

# Appendix 5 Economic Opportunities Analysis for Commercial Lands

## CHAPTER I: ECONOMIC OPPORTUNITIES ANALYSIS – COMMERCIAL LANDS

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### INTRODUCTION

This report was done as part of the City’s update of its economic development information for industrial and commercial lands found in its comprehensive plan and in order to comply with Statewide Planning Goal 9, Economic Development. Goal 9 stresses the need to “ provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare and prosperity of Oregon’s citizens.”

Specifically, OAR 660-009-0015 of Goal 9 calls for cities and counties in Oregon to amend their comprehensive plans to include an “Economic Opportunities Analysis” (EOA) that is described in the rule. Essentially, an EOA has four parts:

- 1. Economic Trends Report:** Includes a discussion of national, state and local economic trends. Also identifies the major categories of industrial and commercial uses that could reasonably be expected to expand or locate in the community based on the trends.
- 2. Site Requirements Analysis:** Identifies the types of sites that are likely to be needed by the industrial and commercial uses that might expand or locate in the community, based on their site requirements.
- 3. Vacant Lands Inventory:** An inventory of vacant and significantly underutilized industrial and commercial zoned lands within the community. Its purpose is to identify the available supply of future developable land.
- 4. Assessment of Community’s Economic Development Potential:** Estimates the types and amounts of industrial and commercial development likely to occur in the community, based on its economic advantages and disadvantages.

This report is the City’s Economic Opportunities Analysis (EOA) for its commercial lands. (Note: A separate EOA for Gresham’s industrial lands has also been completed.)

The EOA contains an inventory of commercial zoned lands as well as information about local/state/regional commercial trends, Gresham’s competitive position, its market profile and commercial land needs. In addition, it lists recommendations about how to more fully utilize the City’s commercial lands and how to better serve the needs of its residents in the future.

## CHAPTER II: NATIONAL, STATE, REGIONAL AND LOCAL COMMERCIAL TRENDS

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### DEVELOPMENT CHARACTERISTICS

**Office Design & Development.** The modern office building is a result of an economic shift from farm to factory and creation of middle management occupations. The emergence of the concept of “company” after the Civil War created a new level of organizational structure – “middle” management.<sup>i</sup> Workers were hired to employ marketing strategies, coordinate long-distance distribution networks, track sales performance, and perform a multitude other tasks. They were assisted by salespeople and office clerks, who processed orders and facilitated correspondence.

Business has quickly adopted new office technologies, from typewriters to Dictaphones, fax machines to e-mail, in an effort to increase the speed, volume, and range of communications. As technologies changed, office design has adapted with them. Flexibility became the buzzword of contemporary office design; modular wall, floor, and ceiling systems as well as workstations developed to accommodate the constantly shifting dynamics of organizational structures and technical systems.<sup>ii</sup>

The emergence of the Internet, laptop computers, and telecommuting appeared to indicate the possible demise of the conventional office environment during the 1990s. Many organizations replaced offices and cubicles with mobile pedestals and telecommunications networks allowing employees to plug in and work virtually anywhere, anytime. As technology allowed decentralization of the workforce, corporate headquarters seemed headed for obsolescence. However, the recent development of e-commerce has spurred a return to the office building, not necessarily the conventional corporate glass and steel skyscraper, but nevertheless a central gathering place where workers can exchange ideas.<sup>iii</sup>

Today, the workplace is no longer a single place, but rather a network of places. It is less important where one’s office is located, as e-mail, cell phones, faxes, and teleconferencing allows individuals to connect from almost any location. People are increasingly working at home, while traveling, or dining – anywhere that has access to multi-modal technology. It is not likely that technology will completely replace face-to-face contact, as people still need some human contact and the social interaction of the office’s physical space to be productive. More than any other single factor, this suggests that the office will remain as a central gathering place, but space designs will continue to evolve over time.

The size and design of office buildings has also evolved throughout the twentieth century. Until ten years ago, high rise buildings gained greater recognition over low-rise buildings. Even before September 11, “super towers” were becoming architectural history in the United States.<sup>iv</sup> Super towers (100 or more stories) are more expensive to build than two- 50-story towers.<sup>v</sup>

During the last decade, corporations began to favor suburban campuses with low- to mid-rise buildings over a high-rise urban setting.<sup>vi</sup> The trend of employers seeking suburban locations follows decades of

residential suburbanization. Many companies have sought suburban locations due to lower cost development, proximity to workforce, and recreational amenities.

While the suburbs have gained popularity, so has downtown redevelopment in the form of mixed-use development. The driving factor is cultural change within communities.<sup>vii</sup> Mixed-use projects are viewed as lifestyle centers. Consumers want a high quality of life, to be in close proximity to shopping, dining, entertainment, and workplace.<sup>viii</sup>

**Gresham Office.** Gresham, as with many suburban communities, experienced significant residential growth during the 1980s and 1990s. Employment growth lagged behind residential growth until recently. In the mid-1990s, Gresham's employment base began to grow, with investment from high-tech companies LSI Logic and Fujitsu (replaced with Microchip Technology).

Major corporations have developed office complexes in Gresham, taking advantage of the community's highly skilled work force, high quality of life, and proximity to Mount Hood and the Columbia Gorge. Major employers include American Honda, Bank of America, and Boeing.

OPUS is developing properties in the Columbia South Shore area. Gateway Corporate Center is the largest business park currently under construction – slated to open February 2004. The center will contain 650,000 square feet of industrial, office, and retail space, with individual spaces ranging from 5,000 to 250,000 square feet.

Gresham is also attracting smaller projects as well. NeighborCare located a 18,600 square foot facility in the Columbia Gorge Corporate Center and OAME has 50,000 square feet in the Rockwood Business Center.

**Retail Centers.** Retail centers are considered the most complex property type to develop, lease, and manage due to several inter-related factors. First, retail centers are dependent, for their success, upon anchor tenants and their placement within the project. Anchor tenants tend to set the tone for the rest of the retail centers tenant mix – ancillary shop tenants must complement anchor tenants. To attract the right anchor tenant, the retail center must develop on a site with good access, visibility, proper site size and configuration, and an area with good socioeconomics.

Other important factors that contribute to the success of a retail center are the interdependence between retailer's merchandising ability and the landlords leasing and operations of the center. Retail centers are the only property type that must constantly change to accommodate new retailing formats and ever-changing needs and wants of consumers. Even the most successful retail centers are continually fine tuning their tenant mix.

Shopping center formats have changed considerably over the last 30-40 years with several new formats within the last 20 years. Each decade, two new types of shopping centers have been developed. The 1970s saw the advent of enclosed malls and specialty centers developed to provide: a) a climate controlled shopping environment, and b) retailers with a location that generated significant traffic by grouping stores that complement one another. Also during the 1970s, specialty or theme

centers began to evolve, which eventually became the prototypes for the current entertainment centers that provide unique restaurants, specialty stores, and entertainment.

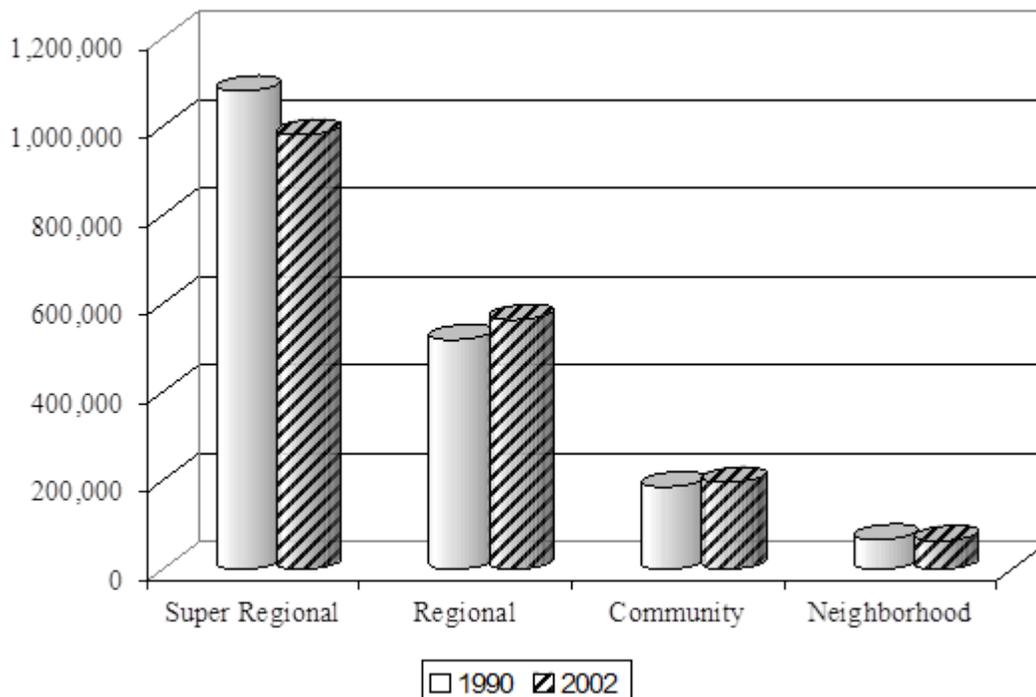
During the 1980s, shoppers began to demand value pricing which created a need for discount retail chains. They brought about the emergence of big box stores and outlet shopping. As a response to the shoppers continual search for value and a less time consuming shopping trip, developers created the power center format.

A diversity of retail formats became available during the 1990s with the creation of lifestyle centers and entertainment centers. Lifestyle centers often offer an experience reminiscent of time past by offering entertainment and recreation centered around shopping at trendy upscale stores in a friendly neighborhood environment. Entertainment centers tend to be anchored by 20-40 screen theaters with restaurants, unique shops, and other fun things to do.

The size of shopping centers has changed over time. Super regional and neighborhood centers are smaller today than in 1990; while regional and community centers have grown.<sup>ix</sup> Also, the mix of floor area devoted to department stores has increased. In 1990, 56% of floor space at super regional centers was committed to department stores; by 2000 it was 60%. Department store space at regional centers increased from 44% to 52%.

Figure 1. Size of Shopping Centers (1990-2002)

Source: Urban Land Institute



Tenant mix and size of a particular store type vary between shopping center categories. For example, the median square footage of a general merchandise store at super regional or regional center is

80,000 vs. 7,500 at a neighborhood center. Food stores (or grocery) on the other hand, increase from 1,000 square feet at super regional centers to 25,300 square feet at a neighborhood center. The differences are primarily accounted for in the role the store type fulfills at a particular center. For instance, food stores at super regional centers tend to be specialty-oriented, serving a specific niche versus a neighborhood center, where the food store is often the major anchor tenant.

Figure 2. Median Size of Retail Tenants by Shopping Center (per Store)

Source: Urban Land Institute

Classification	Super Regional	Regional	Community	Neighborhood
General merchandise	81,138	80,000	30,000	7,500
Food	980	1,088	17,717	25,313
Food service	785	945	2,200	1,800
Clothing & accessories	3,378	2,988	3,785	2,006
Shoes	2,285	2,763	3,035	2,800
Home furnishings	3,069	3,542	4,501	4,700
Home appliances/music	2,520	2,498	2,500	2,000
Building materials/hardware	NA	43,933	6,070	5,812
Automotive	5,562	6,732	4,936	2,800
Hobby/special interest	2,474	3,006	3,459	2,820
Gifts/specialty	2,392	2,350	3,300	2,516
Jewelry	1,200	1,150	1,200	1,209
Liquor	NA	NA	4,000	2,400
Drugs	9,645	9,085	12,150	9,000
Other retail	1,031	1,200	1,840	1,500
Personal services	1,122	1,195	1,400	1,356
Entertainment/community	4,048	4,566	4,706	2,495
Financial	300	1,664	1,800	1,600
Offices	1,452	1,220	1,600	1,587

There are challenges to developing new shopping center concepts. Retailers must be convinced that the venue is right and that other retailers will lease space. Also, the lender must be convinced the concept is viable. Lenders prefer established shopping center concepts with credit-worthy tenants and pre-leasing which often translates into higher financing rates for new formats. What retail formats will emerge in the 21st Century? Only one can predict. However, the late 1990s saw an increase demand for main street type shopping experience with specialty shopping district gaining market share of the overall retailing demand. This is creating increased market pressure for mixed-use development with integration of neighborhood retail districts in high dense residential areas. Many older historic districts are also experiencing a market trend towards adaptive reuse.

**Gresham Retail.** Gresham has attracted a variety of retail developments. Retailers range in size from small independent merchants in the downtown area to large national chains such as Borders. Retail primarily occurs along Gresham’s transportation corridors (e.g. Burnside, Stark, etc.), downtown, and Gresham Station. Commercial activity has historically development within strip centers. However, mixed-use development has become the more prominent trend in recent years. Downtown is attracting small entrepreneurs engaging in specialty niche activities. Gresham station has a mix of small and large tenants, most consisting of national retailers.

Gresham is continuing its efforts in attracting additional mixed-use development. The city is attempting to revitalize the Rockwood area into a mixed-use neighborhood using urban renewal policies. The city is continuing its efforts in the downtown area and subsequent phases of Gresham Station will develop with multi-family housing. Smaller neighborhood centers are planned in other underserved areas such as Pleasant Valley.

## REGIONAL GROWTH CENTER CONCEPTS

Metro, along with its local government partners, has been charged with implementing the region’s 2040 Growth Concept. The 2040 Growth Concept is designed to accommodate an additional 720,000 residents and 350,000 jobs. A primary component to the 2040 concept is for land within urban growth boundaries to be used more efficiently, protecting farm and forest lands from urban development, and utilizing infrastructure more effectively. Managing growth within urban areas is expected to occur through a hierarchal urban structure:

- **Central City** – Downtown Portland, with the region’s highest numbers of jobs, housing, and recreational opportunities.
- **Regional Centers** – Large regional cores that serve as a hub for employment and housing; serve about 100,000 people.
- **Station Communities** – Highly concentrated areas that fan out in a ½-mile perimeter around major transit stations, providing services, recreational amenities, and high density housing that is convenient to mass transit.
- **Town Centers** – Smaller but still significant areas that serve as the heart of medium-size communities; serve about 10,000-50,000 people.
- **Main Streets** – Small but vital cores that serve as the focus of neighborhoods, providing specialized services and shops, along with nearby housing.

Metro has continually monitored and evaluated development activity in the region. As part of their on-going efforts, Metro has initiated several studies to examine the effectiveness of the regional and town centers. Recent studies have found that medium and high density housing is occurring at an acceptable rate; however, retail and general employment development is lagging. In an attempt to bolster investment and growth at centers, a set of guiding principles have been devised to serve as the backbone of future decision making processes.<sup>x</sup>

**Gresham Centers.** There are three centers located in Gresham. Both Civic Neighborhood and Downtown Gresham are designated as regional centers; while Rockwood is considered a town center. Civic Neighborhood, the newest center, has experienced the greatest level of activity, with retail, office, institutional and residential development. Downtown has attracted entrepreneurial activity ranging from small niche manufacturing to boutique retailers. While Rockwood has lagged behind initial expectations, the City has been engaging area interests in enhancing economic and regulatory conditions that will stimulate future investment, including an urban renewal initiative that is scheduled for a public vote on November 4, 2003.

## REAL ESTATE MARKET DATA

Recent commercial real estate market trends were examined to provide a current national versus local market context. Commercial sales trends are provided in Attachment 1.

### National Commercial Real Estate Market Trends

**Office:** In third quarter 2002, most property types experienced lower demand than expected due to the further weakening of the U.S. economy. Office vacancies were at 16.6% nationally, with the vast majority of metropolitan areas – including Portland – at the bottom point of the real estate market cycle. Absorption for the year is anticipated to be 16 million. The excess of office space is primarily attributed to corporate restructuring and continued layoffs. The high-tech sector is expected to add to vacant space in coming years as space currently subleased from that sector becomes fully vacant. Although the office market is poised for recovery – with no new construction being undertaken – little improvement is anticipated for 2003.

**Retail:** The retail sector is fairly stable in comparison with other sectors, with occupancy unchanged from second quarter 2002. Nationwide, metropolitan regions are more distributed throughout the retail market cycle, and are showing more movement (e.g., moving from the recessionary to the recovery phase of their cycles) than is true for other sectors. Construction completions were down from 2001, and are expected to decrease further for 2003, indicating that the market is adjusting well to reduced demand. The sector's biggest weakness is in big box and strip center retail, where anchors such as KMart may be vacating. In third quarter 2002, overall retail rental growth was projected to be slightly negative for the year, with 2003 increases anticipated to align with the nation's economic recovery.

### Portland Region Trends

**General Economic Conditions** As of September 2003, Oregon's seasonally adjusted unemployment rate is 8.0%. Portland's rate is on par with the entire state and a whole half of a percentage point better than the prior month of July.

Oregon's unemployment rate has hovered a point or more above that of the nation, which was 6.1% in September 2003. This is slightly higher than the national rate one year ago (5.8%); the national rate fluctuated between 5.6% and 6.0% over 2002 without showing sustained improvement.

Despite a decreasing unemployment rate, Portland metro region jobs (as measured by non-farm payroll employment) fell by 7,100 between November 2002 and November 2001. Construction, services, government and high tech were the only sectors to add jobs over this 12 month period.

Further jobs losses are likely, Oregon's important manufacturing sector anticipates a sharp decline in heavy truck orders in the first half of 2003. However, industrial declines may be dampened by Freightliner shifting a production line from Canada to Portland, and Gunderson's recently announced an influx of new rail car orders.

Statewide, job growth seems to be turning around. November 2002 was the first time in 19 months that total non-farm payroll employment rose above year-before levels.

Nationally, job reduction has maintained longer than was anticipated in the early days of the current recession. In October 2002 40,000 jobs were cut, the second greatest number in 2002 (February 2002 saw a 165,000 jobs loss). Nationally, manufacturing, transportation and retail have led job declines.

**Economic Recovery:** Economic and real estate analysts are pushing back the anticipated timeframe for Portland's economic recovery to the end of 2003, as economic conditions remain uncertain locally, nationally and globally, especially with the threat of war looming. The Pacific Northwest is generally expected to lag the nation.

With economic recovery, prospects for commercial development should brighten. Metro is forecasting that the downturn has not affected the fundamental economic drivers of the Portland region.

**Office:** Region-wide, the office market has been especially affected by the negative trends that are common among various indicators of Portland's economic health. Overall metro area vacancies were at 17.7% at fourth quarter 2002, slightly below the year-end 2001 vacancy level. The Central City has fared far better with an overall vacancy of 12.6%. Within the Central City, the CBD has maintained the lowest vacancies.

Southeast office vacancies are the highest in the region this quarter at more than 57%. High rates are also seen in Sylvan-Sunset, 34%; Sunnyside Clackamas, 19%, and Johns Landing, also at 19%. The Northeast office submarket – which includes Gresham – reported the region's lowest vacancies at 5.7%.<sup>xi</sup> The Northeast submarket represents about 7% of the region's suburban office space, and about 3% of the region's total office space. Most of the office space in the Northeast submarket is located within the city of Portland, as Gresham has only 113,000 square feet of speculative office space.<sup>xii</sup>

Region-wide, vacancy rates are strongly influenced by newly completed buildings coming on-line. Buildings completed in 2001 remained an average of 50% vacant in June 2002. These include Brewery Block 2, 1201 Lloyd Boulevard (CBD), Peterkort II (Beaverton/Cedar Hills), the Technology Building (Beaverton-Hillsdale), and River Park Plaza (Johns Landing). Eleven buildings recently completed in the Sunset Corridor have vacancies in excess of 50%.

Lease rates have suffered correspondingly, with Class A rents decreasing \$.05 per square foot in the first half of 2002. In contrast, Class D (or historic) space saw an increase of nearly \$.30 per square foot, attributed to the continued demand for alternatives to traditional office space.<sup>xiii</sup>

**Retail:** At fourth quarter 2002, the regional retail vacancy rate was 5.4%, continuing a year-long trend of gradual decline. Recent regional retail developments include planning for Bridgeport Village, a 29-acre mixed-use development near Tualatin scheduled for completion in 2004, and 2003 planned expansion and improvements for Cedar Hill Crossing (where?).

At mid-year 2002, community centers and specialty retail displayed the highest vacancies among retail types. Community centers are defined as 100,000 – 300,000 square feet with supermarket or junior department store anchors (8.4% vacant); specialty retail is 10,000 – 40,000 with non-traditional anchors or unusual architectural character (9.9% vacant).

The region's lowest vacancies were found in the two super-regional centers, Lloyd Center and Beaverton Mall (0.2%), followed by regional centers (3.8%).

At mid-year 2002, the majority of the region's submarkets reported vacancies in line with the regional average. The two exceptions were 122nd Ave/Gresham and the Central City.

122nd Ave/Gresham's vacancies were 10.9% in this quarter, down from a high of 14.0% in second quarter 2001. Gresham's community centers and neighborhood centers reported the highest vacancies (both around 13%), with College Square S.C., Gresham Square, Stark Street Plaza, Troutdale Plaza and Wood Village Town Center each reporting vacancies above 20,000 square feet. The Wood Village Town Center alone accounts for close to half of the submarket's vacant space. Significant rent concessions are described for this submarket, given its high vacancies. The 122nd Ave./Gresham submarket accounts for 10% of the region's close to 50 million square feet of retail space.

The Central City reported a 9.0% vacancy rate in this quarter, with close to half of its vacant space attributed to the newly completed Brewery Blocks. Higher vacancies are also seen in older projects in close-in Southwest. The Central City accounts for only 5% of the region's retail space.

## COMMERCIAL EMPLOYMENT TRENDS

Employment trends are examined to verify summary findings of the sales trends, as well as provide insight to changes in economic conditions since 1997.<sup>xiv</sup> The analysis is divided into the same three major categories; retail, FIRE, and services.

**Retail Trade.** Between 1992 and 1997, retail sector employment trends generally mirrored sales trends:

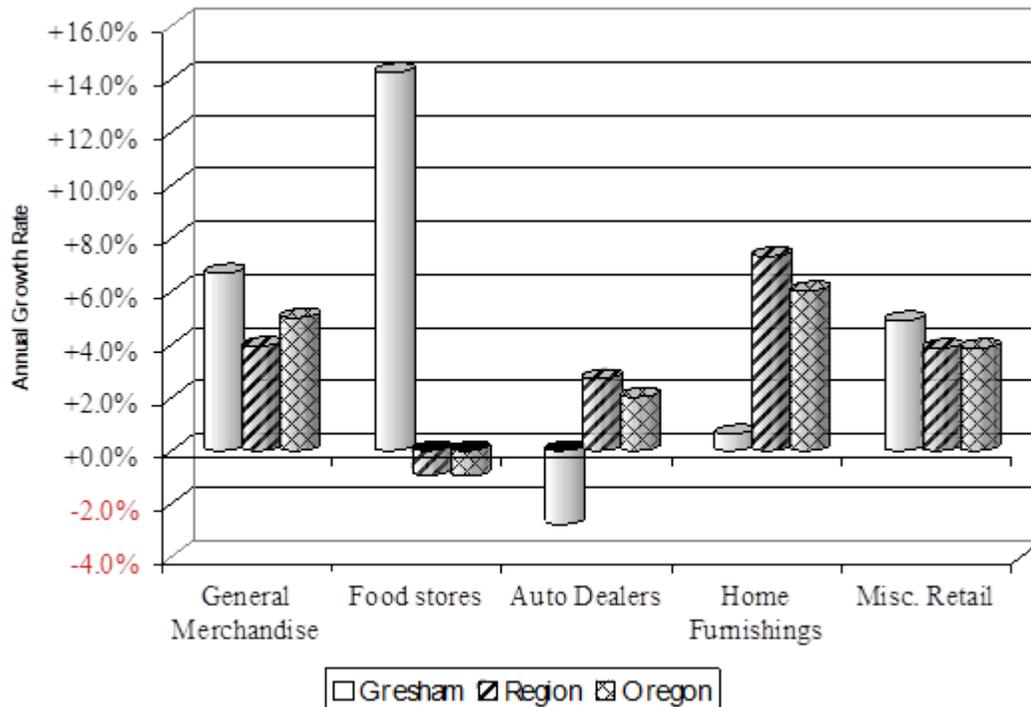
- The fastest growing sectors include building & hardware, auto dealers (including service stations), and home furnishing.
- Average firm size increased with the greatest growth occurring in general merchandise, building & hardware, and auto dealers.

Retail growth has generally slowed since 1997. In fact, a slightly different set of sectors drove retail growth. General merchandise, specialty retail (including drug), and food stores outpaced all other retail

sectors in Gresham. While food store employment grew in Gresham, the region and state as a whole lost jobs. Furthermore, home furnishings and auto dealers performed better regionally and statewide.

Figure 3. Fastest Growing Retail Sectors (Job Growth 1997-2000)

Source: Oregon Employment Department



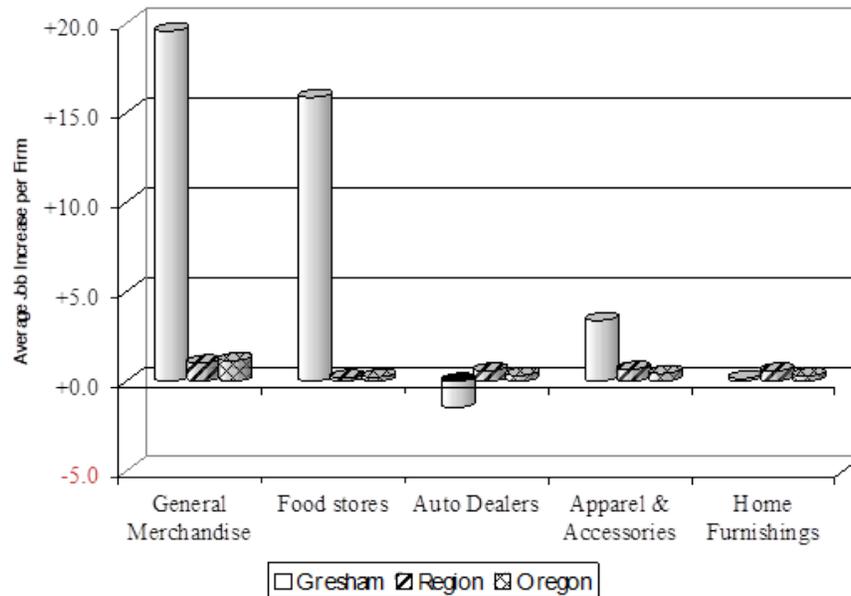
Gresham has 7,751 retail jobs, comprising 4.7% of all retail employment in the region. Largest sectors include dining, food, auto dealers, and general merchandise – the same holds true regionally and statewide.

General merchandise and food stores are by far the largest firms, on average. However, dining and apparel also tend to have a significant number of employees per establishment. Specialty retail and home furnishings are the smallest firms.

The average size of general merchandise, food stores, and apparel has increased the greatest in Gresham. By contrast, auto dealers, apparel and home furnishing firms experienced the greatest growth in size on a regional and statewide basis.

Figure 4. Increase in Average Firm Size of Retail Establishments (1997-2000)

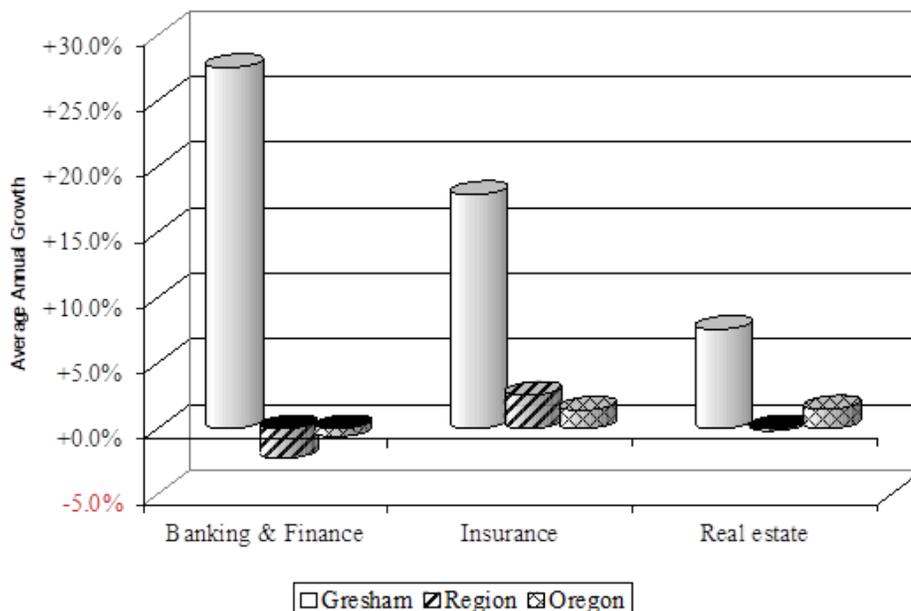
Source: Oregon Employment Department



**Finance, Insurance, and Real Estate.** Gresham has nearly 2,300 jobs in the FIRE sector, comprising 4% of the region’s FIRE jobs. All three sectors experienced significant job gains since 1997, contrary to regional trends. Banking and finance provide 3 jobs for every insurance and real estate worker. Average firm size also increased significantly for banking & finance.

Figure 5. Job Growth by FIRE Sector (1997-2000)

Source: Oregon Employment Department

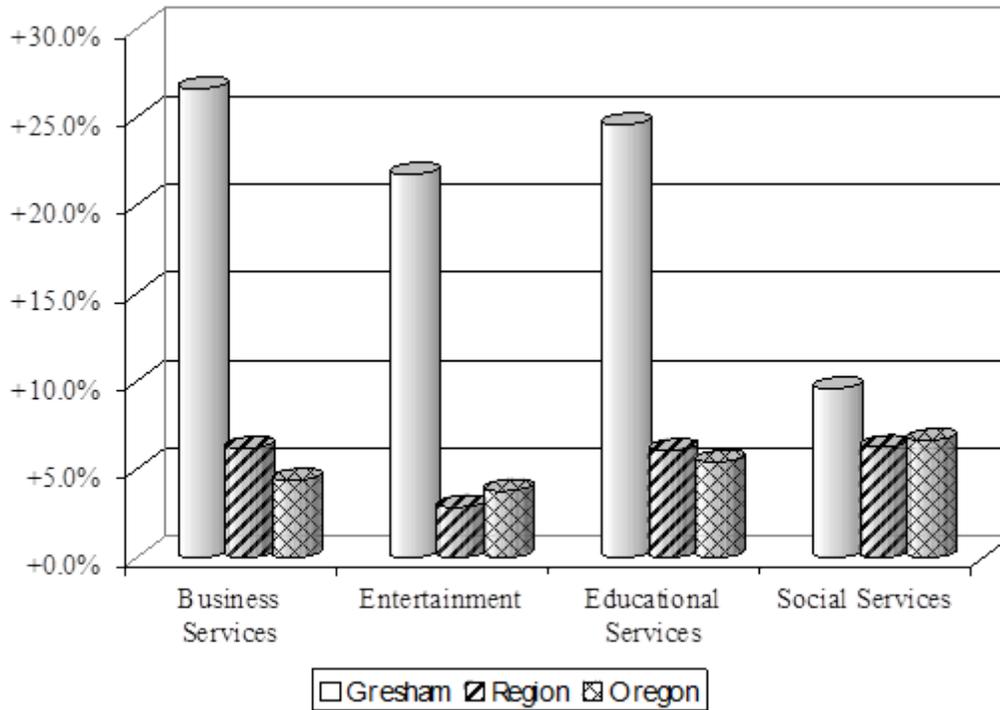


**Services.** Employment trends followed revenue trends between 1992 and 1997.

- Sectors demonstrating rapid growth included business services, entertainment, and education.
- Average firm size also increased the greatest for business services and entertainment.

Service sector growth has slowed since 1997. However, growth in Gresham’s service firms 17.3% is occurring at more than twice the rate as regional (3.6%) and statewide (3.3%). Business services, entertainment, and education continue to lead all other sectors.

Figure 6. Fastest Growing Service Sectors (Job Growth 1997-2000)  
 Source: Oregon Employment Department



Gresham has 6,974 service sector jobs, accounting for 2.7% of the region’s service employment. Largest sectors include health services, business services, and social services – the same holds true region-wide and statewide. While education has grown rapidly, Gresham firms (private sector) only employ 36 workers. Legal and professional services are relatively underrepresented in Gresham as well.

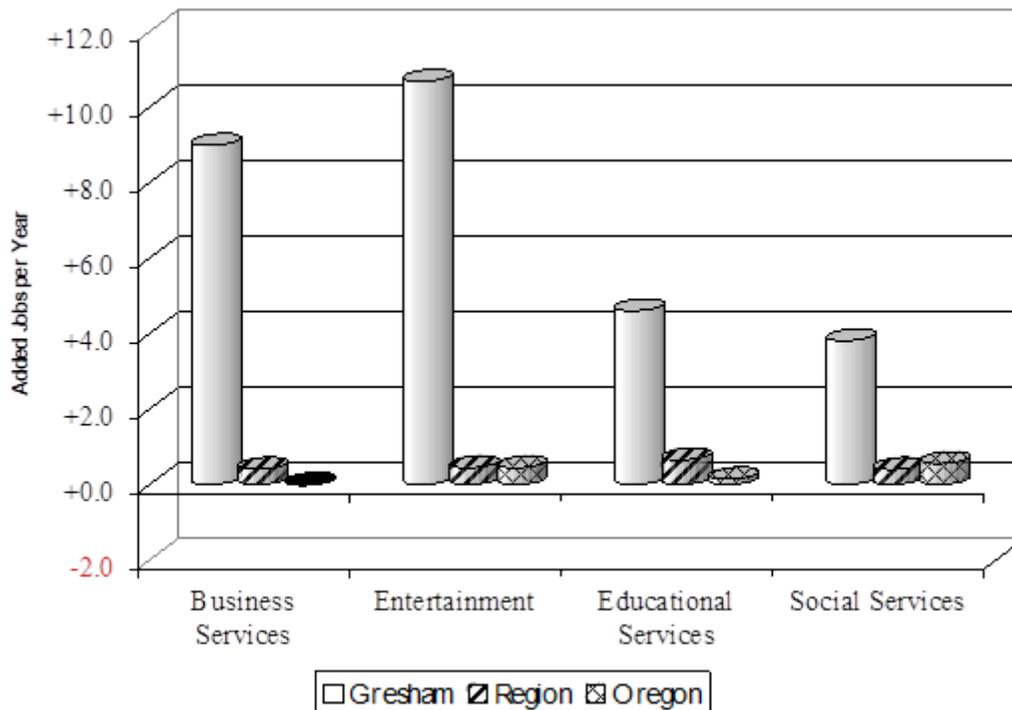
In terms of average firm size, lodging, business services, entertainment, health services, and social services tend to be the largest employers. While education firms are often large employers, they employ only 3 workers per firm in Gresham. Other sectors with small firm sizes include personal services, specialty repair, legal, and professional services.

Gresham’s service firms continue to grow, adding 3 employees per firm per year. Sectors posting large gains include business services, entertainment, education, and social services. Lodging was the only

service sector in Gresham to shrink in size, losing nearly 18 workers annually per firm between 1997 and 2000.

Figure 7. Increase in Average Firm Size of Service Companies (1997-2000)

Source: Oregon Employment Department



### GRESHAM IMPLICATIONS

Over the last decade, suburban locations have become a more prominent place for corporate office complexes. Companies have looked to suburban locations to take advantage of quality of life and proximity to workers.

Mixed-use and downtown development has also attracted market interest. The attractiveness with mixed-use and downtown areas centers around consumers seeking unique lifestyle experiences; the ability to live, work, shop, and recreate within close proximity to one another.

Gresham is well positioned to take advantage of these trends and has demonstrated its ability to attract market interest with investments in Downtown Gresham, Civic Neighborhood, and Corporations (e.g., American Honda, Bank of America, etc.).

Retail will continue to find Gresham attractive as the city’s residential base expands over the next 20 years. Success of the Civic Neighborhood should create additional market interest and provide a stimulus for retail and mixed-use opportunities within Downtown Gresham and Rockwood, as consumers seek specialty niches and boutique shops and Civic Neighborhood retail spaces become built out.

Gresham’s proximity to the gorge and Mt. Hood are attractive assets for companies trying to retain or recruit employees. Gresham’s high proportion of executive and managerial workers could be used to attract FIRE and business service firms, sectors that have grown faster in Gresham as compared to the region and state.

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<sup>i</sup> National Building Museum, “On the Job: Design and the American Office,” August 19, 2001.

<sup>ii</sup> Ibid.

<sup>iii</sup> Ibid.

<sup>iv</sup> Gair, Cristina. “Architectural trends: A delicate balancing act.” *National Real Estate Investor*, February 1, 2002.

<sup>v</sup> Ibid.

<sup>vi</sup> Atkins-Means Report. *Office Building Design Trends Evolving*. January 2003, Volume 15, No 1.

<sup>vii</sup> Gair, Cristina. “Architectural trends: A delicate balancing act.” *National Real Estate Investor*, February 1, 2002.

<sup>viii</sup> Ibid.

<sup>ix</sup> The four different types of shopping centers are:

**Super regional center** provides an extensive variety of shopping goods comparable to those found in the central business district of a major metropolitan area, including a wide selection of general merchandise, apparel, and home furnishings, as well as a variety of services and recreational facilities. The principal tenants of a super regional center include a least three full-line department stores of generally not less than 75,000 square feet each.

**Regional center** provides a variety of goods comparable to those found in a central business district in a small city, including general merchandise, apparel, and home furnishings, as well as a variety of services and perhaps recreational facilities. One or two full-line department stores of generally not less than 50,000 square feet of GLA are the principal tenants in this type of center.

**Community center** provides a wide range of goods and services, including apparel and home furnishings, banking, professional services, recreational facilities, and convenience goods. A discount department store and/or supermarket is often the principal tenant in this type of center.

**Neighborhood center** provides for the sale of convenience goods such as food, drugs, hardware, and personal services. A supermarket is the principal tenant in this type of center.

<sup>x</sup> Metro. *Ten Principles for Achieving Region 2040 Centers*.

<sup>xi</sup> Fourth quarter 2002 office vacancies are as reported by Norris, Beggs & Simpson.

<sup>xii</sup> EcoNorthwest, *Industry Feasibility Report for Oregon Science and Technology Park*, pages 25-26.

<sup>xiii</sup> Second quarter 2002 office statistics reported by Real-Net.

<sup>xiv</sup> Retail sales trends are discussed in Attachment 1.

## CHAPTER III: GRESHAM MARKET PROFILE (SOCIO/ DEMOGRAPHIC TRENDS)

### RESIDENTIAL MARKET PROFILE

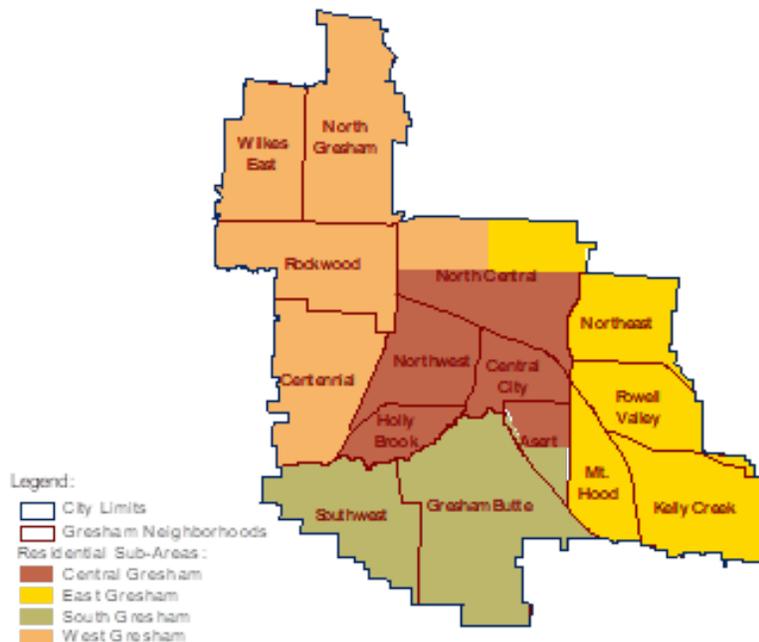
Gresham is a relatively socioeconomic diverse community. However, its diversity varies within the community. This section provides a socioeconomic profile of Gresham’s 90,200 residents (as of the 2000 Census). The profile provides information for the city as a whole as well as for Gresham’s four sub-areas:

**Central Gresham** – comprises the Northwest, Central City, and Holly-brook neighborhoods as well as portions of North Central and ASERT neighborhoods. Approximately 21,250 residents reside within Central Gresham accounting for 24% of all Gresham citizens.

**East Gresham** – includes Northeast, Powell Valley, Mt. Hood, Kelly Creek, and portions of North Central neighborhoods. One-fourth (or 22,320) of Gresham’s residents live in this section of town.

**South Gresham** – incorporates Southwest, Gresham Butte, and portions of ASERT neighborhoods. With only 10,460 residents, this is the least populated part of town, however, South Gresham also has the greatest growth capacity.

**West Gresham** – is represented by North Gresham, Wilkes East, Rockwood, Centennial, and portions of North Central neighborhoods. This is a relatively built out residential area of the city. However, there are several redevelopment potentials that could provide additional residential opportunities for the community. West Gresham houses 40% (or 36,170) of all city residents.



### RACIAL/ETHNIC MAKE-UP

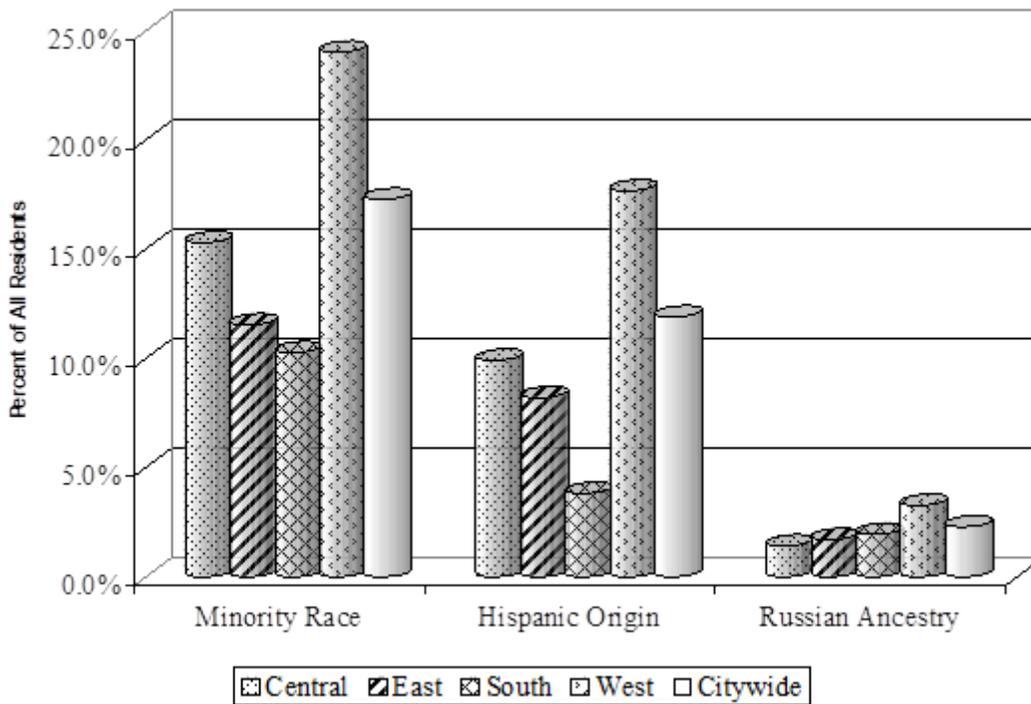
Seventeen percent of Gresham residents are non-white, slightly higher than the regional rate of 16%. Over half (56%) of minorities live in West Gresham, another one-fifth live in Central Gresham. These areas are still predominately white, as non-whites represent 24% and 15% of all residents in West and Central Gresham respectively.

Gresham has a relatively high concentration of Hispanics and Russian-related ethnic groups. Nearly 12% of all residents are Hispanics and just over 2% are Russian. Every two in three Hispanics live in West Gresham and another one in five live in Central Gresham. Fifty-seven percent of Gresham’s Russian population resides in West Gresham, with the rest living in small pockets throughout the other three sub-areas.

South Gresham appears to be the least racially or ethnically diverse. Only 10% of South Gresham residents are non-white. Likewise, less than 4% are Hispanic and less than 2% are Russian.

Figure 1. Racial & Ethnic Make-up by Sub-Area (2000)

Source: U.S. Census Bureau.

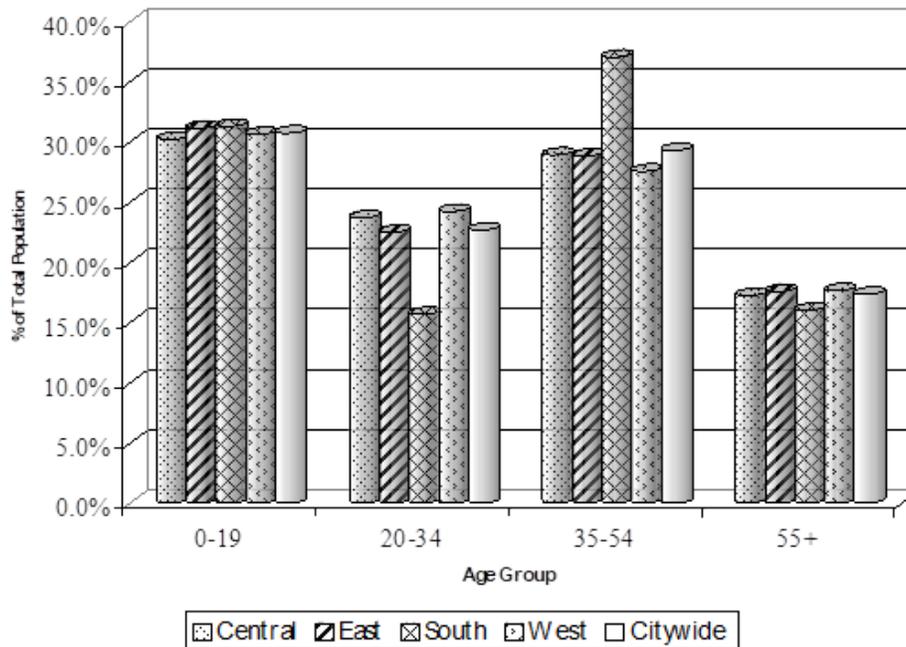


Note: Russian estimates also include Ukrainians and Lithuanians.

### AGE CHARACTERISTICS OF ALL RESIDENTS

The age characteristics of Gresham are relatively consistent across the community, except in the South. South Gresham appears to be primarily made up of baby boomers with children, as persons age 35-54 represent 37% of the sub-area population, compared to 29% citywide. Residents age 20-34 are under-represented, accounting for only 16% versus citywide average of 23%.

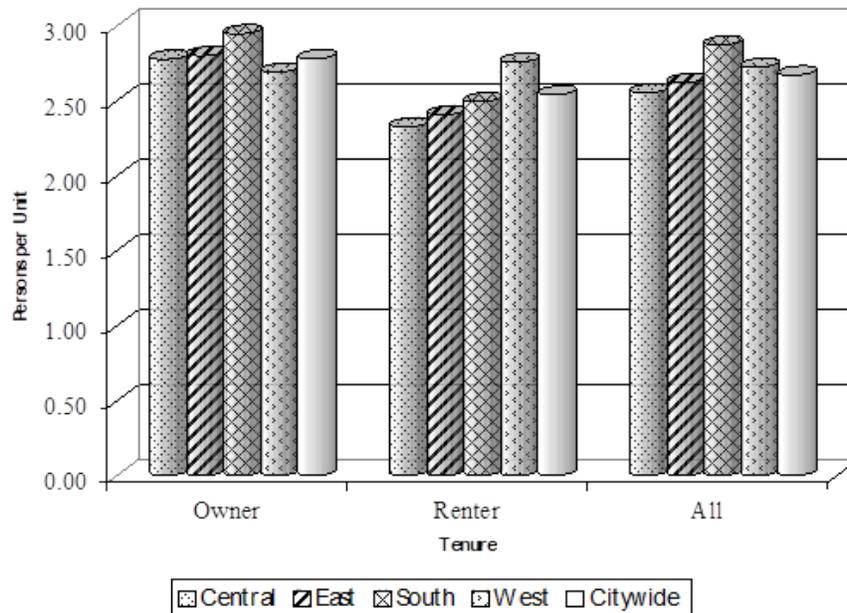
Figure 2. Age Characteristics by Sub-Area (2000)  
 Source: U.S. Census Bureau.



### HOUSING SIZE & MIX

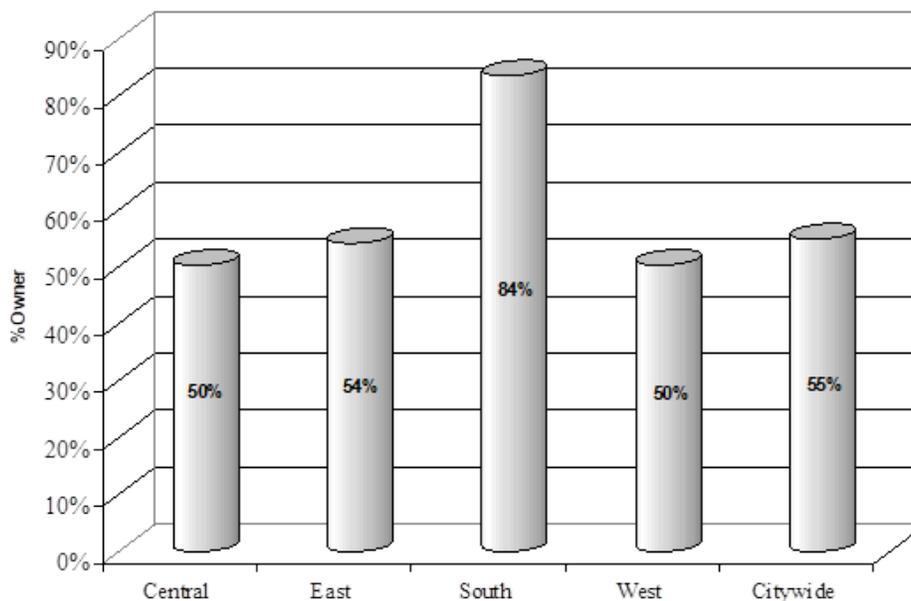
Households are larger in Gresham as compared to the entire region, 2.67 versus 2.42 respectively. Largest households are located in South Gresham (2.87) and smallest in Central Gresham (2.55). Homeowners tend to be larger than renters, except in West Gresham where renters average 2.76 persons per household, in contrast to 2.69 in owner occupied units.

Source: U.S. Census Bureau.



Only 55% of Gresham households are homeowners, below the regional average of 62%. In West and Central Gresham, households are evenly split between owners and renters. South Gresham is almost entirely owner occupied as only 16% of households are renters.

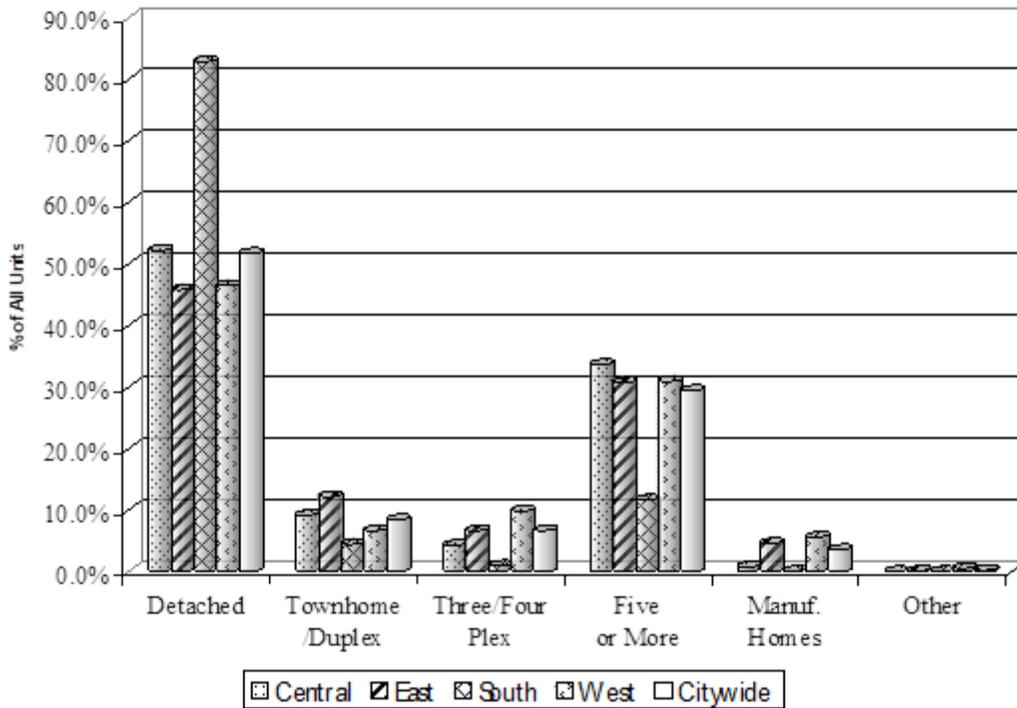
Figure 4. Percent of Households Owner Occupied by Sub-Area (2000)



Only 52% of Gresham’s housing stock is single-family detached units, with attached units comprising 45% and manufactured homes accounting for the remaining 4%. Region-wide, 62% of all units are detached and 33% are attached. Apartments (structures with 5 or more units) account for the majority of attached housing units. Forty-two percent of Gresham’s attached housing is located in West Gresham, with East and Central Gresham accounting for another 28% and 26% respectively. South Gresham has only 4% of the city’s attached housing, as 83% of all units in this sub-area are traditional single-family homes.

Figure 5. Gresham Housing Stock by Sub-Area (2000)

Source: U.S. Census Bureau.



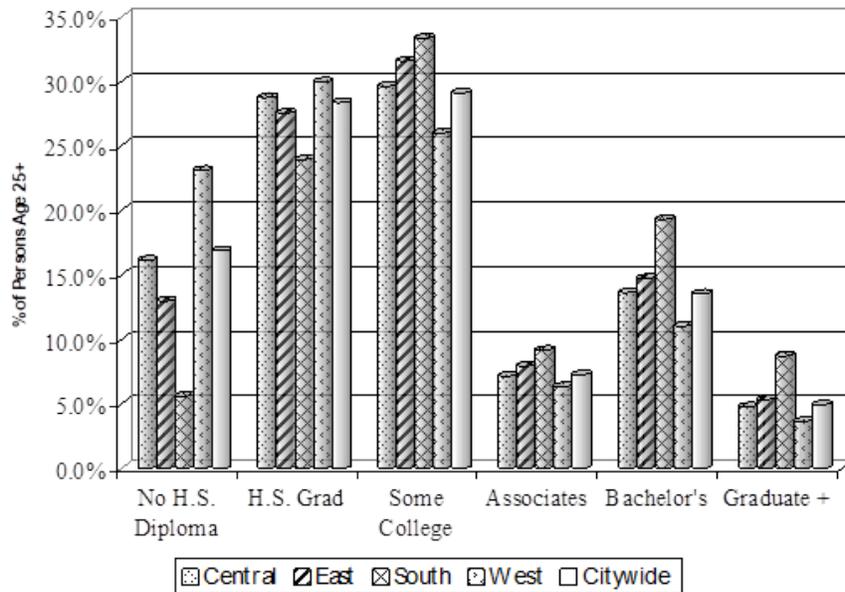
## EDUCATION ATTAINMENT

Approximately 55% of Gresham residents age 25 and older have at least some college education, below the regional average of 64%.<sup>1</sup> Residents living in West Gresham have the lowest education levels with only 47% having some college instruction and one-fifth attaining a college degree. South Gresham residents have the highest education attainment with over 70% of residents have some level of college schooling and 37% having college degrees (comparable to regional averages).

<sup>1</sup> Includes residents with some college but no degree as well as residents with college degrees.

Figure 6. Education Attainment of Persons Age 25+ by Sub-Area (2000)

Source: U.S. Census Bureau.

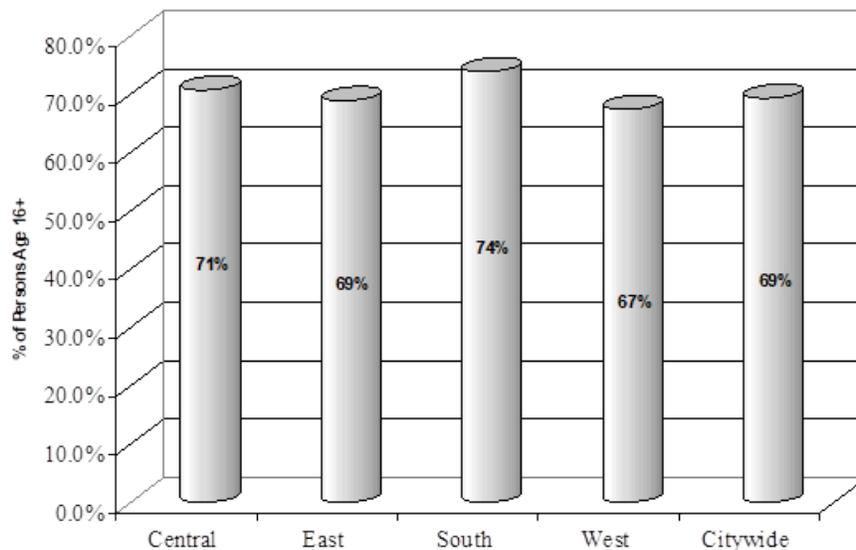


### LABOR FORCE CHARACTERISTICS

Sixty-nine percent of Gresham residents age 16 and older are either employed or actively seeking employment, similar to regional averages. Highest labor force participation rates are found in South Gresham (74%) and Lowest levels in West Gresham (67%).

Figure 7. Labor Force Participation Rates for Persons Age 16+ by Sub-Area (2000)

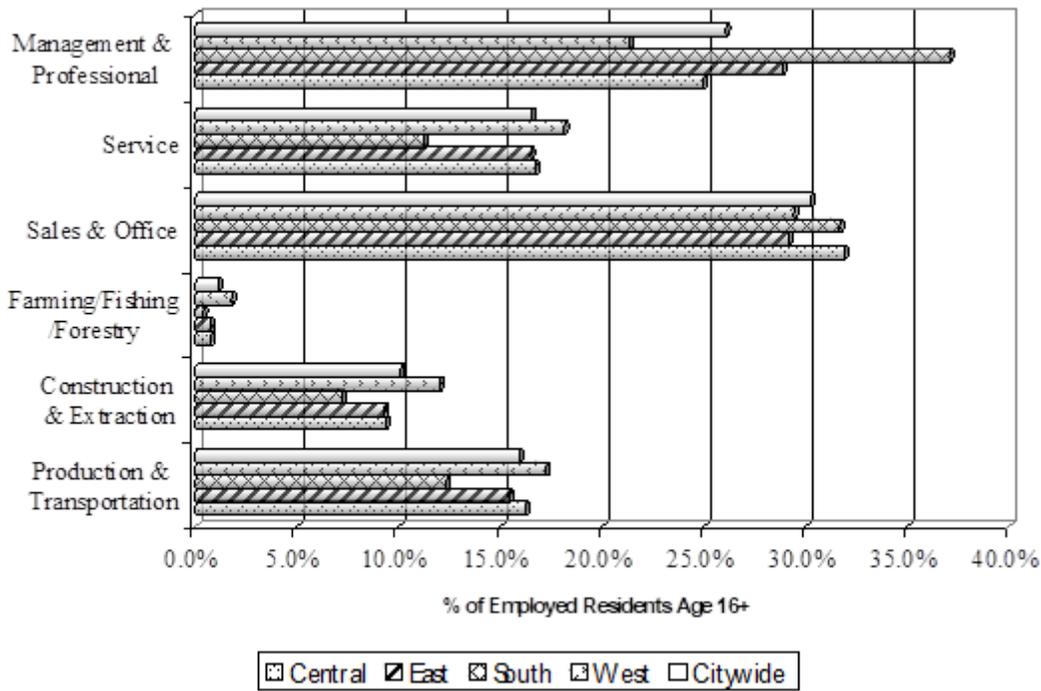
Source: U.S. Census Bureau.



Gresham is under-represented in residents working in management occupations (26%) as compared to the rest of the region (36%). However, Gresham has a greater representation in all other occupations. Under occupational mixes by sub-area, South Gresham has a significant number of managers at 37% of all employed residents. West Gresham has a strong representation in construction/extraction and production/transportation occupations.

Figure 8. Occupational Mix of Employed Persons Age 16+ by Sub-Area (2000)

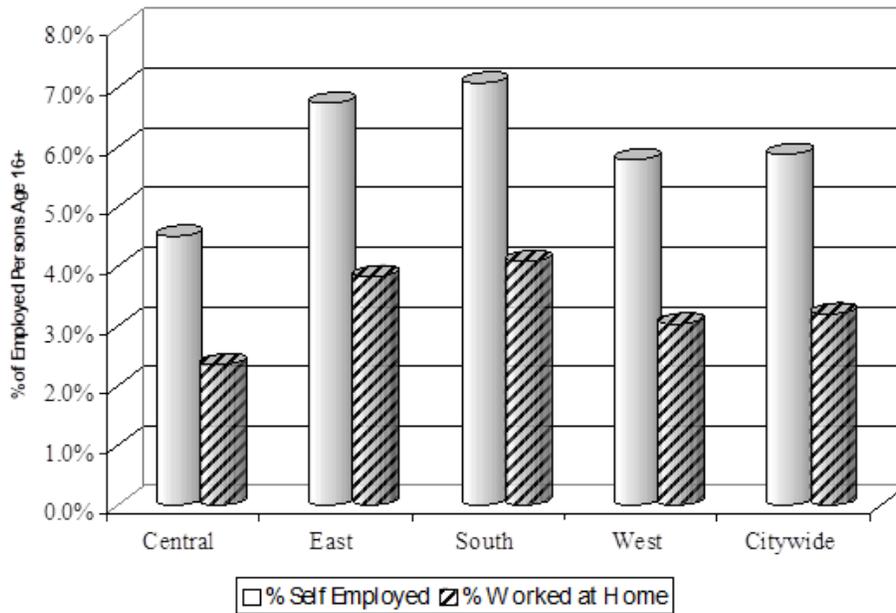
Source: U.S. Census Bureau.



Gresham has a lower proportion of self-employed or home occupation residents than the entire region. Only 5.9% of residents citywide are self employed (7.4% regionally) and 3.2% work out of their home (4.6% region-wide). South and East Gresham have the strongest representation of self-employed and home offices. Lowest levels are found in Central Gresham.

Figure 9. Self-Employed and Home Businesses by Sub-Area (2000)

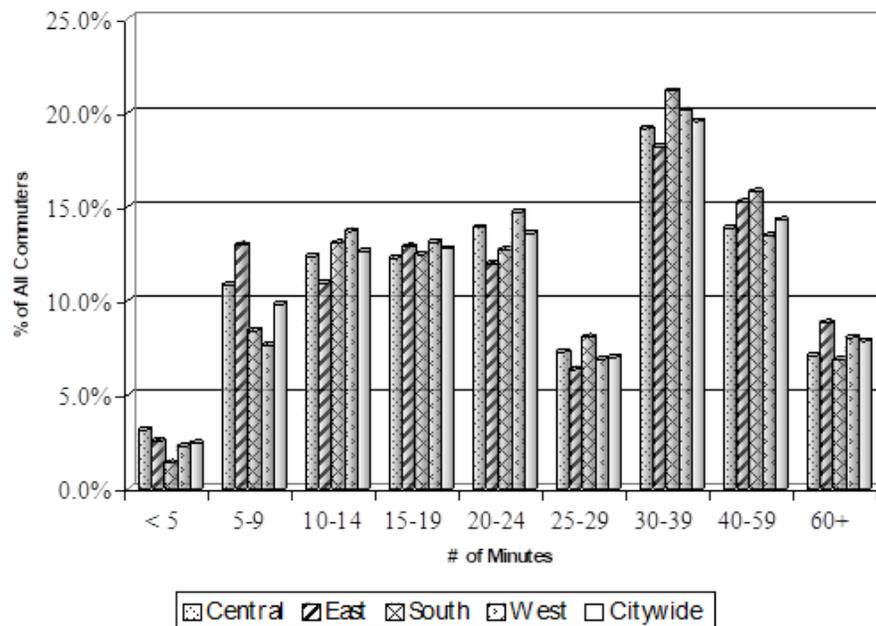
Source: U.S. Census Bureau.



On average, Gresham residents have slightly higher commute times (27 minutes) than the regional average (24 minutes). However, nearly 42% of commuters travel more than 30 minutes to work versus only one-third region-wide. There are very few differences between each of the four sub-areas.

Figure 10. Commute Times by Sub-Area (2000)

Source: U.S. Census Bureau.

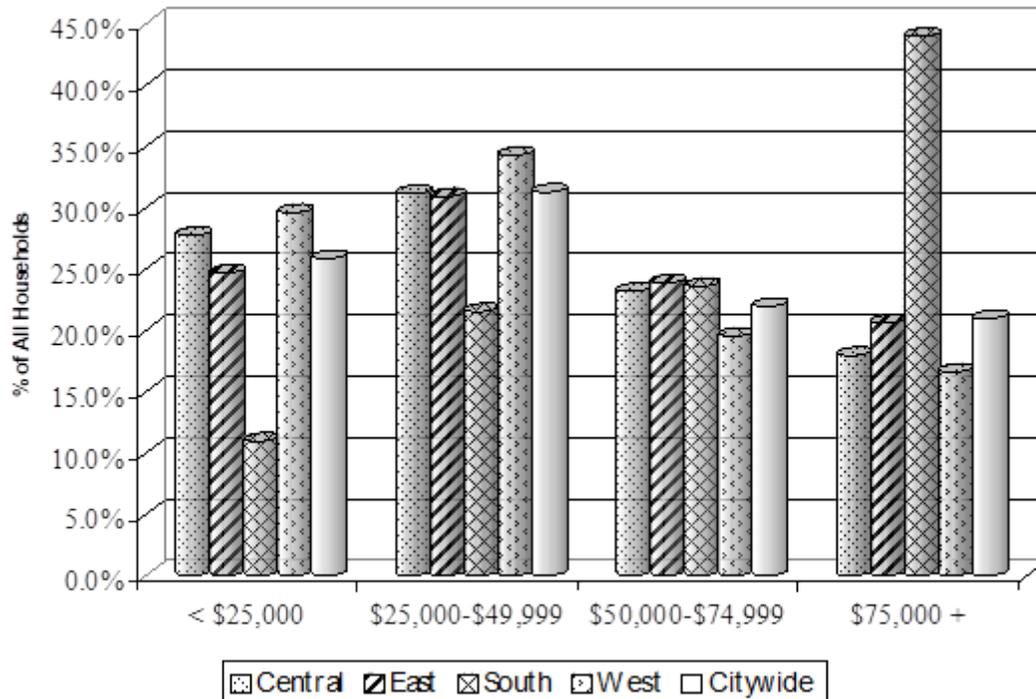


## INCOME DISTRIBUTION

Forty-three percent of Gresham households have incomes above \$50,000 – just below the regional average of 47%. Households living in South Gresham the highest incomes with over two-thirds reporting \$50,000 or more – 44% have incomes greater than \$75,000. West Gresham residents have the lowest incomes with only 36% above \$50,000.

Figure 11. Household Income Distribution (2000)

Source: U.S. Census Bureau.



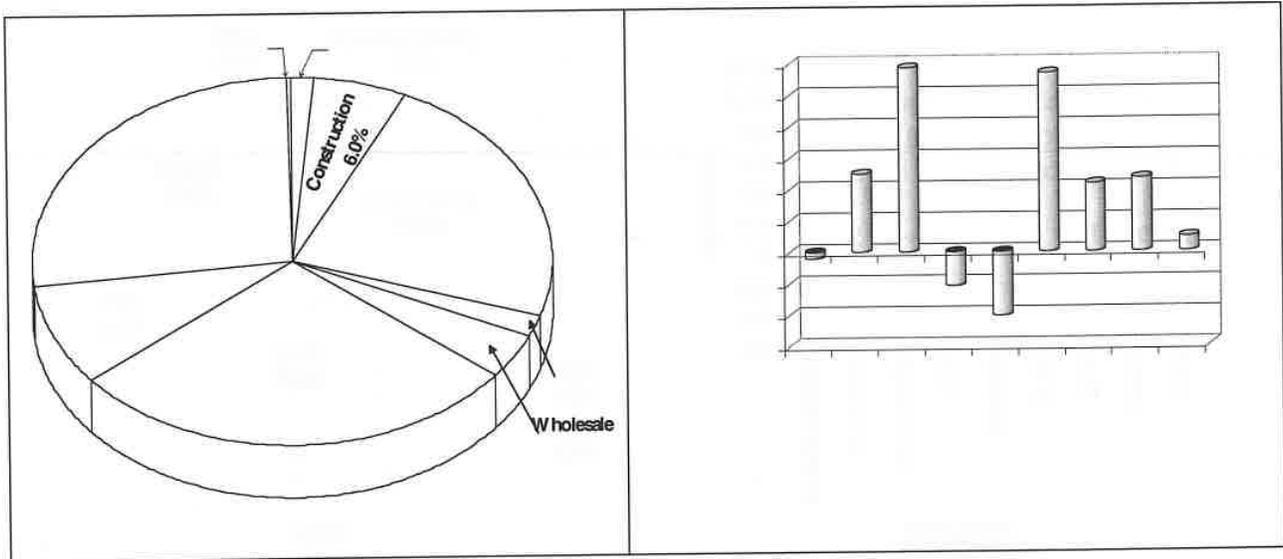
## EMPLOYMENT CHARACTERISTICS

Gresham private sector employers provide jobs for 26,330 workers. The government sector provides an additional 2,570 jobs. Retail is the largest employment sector, employing 7,500 workers or 28% of all jobs in Gresham. Services account for another 27% of all jobs and manufacturing provides an additional 23%.

Growth in retail and manufacturing provided the greatest economic stimulus during the second half of the 1990s. Transportation, communication, utilities, wholesale, and agriculture/mining experienced a decline over the same timeframe.

Figure 12. Citywide Employment Conditions (1996-2000)

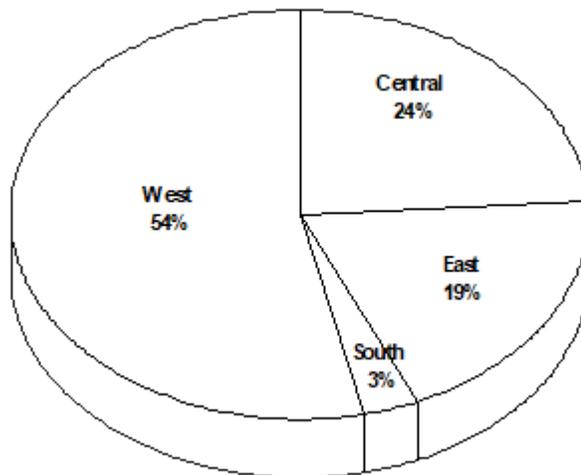
Source: City of Gresham using data provided by Metro.



Over half of Gresham’s jobs are located in West Gresham. Central Gresham has another 28%. South Gresham has the fewest jobs, with area employers accounting for only 3% of the City’s job base.

Figure 13. Gresham Employment base by Sub-Area (2000)

Source: City of Gresham using data provided by Metro.



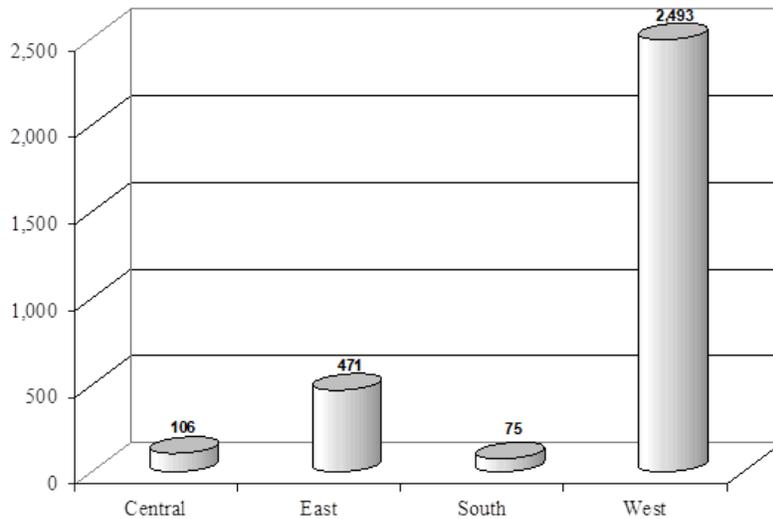
West and East Gresham experienced the greatest job growth during the late 1990s. Services (+960), FIRE (+760), retail (+680), and manufacturing (+570) grew substantially in West Gresham. Government and services also provide a respectable stimulus, while wholesale trade recorded 480 job losses. Job growth in East Gresham occurred primarily in manufacturing, offsetting losses in services.

Central Gresham employers added 106+ jobs. FIRE provided 200 new jobs and services added 170. While the number of manufacturing sector firms remained the same, many downsized, letting go of 290 workers.

South Gresham gained almost 75 jobs. Job losses in transportation, communication, and utilities (-300) offset gains in all other sectors. Job gains occurred in manufacturing (+135), services (+88), and construction (+82).

Figure 14. Job Gains by Sub-Area (1996-2000)

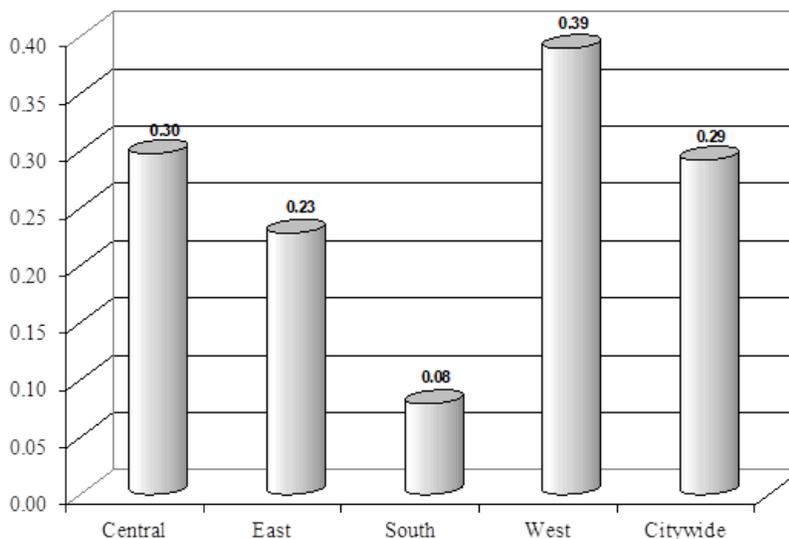
Source: City of Gresham using data provided by Metro.



Gresham employers provide 0.29 of a job for every person living in the City, less than one-half of the regional average (0.62). West (0.39) and Central (0.30) Gresham have provided the greatest number of job opportunities, albeit lower than the regional average. At 0.08 jobs per capita, south end job opportunities are nearly non-existent.

Figure 15. Gresham Jobs Per Capita by Sub-Area (2000)

Source: City of Gresham, U.S. Census and Metro.



## GRESHAM IMPLICATIONS

Each of the four sub-areas is uniquely situated within Gresham. The unique characteristics of each sub-area will dictate a separate set of market opportunities.

**Central Gresham** – Commercial development will likely continue at Civic Neighborhood, Downtown Gresham, and along major transportation corridors. Central Gresham has a relatively high portion of ethnic households, which may provide some specialty retail opportunities. However, due to Central Gresham being relatively built out, most commercial services will result from unique/niche market opportunities.

**East Gresham** – Development will continue to grow at modest rates, until the Springwater area is made available within the next five years. While Springwater is primarily slated for industrial development limited commercial services are permitted. East Gresham could experience demand from firms locating within Springwater, being required to have their commercial needs serviced outside Springwater. East Gresham will also experience increased consumer demand from growth occurring in South and East Gresham. As land is available, East Gresham could attract larger regional demand extending as far as Sandy; similar to the experience of the auto mall along Highway 26.

**South Gresham** – South Gresham remains relatively undeveloped. It is the least populated sub-area, but has the greatest growth capacity. Commercial development will be relatively isolated from Gresham's major transportation thoroughfares, meaning commercial businesses will depend upon residential growth within the sub-area for market support. Residents are highly educated, affluent, working families, which will drive retail development towards family restaurants, video stores, and specialty boutiques as examples. Medical services will likely materialize as the area further populates. Offices may also locate within the Pleasant Valley area, taking advantage of the high proportion of executive and office-related residents living in the area.

**West Gresham** – Commercial services will develop by taking advantage of West Gresham's unique demographic and physical characteristics. Retail development will likely concentrate along transportation corridors and Rockwood Town Center. The relatively high ethnicity of West Gresham may attract consumers seeking ethnic goods and services such as specialty cuisines, boutique goods, niche home furnishings/apparel, as a few examples. Smaller offices may be attracted to the Rockwood area; however, proximity to I-84, major employers, industrial zoning, and relatively undeveloped waterfront property will be factors in attracting large scale office development to the south shore area.

## CHAPTER IV: GRESHAM'S CITY-WIDE COMMERCIAL LANDS INVENTORY

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The City of Gresham currently has approximately 1,405 acres zoned for commercial use (Figure 1 Commercial Zoned Lands). Most of Gresham's commercial zoned land is found clustered along major streets and is dispersed throughout the City. Commercial plan districts (zones) fall into the two broad categories Commercial Development Districts and Mixed-Use Districts. Commercial development districts include:

- Neighborhood Commercial (NC).
- General Commercial (GC).

The Mixed-Use Districts include commercial categories within specific development districts and include:

### Corridor Districts

- Community Commercial (CC).
- Corridor Mixed-Use (CMU).
- Moderate Commercial (MC).
- Rockwood Town Center (RTC).
- Station Center (SC).
- Station Center-Ruby Junction (SC-RJ).

### Residential/Office District

- Office Residential (OFR).

### Downtown Districts

- Central Urban Core (CUC).
- Downtown General Commercial 1 (DC-1).
- Downtown Moderate Commercial (DC-2).
- Downtown Transit (DT).

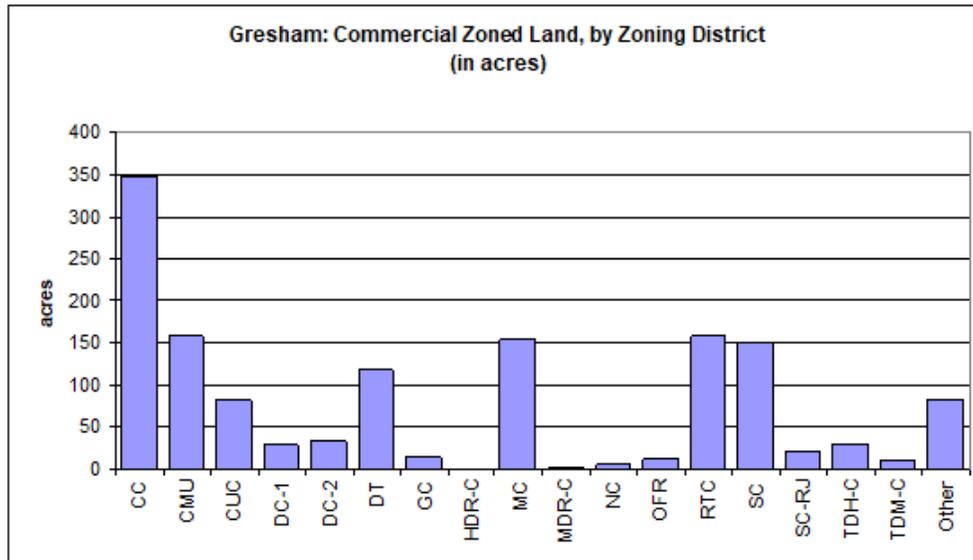
### Civic Neighborhood Districts

- High Density Residential (HDR-C).
- Moderate Density Residential (MDR-C).
- Transit Development District, High Density-Civic (TDH-C).
- Transit Development District, Medium Density-Civic (TDM-C).

Most of Gresham’s commercial zoned land is found inside the mixed-use districts with approx. 1302 acres, representing 92.7% of all commercial land. Most of these districts are found in the City’s three commercial centers: Rockwood, Downtown Gresham and the Civic Neighborhood.

*(Note: A more detailed inventory of the commercial lands found within each of Gresham’s three commercial/mixed use centers is contained in Chapter IV – “Gresham’s Commercial Centers.”)* The breakdown of commercial lands, by zoning district is as follows:

Gresham: Commercial Zoned Land by Zoning District (in acres)	
CC	347.48
CMU	157.20
CUC	82.44
DC-1	29.60
DC-2	32.79
DT	117.12
GC	15.10
HDR-C	0.66
MC	153.11
MDR-C	2.52
NC	6.82
OFR	12.06
RTC	158.00
SC	149.08
SC-RJ	20.44
TDH-C	29.86
TDM-C	9.63
Other	81.25
<b>Total</b>	<b>1405.18</b>



\*Other includes all commercial zoned parcels not currently updated in the LUIS system.

Out of the 1,405 total acres that are zoned commercial, 1,154 acres (82%) is already developed (see Figure 2), leaving about 249 acres for potential development. Of the later amount, 121 acres or about 9% of the 1,405 acres is readily available for development (vacant unconstrained).

To better understand Gresham's potential for further commercial development, a commercial lands inventory was conducted. A designation scheme was first developed to analyze the current readiness of commercial zoned parcels for development. Category designations include:

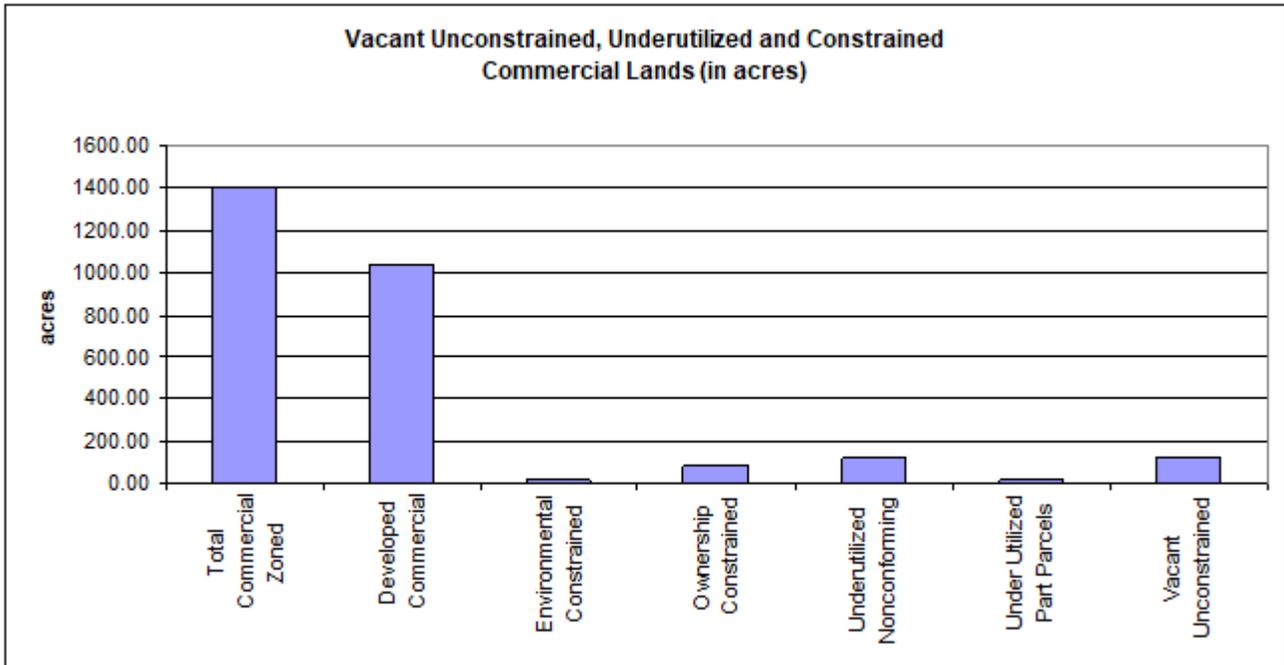
- **Vacant Unconstrained:** These parcels are ready to be built on.
- **Vacant Constrained:** The parcels are currently vacant, but there are factors constraining, or limiting, the ability for immediate development. Constraining factors are described as follows:
  - **Environmental Constraints:** This category refers to parcels affected by one or all of the following environmental overlay zones. Water Quality Resource Area (WQRA) is designed to protect streams and wetlands. WQRA establishes buffer (no build) zones around designated water features. The Floodplain Overlay zone protects the 100-year floodplain and incorporates the Federal Emergency Management's (FEMA) flood zones and regulations. The Hillside Physical Constraint Overlay applies to all hillsides that exceed 15% slope. (Note: None of the commercial lands are affected by this overlay.) Development is heavily restricted in each of these environmental overlay zones.
  - **Ownership Constraints:** Includes parcels that are owned by corporate land banking interests; public jurisdictions, including: school, utility, transportation and park and recreation districts, as well as parcels owned by religious organizations. These parcels are considered unavailable for sale or for commercial development.

- **Public Facilities Constraints:** This category refers to parcels within areas affected by inadequate transportation, sanitary sewer or water facilities. These areas will require a major improvement to the particular constraining public facility in order to accommodate the additional demand that new development would impose on the system. This often involves a significant expenditure of public/private funds for constructing a project listed in the City’s Capital Improvements Plan (CIP) that would correct the constraint or system deficiency. (Note: None of the vacant commercial lands identified in this inventory are constrained due to inadequate public facilities.)
- **Underutilized with a Nonconforming Land Use:** Includes parcels that are zoned for commercial use, but are currently developed with a use other than what is allowed by the underlying zoning. These parcels are included in the developed total.
- **Underutilized Part Parcel:** Includes parcels that are currently built on, but have an unused (vacant) portion that exceeds 0.5 acres that can support further development. The developed portions of the parcels were included in the developed total.

Category totals of vacant unconstrained, and underutilized commercial lands are as follows:

Gresham Commercial Zoned Land: Vacant Unconstrained, Underutilized Nonconforming Land Use, Underutilized Part Parcel (in acres)

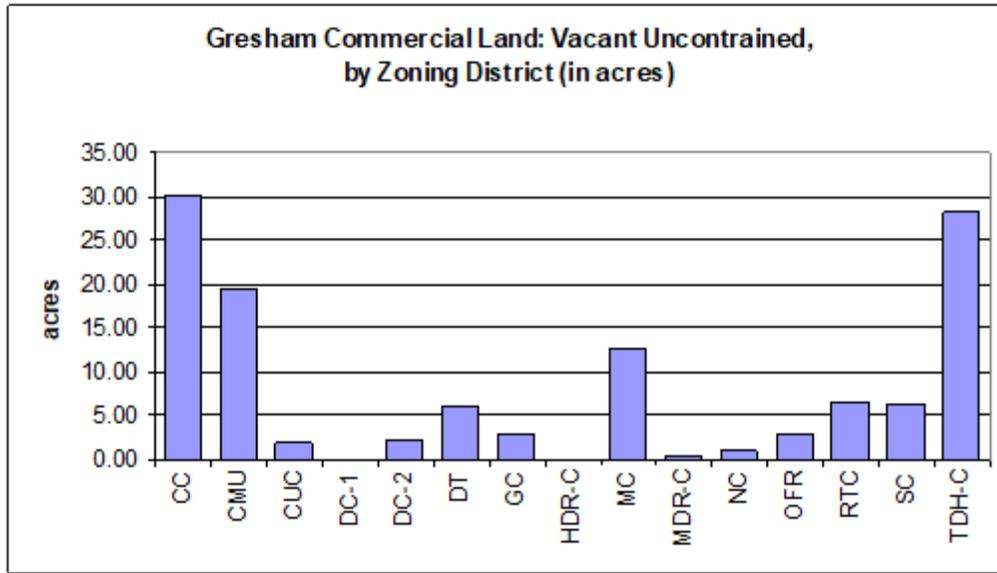
Zone	Vacant (unconstrained)	Underutilized (non-conforming land use)	Underutilized (part parcel)
CC	30.16	5.21	7.76
CMU	19.36	31.23	3.85
CUC	1.83	5.70	1.50
DC-1	0.04	0.00	0.00
DC-2	2.25	1.20	0.00
DT	6.01	12.39	0.63
GC	2.86	1.69	1.58
HDR-C	0.02	0.00	0.00
MC	12.70	13.04	5.20
MDR-C	0.51	2.01	0.00
NC	0.85	1.59	0.00
OFR	2.98	0.11	0.00
RTC	6.58	15.64	0.87
SC	6.26	34.20	1.06
SC-RJ	0.43	0.40	0.00
TDH-C	28.20	0.00	0.00
<b>Total</b>	<b>121.05</b>	<b>124.42</b>	<b>22.45</b>



Gresham’s undeveloped commercial land, found in the vacant unconstrained category, totals about 121 acres.

Gresham Commercial Land, Vacant Unconstrained;  
Number of Parcels by Parcel Size (in acres)

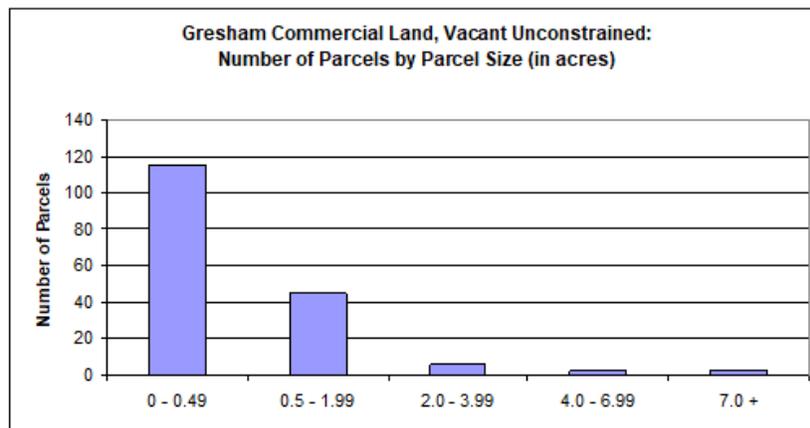
Size in Acres	Number of Parcels	Total Acres
0 - 0.49	115	23.36
0.5 - 1.99	45	39.87
2.0 - 3.99	6	17.75
4.0 - 6.99	3	13.88
7.0+	3	26.19
<b>Total</b>	<b>172</b>	<b>121.05</b>



Vacant unconstrained commercial land in Gresham mostly consists of small parcels. The majority of commercial zoned parcels are under 0.5 acres and parcels from 0.5 – 2.0 acres account for the most commercial zoned acreage. A parcel size range breakdown is as follows:

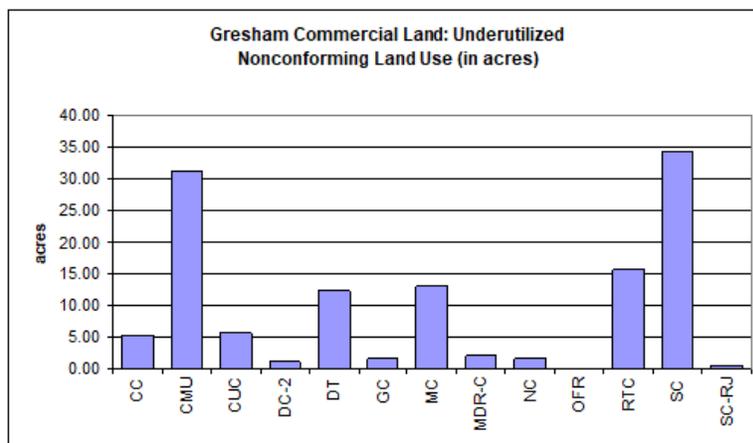
Gresham Commercial Land, Vacant Unconstrained:  
Number of Parcels by Parcel Size (in acres)

Size in Acres	Number of Parcels	Total Acres
0 - 0.49	115	23.36
0.5 - 1.99	45	39.87
2.0 - 3.99	6	17.75
4.0 - 6.99	3	13.88
7.0+	3	26.19
<b>Total</b>	<b>172</b>	<b>121.05</b>



Most of Gresham’s underutilized commercial land is in the underutilized by a nonconforming land use category, accounting for approximately 124 acres.

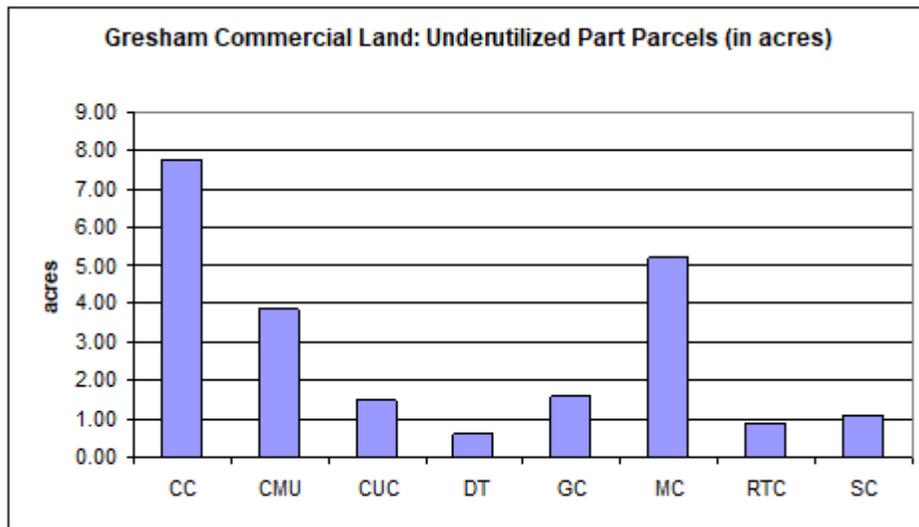
Gresham: Commercial Land: Underutilized Nonconforming Land Use (in acres)	
CC	5.21
CMU	31.23
CUC	5.70
DC-2	1.20
DT	12.39
GC	1.69
MC	13.04
MDR-C	2.01
NC	1.59
OFR	0.11
RTC	15.64
SC	34.20
SC-RJ	0.40
<b>Total</b>	<b>124.42</b>



The majority of parcels (352) that are considered underutilized by a nonconforming land use have single-family dwellings built on them (see Figure 4).

The underutilized part-parcel category represents commercial land that is already built on, but has an used portion over 0.5 acres and can support further development. Underutilized part parcels account for approx. 22 acres (see Figure 5). The breakdown of underutilized part-parcels, by zoning district, is as follows:

Gresham: Commercial Land: Underutilized Part Parcels (in acres)	
CC	7.76
CMU	3.85
CUC	1.50
DT	0.63
GC	1.58
MC	5.20
RTC	0.87
SC	1.06
<b>Total</b>	<b>22.45</b>



There are approximately 114 acres of commercial zoned land in Gresham that is constrained or not ready for immediate development. The constrained commercial lands category represents 8% of all commercial land (see Figure 6). Most of Gresham’s commercial land that is constrained is constrained by ownership. Constrained by ownership accounts for about 81 acres of commercial zoned land. A full breakdown of commercial land that is vacant but constrained by ownership, by zoning district, is as follows:

Zone	Number of Parcels	Acres
CC	26	11.88
CMU	20	24.36
CUC	19	7.99
DC-1	1	0.08
DC-2	1	0.19
DT	20	19.07
GC	2	0.11
MC	10	5.05
RTC	2	5.56
SC	5	1.03
SC-RJ	7	5.65
<b>Total</b>	<b>113</b>	<b>80.96</b>

Commercial zoned land in Gresham is also subject to environmental constraints. The majority of the environmental constraints occur due to streams and wetlands. Vacant but environmentally constrained commercial land accounts for approximately 20 acres (see Figure 7). A full breakdown of vacant environmentally constrained land, by zoning district is as follows:

Gresham Commercial Land:  
Environmental Constrained (by parcel in acres)

Zone	Number of Parcels	Acres
CC	1	0.05
CUC	17	7.23
DC-2	2	0.07
MC	9	13.23
TDH-C	1	0.03
<b>Total</b>	<b>30</b>	<b>20.61</b>

**SUMMARY**

- There are approximately 1,405 acres of commercial zoned land in Gresham.
- 93% (1,302 acres) of Gresham’s commercial zoned land is found within its mixed-use districts. Most of these districts are located in the City’s three commercial centers: Rockwood, Downtown Gresham and the Civic Neighborhood.
- 82% (1,151 acres) of the commercial land is developed. Of the developed portion, 124 acres (9% of total commercial) are occupied by single-family residential development, which is a non-

conforming use in the commercial districts. This represents a future redevelopment opportunity.

- The remaining 18% (249 acres) of the commercial land is undeveloped or vacant.
- Of the remaining vacant land, 121 acres (9% of all commercial zoned) are vacant and unconstrained.
- The 128 acres (8% of all commercial zoned) of vacant land that is constrained, is constrained due to environmental and ownership constraints.

A percentage breakdown of commercial land is as follows:

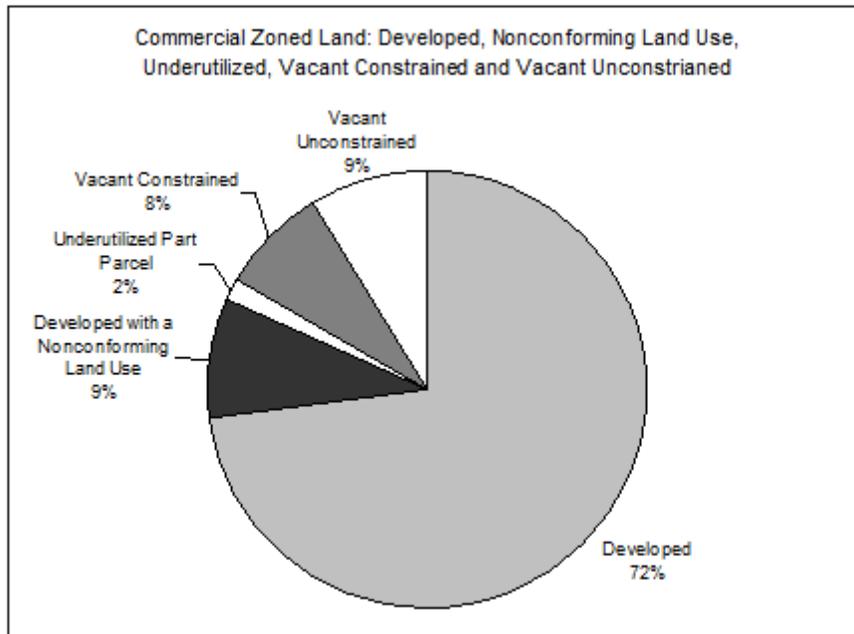


Figure 1:  
Gresham All Commercial Zoned Land

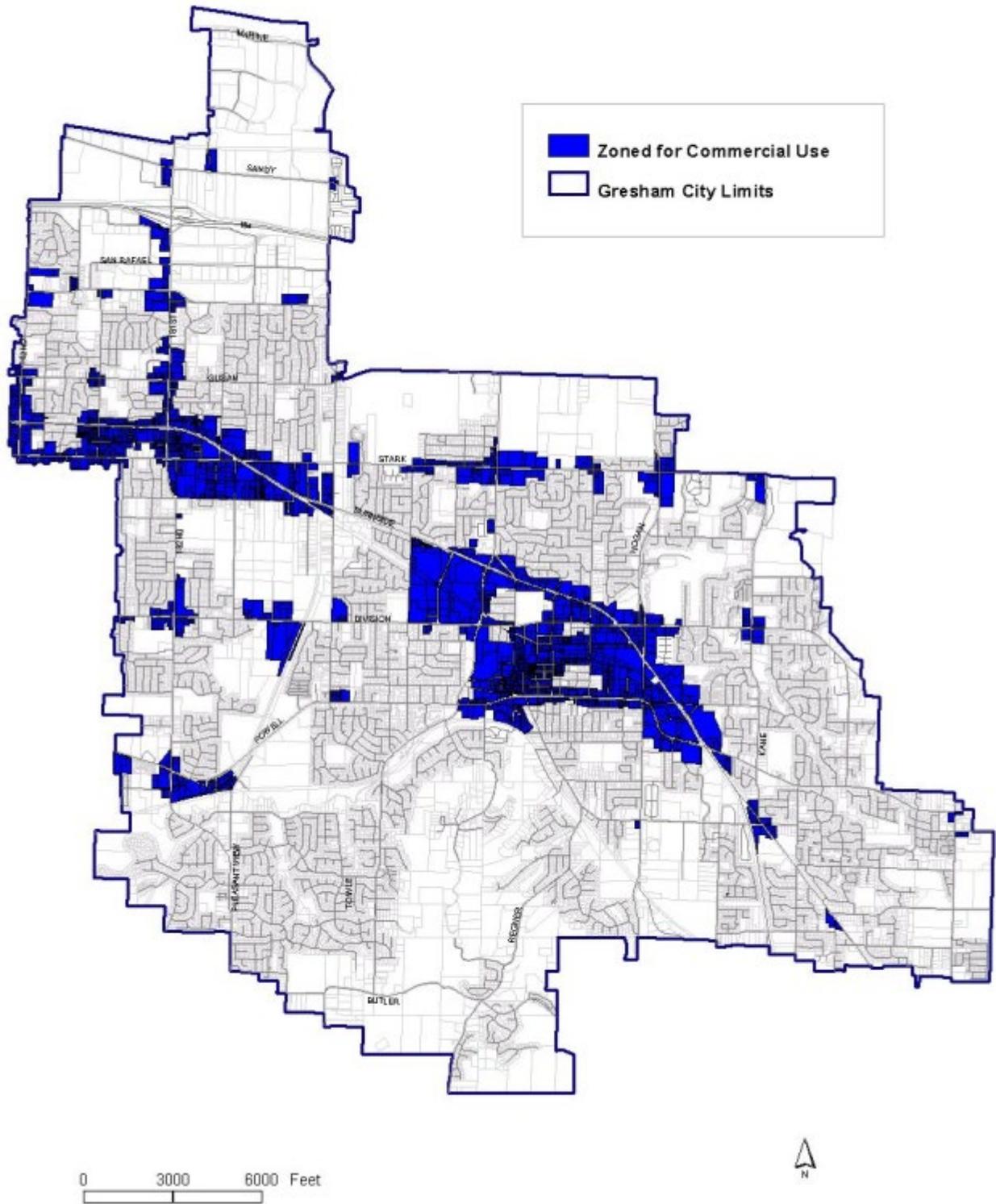


Figure 2:  
City of Gresham: Developed Commercial Zoned Land

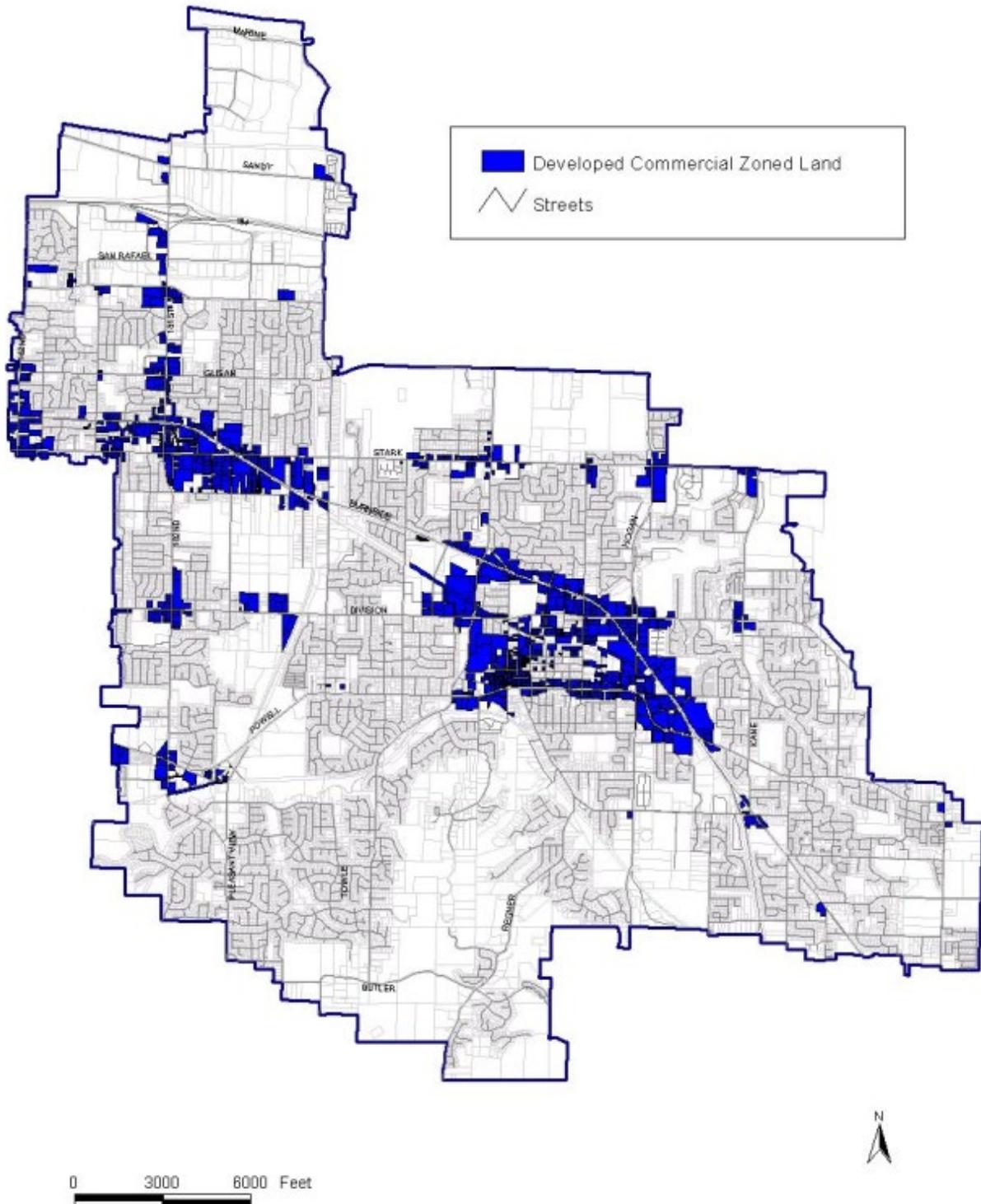


Figure 3:  
Gresham Vacant Unconstrained

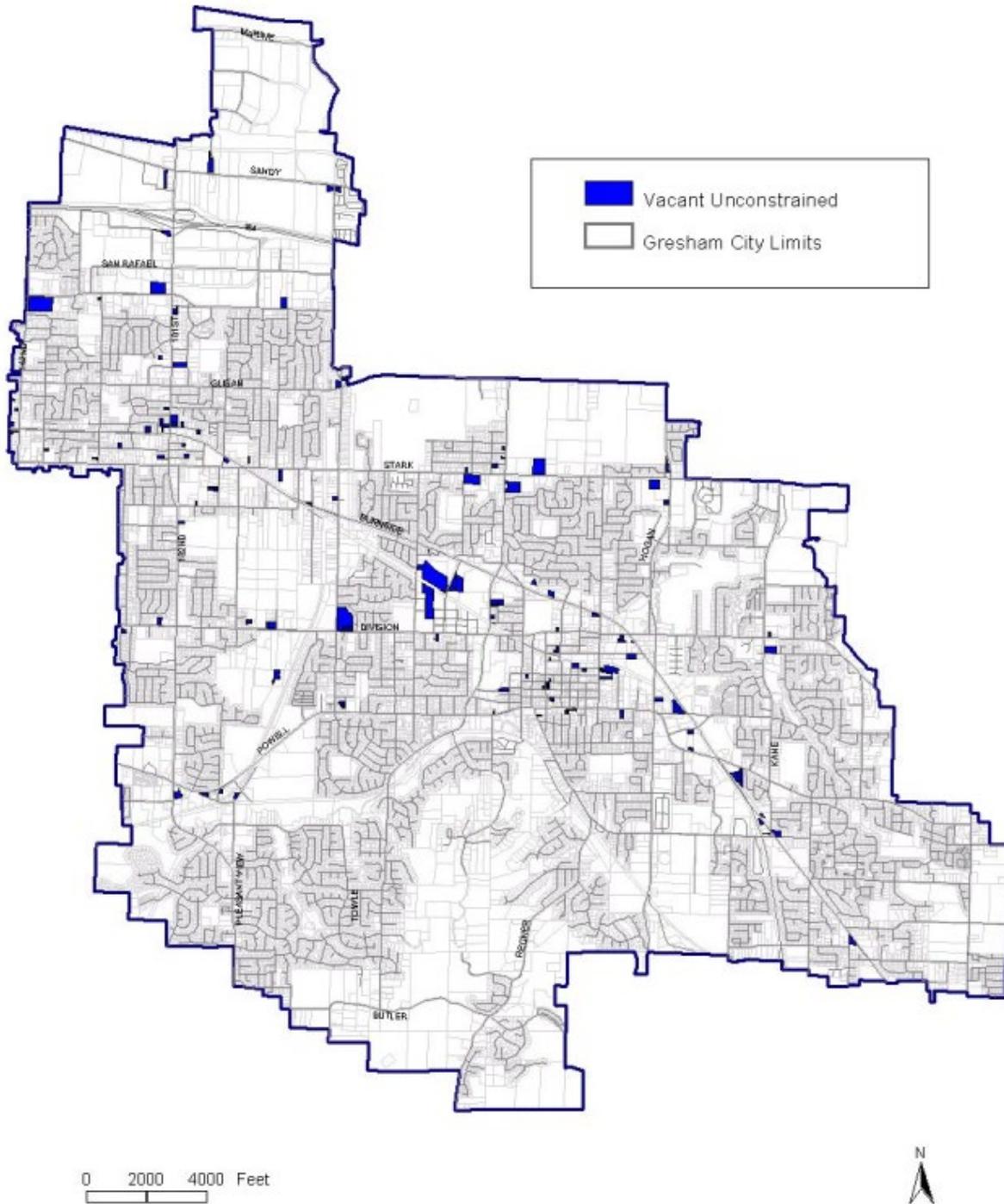


Figure 4:  
Gresham Commercial Land: Underutilized  
by a Nonconforming Land Use

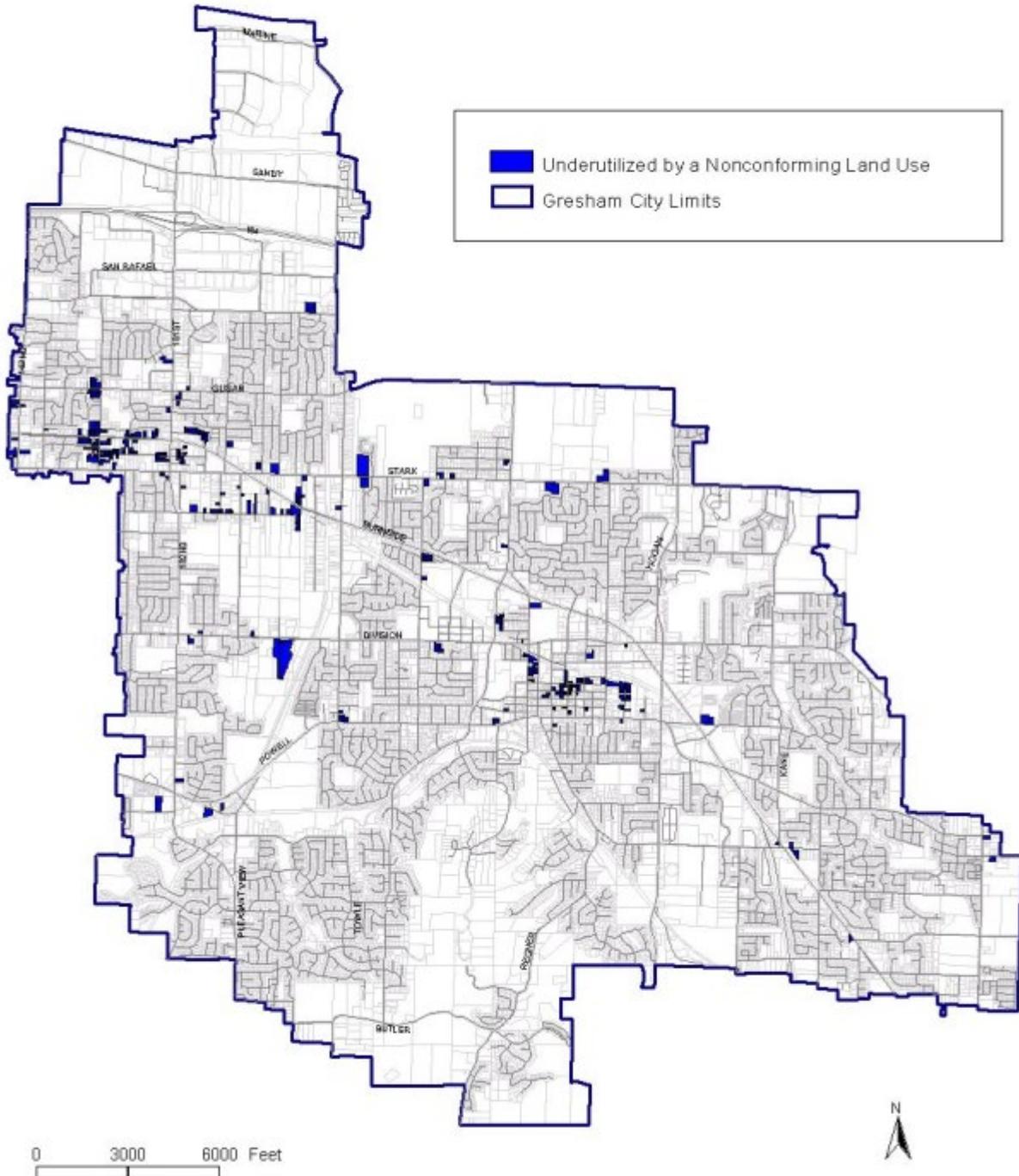


Figure 5: Gresham Commercial Land Underutilized Part Parcel

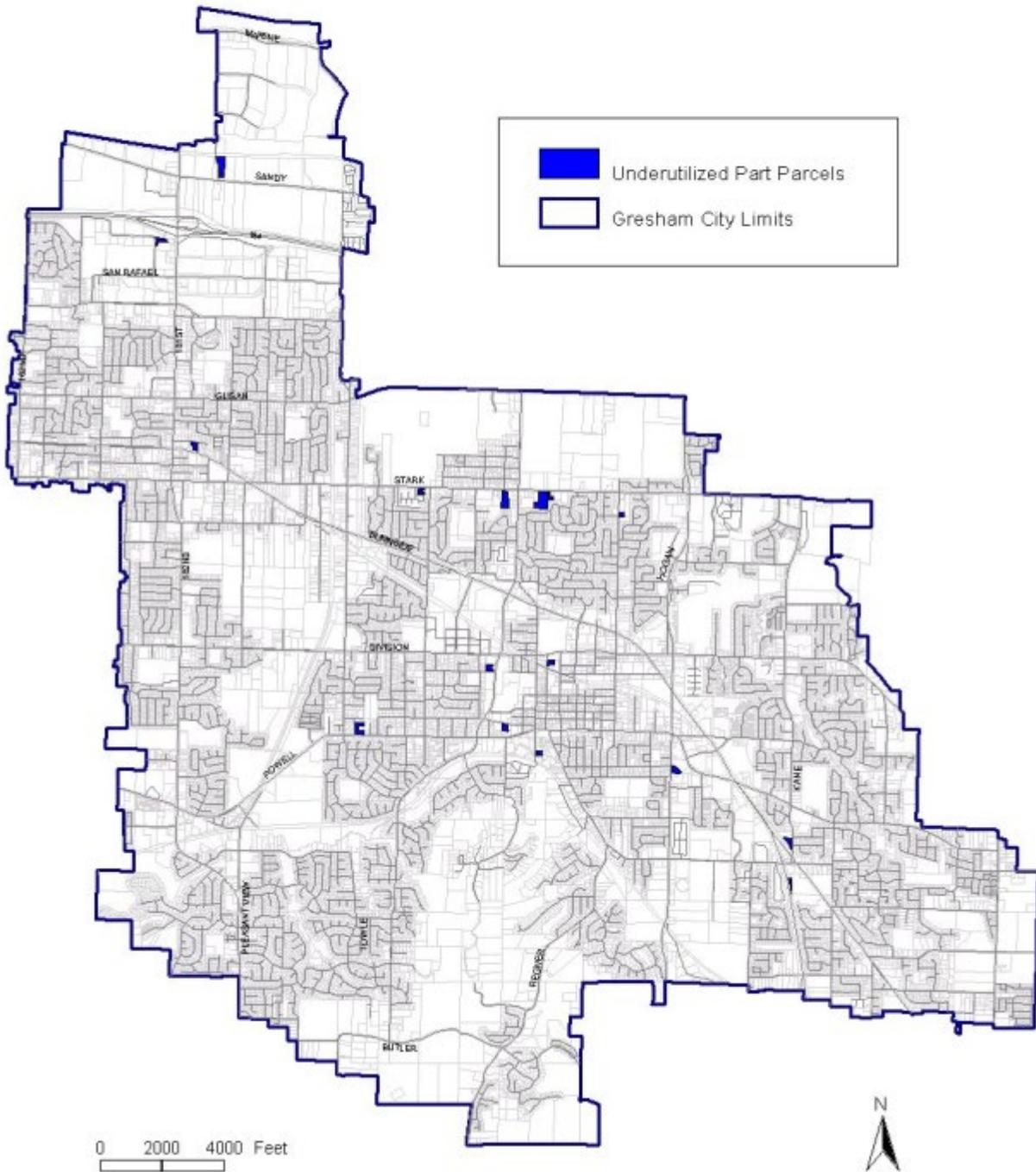


Figure 6: Gresham Commercial Lands  
Vacant Ownership Constrained

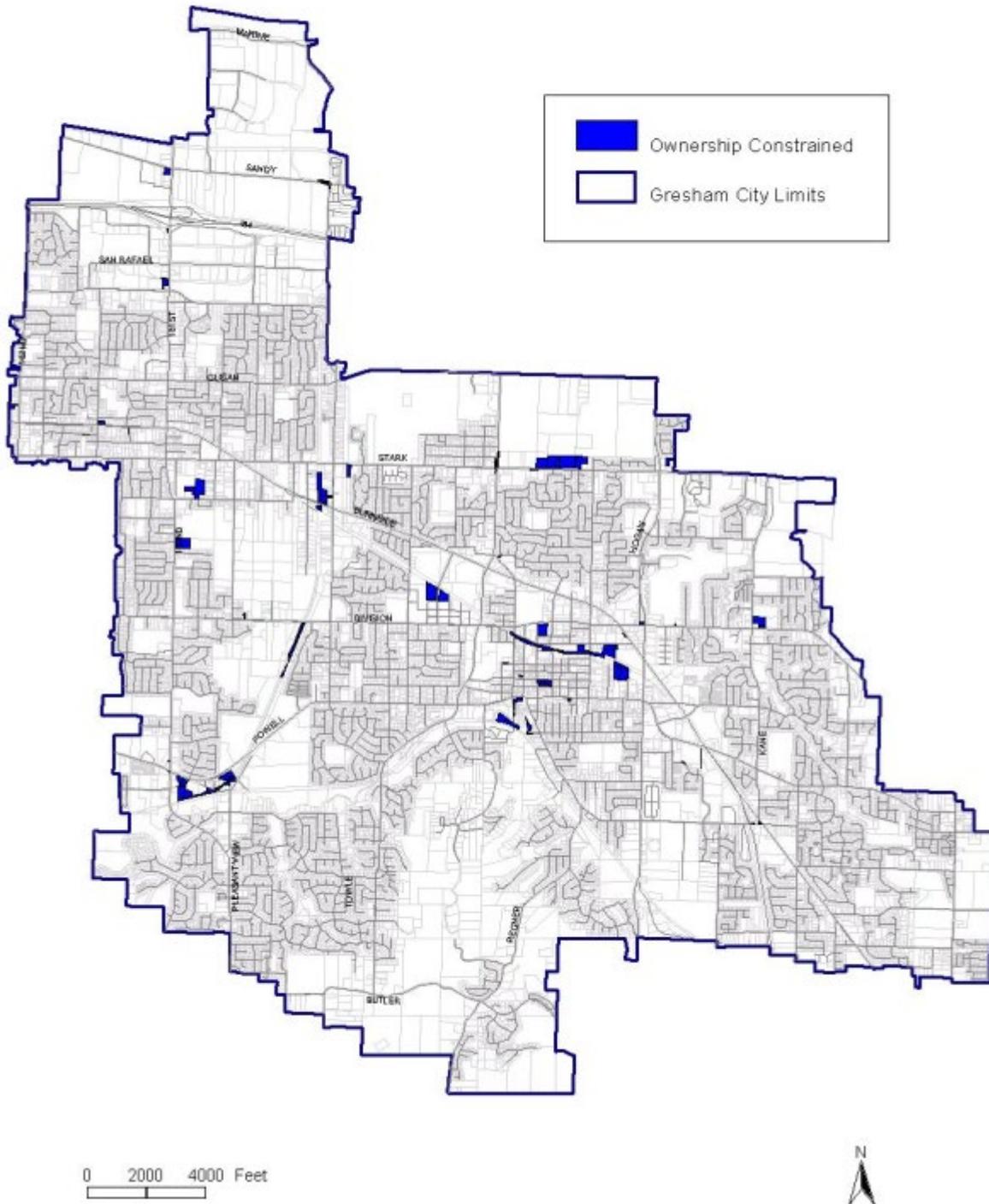
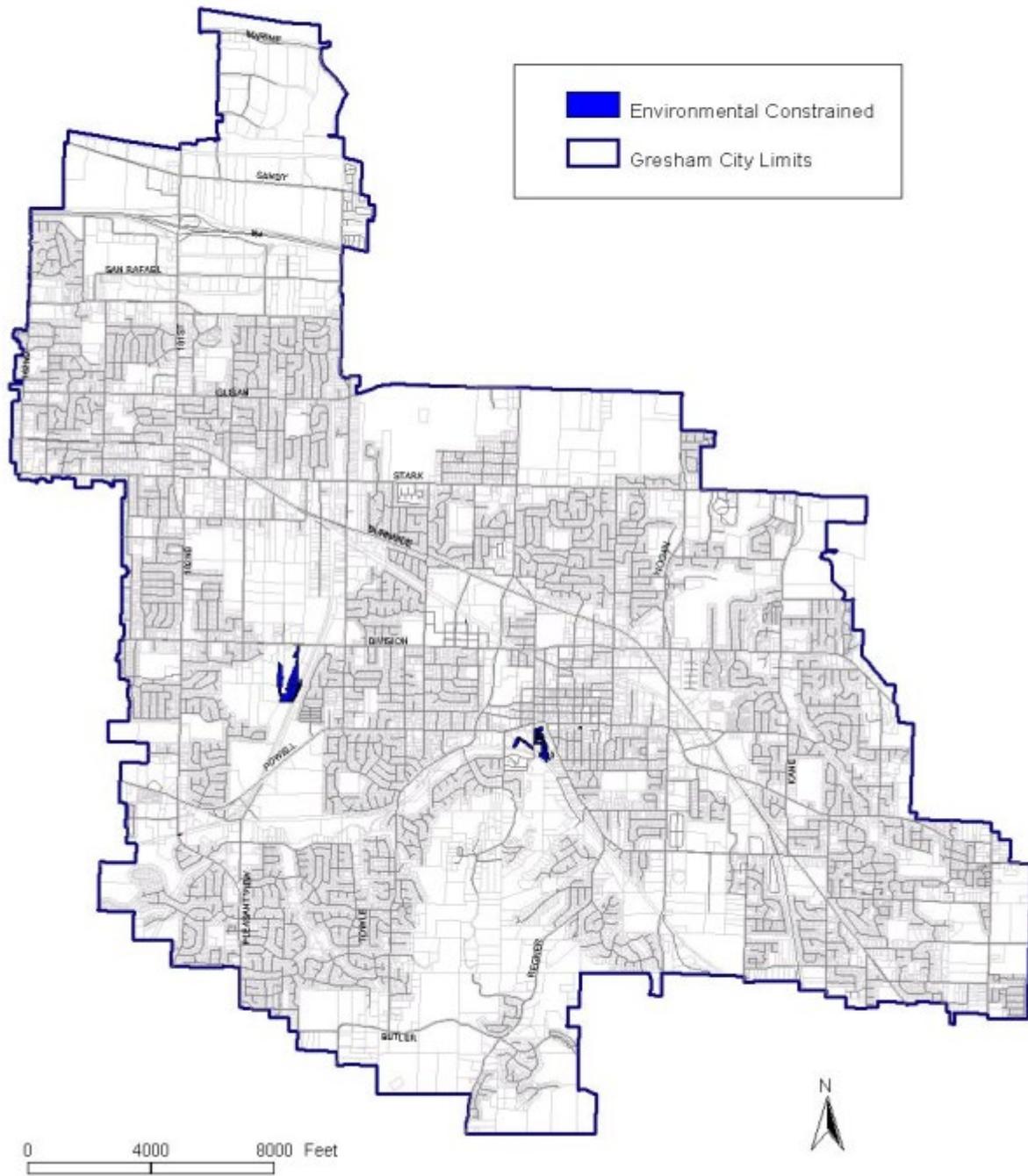
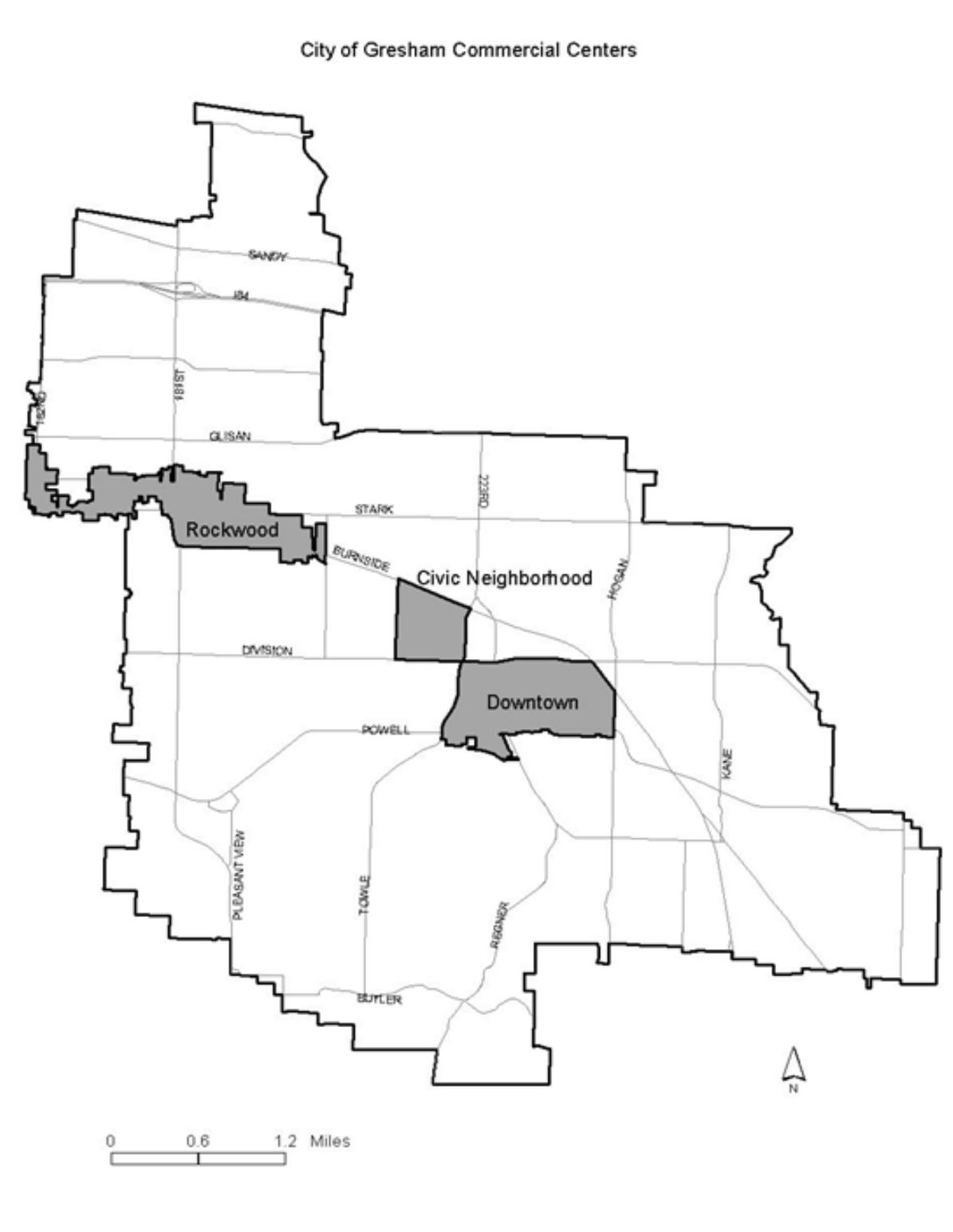


Figure 7: Gresham Commercial Land Vacant Environmental Constrained



# CHAPTER V: GRESHAM'S COMMERCIAL CENTERS



## INTRODUCTION

Gresham’s major commercial retail and service uses are found within its three commercial centers – Downtown, the Civic Neighborhood and Rockwood. These are also designated by the comprehensive plan as “plan districts.”

A plan district is designated when the City finds that conditions within a specific area are such that unique planning and regulatory tools are required to achieve results. A plan district designation may be warranted based on specific land use, economic, transportation, public facilities, historic or natural conditions found to exist in the area. A plan district designation provides a means to create or modify development districts and standards in ways which address specific opportunities and problems within the plan area. These new or modified development districts and standards are not transferable to properties outside the boundaries of the plan district. The plan district designation is generally not intended to be applied to small areas or to individual properties.

Future development, including commercial uses, offices and community services, will be focused within these areas. The districts are well served by transit (MAX light rail line/bus service), an arterial street system, and are centrally located relative to residential areas. It is the policy of the City to provide for an adequate amount of serviceable commercial land to facilitate development/redevelopment within these centers and to prevent the need for expanding commercial strips along major streets.

The following is an analysis of the above three centers. Specifically addressed for each center is a description of its existing land use pattern, previous and ongoing planning efforts relative to the center, a summary of its commercial zoning districts, and a buildable lands inventory.

*Note: The land use categories used in the buildable lands inventory sections are defined in the back of this chapter.*

## ROCKWOOD

### Existing Land Use Pattern

Rockwood is located in the northwest part of Gresham. It borders Portland on the west, along NE 162nd Ave. Rockwood’s commercial areas are found between Glisan St. on the north, Yamhill St. to the south, 162nd Ave. to the west, and 202nd Ave. to the east. Rockwood was annexed into the City of Gresham during the 1980s, which was also when the MAX light rail line was extended through it along Burnside St.

Much of Rockwood’s commercial development took place from 1950 to 1980 when it was unincorporated (not part of a city) and under the jurisdiction of Multnomah County. The existing land use pattern reflects the manner in which the area was developed. The current scattered mix of land uses consists of arterial streets fronted by low profile auto-oriented businesses, restaurants, other service/retail commercial businesses and garden apartments. Single-family neighborhoods fill the remaining spaces along the interior local streets. This pattern represents the post WWII era of rapid

and auto oriented arterial strip development. Little vacant commercial zoned land exists in Rockwood. Much of the developed parcels are inefficiently used and are occupied by older dilapidated structures. In recent years a number of commercial buildings have become vacant as businesses left the neighborhood. The largest such structure, vacated in early 2003, is the former Fred Meyer grocery store and associated shopping center. It is found in the triangle area (Rockwood Town Center) in the heart of Rockwood, located near 181st Ave. and Stark St. The City's poor population is also concentrated in Rockwood and it has a large proportion of Hispanic and other ethnic groups. According to the 2000 U.S. Census, within some of the Rockwood area census tracts, up to 45% of the population were classified as poor (less than \$18,400 gross annual income for a family of four).

## Planning Program Overview

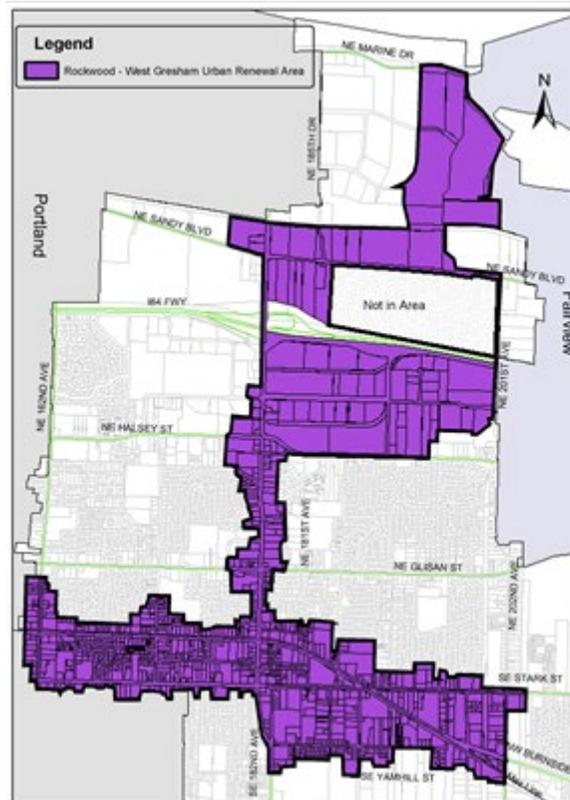
The Gresham City Council adopted the *Central Rockwood Plan* in June, 1998. This land use plan is intended to guide growth and development in the central Rockwood area for the next 20 years. As a follow-up to this plan, the City Council adopted the *Rockwood Action Plan*. The scope of the "Action" plan is much broader and outlines specific proposed action items. When accomplished, the actions will lead to a measurable improvement in the quality of life in Rockwood. The scheme for the central Rockwood area shows a community center with various services surrounded by a "live and work" community. The major commercial areas and the highest residential densities are arranged around the light rail stations. Rockwood is envisioned as an important sub-center or Town Center, second only to central and downtown Gresham in terms of significance for housing, employment and commercial services.

In order to implement the Central Rockwood Plan, several plan (zoning) districts were adopted, including the Rockwood Town Center (RTC) district and several transit districts. These districts are described in more detail in the following section. The RTC district encompasses the "triangle," which will be the focus point of Central Rockwood. Primary uses to be permitted in the town center are retail, commercial, services, and office uses. Mixed-use developments that include multi-family housing, condominiums, rowhouses, and various institutional uses could also be permitted. The triangle itself is proposed to be the subject of a detailed redevelopment plan, which will include a variety of public facilities to support the uses permitted in the town center. The initial redevelopment plan calls for a central plaza, new streets, more and wider sidewalks, pedestrian amenities, and other improvements. New developments will be oriented to these improvements. Minimum residential and commercial densities have been established in the RTC to ensure the efficient use of land.

Metro, the regional planning agency, has a vision for the Rockwood area as an important center in the Portland metropolitan region. The Metro Region 2040 Vision plan identifies Rockwood as a Town Center. Town centers are smaller than Regional Centers (such as central and downtown Gresham) but are still intended to support compact development and transit service. Rockwood is one of 32 town centers identified by the 2040 Vision. Metro's view of central Rockwood's future as a town center is consistent with the Gresham 2020 Vision concept of a community center and a live/work neighborhood.

## Rockwood/West Gresham Renewal Plan

Since the *Rockwood Action Plan* and *Central Rockwood Plan* were adopted, the City has undertaken a major initiative to revitalize Rockwood. This is the *Rockwood-West Gresham Renewal Plan* and program. It will have a direct bearing on commercial development/redevelopment in Rockwood.



The plan roughly encompasses the Rockwood Town Center, properties along the Stark and Burnside St. corridors from the Gresham/Portland city limits (162nd) to 202nd Ave., the 181st Ave. corridor, and industrial properties northeast and southeast of the I-84 freeway and 181st Ave. The *Rockwood-West Gresham Renewal Plan* was adopted by Gresham City Council in February 2003 and is being forwarded to the November 4, 2003 ballot for a citywide vote. If voters approve the Plan, it will be in place for 20 years.

The *Rockwood-West Gresham Renewal Plan* is a partnership between neighbors, property and business owners, and local government. There is a strong desire to redevelop and revitalize the commercial core of the Rockwood Town Center to ensure basic services and a thriving live-work neighborhood are available to local community members. Based on citizen input at public meetings and open houses, the Plan will focus on:

- Creating better and more jobs closer to home by helping develop industrial and commercial property
- Improving housing

- Bringing Rockwood’s commercial core back to life
- Creating a positive image of Gresham

Urban renewal programs/plans are used by cities and counties throughout Oregon to improve conditions in specific parts of their communities. An urban renewal plan is a citizen-led program to help a specific community (the urban renewal area) overcome problems that stand in the way of good development. With urban renewal, public investments are made to overcome the problems and help create jobs, housing and commercial activity. If the voters approve the district, this program will provide assistance to property owners and/or business owners in rehabilitating, developing or redeveloping property by offering them loans, grants and technical assistance. It will also provide funds that will allow the City to improve the public infrastructure of the community, including developing or upgrading streets, utilities, sidewalks/streetscape, parks, plazas, open spaces, and public parking facilities. The overall goal of the plan is to support the development of businesses that will offer well paying (“family wage”) jobs and to improve the quality of housing in Rockwood.

## Summary of Rockwood Commercial Districts

Listed below are the commercial plan (zoning) districts found in Rockwood and a brief description of the kinds of land uses that are allowed in each district.

### Rockwood Town Center (RTC)

This district encompasses the heart of Central Rockwood. It is centered on the triangle formed by E. Burnside, NE 181st Ave., and SE Stark St., but also takes in adjacent properties around the triangle. Primary uses permitted in RTC are retail commercial, services, office uses and housing. Mixed-use developments and various institutional uses (e.g., library, public meeting halls, government facilities) are also permitted. The scale and character of new development is intended to support and reinforce the image of a town center, with buildings of at least two stories, oriented to streets and pedestrians, and with parking lots behind or to the sides of buildings. A portion of the Rockwood Town Center will be the focus of more concentrated high-density residential, office, commercial, service and institutional mixed-use development. Within this area, proposals to develop attached dwellings that front on streets (multi-family and attached single-family dwellings) are required to have a mixed-use component along the street frontage. Mixed-use consists of commercial, office, or community service uses or combinations thereof in combination with residential uses. This “Mixed-Use” Rockwood Town Center area consists of the “triangle” described above, and other properties which front on its abutting streets. The RTC district requires a floor area to site area ratio (FAR) of .5:1 and a minimum building height of 2 stories.

### Station Centers (SC)

This district takes in properties which are adjacent to, or within easy walking distance, of light rail stations located near 162nd Ave., 172nd Ave., and Ruby Junction (197th Ave.) areas in Rockwood. The Station Centers district is intended to accommodate uses which are directly supportive of light rail

transit. Development types permitted include retail and service businesses, offices, mixed-use projects, higher-density housing, and attached single-family dwellings. Acknowledging the different character of existing land uses adjacent to the Ruby Jct. light rail station, an overlay designation here will also permit auto-dependent uses, and small-scale light industrial uses. The SC district requires a floor area to site area ratio (FAR) of at least .6:1 and a minimum building height of two stories.

### Corridor Mixed-Use (CMU)

This district designation is applied to certain clusters of properties along transit streets. In addition to moderate-density, multi-family residential uses, the CMU district permits small-scale commercial uses and mixed-use developments. Commercial businesses operating in this district will serve primarily the day-to-day needs of residents in nearby housing developments and neighborhoods. Design standards for new construction will help to ensure that new buildings become attractive additions to existing and developing neighborhoods. The CMU district requires a floor area to site area ratio (FAR) of at least .4:1 in Rockwood but no minimum building height.

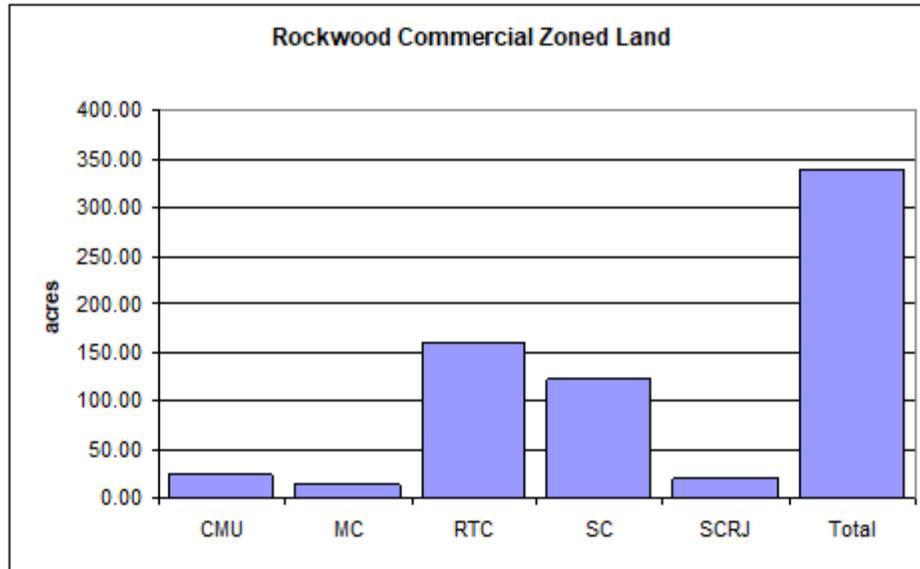
### Moderate Commercial (MC)

The MC district is applied to smaller nodes of commercial activity clustered around key street intersections. These districts are intended to function primarily as locally oriented centers serving smaller trade areas. Permitted development types include commercial retail, service, and office uses. New housing at moderate densities may also be permitted, when developed in conjunction with commercial uses. Design standards will ensure a strong pedestrian orientation for new development. As in the case of the CMU district, the MC district requires an FAR of at least .4:1 in Rockwood but no minimum building height.

## Inventory of Commercial Zoned Land

Rockwood has an approximate total of 341 acres zoned for commercial use (**shown on Figure 2**). Acres by commercial zoning districts in Rockwood is as follows:

Zone	Number of Parcels	Acres
CMU	47	24.06
MC	17	13.97
RTC	281	158.59
SC	335	122.62
SCRJ	30	20.43
<b>Total</b>	<b>710</b>	<b>339.68</b>



Approximately 310 acres of Rockwood’s commercial zoned land is currently developed (shown on Figure 3), representing almost 92% of all commercial land.

Zone	Number of Parcels	Acres
CMU	44	22.53
MC	16	13.74
RTC	251	141.23
SC	285	115.90
SC-RJ	22	16.94
<b>Total</b>	<b>618</b>	<b>310.35</b>

There is no commercial zoned land in Rockwood that is constrained by environmental factors or by inadequate public facilities. Some commercial zoned land is constrained by ownership (shown on Figure 4):

Zone	Number of Parcels	Acres
SC	2	1.03
SC-RJ	5	8.36
RTC	8	5.56
<b>Total</b>	<b>15</b>	<b>14.94</b>

There are 2 underutilized parcels that are partially developed (one RTC and one CMU parcel) totaling about 1.40 acres. Underutilized part parcels are those currently built on, but have unused (vacant) portions over one-half acres. Underutilized parcels occupied by nonconforming land uses total about 49 acres in Rockwood’s commercial districts:

Zone	Number of Parcels	Acres
CMU	1	0.48
MC	1	0.22
RTC	56	15.64
SC	118	32.18
SC-RJ	1	0.40
<b>Total</b>	<b>177</b>	<b>48.93</b>

All of Rockwood’s nonconforming land uses consist of single-family dwellings built on commercial zoned land.

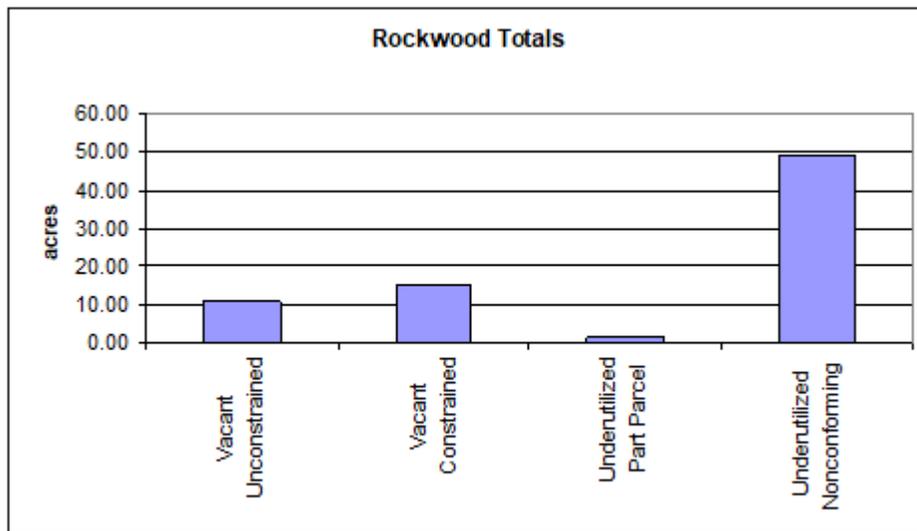
Vacant unconstrained commercial land in Rockwood accounts for approximately 11 acres in Rockwood’s commercial districts:

Zone	Number of Parcels	Acres
MC	1	0.23
RTC	18	6.58
SC	12	3.86
SC-RJ	1	0.43
<b>Total</b>	<b>32</b>	<b>11.10</b>

The totals for Rockwood’s vacant unconstrained, vacant constrained, underutilized –partially developed (part) parcels, and underutilized by nonconforming land uses (**all shown on Figure 5**) are as follows:

Rockwood Totals (in acres)

Zone	Vacant Unconstrained	Vacant Constrained	Underutilized Part Parcel	Underutilized Nonconforming
CMU	0	0	0.53	0.48
MC	0.23	0	0	0.22
RTC	6.58	5.56	0.87	15.64
SC	3.86	1.03	0.00	32.18
SC-RJ	0.43	8.36	0.00	0.40
<b>Total</b>	<b>11.10</b>	<b>14.94</b>	<b>1.40</b>	<b>48.93</b>



Much of Rockwood’s commercial zoned land is currently in use for attached single-family and multi-family residential units (approximately 40%). Commercial use is the second most frequent land use type, accounting for 28% of Rockwood’s commercial land. A full breakdown of existing land use on Rockwood commercial zoned land (**shown on Figure 6**) is as follows:

Rockwood Commercial Zones Existing Land Use (in acres)

	Acres	Percent of Total
Attached SF and Multi-Family	135.52	39.62
Single Family	61.75	18.05
Community Service	14.57	4.26
Commercial	96.02	28.07
Industrial	6.62	1.94
Parks and Open Space	4.24	1.24
Vacant (includes constrained and unconstrained)	22.33	6.53
<b>Total</b>	<b>342.06</b>	

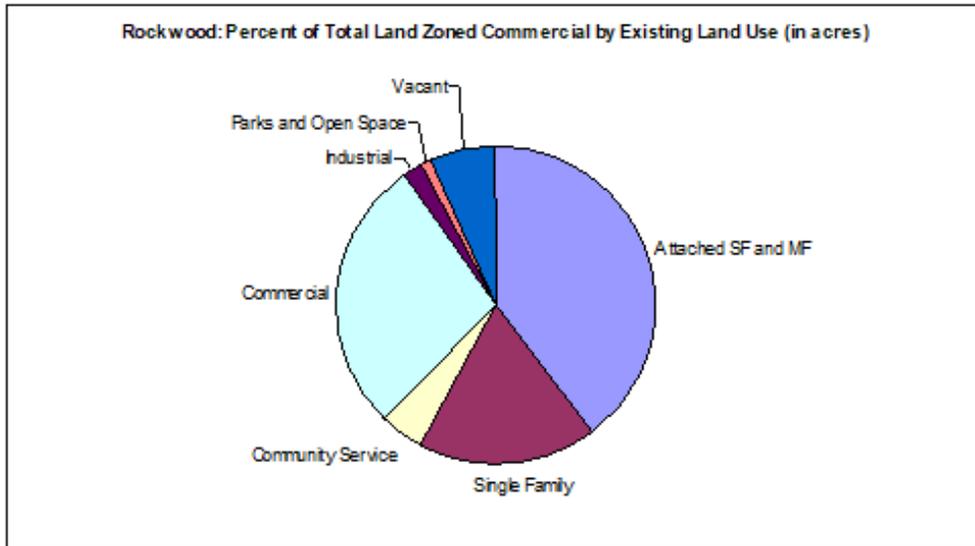


Figure 1: Rockwood

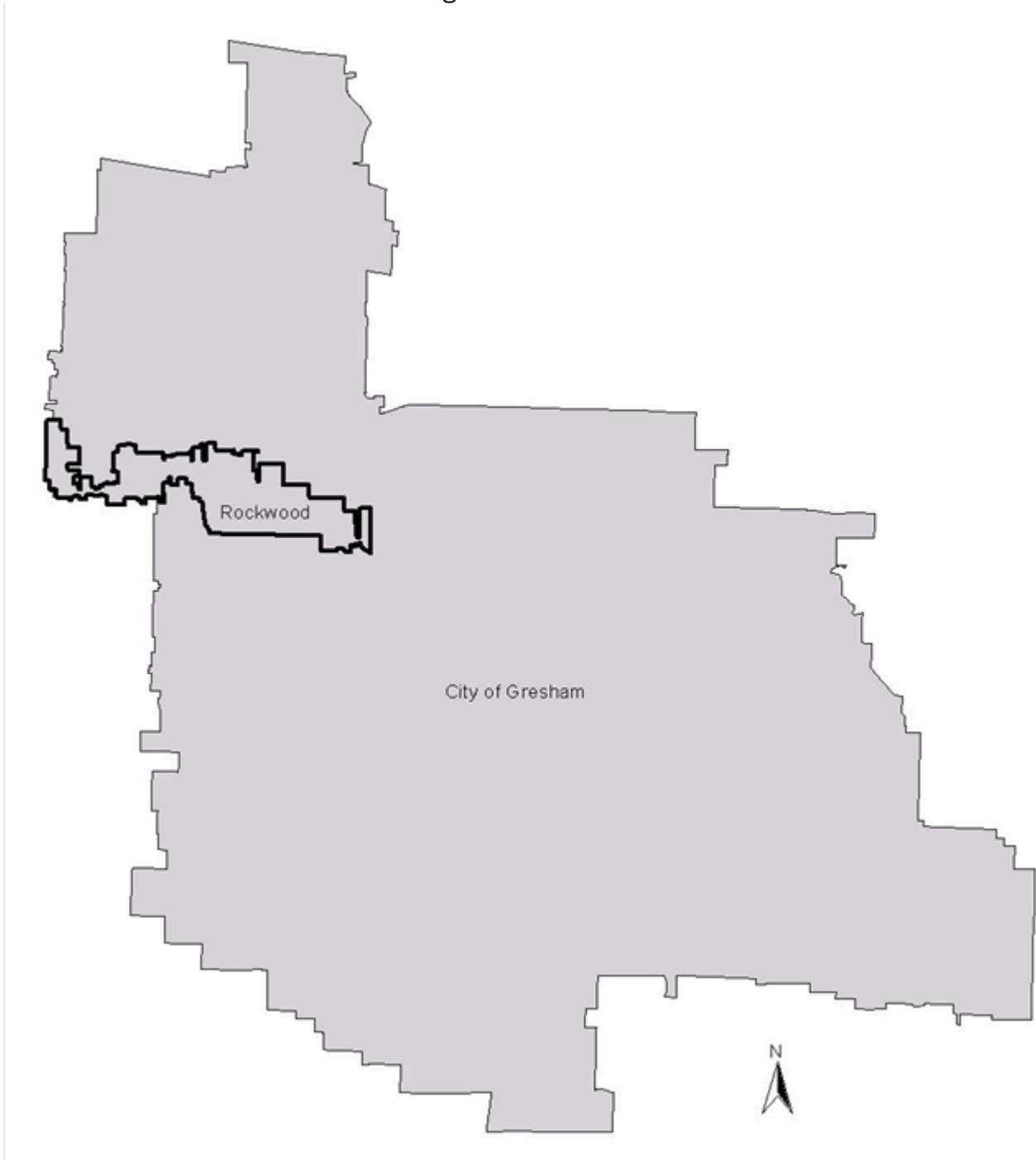


Figure 2. Rockwood Commercial Zoned Land

Figure 2:

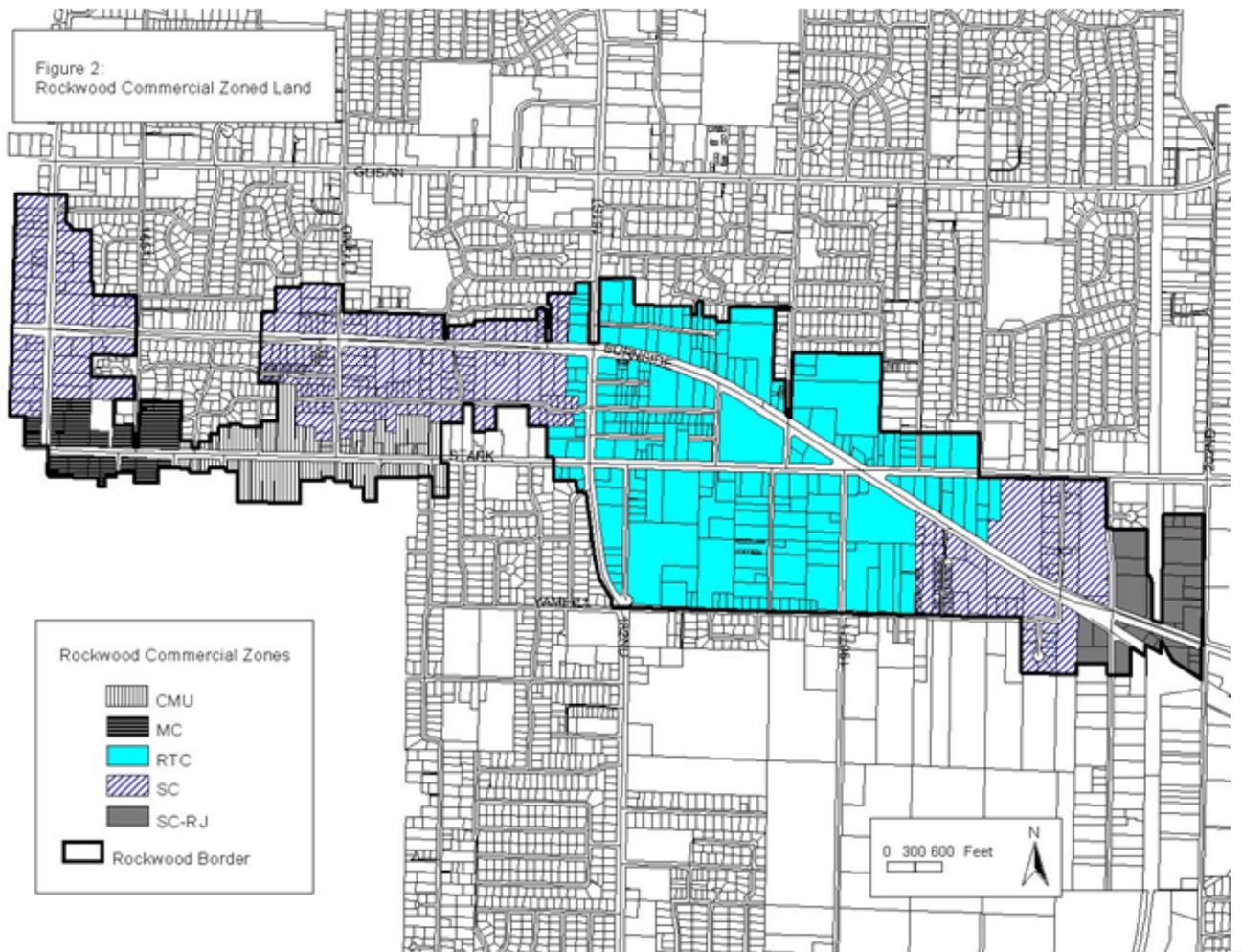


Figure 3. Rockwood Developed Commercial Land

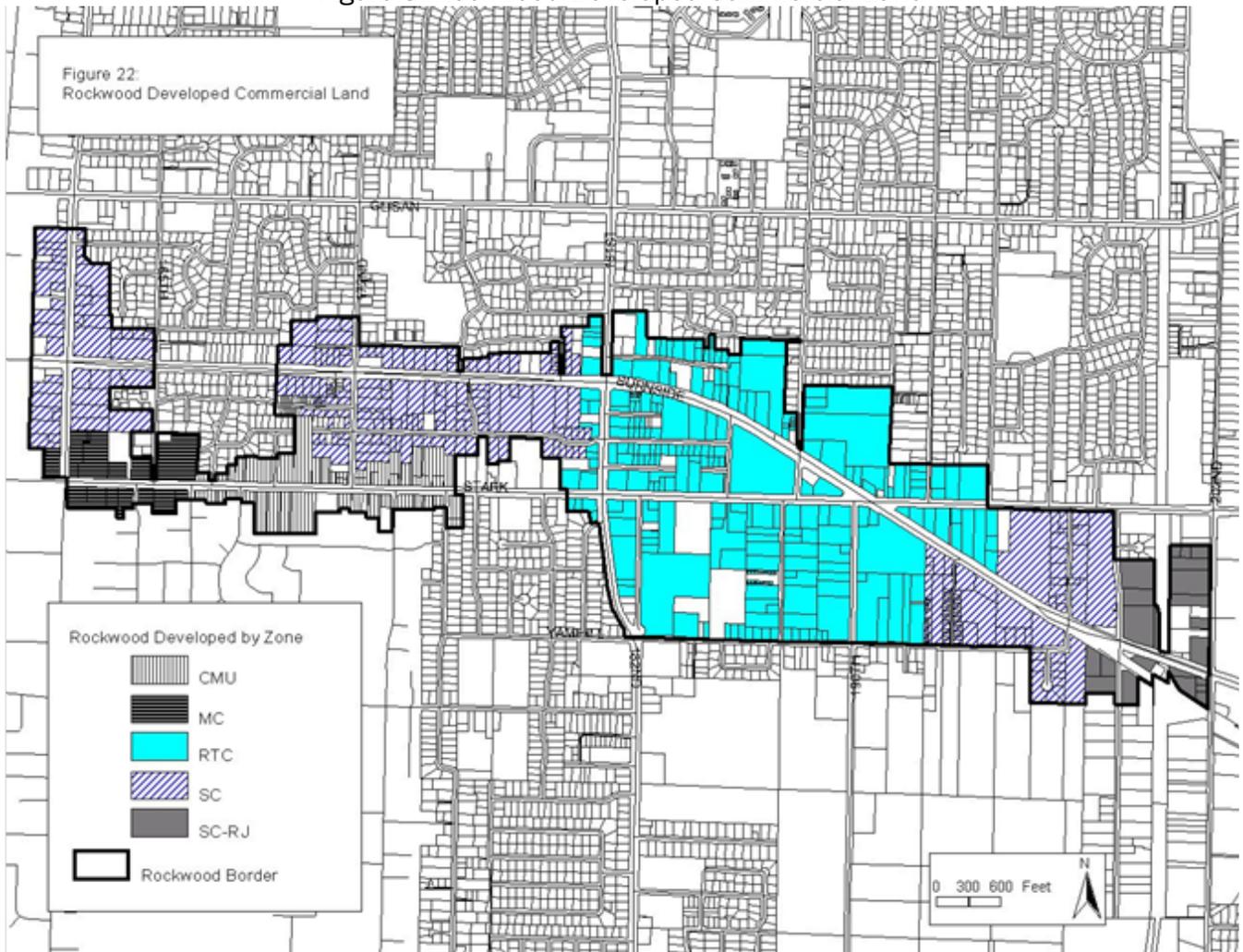


Figure 4: Rockwood Constrained Commercial Land

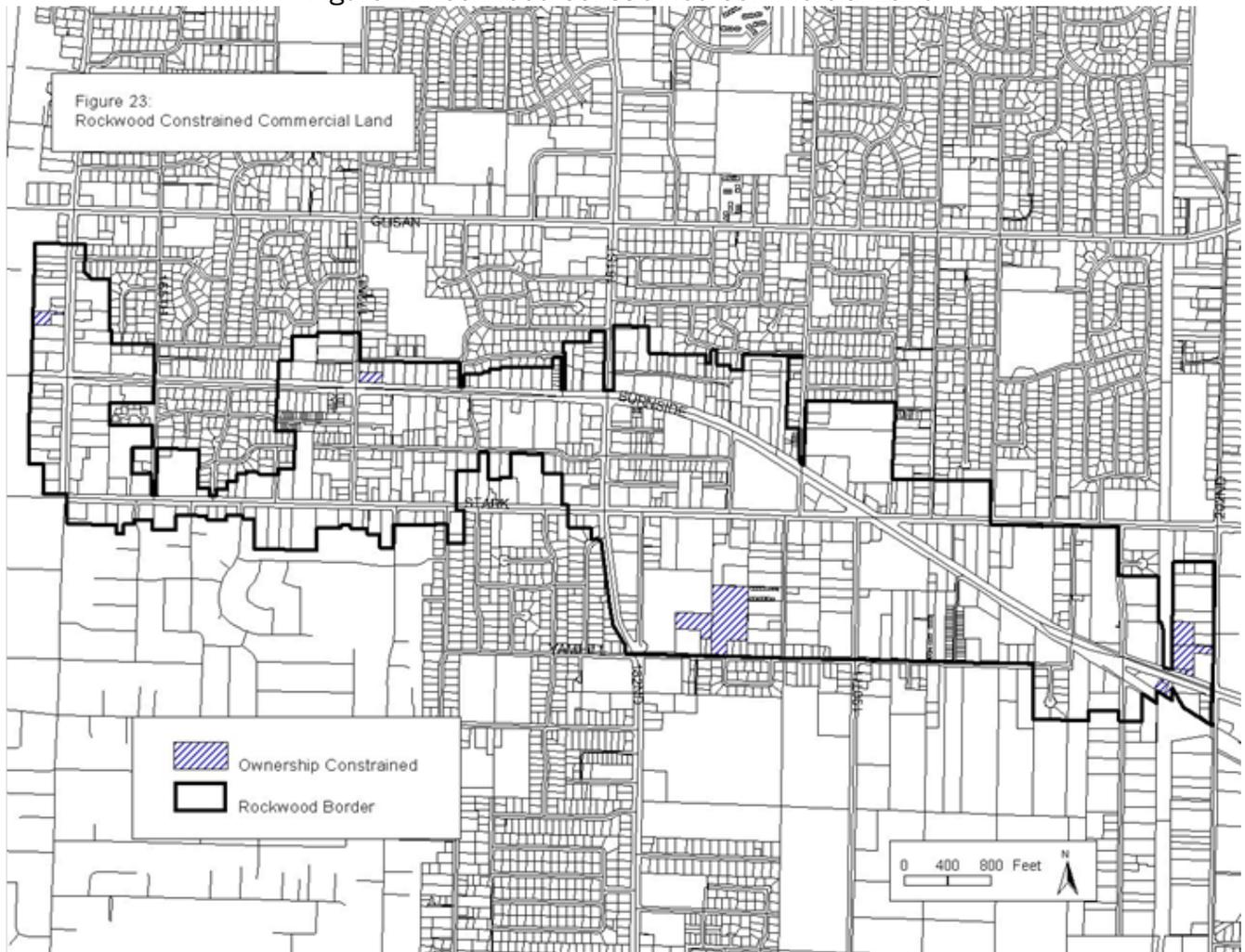


Figure 5. Rockwood Vacant Unconstrained, Underutilized Part Parcels and Underutilized Nonconforming Land Use

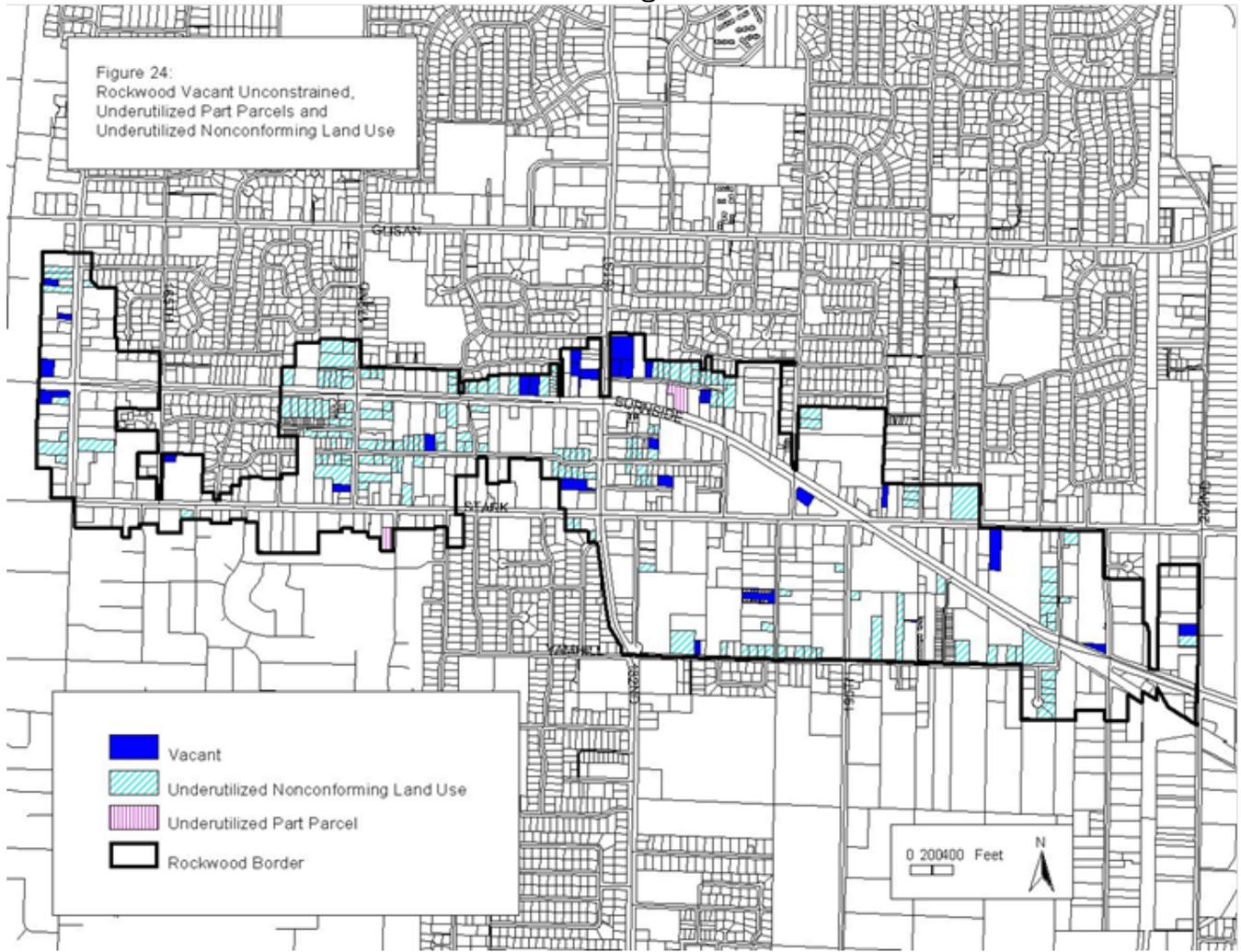
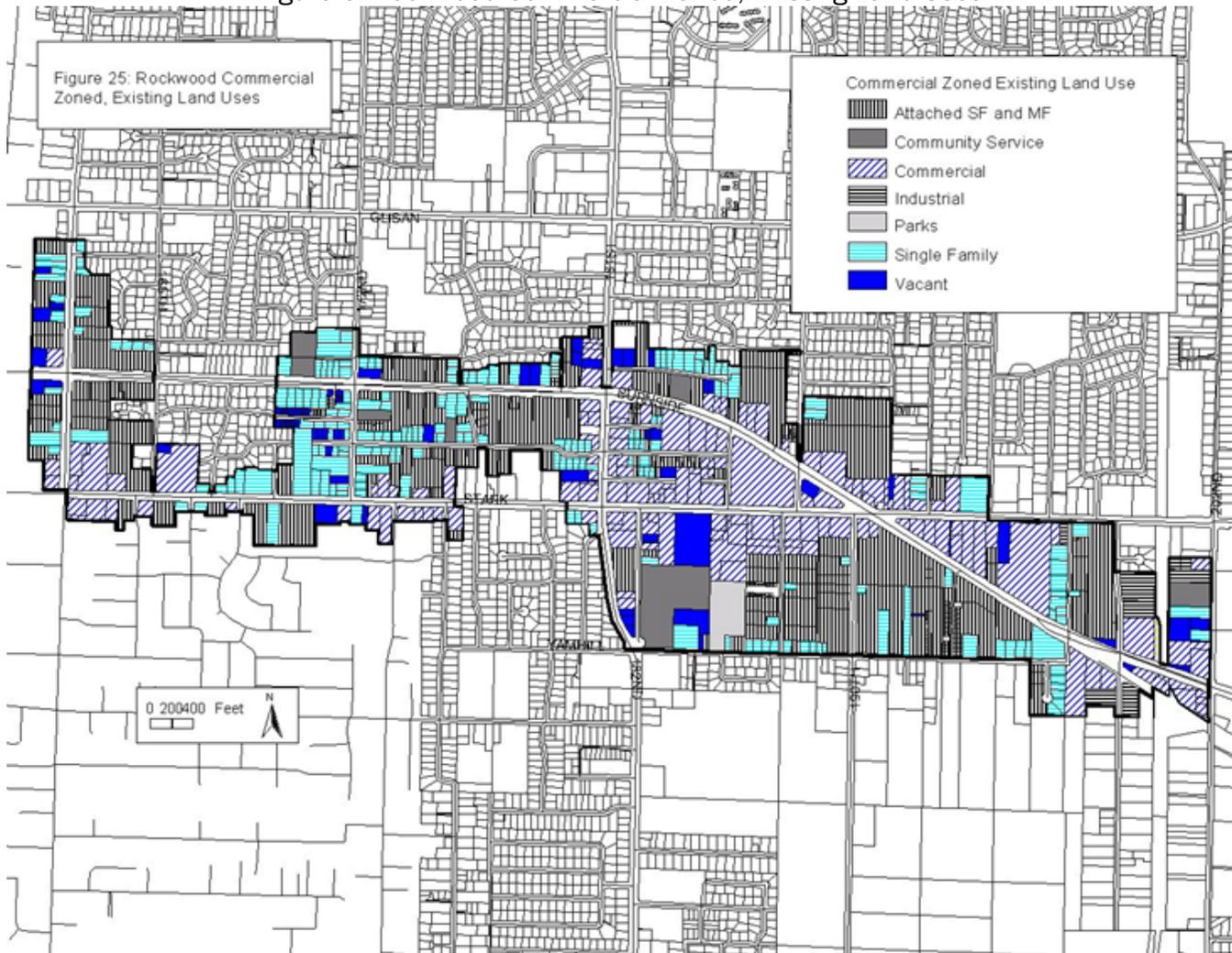


Figure 6. Rockwood Commercial Zoned, Existing Land Uses



## Summary

Rockwood is a key component of plans prepared by the City of Gresham and Metro. The future vision for the area as a Town Center depends on the efficient utilization of the remaining vacant land and redevelopment of existing underutilized sites. Over the past several years, the Rockwood area has continued to add residential units (mostly multi-family) but has not seen significant new commercial construction or redevelopment. Moreover, a number of commercial buildings have become vacant as a result of businesses that have left the community. Most of Rockwood's commercial zoned land is developed but a significant amount of it is underutilized. The underutilized commercial zoned sites are typically those occupied by single-family residences and those with vacant or older buildings. Any comprehensive strategy for the revitalization of Rockwood must involve substantial redevelopment of these sites. The Rockwood–West Gresham Renewal Plan and similar efforts are important steps in this direction.

## DOWNTOWN

### Existing Land Use Pattern

The downtown district is located in the heart of Gresham, bordered on the north side by Burnside Road, to the south by Division, on the west by Eastman Parkway and on the east by Hogan Road.

Downtown has served as the geographic, political, economic and cultural center of Gresham for over one hundred years. The origins of this traditional commercial core go back to the 1880s. Due to its long history, the core is distinctive in its appearance and function and is still characterized by traditional “storefront” buildings placed close to the sidewalk. Outside of the historic core, the downtown area has a mix of residential, auto-oriented commercial and industrial land uses. The MAX light rail system (constructed in the 1980s) has its easterly terminus in downtown Gresham where there are three light rail stations.

Downtown has a relatively small land area in relation to the size of Gresham. The land area of downtown is approximately 295 acres in size, representing 2.4 percent of the total city land area. Downtown has an almost equal mix of single-family (23%), retail (23%) and service (24%) land uses. Multi-family uses comprise 4% of the land area. The area also has a number of community service uses and a large community park. The strong balance of different complementary land uses in downtown in close proximity to one another supports the pedestrian orientation of the area. The variety of complementary land uses also supports the long-term economic health of the commercial and residential areas.

A number of projects constructed in recent years have added new housing and commercial services to downtown, which enhance the transit oriented and mixed-use objectives that the City has for this area. These include a large multi-family housing project near one of the light rail stations, a row house project just north of the historic core and three mixed-use projects containing commercial space. The recently constructed mixed-use projects are the following:

- **TriMet Parking Garage** - TriMet opened its first structured public parking garage in 1996 at Eighth and Kelly, near the MAX light rail line, at a cost of \$3.8 million. The garage contains 550 auto parking spaces and 50 bicycle parking spaces, as well as 8,000 sq. ft. of ground floor retail.
- **Central Point** - The Central Point transit-oriented mixed-use development consists of 3060 sq. ft. of ground floor commercial space with 22 residential rental units on the second, third, and penthouse floors. The primary objective of a transit-oriented development is to provide convenient alternatives to the automobile, allowing developments to reduce parking ratios and maximize the efficiency of the land use. These residential units are within walking distance to the light rail station, as well as convenient shopping in the Downtown area. Central Point was granted a 10-year property tax exemption.

- **The Kohler Building** - Kohler Properties, Inc. constructed this 2-story, 15,000 sq. ft. mixed-use building with retail space on the first floor and professional office space on the second floor. The character of the building's design elements provides a pedestrian scale streetscape with connections to the personality of older downtown storefronts.

Community service uses account for 10 percent of the land area in downtown and play a key role in the land use mix. A twelve-acre community park accounts for 4 percent of the downtown land area. Existing community service buildings include a large public library, the historical society, and several churches. Recent projects have included the construction of a high school for special needs teenagers and the East Multnomah County Health, Aging and Disability Services facility. The latter is a large three story building located near one of the downtown light rail stations.

Retail and service uses account for almost half of the land area in downtown. In the historic core these uses occupy small scale, pedestrian oriented buildings. The perimeter of the downtown area is characterized by auto-oriented commercial uses lining wide arterial roadways. The pedestrian orientation of the historic core and the vehicular orientation of the perimeter land uses result in significant character differences in downtown.

The light rail tracks cut diagonally through downtown just north of the historic core area. The light rail tracks are lined with storage buildings, light industrial uses, vacant property and utility yards which indicate that this land may be underutilized. Industrial and utility related land uses occupy 12 acres of the downtown (4% of the total land area). Most of this land is located along the light rail tracks. This land may be subject to redevelopment in the future as downtown continues to become more transit and pedestrian friendly.

Some opportunities still exist for new commercial development/redevelopment in downtown. Approximately 32 acres of commercial zoned land in downtown is vacant (unconstrained), partially vacant or occupied by a non-conforming use. This is approximately 12 percent of the downtown commercial zoned land. The land is scattered throughout downtown and is more prevalent in interior locations.

## Planning Program Overview

The City of Gresham established a vision for the downtown area with the *Gresham 2020 Vision Plan*. This vision calls for more residential density and compact commercial development to support transit and utilize land and services more efficiently. The *Gresham Downtown Plan* was adopted in 1995 and changes were made to the development code to implement this vision.

As originally adopted, the *Gresham Downtown Plan* creates a new zoning scheme for the area, with new districts that differ significantly from previous zoning. "Mixed-use" developments, (mixing residential and commercial uses) are permitted and encouraged throughout the downtown area. Such mixes occur on a single development site, or even within the same building. Likewise, residential and commercial uses might locate adjacent to one another on separate sites. This mixing of uses, along with design practices that increase the comfort of pedestrians, are key elements of the plan.

Equally important is a strong orientation to light rail transit. The plan encourages the highest development densities within walking distance of the downtown area's two MAX stations. These measures are intended to create a more urban environment, resulting in a lively district where people live, work, shop and recreate. The plan also proposes a number of public facilities. Some of these, such as a new MAX station on Main Avenue, and a light rail loop through the downtown core, would need to be programmed and constructed by other public agencies. Other projects, including proposed future parks, gateways, streets, and a town square, will be provided over time by the City. Follow-up actions, using such tools as the city Capital Improvements Program and the Parks Master Plan, will be used to actually put these facilities in place.

In order to implement the 1995 *Gresham Downtown Plan* six zoning districts were established: Central Urban Core (CUC); Downtown Transit (DT); Downtown General Commercial (DC-1), Downtown Moderate Commercial (DC-2), Downtown Low-Density Residential (DR-12) and Downtown Moderate-Density Residential (DR-30). All of the sub-districts are distinguished by emphasis on primary uses and intensity of development. These sub-districts are designed to work together to result in a lively, prosperous downtown which serves as an attractive place to live, work, shop, and recreate with less reliance on the automobile than might be found elsewhere in the community. They are described individually in the following section.

In addition to being important to the City of Gresham, the downtown area is considered an important component in plans for the larger Portland metropolitan area. In 1994, Metro adopted the *Region 2040 Vision* plan that designates downtown Gresham, along with the Civic Neighborhood area, as a "Regional Center." It is only one of seven regional centers in the region. This regional vision indicates that the Gresham regional center would eventually become an "area of mixed residential and commercial use that serves hundreds of thousands of people and is easily accessible by different types of transit."

The 1995 Gresham Downtown Plan supports the Metro 2040 goal of creating a transit oriented mixed residential and commercial area. The downtown plan also supports the objectives of the *Gresham 2020 Vision* to strengthen the core by increasing densities, supporting transit and attracting visitors.

## Summary of Downtown Commercial Districts

Listed below are the commercial plan (zoning) districts found in the downtown area of Gresham and a brief description of the kinds of land uses that are allowed in each district.

### Central Urban Core (CUC)

This sub-district encompasses the existing core area. It is centered on N. Main Ave., but also extends eastward and westward along Powell Blvd. to allow for expansion of this village commercial environment. Primary uses permitted in the CUC are retail commercial, services, and office uses. Mixed-use developments, dwellings located above or behind commercial uses, single-family attached dwellings, and various institutional uses (e.g., library, public meeting halls, churches, government

facilities) are also permitted. The scale and character of new development is intended to be similar to the existing, traditional "Main Street" environment. These include two-story to four-story buildings placed close to sidewalks, with parking lots behind or to the side of buildings. The CUC district requires a floor area to site area ratio (FAR) of .35:1 and a minimum building height of two stories.

### **Downtown Transit (DT)**

This designation affects land around existing and future light rail stations in the downtown area. Primary uses permitted include office buildings, retail, and service uses. Also permitted are mixed-use developments and housing at a minimum density of 24 units per acre and with no maximum density. Larger buildings are encouraged in these areas, with parking under, behind, or to the sides of buildings. The DT district requires a floor area to site area ratio (FAR) of .6:1 and a minimum building height of two stories.

### **Downtown General Commercial (DC-1)**

This designation applies to certain properties around the perimeter of the downtown area, anticipating that these areas will continue to accommodate primarily auto-oriented commercial businesses. However, very large-scale new commercial uses are not permitted. Mixed-use developments and attached dwellings are also permitted, at densities up to 30 units per acre. There are no FAR or minimum building height requirements.

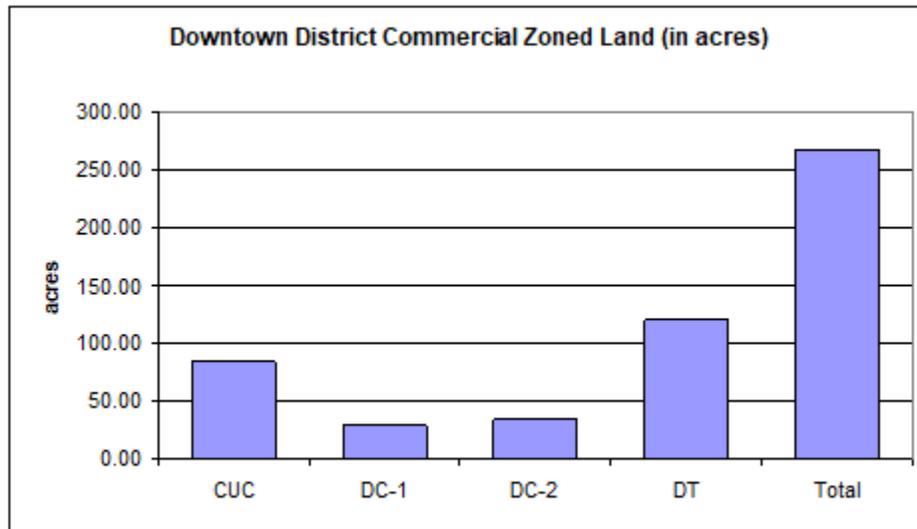
### **Downtown Moderate Commercial (DC-2)**

This designation applies to portions of the perimeter of the downtown area where moderate and smaller scale businesses, with an orientation to abutting arterial streets, are the dominant use. This sub-district also permits mixed-use developments and attached dwellings at densities up to 30 units per acre. To maintain and enhance the existing character of this area, there are limits on the size of new buildings and the extent of outdoor commercial uses. New businesses in this sub-district are encouraged to orient themselves not only to abutting arterials, but also to adjacent neighborhoods within the Downtown Plan District. There are no FAR or minimum building height requirements.

### **Inventory of Commercial Zoned Land**

The downtown district has approximately 270 acres that are zoned for commercial use (**shown on Figure 8**). Most of the commercial land is found within the downtown transit (DT) district zone. DT zoning affects land that is located near already existing or future planned light rail stations. The Metropolitan Area Express (MAX) light rail runs east/west through the downtown district. Land in the downtown district that is zoned for commercial use is as follows:

Downtown Commercial Zoned Land		
Zone	Number of Parcels	Acres
CUC	250	84.76
DC-1	11	29.60
DC-2	108	34.29
DT	263	119.55
<b>Total</b>	<b>632</b>	<b>268.20</b>



Two hundred and eighteen acres of commercial land in the downtown district is already developed (shown on Figure 9), representing approximately 81% of all commercial zoned land.

Vacant commercial land inside the downtown district has land that is subject to constraints (shown on Figure 10) limiting its capacity for immediate development. Environmental factors, primarily water features, that constrain land in the downtown district include:

Downtown Environmental Constrained Commercial Land		
Zone	Number of Parcels	Acres
CUC	17	7.23
DC-2	2	0.07
<b>Total</b>	<b>19</b>	<b>7.30</b>

Downtown district land is further constrained by ownership:

**Downtown Ownership Constrained Commercial Land**

Zone	Number of Parcels	Acres
CUC	20	9.00
DC-1	1	0.08
DC-2	1	0.19
DT	20	19.07
<b>Total</b>	<b>42</b>	<b>28.34</b>

There is no commercial zoned land that is constrained because of inadequate public facilities.

The downtown district currently has approximately 32 acres of land that is either categorized as vacant unconstrained, underutilized part parcel or underutilized by a nonconforming land use (**all shown on Figure 11**). Land that is vacant and unconstrained accounts for about 10 acres.

**Downtown Vacant Unconstrained Commercial Land**

Zone	Number of Parcels	Acres
CUC	10	1.83
DC-1	1	0.04
DC-2	20	2.25
DT	14	6.01
<b>Total</b>	<b>45</b>	<b>10.14</b>

Underutilized part parcels are those currently built on but with unused (vacant) portions over 0.5 acres. They represent approximately 2 acres in the downtown district.

**Downtown Underutilized Part Parcels Commercial Land**

Zone	Number of Parcels	Acres
CUC	2	1.50
DT	1	0.63
<b>Total</b>	<b>3</b>	<b>2.13</b>

Parcels that are underutilized due to a nonconforming land use include approximately 19 acres of land and all are nonconforming due to single-family dwellings built on commercial zoned parcels.

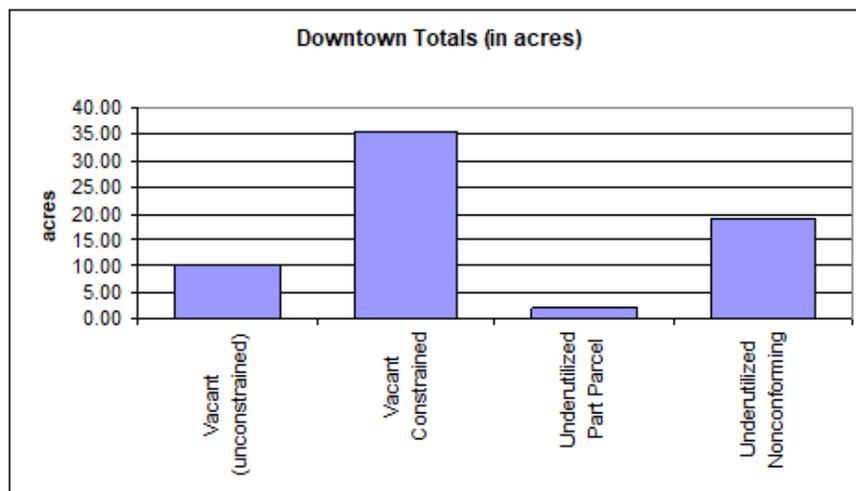
Downtown underutilized by a Nonconforming Land Use Commercial Land

Zone	Number of Parcels	Acres
CUC	25	5.70
DC-2	9	1.20
DT	53	12.39
<b>Total</b>	<b>87</b>	<b>19.29</b>

Downtown vacant unconstrained, vacant constrained, underutilized part parcels and underutilized by a nonconforming land use totals are as follows:

Downtown Totals (in acres)

Zone	Vacant (unconstrained)	Vacant Constrained	Underutilized Part Parcel	Underutilized Nonconforming
CUC	1.83	16.23	1.5	5.70
DC-1	0.04	0.08	0	0
DC-2	2.25	0.26	0	1.20
DT	6.01	19.07	0.63	12.39
<b>Total</b>	<b>10.14</b>	<b>35.64</b>	<b>2.13</b>	<b>19.29</b>



Existing land use on land zoned for commercial in the downtown area (shown on Figure 12) was also determined as part of the commercial land analysis. Most of the commercial zoned land (41%) in the downtown district does have an existing commercial use currently on it. The community services land use category has the next greatest amount of land in it, representing 22% of commercial zoned land. A full breakdown of existing land use in commercial zones is as follows:

Downtown Commercial Zones Existing Land use

	Acres	Percent of Total
Attached SF and Multi-Family	24.41	9.10
Single Family	19.90	7.42
Community Service	59.38	22.14
Commercial	111.67	41.64
Industrial	10.40	3.88
Parks and Open Space	18.17	6.78
Vacant (includes constrained and unconstrained)	24.27	9.05
<b>Total</b>	<b>268.20</b>	

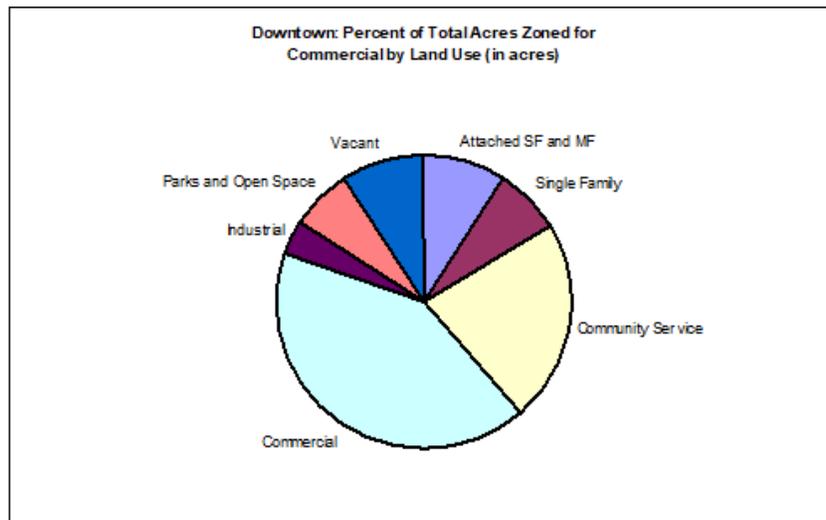


Figure 7: Downtown



Figure 8: Downtown Commercial Zoned Land

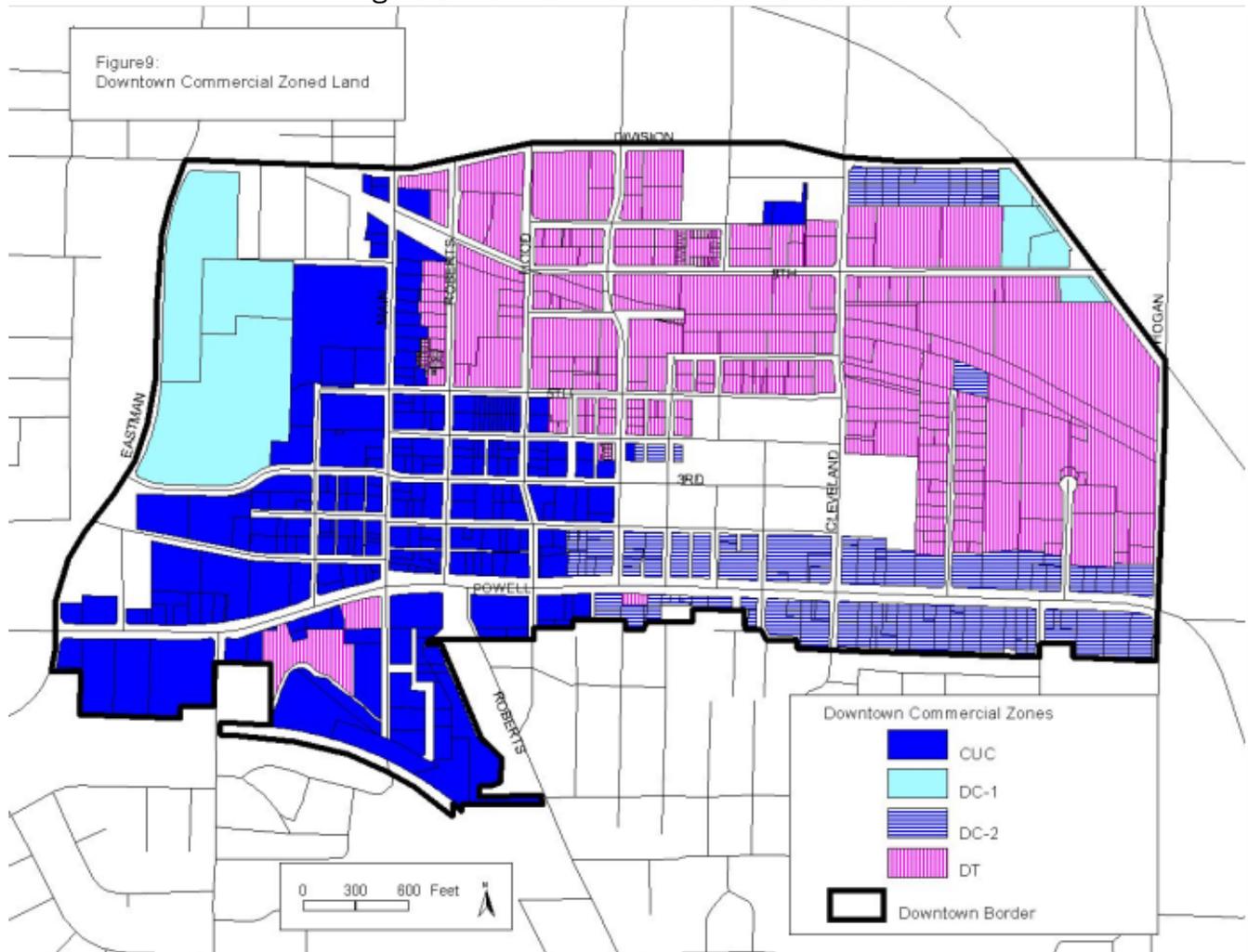


Figure 9: Downtown Developed Commercial Land

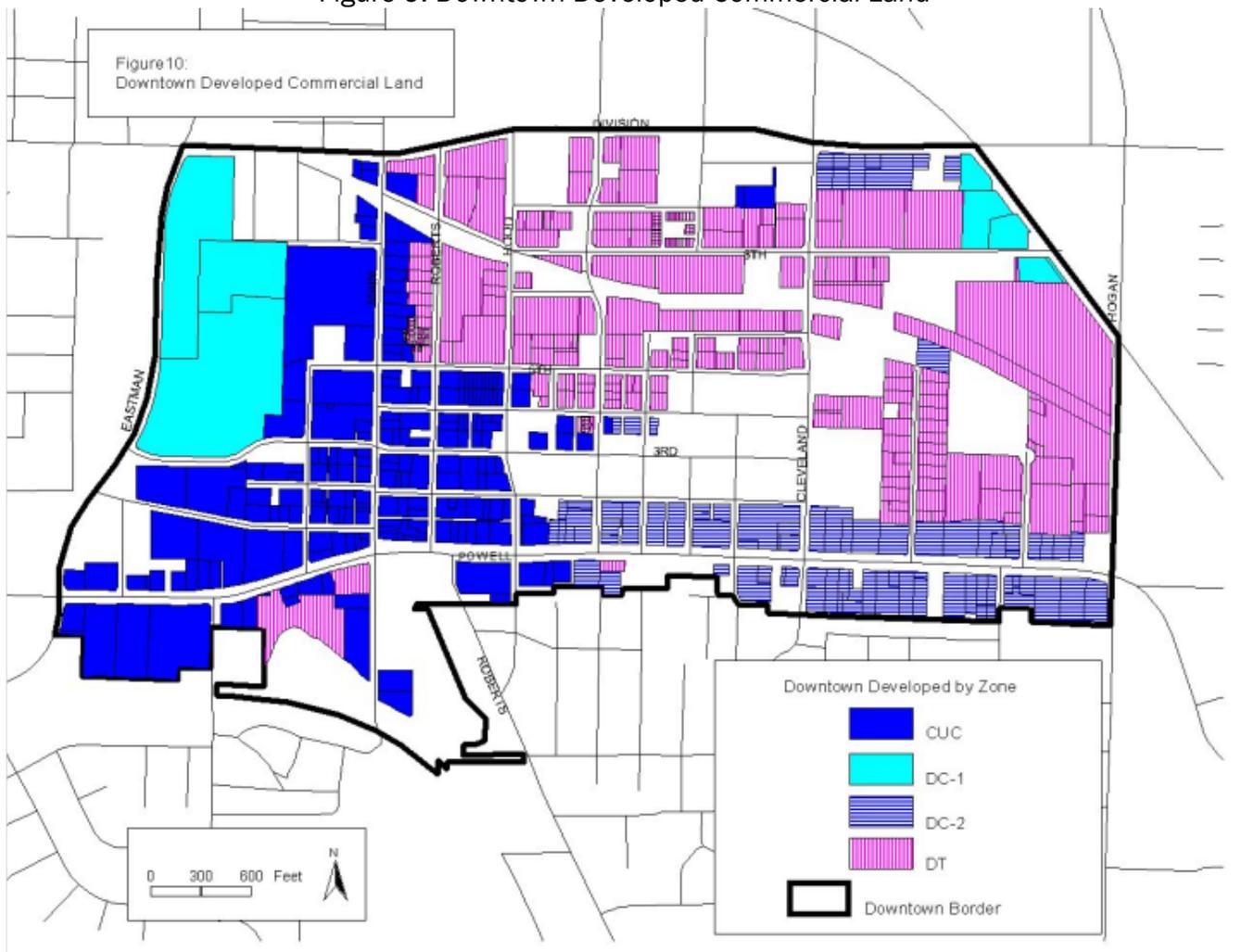


Figure 10: Downtown Constrained Commercial Land

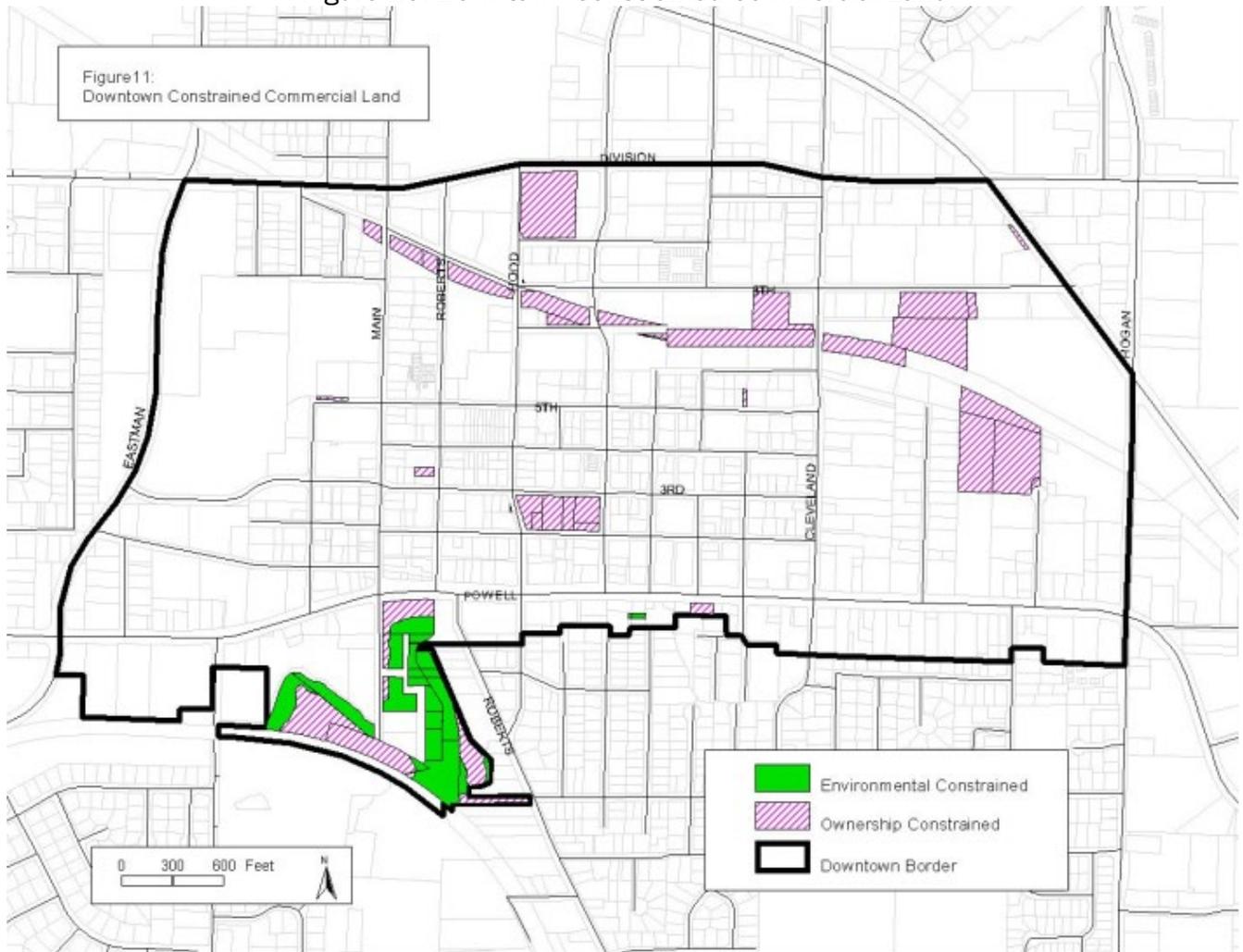


Figure 11: Vacant Unconstrained, Underutilized Part Parcel and Underutilized Nonconforming Land Use

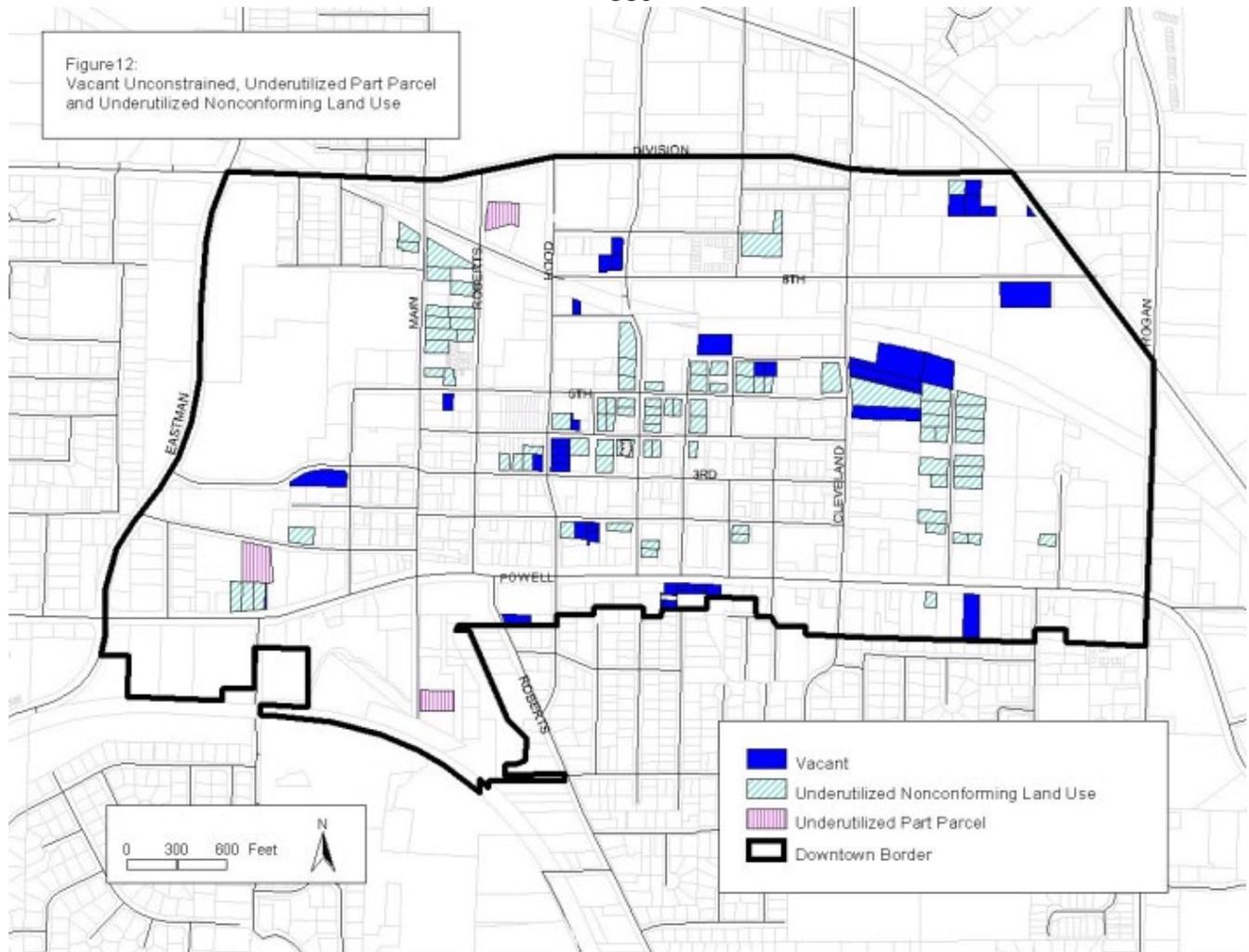
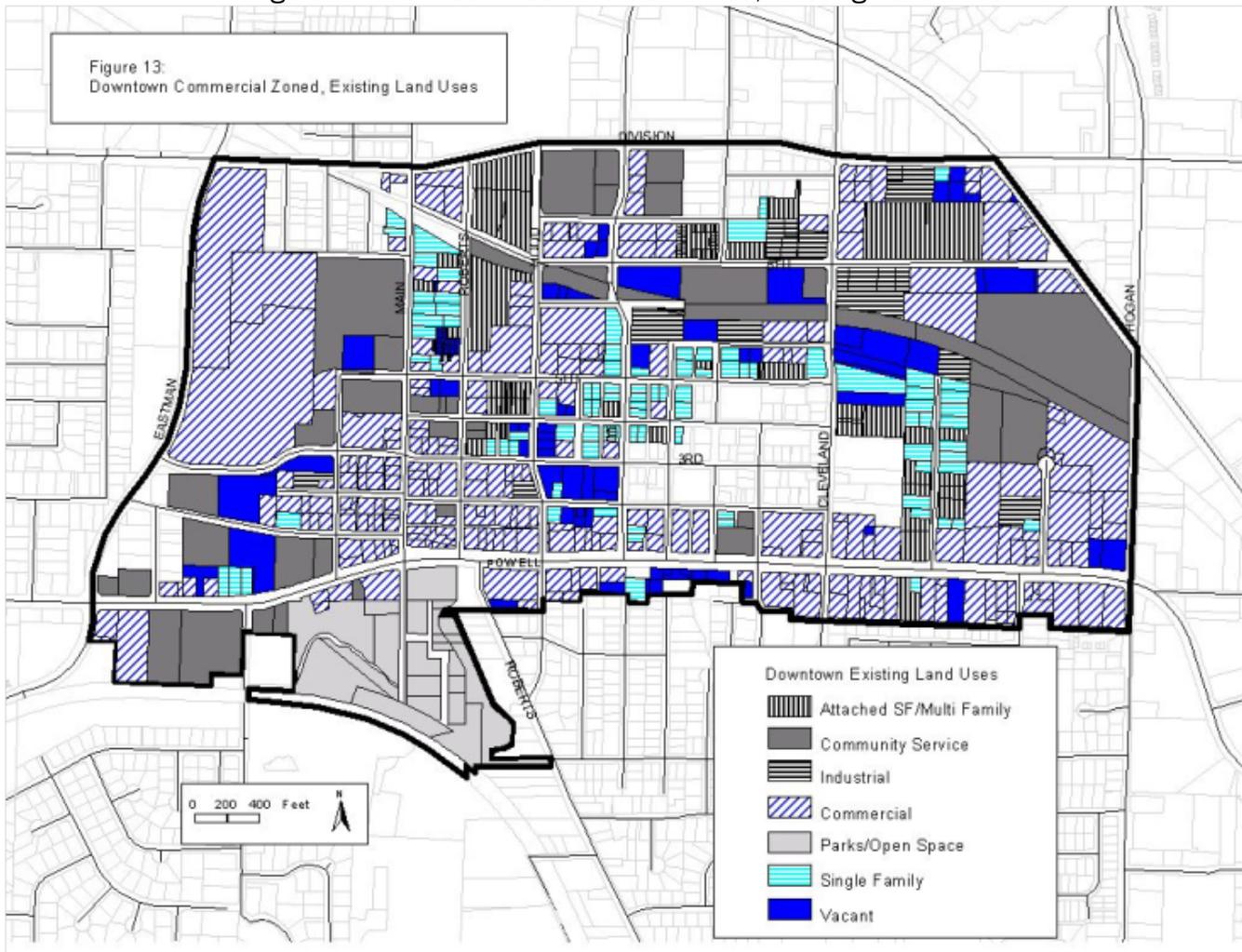


Figure 12: Downtown Commercial Zoned, Existing Land Uses



### Summary

Downtown Gresham continues to be an active center of business and community services. In recent years a number of important transit supportive mixed-use projects have been constructed that added commercial services. These projects and recent residential developments are helping to carry out the *Gresham 2020 Vision* for the downtown area as well as the *1995 Downtown Plan*.

The land use inventory also indicates the challenges and opportunities that influence the ability of downtown to accomplish certain land use objectives. Downtown has some developable vacant land that could be developed. Land along the light rail line could be more effectively used for transit supportive uses. The contrast between the pedestrian oriented development in the historic core and the vehicular oriented development along perimeter arterial roadways may need to be resolved. The linkages between the light rail stations and the historic commercial core could also be enhanced.



The Civic Neighborhood plan optimizes the present capital investment in rapid transit, including the recent double tracking of the MAX light rail system, thereby greatly increasing the economic feasibility of constructing a new transit station. The center and heart of this new neighborhood will be a new MAX station and its companion plaza located at the inter-section of the line and the newly constructed Civic Drive. The station and plaza still remain as priorities for funding and development.

In addition to the plan's land use and transportation elements, Gresham also crafted innovative financing tools to spur implementation of the Civic Neighborhood Plan, including applying regional funds, reinvesting site development fees and offering tax abatement on high density residential projects that include public/private amenities such as pedestrian paths or public plazas.

The first major element to be constructed in the Civic Neighborhood was a central north-south collector street (Division to Burnside) known as Civic Drive. This public infrastructure spurred on a large mixed-use commercial development along Division Street, known as Gresham Station. This mixed-use development is a result of a long-term public/private partnership agreement and cooperation between City officials, TriMet, landowners, and developers.

The Civic Neighborhood development is projected to be completed within 10 years.

- Phase I (south of light rail line) by 2005:
  - 332,000 square feet of shopping and other retail
  - 97,000 square feet of office uses
  - 662 residential units
- Phase II (north of light rail line) by 2010:
  - 332,000 square feet of shopping and other retail
  - 309,000 square feet of office uses
  - 885 residential units

Phase I is largely completed with its major component being the Gresham Station commercial center. Gresham Station opened in 2000 and contains 320,000 sq. ft. of retail space with 677 employees. It has 47 tenants including a QFC grocery store, Borders Books, Old Navy, Red Robin and Baja Fresh restaurants, Blockbuster video store, Eddie Bauer, and Bed Bath & Beyond.

## Planning Program Overview

The Gresham Civic Neighborhood Plan District, adopted in 1995, sets the framework for a transit oriented urban development form in the City's core area. In 1996 it received the American Planning Association's Award for outstanding achievement in planning. It, along with the adjacent downtown area, comprise Gresham's Regional Center, as shown on Metro's *Region 2040 Vision* plan. The plan envisions three key features around which the development will be arranged: a new MAX light rail station; a civic plaza; and a major north-south main street named "Civic Drive" (constructed in 2000).

The Gresham Civic Neighborhood Plan District was conceived as an extension of the Downtown Plan District. It seeks to complement the established surrounding community. The Plan District is to become a mixed-use, transit centered neighborhood that includes uses and features associated with the center of the City. It will embody civic qualities and is intended to inspire a sense of civic pride in those who use it.

In order to accomplish these purposes, four land use sub-districts are designated exclusively within the boundaries of the Civic Neighborhood Plan District. All of the sub-districts permit commercial, residential, and mixed-use developments. The sub-districts are distinguished by differences in emphasis on primary uses and intensity of development. The four land use sub-districts are designed to work together to result in a lively, prosperous neighborhood that serves as an attractive place to live, work, shop, and recreate with less reliance on the automobile than is typical elsewhere in the community. They are described in the following section.

In addition to the four sub-districts, the Civic Neighborhood plan district has special design standards and other requirements. These include architectural design standards that prohibit extensive blank walls, control the location and design of building entries, limit drive-through windows, and regulate exterior building materials and the design of windows. Also, the district plan incorporates a street plan with design standards that are intended to support transit usage and a pedestrian oriented neighborhood. The street plan shows the location and classifications (types) of future streets and the design standards address pavement and sidewalk widths, bike paths and landscaping.

## **Summary of Civic Neighborhood Districts**

Listed below are the Civic Neighborhood plan (zoning) districts and a summary of their allowed uses. All of them allow commercial development to some extent.

### **Transit Development District – Medium Density – Civic (TDM-C)**

This designation affects land in the Civic Neighborhood which has good access both to existing and future light rail stations and to abutting arterial streets. Primary uses permitted include commercial, retail, and service uses occupying the ground floor area and all or a portion of the second story. Also permitted are mixed-use and multi-family developments with a minimum density of 24 units per acre. Larger buildings are encouraged in these areas, with parking under, behind, or to the sides of buildings. TDM-C has a minimum building height requirement of 22 ft. and a minimum floor area to site area ratio (FAR) of .4:1 (south of MAX) and .6:1 (north of MAX).

### **Transit Development District – High Density – Civic (TDH-C)**

This designation affects land around existing and future light rail stations in the Civic Neighborhood area. Primary uses permitted include office buildings, retail, and service uses. Also permitted are mixed-use developments and multi-family residential at a minimum density of 30 units per acre. Larger buildings are encouraged in these areas, with parking under, behind, or to the sides of buildings.

Freestanding retail uses are allowed up to 10,000 square feet of floor area. TDH-C has a minimum building height requirement of 22 ft. and a minimum floor area to site area ratio (FAR) of 1.1:1.

### High-Density Residential – Civic (HDR-C)

This designation is applied to property which is within walking distance of light rail stations, but generally somewhat farther removed from the stations than the TDH-C district. Areas designated HDR-C are high-density residential neighborhoods with a minimum of 24 units per acre. Secondary uses include neighborhood commercial uses, smaller scale offices and neighborhood parks. Small freestanding office-commercial uses are allowed within mixed-use developments, provided they do not occupy more than 50% of the residential floor area, and that minimum residential densities are met. Retail uses in freestanding buildings are not permitted, but are allowed within mixed-use buildings, provided they do not occupy more than 10,000 square feet of floor area, and that minimum residential densities are met. HDR-C has a 22 ft. minimum building height requirement but no FAR requirement.

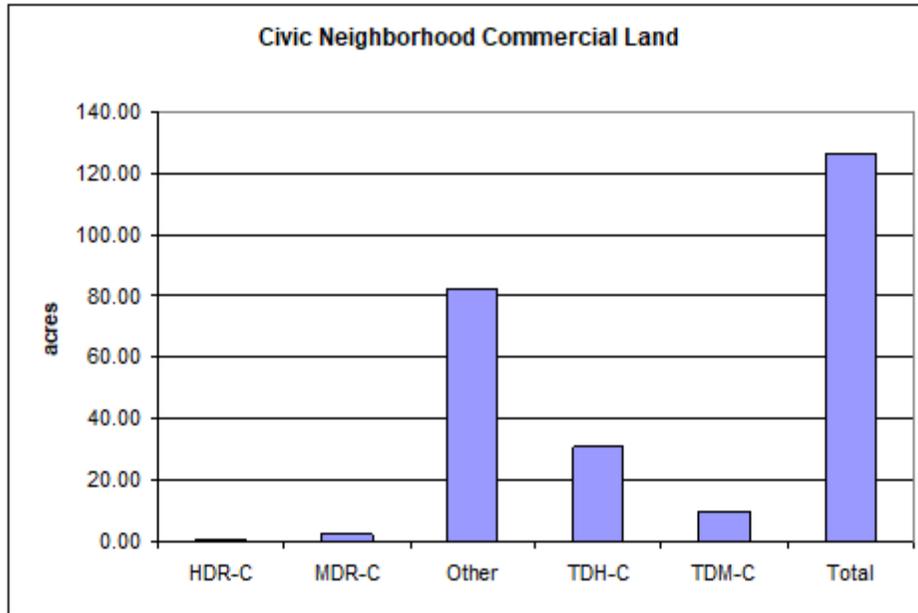
### Moderate-Density Residential – Civic (MDR-C)

This designation is applied to property which is within walking distance of light rail stations and bordering Wallula. Areas designated MDR-C are moderate-density residential uses with a minimum density of 17 units per acre. Typical forms of housing include row houses, garden apartments, condominiums, and podium apartments. Mixed-use and neighborhood-scale commercial uses are allowed to locate within residential buildings occupying up to 100% of the ground floor area provided that minimum residential densities are met. MDR-C has a 22 ft. minimum building height requirement but no FAR requirement.

## Inventory of Commercial Zoned Land

All of the Civic Neighborhood is zoned specifically with the Civic Neighborhood plan district designations. Zoning in the Civic Neighborhood consists of the TDM-C, TDH-C, HDR-C and MDR-C designations which all allow for some form of commercial development (**shown on Figure 14**). The Civic Neighborhood currently has approximately 127 acres of land that is zoned for commercial use. The breakdown of commercial zoned land is as follows:

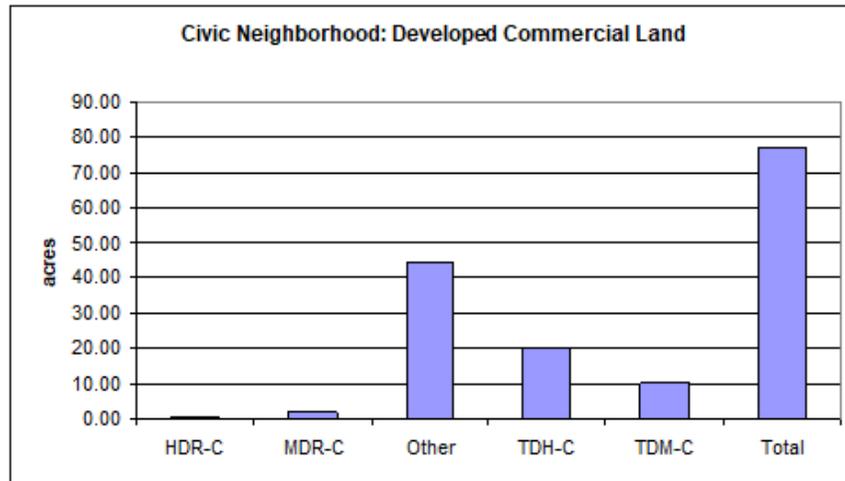
Civic Neighborhood Commercial Zoned Land		
Zone	Number of Parcels	Acres
HDR-C	22.00	0.66
MDR-C	10.00	3.04
TDH-C	14.00	30.60
TDM-C	7.00	9.71
Other	15.00	82.60
<b>Total</b>	<b>68.00</b>	<b>126.61</b>



\*Other includes parcels that are split and include two or more zoning designations per parcel. All parcels included in the “other” category are combinations of TDM-C, TDH-C, HDR-C, and MDR-C.

Commercial land inside the Civic Neighborhood that is already developed (**shown on Figure 15**) accounts for about 62% or 78 acres. A breakdown of developed commercial land is as follows:

Zone	Number of Parcels	Acres
HDR-C	20	0.60
MDR-C	9	2.54
TDH-C	9	22.15
TDM-C	6	9.63
Other	10	43.53
<b>Total</b>	<b>54</b>	<b>78.44</b>



There is only a small amount (0.031 acres) of land in the Civic Neighborhood that is constrained by environmental factors (**shown on Figure 16**). There is no land constrained by ownership or by inadequate public facilities.

No commercial zoned land in the Civic Neighborhood falls in the underutilized part parcel category. Underutilized by a nonconforming land use (**shown on Figure 17**) accounts for approximately 6.41 acres. The breakdown by zone for underutilized by non-conforming use is as follows:

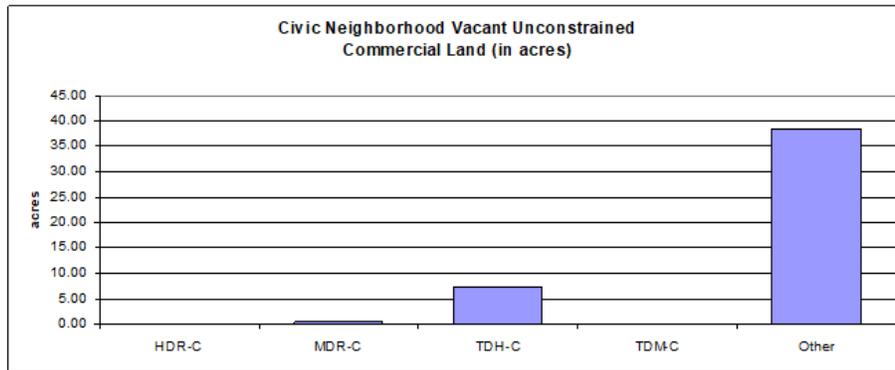
Zone	Number of Parcels	Acres
HDR-C	1	2.5
MDR-C	9	3.39
TDH-C	1	0.52
<b>Total</b>	<b>11</b>	<b>6.41</b>

All of the underutilized nonconforming parcels are due to single-family residences occupying commercial zoned properties.

Vacant unconstrained (ready to build) land in the Civic Neighborhood (**shown on Figure 17**), accounts for about 41 acres. Vacant unconstrained commercial zoned land in the Civic Neighborhood is as follows:

**Civic Neighborhood Vacant Unconstrained Commercial Land**

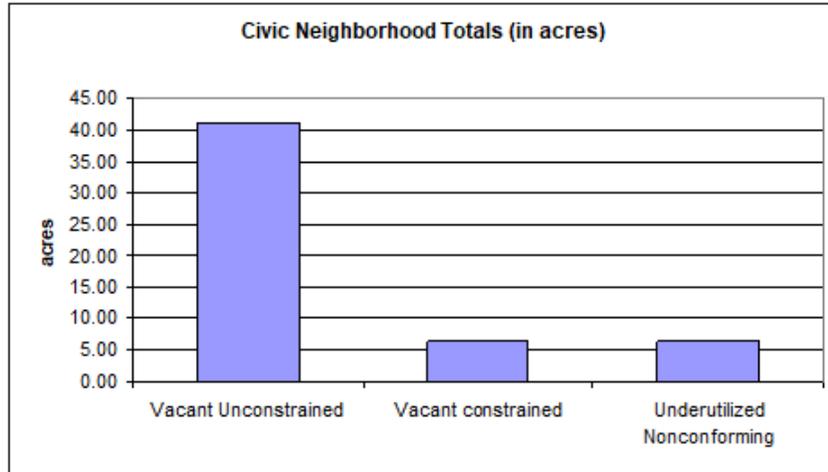
Zone	Number of Parcels	Acres
HDR-C	2	0.06
MDR-C	1	0.51
TDH-C	3	7.42
TDM-C	1	0.07
Other	5	38.49
<b>Total</b>	<b>12</b>	<b>47.55</b>



\*Other includes parcels in civic neighborhood comprised of split zoning. All are a combination of two or more zoned including: TDH-C, TDM-C, HDR-C, and MDR-C zoning.

Civic Neighborhood’s total vacant unconstrained, vacant constrained and underutilized by a nonconforming land use acre totals are as follows:

Civic Neighborhood Totals (in acres)			
Zone	Vacant Unconstrained	Vacant constrained	Underutilized Nonconforming
HDR-C	0.06	0	2.5
MDR-C	0.51	0	3.39
TDH-C	7.42	0.031	0
TDM-C	0.07	0	0.52
Other	38.49	0	0
<b>Total</b>	<b>47.55</b>	<b>0.031</b>	<b>6.41</b>



The current existing land uses in the Civic Neighborhood (**shown on Figure 18**) is mostly vacant (39%). Commercial use is the second most frequent land use, accounting for approximately 29% of commercial zoned land. Community services accounts for about 20% of all commercial zoned land. A full breakdown of the existing land uses is as follows:

Civic Neighborhood Existing Land Use

	Acres	Percent of Total
Attached SF and Multi-Family	8.36	6.60
Single Family	6.41	5.06
Community Service	25.88	20.44
Commercial	36.25	28.63
Industrial	0.00	0.00
Parks and Open Space	0.00	0.00
Vacant (includes constrained and unconstrained)	49.71	39.26
<b>Total</b>	<b>126.61</b>	

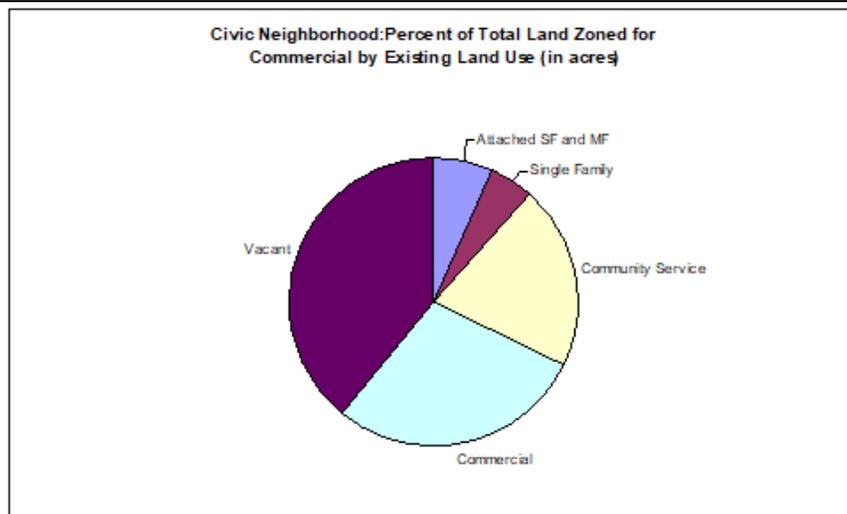


Figure 13: Civic Neighborhood District

Figure14: Civic Neighborhood District



Figure 14: Civic Neighborhood Commercial Land

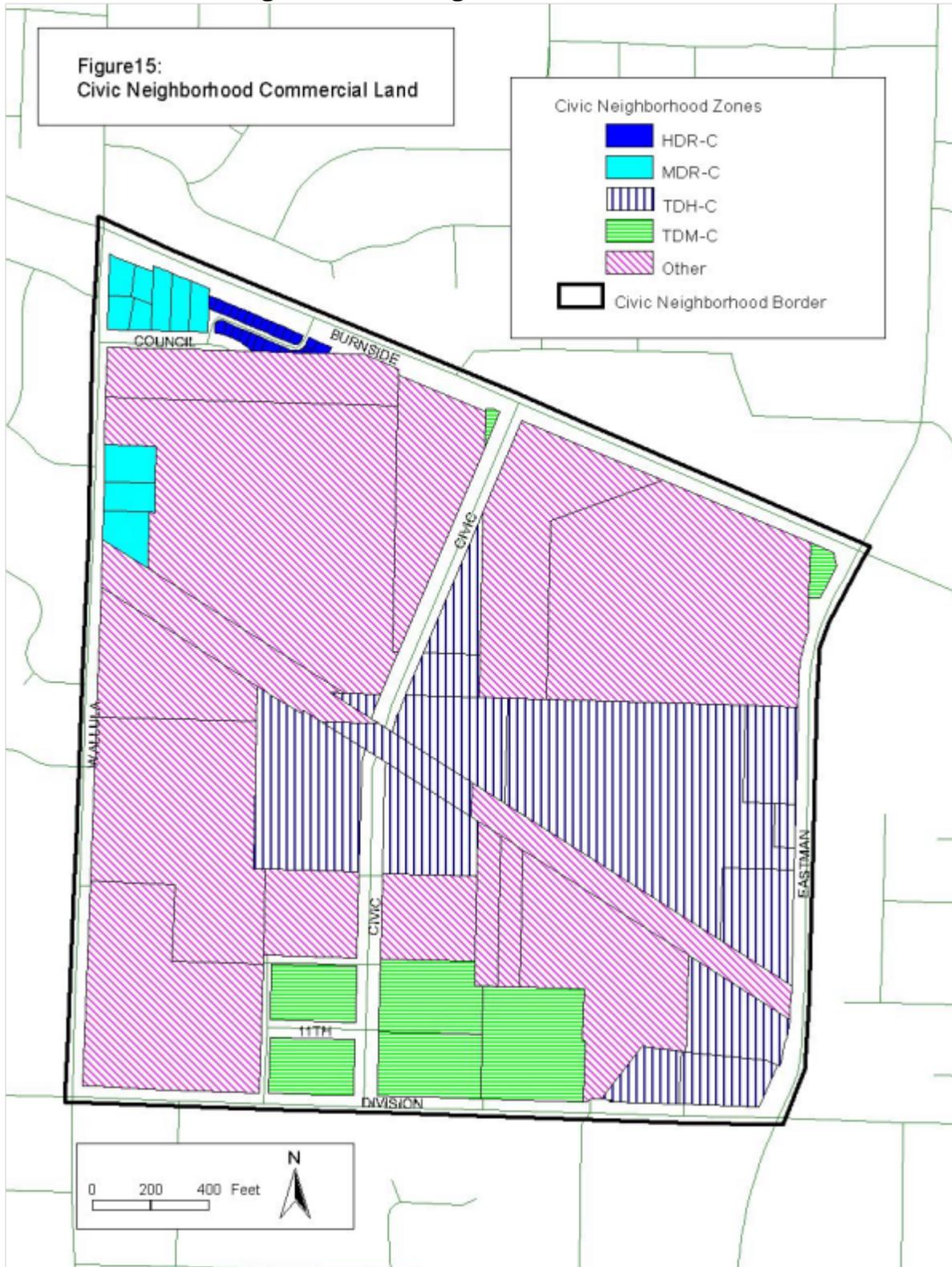


Figure 15: Civic Neighborhood Developed Commercial

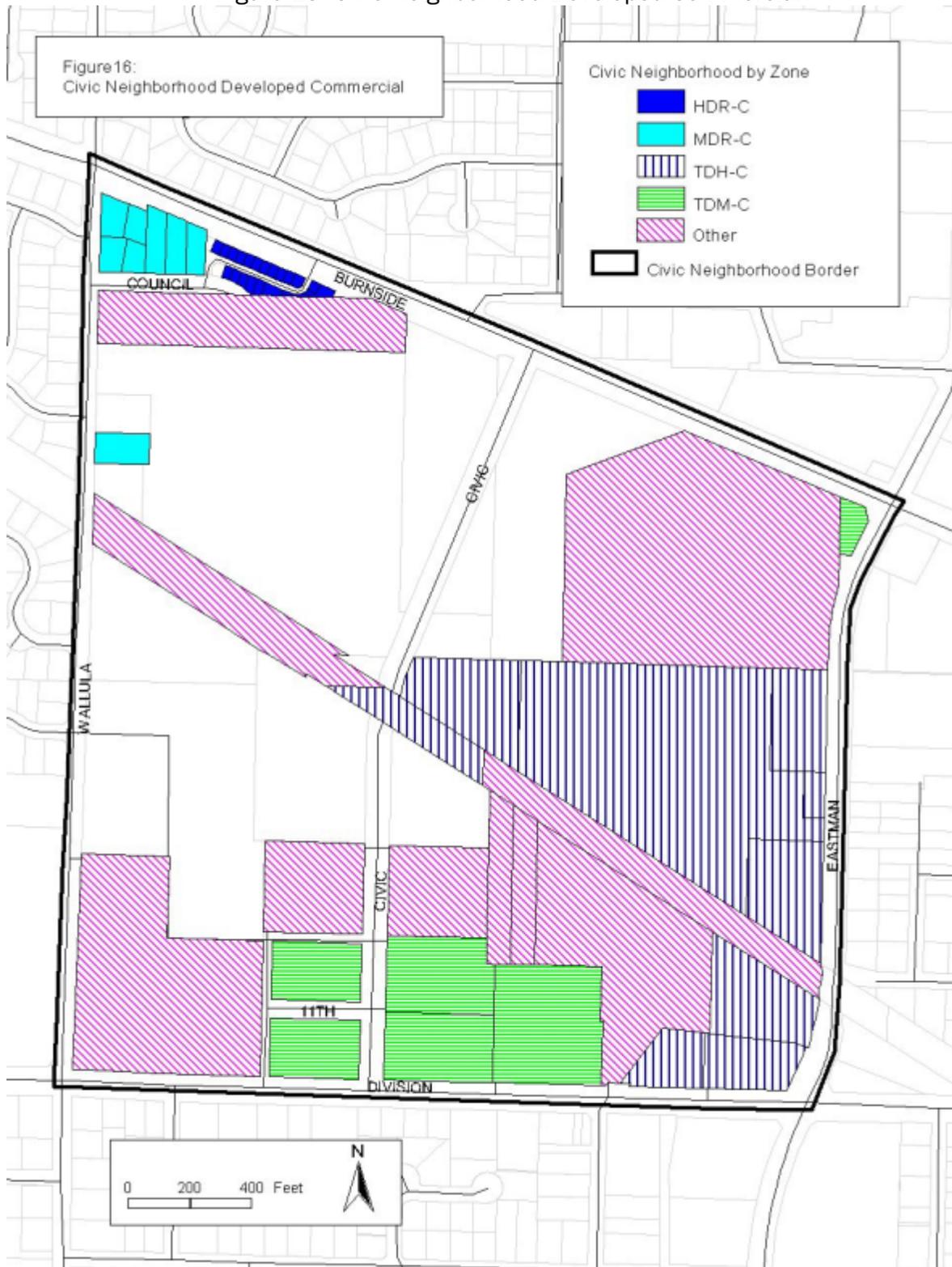


Figure 16: Civic Neighborhood Constrained Land



Figure 17: Civic Neighborhood Vacant Unconstrained and Underutilized Nonconforming Land Use

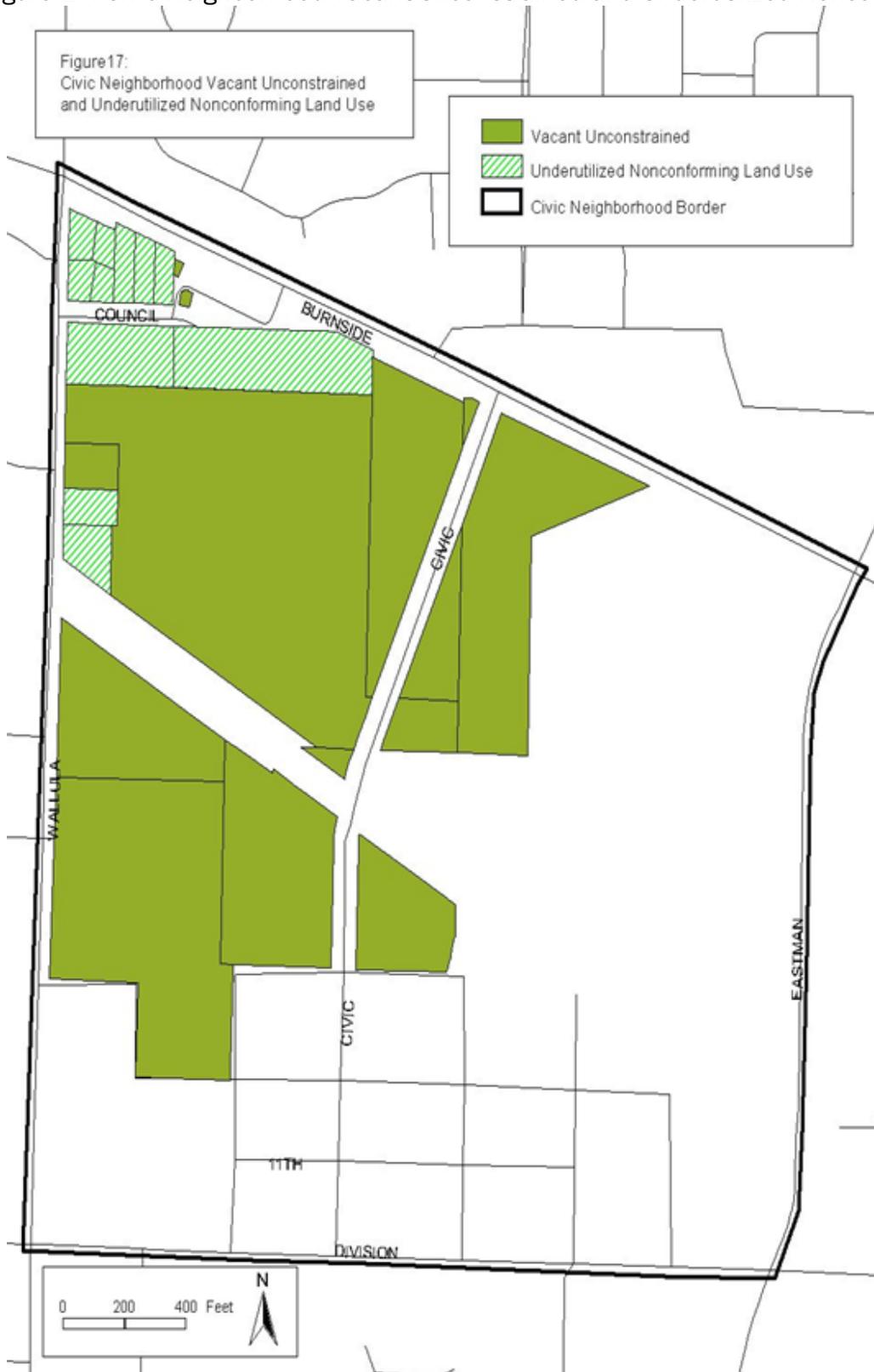
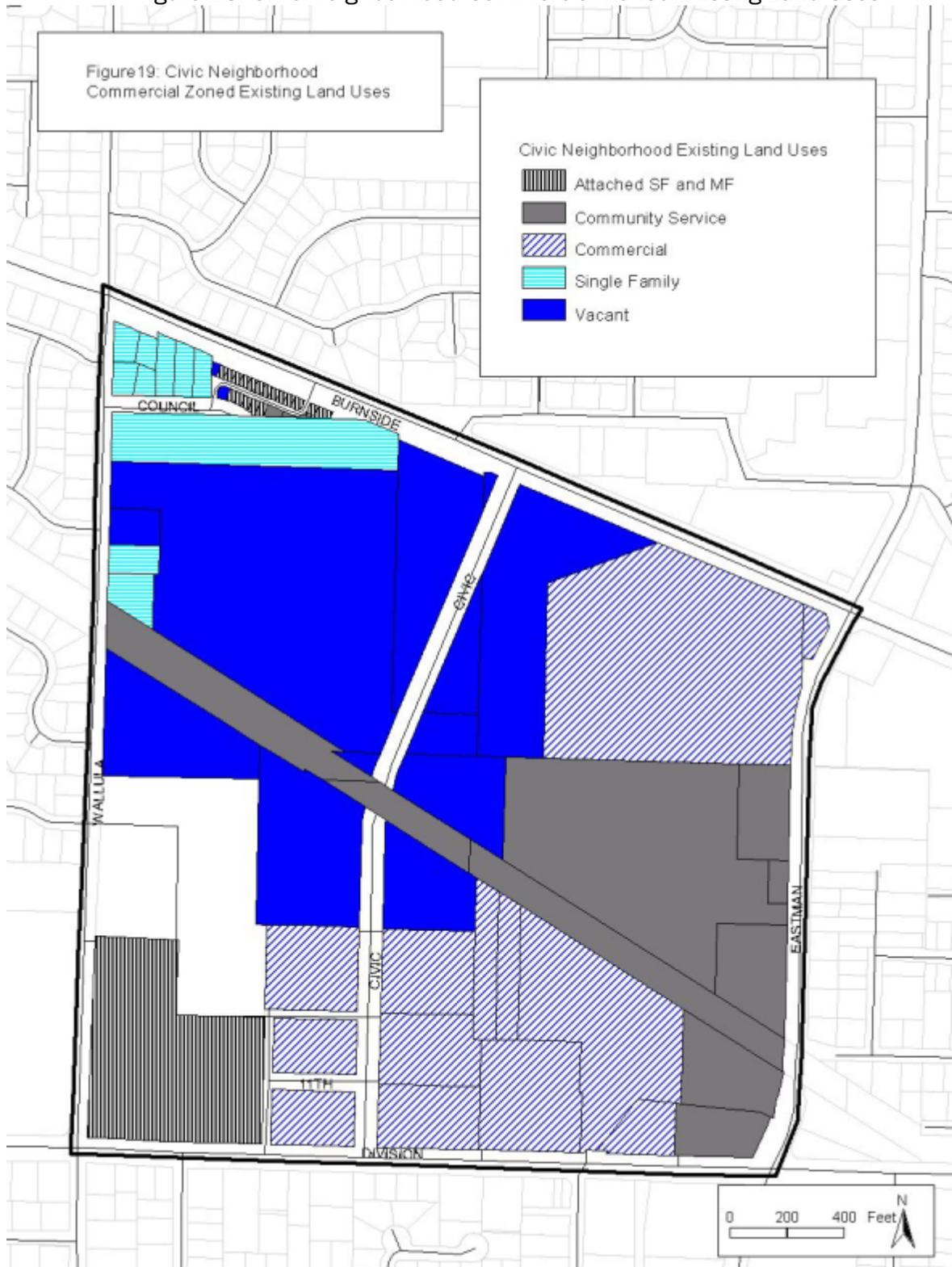


Figure 18: Civic Neighborhood Commercial Zoned Existing Land Uses



## Summary

The ongoing Civic Neighborhood development, together with the adjacent revitalized downtown area, is proving to be one of the most successful regional centers that have been designated by Metro. A Metro report about regional centers, *Ten Principles for Achieving Region 2040 Centers*, cites the Civic Neighborhood as a case study for how to effectively develop a regional center. It is providing a mix of land uses whose intensity and configuration is capitalizing on the neighborhoods' access to the nearby MAX light rail system and bus service. A critical part of its success is its attraction of a range of commercial services. They are creating new jobs, generating needed tax revenue for the City, attracting new core area residents, and providing new close-by shopping opportunities for the community.

## DEFINITIONS

The land use inventory categories used in this chapter are defined as follows:

- **Vacant Unconstrained:** The parcels are ready to build on.
- **Vacant Constrained:** The parcels are currently vacant, but there are factors constraining, or limiting, the ability for immediate development. Constraining factors are described as follows:
  - **Environmental Constraints:** includes areas affected by one or all of the following environmental overlay zones. WQRA establishes buffer (no build) zones around designated water features. The Floodplain Overlay zone protects the 100-year floodplain and incorporates the Federal Emergency Management's (FEMA) flood zones and regulations. Fifteen to thirty-five % slope Overlay zones, includes all hillsides that exceed a 15% slope. All building is heavily restricted in each of the environmental overlay zones,
  - **Ownership Constraints:** Includes all parcels that are owned by corporate land banking interests; public jurisdictions, including: school, utility, transportation and park and recreation districts, as well as, parcels owned by religious organizations. These parcels are considered unavailable for sale or for commercial development.
  - **Public Facilities Constraints:** Parcels found within areas affected by inadequate transportation, sanitary sewer or water facilities. These areas will require a major improvement to the particular facility in order to accommodate the additional demand that new development would impose on the system. This often involves a significant expenditure of public/private funds for a project listed in the City's Capital Improvements Plan (CIP).
- **Underutilized with a Nonconforming Land Use:** Parcels that are zoned for commercial use, but are currently developed with a use (such as a single-family dwelling) other than what the zoning allows.

- Underutilized Part Parcel:** Parcels that are currently built on, but have an unused (vacant) portion that exceeds 0.5 acres which can support further development. The developed portions of the parcels were included in the developed total.

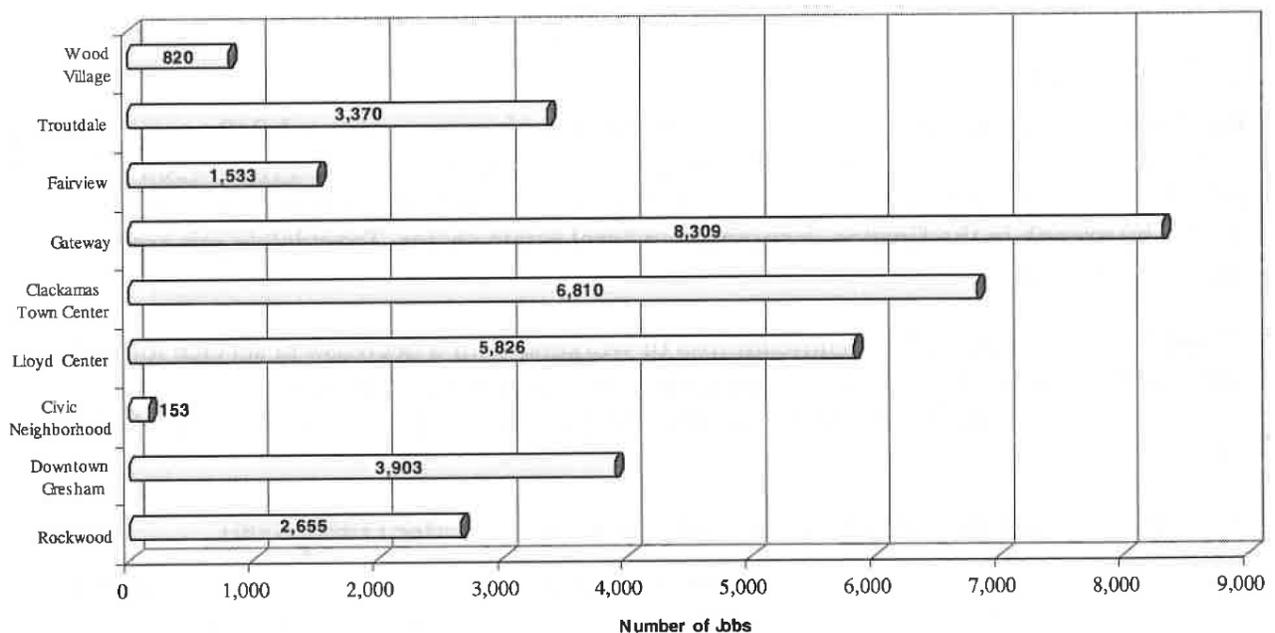
## CHAPTER VI: GRESHAM’S MARKET AREA AND COMPETING CENTERS

Gresham’s commercial centers compete with other nearby commercial areas. Competing commercial areas include Wood Village, Troutdale, Fairview, Mall 205, Clackamas Town Center, and Lloyd Center. The employment characteristics of these six areas are contrasted with Gresham’s three major centers.

### CENTER SIZE

Gateway (including Mall 205) is the largest of the competing centers, employing 8,300 workers. As of year 2000, Gresham’s Civic Neighborhood is the smallest center; however, Civic Neighborhood did not open until 2000. Employment has increased to 680 – or grown by 520 – since year 2000. There are 33,380 workers employed within all nine centers.

Figure 1. Total Jobs by Commercial Center (2000)  
 Source: City of Gresham and Metro.



### INDUSTRY MIX

Eight of the nine centers are largely oriented toward commercial activities. Civic Neighborhood and Clackamas Town Center are predominately retail, with 89% and 75% of all jobs respectively. Gateway, Lloyd Center, Downtown Gresham, and Rockwood are more service oriented. The three east

Multnomah County centers of Wood Village and Troutdale have a high concentration manufacturing activity. Fairview also has a high concentration of activity as well as agriculture.

Figure 2. Mix of jobs by Commercial Center (2000)

Source: City of Gresham and Metro.

Private Sector	Competing Centers					Gresham Centers			
	Wood Village	Troutdale	Fairview	Gateway	Clackamas T. Center	Lloyd Center	Civic Neighb	Downtown	Rockwood
Agriculture/Mining	6	81	679	0	19	16	0	11	32
Construction	51	167	135	82	29	128	10	189	44
Manufacturing	178	633	298	136	0	132	0	150	195
TCU	12	226	17	283	128	38	0	109	20
Wholesale	115	110	31	561	213	103	0	45	37
Retail	44	1,546	91	2,045	5,089	727	136	1,140	756
FIRE	9	101	10	2,059	237	1,296	0	1,011	952
Services	405	492	272	3,143	1,090	3,383	7	1,242	619
Other	0	14	0	0	5	3	0	6	0
<b>Total</b>	<b>820</b>	<b>3,370</b>	<b>1,533</b>	<b>8,309</b>	<b>6,810</b>	<b>5,826</b>	<b>153</b>	<b>3,903</b>	<b>2,655</b>

Note: Civic Neighborhood now has 667 jobs.

### JOB GROWTH

Gresham’s downtown experienced the most significant increase, adding 1,240 new jobs during the second half of the 1990s. Troutdale (+1,090), Gateway (+1,010), and Rockwood (+720) also added a large number of jobs. Job growth in downtown Gresham, Gateway, and Rockwood is driven by growth in the finance, insurance, and real estate sector. Troutdale’s job growth occurred in retail.

Lloyd Center experienced a significant loss of workers, with a decrease in service jobs (-1,710) only partially offset by gains in finance, insurance, and real estate (+760). Job losses in services within the Clackamas Town Center area was compensated by growth in retail and wholesale trade.

Figure 3. Job Growth by Sector and Commercial Center (1996-2000)

Source: City of Gresham and Metro

Private Sector	Competing Centers					Gresham Centers			
	Wood Village	Troutdale	Fairview	Gateway	Clackamas T. Center	Lloyd Center	Civic Neighb	Downtown	Rockwood
Agriculture/Mining	-36	23	380	-16	-14	0	0	-1	5
Construction	-4	40	-57	12	14	81	8	-17	10
Manufacturing	-6	342	206	-59	-4	17	-44	-25	-99
TCU	-5	-99	12	-33	123	8	0	23	0
Wholesale	105	-45	7	-614	186	-104	0	-5	-19
Retail	-100	623	14	43	367	140	-54	162	-151
FIRE	2	82	3	1,689	32	756	0	866	892
Services	62	114	17	-11	-664	-1,712	-99	231	80
Other	-3	14	0	-1	4	-4	0	5	0
<b>Total</b>	<b>15</b>	<b>1,094</b>	<b>582</b>	<b>1,010</b>	<b>44</b>	<b>-818</b>	<b>-189</b>	<b>1,239</b>	<b>718</b>

Note: Civic Neighborhood has added 524 jobs since 2000, the year the center first opened.

### SIZE OF MARKET AREAS

Gateway, Clackamas Town Center, and Lloyd Center are the largest of the nine commercial centers. Their ability to service large geographic areas is evident by their significant employment base. Gresham’s centers will not compete head-to-head with these three centers, but rather service local niches.

**Retail.** Of the nine commercial centers, Clackamas Town Center is the largest retail center. There are approximately 200 retailers employing 5,100 workers within Clackamas Town Center. General merchandise employers account for 27% of the retail employment, with apparel, dining, and specialty retail each contributing another one-fifth.

Gateway and Troutdale are second and third largest retail centers. Gateways has almost 2,050 retail workers and Troutdale has 1,550 jobs. Gateway’s major retail sectors include dining (36%), general merchandise (18%), and apparel (11%). Dining, apparel, and automotive (service station/truck stop) are the key retail sectors in Troutdale.

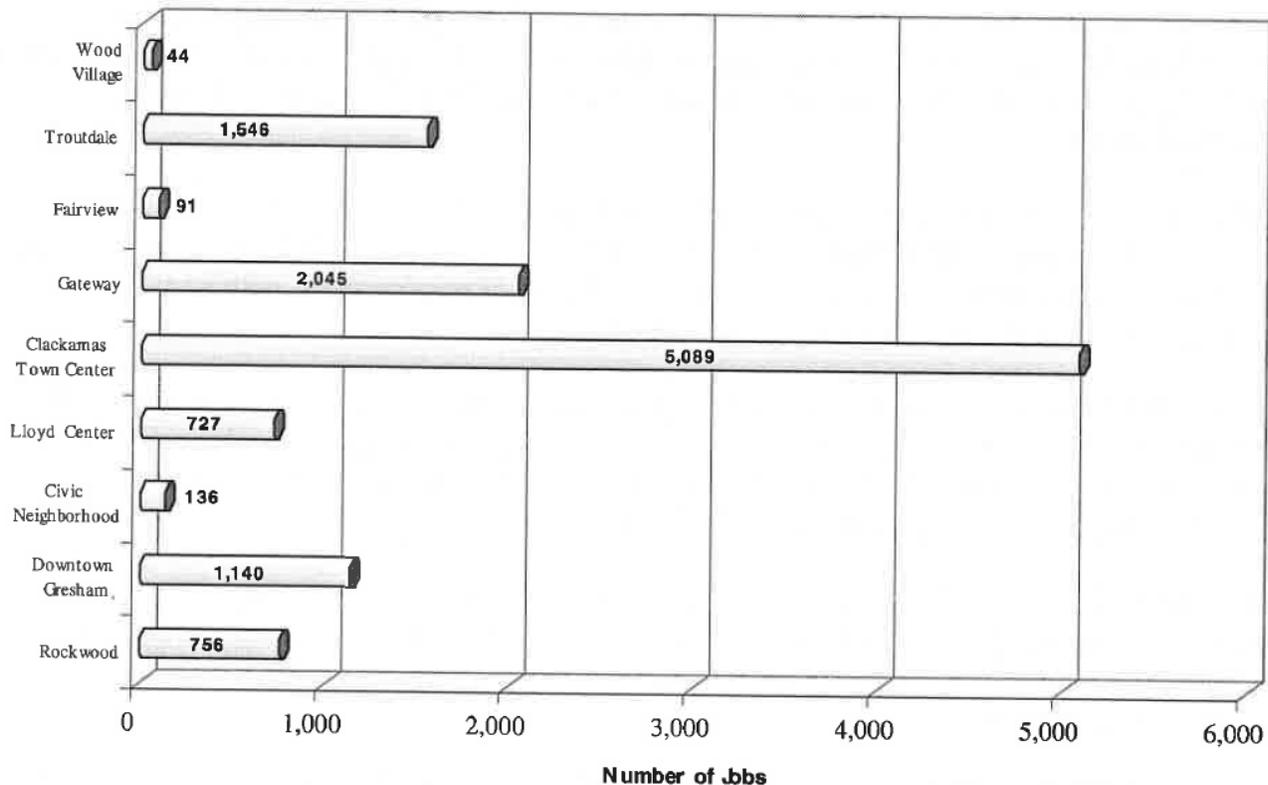
Downtown Gresham is the fourth largest retail center. However, merchants located within the downtown area are relatively small, employing only 12 workers per retail store. By comparison, the typical Clackamas Town Center merchant employs 26 workers on average. Gateway and Troutdale retailers employ 21 workers on average.

Retail in the Civic Neighborhood has grown substantially since 2000, with 500 jobs as of 2003. The average firm employs 20 workers, a result of the large big box employers. Major retail sectors include general merchandise, apparel, and dining.

Downtown and Rockwood tend to be more specialty oriented, with smaller shops as average firm size is 12 and 14 workers per firm respectively. One-third of downtown’s employment is dining, followed by automotive, specialty retail, and apparel. Over half of the retail employment in Rockwood is dining, with another one-fifth occurring in general merchandise.

Figure 4. Retail Jobs by Commercial Center (2000)

Source: City of Gresham and Metro.



Note: Civic Neighborhood has 506 retail jobs, adding 370 jobs since 2000 – the year the center first opened.

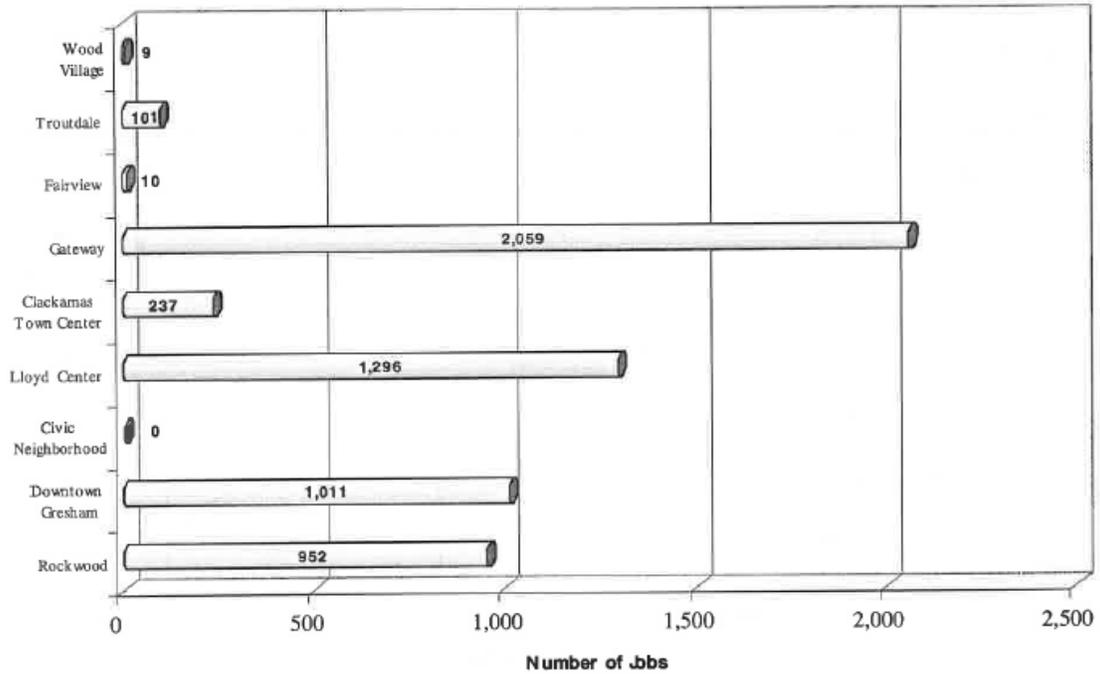
**FIRE.** Gateway is the largest finance, insurance, and real estate center. The 56 institutions located in Gateway employ 2,060 workers. Banking accounts for 80% of the FIRE employment. Insurance carriers and financial brokers make-up another 15%.

Lloyd Center and Downtown Gresham are the second and third largest FIRE centers. Lloyd Center has almost 1,300 workers employed in the FIRE sector and Downtown Gresham has 1,010 jobs. Lloyd Center’s major FIRE sectors include Banking (73%) and insurance (18%). Ninety percent of Downtown Gresham’s FIRE employment is in banking.

Rockwood has 950 FIRE jobs, with 93% in banking. Civic Neighborhood has no FIRE institutions in 2000, but has experienced growth since then. Average size of a FIRE firm is 20-37 workers within the major FIRE centers.

Figure 5. FIRE Jobs by Commercial Center (2000)

Source: City of Gresham and Metro.

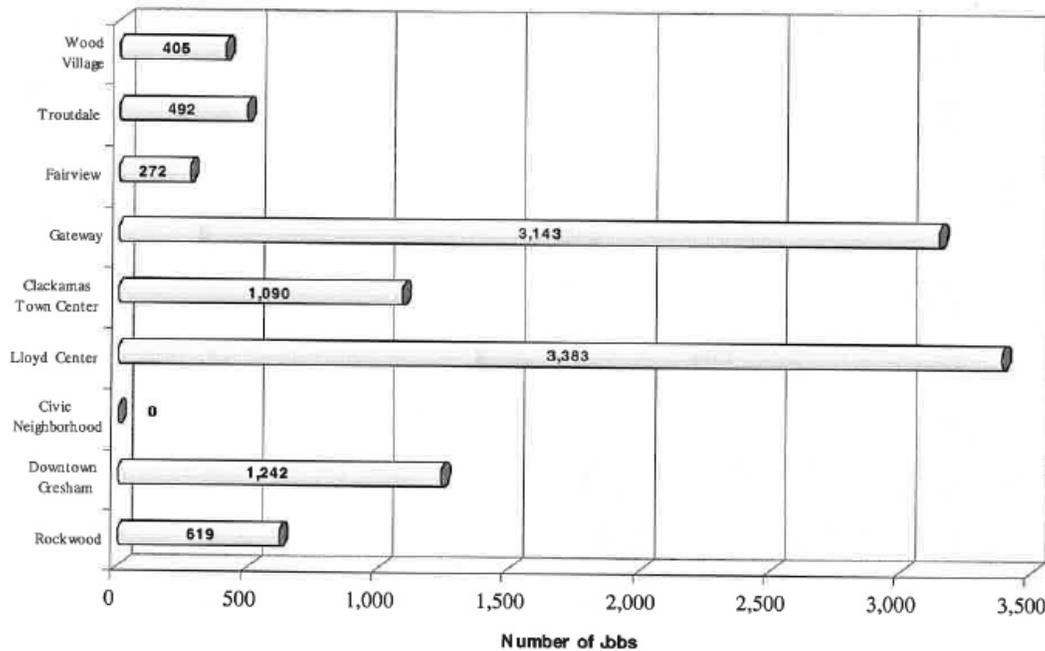


Note: FIRE stands for finance, insurance, and real estate. Civic Neighborhood has 40 FIRE jobs, all added since 2000 the year the center first opened.

**Services.** Lloyd Center and Gateway are the two largest service centers. Major service employers are healthcare, business services, and membership organizations. Rockwood has a strong base of service employment (620 jobs), with over 50% being healthcare-related. In 2000, Civic Neighborhood hadn’t attracted any service firms; currently, there are 120 service workers employed at Civic Neighborhood – primarily medical and personal service related.

Figure 6. Service jobs by Commercial Center (2000)

Source: City of Gresham and Metro.



Note: Civic Neighborhood has 120 service jobs, all added since 2000 – the year the center first opened.

### GRESHAM IMPLICATIONS

Gresham’s three major commercial centers are relatively mid-size centers in relation to the other six competing centers. Both downtown and Rockwood grew substantially during the late 1990s. Civic Neighborhood experienced growth past-2000.

Downtown and Rockwood are more or an office than retail market. Just under 60% of all jobs are either FIRE or service related. Growth in the FIRE sector accounted for most of the added jobs within Downtown and Rockwood. In fact, Gresham’s FIRE sector is almost entirely concentrated within Downtown or Rockwood.

Despite the recent development of Civic Neighborhood, retail is heavily concentrated along Gresham’s major transportation corridors. Proximity to Troutdale, Gateway, and Clackamas Town Center, limits Gresham’s ability to attract major retail development. Retail growth will likely come from specialty niche stores.

## CHAPTER VII: GRESHAM’S ECONOMIC TRENDS

The majority of Gresham’s commercial employment occurs outside of its three major commercial centers. Finance, insurance, and real estate is the only sector concentrated within the three centers, with most of the banking institutions located either in Downtown Gresham or Rockwood. Specific trends within each sector are provided below.

## RETAIL SECTOR

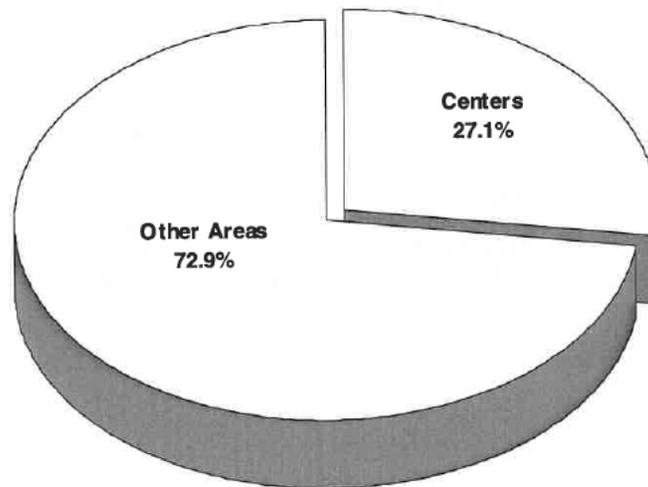
Nearly three-quarters (or 73%) of Gresham’s retail is located outside of its three commercial centers within strip centers located along the city’s major transportation corridors. West Gresham contains almost forty percent of Gresham’s retail employment. Rockwood, located within West Gresham, accounts for just over one-fourth of West Gresham’s retail employment. The majority of West Gresham’s retail is grocery or dining-related occurring within strip centers located along major transportation corridors.

Central Gresham has another 34% of the city’s retail employment. Both Civic Neighborhood and Downtown are located in Central Gresham. Sixty-five percent of Central Gresham’s retail employment is located outside both centers, consisting, of dining, automotive, specialty retail, grocery, and general merchandise.

One-fourth of the city’s retail jobs are located in east Gresham. However, 47% of Gresham’s general merchandise and 44% of its automotive employment is located in this eastern sub-area.

Figure 1. Proportion of Gresham Retail Jobs Located in Commercial Centers (2000)

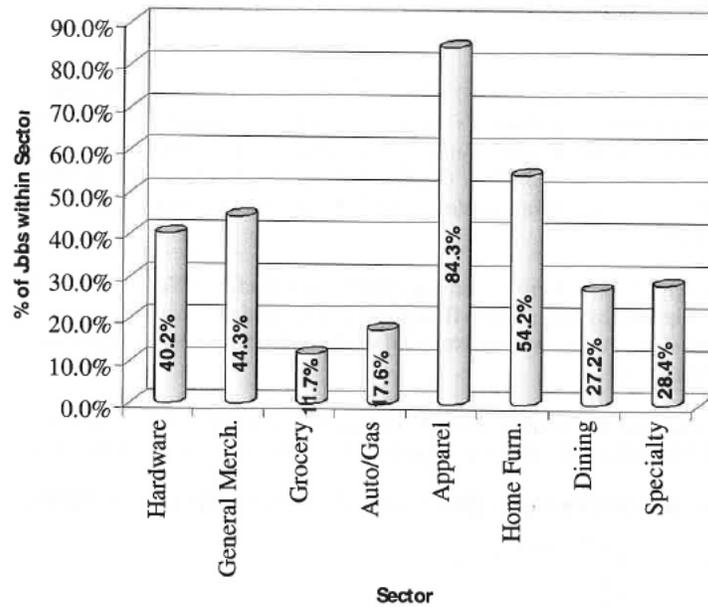
Source: City of Gresham and Metro.



While only 27% of Gresham’s retail workers are employed within the three commercial centers, the centers have attracted a significant portion of activity within specific sectors. For example, 84% of all apparel jobs are located with the three commercial centers. Fifty-four percent of all home furnishing employment is also located within the commercial centers.

Figure 2. Proportion of Retail Jobs by Sector Located in Commercial Centers (2000)

Source: City of Gresham and Metro.

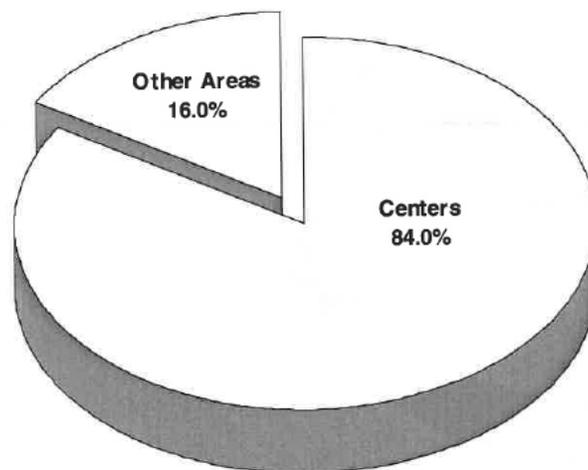


### FIRE SECTOR

Eighty-four percent of Gresham’s FIRE employment is located within Downtown Gresham or Rockwood. Banking is the dominant FIRE sector, employing 60% of all FIRE workers citywide – 90% within the commercial centers. More than two-thirds of the jobs within the other FIRE sectors (e.g., insurance, real estate, etc.) is located outside of Gresham’s three commercial centers.

Figure 3. Proportion of Gresham FIRE Jobs Located in Commercial Centers (2000)

Source: City of Gresham and Metro.



## SERVICE SECTOR

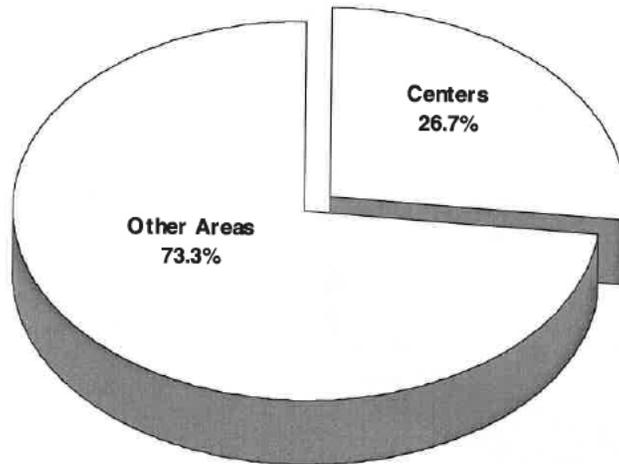
As with retail, 73% of all service jobs are located in strip centers along Gresham’s major transportation corridors. West Gresham has 42% of Gresham’s service employment. Rockwood accounts for one-fifth of West Gresham’s service employment. The majority of West Gresham’s services are social services, healthcare, and business services, occurring within strip centers located along major transportation corridors.

Central Gresham has another 28% of the city’s service employment. Together Civic Neighborhood and Downtown provide 30% of Central Gresham’s service jobs. Major service sectors located in Central Gresham include healthcare, social services, and membership organizations.

Twenty-seven percent of the city’s service jobs are located in east Gresham. Entertainment and healthcare are major employers in this eastern sub-area.

Figure 4. Proportion of Gresham Service jobs Located in Commercial Centers (2000)

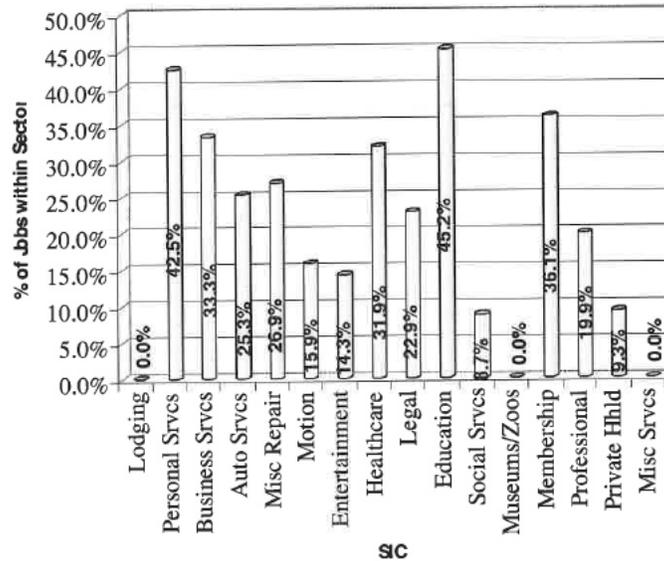
Source: City of Gresham and Metro.



While only 27% of Gresham’s service workers are employed within the three commercial centers, the centers have attracted a significant portion of activity within specific sectors. For example, 45% of all private education jobs are located within the three commercial centers. Forty-two percent of all personal service employment is also located within the commercial centers.

Figure 5. Proportion of Service Jobs by Sector Located in Commercial Centers (2000)

Source: City of Gresham and Metro.



### GRESHAM IMPLICATIONS

Gresham’s transportation corridors compete with its three commercial centers in providing commercial services. The decentralization of commercial services is a result of commercial firms wanting to locate in areas with high visibility and access to customers. However, this has adversely affected the economic vitality of the commercial centers. Gresham should capitalize on niche opportunities as a means of maintaining vital commercial centers.

## CHAPTER VIII: GRESHAM’S FUTURE COMMERCIAL NEEDS

Given the lack of large (greater than 20 acre sites) retail sites and proximately to other major regional retail centers, retail services in Gresham will be oriented to serve local residents versus as a regional draw. However, Gresham’s proximity to Mt. Hood and the Columbia Gorge coupled with its large managerial workforce make Gresham an attractive place to locate offices serving both local and regional demands.

### EMPLOYMENT FORECAST

**Total Job Growth.** Gresham is forecasted to receive 16,817 new housing units between 1994 and 2017. Job growth in Gresham was targeted at 1.7 jobs per new household, equal to the regional average and a return to 1980 conditions in Gresham. Total job growth is forecasted at 28,589; 31% (or 8,863) is projected to occur within industrial sectors.<sup>1</sup>

<sup>1</sup> E.D. Hovee & Company, *Gresham Industrial Employment & Economic Study*, October 2001.

**Jobs Gained.** Gresham planning staff estimates that 2,950 jobs have already occurred between 1994 and 1999. Another 2,175 jobs have been added (refilled) by existing businesses as well. Planning staff anticipate existing firms to expand by an additional 6,900 jobs during the remaining forecast period. Assuming the commercial sector maintains its relative representation of jobs, 63% (or 4,430) of the remaining *refilled* jobs will occur from existing commercial businesses.

**Non-Commercial & Industrial Jobs.** Gresham’s capacity report identified the number of home occupation and school-related jobs likely to occur over the forecast period. The report stated that Gresham will add another 2,230 home occupation jobs between 1994 and 2017. The report only anticipated an additional 329 school-related jobs.

Figure 1. Gresham Employment Growth Forecast by Category

Forecast Category	Jobs
Forecasted Job Growth	28,589
Less:	
Already Accommodated	2,950
Refilled	2,175
Home Occupations	2,230
School Jobs	329
Subtotal	7,684
Commercial & Industrial Job Growth	20,905
Less Industrial Job Growth	8,863
<b>Commercial Job Growth</b>	<b>12,042</b>

**Commercial Job Allocations.** Gresham is projected to add another 12,040 commercial jobs by 2017. As stated above, existing businesses are expected to add 4,430 jobs, resulting in 7,612 jobs to be provided by new businesses. Retail will be expected to preserve its relative current share of commercial jobs (or 45% in year 2000). This translates into a growth of 3,393 jobs within the retail sector.

Office demand is anticipated to occur within the FIRE and service sectors. These two sectors currently account for 55% of all commercial jobs in Gresham. Once again if the current share is assumed to continue then Gresham can expect to add 4,219 office related jobs.

Figure 2. Gresham Commercial Employment Growth Allocation

Source: E.D. Hovee & Company and City of Gresham.

Commercial Forecast	Jobs
Commercial Job Growth	12,042
Less Commercial Refill	4,430
Growth from New businesses	7,612
Retail Jobs	3,393
Office Jobs	4,219

Note: All estimates are preliminary and subject to change.

### COMMERCIAL LAND FORECAST

**Pleasant Valley Allocation.** The Pleasant Valley Concept plan states that Pleasant Valley will accommodate 4,935 new jobs. These jobs are anticipated to occur within the designated Town Center, mixed-use neighborhood centers, and two business parks. Job growth is allocated between retail/other (495), office (3,232), light industrial (514), civic (59), schools (130), and home occupations (505).<sup>2</sup>

**Non-Pleasant Valley Demand.** Removing the commercial jobs allocated to Pleasant Valley leaves 3,885 commercial jobs to be accommodated within other employment areas of Gresham. Assuming Gresham continues to develop at current employment densities, 205 acres of commercial land will be needed for commercial activities.<sup>3</sup> Retail accounts for three-quarters of the land demand.

Figure 3. Gresham Commercial Land Demand Allocations

Source: E.D. Hovee & Company and City of Gresham.

Commercial Sector	Retail	Office	Total
Jobs from New Businesses	3,393	4,219	7,612
Pleasant Valley Allocation	495	3,232	3,727
New Jobs Elsewhere	2,898	987	3,885
Current Jobs per Acre	19	19	19
<b>Acres to Accommodate Jobs</b>	<b>153</b>	<b>52</b>	<b>205</b>

Note: All estimates are preliminary and subject to change.

**Available Land.** Gresham has the capacity to accommodate its future commercial land needs of 205 acres. Chapter IV of this EOA indicates that there are 121 acres of vacant unconstrained commercial zoned land. Also according to Chapter IV, there is a total of 146 acres of underutilized commercial zoned land. This consists of vacant areas on partially developed commercial land as well as commercial

<sup>2</sup> Information on Pleasant Valley was obtained from Gresham Planning Staff.

<sup>3</sup> Gresham planning staff estimates that 1,154 acres of commercial property have been developed. As of year 2000, Gresham had 21,809 retail, FIRE, service, and government sector jobs. Assuming all these jobs occurred on commercial land, the resulting employment density is 19 jobs per acre (21,809 ÷ 1,154).

zoned land presently occupied by non-conforming uses that are primarily single-family residences. This land has the potential for redevelopment to commercial uses and much of it is located within the Downtown and Rockwood centers. Additional commercial development opportunities will be considered for the Springwater community planning area.

Figure 4. Gresham Commercial Land Demand Allocations

\*Source: Chapter IV of Commercial Lands EOA (Appendix 5)

Commercial Zoned Land	Acres
Vacant Unconstrained*	121
Underutilized (partially developed/redevelopable)*	146
Total Available	267 Acres
Projected Land Need	205 Acres

## ADVANTAGES & DISADVANTAGES

The type of retail and office development that occurs within Gresham will be in part due to its ability to utilize its unique advantages as well as overcoming (or mitigating) its disadvantages. This section provides a brief synopsis of Gresham’s advantages and disadvantages for attracting commercial development.

**Retail.** Gresham is best positioned to attract small scale retail within its mixed-use districts. Due to proximity of big box stores in neighboring communities and general lack of vacant land for large scale commercial development, Gresham will face significant challenges in attracting large retailers. Instead, Gresham should take advantage of its multi-modal transportation network, significant ethnic population, and successes achieved within the Downtown and Civic Neighborhood districts to promote unique, niche market opportunities.

Gresham will face many challenges in its attempts to secure its retail opportunities, especially in areas requiring redevelopment. Often, redevelopment is more expensive than “green field” development. The city should create incentive programs (e.g., Rockwood Urban Renewal Plan) to make redevelopment more attractive. Gresham also has a lack of vacant commercial property within south Gresham. The city in its future planning efforts consider providing for local **commercial development** opportunities in this area (e.g., on the brickworks property).

Figure 5. Gresham Retail Advantages & Disadvantages

Retail	Advantages	Disadvantages
Big Box	<ul style="list-style-type: none"> <li>• Growing population</li> <li>• Proximity to I-84 &amp; Hwy 26</li> <li>• General underserved market</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of large vacant commercial parcels</li> <li>• Lack of available land near future growth areas</li> <li>• Proximity to existing big box centers (i.e., Outlet Center, Lowe’s, Home Depot, Walmart, and Target in Wood Village, Troutdale, and Fairview)</li> </ul>
Mixed-Use	<ul style="list-style-type: none"> <li>• Growing population</li> <li>• Gresham has three designated centers for mixed-use development</li> <li>• Generally underserved market</li> <li>• Ethnic populations could offer unique specialty goods</li> <li>• Dense housing in neighboring areas</li> <li>• Access to transit</li> </ul>	<ul style="list-style-type: none"> <li>• Redevelopment more expensive than developing vacant properties</li> <li>• Retail in Gresham is decentralized</li> </ul>
Local Shopping Centers Along Corridors	<ul style="list-style-type: none"> <li>• Growing population</li> <li>• High visibility along major transportation routes</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of vacant commercial parcels along major transportation corridors</li> <li>• Redevelopment more expensive than developing vacant properties</li> <li>• Lack of available land near future growth areas</li> </ul>
Neighborhood Centers	<ul style="list-style-type: none"> <li>• Growing population</li> <li>• Generally underserved market</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of available land near future growth areas</li> </ul>

**Office.** Gresham has significant opportunities for luring office development, due to its proximity to several major recreational areas, its multi-modal transportation network, high concentration of managerial and executive workforce, growing population, and proximity to major institutions. Corporate office opportunities should materialize within South Shore and Pleasant Valley taking advantage of nearby natural amenities. Mixed-Use district will realize additional finance insurance, and real estate (FIRE) opportunities taking advantage of nearby dense neighborhoods and multi-modal transportation network. General office will continue to evolve within the three mixed-use centers as well as highly visible transportation corridors. Medical facilities will continue to develop in order to serve a growing population base and aging population.

Gresham faces several disadvantages; however, none are significant enough to stymie future growth. For example, Gresham does not have a centralized corporate campus, but OPUS is in the process of developing a major office complex within South Shore and Pleasant Valley is being planned for over 3,200 office jobs.

Office	Advantages	Disadvantages
Corporate	<ul style="list-style-type: none"> <li>Proximity to I-84 &amp; Hwy 26</li> <li>High concentrations of managerial and executive labor force</li> <li>Proximity to Columbia Gorge, Mt. Hood, &amp; Columbia River</li> </ul>	<ul style="list-style-type: none"> <li>Lack of large vacant commercial &amp; industrial parcels ready to permit development</li> <li>Lack of concentrated corporate campus</li> </ul>
Mixed-Use	<ul style="list-style-type: none"> <li>Growing population</li> <li>Gresham has three designated centers for mixed-use development</li> <li>High concentration of FIRE activities</li> <li>Ethnic populations could offer unique specialty services</li> <li>Dense housing in neighboring areas</li> <li>Access to transit</li> </ul>	<ul style="list-style-type: none"> <li>Redevelopment more expensive than developing vacant properties</li> <li>Services in Gresham are decentralized</li> </ul>
General	<ul style="list-style-type: none"> <li>Growing population</li> <li>High visibility along major transportation routes</li> </ul>	<ul style="list-style-type: none"> <li>Lack of vacant commercial parcels along major transportation corridors</li> <li>Redevelopment more expensive than developing vacant properties</li> </ul>
Medical	<ul style="list-style-type: none"> <li>Growing population</li> <li>Proximity to Mt. Hood Community College</li> <li>Mt. Hood Medical Center and vacant adjacent property</li> </ul>	<ul style="list-style-type: none"> <li>Storage of major medical research institutions.</li> </ul>

## CHAPTER IX: RECOMMENDATIONS

The commercial economic opportunities analysis involved an evaluation of economic trends, inventory of available land, and opportunities for Gresham’s commercial designated lands. Gresham has an adequate commercial land base for the future; however, the available land may not be achieving its full potential. A series of recommendations have been prepared to assist Gresham with reinforcing economic prosperity within its commercial centers as well as vitalizing its older properties along major thoroughfares.

**Recommendation 1:** Preserve industrial land within the City to fulfill short-term industrial needs, while Springwater develops the necessary momentum to accommodate industrial uses. As the market for development in Springwater takes hold, the City should evaluate how non-regionally significant industrial designated lands might be utilized to fulfill unmet economic needs that assist Gresham in achieving its broader economic development objectives.

- **Concept A:** Develop a strategy for providing additional commercial job opportunities that support the city’s economic development goals:

Lands inside the City will most likely be in Metro’s employment category with some exceptions (RSIA lands in South Shore). Some commercial activities may occur in conjunction with non-RSIA industrial activities. This can fill some employment demand that is more appropriate (or

attractive to occur) within an industrial/business park environment rather than a traditional commercial center.

**Recommendation 2:** Establish and promote a corporate campus(es) with high amenity employment areas. Seek opportunities that take advantage of Gresham’s assets as well as those that reinforce the City’s long-term economic goals.

- **Concept A:** Over the last decade, corporations have sought out suburban locations over a more traditional urban setting. Gresham has had some success with attracting major corporate offices. Furthermore, OPUS is developing a major complex in the South Shore area that will provide a unique regional opportunity for corporations to locate within a suburban waterfront district with quick access to a major highway and two airports. Other employment areas, such as Pleasant Valley, may provide the market with an alternative high amenity location, demonstrating Gresham as a quality place to conduct business.

**Recommendation 3:** Provide opportunities for some commercial uses to occur in non-Regionally Significant Industrial Areas consistent with specific standards. These standards shall protect the integrity of the industrial land uses and require that commercial uses support or be related to the industrial/manufacturing activity.

- **Concept A:** Blending of Light Industrial and Business Park. There are several activities that don’t fit the definition of retail or industrial. As industries and commercial activities evolve, hybrids or new formats form. Examples include machinery manufacturing/sales; distribution; tool assembly; distribution sales; equipment assembly; foods; brewing; building materials; automotive/automotive specialties; printing, and other related activities. They are more “heavy commercial” in character and could fit in a zone where there is a wider range of uses allowed. The City should identify appropriate areas where some retail (heavy commercial) activity could occur
- **Concept B:** The Springwater Master Plan will likely result in some marginal/Constrained Industrial Lands within the City being identified as potentially not as suitable for industrial uses. However, specific findings will have to be supported by empirical evidence as well as development of strategies that allow an alternative set of uses within the confines of Gresham’s economic goals. Lands should only become available for other uses (i.e., service, retail, office, and residential) as the City develops its plans for Springwater.

**Recommendation 4:** Develop strategies to redevelop portions of Gresham’s mixed-use commercial centers and underutilized strips. Allow a broad range of employment activities (including heavy commercial and light manufacturing) based upon specific design and performance standards. The City should evaluate its underperforming zones and areas in need of redevelopment as potential employment areas.

- **Concept A:** The City must focus on redevelopment opportunities on underutilized land that accommodate a wide range of uses, to increase the efficiency of its commercial centers. Also,

from a practical perspective, there may be an opportunity to broaden the mix of employment/retail activities along the strips to encourage redevelopment. This could include some heavy commercial or light industrial uses through a process that tests for compatibility.

- **Concept B:** The mixed-use zones are another opportunity to evaluate whether they should provide less housing and more commercial opportunities. Currently, mixed-use is not performing well on the housing side. It may be that the requirement for housing constrains the possibility of commercial development.
- **Concept C:** The City should evaluate residential areas along corridors that are in need of development as areas where potential retail/commercial activities can occur.

**Recommendation 5:** While supporting its regional and town centers, Gresham should seek to utilize some of the same strategies (as in its mixed-use districts) to promote more viable and efficient commercial strips – more efficient use of transportation facilities; higher land use efficiencies, more employment and a higher level of aesthetics.

- **Concept A:** The City wants to support its centers. However the corridors provide the bulk of retail commercial and services. By evaluating how to make the corridors function better (redevelop), with the goal of not expanding strip commercial, the city can protect the economic viability of its mixed-use centers in conjunction with increasing the efficiency and employment density of the corridors.

**Recommendation 6:** Promote entrepreneurial activities and small business development in Gresham. Recognize the market potential of ethnic groups and promote businesses which provide unique goods and services to a broad populous.

- **Concept A:** The city should partner with other local and regional organizations to assist small businesses entrepreneurial activities. Given the fact that Gresham has a high concentration of ethnic residents living in close proximity to its mixed-use districts, unique, market niche opportunities may present themselves if a reasonable support base is developed.

**Recommendation 7:** Promote the development of high-amenity, higher density housing within proximity to Gresham’s Regional and Town Center and the Downtown.

- **Concept A:** The relationship of high density and high amenity housing to commercial/service centers is important. As contrasted to employment uses, residential uses are a 24-7 source of shopping, bringing consumers closer to the doors of business.

**Recommendation 8:** Auto-oriented retail and service development provides most of Gresham’s goods and services. The city should seek to increase its attractiveness, transportation efficiencies, and higher land-use efficiency. The city should develop strategies for higher density more efficient commercial uses (as possible) and develop parking and transit strategies within these areas.

- **Concept A:** A significant amount of the commercial activity in Gresham is auto-oriented and will likely remain that way in the long term. However, the city should develop strategies that

increase the opportunity for higher property values that will support more intense and perhaps even “transit” oriented development in the long run.

**Recommendation 9:** Form a policy perspective, the City should adopt a goal/policy directed at retaining as much employment, consumer spending, and services within the city. Furthermore, the City needs to identify specialized goods and services that might induce others to spend their income within Gresham.

- **Concept A:** Gresham has several competitive regional centers (i.e., Gateway, Wood Village, Fairview, and Troutdale) on its border that will remain major retail draws. Competition with surrounding areas present an obstacle. Gresham will be more competitive by positioning itself to attract niche “regional attractors.”

**Recommendation 10:** utilize the development of the cultural arts center in Downtown Gresham as a focus around creating niche commercial/retail activities. The Downtown can also be a prime location of high-amenity, higher density housing due to the proximity of cultural activities.

**Recommendation 11:** Increase the visual attractiveness of commercial lands along MAX and major transportation corridors coupled with fostering an environment which supports retail/commercial uses.

**Recommendation 12:** Coordinate infrastructure improvements with development/redevelopment, especially in Rockwood and the Downtown.