the private sector.

PRIMARY AND SECONDARY RETAIL TRADE AREAS

Downtown Milwaukie occupies a fairly rectangular area (see Map, page 12) that is 2 to 4 blocks wide west to east and approximately 9 blocks north to south along Main Street between Kellogg Lake and the Milwaukie Expressway (Highway 224). This rectangle forms the core of the Downtown Primary Trade area. A primary trade area is defined as a radius of 1/2 mile from the center of a commercial area, in this case the intersection of Harrison Street and Main Street. A Secondary Trade area ring is centered at the same point with a 2 mile radius. These two trade area rings were drawn based on the distances consumers are willing to travel to purchase particular types of goods. The frequency with which a good is purchased affects the willingness of the consumer to travel to purchase that good. In a primary trade area, most nearby residents and a portion of workers will purchase their convenience goods from the retail core


MILWAUKIE BUSINESS DISTRICT
ette River
MILWAUKIE EXPRESSWAY
Elk Rock Island
Kellogg Lake

Map 3

at its center. Convenience goods such as groceries, gas, and lunch, are purchased every day. They are usually purchased in primary trade areas close to either home or work. In a secondary trade area, primary trade areas compete with one another for convenience good sales. In addition, its 2 mile radius represents the maximum distance most people are willing to travel to purchase convenience goods.

Secondary trade areas also include some types of comparison goods. Comparison goods are usually purchased after shopping to find the best prices. Accordingly, consumers are willing to travel farther to purchase these goods. People who reside outside, or between two different primary trade areas, are left with a choice as to which area they will do their shopping. This purchase location for convenience goods is affected by many factors including: personal preference for one store over another, ease of access (i.e. travel to and parking around a store), and the amount of convenience goods purchased on work trip.

Table I

Retail and Service Classifications

Retail

Convenience:

- Eating and Drinking Places (Lunch Trade)*
- Drug Stores
- Grocery & Food Stores

Comparison:

- Dept./Variety Stores/General Merchandise
- Apparel and Accessory Stores
- Furniture/Home Furnishings
- Eating and Drinking Places (Dinner Trade)*

Retail:

- Bldg. Materials/Hardware
- Auto Dealers/Auto Supplies
- Service Stations
- Miscellaneous (Liquor, antiques, sporting, jewelry, book and stationery, hobby, camera, gift)

Services

Personal:

- Laundry, photo studios, beauty/barber, funeral, shoe repair, cleaners

Business:

Advertising, maintenance, data processing, equipment rental, photocopying, commercial photo/art, sign painting, phone service, etc.

Other:

Auto Repair/Service

Miscellaneous Repair (Radio, TV, Appliance, upholstery)

Amusement/Recreation

Legal Services

Banking/Financial (Credit Unions)

Engineering/Architectural/Surveying

Health Services

Travel Agents

Educational Services

Membership Organizations

Accounting Bookkeeping

Insurance and Realtors

Motels

*Note: The Shoppers Survey, discussed later, assigned all Eating and Drinking Establishments to the convenience group. There are however two separate markets for these establishments.

Comparison goods are more likely to be shopped for on a regional or subregional basis (i.e., NW Clackamas County) not easily described in terms of rings around downtown. People will tend to begin comparison good shopping in a primary trade area if it offers a chance to purchase in conjunction with convenience goods. However, the greater the cost or potential savings through comparison shopping the farther the consumer is willing to travel.

Comparison good market areas are influenced by the location of regional shopping facilities such as Clackamas Town Center. In addition, Milwaukie has five other primary retail areas within two miles of downtown. They are: (1) Sellwood, (2) Ben Mar Shopping Center, (3) Wichita Town Center (4) commercial strip north and south of Fred Meyer on McLoughlin Blvd. and, (5) Oak Grove shopping district. Each of these retail clusters are shown on Map 1.

Milwaukie's downtown competes with all of the businesses scattered throughout its secondary trade area in addition to those identified in the other primary trade areas. In most cases, these scattered establishments are not easily defined as commerical areas. The exception is the McLoughlin Boulevard commercial strip north and south of downtown. These two areas contain most of the establishments inventoried in Milwaukie's Secondary Trade area.

Inventory of Retail and Service Uses

To more fully understand the nature of competition for retail trade between downtown Milwaukie and the other primary trade areas, an inventory of existing retail and service establishments was necessary. The Storefront undertook this project using a walking and "windshield" survey method during January and February, 1984. Each establishment was identified and categorized. This method is not completely accurate but does provide an assessment of general areas of retail and service competition.

PRIMARY TRADE AREAS INVENTORY

Downtown Milwaukie:

Of the six primary trade areas inventoried, downtown Milwaukie is second only to Sellwood in number of commercial establishments, with 94 retail and service uses (52 service-related businesses) and seven financial institutions. Downtown Milwaukie functions as a finance and banking center for northwestern Clackamas County. Nearly every major bank in Oregon has a branch in downtown Milwaukie, reinforcing the area's commercial attraction. The City also has a significant number of eating and drinking establishments which concentrate mostly on the lunch trade. Few of these establishments emphasize the more specialized Dinner Trade (a comparison good). Figure 1 illustrates this dominance of service uses in Milwaukie.

The next largest downtown commercial use comprises activities identified as miscellaneous retail i.e., gas stations, auto repair, florist, jewelry stores and other specialty shops. Only seven businesses offer comparison goods in the primary trade area, primarily apparel and accessory sales. Table 2 identifies retail categories and the total square footage devoted to each use.

Figure 1

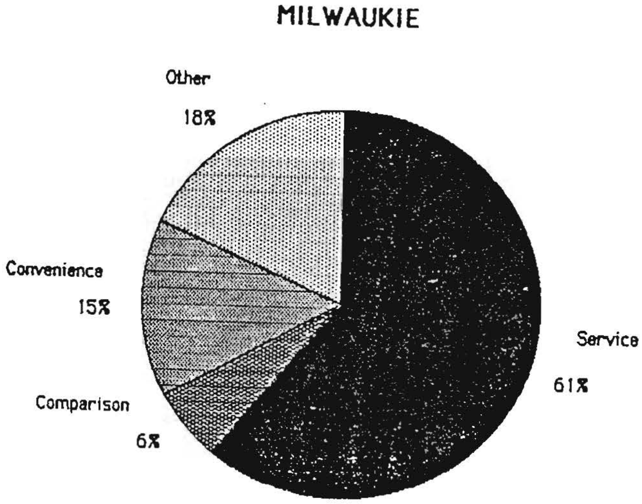


Table 2

DOWNTOWN MILWAUKIE
SQUARE FOOTAGE OF RETAIL USES
(January, 1984)

Convenience	Existing Sq. Ft.	Percentage of total retail use categories
Eating & Drinking Places	37,300	
Drug Stores	4,500	49%
Food Stores	32,865	
Total	74,665	
Comparison		
Dept./Variety Stores/General Merch.	6,800	
Apparel & Accessory Stores	7,855	21%
Furniture/Home Furnishing	17,650	
Total	32,305	
Miscellaneous		
Bldg. Materials/Hardware	11,850	
Auto Dealers/Auto Suppliers	2,000	
Service Stations	8,650	30%
Miscellaneous	24,420	
Total	46,920	
TOTAL RETAIL	153,890	

Sellwood

Sellwood area contains the highest number of total commercial establishments (119) in the Milwaukie area. Of these retail establishments, 43 are specialty shops, concentrating particularly on antique sales. Not surprisingly, Sellwood is often called the Portland metropolitan area's "antique row". Sellwood also has a large number of eating establishments (16), most of which concentrate on the lunch service. There are also a number of specialty restaurants competing for the dinner trade. Sellwood has the largest concentration of grocery and food stores within the Milwaukie Retail Market Area. It also has the second largest number (37) of service establishments. Sellwood is physically situated to intercept commuter traffic coming to Milwaukie by way of the Sellwood Bridge. This may result in some retail trade that would normally have gone to Milwaukie being taken up by Sellwood. The concentration of miscellaneous retail services is shown in Figure 2.

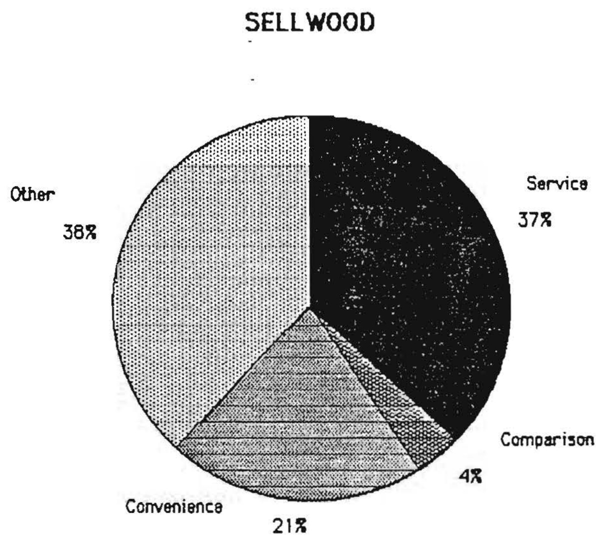


Figure 2

Fred Meyer

Fred Meyer is located on the intersection of McLoughlin Boulevard and Oak Grove Boulevard. It is the center of a commercial strip development which began in the 1950's and continues to grow in the 1980's. The area is very diverse with many different types of uses (see Figure 3). This development seeks to capture the traffic moving along McLoughlin Boulevard. The area captures a substantial amount of trade, including the Milwaukie primary area.

Oak Grove

Oak Grove is centered at the intersection of River Road and Oak Grove Boulevard. Historically, this was a retail center built when

Figure 3

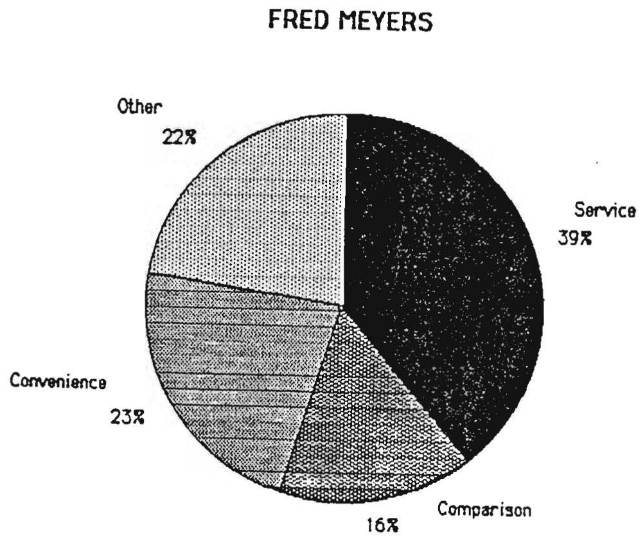
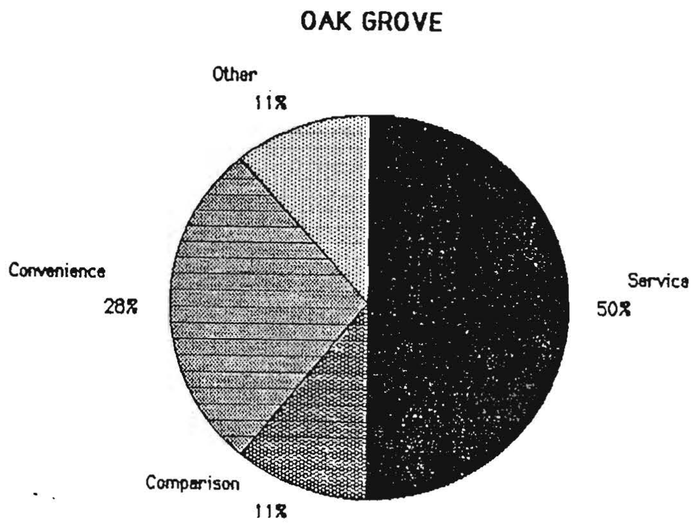


Figure 4



River Road was the main highway between Milwaukie and Oregon City. This has influenced the area, making it different from other primary retail areas. It has two small, older grocery stores and a small, modern grocery store. This historical past also shows up in the makeup of the other area small businesses with service businesses making up the majority (see Figure 4). Fred Meyer is so close (they overlap) that it competes for the same customer.

Ben Mar

The Ben Mar trade area is located at the corner of King Road and 42nd Street. It is dominated by a large, warehouse type grocery store. It also contains a number of eating & drinking establishments, service stations, and accounting and bookkeeping services. The most numerous form of business is personal service i.e., barber/beauty shops and shoe repair. Figure 5 illustrates their dominance. The area attempts to capture some of the East-West traffic through the eastern portion of Milwaukie as well as its primary area.

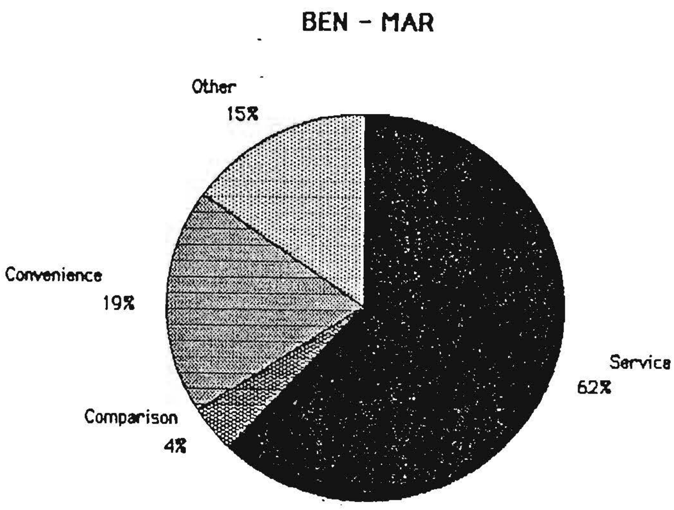


Figure 5

Wichita

Wichita is centered at the intersections of King Road and Linnwood Avenue. Wichita Town Center is anchored by a small grocery store and a bank. This is the smallest primary retail trade area. Wichita for the most part services its primary area only. However, the bank does tend to attract customers from outside the primary area. The effect of the Wichita site on Milwaukie is minimal, primarily because of its size and location. The area is evenly distributed between service, convenience, and other uses, with a small amount of comparison businesses (see Figure 6).

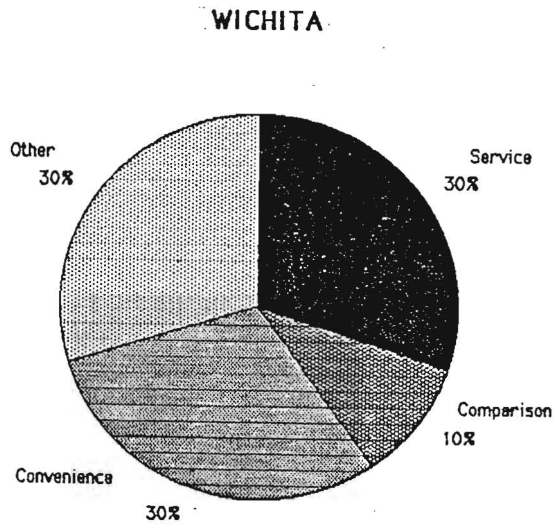


Figure 6

TABLE 3

JANUARY 1984 INVENTORY OF RETAIL
ESTABLISHMENTS BY PRIMARY TRADE AREA

Type	Milwaukie	Secondary Zone	Sellwood	BenMar	Wichita	Fred Meyer	Oak Grove
	Locations						
Convenience							
Eating & Drinking Places	11	35	16	2	1	8	2
Drug Stores	1	2	1	1	0	1	0
Food Stores	4	18	10	2	2	3	3
Comparison							
Dept./Variety/Gen. Merch.	1	3	1	0	0	4	2
Apparel & Accessory Stores	4	3	0	1	0	4	0
Furniture/Home Furnishing	2	8	4	0	1	0	0
Miscellaneous Retail							
Bldg. Materials/Hardware	1	9	2	0	0	3	1
Auto Dealers/Auto Suppliers	1	15	3	1	0	5	0
Service Stations	4	8	2	3	2	2	1
Miscellaneous (Antiques, sporting, jewelry, book & stationery, hobby, camera, gift, liquor)	13	47	43	0	1	1	0
Services							
Personal Services (Beauty/ barber, shoe repair)	15	33	15	8	1	3	5
Business Services	5	20	2	1	0	3	0
Auto Repair							
Misc. Repair	3	7	6	0	0	0	1
Amusement/Recreation	3	10	4	1	0	0	0
Engineering/Arch./Surveying							
Health Services	6	9	7	1	0	0	1
Travel Agents	2	3	1	1	0	0	0
Educational Services	1	2	0	0	0	1	1
Membership Organizations	4	2	1	0	0	1	0
Accounting/Bookkeeping	1	6	1	1	0	1	0
Insurance & Realtors	5	7	0	2	0	2	0
Motels	0	4	0	0	0	0	0
Banking	7			0	1		0
TOTAL	94	251	119	25	9	42	16

Secondary Zone

Milwaukie's secondary trade area contains all of the commercial establishments inside the two mile ring; but outside primary trade areas (Milwaukie, Sellwood, Fred Meyer, Oak Grove, Ben Mar, and Witchita). This area has five concentrations of commercial activity: 32nd and Harrison, 32nd and Johnson Creek Road, Johnson Creek Road and Harney Street, McLoughlin Boulevard north of Milwaukie and McLoughlin Boulevard south of Milwaukie. Table 3 shows a wide variety of uses in the area. However, as Figure 7 shows, these areas are dominated by service businesses and other uses. McLoughlin Boulevard south of Milwaukie is the largest of these retail concentrations. This commercial strip is similar to the development found in the Fred Meyer trade area, although the level of development is less intense.

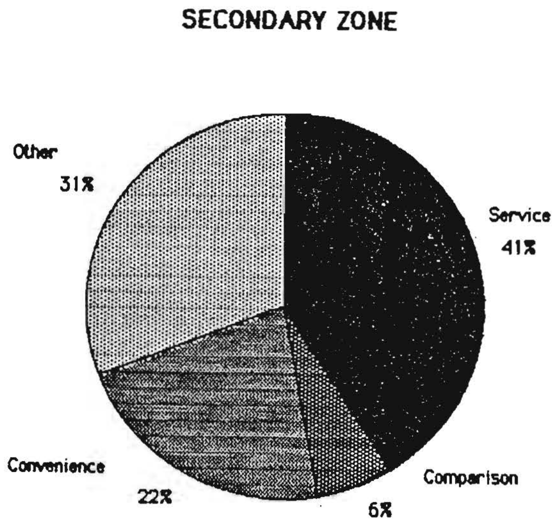


Figure 7

POPULATION CHARACTERISTICS OF THE MILWAUKIE RETAIL TRADE AREA

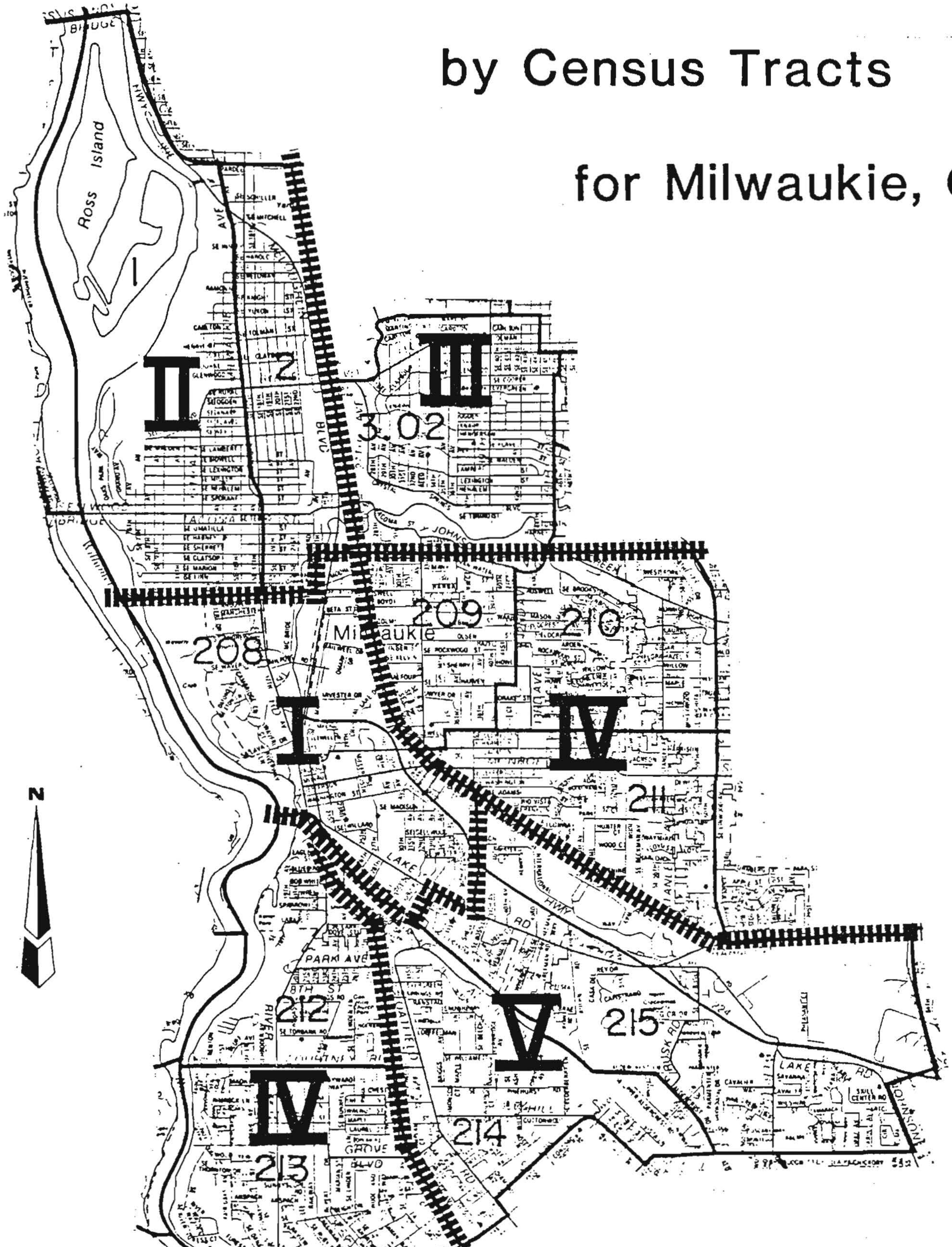
The population of the Milwaukie Trade Area is varied. The 1980 Census of Population for the Census Tracts included in this trade area are described in the following section. Census Tract boundaries do not completely coincide with the boundaries of the Milwaukie retail trade area. Accordingly, the census numbers reported here are for entire tracts even though a tract may not be entirely contained within the market area. Care should be used in interpreting these findings.

Elderly Population

The Milwaukie area has higher concentrations of an elderly population than does the Portland region as a whole. The population over the age of 65 years accounts for 10.9 percent of the total population in the four Counties (Multnomah, Clackamas, Washington and Clark) of the SMSA. In Milwaukie, this same population accounted for 12.0 percent of the total population. The elderly population varies substantially from Census Tract to Census Tract. The four tracts south of downtown Milwaukie have lower than average percentages of elderly (CT 213, 9.0 percent; CT 214, 9.0; CT 215, 4.9 percent). However, one tract has a much higher than the average elderly population (CT 212, 33 percent). The downtown and the tract to the east generally

Map 4

Demographic Regions by Census Tracts for Milwaukie, Oregon



SCALE 1:4000

have average or above average concentrations of elderly (CT 208, 14.6 Percent; CT 209, 16.3 percent; CT 210, 10.4 percent; CT 211, 12.2 percent). A more complete listing of the demographics of these regions is provided in Appendix A.

Demographic Regions

Region I (Primary Trade Area Census Tract 208)

This tract is almost entirely within the Downtown Milwaukie Primary Trade Area. Here the least amount of land is devoted to residential use, and the population, approximately 3,772, is the smallest of the identified regions. Only 56 percent of the identified households contain families. The median family income (1979) in this tract was $20,725. The most common occupations are retail trade, clerical, sales, professional occupations, and manufacturing.

Region II (Secondary Trade Area Census Tract 1 & 2)

This region would most appropriately be described as a blue collar neighborhood. The 1979 median family income was $18,978, the lowest in the Milwaukie trade area. At least 69 percent of the households in this region earn $20,000 or less a year. Most of residents identified their occupations as clerical, service or crafts. The number of crafts people may be related to the very large percentage of antique shops compared to other retail areas. Thus, the shop owners may be living in or near these establishments. Sellwood Primary Trade area is located in this region. The most common occupation of area residents are manufacturing, retail trade, administrative and professional and service.

Region III (Secondary Trade Area Census Tract 3.02)

This region, compared to the one above, is at the other end of the income scale. The median family income in 1979 was $31,690, the highest in the Milwaukie trade area, and over 20 percent of the households in this region were earning at least $40,000. The employment was professional, technical, or in managerial positions. Most residents (80 percent) live in a family setting.

Region IV (Secondary Trade Area Census Tract 209, 210, 211)

Diversity best describes this area. It contains the most residents, 13,829. The most common occupations in this area are manufacturing, retail trades, clerical, and precision production. The median family income (1979) was between $18,000 and $24,000. The Ben Mar and Witchita Primary Trade areas are in this Region.

Region V (Secondary Trade Area Census Tract 215, 214)

Most of the new construction is occurring in this area, which is not within the boundaries of the City. Those living in this area are predominantly young adults with children. Their median family income (1979) was between $26,000 and $28,000 a year. Part of the Fred Meyer Primary Trade Area is in this region. The most common occupations are clerical, retail trade, manufacturing, sales, and precision production.

Region VI (Secondary Trade Area Census Tract 212, 213)
This is usually referred to as the Oak Grove area. The Oak Grove Primary Trade area is located on the boundary of the two census tracts used in the description of this region. In addition, the west half of the Fred Meyer Primary Trade Area is in this region. Several distinctly different areas comprise this region. (from east to west): (1) the eastern edge, (2) McLoughlin Boulevard commercial strip, (3) a number of mobile home parks, (4) a new residential subdivision, and (5) an older residential area. Across River Road, on the west side of the region, the condition and value of the homes increases rapidly, especially for the homes located adjacent to the Willamette River. Unfortunately, the available statistical data does not allow for the separation into these categories. Overall, the median family income (1979) was between $20,000 and $23,000. The most common occupations are retail trade, manufacturing, clerical, and precision production.

Shopper and Business Survey

The City of Milwaukie has conducted two surveys in the Downtown. In 1981, business owners were surveyed, the results are reported in Appendix C. In 1982, downtown shoppers were surveyed. These results are briefly discussed below and more completely in Appendix B.

Shopper Survey

A survey of downtown Milwaukie patrons, conducted in January 1982, elicited 147 shopper responses to a number of questions. A variety of businesses were selected as survey sites and shoppers were questioned at varying times and days of the week.

The results, see (Table 4) show a good cross section of different types of shoppers. The percentage of male and female respondents are nearly equal. The age breakdown is representative of society, except there were fewer shoppers who were twenty years old and younger. Also, a good mix of Milwaukie residents and non-residents answered the survey.

Table 4

DEMOGRAPHICS

Sex:	Male - 44.7%
	Female - 55.4%
Age:	Under 20 - 2.8%
	20 to 34 - 34.5%
	35 to 64 - 36.6%
	65 and over - 26.1%
Residence:	Milwaukie - 48.6%
	Unincorporated North Clackamas Co. 26.4%
	Other towns in Clackamas Co. 25.0%

Of those surveyed, 84.9 percent traveled by automobile to downtown Milwaukie, of which 92 percent stated they had "no problem" finding a parking space. Only two shoppers reported having a "very difficult" time finding a parking space. This appears to contradict the recent Milwaukie Downtown Parking study conducted by the Milwaukie Storefront which found a serious parking deficiency, particularly during the lunch hour. The season and the varied times of the day during which the survey was conducted, as well as the changes in types of businesses located on Main Street may explain the difference. On the other hand, the merchants may perceive more problems than do the downtown patrons.

Shopper's Needs

From 133 responses to the question "What retail establishments are needed in downtown Milwaukie?", the most frequent answer was a clothing store (40.7 percent). Many respondents saw the need for a "nice" restaurant (14.5 percent), another grocery store (12.0 percent), and a large department store (15.0 percent). Overall, 60 percent of those surveyed wanted more comparison retail establishments and 20 percent saw the need for more convenience and "miscellaneous" type goods and services. The items which reported as most often purchased are listed in Table 5.

Table 5

Regularly Purchased Goods/Services

Groceries or baked goods - 68%

Variety (toys, houseware, stationery, cosmetics)- 59.2%

Restaurants or drive-ins - 58.5%

Banking - 57.1%

Gasoline or auto parts - 53.1%

Books or flowers - 47.6%

Prescriptions or medical supplies - 45.6%

Beauty shops, barbers, cleaners, or shoe repair-31.3%

Lastly, shoppers identified their likes and dislikes of the downtown. Things disliked most were: the general appearance of downtown, the appearance of specific buildings, its lack of variety, the need for certain stores. Some stated that the City needed to supply better sidewalks and street trees for pedestrian comfort. On the other hand, the positive characteristics identified were the central location, friendly atmosphere, easy access and the closeness to their homes.

TABLE 6

NUMBER AND PERCENT OF DOWNTOWN
BUSINESS FIRMS BY TYPE
1970 and 1982

	1970		1982	
Type of Firm	Number	% of Total	Number	% of Total
Convenience Retail	10	8.8%	16	13.8%
Comparison Retail	10	8.8%	5	4.3%
Other Retail	25	21.9%	24	20.7%
Service	65	57.0%	69	59.5%
Industrial*	4	3.5%	2	1.7%
Total	114	100.0%	116	100.0%

Source: Contacts Influential 1970, City Business Licence 1982

*includes Wholesale

TABLE 7

TOTAL NUMBER OF RETAIL AND SELECTED SERVICE FIRMS
AND TOTAL RECEIPTS (000's) IN MILWAUKIE AND CLACKAMAS COUNTY
in 1967, 1972, 1977*

Year	City of Milwaukie		Clackamas County	
	Firms	Receipts	Firms	Receipts
1967				
Retail	120	20,581	1,052	167,131
Services	104	5,678	772	21,435
Total	224	26,259	1,824	188,566
1972				
Retail	237	48,245	1,626	344,115
Services	222	7,254	1,448	55,421
Total	459	55,499	3,074	399,536
1977				
Retail	182	71,953	1,540	644,617
Services	269	10,747	1,828	79,444
Total	451	82,700	3,368	724,061

*Source: Census of Retail Trade and Census of Selected Services

POTENTIAL FOR RETAIL GROWTH IN DOWNTOWN MILWAUKIE

Downtown Milwaukie has been a retail trade and banking center in northwest Clackamas County for a relatively long time. However, the downtown has not been a dominant retail focus in this area in recent years due to the growth of other areas such as Clackamas Town Center and the McLoughlin Commercial strip. The Census of Retail Trade and Census of Selected Services show that the number of retail and service firms in the entire city of Milwaukie grew from 224 firms in 1967 to 459 firms in 1972, declining slightly to 451 firms by 1977. This growth paralleled the general commercial growth of Clackamas County. While Milwaukie increased its share of the total firms in the County from 12.3 percent in 1972 to 13.4 percent in 1977, the share of total sales and receipts decreased from 13.9 percent in 1972 to 11.4 percent in 1977. It is expected that the 1982 Census and Retail Trade will show a further decline in that percentage due to the opening of Clackamas Town Center.

While the city as a whole was growing in the number of retail firms, the downtown remained relatively stable in terms of the number of business firms located there. Between 1970 and 1982, the number of firms increased by two. There was a change in the commercial mixture, however. The number and comparison of retail firms decreased and the number of convenience retail firms increased.

This overall stability has helped downtown remain a viable commercial center. The shift in the mix of retail establishments is still continuing as the downtown adapts to an as yet largely undefined new retail role in Clackamas County.

The city and the business community have invested considerable effort in projects, such as the Milwaukie Storefront, in an effort to help more clearly define the role of downtown Milwaukie both as a provider of convenience goods and as a commercial center operating in the larger context of SE Portland and NW Clackamas County. In order to obtain a better understanding of this future, the Storefront team developed a model to estimate the potential need for additional retail floor space (i.e., businesses) in both the primary and secondary trade areas. This modeling process relied heavily on the methodologies set forth by the Downtown Development Association's Main Street Project Approach and the Real Estate Research Institute's work on the impact of new shopping centers on existing downtowns.

Estimate of Need Retail Floor Space

The methodology discussed here for the estimation of the amount of supportable retail floor space is a general one and is discussed in more detail in Appendix A. It should be noted at the start that this methodology assumes that there is a direct relationship between the spendable income of primary and secondary trade area residents and retail floor space needs of these areas, but does not consider retail opportunities outside of the secondary trade area. Nor does it account for the demand for retail goods and services in the trade area by consumers who live outside of the secondary trade area. These demands are assumed to cancel each other out due to the propensity for most consumers to shop relatively close to their place of work or residence.

The model is necessarily an inexact estimation of the demand for specific retail goods because it uses aggregate data and groups of retail products. <u>A detailed market study should be undertaken by a specific business that sees an opportunity to locate in downtown based on this study</u>.

Methodology for the Estimation of Shortage or Surplus in Retail Space

The estimation of the supportable retail floor space begins with determining the amount of income available in the secondary trade zone. This was estimated using the median family income from the census. This estimated total family income was then broken down into retail consumption categories based upon the average percentage of family income spent for each category of goods according to the Bureau of Labor Statistics survey of Western U.S. Family expenditure patterns. This resulted in 15 percent of total income expenditures for convenience goods, 12 percent for comparisons goods and 12 percent for miscellaneous goods.

The inventory of existing business in the primary and secondary trade areas was used to estimate the existing retail floor space by type of good. The estimation of supportable square footage of retail floor space can be done using one of two methods. One uses average retail sales per square foot for different types of products as reported by the U.S. Bureau of Labor Statistics. The other, used in this report, involves estimating the retail sales per square foot by trade area from the Census of Retail Trade and the Census of Selected Services. These sales figures were indexed from 1977 to 1979 using the Consumer Price Index for Portland.

TABLE 8

DOWNTOWN PRIMARY TRADE AREA
ESTIMATED EXISTING AND SUPPORTABLE FLOOR SPACE
(1983)

Convenience Goods	Existing Sq. Ft.	Estimated Supportable Sq. Ft.	Estimated Shortage/ Surplus
Eating & Drinking Places	37,300	32,692	+ 4,608
Drug Stores	4,500	10,555	(6,055)
Food Stores	32,865	14,446	+18,419
		Total	+16,972
Comparison Goods			
Dept./Variety Stores/Gen. Merch.	6,800	95,970	(89,170)
Apparel & Accessory Stores	7,855	22,898	(15,043)
Furniture/Home Furnishing	17,650	30,980	(13,330)
		Total	(130,863)
Miscellaneous			
Building Materials/Hardware	11,850	6,968	+ 4,882
Auto Dealers/Auto Suppliers	2,000	*	*
Service Stations	8,650	6,410	+ 2,240
Miscellaneous**	24,420	12,287	12,133
		Total	+19,255

* Product is too regional and inconsistent in demand, therefore the demand is not quantifiable for a small trade zone.

** Includes: liquor, antiques, sporting goods, jewelry, florist, book and stationery, hobby, camera and gifts.

TABLE 9

DOWNTOWN SECONDARY TRADE AREA

ESTIMATED EXISTING AND SUPPORTABLE FLOOR SPACE

(1983)

<u>Convenience Goods</u>				
Eating & Drinking Places	59,914	186,858		(126,944)
Drug Stores	13,462	46,029		(32,567)
Food Stores	118,568	245,540		(126,972)
			Total	(286,483)
<u>Comparison Goods</u>				
Dept./Variety Store/Gen. Merch.	166,875	305,767		(138,892)
Apparel & Accessory Stores	10,579	72,955		(62,376)
Furniture/Home Furnishing	25,600	98,705		(73,104)
			Total	(274,372)
<u>Miscellaneous</u>				
Building Materials/Hardware	42,261	53,177		(13,986)
Auto Dealers/Auto Suppliers	*	*		*
Service Stations	110,800	48,923		61,877
Miscellaneous**	36,895	93,769		(56,874)
			Total	(8,983)

* This product is too regional and inconsistent in demand to be quantified for this small trade zone.

** This group includes: liquor, antiques, sporting, jewelry, florist. We counted only half of the antique shops because the trade zone is in the unique circumstance of being located in "Sellwood Antique Row."

The sales figures were then divided by the square feet of retail space by category in order to produce an estimate of the sales per square foot of space. This sales per square foot of space was used to estimate the total supportable square feet of retail space by dividing it by the total spendable income available by type of good. The existing square footage of retail floor space was then compared with the estimated supportable square feet to determine the existence of any shortage or surplus. This methodology was used to produce the following analysis.

Estimation of Supportable Retail Floor Space

Conclusions

Currently, despite adequate consumer dollars available in the trade area, businesses are closing and leaving the area. There are no simple reasons to explain the situation. The process of attracting customers to a given retail area requires much marketing and, at times, a change in the existing behavior patterns of customers. Generally, customers consider the variety or mixture of goods and stores available in a given area in an attempt to minimize the number of stops required in their shopping trips. The attractiveness of an area, and other amenities of the shopping experience affect consumers' choice of the retail areas they patronize. Accessibility and proximity are major factors that affect the choice of shopping over area as does the pricing of comparison goods.

Another major force in the future economic growth of a city is future population growth. The City of Milwaukie itself, and the portions of southeast Portland within the secondary trade area, have limited population growth potential due to the limited amount of vacant, buildable residential land. Nevertheless, Milwaukie is projected to have a population increase from 17,931 (1980 census) to 20,000 by the year 2000. A recent survey of vacant land reports an availability of approximately 105 acres of buildable vacant land which is zoned residential.

According to Metro's projections, the City of Milwaukie and the Clackamas area of NW Clackamas County is expected to increase at a rate of nine percent through the year 2000. Much of this growth will occur immediately east and south of Milwaukie proper. Additionally, the METRO study Year 2000 Growth Allocation Report predicts Clackamas County as a whole will be experiencing between 40 and 50 percent population growth by the year 2000. The potential impact of such growth is expected to increase the number of consumers traveling through Milwaukie to and from Portland. This provides retailers with a potentially larger market if this commuter clientele can be induced to come to downtown as they travel through Milwaukie on McLoughlin Blvd. and Highway 224.

Like most Oregon cities, the recession has been a detriment to the economic stability of Milwaukie's downtown. The commercial floor area not in use peaked in January, 1984 with 42,340 square feet of vacant floor area; since then that number has progressively declined. By July, the available commercial space declined to 29,555. This decline should encourage a feeling of optimism as the total is significantly lower than the vacant area totals of the past two years.

APPENDIX A

1980 U.S. CENSUS DATA BY DEMOGRAPHIC REGIONS

CENSUS DATA

REGION / CENSUS TRACT	Total	1 (208)	2 (1-2)	3 (3.02)	4 (209-211)	5 (214,215)	6 (212,213)
INDUSTRY							
UNIVERSE: EMPLOYMENT PERSONS 16 YEARS AND OVER							
AGRICULTURE, FORESTRY, FISHERIES AND MINING (CODES 10-50)	208	12	26	19	56	35	60
CONSTRUCTION (CODE 60)	1540	50	235	156	466	281	352
MANUFACTURING							
NONDURABLE GOODS (CODES 100-222)	1367	93	313	144	404	202	211
DURABLE GOODS (CODES 230-392)	3482	260	575	313	1121	574	639
TRANSPORTATION (CODES 400-432)	1297	113	258	161	404	135	199
COMMUNICATIONS AND OTHER PUBLIC UTILITIES (CODES 440-472)	685	45	112	125	168	99	136
WHOLESALE TRADE (CODES 500-571)	1762	143	340	286	457	295	241
RETAIL TRADE (CODES 580-691)	4250	362	843	562	1082	683	718
FINANCE, INSURANCE, AND REAL ESTATE (CODES 700-712)	2105	191	504	235	564	329	282
BUSINESS AND REPAIR SERVICES (CODES 721-760)	1120	30	320	141	286	162	181
PERSONAL, ENTERTAINMENT, AND RECREATION SERVICES (CODES 761-802)	918	46	259	119	249	113	132
PROFESSIONAL AND RELATED SERVICES:							
HEALTH SERVICES (CODES 812-840)	1847	176	382	338	535	187	229
EDUCATIONAL SERVICES (CODES 842-860)	1741	181	324	328	348	337	223
OTHER PROFESSIONAL AND RELATE SERVICES (CODES 841, 861-892)	1303	137	392	221	233	184	136
PUBLIC ADMINISTRATION (CODES 900-932)	843	63	229	124	226	84	117
OCCUPATION							
UNIVERSE: EMPLOYMENT PERSONS 16 YEARS AND OVER							
MANAGERIAL AND PROFESSIONAL SPECIALTY OCCUPATIONS:							
EXECUTIVE, ADMINISTRATIVE, AND MANAGERIAL OCCUPATIONS (CODES 3-37)	3102	227	603	584	666	558	464
PROFESSIONAL SPECIALTY OCCUPATIONS (CODES 43-199)	3030	285	627	714	594	416	394

CENSUS DATA (cont.)

OCCUPATION (cont.)	REGION Total	1	2	3	4	5	6
TECHNICAL, SALES, AND ADMINISTRATIVE SUPPORT OCCUPATIONS:							
TECHNICIANS AND RELATED SUPPORT OCCUPATIONS (CODES 203-235)	655	64	119	61	248	81	82
SALES OCCUPATIONS (CODES 243-285)	2808	289	580	442	693	423	381
ADMINISTRATIVE SUPPORT OCCUPATIONS, INCLUDING CLERICAL (CODES 303-389)	5036	384	1114	611	1309	791	827
SERVICE OCCUPATIONS:							
PRIVATE HOUSEHOLD OCCUPATIONS (CODES 403-407)	90	2	16	14	23	8	27
PROTECTIVE SERVICE OCCUPATIONS (CODES 413-427)	246	13	64	48	64	23	34
OTHER SERVICE OCCUPATIONS (CODES 433-469)	2373	221	642	204	668	255	383
FARMING, FORESTRY, AND FISHING OCCUPATIONS (CODES 473-499)	153	22	15	21	42	27	26
PRECISION PRODUCTION, CRAFT,AND REPAIR OCCUPATIONS (CODES 503-699)	3170	209	535	272	964	536	654
OPERATORS, FABRICATORS, AND LABORS:							
MACHINE OPERATORS, ASSEMBLERS, AND INSPECTORS (CODES 703-799)	1889	115	361	141	668	245	359
TRANSPORTATION AND MATERIAL MOVING OCCUPATIONS (CODES 803-859)	1031	79	220	68	344	147	173
HANDLERS, EQUIPMENT CLEANERS, HELPERS, AND LABORS (CODES 863-899)	1063	99	216	92	314	190	152

YEARS OF SCHOOL COMPLETED							
UNIVERSE: PRESONS 18 YEARS AND OVER							
ELEMENTARY (0 TO 8 YEARS) THROUGH HIGH SCHOOL, 1 TO 3) YEARS	8693	549	2690	676	2264	948	1566
HIGH SCHOOL, 4 YEARS	14922	1112	2944	1619	4420	2435	2392
COLLEGE:							
1 TO 3 YEARS	9208	750	1924	1137	2403	1343	1651
4 YEARS	6068	363	793	768	3129	388	627
5 OR MORE YEARS	3188	268	684	863	427	484	462

CENSUS DATA (cont.)

	REGION Total	1	2	3	4	5	6
LABOR FORCE STATUS							
UNIVERSE: 16-19 YEARS							
ARMED FORCES	0	0	0	0	0	0	0
CIVILIAN	1996	178	275	324	614	368	237
HIGH SCHOOL GRADUATE:							
EMPLOYED	494	50	137	22	119	73	93
UNEMPLOYED	81	0	10	21	38	7	5
NOT IN LABOR FORCE	48	0	14	0	21	6	7
NOT HIGH SCHOOL GRADUATE:							
EMPLOYED	238	15	68	15	69	29	42
UNEMPOLYED	68	0	27	0	15	7	19
NOT IN LABOR FORCE	224	15	0	20	106	28	55

MEANS OF TRANSPORTATION TO WORK							
UNIVERSE: WORKERS 16 YEARS AND OVER							
CAR, TRUCK, OR VAN:							
DRIVE ALONE	30905	1305	2926	17802	4484	2679	1709
CARPOOL	7785	262	860	4317	1154	514	678
PUBLIC TRANSPORTAION	3634	242	739	1672	413	231	337
WALKED ONLY	1394	87	258	732	169	51	97
OTHER MEANS	763	46	139	364	111	60	43
WORK AT HOME	847	27	107	451	76	93	93

CENSUS DATA (cont.)

REGION	1	2	3	4	5	6
HOUSEHOLD INCOME 1979						
NUMBER OF HOUSEHOLDS/						
PERCENT REGION	#/%	#/%	#/%	#/%	#/%	#/%
LESS THAN $9,999	471/27%	2020/38.6%	462/18%	1352/25%	357/13.1%	931/25%
10,000-19,999	591/33.8%	1588/30.4%	586/23%	1635/30.4%	723/26.5%	980/26.3%
20,000-29,999	384/22%	938/18%	554/21.9%	1325/24.7%	744/27.3%	782/21%
30,000-39,999	154/8.8%	441/8.4%	421/16.6%	671/12.5%	562/20.6%	484/13%
40,000-49,999	57/3.3%	161/3.08%	251/9.9%	205/3/8%	152/5.6%	149/4%
50,000-74,999	57/3.3%	54/1%	174/6.9%	130/2.4%	139/5.1%	84/2.3%
75,000 +	32/1.8%	27/0.5%	86/3.4%	51/0.9%	48/1.8%	23/0.6%

SEX BY AGE	1	2	3	4	5	6
NUMBER OF PERSONS/						
PERCENT REGION	#/%	#/%	#/%	#/%	#/%	#/%
4 YEARS AND UNDER	213/5.6%	653/6%	369/5.5%	996/7.2%	538/6.9%	578/6.5%
5-14	349/9.3%	1006/9.3%	936/14%	1838/13.3%	1313/16.8%	1154/13%
15-18	218/5.8%	427/4%	455/6.8%	977/7.1%	526/6.7%	526/5.9%
19-64	2441/64.7%	6491/60.1%	3977/59.3%	8295/60%	4880/62.3%	4890/55%
65-84	498/13.2%	1958/18.1%	922/13.7%	1506/10.9%	556/7.1%	1320/15%
85+	44/1.2%	257/2.4%	52/0.8%	164/1.2%	43/0.5%	344/3.9%

REGION	Total	1	2	3	4	5	6
FAMILY TYPE							
UNIVERSE: OWN CHILDREN							
IN MARRIED COUPLE FAMILY	9458	508	1254	1369	2706	2004	1617
IN FAMILY WITH MALE HOUSEHOLD, NO WIFE PRESENT	432	25	168	18	123	20	78
IN FAMILY WITH FEMALE HOUSEHOLD, NO HUSBAND PRESENT	1570	117	346	192	458	166	281
POPULATION-100%	51798	3772	10792	6711	13829	7833	8861
HOUSEHOLDS-100%	21037	1746	5229	2534	5370	2725	3433
PERCENT OF FAMILIES IN HOUSEHOLDS	67%	56%	52%	80%	72%	81%	63%

CENSUS DATA((cont.)

REGION	Total	1	2	3	4	5	6
NUMBER OF FAMILIES	13905	985	2699	2001	3855	2217	2148
MEDIUM FAMILY INCOME	$24989	$25281	$18978	$31690	$23097	$28152	$22733
PERCENT OF FAMILIES BY INCOME							
LESS THAN $9,999		17%	21%	8%	17%	7.5%	16%
10,000-19,999		30%	34%	22%	30%	25%	27%
20,000-29,999		28%	26%	25%	29%	30.5%	28%
30,000-39,999		12%	11%	20%	15%	22.5%	19%
40,000-49,999		5%	5%	11%	7%	7%	5.5%
50,000-74,999		5%	2%	9%	4%	5.5%	3.5%
75,000+		3%	7%	4%	9%	2%	5%

APPENDIX B

1982 SHOPPER SURVEY RESULTS

DOWNTOWN MILWAUKIE SHOPPER SURVEY

Summary of Findings

PREFACE

One hundred forty-seven shoppers were interviewed outside of selected businesses in the downtown area. An effort was made to include a variety of businesses in the survey and to conduct interviews at varying times of the day and days of the week. Since the interviews were conducted at only six business locations, caution must be taken in generalizing the results of the survey to all downtown Milwaukie shoppers.

Shoppers were interviewed in front of Graham's, The Blade, Perry's, Willamette Savings, Red's and Safeway. These businesses were selected because they represent a variety of commercial uses and are all significant generators of shopper traffic.

DEMOGRAPHICS

Sex:	Male	44.7%
	Female	55.3%
Age:	Under 20	2.8%
	20-34	34.5%
	35-64	36.6%
	65 and over	26.1%
Residence:	Milwaukie	48.6%
	Unincorporated North Clackamas Cty	26.4%
	Southeast Portland	8.3%
	Most of remainder live in incorporated portions of Clackamas County	

Employees in the downtown area accounted for 16.4% of shoppers interviewed.

TRAVEL HABITS

Mode of Travel to Downtown:

Car	84.9%
Walk	11.0%
Bus	4.1%

Of those who arrived by car, 92% reported "no problem" finding a place to park. Only two shoppers reported a "very difficult" time finding a parking space.

SHOPPING HABITS

Shopping Frequency:

72.9% of shoppers interviewed shop downtown at least once per week.

18.1% shop on a daily basis.

Regularly Purchased Goods/Services

The following goods and services are purchased "regularly" in downtown Milwaukie by the proportion of interviewed shoppers indicated:

Groceries or Baked Goods	68.0%
Furniture or Appliances	11.6%
Building Materials/Hardware/ Garden	25.2%
Clothing or Shoes	27.9%
Gifts,Books or Flowers	47.6%
Doctors,Accountants or Lawyers	28.6%
Banking	57.1%
Insurance or Real Estate	7.5%
Restaurants or Drive-ins	58.5%
Beauty Shops, Barbers,Cleaners or Shoe Repair	31.3%
Theaters or other Recreation	24.5%
Automotive Service	24.5%

Gasoline or Auto Parts	53.1%
Prescriptions or Medical Supplies	45.6%
Variety (Toys, Housewares, Stationery, Cosmetics)	59.2%

On the day they were interviewed, 46.6% of shoppers visited more than one business downtown.

SHOPPER ATTITUDES

Shoppers were asked what they like and dislike about the downtown business district. Their responses are grouped below by general category followed by the percentage of total responses (not respondents) represented by each item. Some shoppers mentioned no likes or dislikes while some had multiple responses.

Likes: (225 total responses)

Convenience/Accessibility

Location Factors:	
Close to home	23.6%
Close together	19.1%
Close to work	2.7%
Transportation Factors:	
Easy Parking	5.8%
Easy to walk/bicycle	1.8%
2-way grid	6.2%
Good streets	0.9%
Easy Access	0.4%
Good Bus Service	1.3%
	61.8%

Atmosphere/ Environment

Friendly, Personal, Small Town	20.9%
Quiet, Not Busy	2.2%
Familiarity, Home Town	4.4%
Appearance	0.4%
Never Changes	0.4%
Interesting	0.4%
	28.7%

Quality of Shopping	
Like a Certain Store	7.1%
Good Variety	1.8%
Sales, Promotions	0.4%
	9.3%

Dislikes: (74 total responses)

Quality of Shopping	
Lacks Variety	28.4%
Needs Certain Store	18.9%
No Public Restroom	1.4%
Exposed to Weather	1.4%
	50.1%
Parking/Transportation	
Poor Parking	12.2%
Parking Tickets	1.4%
Parking at Post Office	2.7%
Saturday-Holiday Parking	1.4%
Two-Way Grid/Circulation	8.1%
	25.8%
Atmosphere/Environment	
General Appearance	9.5%
Appearance of Specific Building	1.4%
Vacancies	4.1%
Old/Falling Apart	2.7%
Not Clean	1.4%
Bars/Liquor Stores	1.4%
	20.5%
City Government	
Public Works	2.8%
Police	1.4%
	4.2%

Needed Shops/Services

Shoppers were asked what new shops or services they would like to see added to the downtown area.
Their responses are grouped below by general category followed by the percentage of total responses (not respondents) respresented by each item. Some shoppers mentioned no needed shops or services while some had multiple responses.
Ninety-three shoppers gave a total of 133 responses to this question.

Clothing:	
Clothing (in general)	21.1%
Women's Clothing	10.5%
Men's Clothing	0.8%
Children's Clothing	0.8%
Shoes	7.5%
	40.7%
Restaurants:	
Nice Restaurant	4.5%
Fast Food	0.8%
Coffee Shop	1.5%
	6.8%
Grocery:	
Another Grocery Store	12.0%
Deli	0.8%
	12.8%
Large Department Store	15.0%

The remaining 24.7% was distributed between 19 types of stores
Only 2.4% of responses referred to the need for new service businesses.

The responses referring to needed retail businesses were distributed as follows:

Comparison Retail	60.8%
Convenience Retail	20.0%
Other Retail	19.2%
	100 %

APPENDIX C

1981 BUSINESS OWNER'S SURVEY RESULTS

Analysis of Downtown Milwaukie Business Survey

Introduction: The survey study began as a response to the request from the Milwaukie Business Association, and was completed on Sept. 29th 1981. The purpose was to determine the perceptions and attitudes of the merchants doing business in downtown Milwaukie and was completed with the assistance of Portland State University's School of Urban and Public Affairs. A questionnaire was developed and distributed to the individual businesses. A total of 95 businesses responded by returning a completed questionnaire; they were assured a strict confidentiality regarding their responses. The responses were aggregated to arrive at percentage totals.

The survey was also done to obtain a profile of the types of businesses in Milwaukie, and to record their satisfaction with Milwaukie as a place to do business. The results provide a good picture of the merchants doing business at that time and also give some indications of possible changes that would improve the business environment in Milwaukie.

Results: The merchants were asked about the principal products or services of their businesses, and the responses were as follows:

Retail - 29.5%
Service/people - 33.7%
Service/other - 18.9%
Banking/finance - 7.4%
Restaurant/lounge/entertainment - 7.4%
No response - 3.2%

Number of employees/business: 632 (total)

5 employees or less/business - 69%
6 - 10 employees/business - 20%
10 employees and above/business - 11%

Own or lease business space:

Own - 22.1%
Lease - 76.8%
No response - 1.1%

Encourage exterior refurbishing:

Beneficial - 82.1%

Non-beneficial - 6.3%

No response - 11.6%

Improve street clean-up:

Beneficial - 76.9%

Non-beneficial - 9.5%

No response - 13.7%

Change traffic pattern:

Beneficial - 61.1%

Non-beneficial - 20.0%

No response - 18.9%

Improve the appearance:

Beneficial - 80%

Non-beneficial - 8.4%

No response - 11.6%

Support a local improvement district:

Yes - 30.5%

No - 11.6%

Not sure - 55.8%

No response - 2.1%

Summary and conclusion: Service oriented businesses including restaurants made up 60% of the businesses in Milwaukie in Fall 1981. 30% of the businesses were retail; 69% had less than 5 employees; while 77% leased their business spaces; 71% had been in business in Milwaukie over 5 years, and 65% were very optimistic about sales volume increase in Milwaukie. From the foregoing data, it could be reasonably agreed that the bulk of the businesses were service/people oriented, most of which hired 5 employees or less to carry out their business functions.

64% of the merchants were satisfied with Milwaukie as a place to do business, and a good location, friendly people, less traffic congestion, and easy to find were the reasons cited most for their satisfaction.

5 years or more in downtown:

Over 5 years - 70.5%

Under 5 years - 29.5%

Past trend in sales volume for businesses in Milwaukie over 5 years:

Increased significantly - 13.7%

Increased moderately - 30.5%

Remained same - 11.6%

Decreased moderately - 7.4%

Decreased significantly - 5.3%

No response - 2.1%

Predicted 5 years sales trend: (asked of all businesses)

Increased significantly - 25.3%

Increased moderately - 40.0%

Remained same - 17.9%

Decreased moderately - 7.4%

Decreased significantly - 3.2%

No response - 6.3%

Satisfaction with downtown Milwaukie as a place to operate business:

Very satisfied - 31.6%

Somewhat satisfied - 31.6%

Neutral - 14.7%

Somewhat dissatisfied - 16.8%

Very dissatisfied - 4.2%

No response - 1.1%

First 4 reasons for satisfaction:

Good location - 5.3%

Friendly people - 4.2%

Less trafic congestion - 4.2%

Easy to find - 3.2%

First 4 reasons for dissatisfaction:

Inadequate parking - 7.4%

City not encouraging business growth - 7.4%

Lack of merchant cooperation - 3.2%

Poor traffic pattern and poor downtown appearance - 2.1%

3 things liked most about downtown:

Central location - 12.6%

Easy access - 7.4%

Convenient location - 6.3%

3 things disliked most about downtown:

Inadequate parking - 21.1%

One-way traffic grid - 10.5%

Inadequate employee parking - 5.3%

Changes that would improve the business climate:

Upgrade buildings - 12.6%

Improve parking - 9.5%

Develop waterfront - 6.3%

Merchants responses about the benefits of improving the following:

Improve pedestrian access to river:

Beneficial - 62.1%

Non-beneficial - 29.5%

No response - 8.4%

Provide additional parking:

Beneficial - 87.3%

Non-beneficial - 3.2%

No response - 9.5%

Improve police patrols:

Beneficial - 70.5%

Non-beneficial - 15.8%

No response - 13.7%

Improve street lighting:

Beneficial - 66.3%

Non-beneficial - 18.9%

No response - 14.7%

The remaining 36% of the merchants were dissatisfied with Milwaukie as a place to do business, and cited inadequate parking, lack of business growth encouragement by the city, lack of merchant cooperation, poor traffic pattern and poor downtown appearance as their main reasons. Parking was also frequently shown as their major reason for dissatisfaction. Along with parking were other traffic related problems such as one-way traffic grid; cited as reasons for dissatisfaction by the merchants.

82% of the merchants strongly indicated improving exterior appearance as the most beneficial activity to encourage the business climate in the downtown of Milwaukie. Along with upgrading the buildings, improved parking and development of the waterfront were seen as a means of improving the business climate.

In conclusion, the planning department of the city, the Chamber of Commerce, the city council and other developmental agencies in the metro area, could with careful assessment of the perceived problems and dissatisfaction, use these indicators for effective decision toward developmental activities.