

To: Planning Commission
From: Terra Wilcoxson, Planning Manager
Josh Williams, Senior Planner
Austin Ross, Planner 2
Justin Douglas, Economic Development Director
Erika Fitzgerald, Senior Economic Development Specialist
Brian Varricchione, Mackenzie
Memo Date: May 1, 2026
Meeting Date: May 11, 2026
Re: Springwater Plan District Study Work Session
Attachment: Attachment A: Springwater Land Conditions Analysis, Mackenzie
Attachment B: Competitiveness Assessment, ECONorthwest

Purpose

At the May 11, 2026 Planning Commission meeting, City staff and project consultants Mackenzie and ECONorthwest will brief the Planning Commission on the Springwater Plan District Study. At that time, the project team will seek guidance on next steps.

Background

The Springwater Plan District in southeast Gresham was brought into the Urban Growth Boundary (UGB) over 20 years ago, with the intent that it would annex into the City and develop with a mix of large scale employment uses and a variety of housing types. The Plan District, which is approximately 1,150 acres, has a planned capacity for up to 17,000 high value, family-wage new jobs. Development was envisioned as occurring around the area's topography and natural resources surrounding Johnson Creek and its tributaries.

Since that time, there has been no new industrial development in the Springwater Plan District. The little annexation and development that has occurred has been for two residential subdivisions. There has also been some single-family development in unincorporated Multnomah County. The area outside City limits is highly parcelized with multiple owners, which is a barrier to creating large industrial sites. Additional development challenges include a lack of public infrastructure and an incomplete transportation network (largely due to the location of Oregon Highway 26 and Johnson Creek), both of which require significant financial investment to extend urban services across.

To gain a better understanding, the City engaged a consultant team consisting of Mackenzie and ECONorthwest to study the area. This endeavor was funded by an equitable development grant awarded by Metro. The team performed the following:

- Mackenzie audited the City's development code to identify potential barriers to growth and analyzed existing conditions such as zoning, parcel sizes and locations, natural resources, topography, infrastructure, and community assets.
- ECONorthwest examined market conditions to identify demand for various use types based on the Plan District location and also identified potential funding strategies for infrastructure and transportation improvements.
- ECONorthwest completed a competitiveness assessment comparing the Springwater industrial area to Sherwood West (near Sherwood) and Rock Creek (near Happy Valley).

- Mackenzie and the City met with multiple partner agencies including Metro, Port of Portland, Multnomah County, Clackamas County, Oregon Department of Transportation, Oregon Department of Land Conservation and Development, and Business Oregon.
- The consultant team and the City also engaged local community leaders to obtain input on what participants (invited members from ten community-based organizations and businesses) believe is realistic and desirable for the area. Engagement included large format meetings, focus groups, and individual meetings with each organization.

Preliminary Findings

Land use and conditions analysis

- The existing Multnomah County zoning does not facilitate the urban development planned by the City.
- Gresham's zoning for Springwater (upon annexation into the City) is unique, as it does not apply elsewhere in the City. This adds complexity to the City's development code.
- There are many environmental-related community assets in the Plan District which provide drainage, ecological, and recreational benefits. However, the developability of the industrial portions of the Plan District is constrained by natural resources and limited public infrastructure.
- The Plan District is highly parcelized, which provides a challenge for large scale industrial developments.
- The topography and natural resources within the Plan District would be more conducive to residential development rather than industrial development. Infrastructure and transportation extensions would still be required to facilitate development.
- The conceptual transportation system is unrefined, for example it does not consider property lines.

Market analysis

Based on the analysis of market demand and the Plan District location within the region:

- Residential uses (single family detached, townhouses, and -plexes) are viable, with limited potential for garden style apartments. Mid-rise multifamily is not viable as such developments are less suited to an edge location.
- Neighborhood center retail and specialty retail are viable, community center retail is potentially viable, and large-format/big box is not viable without a major retail anchor.
- Medical office and household professional services are viable, while there is limited potential for coworking/remote office. Corporate headquarters and tenant-built office buildings are not viable.
- Construction and trade yards are viable. There is limited potential for food processing, light manufacturing, and business services. Heavy industrial/manufacturing, advanced manufacturing, logistics and warehousing, industrial business park, and data center are not viable.

Looking at other areas within the metro Portland UGB, both Sherwood West and Rock Creek were deemed to have moderate to strong competitive positions due to their relative proximity to highways and the presence of large sites, while Springwater was deemed to have a weak to moderate competitive position due to the weak highway access, fragmented (parcelized) sites, and potential conflicts with nearby housing.

Partner input

Conversations with jurisdictions (Clackamas County, Multnomah County, Metro, and Port of Portland) and agencies (Oregon Department of Land Conservation and Development, Oregon Department of Transportation, and Business Oregon) indicate general support for reassessing the best use of the Plan District. Proposed land use changes would need to be supported by a factual basis to demonstrate compliance with local, regional, and state development goals.

Community Engagement Feedback

The community engagement process identified the following core concepts:

- Existing conditions are a major constraint
- Public engagement must be early, clear, and inclusive
- A clear city vision is needed to guide participant feedback
- Natural resources are both an asset and a constraint
- Transportation and access limit development potential
- Future land use should be flexible and residential driven
- Infrastructure funding is a significant question
- Visioning is needed to help identify the future of Springwater

Planning Commission Role

On May 11, 2026 the project team will seek Planning Commission's guidance on whether the City shall pursue:

1. Developing an alternative land use plan for Springwater;
2. Evaluating the existing conceptual transportation system for Springwater (for example, to better align with property boundaries, assess the interchanges/crossings of 26, and consider the impact of rezoning);
3. Integrating Springwater land use districts with the City-wide districts;

Next Steps

Staff will hold a June 9, 2026 work session with City Council to obtain direction. Dependent upon Council direction, staff will issue a Request for Proposals for the next phase of work on the project to perform additional technical analysis and community engagement to inform specific amendments to the comprehensive plan and Development Code.

Springwater Plan District Study
Mackenzie Project Number 2240411.00
Last Revised: October 23, 2025

INDUSTRIAL LAND CONDITIONS ANALYSIS, INDUSTRIAL LANDS STATE AND REGIONAL REGULATORY CONTEXT

Overview and Context

This assessment provides a high-level analysis of the industrial-designated land within the Springwater Plan District, as well as the state and regional regulatory context affecting industrial development potential within the Plan District.

The Springwater Plan District (Plan District) was added to the UGB in 2002, with a specific emphasis on bringing jobs and housing to the City of Gresham. The 2005 Springwater Community Plan (Plan) was developed by City in partnership with Multnomah County and in cooperation with Metro, Clackamas County, and others through an 18-month planning process. The Plan District had a planned capacity for up to 17,000 high value, family-wage new jobs.

The Plan District is in southeast Gresham, though largely outside City Limits. See Figures 1 and 2. The Plan District encompasses approximately 1,150 acres, with a mix of residential, commercial, and industrial zoning designations. See Figure 3. Of the 1,150 acres of land in Springwater, approximately 500 acres are designated as industrial land, including approximately 100 acres designated Research and Technology Industrial (RTI-SW) and approximately 400 acres designated General Industrial (IND-SW).

Initial targeted industries included corporate headquarters, knowledge-based industries such as graphic communication and creative services; research and prototype development and testing; professional services such as computer, accounting, and legal services; and medical services (Gresham Community Development Plan Appendix 44, Springwater Community Plan Summary Report). The Plan District emphasizes sustainable design and promotes conservation of natural features. According to City staff, since the Plan's inception in 2002, there has been no industrial development in the Springwater Plan District. Furthermore, there have been 2 residential subdivisions (including annexation) and approximately a dozen approved permits for single-family residences outside City limits. Currently, the Plan District is largely within Multnomah County's jurisdiction, but for a few residential subdivisions and the Brickworks site within City Limits (near the northern end of the Plan District).




Below is a topic-specific analysis of industrial-designated land within the Springwater Plan District. Accompanying this report is a Market Analysis (Appendix A) prepared by ECONorthwest.

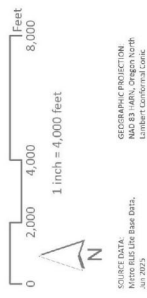
Gresham Springwater Plan Area Study

Figure 1: Context

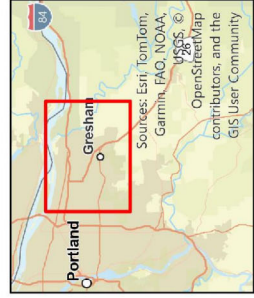
Gresham, Oregon

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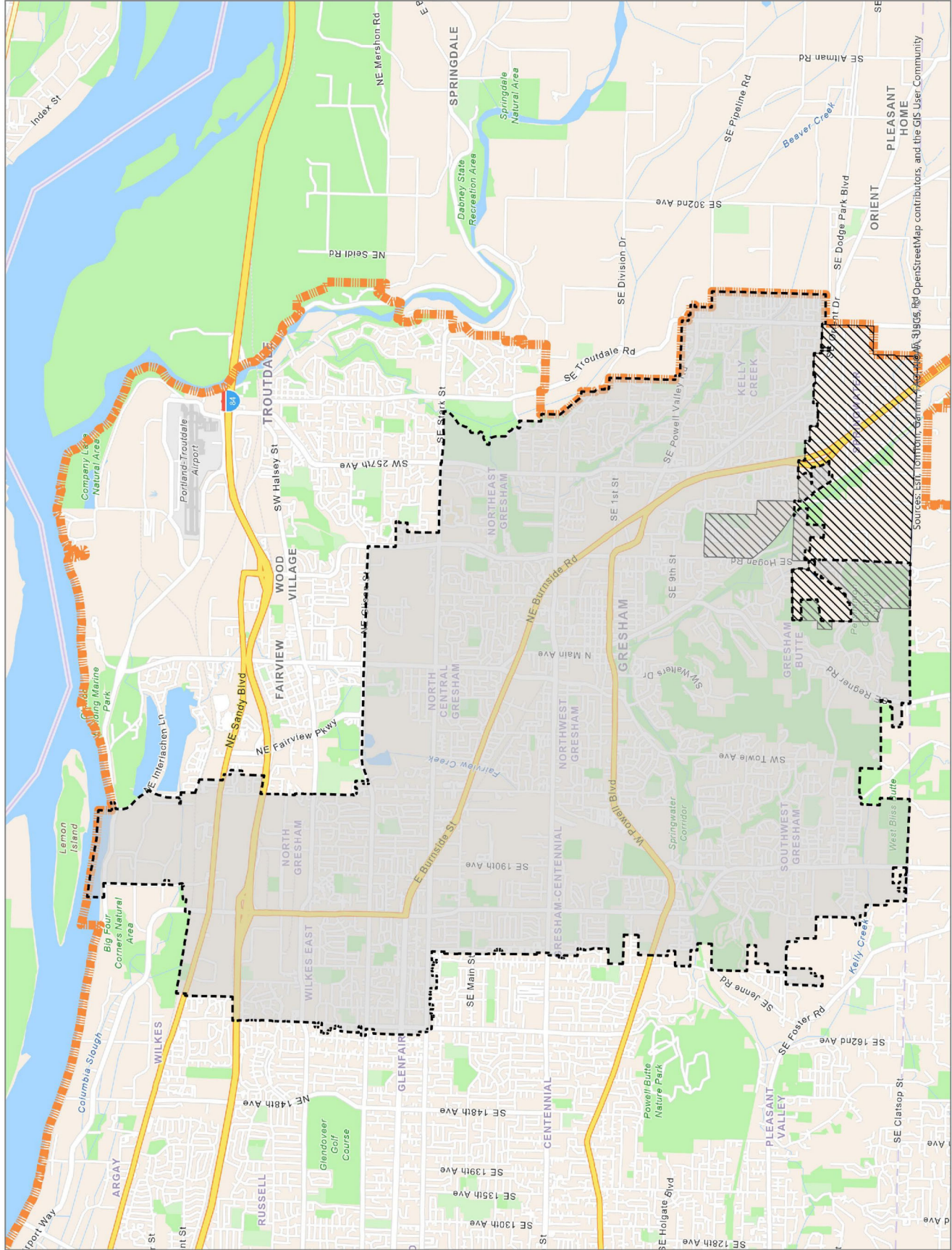
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-  Springwater Plan Area
-  Urban Growth Boundary (UGB)



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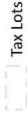
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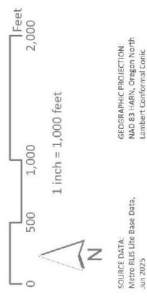


Gresham Springwater Plan Area Study Figure 2: Springwater Plan Area

Gresham, Oregon

LEGEND

-  City Limits
-  Springwater Plan Area
-  Tax Lots

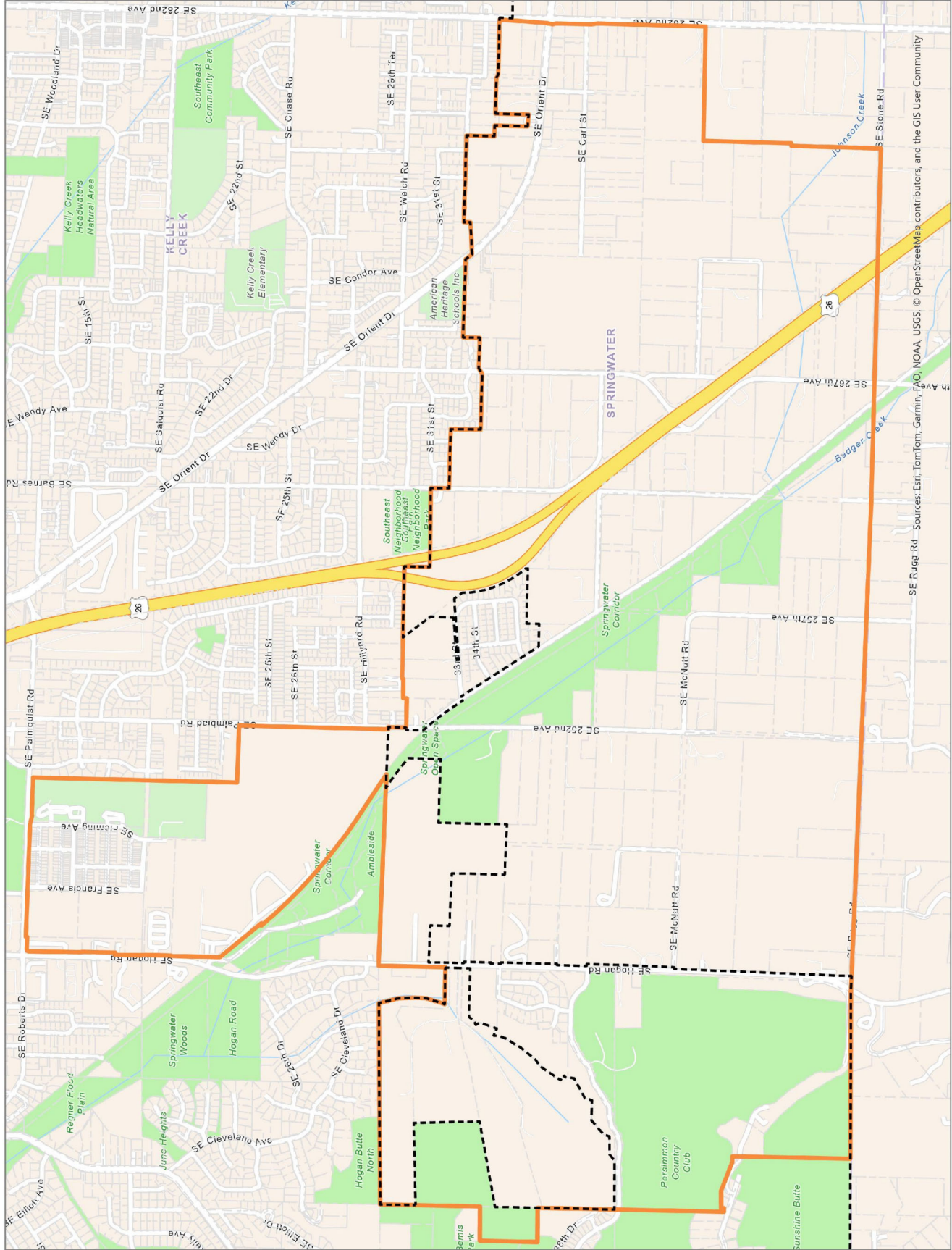


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 CHECKED BY: J. B. BROWN
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Slope/Topography

The southeastern portion of Gresham, extending into the Plan District, has slope constraints, especially in the context of larger scale industrial development. Generally, large scale industrial development prefers slope under 5%, though development on steeper slopes may be feasible (financially viable) if other development considerations are satisfied.

As shown in Figure 4, the area west of the SE Telford Road has extensive bands of slope greater than 10%, so these areas would be regulated by City's Hillside Geologic Risk and High Slope Subarea upon annexation. Although development in these areas is possible, there are additional design, regulations, and costs associated with constructing in such topography.

The area east of SE Telford Road has significantly smaller areas of slope greater than 10% when compared to the Plan District west of SE Telford Road. Intentionally, the Springwater Community Plan located most of the IND-SW zone on flatter land east of SE Telford Road as flatter land is more conducive to large scale industrial development.

Environmental Protections and Regulations

The Natural Resource Overlay (NRO) regulations provide a framework for protection of Metro Title 3 and Title 13 lands, and Statewide Planning Goal 5 and 6 resources within the City. The NRO is applicable to properties containing mapped High Value Resource Areas, Resource Areas, or Potential Resources Areas. A map showing the High Value Resource Areas and Resource Areas is included as Figure 5.

A large portion of Springwater industrial land is protected by the NRO. Johnson Creek has many tributaries flowing into it from the east and west. Johnson Creek and each of its tributaries is a High Value Resource, with an accompanying Resource Area buffer ranging from 50'-200' from centerline of stream.

Additionally, a large swath of Springwater industrial parcels contains Potential Resource Areas. Per the Gresham Development Code 5.0703.A.2.b, "Potential Resource Areas (PRA) include areas that were identified as 'potential wetlands' in a Local Wetland Inventory Survey and areas that have been identified as having a high probability of potential regulated wetlands, but have not been reviewed as part of a Local Wetland Inventory Survey." Development within PRAs would require a wetland determination, or possibly delineation to determine the presence and extent of wetlands.

There are a few mapped wetlands which include a buffer measure 50' from the edge of the wetland.








As depicted in Figure 6, some of the creeks within the Natural Resource Overlay also have identified floodplains per Federal Emergency Management Agency analysis.

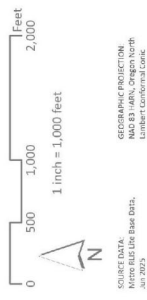
Gresham Springwater Plan Area Study

Figure 4: Topography

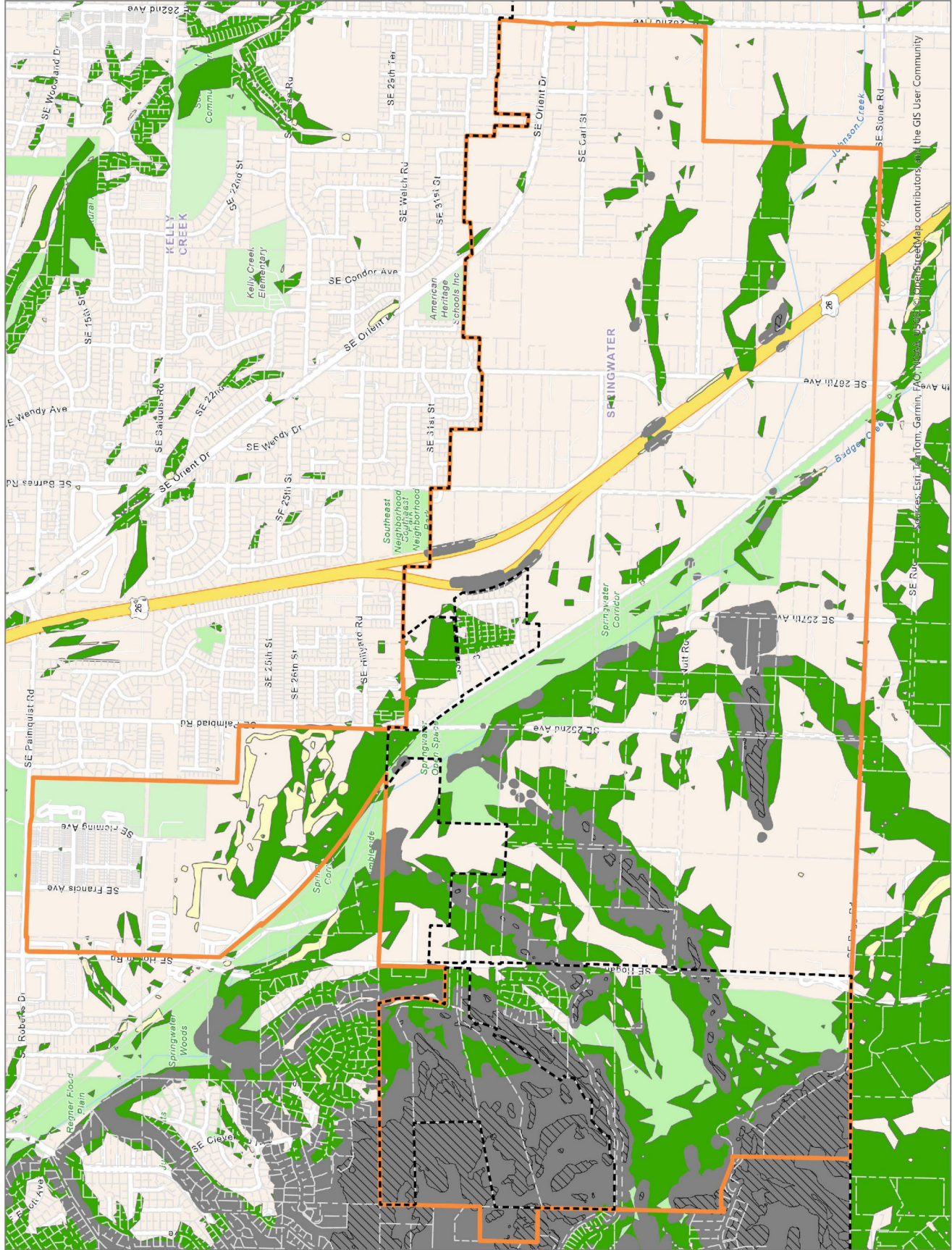
Gresham, Oregon

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-  Tax Lots
-  City Limits
-  Springwater Plan Area
-  High Slope Subarea
-  Hillside Geologic Risk
-  10% Slope
-  25% Slope



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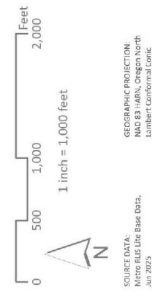


Gresham Springwater Plan Area Study

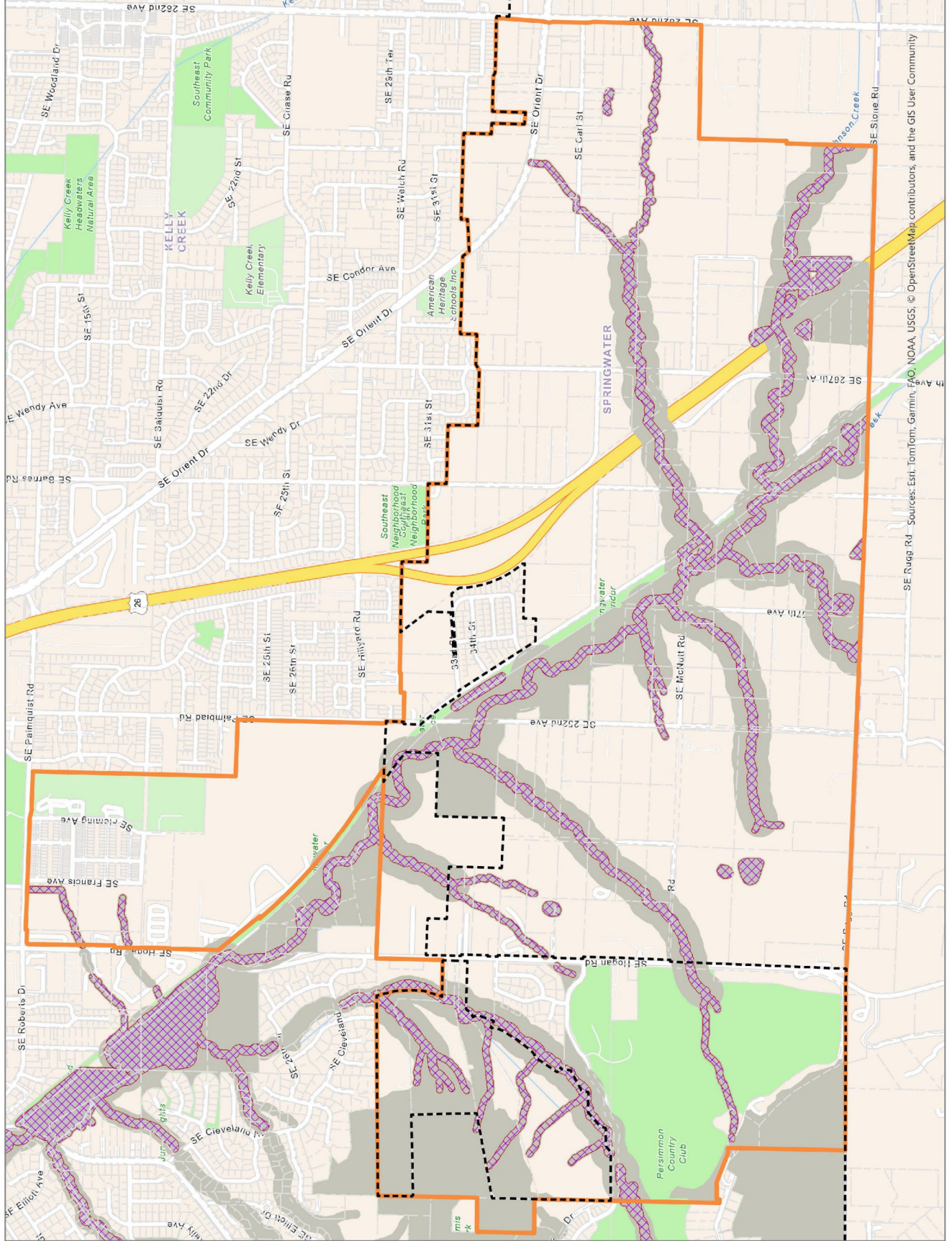
Figure 5: Natural Resource Areas

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- LEGEND**
-  Tax Lots
 -  City Limits
 -  Springwater Plan Area
 -  High Value Resource Areas
 -  Natural Resource Overlay



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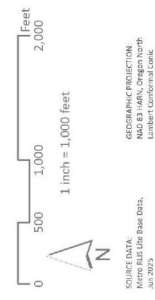
Gresham Springwater Plan Area Study

Figure 6: Flood Hazards

Gresham, Oregon

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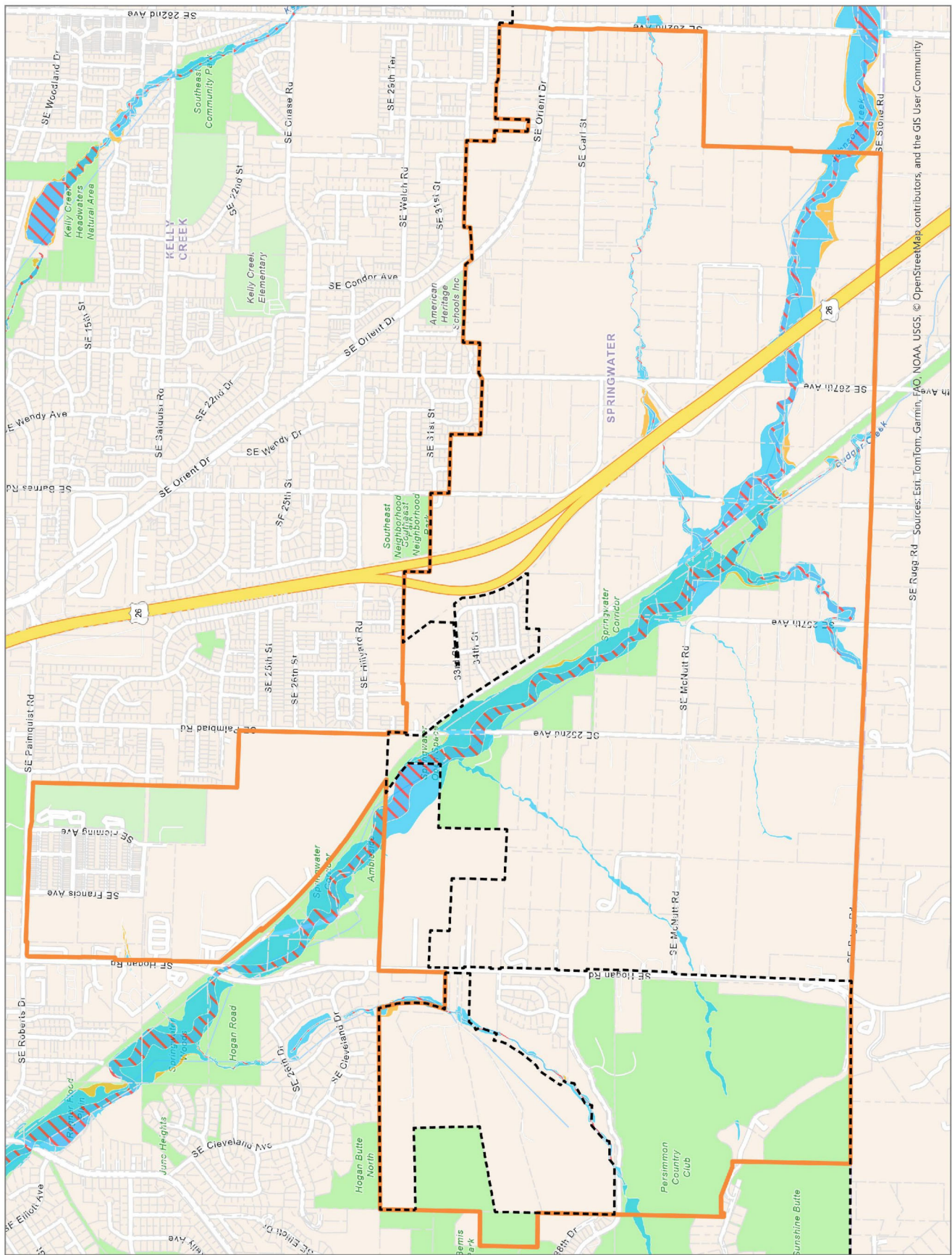
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-  City Limits
-  Springwater Plan Area
-  Flood Hazard Zones
-  1% Annual Chance Flood Hazard
-  Regulatory Floodway
-  0.2% Annual Chance Flood Hazard



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Site Size/Aggregation

The Springwater Plan District is highly parcelized with approximately 200 tax lots in its industrial zones (RTI-SW and IND-SW). Only a small number of industrial zoned parcels are large, with 7 tax lots exceeding 10 acres, 14 tax lots between 5-10 acres, and the vast majority (179 tax lots) under 5 acres. Figure 7 shows the parcel size distribution.










Industrial development generally requires large sites, for which aggregation of multiple parcels would be necessary in Springwater. Based on current conditions, there are some challenges with creation of adequately sized industrial sites:

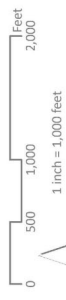
- There is an extensive network of streams and creeks that flow into Johnson Creek. Each of these water bodies has regulatory protective measures (High Value Resource Areas and Resource Areas) which pose a challenge for large scale industrial development even if aggregation were to occur.
- The ownership pattern of industrial land indicates varying ownership of adjoining parcels. In general, the more owners involved, the more complicated the process for aggregation can be.
- Much of the industrial parcel inventory appears to currently in use as residential properties and small-scale farm operations.
- As shown on Figure 8, there are relatively few vacant industrial parcels.
- As shown on Figure 9, for those industrial designated parcels which are not vacant, many of them have improvement valuations (County assessor building valuation compared to land value) of over 50%. As shown on Figure 10, many industrial designated parcels have structures that were built this century. These 2 factors may result in current owners asking for sales prices that become relatively expensive for industrial users.

Gresham Springwater Plan Area Study Figure 7: Parcel Size

Gresham, Oregon

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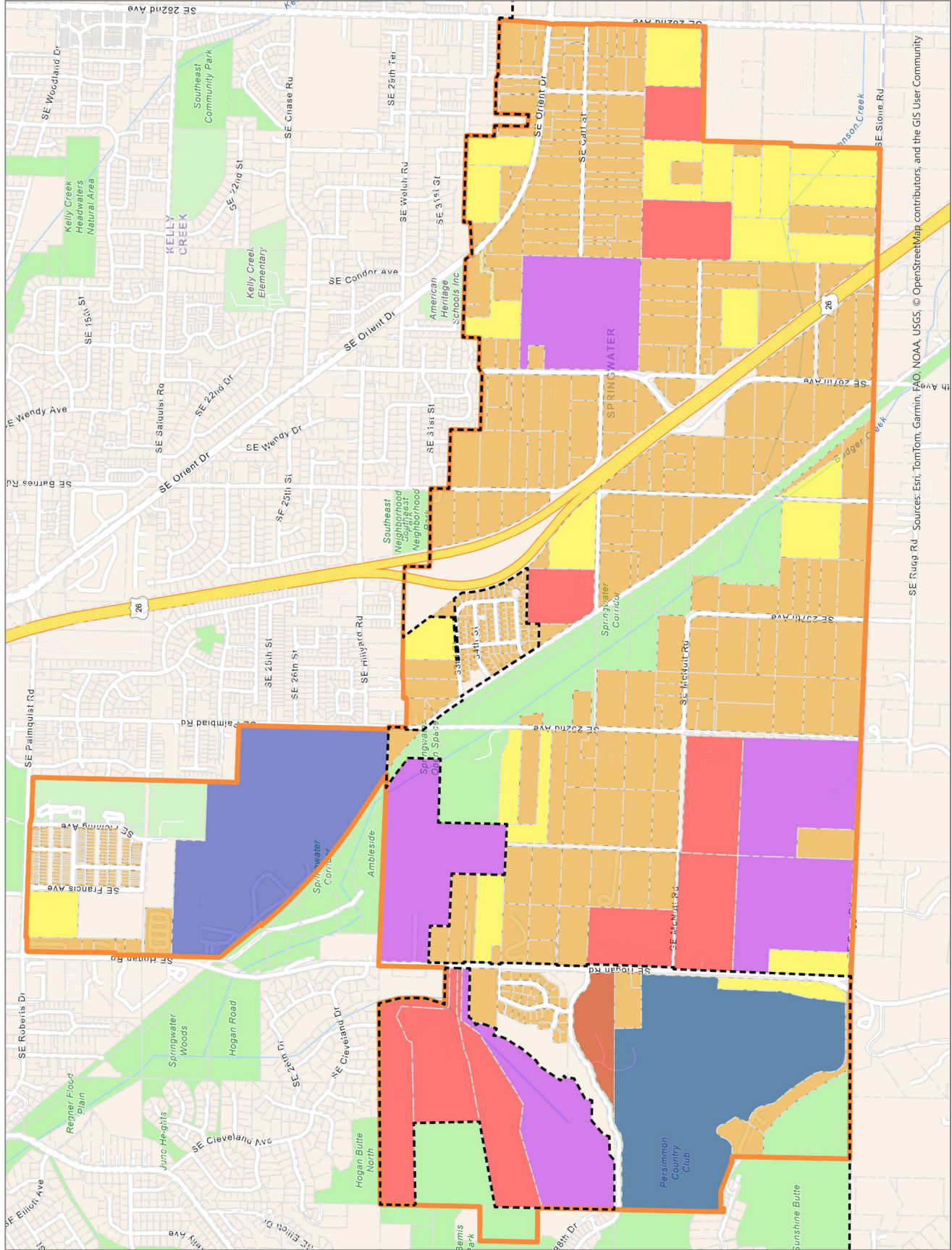
-  Tax Lots
 -  City Limits
 -  Springwater Plan Area
 -  Springwater Tax Lots
- Parcel Acreage
-  0.00 - 5.00
 -  5.01 - 10.00
 -  10.01 - 20.00
 -  20.01 - 50.00
 -  50.01 - 102.00



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


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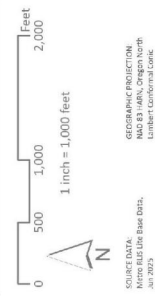


Gresham Springwater Plan Area Study Figure 8: Vacant Industrial Parcels

Gresham, Oregon

LEGEND

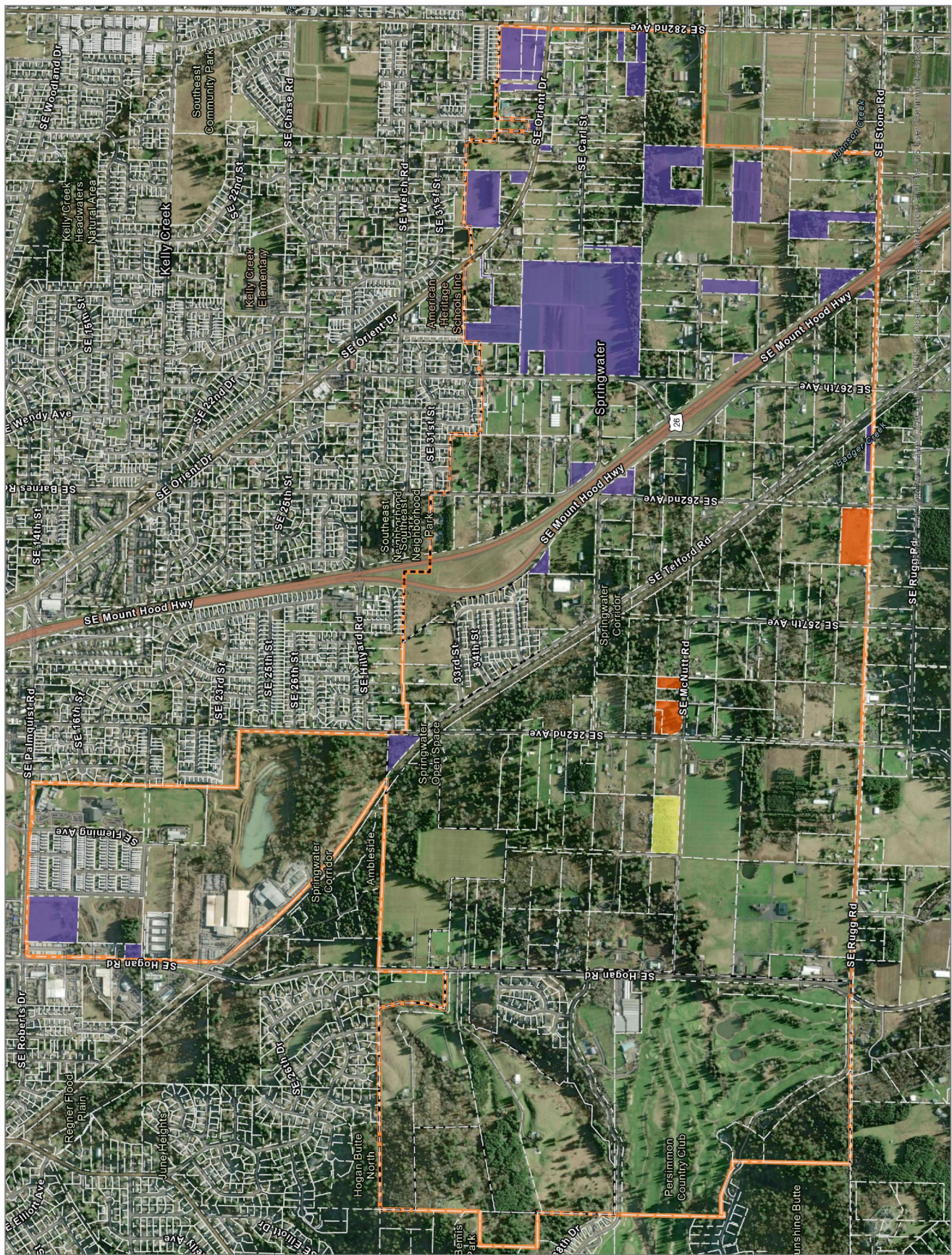
-  Tax Lots
-  City Limits
-  Springwater Plan Area
-  Vacant Industrial Parcels by Zoning
-  IND-SW
-  RTI-SW
-  VC-SW



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







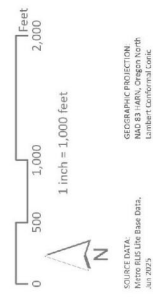
Gresham Springwater Plan Area Study

Figure 9: Improvement Valuation Ratio

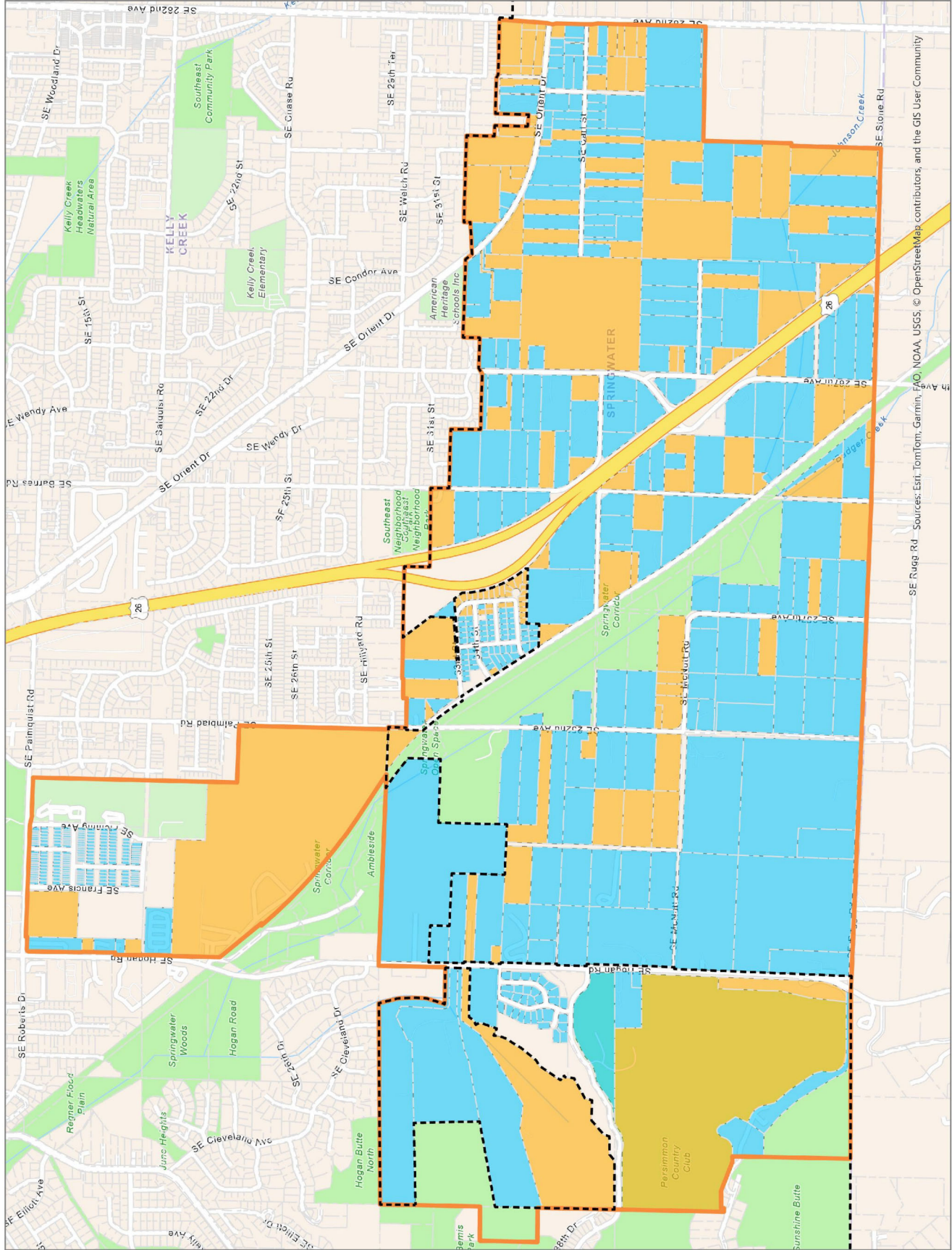
Gresham, Oregon

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-  Tax Lots
-  City Limits
-  Springwater Plan Area
-  Improvement Valuation Ratio (Improvement to Land Value)
 -  0% - 50%
 -  Greater than 50%



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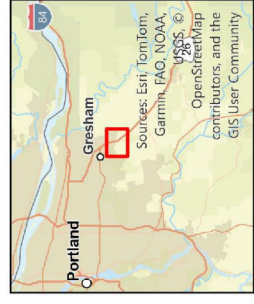
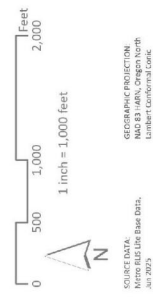


Gresham Springwater Plan Area Study Figure 10: Development Date

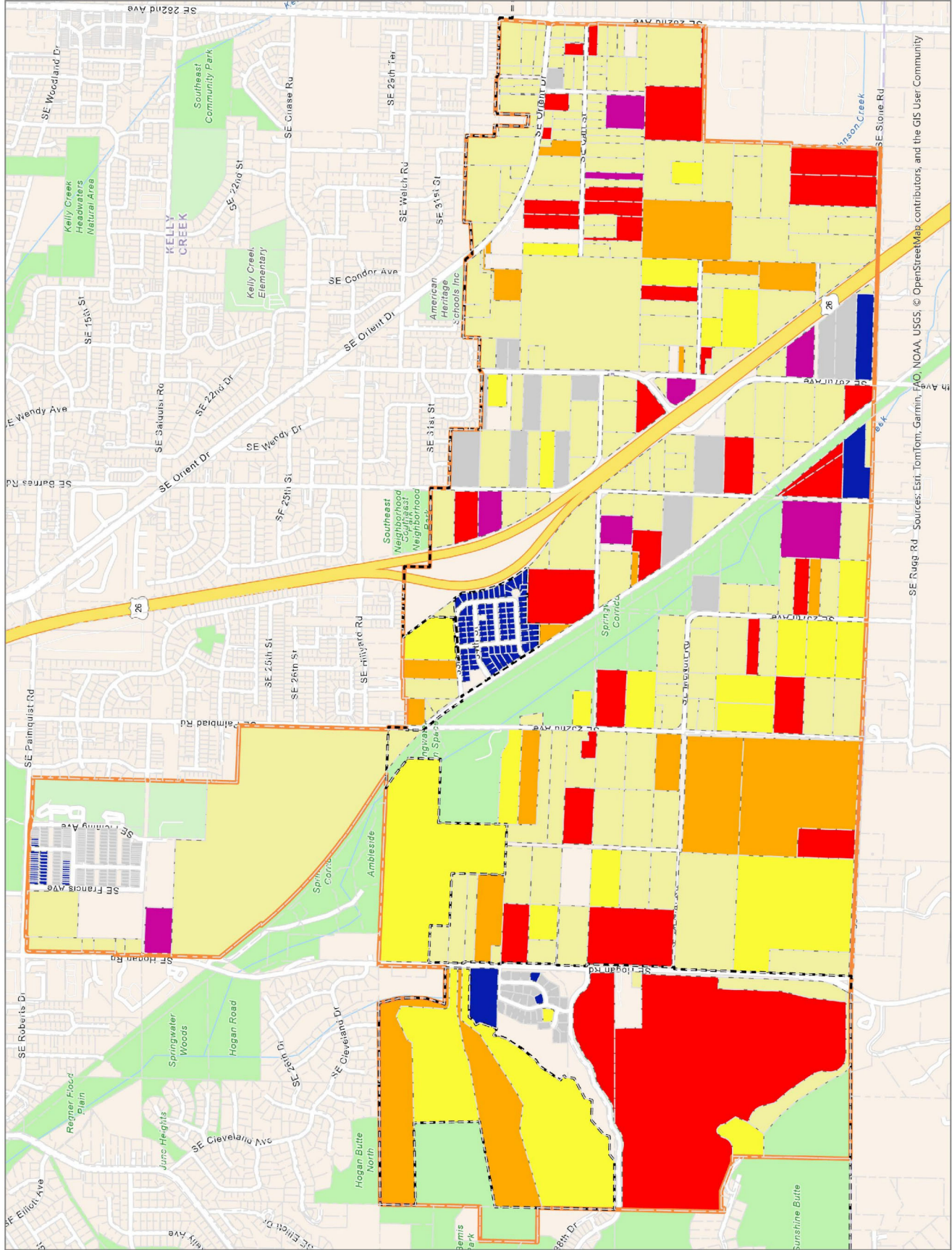
Gresham, Oregon

LEGEND

- Tax Lots
- City Limits
- Springwater Plan Area
- Year Built (Per Metro data)**
- 0 - 1970
- 1971 - 1980
- 1981 - 1990
- 1991 - 2000
- 2001 - 2010
- 2011 - 2020
- 2021 - 2025



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Access/Transportation

Appendix 1 of the Transportation System Plan (TSP) details the existing conditions and conceptual facilities and service plan for the Springwater Plan District. The existing roadway network within the Plan District has mostly rural characteristics. Roadways are generally 2 lanes without sidewalks, curbs, or gutters. The existing road network outside of City Limits is under the jurisdiction of Multnomah County, except for Highway 26 which is under the jurisdiction of the Oregon Department of Transportation (ODOT).

Arterials and Collectors within the Plan District include:

Arterials:

- SE Hogan Road/242nd Avenue
- SE 257th Drive/Kane Road
- 282nd Avenue
- SE Telford Road
- SE Orient Drive
- Highway 26 (ODOT Principal Arterial)

Collectors:

- SE Kane Road
- SE 267th Avenue
- SE Carl Street
- SE Palmquist Road
- SE Butler Road

A significant challenge for development in Springwater is the distance from interstate access. The Plan District is generally served by US 26, which does not provide a direct access to either I-84 to the north or I-205 to the west.

Another challenge is that the conceptual transportation network of TSP Appendix 1 generally does not align with property boundaries, which would add complexity to establishing new transportation corridors in the Plan District.

Infrastructure

Urbanization of Springwater would require construction and maintenance of public water, sewer, and stormwater infrastructure. The Springwater area largely presently accesses water and wastewater through private systems. Below is a study of the status of City utilities in relation to industrial areas.

Water

Water infrastructure in Springwater is limited, as depicted in Figure 11. Existing facilities include:

- Water main in SE Butler Road (near the intersection of SE Atherton Avenue and SE Butler Road)
- Water main in SE Hogan Road (near the intersection of SE Cleveland Drive and SE Hogan Road)
- Water main in SE Telford Road (near the intersection of SE Telford Road and SE 36th Street)
- Water main in SE 367th Avenue (near the intersection of SE 267th Avenue and SE 33rd Street)
- Water main in SE 282nd Avenue running along the eastern boundary of Springwater

Appendix 44 of the Comprehensive Plan provides recommendations for the water system in Springwater to be divided into three service levels – extensions of the South Hills, Intermediate, and Lusted Service Levels. Each service level includes looped distribution mains ranging from 12" to 18". Additionally, 2 new pumps are recommended to be added to the Regner Pump Station and two new reservoirs will be required. 1 would be located near and of a similar size as the existing South Hills Reservoir (2.6 MG) and the other would be located near and of the same size as the existing Wheeler Reservoir (3.2 MG).

Water system improvements would be funded through System Development Charges (SDCs) as noted in Appendix 44 of the Comprehensive Plan. Initial investment by the City may be effective in attracting development.

Sanitary Sewer

Sanitary Sewer infrastructure in the Plan District is limited, as depicted in Figure 12. Existing facilities include:

- Sewer main in SE Hogan Road (near the intersection of SE 35th Terrace and SE Hogan Road)
- Sewer main in SE Telford Road (near the intersection of SE Telford Road and SE 36th Street)
- Sewer main in SE 267th Avenue (near the intersection of SE 267th Avenue and SE 33rd Street)

Appendix 44 of the Comprehensive Plan provides recommendations for a gravity collection system to serve the Springwater Plan District and improvements to existing infrastructure to convey additional flow to City's treatment plant.

The conceptual backbone of the Springwater sanitary system would be an extension of the Johnson Creek interceptor along SE Telford Road. Gravity mains would convey wastewater from the development areas to the interceptor extension. Improvements and upsizing to existing facilities would be necessary to accommodate future development.

Storm Sewer

Storm Drainage infrastructure in the Plan District is limited, as depicted in Figure 13. Given the emphasis on green street swales, swale culverts, and onsite stormwater management, there are very few stormwater facilities in the Springwater Plan District. The existing stormwater mains appear to serve the residential subdivision development in the Plan District.

Appendix 44 of the Comprehensive Plan makes note that the historic drainage practices in Springwater have resulted in a significant altered watershed impacting the watershed health. Appendix 44 provides recommendations for a stormwater system intended to minimize impact of development and maintain or restore watershed functionality.

The conceptual stormwater system is to be based on green practices that include onsite stormwater management and public infrastructure facilities with the goal of mimicking natural hydrology and reducing impact to pre-development conditions (or improving over current conditions).





For public rights-of-ways and improvements, the conceptual stormwater system calls for runoff to be conveyed through green street swales and swale culverts with regional facilities to control the flow of runoff back to the streams.

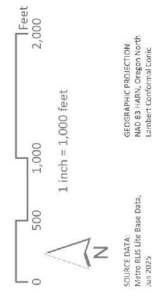
For private development, onsite facilities utilizing green development practices would be required for detention and infiltration.

Gresham Springwater Plan Area Study Figure 11: Water Infrastructure

Gresham, Oregon

LEGEND

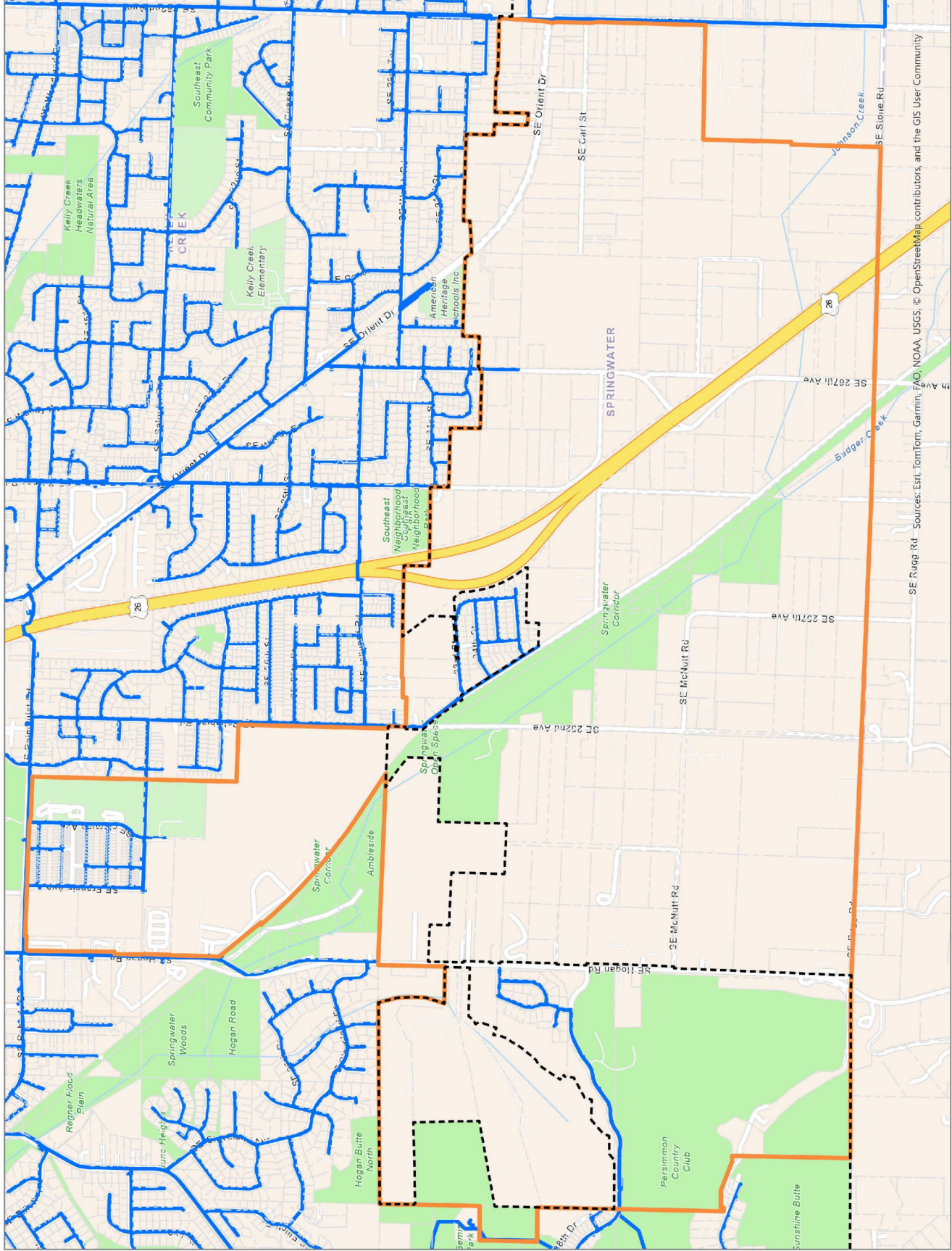
-  Tax Lots
-  City Limits
-  Springwater Plan Area
-  Water Main



DATE: 8/14/2015 Map Created By: ACF
PROJECT NUMBER: 122611103



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**Gresham Springwater
Plan Area Study
Figure 12: Sanitary Sewer
Infrastructure**

Gresham, Oregon

LEGEND

-  Tax Lots
-  City Limits
-  Springwater Plan Area
-  Sanitary Sewer Main



DESIGNED BY: PHOTONOR
MAY 2015 (REV. 05/15)
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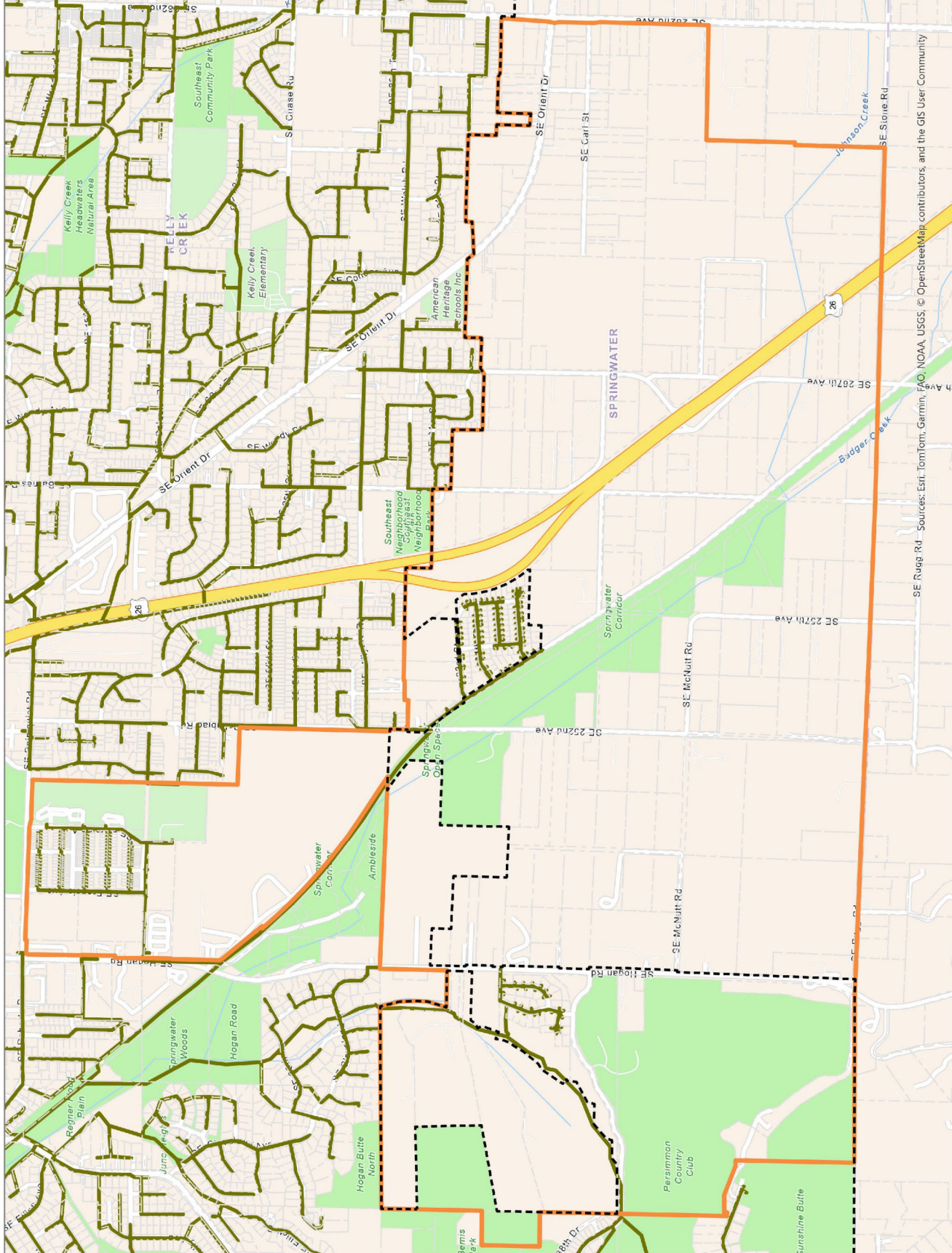
DATE: 5/14/2015
PROJECT NO: 224-9560



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





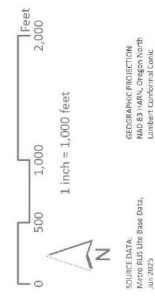
SE Rugg Rd - Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Gresham Springwater Plan Area Study Figure 13: Stormwater Infrastructure

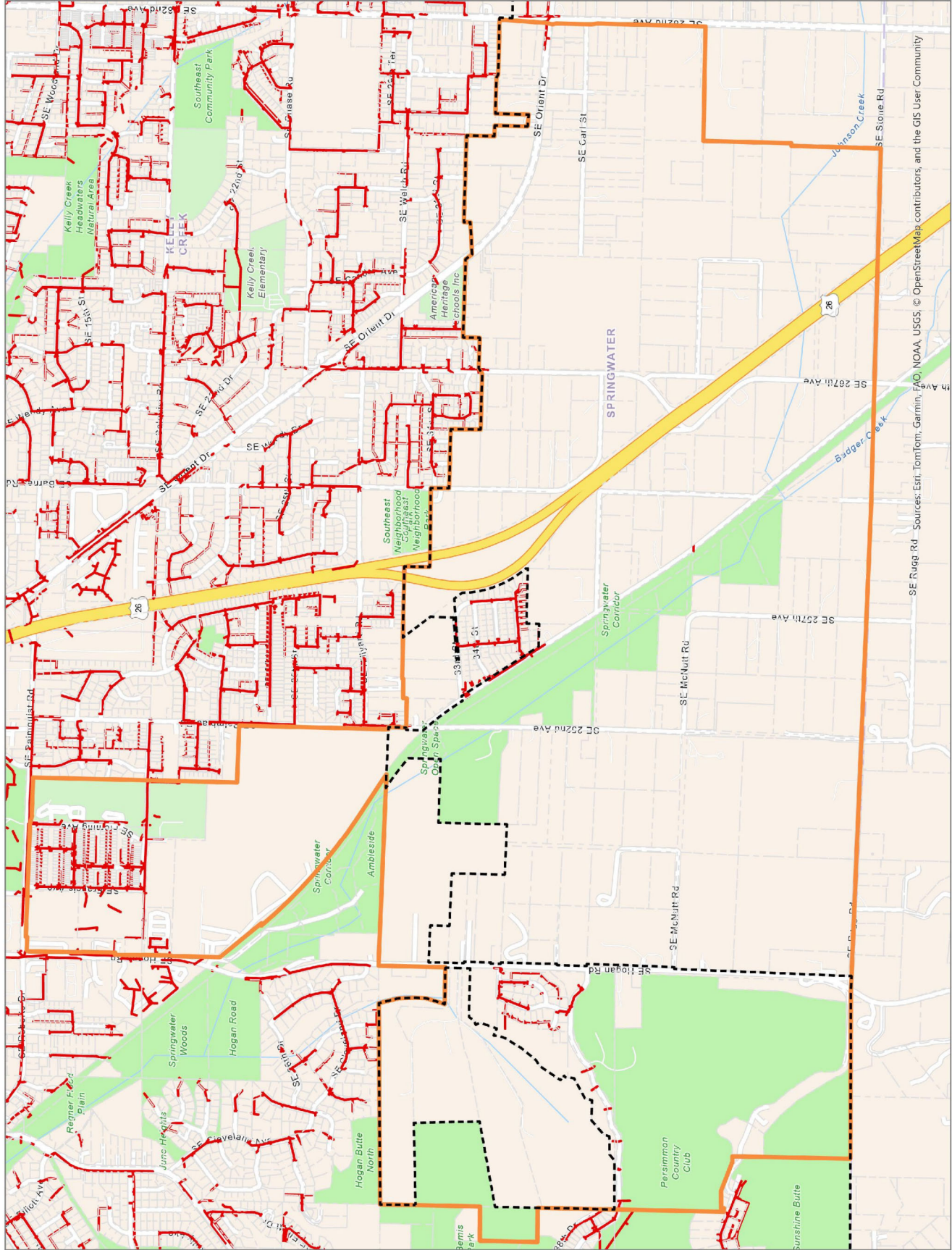
Gresham, Oregon

LEGEND

-  Tax Lots
-  City Limits
-  Springwater Plan Area
-  Stormwater Pipe



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Regulatory Context

Development within the Plan District needs to be consistent with state and regional regulations. Descriptions of applicable regulations are provided below, particularly as they relate to possible redesignation of industrial areas for other uses.

To increase cross-jurisdictional/agency coordination, meetings with Metro, Port of Portland, Multnomah County, Department of Land Conservation and Development (DLCD), Business Oregon, and Oregon Department of Transportation (ODOT) were facilitated as part of this project. These conversations included discussion of ongoing and future planning efforts for the Plan District.

Statewide Land Use Planning Goal 9 (Economic Development)

This goal is “To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.”

Goal 9 requires that land be designated for commercial and industrial uses according to the needs of the local and regional economy, current economic base, workforce, availability of land, and availability of key public facilities. The goal encourages communities to preserve employment land. Goal 9 relies on an accounting of suitable land for identified employment uses, with an assessment of land available for development or redevelopment and specific siting needs for categories of employment uses. Any rezoning to other uses would require analysis of the remaining Citywide buildable land inventory for employment uses.

Metro Title 4

Metro Code 3.07.410 (within Metro’s Urban Growth Management Functional Plan) states the purpose and intent of Metro Title 4 as follows:

The Regional Framework Plan calls for a strong regional economy. To improve the economy, Title 4 seeks to provide and protect a supply of sites for employment by limiting the types and scale of non-industrial uses in Regionally Significant Industrial Areas (RSIAs), Industrial and Employment Areas. Title 4 also seeks to provide the benefits of "clustering" to those industries that operate more productively and efficiently in proximity to one another than in dispersed locations. Title 4 further seeks to protect the capacity and efficiency of the region’s transportation system for the movement of goods and services and to encourage the location of other types of employment in Centers, Corridors, Main Streets and Station Communities. The Metro Council will evaluate the effectiveness of Title 4 in achieving these purposes as part of its periodic analysis of the capacity of the urban growth boundary.

There are 3 designations under Metro Title 4: Regionally Significant Industrial Areas; Industrial Areas; and Employment Areas. Springwater does not have any Title 4 Employment Areas. As shown in Figures 14 and 15, the Plan District has areas with Title 4 Industrial and Regionally Significant Industrial designations.

- Industrial Areas:
 - Title 4 Industrial Areas are designated generally west of SE Telford Road.
 - The Title 4 Industrial Area designation imposes limitations on the size of retail uses and professional uses and their associated traffic. Specifically, new retail or professional establishments cannot occupy more than 5,000 SF of sales or service area in a single outlet,

- or multiple outlets that occupy more than 20,000 SF of sales or service, subject to very limited exceptions.
 - The Industrial Area designation places restrictions on land division for parcel 50 acres or larger.
 - There are no restrictions on other types of uses such as residential or commercial uses outside of retail or professional services.
- Regionally Significant Industrial Area:
 - Title 4 Regionally Significant Industrial Area (RSIA) is designated generally east of SE Telford Road.
 - The Title 4 RSIA designation imposes limitations on the size of retail uses and professional uses and their associated traffic. Specifically, new retail or professional establishments cannot occupy more than 3,000 SF of sales or service area in a single outlet, or multiple outlets that occupy more than 20,000 SF of sales or service, subject to very limited exceptions.
 - The RSIA designation places restrictions on land division for parcel 50 acres or larger.
 - The RSIA designation also places limits on schools, places of assembly, and parks serving people outside RSIA.
 - There are no restrictions on other types of uses such as residential or commercial uses outside of retail or professional services.

Metro Title 3 and Title 13

Metro Code 3.07.310 states the intent of Metro Title 3 as follows:

To protect the beneficial water uses and functions and values of resources within the Water Quality and Flood Management Areas by limiting or mitigating the impact on those areas from development activities and protecting life and property from dangers associated with flooding.

Metro Code 3.07.1310 states the intent of Metro Title 13 as follows:







The purpose of this program are to (1) conserve, protect, and restore and a continuous ecologically viable streamside corridor system, from the streams' headwaters to their confluence with other streams and rivers, and with their floodplains in a matter that is integrated with upland wildlife habitat and with the surrounding urban landscape; and (2) to control and prevent water pollution for the protection of the public health and safety and to maintain and improve water quality throughout the region.

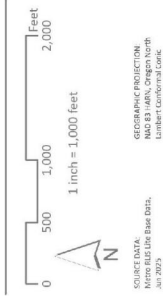
City's Natural Resource Overlay (NRO) regulations provide a framework for protection of Metro Title 3 and 13 lands.

Gresham Springwater Plan Area Study Figure 14: Metro Title 4 Lands

Gresham, Oregon

LEGEND

-  Tax Lots
-  City Limits
-  Springwater Plan Area
-  Title 4 Land
-  Industrial
-  Regionally Significant Industrial



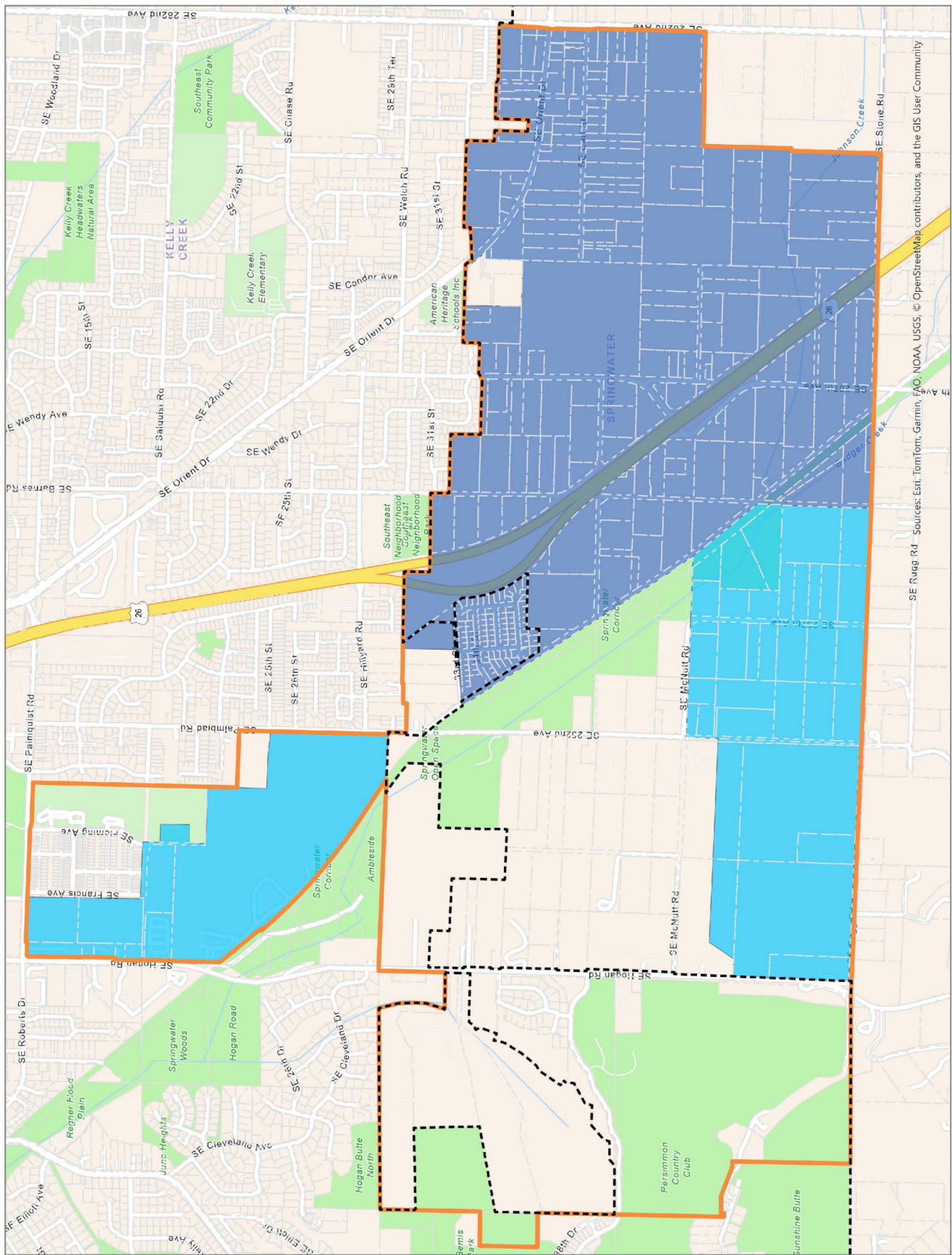
DATE: 8/14/2015 Map Created By: ACF
PROJECT: Metro Title 4

REVISIONS: 01/15/2015
NO. 831440, Oregon North
Map: FLS 100 Base Data
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Multnomah County Zoning

As large portions of the Plan District are presently outside City Limits, Figure 16 illustrates the current zoning designations:

- West of Hogan Drive is primarily zoned Pleasant Valley Urban plan area (UF20 – Urban Future District)
- North of Orient Drive is zoned OR – Orient Rural Center Residential and OCI – Orient Commercial-Industrial
- The remainder of the Plan District is a mix of MUA20 – Multiple Use Agriculture (minimum 20 acres) and EFU – Exclusive Farm Use (minimum 80 acres except for lots of record)

As noted, some of the Multnomah County zoning outside City Limits has at least 20-acre minimum acreage requirements. While this could nominally protect land for future industrial development by ensuring large parcels are not divided into smaller parcels, in the Plan District many of the existing parcel sizes are already smaller than 20 acres, so the existing zoning does not serve as an effective mechanism to preserve large sites.

Attachment B

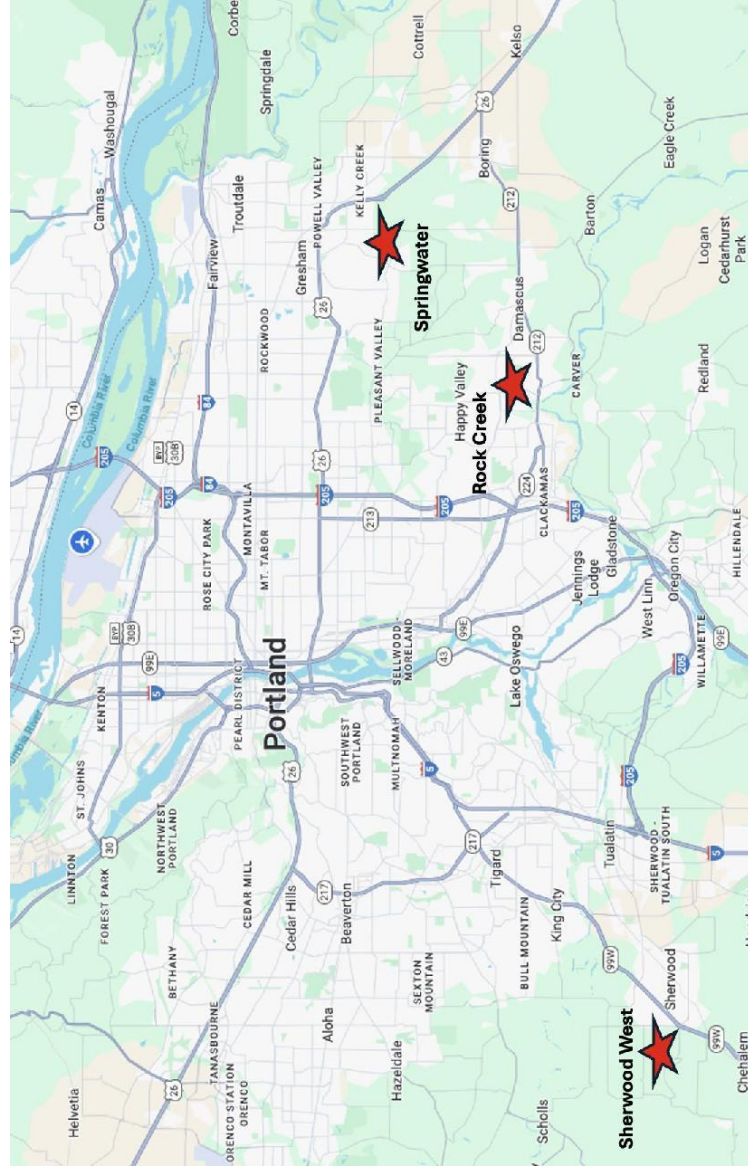
INDUSTRIAL COMPETITIVENESS ASSESSMENT

SPRINGWATER VS. ROCK CREEK VS. SHERWOOD WEST

The Springwater Plan District, Rock Creek, and Sherwood West represent three positions in the region's industrial land pipeline. We use these sites as comparators because they share key features with Springwater. Rock Creek, east of I-205 in Happy Valley, faces similar access challenges and is aligned with overlapping target industries. Sherwood West, though located west of the Willamette River, is planning for a mix of employment and housing that parallels Springwater's vision.

Taken together, these sites provide a useful benchmark for evaluating Springwater's relative strengths and weaknesses, and for understanding the conditions that influence industrial competitiveness across the region.

Portland Metro Map of Industrial Areas



Source: Google Map

INDUSTRIAL COMPETITIVENESS ASSESSMENT

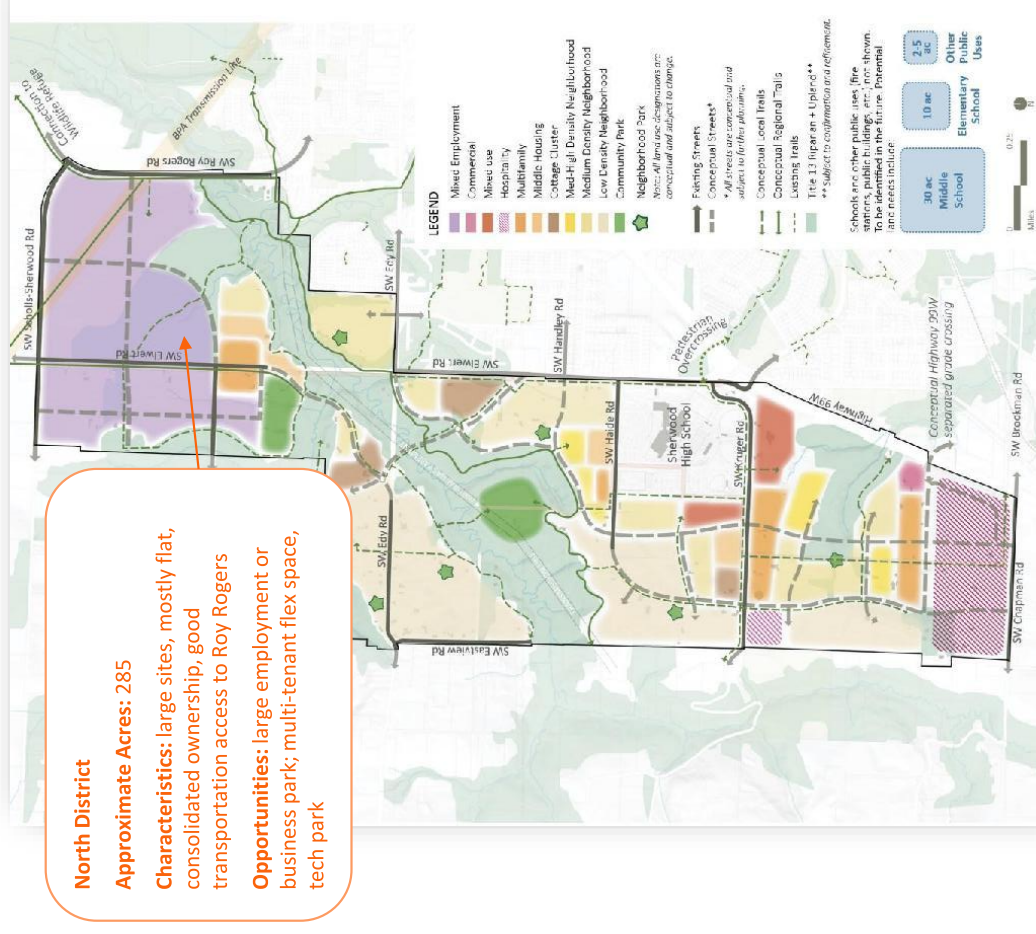
SHERWOOD WEST PROFILE

Added to the Metro UGB in 2024, Sherwood West is a 1,291-acre growth area on the western edge of Sherwood, adjacent to Highway 99W and within a 15-minute drive of I-5. The Concept Plan envisions a complete community with housing, public amenities, and employment land.

Employment planning is anchored in the North District, which designates about 285 acres for mixed-employment uses. Parcels in this area range from 0.5 to 36 acres, with larger sites generally located east of SW Elwert Road. There are 16 owners in the North District, and several owners control multiple contiguous parcels—creating opportunities for land assembly. Combined with relatively flat terrain and arterial access via Scholls-Sherwood and Lebeau roads, these conditions make the North District the most viable location for light industrial and traded-sector development, including flex and advanced manufacturing.

Sherwood West is well connected to I-5 through arterial roads but lacks direct interstate frontage, limiting its competitiveness for large-scale warehousing and logistics. Today the area remains largely farmland, rural pasture, and scattered rural residential uses. Significant phased investment in water, sewer, stormwater, and transportation will be required before development can occur. Over the long term, however, Sherwood West's scale, connectivity, and coordinated planning framework position it to become a competitive industrial district.

Sherwood West Concept Plan



INDUSTRIAL COMPETITIVENESS ASSESSMENT

ROCK CREEK PROFILE

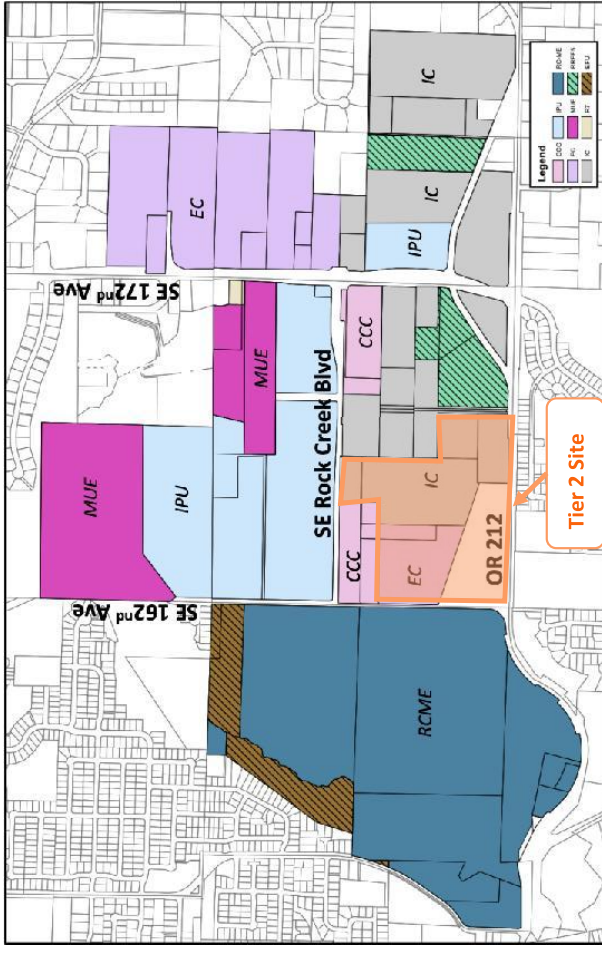
The Rock Creek Employment Center (RCEC) is a 200+ acre district along Highway 212 in southeast Happy Valley, added to the UGB in 2002 and largely annexed since. Despite its designation, the area remains mostly vacant, with two schools constructed and residential growth occurring around its edges.

Industrial land is concentrated in the southern portion near OR-212. About 20 percent of the district is zoned Industrial Campus (IC), with about 20 parcels ranging from 0.2 to 13 acres. Additional employment land that allows industrial uses includes the Employment Center (EC) and Rock Creek Mixed Employment (RCME) zones, where some of the largest parcels are located. Metro's 2017 Site Readiness Inventory classified a 40-acre site (five parcels, two owners) as Tier 2, indicating it could be development-ready within 7–30 months.

Infrastructure remains the primary barrier to development in the area with the need for costly road, water, and sewer improvements to support full buildout. The planned Sunrise Parkway is considered the long-term solution for congestion and freight movement but requires regional approval and funding.

While high costs and reliance on regional projects limit near-term competitiveness, the district's scale, adjacency to OR-212, proximity to I-205, and location near the Clackamas Industrial Area support its long-term potential. The City of Happy Valley has advanced planning work to explore parcel aggregation, utility serviceability, and marketing to developers.

Rock Creek Employment Center Zoning Map



Source: Rock Creek Employment Center Infrastructure Assessment and Funding Plan (2022)

INDUSTRIAL COMPETITIVENESS ASSESSMENT

COMPETITIVENESS MATRIX

Site	Ownership & Parcelization	Location & Access	Infrastructure	Environmental Constraints	Existing & Surrounding Uses	Competitive Position
Springwater	~1,400 acres total; ~400 acres zoned for employment; highly fragmented (~200+ lots, few >10 acres)	Hwy 26 runs through the district; ~15 minutes (7 miles) from I-84, ~25 minutes (10 miles) from I-205	Major road, sewer, and water upgrades needed; Metro Tier 3 site (37 acres, 30+ months to readiness)	Steep slopes, streams, and resource areas limit development potential; less severe east of Hwy 26	Portions transitioning to residential; adjacency to rural/low-density housing limits industrial fit	Weak to Moderate Fragmented land, housing conflicts, and weak highway access limit viability to small-scale production.
Rock Creek	~200 acres total for employment and institutional uses; few lots over 10 acres; fragmented ownership	Adjacent to OR 212; ~10 minutes (4 miles) from I-205; long-term Sunrise Parkway important for freight access	Significant upgrades needed for full buildout but many sites fully able to be served with utilities immediately; Metro Tier 2 site (40 acres, 7–30 months to readiness)	Few apparent development constraints though several properties have 8-15% slopes	Largely undeveloped; two schools and residential nearby	Moderate to Strong Larger sites near OR-212 show potential; fragmented ownership and costly infrastructure limit readiness; long-term viability enhanced by Sunrise Parkway.
Sherwood West	1,291 acres total; ~350 acres employment (285 ac North District; 80 ac hospitality); 126 parcels / 110 owners overall; North District: sites range from 0.5–36 acres across 16 owners, some with contiguous holdings	Adjacent to Hwy 99W; ~15 min to I-5 via arterials; no direct freeway frontage	No urban services; requires phased extension of sewer, water, stormwater, and roads	North District largely flat and unconstrained with 3-5% slopes; some stream corridors and buffers elsewhere	Active farms within site; future adjacency to residential neighborhoods requires buffering	Moderate to Strong The North District offers larger and relatively unconstrained sites with arterial access to I-5, supporting light industrial, flex, and advanced manufacturing. Less suitable for large-scale warehousing and logistics.



SUMMARY OF MARKET POTENTIAL

Use Type	Market Demand	Springwater Fit	Market Potential and Dependency
Multifamily Residential (rental)	Moderate to High Growth in rental rates, slightly higher vacancy which is being absorbed into the market	Moderate Urban edge, limited infrastructure and services, environmental constraints can limit density	Moderate Continued demand for rental housing throughout the region; higher density would require expanding infrastructure and services
Single Family Residential (for sale)	High Strong sales, growth in sales price	High Existing residential, can be compatible with environmental constraints, existing parcelization, urban edge	High Continued demand for housing throughout the region, suitable for low-density housing, higher density would require expanding infrastructure and services
Retail	Moderate Growth in rental rates and relatively low vacancy	Moderate Limited access/visibility makes unsuitable for large box stores; nearby residential support local serving retail	Moderate Potential for local serving retail as nearby residential grows
Office	Low Regional market remains soft, with high vacancy rates and slow leasing activity	Low Limited access/visibility, regional competitive constraints	Low to Moderate Poor fit for tenant-built or corporate office; moderate potential for household service offices as nearby residential grows
Industrial	High Industrial land remains in short supply across the region, and both regional and local market trends indicate ongoing pressure for new industrial development.	Low to Moderate Lacks direct connections to I-84 or I-205, removed from existing industrial clusters, much of the land is fragmented or developed with housing.	Low to Moderate Limited viability for certain small-scale production uses; redevelopment of opportunity site may encourage additional industrial activity nearby

