



**City of Sherwood
PLANNING COMMISSION
Masonic Hall, 60 NW Washington Street
Tuesday, January 19, 1999
7:00 PM**

A G E N D A

- 1. Call to Order/Roll Call**
- 2. Approval of Minutes - January 5, 1999**
- 3. Agenda Review**
- 4. Public Hearings - None Scheduled**
- 5. Urban Renewal District**
- 6. Other Business**
 - A. Election of Commission Chair & Vice-Chair**
- 7. Adjourn**

**ITEMS NOT COMPLETED BY 11:00 PM WILL BE CONTINUED
TO THE NEXT REGULARLY SCHEDULED MEETING**

APPROVED MINUTES

City of Sherwood, Oregon
Planning Commission Minutes
January 19, 1999

1. Call to Order/Roll Call

Chairman Whiteman called the meeting to order at 7:05 PM.

Commission Members present:

Susan Claus
Keith Mays
Paul Stecher
Bill Whiteman

Staff:

Greg Turner, City Planner
Jason Tuck, Associate Planner
Rob Moody, Finance Director
Roxanne Gibbons, Recording Secretary

Commission Members absent:

Adrian Emery
Angela Weeks

2. Minutes of January 5, 1999

Chairman Whiteman asked if there were any additions or corrections to the minutes of January 5, 1999.

Susan Claus moved the Planning Commission accept the January 5, 1999 minutes as presented. Seconded by Keith Mays.

Vote for Passage of Motion: 4-Yes, 0-No, 0-Abstain

3. Agenda Review

There were no comments regarding the Agenda. Greg Turner reported that the February 2, 1999 meeting will be a joint meeting with the Planning Commission and City Council. The meeting will begin at 6:00 PM and be held at the Senior Center. An Agenda will be provided to the participants prior to the meeting. Bill Monahan, City Manager for the City of Tigard, will make a presentation on planning issues in Oregon.

4. Public Hearings

There were no public hearings scheduled.

5. Urban Renewal District Proposal

Chairman Whiteman said he listened to the tapes from the last meeting, but it was not clear whether the Commission had come to any conclusions.

Susan Claus said the Commission talked about whether they would recommend any additional projects or removal of any projects from the proposal. This included the proposed time line for the projects contained in the Draft Report dated February 1, 1998, pages 11 and 12. Another

issue discussed was the need for additional parking in the Old Town Area. She mentioned the old house next to the Attrell's Sherwood Funeral Chapel as one possibility. Chairman Whiteman said one of the difficulties with this is making the public aware of when parking would be available.

Chairman Whiteman said if you look at the downtown area right now and you develop any kind of a critical mass, there is no place to park. Paul Stecher said a parking structure itself would be a "blight". Chairman Whiteman suggested the alley where the car repair shop is located may become available for some parking in the near future. Mr. Stecher asked if there was a way to project how many cars would be in the downtown area considering the development and growth of the City.

Chairman Whiteman entered a statement into the record which he had prepared regarding a recommendation to the City Council. This statement is attached to, and made a part of, these minutes. The City Staff has seen this recommendation. The Commission must establish a real solid foundation for the urban renewal district proposal. This recommendation should have merit and benefit to the community. The public must be included in this process.

Chairman Whiteman asked Mr. Moody if the "Agency" would have total authority on how the property within the urban renewal district was developed. Mr. Moody said he did not think the Urban Renewal District Agency, in and of itself, is any more than a financing mechanism to perform the projects within the Plan. When someone wants to develop their property, within the boundaries of the District, they would be encouraged to do so. He would disagree that the Agency would necessarily have any say in whether or not someone could or could not do their own projects on their property. The Agency simply serves as the financing mechanism. The City's land use code is already in place and none of this changes with respect to urban renewal.

Chairman Whiteman said in the previous presentation the Commission was told that part of this urban renewal district proposal was arrived at from the joint workshop meeting of the City Council and Planning Commission held at Stella Olsen Park in 1997. He did not think that anyone attending the workshop ever thought they would see this particular event portrayed to them as being part of a process that led them to this point. In his opinion, it is very important to strongly emphasize the public process of this whole proposal and the opportunity to have input. He thought the idea has merit.

Mr. Turner said the meeting held in Stella Olsen Park was the first time the plan for the Rail District area was brought up. Chairman Whiteman said this work session is being used as part of the process for the urban renewal district proposal and he was not comfortable with this assessment.

Susan Claus said as far as the justification that there was a public process, this meeting was put in this context. She attended this meeting and she agreed they were at the workshop for a lot of different reasons. This was just a presentation by the consultant who prepared the Rail District Plan. The bottom line is the public wants more input on the urban renewal district proposal.

Mr. Turner said the City Manager did meet with a group of citizens regarding City facilities. This group included some Department Heads.

Chairman Whiteman said the Old Town Revitalization Plan being discussed in the urban renewal district proposal is over 16 years old. There needs to be some kind of upgrade to the plan to bring it up to date. In addition, there are requirements in Chapter 9 of the Development Code which need to be met. He said one of the figures for the Civic Center is 40,000 sf. How many parking spaces would this require? Mr. Turner said office space requires one parking space for every 300 sf.

Mr. Turner said if the Old Town Overlay District is expanded, the Code would allow the required parking to be cut in one-half. Chairman Whiteman said this is exactly part of the problem. They are not talking about shutting down Old Town, they are talking about opening up Old Town and if you don't do it with parking, what are you going to do it with? Unless there is adequate opportunity for parking, they are kidding themselves about making Old Town a viable downtown community. He thought Clancy's and Attrell's are the only businesses making money in the Old Town area.

Robert J. Claus, 22211 SW Pacific Highway, Sherwood, Oregon 97140, said the Commission already has criteria for parking. The problem is Staff will not apply this criteria. The Code specifies the number of parking spaces. If the priority was parking, all you need is take the zoning code standard, do a survey of use in the downtown area, and apply this to determine how much parking is required.

Chairman Whiteman said the City Council would probably need to commit to more meetings to review the urban renewal district proposal. The Chamber of Commerce should also be involved in this discussion. He discussed Solvang, California and Leavenworth, Washington which are mainly tourist driven. Both of these cities have ample parking for the tourist trade.

Mr. Stecher said the conclusion is that parking right now is a problem in the downtown area. How many parking spaces should this area have now? What is going to be the draw to bring people into the downtown area? If the urban renewal district is put in place, there is the potential for tax liability and negative impacts in the long term if they do not know what the draw is going to be and don't have ample parking. They could be setting Sherwood residents up for a big fall. He was not sold on the idea that this is a risk the City should be taking.

Mr. Mays said he would agree with Chairman Whiteman in the sense the urban renewal district would be a benefit to the downtown area, but there are some concerns which need to be addressed. He asked Mr. Moody to clarify the formation of the "District" and the "Agency."

Mr. Moody said there are two ordinances; one forms the "Agency" and the other adopts the "Plan". Chairman Whiteman asked if the Agency proposed the Plan, it would not have to happen simultaneously. Mr. Moody said he would agree with this. Until the Plan is adopted, it is a draft. The boundary is included in the Plan.

Chairman Whiteman said he would recommend to the City Council that they form the Agency, which should be no fewer than nine and no more than eleven members. The Agency would then revise or firm up the Plan.

In response to Mr. Stecher's question, Mr. Moody said the next window would be October 1, 1999. Chairman Whiteman and Mr. Stecher asked if there were any outstanding projects in process within this urban renewal district. Because the next deadline is 10 months away, the City Council would still have time to review what should be included in the Plan while Chapter 9 of the Development Code and the Old Town Revitalization Plan are updated. Mr. Stecher said it would be prudent for the Commission and City Council to look at the issues in more detail. What is the parking issue, what is the financial feasibility, etc.

Ms. Claus said there are 52.2 acres in the district and 38% of these are exempt from the plan. If the big draw, as presented by the Staff, is going to be the multi-purpose building, a large portion of that is going to be exempt. The Commission does not necessarily agree that this building will be the drawing point to bring additional people into the downtown area.

Jean Lafayette, 230 SE Nottingham Court, Sherwood, Oregon 97140, addressed the Commission. She referenced ORS 457.035 which states the urban renewal agency shall not exercise its power until, or unless, the governing body of the municipality, by non-emergency ordinance, declares it a "blighted" area. They may be creating an Agency without any power.

Ms. Claus said maybe a task force should be created to review this information further. Part of this is the 1983 Old Town Revitalization Plan being accepted as part of the General Plan and Chapter 9 of the Development Code. These are steps which would have to be taken in the process to assure the Code matches the Urban Renewal District Plan. Mr. Moody said the City of Beaverton passed an ordinance which created an Agency, but never adopted a Plan. By creating a task force, what would be gained?

Dan Leonard, PO Box 1088, Sherwood Oregon 97140, addressed the Commission. He said the Agency is the funding mechanism. If you look at all of the projects in the draft plan, 99% of them are capital improvement projects. So when you start saying urban renewal district, they are not really renewing anything.

Robert J. Claus, 22211 SW Pacific Highway, Sherwood, Oregon 97140, addressed the Commission. The numbers the Staff is using are non-existent. They don't have use patterns and they don't have densities. There are no numbers or facts in the plan. There are people who want a new City Hall, have found a way to get \$33 million or more, and they are going to do this. He discussed when they purchased the current City Hall building. The majority of the undeveloped land is being developed at a standard higher than any other place in town. The urban renewal district plan is driven to get money to cover capital projects without looking at the numbers. If you develop the property without the necessary parking, what have you really done. You have created the typical urban renewal district disaster in financing. Without parking, nobody will come to the downtown area. The businesses are paying "storage rates" because there is no parking. The City is pursuing this urban renewal plan without numbers or surveys, and what they

are intending to do could actually drive property values down because after they are done, you won't be able to afford parking. The United States spends \$495 billion on transportation to service retail and industrial properties. This is trucking, it is not rail. Rail is 15%. The City is working on a component that increases the density of coverage without increasing the parking. They need to be careful of the \$33 million general revenue bond. It was exactly what a former City Manager had the scheme "build it and they will come" that nearly bankrupt the City in 1978. Mr. Stecher is an appraiser and that is what is scaring him about this whole urban renewal district proposal. What happens if the \$33 million bond moves out of the urban renewal and impacts other property values. The impact would be the same as whacking the City tax base by \$60 to \$80 million. He discussed the City of Beaverton and how they wrecked their downtown area. Is the City going to "blight" an area by putting a \$33 million load on it, particularly if the factor that is depressing the downtown, which is parking and circulation, is intensified. This is exactly what the Staff has not dealt with. He discussed other jurisdictions which he said had "forced the market".

Chairman Whiteman asked where the \$33 million figure comes from. Mr. Claus said it comes from several discussions. When you say what is eventually going to be the bonded indebtedness, the numbers discussed have been \$25 to \$40 million. He discussed the LID and what happened to the Cochran and Sam Gotter properties.

Chairman Whiteman said the Planning Commission needs to make some type of recommendation to the City Council regarding the urban renewal district proposal. In response to his question, Mr. Moody said the City received one written response from the other taxing agencies regarding this proposal. Those comments were from Washington County and while they took no formal action, by consensus they supported the proposal. All of the other taxing districts were notified by mail and asked for their written comments. None of these agencies have responded at this time. Chairman Whiteman said it was important that the City receive written comments from the other agencies. Mr. Moody said there are nine agencies which include Tualatin Valley Fire & Rescue, Portland Community College, Metro, Port of Portland, Tri-Met, Sherwood School District, and he could not remember the others.

Jean Lafayette said the letter included in the water bills really did not explain the Plan. It did not lend itself to get the attention of the taxpayers.

The Commission discussed at length what questions and/or comments they wished to provide to the City Council. The following issues were included in this discussion:

- Parking needs, both current and future in the Old Town Area.
- What will draw people to the Old Town District?
- Updating the Old Town Revitalization Plan and Chapter 9 of the Development Code.
- What significant projects are pending which would take them out of the October 1, 1999 deadline?
- Taxing district current assessed value and how will this be applied to pending projects?
- What are the proposed projects for the urban renewal district Plan?
- Information on the proposed Civic Center, such as square feet.

Mr. Stecher reiterated that, at this time, he felt the Commission did not have enough information to make an informed decision on the urban renewal district proposal. There seems to be enough time before the October 1, 1999 deadline to get this information. He thought the main thrust of the urban renewal district is the proposed Civic Center.

Ms. Claus said the Commission received conflicting information. They received some paperwork and then the numbers in the paperwork were denied.

Mr. Mays said the Commission should send a recommendation to the City Council with suggestions on how this proposal should be approached and some specifics on how the Agency is structured.

Ms. Claus said she attended the last City Council meeting and asked if the recommendation from the Commission could be an interim report or what was the Council expecting from the Commission. The Mayor said the Council will hear a presentation and have some public input on January 26, 1999. Mr. Moody clarified that Staff is not planning any further presentations other than the information provided to the Commission previously. Ms Claus said the indication from the Mayor was that this would be a multi-meeting process. It sounded like the Council would be seeking additional public input in different forums. Mr. Moody said Staff does not expect any action on this proposal by Council at the January 26th meeting. Chairman Whiteman said he heard the Mayor say anything the Commission wished to provide did not have to be in the form of a firm recommendation.

Mr. Moody explained the tax increment bond process. For example, to construct a building, if the City cannot show the incremental value is such that it will support the taxes to support the payment of the debt service to construct the building, the market will not loan the City the money. The City could not go out and sell bonds because no one would buy them. The City would not be able to issue the tax increment bond unless the City shows the money is available in the form of the tax increment bond. If the payment fails, there are two answers. In theory, the City could walk away from it and have no obligation whatsoever. In reality, the City would probably never be able to borrow money again. In practice, the City would probably have to pick up this obligation. This has never happened in Oregon.

Robert Claus talked about Measure 5. The entire problem in Oregon is much more complex because of Measure 5. He discussed Net Operating Income (NOI) and what would happen if there was a catastrophic failure of these bonds. It is only fair to tell the citizens what would happen if the bonds failed. It could lower property values in Sherwood because it is a defacto tax increase.

It was the consensus of the Commission to forward the following to the City Council for the January 26, 1999 meeting:

- This is an interim report and the Commission has not completed their review process as per ORS Chapter 457.

- Update the Old Town Revitalization Plan, specifically the Old Town Improvement Program, pages 16-18, Table 8, or as necessary.
- Update Chapter 9 of the Community Development Code, Part 3, through the Plan Amendment Process.
- Assess the need and actual availability of parking to serve the current Old Town Overlay District?
- What is going to be the anchor for the proposal Urban Renewal District? The Civic Center? This review would answer the question of necessary parking and update the Old Town Revitalization Plan.
- What are the hard numbers for assessed value?
- What would happen to the entire tax base of Sherwood if there was a catastrophic failure of the bonds?
- These items will provide a focus on what projects should be included in the Plan. Review of the Old Town Revitalization Plan would be a tool in the decision-making process. Not only are these updates timely, but the Commission believes these updates are needed as tools to give any urban renewal district direction.

Chairman Whiteman said the urban renewal district proposal will be continued as an agenda item at future Planning Commission meetings. The Commission will allow 30 minutes for this discussion and only by motion of the Commission will this time be extended.

6. Other Business

6A. Election of Commission Chair and Vice-Chair

Chairman Whiteman said Ordinance No. 92-954 states that appointments to City Boards will be accomplished by the end of March each year. The Development Code states the election of a Planning Commission Chair and Vice-Chair will be made at the first meeting in January of every odd year. It was the consensus of the Commission to continue this item.

Keith Mays moved the Planning Commission defer the election of a Chair and Vice-Chair to the February 16, 1999 Regular Commission meeting. Seconded by Paul Stecher.

Vote for Passage of Motion: 4-Yes, 0-No, 0-Abstain

7. Community Comments

Chairman Whiteman called for comments from the audience.

Robert J. Claus, 22211 SW Pacific Highway, Sherwood, Oregon 97140, addressed the Commission. He discussed the status of the appeal to LUBA on Woodhaven Phase 7A Preliminary Plat. At the hearing on this appeal, the Hearings Officer stated Mr. Claus believes the PUD is a unit and that everything should be delayed until Phase 7B is heard. This is the first time he thought the referees really understood the issues. They were expecting a ruling within eight days, but it was delayed for two months. He came away from the hearing with a very good feeling. He discussed the *Frankland v. City of Lake Oswego* case. This is the only case in Oregon regarding PUD's. He said Council member Patterson has pushed and pushed on the City

Manager to get an answer on the Salisbury memorandum of understanding. He said the Commission members should attend the City Council meeting on January 26th because they have just drafted a response to Mr. Bormet's letter to the City Council. In Mr. Bormet's letter, a preliminary plat according to him, is just that.

Mr. Claus said a preliminary plat in planning is final. It is not an alternate amending process, it is an additive process. Mr. Bormet's letter said it is not. The City Council wants to discuss this. A PUD is a planned unit development and you are not "buying zoning". Oregon does not allow gated communities. Gated communities are typical of nothing except a bunch of elitist racists. In Oregon we lay out our cities and then we do a general plan. We then lay out the sanitary sewer, the storm water and lay out everything. You cannot go out and say we are going to change the mix of the town because of Senate Bill 100. Mr. Bormet's letter juxtapositions that.

Mr. Claus tried to tell the LUBA referees that the findings of fact were not based on the truth. The park property is being sold to the School District. We knew as far back at September 3, 1998 that the park property was going over, in all probability, to the School District and yet we presented a finding of fact to LUBA that stated this was not true. He said Derryck Dittman made a very clever move. He waited right before Phase 7B and asked for an extension to file the record. The record was originally to have been filed before the Phase 7A hearing. Obviously, the argument of the City was we can do whatever we want inside Phase 7A and Phase 7B and not affect the PUD. The hearing for Phase 7B has not been set. If the park property is removed and the PUD is changed and property values go down you would have a class action lawsuit.

Chairman Whiteman mentioned the League of Oregon Cities will present a workshop for elected officials on February 19, 1999 in Wilsonville at the Holiday Inn.

Mr. Turner announced that Genstar has withdrawn their amended application for Phase 8C. They plan to move forward with the original plan for Phase 8C.

8. Adjourn

There being no further business to discuss, the meeting was adjourned at 9:50 PM.

Respectfully submitted,

Planning Department