



July 2024

# **Pleasant Valley District Plan Update Phase I Development Strategy Report**

City of Gresham

**ECOnorthwest**

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# 1. Background and Purpose

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The 2004 Pleasant Valley Concept Plan and District Plan envisioned a “complete community” with a range of housing choices, transportation options, schools and parks, a Town Center, commercial services, employment opportunities, and extensive protection, restoration, and enhancement of the natural resources. This was an ambitious vision, and after 20 years, the area remains only partially developed, with many of the critical ingredients of a complete community lagging. The City of Gresham worked with EConorthwest—along with subconsultants 3J Consulting, MIG|APG, Veritas, and Kittelson Associates—to update the Pleasant Valley District Plan. The aim of the Pleasant Valley District Plan Update (PVDPU) project is to support reaching the original vision for the area by better aligning with current market conditions and the priorities of a diverse range of local stakeholders and by addressing development barriers and challenges with infrastructure delivery. Updates proposed through this project retain the focus of delivering a “complete community” for current and future residents of Pleasant Valley.

The PVDPU project has identified that there is demand in the Pleasant Valley area for a range of housing types and commercial development to serve a growing population. However, the combination of fragmented rural residential development and the need for major infrastructure extensions are inhibiting development. Regulatory barriers and land use designations that do not align with market demand have further exacerbated development challenges in the area. To date, Gresham has largely relied on private development to overcome these challenges without proactive support from the City. This has primarily resulted in single-unit detached development on the larger, more buildable properties on the eastern side of the city, but little else.

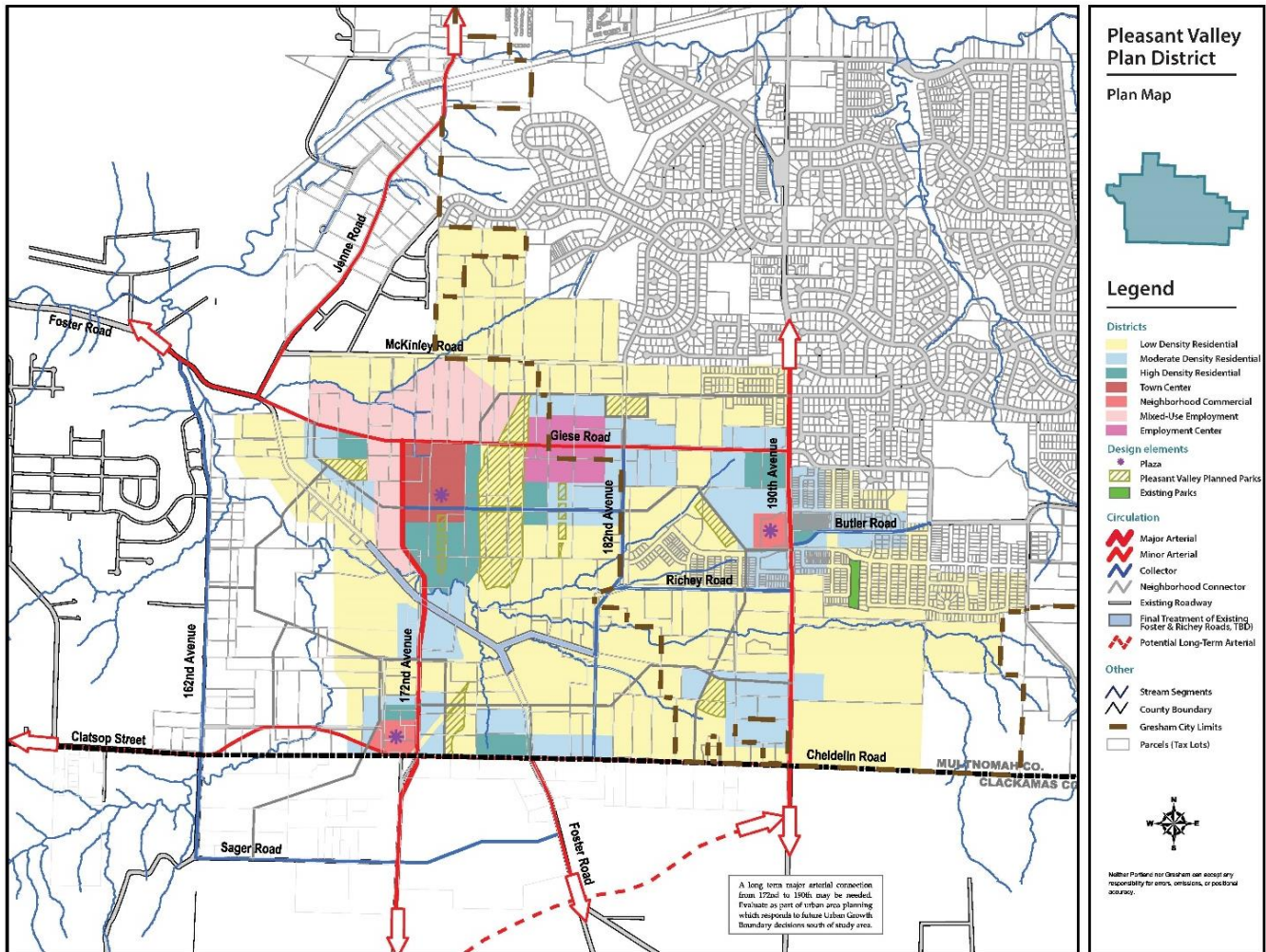
Changes to the development code and land use designations may remove some barriers for development but are not likely to be sufficient to allow development to overcome the remaining obstacles. If the City wants to see a complete, inclusive, and sustainable community emerge in this area, it will have to be more proactive in addressing challenges related to infrastructure, natural resource planning, park land acquisition, and attracting commercial development. This report outlines recommended land use map and code refinements, along with other actions the City can take to address challenges and advance the vision for the Pleasant Valley District. These recommendations are at a “concept” level and will be developed further in Phase II of this project with specific development code and zoning map amendments.

## Existing Pleasant Valley District Plan

The Pleasant Valley District (the “Plan District”) is a 1,532-acre area located southwest of Gresham. About half of the area has been annexed into the City of Gresham and the other half lies within the Gresham Urban Service Boundary. The Plan District is currently developed with a mix of rural residential, small rural and farm-related businesses, and new subdivisions. The area has been attractive for single-detached development and has evolved into a bedroom community thanks to a combination of proximity to employment centers (Clackamas Industrial Center, Gresham Civic Center, I-205 Corridor, and Happy Valley), natural amenities, and relative housing affordability.

The plan centered around creating a “complete community” with a mix of housing choices, businesses, and civic uses; transportation options; and preservation of natural resources. The existing Plan District and Pleasant Valley Land Use map include Low, Moderate, and High-Density Residential Sub-Districts, a Town Center, two Neighborhood Commercial Sub-Districts, an Employment Center, and a large Mixed-Use employment area. The plans for Pleasant Valley call for extension of several major roads through the study area, including a westward extension of Giese Road and a northern extension of 172nd Avenue, to provide better regional connectivity.

# Exhibit 1. Existing Pleasant Valley District Plan Map



## Pleasant Valley Plan District

### Plan Map



### Legend

- Districts**
    - Low Density Residential
    - Moderate Density Residential
    - High Density Residential
    - Town Center
    - Neighborhood Commercial
    - Mixed-Use Employment
    - Employment Center
  - Design elements**
    - Pleasant Valley Planned Parks
    - Existing Parks
  - Circulation**
    - Major Arterial
    - Minor Arterial
    - Collector
    - Neighborhood Connector
    - Existing Roadway
    - Final Treatment of Existing Foster & Richey Roads (TRB)
    - Potential Long-Term Arterial
  - Other**
    - Stream Segments
    - County Boundary
    - Gresham City Limits
    - Parcels (Tax Lots)
- North Arrow
- Neither Portland nor Gresham can assume any responsibility for errors, omissions, or positional accuracy.

# 2. Summary of Recommendations

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The consultant team has worked with staff to identify a range of possible refinements to the existing land use map and the Pleasant Valley Plan District (Section 4.1400 of the development code) to make it easier to build a complete community, remove barriers to incremental development, and align with market demand. The recommendations in this report are arranged by project goals. The refinements are currently at a concept level and will be further refined as part of Phase II of the Pleasant Valley District Plan Update project.

## 2.1 Delivering a Town Center

### Goals and Purpose

A future Town Center is a vital component of the vision for Pleasant Valley. A Town Center Sub-District (TC-PV) will provide existing and future residents in and around Pleasant Valley Plan District with a range of community-serving businesses within a comfortable walk, bike ride, or short drive. While shopping centers exist within a 15-minute drive of Pleasant Valley, market analysis and developer conversations as part of this project have reaffirmed that the area can potentially support an additional commercial center to better serve nearby residents. The purpose of refining the Town Center location and development standards is to make it easier to deliver community-serving businesses and uses within Pleasant Valley to maximize access to these services via walking, biking, and rolling.

### Town Center Challenge – Development Regulations

Existing code requirements for the TC-PV include a specific mix of uses that do not align well with market demand and require multi-story development (by requiring a minimum building height of 2 stories and floor area ratio of 0.5:1). These standards largely preclude “horizontal” mixed-use development, such as a single-story commercial center (like the [Happy Valley Town Center](#)) with adjacent higher-density housing. This form of development is likely feasible in Pleasant Valley but would not be allowed under the current code.

### RECOMMENDATION

**Allow horizontal mixed-use.** The Project Team recommends increasing flexibility to make building commercial uses within Pleasant Valley easier. Stand-alone single-story commercial development with pedestrian-friendly design would be allowed and would serve nearby residential development (that may be in a separate development). The Project Team also recommends providing potential incentives for mixed-use development.

See Appendix A: Code Concept A.1 for details.

## Town Center Challenge – Location

The original plan locates the Town Center (TC-PV) at the junction of two planned road extensions, Giese Road and 172nd Avenue (see Exhibit 1). These roads do not yet exist. Given the number of properties involved and the scale of the projects, it will likely be many years before the new roads can be built. Therefore, a Town Center at this location would not be viable for many more years. In addition, the existing TC-PV designation extends across multiple ownerships, including small fragments of some properties. The existing planned alignment of the Giese and 172nd extensions intersect at a location that includes fragments of multiple small properties. This would create lot assembly challenges (even once the roads have been extended) at a key intersection for commercial development.

### RECOMMENDATION

**Keep the TC-PV in roughly the same location but make small adjustments.** The Project Team investigated the viability of moving the TC-PV Sub-District to an alternative location that may be viable for commercial development sooner. However, the alternative location did not have enough available, suitable land for commercial development<sup>1</sup> and the Project Team concurred that keeping the TC-PV in roughly the same area was the best available option. The Project Team recommends adjusting the location of the TC-PV slightly, as shown in Appendix A, Code Concept A.1, to better align with property lines, avoid areas with a higher likelihood of wetlands, and have better opportunities for access in the interim before new road extensions are complete.

## 2.2 Neighborhood Commercial

### Goals and Purpose

The Pleasant Valley Plan intends to provide neighborhood-serving commercial areas that provide a mix of commercial services and destinations accessible for daily community needs to encourage walking, biking, or short driving trips from adjacent neighborhoods. While there are some commercial services nearby, the recent market analysis showed that Pleasant Valley could potentially support smaller commercial nodes in addition to the Town Center.

The existing plan includes two approximately 5-acre Neighborhood Center (NC-PV) Sub-Districts with the goal of providing smaller-format community-serving businesses (excluding auto-dependent businesses), and prioritizing pedestrian-friendly design. The existing plan does not allow commercial in residential Sub-Districts. The recommendations below are intended to facilitate development of neighborhood-serving commercial uses in the near- to

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<sup>1</sup> Two alternative options were evaluated: the southwest quadrant of 190th Avenue and Giese Road and the southeast corner of 172nd Avenue and Foster Road. The former included land that was too far along in the entitlement process for a residential development to be considered viable for commercial use, and the second area did not contain enough developable lands due to the presence of wetlands.

mid-term and to provide more opportunities for additional small format community serving business integrated with neighborhoods.

## Challenge

The original plan (see Exhibit 1) places the NC-PV Sub-District in two locations along major roads but not at intersections with the greatest levels of access and visibility that would better support commercial development.

## RECOMMENDATIONS

- ◆ **Location of NC-PV nodes:** The Project Team recommends adjusting the placement of the NC-PV Sub-Districts to better align with key intersections: 190<sup>th</sup> and Giese in the northeast part of Pleasant Valley, and 172<sup>nd</sup> and Foster in the southwest part of Pleasant Valley. The proposed locations are identified in Exhibit 2. Both locations sit at strong intersections with great visibility which also supports the potential for nearer-term commercial development in Pleasant Valley.

While there was no consensus, some community feedback supported keeping the existing NC-PV Sub-District at 190th Avenue and Knapp Drive. However, developer interviews suggest 190th and Giese is a stronger location for commercial. The Project Team recommends locating NC-PV at 190th and Giese and redesignating the current NC-PV area at Knapp Drive to High-Density Residential (HDR-PV). As discussed below, the HDR-PV Sub-District is proposed to allow flexibility to develop small amounts of commercial with residential uses, which could allow for some additional commercial at that location if the market supports it.

- ◆ **Increase flexibility in NC-PV Sub-District requirements.** The Project Team recommends small adjustments to requirements in the NC-PV to remove unintended barriers for the desired types of community-serving businesses. These adjustments include increasing the maximum footprint, eliminating minimum Floor-to-Area ratio requirements, and applying clear and objective design criteria. (See ACode Concept A3 for details).
- ◆ **Allow small amounts of commercial in Moderate-Density Residential (MDR-PV) and HDR-PV Sub-Districts:** The Project Team recommends allowing flexibility for small amounts of commercial development within the HDR-PV Sub-District to promote desired services and amenities within walking distance of residences. (See ACode Concepts A.4, A.5, and A.6 for details.)

## 2.3 Employment Areas

### Goals and Purpose

The existing Pleasant Valley Plan District called for 62 acres of Mixed-Used Employment (MUE-PV) land and approximately 21 acres of Employment Center (EC-PV). The EC-PV Sub-



District was primarily intended to provide business/office park and medical and other employment opportunities. The MUE-PV Sub-District was intended to provide support services for the TC-PV and local service needs, while also providing employment opportunities. Offices, services, and retail are intended to be the primary uses, with housing allowed only within a mixed-use building. The goal of refining the locations and regulations for employment areas within Pleasant Valley is to better align with market conditions and increase flexibility for a range of employment uses.

## Challenge

There is more land designated for employment uses than the market can support. The Market Analysis (Appendix B) identified demand for some neighborhood/community-serving commercial uses. However, there is little market potential in the area for large-scale employment uses that are not driven by household demand (e.g., corporate offices, flex/business parks, or industrial uses). The areas designated MUE-PV and EC-PV in the existing plan span portions of many small ownerships, have limited or no current access, and one is located away from existing and planned major intersections (see Exhibit 1).

## RECOMMENDATIONS

- ◆ **Reduce the amount of employment land:** The Project Team recommends reducing the combined acreage in the EC-PV and MUE-PV Sub-Districts based on the limited demand identified in the market study. However, the Project Team recommends keeping some land designated for employment to provide opportunities for a wider range of nonresidential uses outside the TC-PV. Currently, there are just over 20 acres designated EC-PV and about 62 acres designated MUE-PV, though much of the area designated MUE-PV is constrained. The Project Team recommends reducing this to roughly 20 acres in total.<sup>2</sup>
- ◆ **Location of employment land:** The Project Team recommends moving the employment land to the east side of 172nd Avenue north of Cheldelin Road. This location provides strong visibility and accessibility now and will continue to provide good access and visibility once the planned future road extensions are complete. In addition, Happy Valley's plans for the east Happy Valley area to the south call for similar employment uses on a large site directly south of this area, which could create an employment cluster for the area that would support additional employment uses on the Pleasant Valley side. A recent wetland determination identified potential wetlands on the northern portion of this area close to the 172nd Avenue and Foster Road intersection but did not identify likely wetlands on the southern portion. Power and natural gas line easements run through several of the properties, but

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<sup>2</sup> Metro has identified the EC-PV Sub-District as an employment area per the regional growth management functional plan (the MUE-PV Sub-District is not considered an employment area by regional standards). Keeping a similar amount of land designated for employment as are currently designated EC-PV helps maintain consistency with regional plans.

employment uses may be better able to build around these easements than other uses by locating parking or landscaped areas strategically.

- ◆ **Consolidate Employment Sub-Districts to create a single, more flexible Mixed Employment Sub-District:** The Project Team recommends consolidating the two employment Sub-Districts into a single, more flexible, Mixed Employment Sub-District. The new Mixed Employment Sub-District (ME-PV) would generally allow uses based on the less restrictive treatment between the two existing employment Sub-Districts. This would include allowing a wide range of businesses including small- and medium-format commercial development, auto-dependent uses up to a certain size, applying a relatively high square footage limit for retail,<sup>3</sup> and allowing residential uses as live/work or above the ground floor. (See A: Code Concept AA.2 for details.)

## 2.4 Housing Mix and Variety

### Goals and Purpose

One of the core goals for the Pleasant Valley Plan District is to have a range of housing options. The market study reaffirmed that there is demand for a range of housing types within the area, including single-unit detached, middle housing, and multifamily. The City's 2021 Housing Capacity Analysis (HCA) found that the city has adequate land for all housing types and densities over the next 20 years, considering the existing Pleasant Valley zoning, which includes a mix of Low-Density Residential (LDR-PV), MDR-PV, and HDR-PV Sub-Districts (see Exhibit 1). The purpose of refinements to residential Sub-District standards and locations is to encourage and facilitate development of a broader range of housing options integrated throughout the Plan District and complementing future commercial areas.

### Housing Challenge – Location

Due to challenges related to where high-density housing is located, only one relatively small multifamily development has been built or permitted to date in Pleasant Valley. There is only one area zoned HDR-PV on the large sites adjacent to SE 190th Avenue that have been first and easiest to develop. Many other areas zoned HDR-PV either have little or no existing access, include natural resource areas, or span multiple small properties with separate ownership.

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<sup>3</sup> A square footage limit on retail is required to maintain consistency with Metro requirements for employment areas. Removing this limit to allow greater flexibility for commercial development would require further consultation with Metro. The proposed limit would be 60,000 square feet per building or on a parcel or group of adjacent parcels.

## RECOMMENDATION

**Relocate areas zoned for HDR-PV and MDR-PV** to better align with the proposed locations of the TC-PV, NC-PV, and ME-PV areas. The intent is to cluster density closer to these commercial areas, align with property lines to minimize the need for lot assembly, and avoid areas with mapped natural resources. The proposed refinements would reduce the gross acreage in the HDR-PV and MDR-PV Sub-Districts, but because much of the existing area is unbuildable and fragmented, the resulting buildable acreage of both Sub-Districts is slightly higher than with the existing map.

## Housing Challenge – Multifamily Density Standards

With the changes from House Bill 2001 (Middle Housing legislation), current density limits for multifamily in the MDR Sub-District are lower than those for townhouses (20 du/ac compared to 25 du/ac), creating a disincentive for multifamily development that was not intentional.

## RECOMMENDATION

**Align multifamily and townhouse density standards in the MDR-PV Sub-District.** These density levels should be equal to allow for more flexibility for the market to deliver different housing products.

## Housing Challenge - Variety

To date, nearly all development in Pleasant Valley has been single-unit detached housing; however, some developments have resubmitted plans to take advantage of new middle housing allowances created in response to House Bill 2001 (HB 2001, 2019). The middle housing options that developers have proposed are largely detached middle housing (functionally similar to small-lot single-unit detached homes) and attached side-by-side units. Under the old (pre-HB 2001) and updated (post-HB 2001) regulations in the LDR-PV and MDR-PV Sub-Districts, staff has observed that the existing housing variety requirements do not deliver the desired variation in housing type or design within a given development.

## RECOMMENDATION

The Project Team recommends revising the housing variety code standards in the LDR-PV and MDR-PV Districts to:

- ◆ **Require a variety of housing types**, using categories of housing types focused on outcome or form.
- ◆ **Scale requirement for variety of housing types by scale of development** (e.g., more housing type categories required for larger developments).
- ◆ **Establish requirements for variety for single-detached and middle housing in new developments**, addressing factors such as rooflines, front setbacks, heights, garage location, etc.

The Project Team will develop the specific code language for these requirements as part of Phase II of this project.

## 2.5 Master Planning Requirements

### Goals and Purpose

The purpose of the Master Plan process is to provide a tool to review and refine Sub-District boundaries at the time of property annexation. The master plan process is intended to provide a link between the planning level concepts shown on the Plan Map and site-specific implementation. The purpose of changes to these requirements is to provide a more straightforward clear and objective process while ensuring that street connections and parks are delivered, and development achieves the goals of the Pleasant Valley District Plan.

### Challenge

Master plans are currently required in Pleasant Valley prior to or concurrent with development applications. This requirement does not exist anywhere else in most of the city.<sup>4</sup> This process has been identified as a potential barrier that puts developers in Pleasant Valley at a relative disadvantage, as it requires an extra application process that adds time and expense for Pleasant Valley developers. The requirement for a minimum of 20 acres to be master planned together makes it difficult for smaller property owners to develop their land and for incremental development to occur. To date, no Master Planning process has moved forward that involves the consolidation of smaller lots to meet the minimum 20-acre requirement. In addition, provisions related to planning for park sites, circulation, stormwater, and other infrastructure may be problematic for Master Plans that encompass adjacent properties that are not likely to develop in the near-term and may allow developers to make adjustments that the City does not support.

### RECOMMENDATION

The Project Team recommends replacing this system with clear and objective standards that align with citywide requirements (e.g., future street plan requirements) where possible and potentially providing a discretionary process as a “second track” for some standards. This would allow smaller properties to move forward independently with standards ensuring connectivity between adjacent developments. (See ACode Concept A.8 for details.) Additional discussion related to parks is included in Section 2.7.

## 2.6 Infrastructure

The Concept Plan and the Pleasant Valley District Plan (PVDP) laid out plans for new streets and other future infrastructure. With the major sewer trunk line through Pleasant Valley recently completed by a developer, the most significant remaining infrastructure issues

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<sup>4</sup> Master plans are required in some areas of the Springwater Plan District.

pertain to the new major roads needed to provide connectivity and complete the transportation network in the area. Additional discussion of infrastructure funding and delivery (existing systems and challenges) is provided in Appendix C.

## Major Roads - Goals and Purpose

Future residential and commercial development throughout Pleasant Valley depends on the construction of major roads through the plan area. The major transportation network plans in Pleasant Valley (as identified in the 2019 Pleasant Valley TSP Refinement Plan) included an extension of Giese Road from Foster Road to 190th Avenue and the northern extension of 172nd Avenue across Kelley Creek.

## Major Roads - Challenge

Many of the planned streets cross multiple parcels and will be difficult for developers to deliver. Given the number of small properties in the area, some properties may not be economical to develop with high infrastructure costs, which could create barriers to extending development and infrastructure past these properties. Coordination of transportation projects (as well as infrastructure trunk line projects) across multiple small parcels with different ownership will be complex and will require the City to play a role in securing easements or right-of-way.

The City relies heavily on private development to provide major infrastructure needed in the area. The cost of constructing these major infrastructure projects can be a significant barrier for developers, given the associated financing costs. This also puts the City in a passive position of waiting until development can find a way to make all the infrastructure needs work and slows the pace of development.

The extensions of Giese Road, 172nd Avenue, and the collector system are expected to be funded through a combination of direct developer contributions and System Development Charges (SDCs) and built by developers as development occurs. While these roads could hypothetically be built incrementally by private developers, this would likely take several more decades to complete given the number of small properties involved, and the lack of suitable access and circulation in the interim would hamstring larger developments and exacerbate congestion and safety issues on existing roads.

## RECOMMENDATIONS

- ◆ **Retain, but refine, the planned major road network.** As part of the re-evaluation of the TC-PV location and the focus on removing barriers to incremental development, the Project Team conducted an additional evaluation of the planned major road extensions through the Pleasant Valley area, drawing on findings from the 2019 Transportation System Refinement Plan for Pleasant Valley. The Project Team concluded that improvements that might avoid new alignments across fragmented properties (e.g., widening Foster Road between 172nd Avenue and Jenne Road) would be at least as challenging to deliver as the extensions of Giese Road and

172nd Avenue, if not more so, given the presence of stream corridors and structures close to the road. The Project Team recommends retaining the basic planned major road network from the 2019 Transportation System Refinement Plan for Pleasant Valley, while looking at potential minor modifications to alignments to better relate to property lines and potentially adjusting the planned collector network to some extent. (See Appendix A: Code Concept A.11, and Appendix D Transportation System Refinement Memorandum for further information.)

- ◆ **Designate major Pleasant Valley road extensions as Capital Improvement Projects.** By advancing key transportation routes as public projects, the City could help unlock additional development and contribute to achieving the vision of a complete community in the area, while continuing to rely on development for many incremental contributions. The City will likely need to take on portions of the western extension of Giese Road and the northern extension of 172nd Avenue as capital projects if the goal is to accelerate development in the western portion of Pleasant Valley. In order to deliver the roads as capital projects, the City would have to prioritize these projects against other City projects. The City would have to build a substantial reserve to fund these projects. Advancing these projects as capital projects would also require additional design work, securing the new alignments, and the ability to pay for the project before the area is built out. Phase II work will refine recommendations to address specific next steps, such as when the City will need to secure easements for transportation projects.
- ◆ **Tap into citywide SDCs to fund major Pleasant Valley road extensions sooner.** The 2023 methodology update for Transportation SDCs resulted in a single SDC rate for the existing city, Pleasant Valley, and Springwater Plan Districts. Before this update, the City had a Pleasant Valley specific SDC district that would have needed to see substantial new development contributing to the Pleasant Valley Transportation SDC district before being able to fund any major Pleasant Valley transportation projects. The methodology update creates the opportunity for the City to fund transportation projects within Pleasant Valley using existing SDC funds, providing a way around the previous funding problem. However, the City would have to prioritize these projects against other growth-related transportation needs citywide. The Project Team considered alternative infrastructure funding tools but concluded that they would not be appropriate for the situation:
  - A Local Improvement District (LID) enables a group of property owners to share the cost of a capital project or infrastructure improvement. Due to the numerous small properties along major road alignments, an LID would involve extensive coordination between many property owners. Because LIDs require a certain minimum threshold of affected property owners to agree to the LID, it is more difficult with many small property owners who may have different timelines and plans for their property.
  - A General Obligation (GO) bond could be used to pay for transportation improvements in Pleasant Valley. However, GO bonds require voter approval. To pass as a ballot measure, the bond would likely need to include other more

high-profile transportation projects that serve the existing Gresham community, and even then could be difficult to pass with Gresham’s current political environment.

## 2.7 Parks

### Goals and Purpose

The existing Pleasant Valley District Plan calls for nine Neighborhood Parks (1-3 acres) and a 29-acre Community Park. Neighborhood Parks are intended to serve each neighborhood. Community Parks provide active and/or passive recreational opportunities for several neighborhoods and accommodate large group activities.

The existing system for delivering the planned parks in Pleasant Valley uses the general locations identified on the existing plan map (The Pleasant Valley District (the “Plan District”) is a 1,532-acre area located southwest of Gresham. About half of the area has been annexed into the City of Gresham and the other half lies within the Gresham Urban Service Boundary. The Plan District is currently developed with a mix of rural residential, small rural and farm-related businesses, and new subdivisions. The area has been attractive for single-detached development and has evolved into a bedroom community thanks to a combination of proximity to employment centers (Clackamas Industrial Center, Gresham Civic Center, I-205 Corridor, and Happy Valley), natural amenities, and relative housing affordability.

The plan centered around creating a “complete community” with a mix of housing choices, businesses, and civic uses; transportation options; and preservation of natural resources. The existing Plan District and Pleasant Valley Land Use map include Low, Moderate, and High-Density Residential Sub-Districts, a Town Center, two Neighborhood Commercial Sub-Districts, an Employment Center, and a large Mixed-Use employment area. The plans for Pleasant Valley call for extension of several major roads through the study area, including a westward extension of Giese Road and a northern extension of 172nd Avenue, to provide better regional connectivity.

Exhibit 1) and through the master plan requirement determines how the park can be incorporated into the planned development, including potential acquisition or dedication of the park site. Funding for parks acquisition and development comes primarily from Parks System Development Charges (SDCs),<sup>5</sup> which are paid at time of development. Developers that dedicate park land and/or make park improvements are compensated through Parks SDC credits. The existing systems have been successful in delivering Neighborhood Park land and/or improvements from several large developments but may not be sufficient to deliver the remaining planned parks, as discussed below.

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<sup>5</sup> Neighborhood Parks within Pleasant Valley are funded by a specific component of the Parks SDCs paid only on development within Pleasant Valley. Community Parks are funded through a citywide component of the Parks SDCs.

The purpose of refining plans for locations and delivery of parks is to ensure there are viable mechanisms to deliver the remaining Community and Neighborhood Parks that are needed for the Pleasant Valley area.

## Parks Challenge

There are multiple challenges with the existing systems intended to deliver parks in Pleasant Valley. These include:

- ◆ **Funding acquisition of park land outside the development process requires accruing SDC revenue from other development.** Recent larger developments have dedicated Neighborhood Parks (as intended in the plan), so their Parks SDC contributions have been in the form of land and/or park improvements rather than cash. These developments have not yet applied all the Parks SDC credits earned, as some are still building out and some may apply credits to future development on other sites within Pleasant Valley. Until the remaining SDC credits have been applied to development, it is unlikely that the City will receive Pleasant Valley Parks SDCs in the form of cash. This means the City does not have an available funding source to proactively acquire land for Neighborhood Parks from willing sellers outside of the development process. The City will need to continue to rely on negotiations with developers in exchange for SDC credits. (Funds for Community Park acquisition do not have this same limitation but must compete with other SDC-eligible community park or trail expenditures citywide.)
- ◆ **Planned parks that encompass a large portion of a given property are likely to require proactive acquisition and/or available cash reserves.** The planned location for the Community Park and several of the planned Neighborhood Park locations encompass much of the developable area of the properties where they are mapped. While the locations can be adjusted through the development review process, it is unlikely that a smaller development would be willing to dedicate much of the buildable land for a park, since it would leave them with little development potential. Even if compensated with SDC credits, they would have to sell the credits to other developers and might not receive the full value. In this situation, the City would likely need to be able to pay the property owner outright for the land, rather than relying on SDC credits.
- ◆ **Existing processes are complex and are not clear and objective.** The current process relies on voluntary cooperation from developers and property owners to sell land to the City either prior to development or during development review. This process lacks clear and objective guidelines, is administratively complex, and does not ensure that land will be preserved for parks in the locations designated by local plans.<sup>6</sup> As discussed in Section 2.5, the City intends to move away from the Master Plan requirement, which will require new regulations to address park locations and dedication.

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<sup>6</sup> Park Lands Acquisition: Code Research and Case Studies, Angelo Planning Group, August 1, 2017.



## RECOMMENDATIONS

The Project Team recommends several updates to the approach to securing sites for future parks. Some of these can be implemented through Phase II of the Pleasant Valley District Plan Update, some can be considered as part of the ongoing update to the Parks Master Plan, and some can guide implementation efforts over time (see Appendix E for more information).

### Recommendations for Phase II of the Pleasant Valley District Plan Update

- ◆ **Establish new code language to support the acquisition of land for park development.** The Master Plan requirements are recommended to be removed from the development code and will need to be replaced by other mechanisms. Additional considerations include:
  - With the removal of the Master Plan requirements for the Pleasant Valley Plan District, the mapping of the Sub-Districts in Pleasant Valley will be like the mapping of the rest of the city, which generally does not show future parks. Planned park locations would still be shown in the Park Master Plan and SDC methodology.
  - The code will need to have a new mechanism to identify which properties may be most appropriate for the City to negotiate with for land. Given the limited funds available outside of SDC credits, the City should consider prioritizing larger properties where the amount of SDCs owed will cover a greater share of the fair market value of the land, and where there will still be substantial land remaining for development.
  - To ensure broad access to open space, the updated code could potentially include open space requirements for developments of a certain size. The code could potentially structure these requirements to offer an incentive (e.g., less area required) if the area is dedicated and accepted as a public park rather than retained as a private common area.
  - The updated code will need to be clear and objective, while still allowing enough flexibility to balance the needs of a particular development and the City.
- ◆ **Create a Public Facilities Sub-District to apply to *existing* public land held for future parks, schools, or other public uses** to facilitate its development for those uses. (See Appendix A: Code Concept A.7 for details.)

### Recommendations for consideration in the Parks Master Plan update

- ◆ **Consider refinements related to park locations in Pleasant Valley and vision for the community park.**
  - The City may want to study the community park site to evaluate its capacity for active recreational features and/or develop a vision for the park that is consistent with natural features.

- Consider additional or updated guidance for whether and to what extent Neighborhood Parks can include resource areas, geographic distribution and access considerations, what type of streets they should be adjacent to, and appropriate siting flexibility to best coordinate with future development applications.
- Consider whether changes to the target locations for Neighborhood Parks are warranted based on changes to the planned land use map for Pleasant Valley.
- ◆ **Consider the value of sites that could be acquired opportunistically**, such as:
  - Linear or pocket parks created by remnants resulting from right-of-way acquisition for future major road projects or land purchased for other public facilities (e.g., pump stations).
  - The land currently owned by Centennial School District in Pleasant Valley as a potential site with shared school/park facilities.
- ◆ **Determine how to best prioritize citywide SDC funds and/or other citywide funding sources for Community Park land acquisition in Pleasant Valley** compared to other priorities. Consider whether there are opportunities for funding from Metro and/or grants to fund a portion of the Community Park.
- ◆ **If changes to Parks SDCs or other funding mechanisms are recommended, consider how those changes would impact the ability to acquire park land in Pleasant Valley.** No changes to funding for Pleasant Valley parks are recommended at this time, though ongoing work to update the Parks Master Plan may result in updates to the City's Parks SDCs or other funding mechanisms in 2025 or beyond.

### Recommendations for implementing the Plan over time

- ◆ **Negotiate at annexation where applicable:** The City has the most leverage earlier in the development process at annexation or zoning. Although much of the undeveloped (or underdeveloped) area is already annexed, for properties that have not yet been annexed, the City may be able to negotiate for reservation or acquisition of park land as part of an annexation agreement. Given limited funds available for acquisition outside of SDC credits, reservation of suitable land for parks is more likely to be viable than early acquisition.
- ◆ If funding becomes available, pursue proactive acquisition of sites that may be more challenging to acquire through negotiations at time of development.

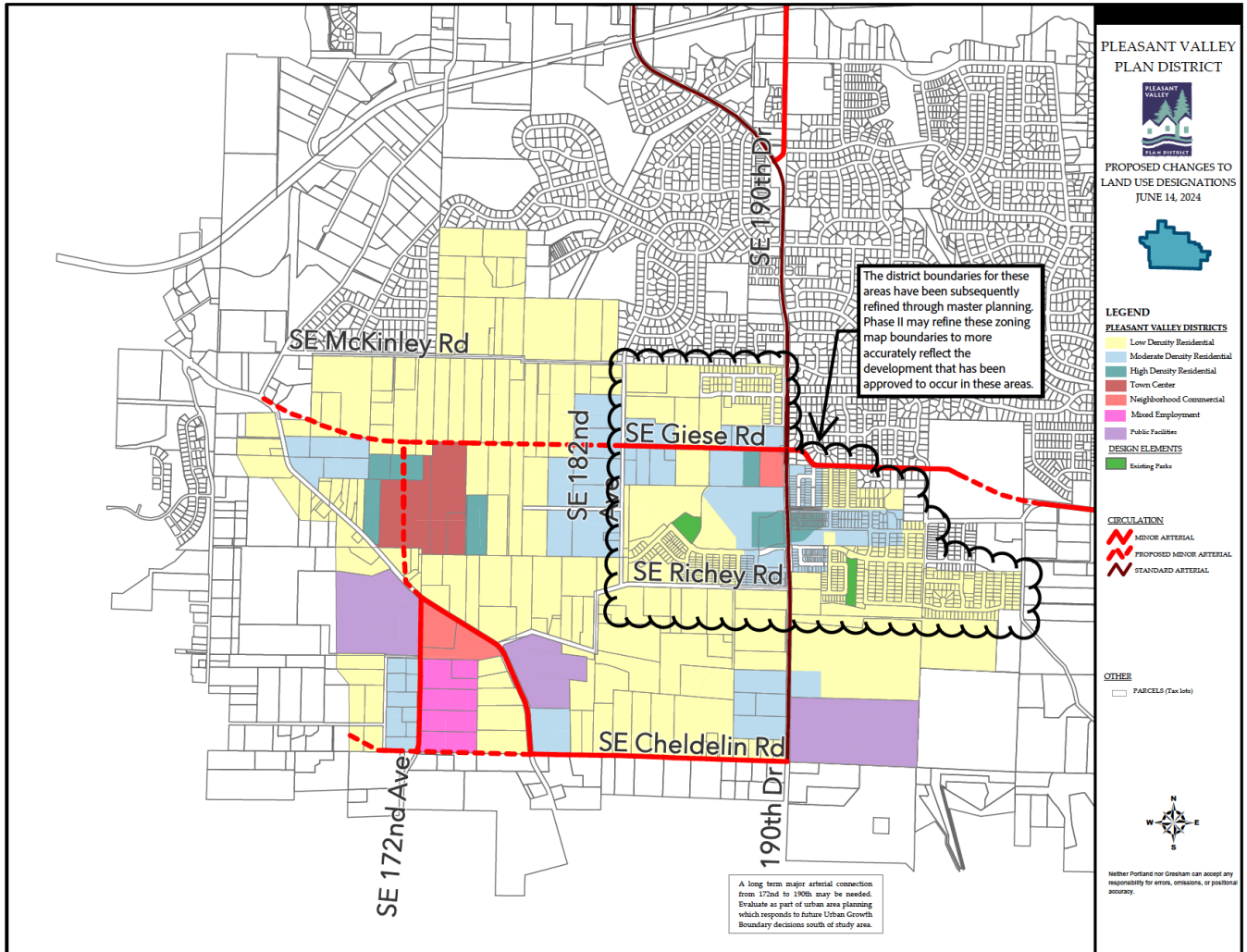
# 3. Land Use Map Refinements

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The consultant team has worked with staff to identify possible refinements to the existing land use map to make it easier to build a complete community, remove some barriers to incremental development, and align with market demand. Exhibit 2 below shows proposed changes to the land use designations in Pleasant Valley that correspond to the recommendations described in Section 2 of this report. As described in Section 2, the proposed changes include:

- ◆ **Town Center** – Keep the TC-PV in roughly the same area but adjust to better align with property lines, avoid likely wetland areas, and provide better opportunities for access in the interim before new road extensions are complete.
- ◆ **Employment Land** – Reduce the amount of employment land, consolidate employment Sub-Districts to create a more flexible Mixed Employment Sub-District (ME-PV), and move the ME-PV Sub-District to an area that currently provides strong visibility and accessibility.
- ◆ **Neighborhood Commercial** – Relocate the NC-PV areas to locations with the strongest visibility and access, providing greater potential for nearer-term development in different areas of Pleasant Valley and supporting the community’s desire for a more walkable area.
- ◆ **Housing** – Relocate areas planned for HDR and MDR to cluster density around the proposed locations of the Town Center, Neighborhood Commercial, and Employment areas.

# Exhibit 2. Proposed Changes to Pleasant Valley District Plan Land Use Designations



## 4. Next Steps

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The next phase of the PVDPU will identify strategies the City could implement to address the issues identified to date through this project. Phase II of the PVDPU will include:

- ◆ Development Code amendments to the Community Development Plan Volume 3 (Development Code),
- ◆ Pleasant Valley Sub-District boundary map amendments,
- ◆ Comprehensive Plan amendments,
- ◆ Findings for the plan and code amendments, including a Trip Generation Report for map and code changes to areas outside the TC-PV and a Multimodal Gap Summary for the TC-PV,
- ◆ Guidance on infrastructure plan updates, including the City's Transportation System Plan and Parks and Recreation Master Plan, and
- ◆ Adoption of PVDPU amendments.

This work will result in a final package of regulatory updates and strategies that will be brought to the Planning Commission and City Council for review and potential adoption. That phase will include additional community involvement and opportunities for input on the draft map, code amendments, and other implementation actions. The second phase of work is expected to be complete by June 2025.

# 5. Appendices

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- A.** Code Concept Details
  - A.1. Code Concept Details: Town Center Mixed Use
  - A.2. Code Concept Details: Mixed Employment
  - A.3. Code Concept Details: Neighborhood Commercial
  - A.4. Code Concept Details: Low-Density Residential
  - A.5. Code Concept Details: Moderate-Density Residential
  - A.6. Code Concept Details: High-Density Residential
  - A.7. Code Concept Details: Public Facilities Sub-District
  - A.8. Code Concept Details: Master Plan / Subdivision Requirements
  - A.9. Code Concept Details: Connectivity
  - A.10. Code Concept Details: Parks Requirements
  - A.11. Transportation Framework Map
- B.** Pleasant Valley Market Study
- C.** Pleasant Valley Infrastructure Memorandum
- D.** Gresham Pleasant Valley District Plan Update – Transportation System Refinement
- E.** Pleasant Valley Parks Context, Challenges, and Recommendations Memorandum