

APPENDIX **G**

REVENUE PROJECTIONS AND FUNDING STRATEGY



APPENDIX G. REVENUE PROJECTIONS AND FUNDING STRATEGY

INTRODUCTION

This appendix summarizes Gresham’s current funding sources and anticipated revenues for the park and recreation system, along with a discussion of potential strategies to increase available funding for capital projects and operations and maintenance.

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TO: Matt Hastie, MIG; City of Gresham
FROM: Becky Hewitt and Alicia Milligan, ECONorthwest
SUBJECT: Parks Revenue Projections and Funding Strategy (DRAFT)

Introduction

Gresham's park system funding is divided between capital investment (land acquisition, new park development, and major upgrades to existing parks) and operations and maintenance (O&M) (day-to-day upkeep, repairs, and programming support).

- Capital funding is supported primarily through System Development Charges (SDCs), grants, and allocations from a regional Bond. These sources are generally restricted to use for capital projects and cannot be used for ongoing O&M.
- Operations and maintenance funding, on the other hand, depends almost entirely on the City's General Fund, which is supported primarily by property tax revenues. Smaller amounts of O&M funding for parks come from park use fees, sponsorships, and an allocation from the Police, Fire, and Parks (PFP) fee that flows through the General Fund.

These sources and anticipated revenues from them are described further below, followed by a discussion of potential strategies to increase available funding for parks, both for capital projects and for O&M.

Capital Project Funding Assessment

Funding Projection Overview

Based on past trends, Gresham can expect to have \$26.1–\$31.6 million (2025 \$) from existing sources to fund parks capital projects over the 10-year planning period (FY 2025/26–2034/35). This includes projected funding from SDCs, state grants, and Metro Parks Bond allocations. Most of this revenue is anticipated to come from existing Parks SDCs, which may only be spent on capital projects that increase capacity to serve growth. Some of the SDC revenue is further earmarked for neighborhood parks in specific areas of the City and may not be spent elsewhere. Grants and Metro Parks Bond allocations can be applied more flexibly to other capital project needs but are inherently uncertain because they are allocated by other agencies. The 10-year totals are summarized below in nominal and 2025 dollars.

Exhibit 1. 10-year (FY25/26-34/35) Forecasted Capital Revenue (Nominal \$ Rounded)

| PLANNING PERIOD REVENUE SOURCES | TOTAL (LOW ESTIMATE) | TOTAL (HIGH ESTIMATE) |
|---------------------------------|----------------------|-----------------------|
| Grants | \$5,200,000 | \$7,200,000 |
| Metro Bond allocation | \$3,620,000 | \$7,240,000 |
| SDCs | \$21,984,000 | \$21,984,000 |
| Planning Period Total | \$30,804,000 | \$36,424,000 |

Source: EConorthwest calculations and analysis

Exhibit 2. 10-year (FY25/26-34/35) Forecasted Capital Revenue (2025 \$ Rounded)

| PLANNING PERIOD REVENUE SOURCES | TOTAL (LOW ESTIMATE) | TOTAL (HIGH ESTIMATE) |
|---------------------------------|----------------------|-----------------------|
| Grants | \$4,662,000 | \$6,370,000 |
| Metro Bond allocation | \$3,345,000 | \$6,252,000 |
| SDCs | \$18,951,000 | \$18,951,000 |
| Planning Period Total | \$26,958,000 | \$31,573,000 |

Source: EConorthwest calculations and analysis

A more detailed discussion of the assumptions that informed these estimates and limitations on their usage follows. Potential additional funding sources for capital are discussed in the Recommended Funding Strategies section.

Parks SDCs

Overview and Usage

SDCs are one-time fees on development, making revenues dependent on the pace of development. Gresham currently imposes Parks SDCs only on residential development. The rate per dwelling unit varies by geography, with part of the rate based on citywide community parks and trails plus area-specific components dedicated to neighborhood parks, with different rates for Current City, Pleasant Valley, and Springwater. Rates are adjusted annually based on construction cost inflation as discussed further below.

As noted above, SDCs are restricted to capacity-expanding projects under state law. This can include new parks and trails or improvements to existing facilities that increase their capacity. Examples of improvements to existing parks that could be considered to increase capacity include adding play equipment, sports fields or courts, or picnic areas; adding lighting to allow for field usage during more hours of the day; adding bathrooms; or converting grass fields to turf to allow for more intensive usage during wetter portions of the year. Where projects will serve both new development and existing residents or will both expand capacity and remedy an existing deficiency, SDCs cannot pay for the full cost of the



project, but must be combined with other sources so that development pays a proportionate share of the cost. When developers build projects that are on an approved SDC project list, they receive SDC credits for the value of the improvements (to the extent those improvements go beyond what was required to serve the development itself).

SDC Calculation Assumptions

GROWTH PROJECTIONS

As noted above, SDCs are paid on new development. While development is cyclical, the details of those cycles are difficult to predict over a 10-year period. As a result, the SDC projections rely on the average annual growth rate from the City’s adopted Housing Capacity Analysis (HCA) to estimate future development. Gresham’s HCA projects the city will need to add 6,229 new housing units between 2021 and 2041 for an average of roughly 311 new dwelling units per year.¹

Because the SDC rates and funding allocations differ geographically, the projections must also estimate how much residential development will occur in Pleasant Valley, Springwater, and the existing city. The HCA estimates the following distribution of capacity for new housing across these geographies:²

| | |
|-----------------|-----|
| Pleasant Valley | 33% |
| Springwater | 7% |
| Current City | 60% |

RATES

The analysis uses adopted FY 2025/26 residential SDC rates in effect as of July 1, 2025:³

| | |
|-----------------|---------|
| Pleasant Valley | \$5,132 |
| Springwater | \$6,948 |

¹ City of Gresham, Comprehensive Plan, Volume 1: Findings, Section: 4.800 - 2021-2041 Housing capacity analysis (rev. August 2023) (Gresham, OR: City of Gresham Planning Division, 2023), <https://www.greshamoregon.gov/globalassets/government/city-codes-and-policies/comprehensive-plan/comprehensive-plan---volume-1---section-4.000.pdf>

² City of Gresham, Comprehensive Plan, Volume 1: Findings, Section: 4.800 - 2021-2041 Housing capacity analysis (rev. August 2023) (Gresham, OR: City of Gresham Planning Division, 2023), <https://www.greshamoregon.gov/globalassets/government/city-codes-and-policies/comprehensive-plan/comprehensive-plan---volume-1---section-4.000.pdf>

³ City of Gresham, Resolution No. 3650, Date: July 1, 2025. Accessed at: <https://www.greshamoregon.gov/globalassets/city-departments/budget-and-finance/systems-development-charges/resolution-3650-parks-sdcs.pdf>



Current City \$8,911

As noted above, these rates consist of a citywide community park and trails component and a geographically specific neighborhood park component. The allocation of revenues between those components was based on the 2017 Parks SDC Methodology Report (shown below).

| | Community-wide Facilities | Neighborhood Parks |
|-----------------|---------------------------|--------------------|
| Pleasant Valley | 46.62% | 53.38% |
| Springwater | 36.36% | 63.64% |
| Current City | 63.14% | 36.86% |

These proportional allocations were applied to each subarea’s forecasted SDCs to estimate separate 10-year revenue projections for community and neighborhood park investments. ⁴

Rates are indexed annually using the Engineering News-Record (ENR) Construction Cost Index (CCI, 20-City Average).⁵ To estimate how rates will change going forward over the next 10 years, the analysis applies an average annual cost index of 3.53 percent, derived from the 10-year average of the ENR CCI.⁶ However, when expressing revenues in current (2025) dollars, this indexing is assumed to be offset by the increase in construction costs that it is intended to track, so that the value of the SDC revenues remains constant over time in current dollars.

REVENUE ESTIMATES

Exhibit 3. SDC revenue FY 2025/26–2034/35 and Allocation to Community and Neighborhood Parks (Nominal \$, Rounded)

| SDC COMPONENTS | 10-YR TOTAL (NOMINAL \$) |
|--|--------------------------|
| <i>Community parks & trails portion</i> | \$11,875,000 |
| <i>Current City neighborhood park portion</i> | \$4,156,000 |
| <i>Pleasant Valley neighborhood park portion</i> | \$4,488,000 |
| <i>Springwater neighborhood park portion</i> | \$1,466,000 |
| Total SDCs | \$21,984,000 |

Source: ECONorthwest calculations

⁴ City of Gresham, Parks SDC Methodology Report, Effective Date: July 1, 2017. Accesses at: <https://www.greshamoregon.gov/globalassets/city-departments/budget-and-finance/systems-development-charges/resolution-3650-parks-sdcs.pdf> (Exhibit B)

⁵ Calculated by ECO based on ENR CCI 20 city average for the past 10 years.

⁶ Calculated by ECO based on ENR CCI 20 city average for the past 10 years.



Exhibit 4. SDC revenue FY 2025/26–2034/35 and Allocation to Community and Neighborhood Parks (2025 \$, Rounded)

| SDC COMPONENTS | 10-YR TOTAL (2025 \$) |
|--|-----------------------|
| <i>Community parks & trails portion</i> | \$10,236,000 |
| <i>Current City neighborhood park portion</i> | \$3,583,000 |
| <i>Pleasant Valley neighborhood park portion</i> | \$3,869,000 |
| <i>Springwater neighborhood park portion</i> | \$1,264,000 |
| Total SDCs | \$18,951,000 |

Source: ECOnorthwest calculations

Grant Funding

Grant revenues were forecasted over the 10-year planning period (FY 2025/26–2034/35) based on historic funding patterns and current grant program parameters.

Oregon Parks and Recreation Department Local Government Grant Program

Gresham has received numerous Oregon Parks and Recreation Department (OPRD) Local Government Grants since 2010, approximately every other year. Until recently, the grant amount ranged from \$75,000 to \$750,000 for large grants. The city’s award amounts have ranged from \$100,000 to \$523,480, with an average grant amount very close to the mid-point of the range for the large grant program. The grant amount for large grants was recently increased to \$100,000 to \$1,000,000. For the purposes of this projection, an average future award of \$550,000 was assumed, representing the midpoint of the updated grant amount range. The revenue projection assumes the City will continue to receive a large grant from the program roughly every other year, consistent with past trends. No further increases to the allowed grant amount range are assumed in the planning period, meaning the amount is projected to remain constant over time. Because it may not track with increases in construction costs, the value of this constant grant amount will decline over time in current dollars.⁷

Per OPRD grant guidelines, jurisdictions with populations greater than 25,000 are required to provide a minimum 50 percent local match for awarded grant funds.⁸

⁷ To express values in constant 2025 dollars, the forecasted grant revenues were adjusted using a 3.53 percent annual discount rate, consistent with the ENR Construction Cost Index (20-City Average) used elsewhere in the model.

⁸ Based on Oregon Parks and Recreation Department LGGP Guidelines,, <https://www.oregon.gov/oprd/GRA/pages/GRA-lggp.aspx>



Other Grants

The City has also received other capital grants for parks over time, including funding from the following sources:

- American Rescue Plan Act (ARPA)—a one-time relatively flexible funding allocation to support local governments with pandemic-related economic disruption. Funds must be spent by 2026 and are not available going forward, so this funding source is not incorporated into future revenue projections.
- State Lottery Bonds—state funding for infrastructure projects, generally at the discretion of the state legislature. Funding is generally highly competitive and difficult to predict, and is more likely for high-profile, high-impact projects.
- Community Development Block Grants (CDBG)—a federal funding source allocated to the city that can support a variety of capital investments and programs that benefit lower-income households. Park capital improvements are eligible if they primarily serve low- and moderate-income households, either because of their location or programming. Replacements of existing facilities are eligible provided they represent capital improvements rather than repair and maintenance. Gresham’s total allocation of CDBG funds has ranged from roughly \$2.1 million to roughly \$4.4 million over the past four fiscal years.⁹ The City must balance spending on parks and other infrastructure projects with spending on affordable housing and services for low- and moderate-income families and individuals, limiting how much of this total pool could be allocated to parks improvements.
- Metro Nature in Neighborhoods Grants—separate from the parks and nature bond discussed below, Metro offers capital grants that protect habitat or water quality, support climate resilience, and increase access to nature. Funding can be used for land acquisition for nature parks and trails, capital improvement projects such as nature play areas, habitat restoration, and projects that integrate natural amenities into urban areas. Grant awards can range from \$100,000 to \$1,000,000 as of 2025. A minimum local match of one third of total project costs is required.¹⁰

While future grants and allocations from these sources are unpredictable, the revenue projection assumes an additional roughly \$1-3 million in total over 10 years from these sources combined based on the available funding amounts and past trends.

⁹ City of Gresham, Fiscal Year 2025–26 Adopted Budget (Gresham, OR: City of Gresham Department of Finance and Management Services, 2025), p. 243. Available at: <https://greshamoregon.gov/Budget-and-Financial-Documents/>

¹⁰ Oregon Metro, Nature in Neighborhoods Capital Grants Handbook, March 2025. https://www.oregonmetro.gov/sites/default/files/2025/03/31/2025_NINCapitalGrants_FullAppHandbook_2025_03_20_final_0.pdf



Metro Parks and Nature Bond (Local Share)

The City's current capital improvement plan includes \$3.62 million in Metro Parks and Nature Bond "Local Share" allocations programmed through FY 2029/30, when the existing bond expires. Because the renewal of the bond is uncertain, two forecast scenarios were modeled:

1. With bond renewal, assuming the same average annual allocation for the City of Gresham (\$724,000) continues through FY 2034/35;¹¹ and
2. Without bond renewal, assuming Local Share funding ceases after FY 2029/30.

The average annual bond allocation was derived from the City's planned expenditures between FY 2025/26 and FY 2029/30, resulting in an estimated annualized allocation applied to the remaining five years of the 10-year planning period.

O&M Revenue Assessment

As noted above, most of the revenue for parks O&M comes from the City's general fund, and much of the general fund revenue comes from property taxes. There are several other, smaller sources that flow into the general fund and are directed towards parks O&M, including the PFP fee and a small amount of transient lodging tax. Additional funding for parks O&M comes from user fees and sponsorships. The trends and outlook for these sources are described below.

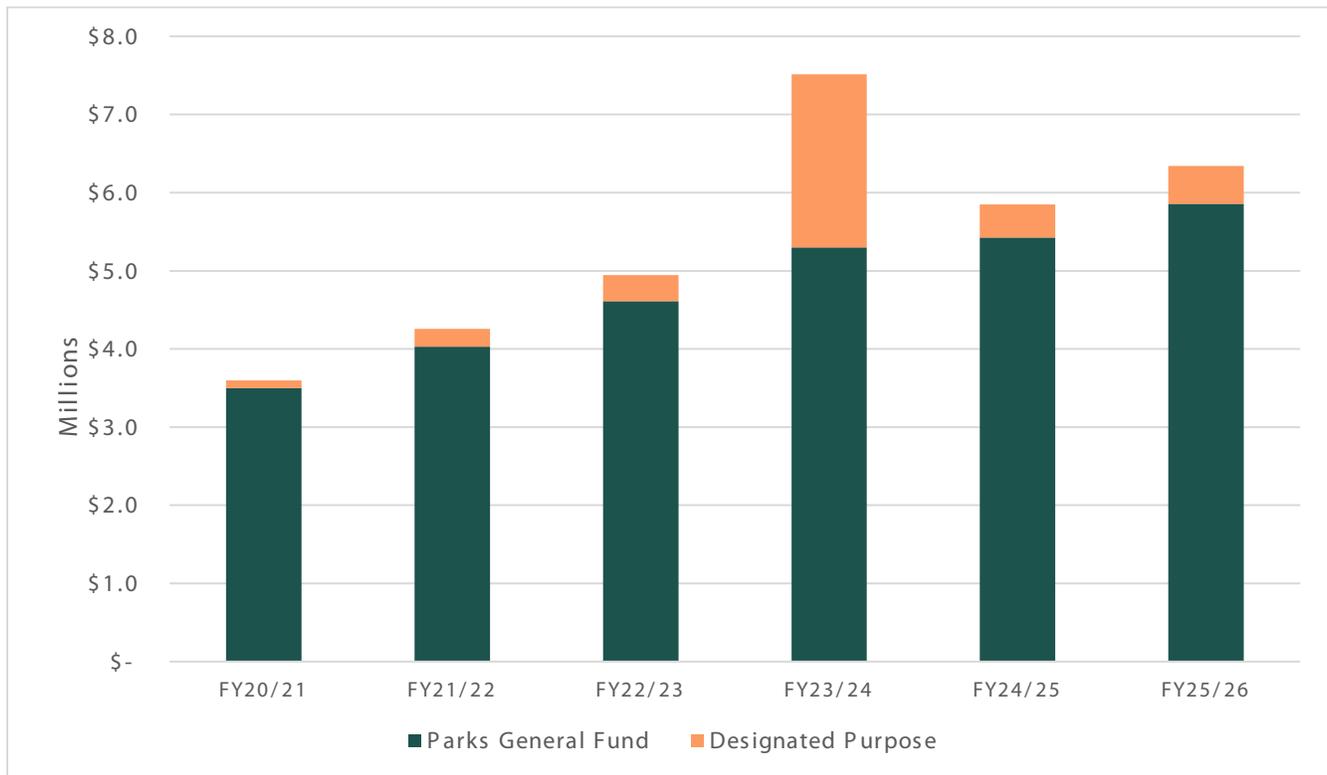
Overall Parks O&M Budget Trends

Despite the limitations noted below on the revenue sources that flow into the City's General Fund, over the past five years, General Fund allocations to parks have increased faster than General Fund revenues overall at an annual average of roughly 5.5 percent. This largely reflects the impacts of inflation and one-time funding rather than expanded service capacity. Parks have generally received about 5 percent of the City's overall General Fund allocation, with modest gains each year over the past five years. Occasional spikes in designated purpose revenues have come from facility use fees, sponsorships, grants or specific improvement projects, but these have not created a lasting increase in operating resources. Overall, while parks revenues have trended upward, funding remains limited relative to the City's maintenance and service needs.

¹¹ Even if the bond were renewed, there is no guarantee that it would be allocated in the same ways as the 2019 bond. However, for analysis purposes this projection assumes a comparable allocation to Gresham.



Exhibit 5. Parks Revenue (Budgeted Amounts) Historic 5-year Overview



Source: City of Gresham, Adopted Budgets FY20/21–FY25/26

While parks maintenance needs will increase as more acres are added and developed, and maintenance level of service may need to increase to address deferred maintenance and community goals, ongoing fiscal pressures—including rising personnel and PERS costs, inflation in utilities and materials, and competing public safety needs—continue to compete with funding for parks. Despite the recent upward trend, it is unlikely that parks will continue to see its general fund allocations increase over the next 10 years at the same pace they have over the past five, since this would continue to outpace overall expected revenue growth for the general fund, as discussed further below. Because General Fund allocations are proposed and adjusted each year, forecasting future parks revenue is uncertain and dependent on the City’s overall budget conditions.

Trends and Outlook by Funding Source

GENERAL FUND: PROPERTY TAXES

Gresham’s ability to fund parks continues to be constrained by Oregon’s property tax system. Measures 5 and 50 cap property tax rates and limit annual growth in assessed value, locking the City’s tax rate at its 1997 level, one of the lowest among large Oregon



cities.¹² Property tax revenue to the General Fund is projected to increase by between 3 and 4 percent per year—the value of existing property is limited to a 3 percent increase per year, and new housing growth (which could increase taxable value through new development) is projected at roughly 0.8 percent per year on average.

GENERAL FUND: POLICE, FIRE AND PARK FEE

This monthly fee, first imposed in 2012, is per-account fee charged to residents and businesses that supports public safety and parks. The fee amount was increased in 2021 with the increase made permanent in 2024. However, the fee is not indexed with inflation and any further increases would require specific Council action. Increases in revenue come only from growth in households and businesses within the City, but this is projected to be less than 1 percent per year,¹³ meaning this revenue will decline relative to inflation over time. Revenues are transferred into the General Fund for allocation between departments. Currently, only 5 percent of the revenue from the PFP fee is dedicated to parks, largely for maintenance.

GENERAL FUND: OTHER REVENUES

Other revenues into the general fund include utility fees, business license fees, Transient Lodging Tax, a City Marijuana Sales Tax, State Shared Revenues, and revenue sharing from Multnomah County's Business Income Tax. These sources are generally expected to be flat or slowly increasing for the near future; longer-term projections are not available at this time, but many will track with overall economic activity to some extent. The FY 25/26 budget notes that on-going General Fund revenues typically increase around 3 percent per year in aggregate across all sources.¹⁴

FACILITIES RENTALS AND OTHER USER FEES

Sports field fees along with revenue from other facility rentals have historically accounted for very little revenue, but are projected to increase to \$426,000 in the FY 25/26 budget.¹⁵ With the addition of Gradin Community Sports Park, there is potential for this amount to increase in the future, though it is difficult to predict the magnitude of the potential increase. This is discussed further in the Funding Strategies section.

¹³ City of Gresham, Fiscal Year 2025–26 Adopted Budget (Gresham, OR: City of Gresham Department of Finance and Management Services, 2025), p. 46. Available at: <https://greshamoregon.gov/Budget-and-Financial-Documents/>

¹⁴ City of Gresham, Fiscal Year 2025–26 Adopted Budget (Gresham, OR: City of Gresham Department of Finance and Management Services, 2025), p. 12, 33-46. Available at: <https://greshamoregon.gov/Budget-and-Financial-Documents/>

¹⁵ City of Gresham, Fiscal Year 2025–26 Adopted Budget (Gresham, OR: City of Gresham Department of Finance and Management Services, 2025), p. 234. Available at: <https://greshamoregon.gov/Budget-and-Financial-Documents/>



SPORTS PARK SPONSORSHIPS

Gresham currently receives small contributions from park sponsorships (about \$31,000 in FY 2025-26).¹⁶ With the addition of Gradin Community Sports Park, there is potential for this amount to increase in the future, though it is difficult to predict the magnitude of the potential increase. This is discussed further in the Funding Strategies section.

Recommended Funding Strategies

Capital Improvement Funding

Parks SDC Updates

In addition to updating the existing Parks SDC to reflect the updated SDC-eligible capital project list, the City could consider other updates to methodology that could increase revenue potential and/or flexibility for how revenues can be spent:

- Explore alternative ways of defining level of service beyond acreage per 1,000 population that better reflect how parks function in an infill context and in higher-density areas where more intensive amenities may be provided on smaller acreages.
- Explore potential to add a reimbursement fee component to the SDC methodology. A reimbursement fee would allow the City to recover the value of existing park assets that provide capacity for new development. This approach is consistent with Oregon's SDC framework (ORS 223.297–223.314) and used in some other jurisdictions, including the City of Eugene.¹⁷ The reimbursement fee component may offer somewhat more flexibility on expenditures, though it must still be spent on capital projects, including debt repayment, for the system in question.¹⁸
- The City could also revisit the exclusion of commercial and industrial development from the Parks SDC, particularly if planned parks investments will be located adjacent to existing or planned commercial or industrial areas (e.g., Main City Park and potential future downtown neighborhood parks).

¹⁶ City of Gresham, Fiscal Year 2025–26 Adopted Budget (Gresham, OR: City of Gresham Department of Finance and Management Services, 2025), p. 234. Available at: <https://greshamoregon.gov/Budget-and-Financial-Documents/>

¹⁷ City of Eugene, System Development Charge Methodology, Appendix E Parks and Recreation System Development Charge System-Specific Methodology and Details, June 2020. Available at <https://www.eugene-or.gov/DocumentCenter/View/66241/Appendix-E---Parks-and-Recreation-SDC-Methodology---Resolution-No-5306>

¹⁸ ORS 223.307



Urban Renewal / Tax Increment Financing

Urban Renewal uses Tax Increment Financing (TIF) to fund public investments in capital projects (identified in an adopted plan and located within the adopted boundary) that support development and public goals. Gresham currently has two Urban Renewal Areas (URAs): a Downtown-Civic URA and a Rockwood - West Gresham URA. Both adopted plans identify parks investments in their approved project lists (e.g., Civic Neighborhood Park, improvements to Gresham Arts Plaza). This allows for (but does not mandate or guarantee) use of TIF to contribute to these projects. TIF revenues are typically low in the early years of a URA, and there is often competition among the eligible projects for which will be funded earlier within the life of the URA. However, the City could leverage TIF funding to support key parks projects within the adopted URA boundaries that are identified in the adopted urban renewal plans.

Federal, State, and Regional Grants

Grants are a cornerstone of Gresham's capital funding for parks and should be aggressively pursued over the next decade. Continuing to aggressively pursue competitive funding from regional, state, and federal grant programs for certain higher profile projects could potentially yield additional funding beyond that estimated in the revenue projections or could support amounts at the high end of the range provided.

General Obligation Bond

In addition to potential for a renewed Metro bond for regional parks investments, the City of Gresham could potentially seek to pass its own General Obligation (GO) Bond. A bond measure would raise a large sum upfront for capital projects, repaid by a dedicated property tax over several decades (e.g. 20 years). They require voter approval. GO bonds can only be used for capital projects, but can fund any type of capital investment that voters are willing to pay for. Gresham's challenges with passing funding measures over the years suggest it may be very challenging to get sufficient support. Packaging projects with broad geographic benefit and visible community support can improve odds of passage.

Intergovernmental Partnerships

- **Inter-Agency Partnerships:** The City should explore partnerships with Multnomah County, the school districts, and neighboring cities for joint-use or co-funded facilities. For example, a sports field complex might be co-developed with school district funding in exchange for shared use. If there are county-managed properties or programs (like SUN Community Schools or Library District) that align with parks, coordinate to leverage those resources for recreation programming or capital improvements.



- Partner with Metro on Natural Areas Maintenance: Metro itself may partner on natural area restorations or regional trail segments in Gresham (beyond just granting funds). Keeping open communication with Metro’s Parks and Nature department about Gresham project readiness could attract additional support – e.g. technical assistance or matching funds for habitat projects at sites like Nadaka Nature Park or Butler Creek Greenway.

Community Donations and Donor Recognition Strategy

The City could seek to expand philanthropic and community-based funding through a structured Donor Recognition and Memorial Program. These programs create opportunities for individuals, families, and organizations to contribute directly to the parks system in exchange for recognition—typically through plaques, signage, or other forms of acknowledgment. This can take several forms, such as:

- Benches with plaques, Buy a Brick, and similar programs
- Friends of Parks or Adopt a Park programs
- Parks Foundations or other public-philanthropic partnerships

For example, Eugene has a commemorative bench program that allows donors to pay a fixed amount to have a bench installed with an inscription. Eugene also has a broader Parks Foundation and Friends groups for many of the City’s parks. These programs allow for the City to leverage philanthropic donations, fundraising efforts, and volunteer time from the community.¹⁹ These programs can support capital investments, particularly for special projects, those with a substantial benefit to the existing community, and small items such as benches and trees. They can also help with maintenance needs. While Gresham may not yet have a large donor base for parks, cultivating this over time (perhaps starting with alumni from the Youth Services programs, local service clubs, etc.) could yield small- to medium-sized grants for specific projects (for example, a grant from a local foundation for an inclusive playground equipment upgrade).

Sponsorships and Naming Rights

Related to the community donations and donor recognition option, there is potential to expand corporate sponsorship revenues for capital improvements (and potentially some maintenance of those improvements) through a more structured program. Local businesses or corporate donors could contribute to the cost of new facilities in exchange for recognition. For example, a company might sponsor a new turf field or splash pad, with naming rights for a period of years. Or a health care provider could contribute to building a sports court or fitness zone in a park, tying into community wellness goals. Naming rights for entire parks

¹⁹ City of Eugene website, “Donate to Parks”, accessed 10/31/25. <https://www.eugene-or.gov/4582/Donate-to-Parks>



or major facilities (community centers, sports complexes) could also be considered if appropriate – similar to how private donations have funded naming of sports fields in other cities. Gresham should create a clear Naming Rights/ Sponsorship Policy to govern this (ensuring any corporate naming aligns with community values, and setting pricing guidelines).

Operations and Maintenance Funding

Police, Fire, Parks (PFP) Utility Fee — Expansion or Restructuring

The PFP utility fee is currently a critical funding plug, albeit one intended as temporary. Given its existence and the difficulty of immediately replacing its revenue, the city could consider options to adjust the fee to support parks more effectively. There are a few options:

- **Maintain and Index the Fee:** With Council's 2024 action, the \$15/month fee is now permanent. The City could index this fee to inflation so it's real value doesn't erode over time (e.g., linked to an inflation index). Even 2–3 percent annual increases would generate additional tens of thousands for parks each year (since 5 percent of the fee flows to parks).
- **Adjust the Allocation Split:** Currently only 5 percent (~\$0.75 of the \$15) goes to Parks. As the public safety levy ramps up funding for police and fire, Council could consider shifting a greater share of the PFP fee toward parks. For instance, changing the split to 90 percent public safety / 10 percent parks (while keeping total fee \$15) would roughly double parks' portion to ~\$800,000 per year. This change could be justified by noting that police and fire now have an additional property tax funding stream, whereas parks do not. Such a reallocation would signal the City's commitment to parks without increasing the overall fee burden on residents. It would, however, require policy deliberation to ensure police/fire budgets remain whole. If the City were to implement a Park Ranger program, that portion of the budget could potentially come from the part of the PFP fee that is currently funding police and fire given the dual public safety and parks maintenance benefits.
- **Fee Increase or New "Parks Utility Fee":** Expanding the fee beyond \$15 or carving out a separate utility fee for parks is another option. For example, an extra \$1–\$3 per month dedicated solely to park maintenance could raise \$0.5–\$1.0 million annually. Utility fees are regressive (flat per household), so any increase should be approached cautiously and paired with a discount program for low-income households if possible. The City's preference is to replace the PFP fee with more progressive funding, so a separate parks fee might be a last resort. Still, if other options are not achievable, a dedicated parks fee could be a stopgap to fund maintenance for new facilities as they come online.



Sports Field and Facility Rental Fees

The City could explore opportunities to expand revenue-generating uses of parks, including facility rentals and special events (concerts, festivals, sports tournaments) that can both enliven parks and bring in fees or sponsorships. For instance, hosting a regional youth sports tournament at Gradin Community Sports Park could attract sponsorship dollars and visitor spending.

The City should also track the specific O&M costs associated with facilities that can be rented out (including sports fields at Gradin Community Sports Park and elsewhere) and conduct a cost recovery / fee study to determine where there is potential to increase fees while maintaining equitable access for Gresham residents. One possible example is to increase field rental fees associated with larger tournaments at Gradin Community Sports Park given that many users may be coming from outside Gresham.

Vendor Permits

The City might also consider concessions or leases in parks (such as a café in Main City Park, or food carts at popular parks) to create a modest revenue stream dedicated to park maintenance. Where there is interest from vendors in such a program, the City could potentially charge fees for permits for vendors to operate in the parks (or in parking areas) that could cover the cost of both the administrative aspect of issuing permits as well as the additional garbage collection or other maintenance costs potentially associated with such use.

Transient Lodging Tax

The City of Gresham collects a Transient Lodging Tax (TLT) of 8 percent on hotels, motels, and other visitor accommodations. A portion of this revenue (just over 20 percent²⁰) must be dedicated to tourism-related activities. The tourism-related allocation was estimated at roughly \$283,750 for FY 25/26. The City's most recent budget includes plans to direct a portion of the tourism-related funding to Gradin Community Sports Park maintenance (as well as capital project funding).²¹ Programming, maintenance, or improvements for other parks that serve or may attract visitors and tourists (e.g., Arts Plaza, Zimmerman House Park) and for the Parks Departments' support for special events such as Gresham Arts Festival could potentially be considered for use of TLT revenues, including the portion required to be spent on tourism-related activities.

²⁰ Estimated at 21.4% based on 5.22% of the a 6% tax initially imposed prior to 2003 plus 70% of the additional 2% tax imposed after 2003.

²¹ City of Gresham, Fiscal Year 2025–26 Adopted Budget (Gresham, OR: City of Gresham Department of Finance and Management Services, 2025), p. 297. Available at: <https://greshamoregon.gov/Budget-and-Financial-Documents/>



Local Option Levy

A Local Option Levy is a property tax levy (up to 5-year term) that can be used to fund services including ongoing operations and maintenance. This could directly address the structural underfunding of parks operations and maintenance. A parks levy could be framed around community livability, equity, and youth (e.g. safe and clean parks, recreation opportunities for all neighborhoods). A levy requires 50 percent voter approval and is subject to Measure 5 rate limitations (counted within the \$10/\$1,000 cap for local government), so additional analysis of the potential for “compression”²² would be needed to determine how much a levy could raise. The City could conduct polling to gauge support. Since Gresham voters did approve a public safety levy in 2024, it indicates some willingness to raise taxes for services, but prior failures suggest this may be limited to the most pressing issues. If feasible, a levy measure could be referred in once early wins (like Gradin Community Sports Park completion and new playgrounds) show voters tangible results.

Dedicated Parks District

One of the most far-reaching solutions is the formation of a Parks & Recreation District – a new independent taxing authority encompassing Gresham (and potentially surrounding areas) that would fund and manage parks and recreation. This idea was explored in the past and ultimately set aside, but it remains a potential long-term strategy if City finances cannot otherwise sustain parks. A Parks District would require voter approval to establish and to levy a property tax rate separate from the City's. The advantage is a stable, dedicated funding source not in competition with city police/fire services. Several Oregon communities (e.g., Tualatin Hills Park & Rec District, Bend Park District, etc.) have separate districts for parks and recreation. For Gresham, a district might encompass the city boundaries or a larger area of East Multnomah County. Gresham could initiate dialogue with adjacent cities (Troutdale, Fairview, Wood Village) and Multnomah County about an East Multnomah Parks District that would pool funding and management of parks across city boundaries. This is a long-term endeavor and would require significant political consensus, legal research, and community engagement well in advance. However, it could offer economies of scale and a more stable funding base if achieved. To succeed, it would need broad public support and credible governance plans (e.g. an elected board or City Council serving as the board). The tax rate required would depend on desired service levels.

²² Compression occurs when property taxes have to be reduced to stay within constitutional limits imposed by Measure 5. See <https://multco.us/info/how-your-property-taxes-are-calculated> for more information.

