

Appendix 46 Springwater Community Plan Annexation and Development Strategies

With the adoption of this Plan, there is a development path for the entire Springwater area. The next steps to development of the area based on this plan hinge on two essential steps: first, a majority of property owners in the area have to agree to annexation. Secondly, the private sector has to be motivated to develop the property. Both of these elements depend on many elements some of which, such as the state of the economy, are totally outside the control of anyone involved. There are elements however that the City can strategize and plan for based on an analysis of the staged feasibility of land acquisition and development in the Springwater Plan Area.

In an annexation process, individual property owners typically act in their own best interests. With a large number of unique tax lots and property owners, there will be a complex matrix of interests as the many personal circumstances interact with the Plan goals and interested buyers. These will ultimately align, but in unpredictable ways and at an unpredictable timeline. Gresham needs tools that will allow it to react to the alignment of public and private interests in a timely and flexible way.

There are three crucial steps to be carried out prior to planned development of properties:

1. The areas must be annexed. Generally, the most desirable method to do this is using a “double majority” petition – that is, a petition that is signed by property owners representing a majority of the area, and a majority of the registered voters living in the area. While this is not the only way to process an annexation, for Springwater it is the most likely process since it allows considerable flexibility in terms of staging annexation areas, and an election in the area to be annexed does not have to be held. The area to be annexed may be a portion or all of the Springwater Plan area, but must be contiguous to City Limits at time of annexation.
2. Planned services must be provided or guaranteed in conjunction with development. This includes sewer, water, storm drainage, and transportation (typically the arterial, collector and local streets are built when the property develops). In addition, park acquisition and development needs to be ensured, and environmental area compensation needs to be funded where needed.
3. Land Use Districts based upon the Springwater Plan District Map will be assigned to properties at time of annexation. Development approvals must be obtained prior to actual land divisions or construction of improvements on private properties. Once construction of the private and public improvements have been completed, the development can be occupied.

PLAN VS. STRATEGY

Both individual interests and economic conditions must be right and timely for the kind of development contemplated in the plan. Over time, a variety of potential interests for both existing and future property owners and for developers will evolve and will certainly change over the course of the

Plan horizon (20 years). For the City of Gresham to help implement the Plan, there is a need for a high degree of flexibility in order to accommodate opportunities that arise over time. The City will need to be proactive in partnering with property owners and with the private sector in achieving the alignment of the three major factors to development. A “typical” annexation plan proposes an orderly annexation of a few phases, following one another in a clean and logical progression. Because of the size and the challenges (as well as the opportunities) inherent in the Springwater Plan Area, what is being recommended is an Annexation Strategy Tool which identifies the most likely annexation modules based on a series of factors, including willing property owners, proximity to existing services, topography, natural resources, drainage basins, targeted industries, relationships between modules and economic projections for all plan elements. This tool establishes a City plan of action to support the annexation, marketing and development of those modules.

While it is important to have an understanding of likely initial annexation areas, the actual annexation phasing may not proceed as planned, especially when it comes to complex interactions among individuals, the economy, and developers. The City will need to be able to respond quickly and efficiently to development opportunities that arise over time. This plan includes the tool for the City to use to evaluate and respond to unanticipated opportunities for annexation and development, and also to develop preliminary scenarios that can be used to help examine new and more effective ways for financing the services for the area. This tool has been used to identify likely initial annexation areas, but can easily be modified by the City to evaluate other annexation scenarios.

Annexation and target industry recruitment strategies will work together and each will need to be flexible enough for the City to respond and work within the overall implementation goals and to respond quickly as circumstances and opportunities evolve.

ANNEXATION STRATEGIC TOOL

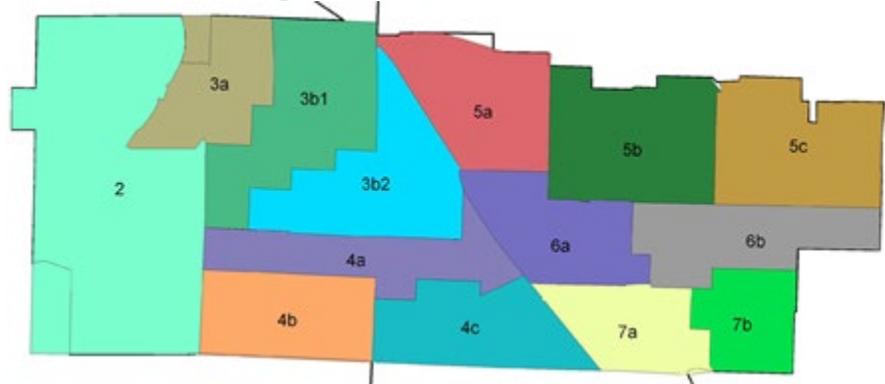
At this point in time, based on evaluation of elements identified in the prior section of this report, the Springwater area is suggested to be composed of 14 modules ranging in size from 52 to 294 acres each, as shown in Figure 1, below. The modules are formed to include all of the properties that would be benefited by the service extension to the area, and they take into account connections to existing neighborhoods along with the other elements. The boundaries follow property lines whenever possible.

It is desirable, but not essential, to annex as much of the module as possible when the services are ready to be extended in order to spread the costs of these new services to as many benefited properties as possible, and to open a logical and appropriately sized area for potential development opportunities. An important determinant in shaping the modules is the planned public facilities extensions, (including wastewater services) looking to maximize areas which can be developed based on logically phased public facilities construction.

Any one of these could be logical annexation modules, and the recommended tool will include analysis and costs for logical extensions of public services, as well as estimation of development values based on the Springwater Plan Land Use District permitted uses. As annexation potentials develop, the City

can utilize this tool to do preliminary evaluations of property owner interests and expectations for providing public facilities services.

Figure 1. Annexation Modules



The module database includes relevant data to make it a useful tool for both evaluating proposals and developing policies to respond to future challenges. For example, it includes estimates of how much development and new construction value is assumed at buildout of each module. In addition, the annexation module database also contains data on antecedents; that is, the modules that must be developed in order to bring services to the boundary of the module.

Module Components

The module database will utilize data including the following information:

1. Current Data
 - a. Parcels and Tax Assessor's Data
 - b. Current Housing Units
 - c. Total Assessed Value
 - d. Number of Registered Voters
2. Data Calculated from Plan's Implementation
 - a. New Housing
 - b. New Commercial Space
 - c. New Employment
 - d. New Parks
 - e. Open Space Protected
 - f. New Impervious area
 - g. Future Assessed value
 - h. System Development Charges

3. Estimated Costs to the City
 - a. Cost of Sewer
 - b. Cost of Water
 - c. Cost of Storm Drainage
 - d. Cost of acquisition and development of Parks

Because the modules are based in GIS, they can be linked with any other GIS system, including the tax assessors, Metro’s RLIS database, the County Election office, aerial photos, and countless others. This helps ensure that the most updated information is easily accessible over time.

While the concept is simple it can be used to quickly assess a successful strategy in what will be a complex and dynamic process.

RECOMMENDED ANNEXATION STRATEGY

The goal of developing land for new employment has always been a primary driver behind the generation of the Springwater planning.

This Annexation Modules tool will be utilized to identify what will be recommended as the first phase annexations areas for Springwater, and will be used as an ongoing tool for the City to continue to strategize and respond quickly to changing circumstances over the Plan timeline.

At this time, the primary Phase One area for industrial recruitment and development would be that area surrounding the proposed northerly intersection of a new Collector road and Highway 26. This is generally that area which includes Modules 5A and 5B, roughly 200 acres of proposed Industrial land.

RECOMMENDED RECRUITMENT/DEVELOPMENT STRATEGIES

A key aspect for successful industrial development in Springwater will be the ability to identify and market the Springwater Community as a unique opportunity area and to develop industrial recruitment strategies for the targeted industries.

The Economic Development Plan recognizes the value of the Village Center and the residential component of the Community Plan as basic elements which support the effective marketing and recruitment of the Plan area. The recruitment plan recognizes the need for flexibility in industry targets and emphasizes knowledge-based professional and technical service industries. Early development of the Village Center, if properly conceived, can help establish an image for Springwater and increase the area’s desirability as a location for industrial investment.

The Plan recommends the early development of a recruitment team, including representatives of the City, the development community, local residents, business leaders from the region and others with specific areas of expertise related to the industries being recruited. This “Team Gresham” would have as its express purpose the evaluation, promotion, and shepherding of economic development activity on selected Springwater sites.

Secondly, the Plan recommends a parcel-specific inventory for all land within the industrial targeted areas. This inventory should result in “land briefs” for each site that describes all available information such as parcel sizes, slope, ownership, etc. This inventory allows quick identification of prime development sites for recruitment and response to opportunities as they arise.

In addition to the parcel inventory, the City should prepare a list of brokers and property owners and take steps in regularly scheduled meeting or work sessions to ascertain levels of interest from both buyers and sellers. It will be in the best interests of property owners, brokers and developers to establish communication networks and to evaluate land assembly strategies to best position sites for potential purchase and development.

Once these steps have been taken, a more formal marketing and recruitment campaign can begin. The primary purpose of any marketing is to generate interest in the area from companies with expansion or relocation plans. The market must also focus on attracting skilled workers to the region. An additional key target audience for Springwater is the people and businesses that are already in the region.

The marketing efforts will need to identify the target audiences and focus the efforts on them. The primary targets for this marketing effort are:

- Regional business leaders that can influence business location decisions
- Key allies, such as state and regional economic development organizations and institutes of higher education
- Members of the Media
- Site location consultants
- Decision-makers at companies within the targeted industries

The consultant recommends the following marketing strategies for Gresham:

1. Develop a consistent theme for marketing Gresham in conjunction with Springwater. The City should move forward on initiatives that help position the community and lay the basis for more targeted Springwater marketing. (It is similar to a marketing strategy that promotes the larger company while signaling the roll out of a new product.)
2. Build awareness locally among the region’s business leadership that the community is dedicated to advancing business opportunities. Identify those business leaders most likely to influence decision-makers and invite them to establish an “Ambassador” program.
3. Build awareness through the region. Opportunities such as Springwater need to be promoted through partner advertising and networking.
4. Build awareness of Springwater among corporate site selectors. Gresham should create a data base of site consultants and target them through direct marketing, visitation opportunities, and invitation to the City to see specific projects.

5. Continue to build awareness among decision makers in target industries. Produce one-page summary for each target industry, develop database for target companies, conduct a direct marketing campaign, and participate in selected key industry trade events.

Target Industries

Some of the target industries identified for the Springwater plan area are identified in the following table:

Summary of Target Industries

Target	Appropriate for Springwater?	Timeframe
Advanced Materials	Yes	Mid-term
Specialized Software Applications	Yes	Short-term
Forestry & Agricultural Biotechnology	Yes	Mid-term
Nanotechnology	Yes	Long-term
Recreational Equipment/Recreation Technology	Yes	Short-term
Specialty Food Processing	Possible	Short-term
Transportation Equipment/Technology	Possible	Short-term
Logistics	Not Likely	Short-term
Renewable Energy Technology	Yes	Short-term

In addition to the listed targeted industries, there are several other factors that act as a set of criteria that could be applied when developing the marketing package and can broaden the potential targets. They include sustainability, incentives and financing considerations.

Sustainability: There is significant interest in the region in positioning Springwater as a sustainable community. This positioning could take several forms. One would be to require that all structures built in the Springwater area be constructed using “green building” techniques. The formation of an eco-industrial park (EIP) at Springwater would be another way to incorporate sustainability into the community. The EIP concept entails identifying manufacturing and service companies that would benefit from co-location and collaboration in the management of resources and environmental concerns, such as energy, water, and materials management. Third would be the targeting of “green” companies—those that produce environmentally friendly or “holistic” products (e.g., products that use organically produced materials).

Incentives: The competitive environment for business expansion and relocation has never been more intense. The successful recruitment of corporations – as well as high profile start-ups – always involves some form of public inducement. In the case of Springwater, it is recommended that incentives be made available to developers and businesses that conform to the broad goals of the project. Possible incentives include infrastructure improvements, tax abatements, developer support and promotions.

Financing Options: The Springwater project should be of financial benefit for the City. Some of the financing considerations include public finance, private investment, timing and public use.

Public finance. Since the financial viability of cities are always of concern, the use of tax incentives must be structured with great care. The best way to achieve that goal is to reserve tax abatements for those business who meet high standards of wage and capital investment.

Private investment. The idea of a developer's forum can help define the scale of public involvement required to trigger development. This will also help frame the development standards that will have to be met at Springwater.

Timing. The timing of development does have a specific relationship to its financial performance. The presence of services and other amenities, such as retail, have a direct bearing on the desirability of a location for potential homeowners and industrial users.

Public uses. One tool for spurring investment in a specific site is the inclusion of public uses, such as post offices or city services like police and fire. The location of a public use in a commercial area, such as the Village Center, can increase the viability of related activity, such as medical and professional services, as well as retail, which would benefit from the traffic generated by the public facility.

The City will continue to explore incentives, land assembly strategies, public-private partnerships, and economic development promotions -- both industry-specific and broader based -- in order to increase and to maintain the visibility of the Springwater Community as a unique opportunity area.