ATTACHMENT A

4.720 ECONOMIC DEVELOPMENT

4.721 Introduction

The City of Gresham is committed to fostering sustainable economic growth, generating new family wage jobs, and improving the overall quality of life and prosperity for residents. Gresham's economic development initiatives proactively shape Gresham's economic future by providing a framework for the supply and use of employment land, attracting investment, encouraging entrepreneurship, and improving the local business environment.

Statewide Planning Goal 9 (Economic Development) requires the City to plan for economic opportunities. The goal focuses on ensuring an adequate supply of suitable land to accommodate a diversity of industrial and other employment activities. It requires the City to periodically evaluate its land supply over a 20-year planning period. Goal 9 states,

> *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 is implemented through OAR Chapter 660, Division 9, which establishes standards for the Economic Opportunities Analysis (EOA) and for the comprehensive plan policies, required under OAR 660-009-0015 and OAR 660-009-0020, respectively. The EOA is the technical study that inventories the City's supply of buildable employment land, forecasts future employment growth, and determines whether that supply is sufficient to accommodate forecasted growth. Gresham's 2026 EOA, Volume 1 Appendix 20, provides the factual basis for the findings this section and the goals and policies in Volume 2, Section 10.400.

The goals and policies in Volume 2, Section 10.400 are structured to meet State Goal 9 requirements while reflecting Gresham's local economic development priorities. Because Gresham is located within the Metro regional Urban Growth Boundary the City must commit to a competitive short-term supply of land for industrial and other employment uses. This must be identified through the EOA, as required by OAR 660-009-0020(1)(b). The City is also required to adopt policies committing to designate an adequate number of suitable sites, and to coordinate public facility and transportation system planning to serve those sites, per OAR 660-009-0020(1)(c).

The findings in this Section, Volume 1 Appendix 20 and the goals and policies in Volume 2, Section 10.400 help guide Gresham's economic development decisions. They are intended to help the City maintain an adequate supply of suitable employment land, promote development and investment, strengthen industrial and commercial areas, coordinate infrastructure and transportation planning, and support business partnerships.

4.722 Economic Development

The context for economic development in Gresham has changed considerably since the City completed its last EOA in 2003. Since that time, Gresham and the broader region have experienced the Great Recession, the COVID-19 pandemic, changing population and labor force trends, rising development costs, and shifts in retail, office, and industrial markets. Gresham has also largely built out and now has fewer large greenfield employment sites than in 2003. As a result, future employment growth will depend less on expansion into new greenfield areas and more on redevelopment, infill, site assembly, and more efficient use of existing industrial and commercial land.

The findings in this section, and goals and policies in Volume 2, Section 10.400 are based on the City's 2026 EOA, contained in Volume 1 Appendix 20, which is prepared consistent with OAR 660-009-0015. The planning period for the EOA is 2026-2046. It identifies approximately 710 acres of unconstrained buildable industrial and commercial land within Gresham's city limits and Urban Service Boundary. This total includes about 537 acres in industrial districts and 174 acres in commercial and mixed-use districts. Approximately 194 acres is currently developed but is considered likely to redevelop.

Gresham's employment base is projected to grow from 46,395 employees in 2026 to 51,852 employees by 2046, an increase of 5,457 jobs. This forecast is based on Gresham's historical average annual employment growth rate of 0.56 percent between 2007 and 2024. It reflects a moderate and realistic pace consistent with the City's recent experience. This growth is expected to create demand for approximately 200 gross acres of industrial land and 194 gross acres of commercial land over the 2026-2046 planning period.

The EOA finds that Gresham has sufficient industrial land capacity to accommodate forecasted growth and an estimated citywide surplus of about 337 acres. However, much of the City’s remaining vacant industrial land is in the Springwater Plan Area. The suitability of this area for industrial development is reduced because of fragmented ownership, small and irregular parcels, environmental constraints, infrastructure needs, and limited freight and interstate access. Excluding Springwater, Gresham has approximately 265 acres of industrial land. Comparing 265 acres to the forecasted demand of about 200 acres results in a smaller surplus – about 65 acres. Due to challenges for industrial land development in Springwater, industrial growth will depend more heavily on redevelopment, infill, site assembly, and reinvestment within the City's existing, developed industrial areas.

Gresham has a modest commercial land deficit. The EOA identifies approximately 174 acres of buildable commercial and mixed-use land. The forecasted demand is about 194 acres. Therefore, the estimated deficit is about 20 acres. This deficit is relatively small compared to Gresham's overall employment land supply. As a result, it does not indicate a need to expand the employment land base. It indicates that future commercial growth will depend more heavily on redevelopment, infill, reuse of existing buildings, and more intensive use of existing commercial and mixed-use areas.

Cities within a Metropolitan Planning Organization must maintain at least 25 percent of their employment land supply in short-term supply. Gresham is within Metro, the regional government for the Portland Metropolitan area. The short-term supply must be available for development within one year of a building permit application, consistent with OAR 660-009-0025(3)(a). Gresham's 2026 EOA finds that approximately 26 percent of Gresham's employment land base meets this standard. Land within the Urban Service Boundary but outside City limits was excluded from the short-term supply. Annexation timelines are expected to extend development beyond one year, underscoring the importance of annexation planning to maintain this supply over time.

The EOA identifies several target sectors expected to account for a substantial share of Gresham's future employment growth. These include manufacturing (e.g., computer and electronic products, transportation equipment, machinery, food, paper, and plastics and rubber products), wholesale trade and distribution, health care and social assistance, and construction and specialty trades. The EOA also notes Gresham's strong concentration of retail trade, accommodation, and food services. This reflects City's role as a commercial and service center for surrounding neighborhoods and communities.

These findings lead to economic development policies that reflect the City's position as a largely built out, established employment center, rather than a community planning for extensive greenfield expansion. The City will continue to monitor employment land supply, development trends, infrastructure readiness, and market conditions over time and update its factual basis (EOA) as needed.