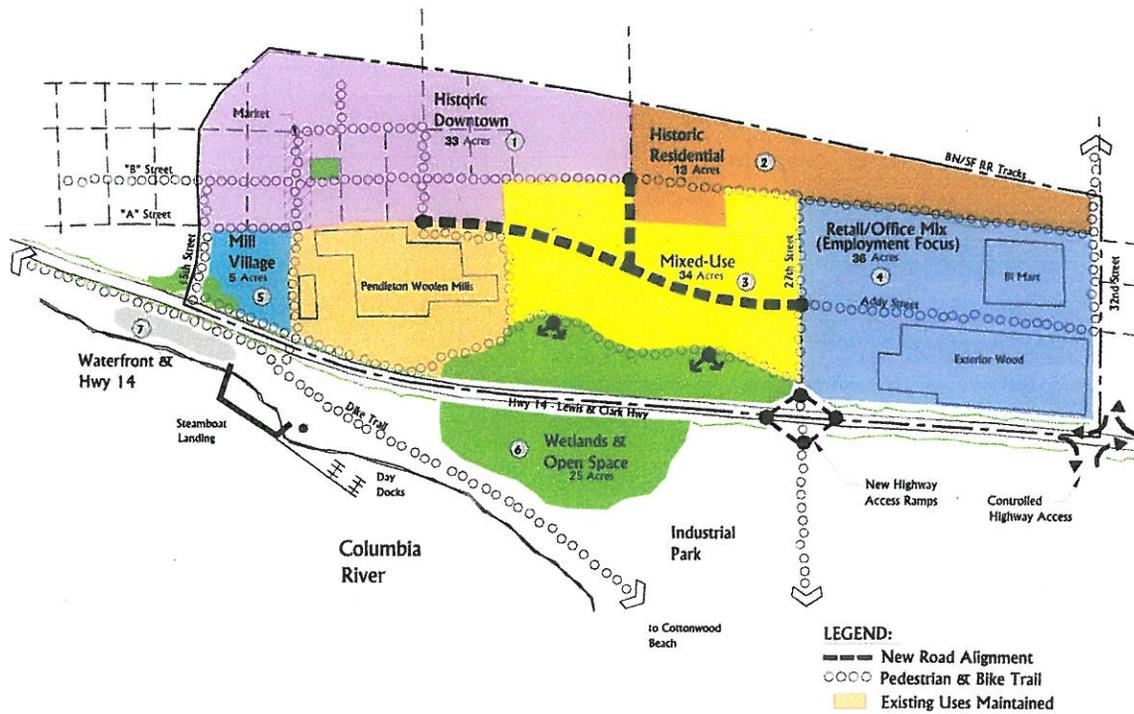


DOWNTOWN WASHOUGAL REVITALIZATION PLAN



May 2002

Downtown Washougal Revitalization Plan

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May 2002

AT-A-GLANCE SUMMARY

Beginning in mid-2001, the City of Washougal initiated a planning program to assess realistic market potentials and then create a master plan for downtown revitalization. What follows are highlights of the resulting *Downtown Washougal Revitalization Plan*.

Market Reconnaissance: Stakeholder interviews, market analysis and an assessment of strengths, weaknesses, opportunities and threats (or SWOT) served as critical first phase activities – setting the stage for subsequent downtown revitalization planning.

Stakeholders clearly view downtown Washougal's small town character as its most important strength. Weaknesses involve business closures and concerns about property upkeep. Emphasized is the need to achieve a "common vision" for a downtown that continues to build its own distinct identity.

Downtown currently serves approximately 8,800 Washougal residents and as many as 27,300 within a five mile radius. Population of this larger trade area is expected to increase by 56% by 2020 and will serve as the major impetus for additional residentially oriented retail development.

Realistic downtown revitalization prospects are related to opportunities for:

- New and increased density housing development
- Creating a specialty destination experience
- Encouraging new employment base in downtown
- Subsequent infill for complementary convenience retail

Downtown Revitalization Plan: This revitalization planning process reaffirms and augments the 1999 City Council adopted *vision*, starting with the preamble: "Downtown Washougal is the historical center of our city and entry to the Columbia River Gorge, to be cherished and nurtured ..." The vision more specifically embraces a downtown intended for residents and visitors, emphasizes commerce and historic character, encourages mixed-use, enhances linkages beyond downtown, and promotes both civic pride and community heritage.

The preferred master plan concept is intended to implement this vision for the 147 acres of downtown extending from SR-14 north to the rail line, and from 15th Street east to 32nd Street. Seven distinct sub-areas are called out; these are the historic downtown, historic residential, mixed-use, retail/office mix, mill village, wetland/open space, and adjoining waterfront districts. The plan identifies objectives distinctive to each district.

Development Feasibility: A major purpose of this revitalization process has been to produce a plan that encourages private investment and business opportunity. Financial analysis suggests that new residential may be closer to financial feasibility than commercial retail or office construction – at least short term. New commercial development may depend on recruiting business tenants not currently in the Washougal market. Less costly improvements to existing storefront and commercial space appear warranted both now and in the future.

In effect, Washougal may be best positioned to pursue *multiple opportunities* – with the flexibility to respond to changing market needs as they arise.

Action Plan: Seven recommendations are identified as critical for *jump-starting* the downtown revitalization process:

1. Continue downtown improvements.
2. Facilitate investment by downtown business & property owners.
3. Encourage residential upgrading & new construction.
4. Attract employers to Washougal's downtown.
5. Cluster vibrant retail with distinct downtown districts.
6. Assemble a tool kit of City incentives for downtown revitalization.
7. Monitor performance, then update the strategy in response to changed conditions & opportunities.

Next steps critical for building momentum are to adopt this downtown revitalization plan, update Washougal's Comprehensive Plan and Zoning Code by incorporating this downtown vision and revitalization plan objectives, begin to assemble a tool kit of initial City incentives, and cultivate private business and investor involvement.

Table of Contents

AT-A-GLANCE SUMMARY	i
I. DOWNTOWN PLAN INTRODUCTION	1
II. MARKET RECONNAISSANCE	3
III. DOWNTOWN REVITALIZATION PLAN	8
IV. DEVELOPMENT FEASIBILITY	18
V. ACTION PLAN	21

Table of Figures

Figure 1. Revitalization Planning Process	1
Figure 2. Downtown Washougal Trade Areas	4
Figure 3. Future New Washougal Area Households (2000-2020)	4
Figure 4. Downtown Strengths & Weaknesses	6
Figure 5. Opportunities & Threats	7
Figure 6. Downtown Washougal Revitalization Planning Area	8
Figure 7. Downtown Washougal Revitalization Plan Concept	10
Figure 8. Downtown Washougal Economic Feasibility Assessment	19

I. DOWNTOWN PLAN INTRODUCTION

As the “oldest American settlement in Washington State,” Washougal today draws people who value the virtues of *small town living*. Compact and walkable, downtown Washougal also is uniquely positioned to capture *the best* of the development opportunities created by continued Clark County population growth combined with this community’s location at the edge of urban growth – at the Gateway to the Columbia Gorge National Scenic Area.

In mid-2001, the City of Washougal initiated a downtown revitalization planning program to:

- Assess realistic market potentials for downtown revitalization.
- Create a master plan reflecting both market opportunities and community priorities.

THE PLANNING PROCESS

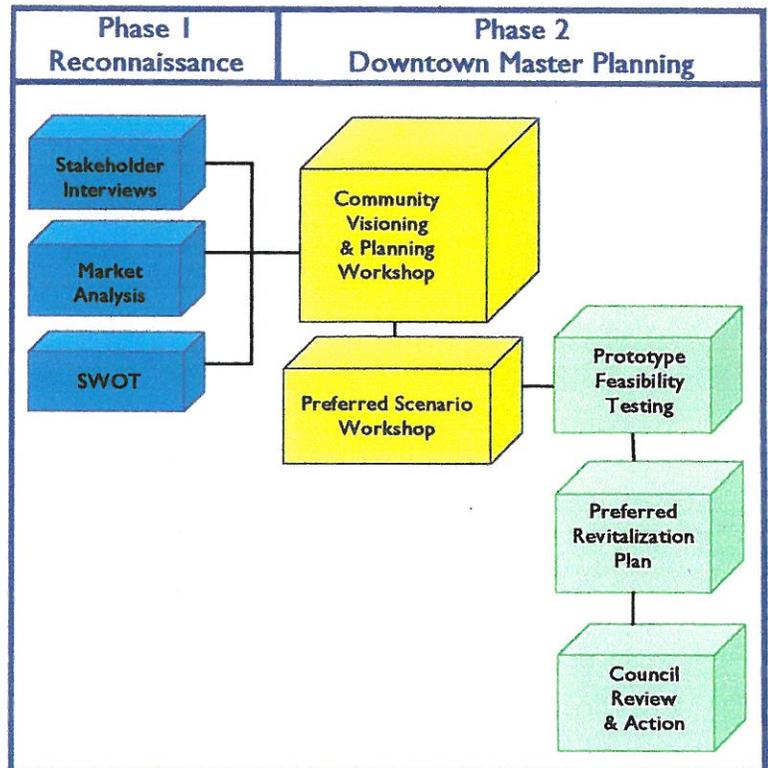
Washougal’s downtown revitalization planning process began in the summer of 2001. *Phase 1 reconnaissance* comprised a series of interviews with a representative cross-section of downtown stakeholders. Also conducted were a market analysis and an assessment of downtown strengths, weaknesses, opportunities and threats (or SWOT).

This initial reconnaissance effort was followed by a City *go/no go* decision – with the option to discontinue further planning if desired. The City Council opted to proceed with *Phase 2 downtown master planning* – based on positive indications of both market potential and community support.

An initial community visioning and planning workshop occurred on January 26, 2002. A second preferred scenario workshop was held on February 28, 2002. Both workshop events drew more than 50 participants.

A preferred plan concept was presented to the Planning Commission and City Council on April 2, 2002. This preferred concept was approved as a basis for completing this phase of the revitalization planning process. The next phase will be implementation – described by the action plan at the end of this plan report.

Figure 1. Revitalization Planning Process



PLAN PARTICIPANTS

Effective plans are built on participation – from stakeholders who live, work, shop, socialize or conduct civic affairs in downtown Washougal.

Key participants in this revitalization planning process have included:

- Washougal’s Planning & Development Committee
- The Planning Commission
- City Council
- Downtown property owners
- Interviewed stakeholders
- Interested community members involved in the two public visioning and planning workshops

Revitalization services have been provided on behalf of the City of Washougal by the economic and development consulting firm E.D. Hovee & Company combined with planning and public involvement expertise of The JD White Company, Inc.

The time, energy and ideas contributed by all participants are gratefully acknowledged.

PLAN ORGANIZATION

The remainder of this revitalization plan is organized to cover the following topics:

Market Reconnaissance
Downtown Revitalization Plan
Development Feasibility
Action Plan

II. MARKET RECONNAISSANCE

We begin this revitalization plan with a review of the Phase 1 project *reconnaissance* covering:

- Stakeholder perspectives
- Market potentials
- Strengths, weaknesses, opportunities & threats or (SWOT)

This market reconnaissance, in effect, *sets the stage* for the downtown revitalization plan that follows.

STAKEHOLDER PERSPECTIVES

At the beginning of the planning process, 25 interviews were conducted with a cross-section of downtown Washougal stakeholder interests. Those interviewed included a diverse mix of business and property owners, knowledgeable real estate professionals, public officials, and interested neighbors.

Key observations voiced by those contacted cover:

- *Community and downtown change* is altering both population and business opportunities in Washougal. As one interviewee observed, “the primary change in Washougal is the residential growth.” Businesses and residents with long-standing community ties are part of what some have termed as the *old Washougal*; newcomers are harbingers of a *new Washougal* yet to be fully defined. The apparent shift in business and traffic away from Washougal’s historic downtown to the 32nd Street corridor was mentioned by almost all of those interviewed.
- *Strengths* cited include an old-fashioned small town atmosphere with historic/50s era buildings combined with the presence of the Pendleton Woolen Mills as a draw for visitors.
- *Weaknesses* range from business closures to concerns about property upkeep to lack of a clear plan for revitalization. One stakeholder suggested that the market underpinnings for downtown’s future are “still evolving.”
- *Opportunities* hinge on the need for a “common vision” as to what the downtown area can and should become. Downtown is Washougal’s *living room*; the community has the “potential to position itself as something unique.”
- *Most desired changes* center on the short-term need to reach consensus on a vision and plan for downtown. Longer term, there is sentiment for Washougal to learn from the positive experiences of other successful Pacific Northwest commercial and mixed-use districts – but with Washougal retaining its *own distinct identity* rather than becoming a Portland/Vancouver *look-alike*.

MARKET POTENTIALS

Market potentials for Washougal have been evaluated for one-, three- and five-mile trade areas surrounding the downtown. Within five miles lies the population of Washougal and much of the Camas urban growth area. To the east, the 5-mile trade area reaches the Skamania County line.

Population: With nearly 8,600 residents as of 2000, Washougal’s population increased by more than 6% annually since 1990 – above the Clark County rate of growth. As of April 2001, Washougal’s population is estimated at 8,790 – reflecting slower growth of just over 2% in the year following the 2000 census.

Population within 5 miles of downtown stands at nearly 27,300 as of 2000 and is projected to increase to nearly 42,500 by 2020 – a projected gain of 56%.

Tourism and destination customer demand that might be served by downtown Washougal business is assumed to come primarily from households living *outside* of the one-, three-, and five-mile travel circles.

Demographics: Households within Washougal tend to be smaller and older than elsewhere in Clark County. However, those within a 5-mile radius (or trade area) generally comprise larger and younger families. Area incomes appear to be somewhat bifurcated – with high proportions both of lower and upper income households, but fewer in-between.

As of 2000, there were more than 2,360 households within one mile of downtown Washougal. Approximately 5,360 and 9,960 households are situated within three and five miles of Washougal’s downtown, respectively.

Over the 20 years from 2000 to 2020, 1,710 new households are expected within just one mile of downtown Washougal. Another 1,190 households are expected within the 1-3 mile ring and yet another 2,650 with 3-5 miles.

Figure 2. Downtown Washougal Trade Areas

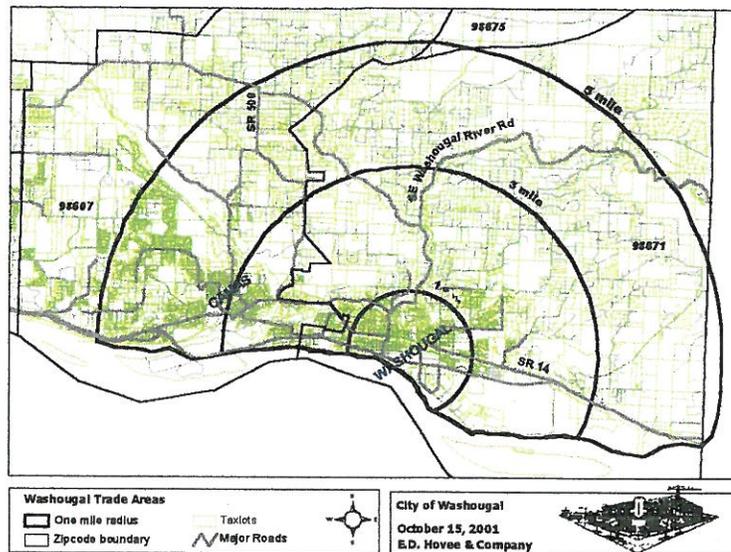
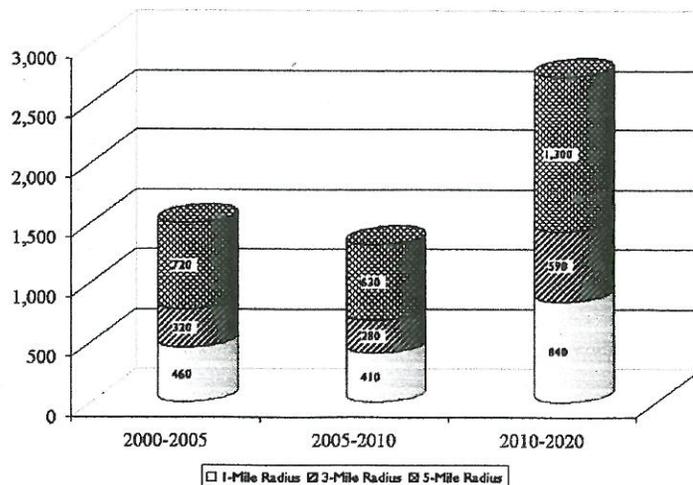


Figure 3. Future New Washougal Area Households (2000-2020)



Source: E.D. Hovee & Company.

This equates to a total of 5,550 new households that are expected to be living within 5 miles of downtown Washougal, a gain of 56% over year 2000 conditions. This household and income growth – particularly for those living closest to downtown – is expected to be the primary driver of *local consumer demand* in the years ahead.

Employment: As of 1999, the Washougal zip code (98671) had an employment base of nearly 2,400 *private sector* jobs. Nearly one-half of private employment occurs in the relatively well paid manufacturing sector. However, the rate of Washougal area job growth has lagged behind both local population and county-wide employment growth.

Tourism: Clark County ranks fourth from the bottom of Washington counties – in terms of tourism spending on a per capita basis. Washougal area tourism activity currently appears limited primarily to the Pendleton Woolen Mills outlet store and vicinity area natural recreation attractions. However, Washougal is positioned at the *Gateway to the Gorge* next to Skamania County which experiences the second highest level of per capita tourism expenditure in the state.

Commercial Potentials: If the Washougal-Camas area was successful at capturing fully 100% of area resident spending plus industrial procurement and tourism potentials, as much as 1.3 million square feet of commercial space would be supported as of 2000 – with another 1.1 million square feet of retail and service commercial space supported by 2020.

Market Capture: Currently, Washougal and Camas combined capture only an estimated 37% of the identified market potential for commercial space available. Washougal captures even less – a 22% share of its local market potential. These figures are generally below the capture rates experienced by other communities in Southwest Washington and the Puget Sound region potentially comparable to Washougal.

Latent commercial space demand in Washougal is estimated at 195,000 square feet as of 2000 – of which 140,500 square feet appears to have been largely addressed by the recent Evergreen Marketplace and Bi-Mart developments. Another 265,000 square feet of commercial retail and associated service business development is realistically supportable by 2020.

Consistent with comments made by local retail and real estate experts, it appears that existing market demand is relatively well served at the present time. Consequently, Washougal's best retail opportunities will take time to realize.

Further Washougal area retail development should occur *in synch* with future household and income growth. In the meantime, steps can be taken to reposition the expanded downtown area to compete for a significant but realistic portion of the future 265,000 square feet of local commercial space demand expected by 2020 – plus opportunities for non-local destination retailing.

SWOT ASSESSMENT

Based both on stakeholder perspectives and the market assessment, critical strengths, weaknesses, opportunities and threats (SWOT) have been assessed for downtown Washougal.

Strengths & Weaknesses: Strengths represent assets that Washougal’s downtown area offers to build on for the future. Weaknesses can be viewed as limitations or challenges that will need to be addressed – in some form – for revitalization to successfully proceed. Taken together, strengths and weaknesses constitute what might be considered as a series of *snapshots* – each providing a perspective of where downtown Washougal is today.

Figure 4. Downtown Strengths & Weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> • Growing population and affluence of the Greater Washougal area. 	<ul style="list-style-type: none"> • Location at the edge of Portland-Vancouver metro and Camas-Washougal market areas.
<ul style="list-style-type: none"> • Location adjoining SR-14 as the gateway to the Columbia River Gorge and Washougal River recreation areas. 	<ul style="list-style-type: none"> • Limited availability of retail, dining and hospitality services to capture existing and prospective visitor traffic.
<ul style="list-style-type: none"> • Authentic small town character unique to Clark County. 	<ul style="list-style-type: none"> • Lack of distinctive downtown buildings and poor property upkeep.
<ul style="list-style-type: none"> • A downtown that already functions as a mixed-use residential, commercial, employment and civic neighborhood. 	<ul style="list-style-type: none"> • Need for greater income diversity to encourage property improvements and neighborhood commercial services.
<ul style="list-style-type: none"> • Long-term retail sales potential associated with leakage recapture and future downtown/area growth. 	<ul style="list-style-type: none"> • Shift of retail traffic and activity away from the historic downtown core to the 32nd Street corridor.
<ul style="list-style-type: none"> • Vacant and underutilized downtown property suitable for development. 	<ul style="list-style-type: none"> • Need for city revitalization tools and business/property owner coordination.
<ul style="list-style-type: none"> • Property owners and development interests with capacity for significant revitalization investment. 	<ul style="list-style-type: none"> • Lack of common vision and <i>sense of place</i> for Washougal’s downtown in the 21st century.

As this chart illustrates, it is not unusual for a strength to be at least partially offset by a *flip side* weakness. Downtown revitalization works best if the community can move to simultaneously build on strengths while also addressing critical weaknesses.

Opportunities & Threats: If strengths and weaknesses represent snapshots of present conditions, opportunities and threats can be viewed as *windows to the future*.

Opportunities typically are built on existing strengths but may also involve introduction of new ideas not previously experienced or considered in Washougal. On the flip side, threats can serve to undermine downtown revitalization if not cogently addressed.

These future conditions are often stimulated by *external* forces over which the community has seemingly little direct control. However, Washougal can make conscious choices about which opportunities to facilitate or encourage.

Figure 5. Opportunities & Threats

Opportunities
• Connecting downtown to the Columbia River and to the business/visitor loop to and from SR-14.
• Residential neighborhood revitalization and new mixed income development.
• Build-to-suit office development for expanding local and outside firms.
• Mill village specialty destination retail.
• Infill retail to support day-to-day convenience needs of expanding residential, employee and visitor populations.
• Recreation and cultural attractions plus events.
• Mixed-use urban village development of potentially available and as yet undeveloped Pendleton Mill and adjoining properties.

Threats
• Poor connections from SR-14 to and through Downtown Washougal.
• The current national and regional economic downturn, particularly for the short-term period of the next 2-3 years.
• <i>Head-to-head</i> competition with other similarly sized Clark County cities.
• Underinvestment in telecommunications <i>bandwidth</i> .
• Poorly executed quality of rehabilitation and new development.

Downtown Washougal Strategic Opportunities: For the future, Washougal could attempt to capture its *fair share* of local spending potentials – including comparison shopping and the potential represented by expected new residents. However, capturing department store and *big box* retail is unlikely – at least for the near-term. Any development of this type that does occur is not likely to be located in the downtown area – except perhaps for the area near the 32nd Street corridor.

Realistic downtown revitalization prospects are more likely directly related to opportunities for:

- New and increased density *housing development* – with a built-in base of added new downtown customers.
- Building on the reputation of the Pendleton Woolen Mills and Gorge gateway location to create a *specialty destination retail* experience – as yet unknown in Clark County.
- Encouraging *new employment base* in downtown – both from businesses serving the local population and national/international markets via first rate telecommunications.
- Subsequent infill for *complementary convenience retail* – serving the combined interests of downtown residents, employees and visitors.

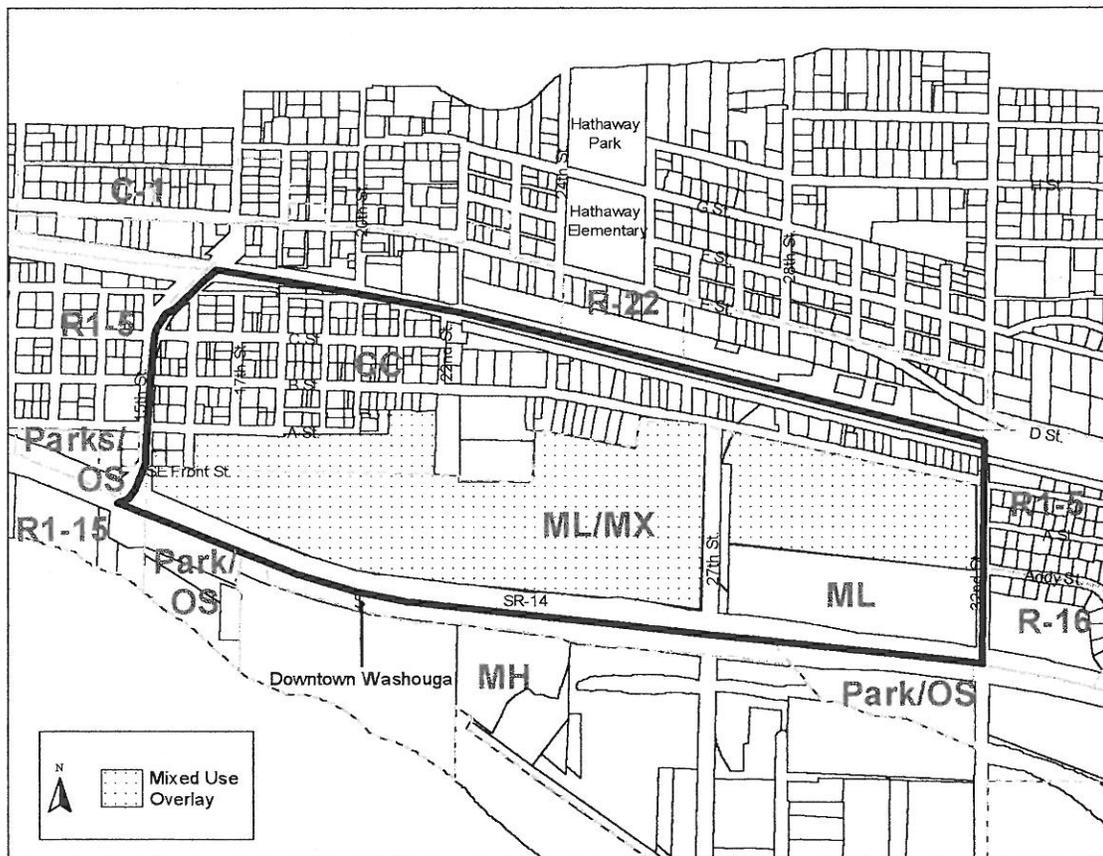
III. DOWNTOWN REVITALIZATION PLAN

Subsequent to completion of the market reconnaissance, the Washougal City Council authorized proceeding with Phase II master planning. Two public visioning and design workshops have been conducted – in January and February of 2002. From these workshops and the alternate downtown scenarios considered, this preferred revitalization plan has been proposed for City Council review and adoption.

DOWNTOWN PLANNING AREA

For purposes of revitalization planning, the City of Washougal has defined its downtown as the area encompassed by the SR-14 highway on the south, the BNSF railroad line on the north, 15th Street to the west and 32nd Street on the east.

Figure 6. Downtown Washougal Revitalization Planning Area



The downtown area is currently zoned for Community Commercial (CC) and light manufacturing (ML) uses and ML with a mixed use overlay. A significant portion of the planning area (south of A/B Streets) has received mixed-use overlay designation.

VISION FOR REVITALIZATION

In January of 1999, the Washougal City Council adopted an initial vision statement for downtown Washougal. This planning process has served both to reaffirm and augment the initial visioning process.

Guidelines for Vision Refinement: Participants at the two public workshop events in early 2002 were encouraged to consider vision refinements, aimed to:

- Succinctly portray the desired downtown of the future, *20 years* from now.
- Achieve *consensus support* from a broad cross-section of interests – including business and property owners, developers and investors, neighborhood and civic organizations and city government together with any partnering agencies.
- Serve as a *guide* to make subsequent decisions regarding downtown uses, scale and location, design character and project feasibility – all brought together via a master plan for Downtown Washougal revitalization.

Updated Downtown Vision: As a result of this 2001-2002 planning process, the vision has been refined, to read as follows:

Downtown Washougal is the historical center of our city and entry to the Columbia River Gorge, to be cherished and nurtured in ways that:

- Provide a downtown which is attractive, pleasing and vibrant to citizens of Washougal, as well as to visitors,
- emphasizes commerce, a pleasant downtown living environment, and authentic historic character,
- encourages new mixed-use residential, commercial retail and office investment with focus on locally owned business, the arts and specialty destination retail,
- enhances linkages between downtown, the Columbia riverfront, other community commercial and recreation destinations, and
- promotes civic pride and community heritage.

ALTERNATIVE PLANS CONSIDERED

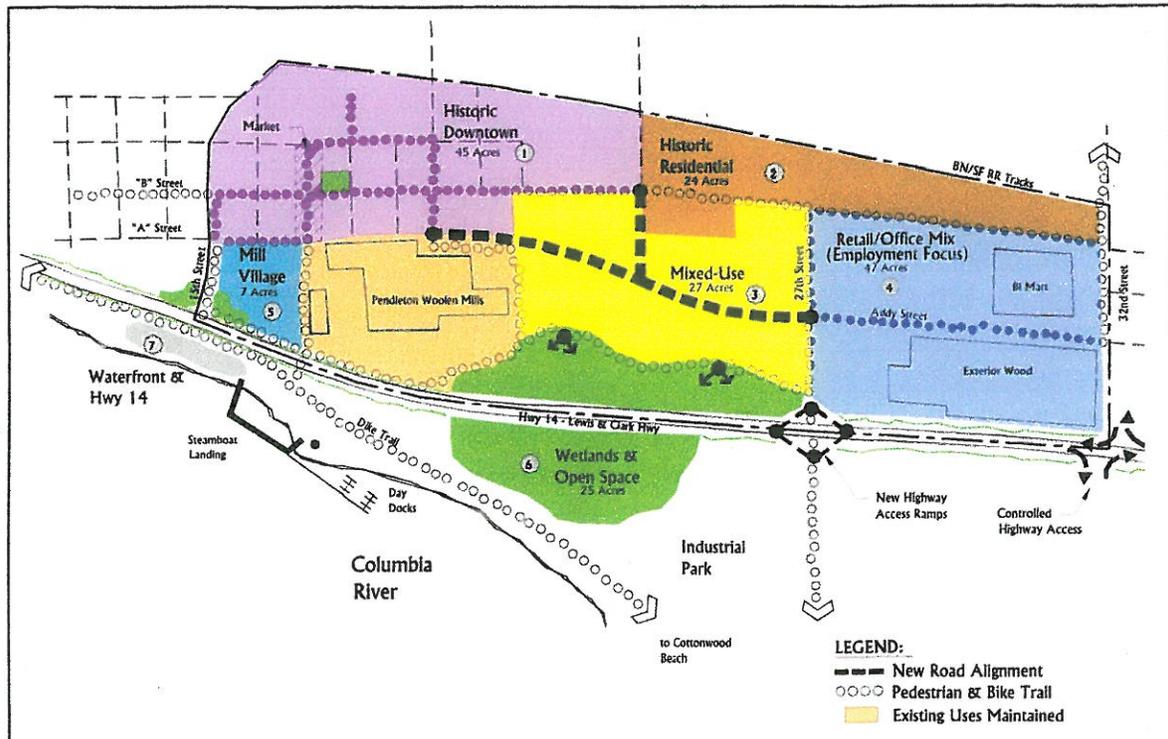
At the February 2002 public workshop, three alternative plans – drawing from the earlier January brainstorming event – were presented for discussion. The alternatives involved different suggestions for the location and character of downtown sub-areas – including scale of development mix of uses, preservation of historic character, traffic circulation and wetland/open space protection.

Workshop participants were asked to list likes and dislikes associated with each option. The preferred plan that follows is a direct result of this community conversation.

PREFERRED MASTER PLAN CONCEPT

The preferred master plan concept encompasses the 147 acres of downtown Washougal plus some related recreation and open space areas identified south of SR-14.

Figure 7. Downtown Washougal Revitalization Plan Concept



Seven district sub-areas plus the existing Pendleton Woolen Mills are called out by the preferred plan concept:

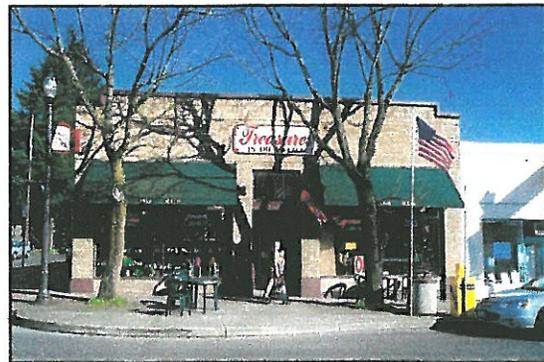
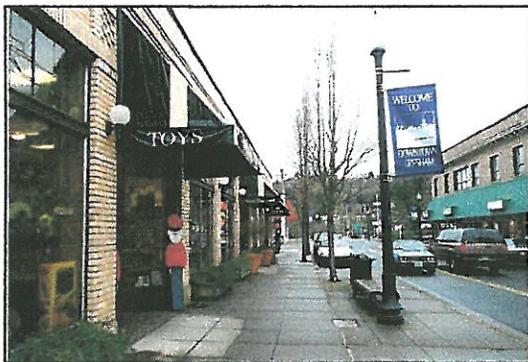
1. Historic Downtown
2. Historic Residential
3. Mixed-Use
4. Retail/Office Mix (employment focus)
5. Mill Village (adjoining Pendleton Woolen Mills)
6. Wetlands & Open Space
7. Waterfront & SR-14

On the following pages are presented key plan features currently associated and recommended for each sub-area district. The photos are drawn from other downtowns in the Vancouver/Portland metro area – illustrating the character of new development and renovation that might be expected.

AREA I: HISTORIC DOWNTOWN

The historic downtown district comprises the existing developed area generally lying north of Pendleton Woolen Mills and extending east from 15th Street to 24th Street. Plan objectives for the historic downtown are to:

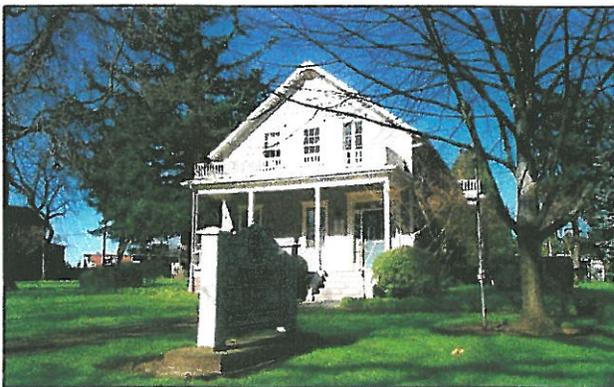
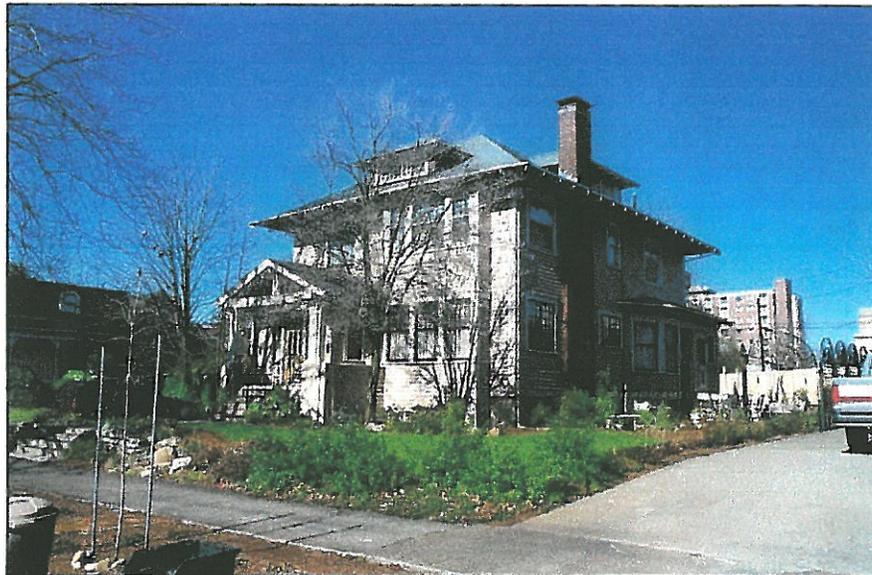
- Preserve historic character from east of 15th to the school building and from the railroad tracks to “A” Street
- Encourage adaptive reuse of historic buildings for a variety of shops, offices, restaurants, and housing
- Within the historic area (including Pendleton), encourage showcase retail functions with manufacturing/distribution uses
- Locate public space near Reflection Park for summer events, Arts & Crafts Fair, Farmers’ Market and holiday festivals
- Develop design guidelines for Historic Theme (brick/wood frame)
- Continue street enhancement (street trees, flower baskets, banners, lighting, bike racks, planters, benches, etc.)
- Facilitate typical two story building height (with siting and design guidelines for larger buildings if proposed)
- Provide plazas and pocket parks as attractive public spaces
- Encourage historic murals, markers, and directional signs
- Develop off-street (including shared) parking areas for Downtown



AREA 2: HISTORIC RESIDENTIAL

Washougal's historic residential district extends along B Street (generally the north side) from 24th Street to 32nd Street. Plan objectives are to:

- Encourage infill residential development on vacant lots
- Facilitate bed & breakfast lodging and office use of historic and compatible infill houses
- Maintain and restore historic houses
- Develop historic architectural design guidelines for current and new residential development
- Provide interpretive signs for historic captains houses and promote the area as an attraction for walking tours
- Encourage residential office use east of 27th Street



AREA 3: MIXED-USE

This as yet undeveloped area is south of B Street extending from the Pendleton Woolen Mills east to 27th Street. The revitalization plan would:

- Extend Addy Street west from 27th to “A” Street and extend 24th south to Addy Street as the backbone for possible street grid and to serve new development
- Promote consistent design for streetscape (lighting, trees, awnings, planters, benches, etc.)
- Encourage natural food stores, specialty shops, restaurants, coffee shops, sidewalk cafes and lodging
- Potentially involve community destinations such as a community center, arts center and library
- Offer a mix of new office, retail and attached housing – with 2-3 story building height typical for new construction
- Encourage development of a senior care center, independent and assisted living community
- Underground utilities
- Encourage contemporary murals
- Place trails on corridors separate from streets where possible for a natural experience

Campus style office and/or residential space could also be developed at the southern portion of this area – benefiting from the wetland/open space amenity (of Area 6).



AREA 4: RETAIL/OFFICE MIX

Located at the eastern edge of downtown Washougal south of B Street and extending from 27th Street to 32nd Street, this is a *transition district* between the fine grained features of an historic downtown and the larger footprint uses typical of contemporary commercial development – with a focus on increased area employment. Plan objectives are to:

- Encourage commercial development – including retail, office and flex space
- Provide for a mix of single/multi-story office campus
- Attract local services such as medical and dental offices
- Provide siting and design guidelines for 4-5 story buildings
- Promote shared off-street parking with common driveways
- Provide sidewalks for pedestrian connections
- Landscape with street trees and consistent common area greenery
- Attract a hotel/motel in vicinity of 27th and SR-14 (with interchange)
- Transition at 27th between historic/urban emphasis to campus-oriented employment and mixed-use
- Underground utilities

Existing industrial employment uses would be encouraged to remain and expand – whether on an interim or longer-term basis.

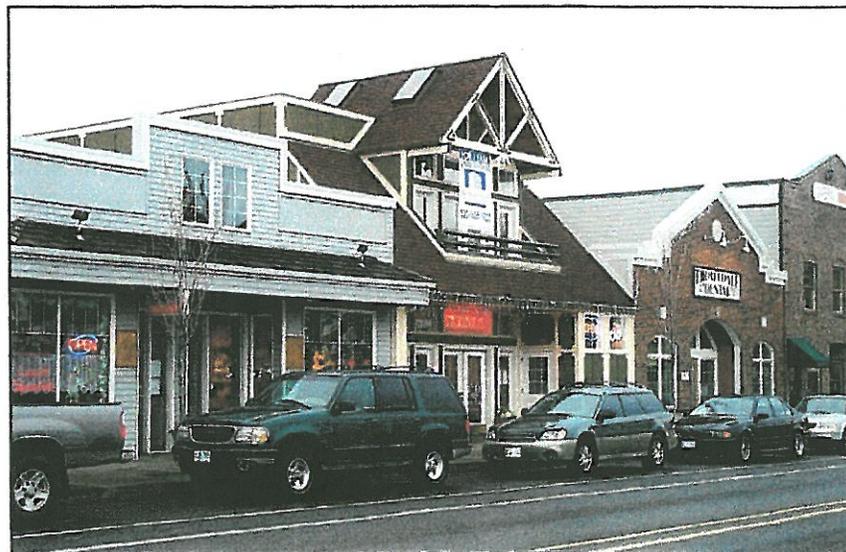


AREA 5: MILL VILLAGE

This potential specialty and historic district is located west of the Pendleton mill and south of A Street – on land owned by Pendleton and other parties including the Two Rivers Heritage Museum. Revitalization plan objectives are to:

- Encourage development of a *Mill Village* (with specialty retail, restaurants, and galleries)
- Create a shopping village consistent with Pendleton Woolen Mills (PWM) and incorporate a museum
- Improve pedestrian access to historic downtown, PWM and the river
- Provide for maximum 2-story building height
- Attract tourism – with more visitors staying longer and spending more

The Mill Village area (some of which is already developed) encompasses approximately five acres. Existing PWM operations comprise another 15 acres immediately to the east.



AREA 6: WETLANDS & OPEN SPACE

Existing wetlands are located along SR-14. The area identified covers properties situated on both sides of the Lewis & Clark (SR-14) highway. As a major downtown area open space and habitat resource, revitalization plan goals are to:

- Provide trails along the wetlands with view decks and interpretive signage
- Enhance wetland plantings to create attractive open space and improve wildlife habitat value
- Assure minimal disturbance to wetlands
- Maintain an open park-like setting for Pendleton Woolen Mills drain field
- Offer an attractive setting for office campus and mixed-use development

Because wetland boundaries have not been delineated, the location shown on the revitalization plan map is approximate and subject to change. Approximate acreage of the wetland/open space area is 25 acres, with about 12 acres north of SR-14.

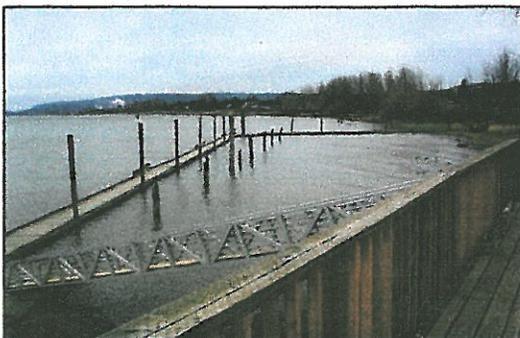
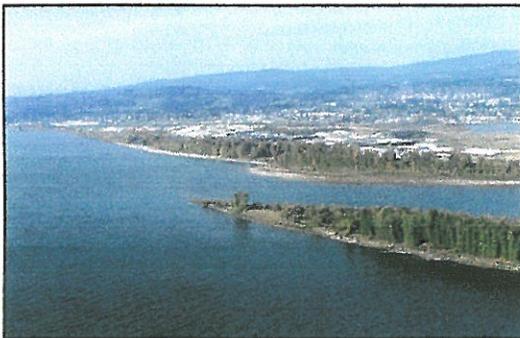


AREA 7: WATERFRONT & HWY 14

Situated south of SR-14, this district is just outside the study area for the *Downtown Washougal Revitalization Plan*. However, as the gateway to downtown and as a critical waterfront link, this district is pivotal to the appeal of a revitalized downtown. Objectives of this revitalization plan for the waterfront area are to:

- Create an attractive gateway to Downtown Washougal – with signage at the 15th/SR-14 intersection
- Develop off/on ramps at 27th Street on SR-14
- Construct a pedestrian overpass or tunnel under SR-14 to Steamboat Landing for river access
- Rebuild an historic dock for charter boat landing
- Provide additional parking for dock and trail users
- Offer day dock facilities
- Develop interpretive signage along Dike Trail
- Enhance landscaping along SR-14
- Connect trails to Parker House (as a potential site for restaurant, lodging and banquet facilities)
- Offer unique venues such as seasonal theater at Cottonwood Beach for re-enactment
- Consider limiting right turns only at 32nd off/on SR-14 – after appropriate transportation studies and community involvement to review more detailed plan alternatives

As Cottonwood Beach planning progresses, opportunities for limited commercial uses as well as open space and recreational enhancements can be more thoroughly considered and evaluated.



IV. DEVELOPMENT FEASIBILITY

A major purpose of the revitalization process is to produce a plan that can be feasibly attained. In other words, the downtown vision should serve to encourage private investment and business opportunity.

Consequently, the plan needs to address the questions: *Is the vision for downtown Washougal economically feasible? Can we really expect it to happen?*

As is often the case in a community that has experienced minimal recent investment, there is no simple *yes* or *no* answer to these questions. Rather, the answers are more likely to be *it depends*.

Because the market success of downtown revitalization is not assumed, we really must answer a deeper question: *Under what conditions is revitalization feasible?* And a final question: *What actions represent the best opportunities to jump-start the revitalization process?*

EVALUATING DEVELOPMENT FEASIBILITY

Property and business owners, investors and developers will invest time and money in endeavors for which a reasonable *return on investment* appears to be forthcoming. Financial returns come through rental incomes and property values – to repay the amount invested plus generate profit commensurate with the risk represented.

Rental rates and owner values generally achievable in the downtown and Washougal area market *at present* have been compared with rates that are likely required to repay the development costs associated with *new construction*.

Three overall conclusions are suggested from this comparison:

- Current rents and values realized in the downtown Washougal area suggest that new *residential may be closer to financial feasibility* than locally driven commercial retail or office construction.
- Financial feasibility of building new retail development likely hinges on securing national and regional credit tenants than local independents. New retail construction is more likely to occur closer to 32nd Street at least near-term. Similarly, office development may depend on *recruiting business tenants* not currently in the Washougal market willing to pay for quality space.
- Pending the recruitment of non-local business, an important commercial strategy would focus on less costly improvements to *existing storefront* and commercial space.

This feasibility assessment is presented in *matrix* format by a summary chart on the following page. Each use is assessed from the perspectives of market demand, financial feasibility and downtown sub-area. Also noted are summary implementation requirements – to enhance use marketability or feasibility in the downtown area.

Figure 8. Downtown Washougal Economic Feasibility Assessment

Use to be Evaluated	Market Demand	Financial Feasibility	Downtown Sub-Area		Implementation Requirements
			West of 27 th	East of 27 th	
Commercial:					
• Storefront renovation	○	●	●	⊕	Encouraged by <i>untrained</i> City assistance
• New shop space construction (independent)	○	⊕	⊕	○	Most likely <i>after</i> new anchors are secured
• Major retail (10,000 sf plus)	○	○	○	●	Typically national or regional credit tenants
• Destination retail (Mill Village)	○	○	●	⊕	Likely requires Pendleton & 3 rd party developer interest
• New 1-2 story office	○	○	○	○	Requires tenants paying above the current market
• New 3-5 story office	○	⊕	○	⊕	Opportunity for non-local recruitment
Residential:					
• Affordable multi-family rental	●	●	●	⊕	Partnership with Vancouver Housing Authority or non-profit
• Affordable home ownership	●	○	●	⊕	VHA/non-profit partnership opportunity
• Market rate apartment rental	●	○	●	⊕	Larger project opportunity south of B Street
• Market rate condo	○	○	●	⊕	Could be infill south of B Street
• Market rate townhome/attached housing	○	○	●	○	Best opportunity south of B Street
Civic/Institutional:					
• Train station	○	⊕	●	○	For Amtrak or future commuter rail
• Public docks	○	⊕	●	⊕	Opportunity for cruise tie-up?
• Public parking	○	⊕	●	⊕	Improves feasibility for retail/office
• Library/Senior Center Expansion	○	○	●	⊕	Depends on city/community interest & funding
Mixed-use:					
• Office with ground floor retail	○	⊕/○	●	○	B Street potential with credit anchors
• Office with structured parking	○	⊕	●	⊕	Parking garage development likely needs City participation
• Residential with ground floor retail	○	⊕	●	⊕	Least likely mixed-use option in near-term
• Residential/office	○	⊕	●	⊕	Potential to include work/live units

Legend: ● = Strong Potential ○ = Moderate Potential ⊕ = Limited/No Potential

Market & Financial Feasibility: Criteria that have been considered are:

- *Market demand* – drawing on completed results of the Phase 1 market reconnaissance.
- *Financial Feasibility* – consistent with the rental rate and valuation analysis sketch financial pro formas that have been conducted as part of the revitalization planning process.

Downtown Sub-area: The downtown can be divided roughly at 27th in terms of the character of uses and investment anticipated:

- *West of 27th* – Based on uses most appropriate for the historic downtown core and undeveloped land west of 27th (consistent with the preferred plan).
- *East of 27th* – intended for larger scale employment and retail activities typically requiring more building space.

Evaluation Ratings: For each of the criteria indicated, each use receives an evaluation of either:

- – strong potential; ○ – moderate potential; ⊕ – limited/no potential

FEASIBILITY FINDINGS

Consistent with the results of the market reconnaissance, the economic feasibility analysis suggests that these are *no sure winners* for downtown Washougal. Attracting private investment, particularly new construction, represents a challenge for virtually all of the uses considered. In effect, Washougal may be best positioned to pursue *multiple opportunities* – with the flexibility to adapt to changing market needs as they arise.

At present, virtually none of the uses considered can be assured to pay rents or support values necessary to defray the cost of new construction. However, Washougal's experience is not unique.

Other downtowns – Portland, Vancouver, Gresham – have found that businesses and residents can be drawn to pay more for the right building environment in a quality urban setting. In effect, what happens is that higher rent properties will co-exist *side-by-side* with older lower rent buildings yet awaiting rehabilitation.

Sometimes, the recruitment of non-local tenants who are unfazed by paying more than anyone has previously paid in Washougal helps to *get the ball rolling*. This is because higher rents for Washougal may be considerably below the alternatives – whether in Seattle, Portland, or Fishers Landing in east Vancouver.

Some local tenants may prove surprisingly willing to *step up* to better quality, more prestigious and higher rent space – once the product is available. For retailers, higher rents will not be justified unless supported by greater sales performance and productivity.

V. ACTION PLAN

A plan is only as good as the actions taken to make it happen. Over the past year, Washougal has experienced a remarkable coalescence of interest from business and property owners, community stakeholders and interested citizens. This is the time to begin making the vision real, assuring that downtown Washougal becomes the historical center and gateway to the Columbia River Gorge.

Key elements of this action plan involve strategies for:

- *Jump starting* downtown revitalization
- *Next steps* to build momentum

JUMP STARTING DOWNTOWN REVITALIZATION

The combination of the market reconnaissance, vision and preferred plan, and this economic feasibility converge on the need to effect a *strategy* for downtown revitalization. What follows is the outline of a *7-point* implementation strategy for consideration and action.

1. *Continue downtown improvements.* The City of Washougal has committed funding to a variety of improvements – both to the public streetscape and private storefronts. Streetscape improvements have ranged from landscaping and flower boxes to benches. Storefront improvements have included such items as repainting, new awnings and window replacement. The focus of the 2002 improvement program is on the B Street historic commercial core.

The preferred revitalization plan suggests broadening this public improvement strategy to other selected areas of the downtown with such improvements as:

- Downtown banners
- Historic and contemporary murals
- Markers and directional signage
- A complete trail network with improved linkage to the river
- Off-street public parking
- Utility undergrounding
- Street extensions (south of B) and SR-14 interchange improvements

Clearly, not all of these investments will occur overnight. However, a program for continued, visible reinvestment activity could comprise: (a) major public investments funded in response to state/federal funding and major private development opportunity; coupled with (b) on-going smaller-scale improvements funded and scheduled annually as part of the capital facilities planning process.

2. *Facilitate investment by downtown business and property owners.* The market reconnaissance identified a remarkable resource for revitalization that is not common to

communities of Washougal's size – existing property owners offering the expertise and capacity for significant reinvestment.

The intent of the master plan is to articulate a working vision for the types of development the Washougal community wants and will support. Owners and investors should be given flexibility and encouraged to be creative in proposing projects that advance this downtown vision.

Whenever possible, new development or redevelopment should complement and reinforce the opportunity for corresponding improvement of vicinity area properties. Development review and approval processes should be swift and sure.

3. ***Encourage residential upgrading and new construction.*** While the *sure winners* have yet to emerge, this economic feasibility analysis suggests that residential is the use that most nearly supports the costs of new construction – without significant changes in property rents or sales values. Near term, the least risk residential option is likely to be affordable housing, especially if public or non-profit providers are involved.

However, for the long-term economic viability of Washougal's downtown, it will be critical to attract a broader mix of housing – including affordable and market rate, rental and owner residential product.

North of B Street, opportunities will be greatest for smaller scale infill projects and selective improvement of the most viable existing residential structures. South of B and west of 27th, there is opportunity for creating a new urban, mixed-use neighborhood – possibly led by townhomes meeting Washougal density objectives and capturing emerging demographics of the Washougal market.

4. ***Attract employers to Washougal's downtown.*** Significant new employers could be well suited for locations along the B Street commercial corridor (west of 22nd) and in the mixed-use/employment zones on undeveloped properties south of B Street.

While 2-3 story structures are expected to be most prevalent (including flex-office south of B), some larger buildings (in the 3-5 story range) may be suggested. Both forms of development could be encouraged pursuant to design guidelines appropriate to the location being considered.

5. ***Cluster vibrant retail with distinct downtown districts.*** With the preferred revitalization plan, at least four distinct retail cluster opportunities can be identified:

- *B Street specialty retail* – including refurbished stand-alone storefronts and retail uses on the ground floor of mixed-use projects.
- *Mill Village regional destination* – developed at the 15th Street entrance to Washougal *in synch* with interests of Pendleton Woolen Mills.
- *Mixed-use, small-scale retail* – developed as convenience stores, delis, coffee shops, and personal service businesses, primarily in support of new residential and employment developed west of 27th and south of B Street.

- *Large scale community retail* – developed east of 27th to serve the entire Washougal community.

Retail may be the slowest but also most unpredictable downtown activity to be re-energized. Despite the challenge, sustained efforts can pay large dividends – because retail can be *the glue* that reinforces the attractiveness of downtown for other residential and office opportunities.

As a destination, retail breeds retail. So the most difficult retail to develop will be the early stage, pioneering projects. These are the developments – both large scale and for the independent owner – that may require the greatest levels of community and City assistance.

6. *Assemble a tool kit of City incentives for downtown revitalization.* The tools most used in the kit will change over time – depending on the type of project and their applicability. Some of the tools currently available to consider include:

- *Amendments to the Comprehensive Plan* – now underway to incorporate this working vision and preferred master plan.
- *A planned action EIS* – resolving environmental and master plan issues up-front, in effect pre-permitting uses consistent with the plan.
- *Securing highway transportation funding* – for SR-14 interchange improvements including a new interchange at 27th Street.
- *Adopting 10-year limited property tax abatement* – as an incentive for downtown residential (both rental and owner product) and/or for local historic properties.
- *Consideration of tax increment financing* – whether pursuant to the recent state enabling legislation or in a more limited local budget allocation fashion as practiced by the City of Vancouver.
- *Designation of historic properties or district* – for properties such as the B Street captains' houses or a cluster of structures deemed as most significant, allowing potential application of both state and federal tax incentives for commercial uses (as well as periodic grant funding availability).
- *Establishment of an on/off-street public parking program* – to encourage shared parking utilization and improved feasibility for private reinvestment.
- *Securing staff resources to focus on downtown revitalization* – including potential for a Downtown manager funded jointly by the City and business/residential community (as through a business improvement district).
- *Pursuit of other funding sources as applicable* – with programs currently available including local improvement district (LID) financing, impact fee credits or abatement, TEA21 transportation funding, Community Development Block Grant (CDBG), community reinvestment lending and local fund raising or sponsorship.

7. *Monitor performance and update the strategy in response to changed conditions and opportunities.* The *shelf life* of even the best downtown strategy is no more than 5-7 years. If this strategy is successful, a few years from now, people will be asking "what's next?" If downtown does not make the desired turn for the better, the question will be: "What went wrong?"

Most likely, both successes and failures will be experienced. So then, the question becomes: "What can we do better?" What is recommended with this master plan is that the City Council:

- Review initial progress one year after strategy adoption and establish benchmark expectations at that time for subsequent performance.
- Subsequently review performance at least every 2 years, making mid-course adjustments to the strategy based on achievements and lessons learned to date.
- Plan for a complete review and update of the downtown revitalization strategy within about 5-7 years, but no later than 2010.

NEXT STEPS TO BUILD MOMENTUM

With completion of this revitalization plan, *the torch is passed* from planning to doing. Critical *next steps* recommended are to:

- *Adopt a downtown Washougal Revitalization Plan.* This plan is intended for review with the Planning Commission and City Council. Adoption is recommended as a *working guide* for downtown revitalization – with refinements made now or in the future as community opportunities and expectations change.
- *Update Washougal's Comprehensive Plan and Zoning Code incorporating this downtown vision and revitalization plan objectives in concert with the economic development element of the City's Comprehensive Plan (Goal 3).* This downtown plan has been completed at an opportune time – with update of Washougal's Comprehensive Plan now also underway. Land use, character and design recommendations of this revitalization plan can now be reinforced with consistent zoning. Details of implementing code language have yet to be developed; public participation can be expected and should continue to be encouraged.
- *Begin to assemble the tool kit of initial City incentives for downtown revitalization.* The City would be well positioned if a handful of tools can be identified as immediately available and consistent with broader city policy and budget objectives. Incentives now available and those that may be considered later should then be clearly communicated to existing and prospective business and property owner interests.
- *Cultivate private business and investor involvement* This can occur through involvement of formal organizations – such as the Camas-Washougal Chamber of Commerce together with possible formation of a downtown Washougal business and property owners association. The City should also continue to cultivate one-to-one relationships with parties interested in downtown improvements consistent with the vision and objectives of this revitalization plan.