



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Tuesday, May 18, 2010

**Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon**

6:00pm URA Board of Directors Work Session

Regular URA Meeting to follow

(City Council Meeting to follow)

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING AGENDA**

Tuesday, May 18, 2010
Following the City Council Meeting

City of Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon

WORK SESSION 6:00pm

- 1. Cannery Project Update** (Tom Nelson, Economic Development Manager)

REGULAR URA MEETING

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT AGENDA

- A. Approval of November 3, 2009 URA Board Meeting Minutes**

4. PUBLIC HEARING

- A. Urban Renewal Agency 2010-11 Approved Budget Document**
(Public Hearing only, no action) (Julie Blums, Budget Officer)

5. STAFF REPORTS

6. ADJOURN

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
November 3, 2009
22560 SW Pine Street, Sherwood Oregon 97140**

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 8:30pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel and Robyn Folsom. Del Clark was absent.
3. **STAFF & LEGAL COUNSEL PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Economic Development Manager Tom Nelson, Community Development Director Tom Pessemier and District Recorder Sylvia Murphy. City Attorney Paul Elsner.
4. **CONSENT AGENDA:**
 - A. Approval of September 15, 2009 URA Board Meeting Minutes

MOTION: FROM LINDA HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY LEE WEISLOGEL. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

5. **NEW BUSINESS:**
 - A. **URA Resolution 2009-013 A Resolution of the Urban Renewal Agency of the City of Sherwood accepting the transfer of real property, known as the Robin Hood Theater lots and the commitments imposed thereon by the City of Sherwood, Oregon**

Tom Nelson Economic Development Manager explained the URA Resolution and stated staff has received a property appraisal as requested by the URA Board and said the market value listed at Washington County was \$268,200, \$134,100 for each lot and the appraisal came in at \$250,000.

Ms. Folsom stated she wants to make sure the City honors the original intent of a Community Arts Center.

Tom Nelson replied the Urban Renewal District has spent close to \$1 million purchasing the machine shop and will spend close to \$3 million in improvements. Tom stated the challenge in funneling the funds from this sale is the funds go to the City's general fund and more than likely Urban Renewal funds will be used for the development of the building.

Chair Mays asked for additional Board questions, with none heard he asked for a motion.

MOTION: FROM LEE WEISLOGEL TO ADOPT URA RESOLUTION 2009-013, SECONDED BY DAVE HEIRONIMUS. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

B. URA Resolution 2009-014 A Resolution of the Sherwood Urban Renewal Agency approving a minor amendment to the Sherwood Urban Renewal Plan, dated August 29, 2000, to allow for the acquisition of additional property located on SW Sherwood Boulevard

Chair Mays stated this is the property to the left of the Sherwood Senior Center if you're facing the Center and stated the City Council looked at purchasing this property several years ago but did not due to the cost and the opportunity has now presented itself again.

Chair Mays asked for Board questions, with none heard he asked for a motion.

MOTION: FROM LINDA HENDERSON TO ADOPT URA RESOLUTION 2009-014, SECONDED BY LEE WEISLOGEL. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item and Tom Nelson stated Item C is the approval of the property purchase by the URA Board.

C. URA Resolution 2009-015 A Resolution of the Urban Renewal Agency of the City of Sherwood for purchase of real property located on SW Sherwood Boulevard

Chair Mays asked for Board questions with none heard, he asked for a motion.

MOTION: FROM DAVE GRANT TO ADOPT URA RESOLUTION 2009-015, SECONDED BY LINDA HENDERSON. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

D. URA Resolution 2009-016 A Resolution of the Urban Renewal Agency of the City of Sherwood directing the Agency Manager to sign the first amendment to the Development Services Agreement for the public infrastructure in the Cannery Redevelopment

Tom Nelson Economic Development Manager explained the URA Resolution and stated a work session was held with Capstone Partners last month and they discussed the need to amend the agreements due to the market and timing elements. Tom reminded Council of the handout provided by Capstone Partners explaining the amendments. Tom informed the Board the City's legal counsel has reviewed the amendments.

Ms. Henderson referenced page 18 and asked who is Triangle Development Company?

Jeff Sacket with Capstone Partners came forward and stated he is the president and sole share holder of Triangle Development Company and this company is his individual member representative in Capstone Partners.

Ms. Henderson made reference to language on page 17 in regards to Development Services fees being paid monthly and asked if this is a change from the original agreement.

Martha Shelley with Capstone Partners came forward and stated in the previous document the development services fee or development management fee was handled in two separate documents. They were handled in the development services agreement which is the appropriate place and it was handled in the site development agreement which is not the appropriate place. In the site development agreement there was more detail that stated the fee would be paid monthly and we are eliminating the language and clarifying it in the development services agreement. It is payable monthly during the process of the project and the URA has been paying it on some of the preconstruction projects as well. Martha explained the development fee is based upon a percentage of actual costs and as those costs are incurred the fee is tacked onto that. Ms. Shelly gave the example of an HHPR fee for engineering of the roadway and HHPR is contracted as part of the public improvement portion of the project.

Chair Mays asked for Board questions, with none heard he asked for a motion.

MOTION: FROM LEE WEISLOGEL TO ADOPT URA RESOLUTION 2009-016, SECONDED BY DAVE HEIRONIMUS. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

E. URA Resolution 2009-017 A Resolution of the Urban Renewal Agency of the City of Sherwood directing the Agency Manager to sign the first amendment to the Purchase and Sales Agreement of the Cannery Redevelopment

Tom Nelson Economic Development Manager explained the URA Resolution.

Chair Mays asked for Board questions, with none heard he asked for a motion.

MOTION: FROM LINDA HENDERSON TO ADOPT URA RESOLUTION 2009-017, SECONDED BY DAVE HEIRONIMUS. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

F. URA Resolution 2009-018 A Resolution of the Urban Renewal Agency of the City of Sherwood directing the Agency Manager to sign the first amendment to the Site Development Agreement for the Cannery Redevelopment

Tom Nelson Economic Development Manager explained the URA Resolution.

Board member Dave Heironimus asked in regards to the Machine Shop and work on the outer shell scheduled for fall of 2010. Tom Nelson replied we would like to do it as soon as possible and it depends on several variables, one is the current tenant and their ability to get their building built. Tom stated staff has asked Capstone to provide three concurrent tracks of public improvement to work on: The plaza, the streets and infrastructure and the building and said they can do the engineering and design for all this right now.

Mr. Heironimus asked in regards to timing of the project and the fall 2010 schedule and stated with processes and public hearings the Board has yet to see any plans. Tom replied he has seen drawings and they have been working on the engineering and financials before they are made public.

Ms. Henderson asked in regards to maps, items B3 and B1 and asked how these are substantially different from the original agreement.

Tom Nelson reminded the Board of prior discussions regarding wetlands and said the street had to be redesigned. Martha Shelly stated a final subdivision map is still to come and they are not looking to make any more alignment changes. Further discussion occurred regarding Capstone Partners coming before the Planning Commission and the PUD application process.

Discussion was held in regards to the Machine Shop and the current tenant and the timing of the tenant vacating the building. City Manager Patterson commented in regards to the timing of the tenant vacating within the agreed to 15 month period and staff working with them to accomplish this.

Discussion was held regarding the Board members seeing information on design and involving the public in the process. Tom Nelson replied staff will have within the next two weeks information the Board or Council can see regarding design of the building shell. Ms. Shelly commented additional information will be coming regarding the design of the inside of the building and indentifying issues and needs. The Board discussed holding a future work session to discuss the project.

Chair Mays asked for Board questions with none heard, he asked for a motion.

MOTION: FROM DAVE HEIRONIMUS TO ADOPT URA RESOLUTION 2009-018, SECONDED BY LINDA HENDERSON. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR.

Chairs Mays addressed the next agenda item.

6. STAFF REPORTS: None.

7. ADJOURN: Chair Mays adjourned at 9:05pm.

Submitted by:

Approved:

Sylvia Murphy, District Recorder

Keith S. Mays, Chairman

URA Board of Directors Meeting: May 18, 2010

Agenda Item: Public Hearing

TO: Urban Renewal Agency Board of Directors

FROM: Julie Blums, Budget Officer

**SUBJECT: PUBLIC HEARING OF THE 2010-11 CITY OF SHERWOOD URBAN
RENEWAL AGENCY APPROVED BUDGET**

ISSUE: Public hearing and public comment on the 2010-11 Approved City of Sherwood Urban Renewal Agency budget.

BACKGROUND: Oregon Budget Law requires municipalities to hold a public hearing on the approved budget before final adoption. On April 7, 2010, the Budget Committee approved the proposed budget, resulting in the Approved Budget for 2010-11. Notice of the approved budget has been published in accordance with Oregon Local Budget Law. A copy of that notice is attached as Exhibit A.

A copy of the budget can be found under the Finance Department on the City's website. The budget is also available for review at the City Hall reception desk and in the library.

RECOMMENDATIONS: Staff recommends holding a public hearing allowing for public comment and discussion by the Urban Renewal Board.

Exhibit A

FORM
UR-1

NOTICE OF BUDGET HEARING

A meeting of the Board of Directors of the Sherwood Urban Renewal Agency will be held on May 18, 2010 at 7:00 p.m. at 22560 SW Pine St., Sherwood, OR 97140. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2010 as approved by the Sherwood Urban Renewal Agency Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at Sherwood City Hall, 22560 SW Pine St., Sherwood, OR 97140 between the hours of 8:00 am and 5:00 p.m. This budget was prepared on a basis of accounting that is consistent with the basis of accounting used during the preceding year. Major changes, if any and their effect on the budget are explained below. This budget is for an annual budget.

County	City	Chairperson of Governing Body	Telephone
Washington	Sherwood	Keith Mays	503-625-5522

FINANCIAL SUMMARY

X Check this box if your budget only has one fund	TOTAL OF ALL FUNDS	Adopted Budget This year--2009-10	Approved Budget Year--2010-11	Next
ANTICIPATED REQUIREMENTS	1. Total Personal Services.....	154,538	144,723	
	2. Total Materials and Services.....	560,760	528,498	
	3. Total Capital Outlay.....	8,773,750	9,350,000	
	4. Total Debt Service.....	1,769,269	1,763,950	
	5. Total Transfers.....	0	0	
	6. Total Contingencies.....	543,746	2,912,532	
	7. Total Special Payments.....	0		
	8. Total Unappropriated and Reserved for Future Expenditure.....	0		
	9. Total Requirements--add lines 1 through 8.....	11,802,063	14,699,703	
ANTICIPATED RESOURCES	10. Total Resources except Urban Renewal Taxes.....	8,913,761	11,905,087	
	11. Total Urban Renewal Taxes est. from Division of Tax.....	2,888,302	2,794,616	
	12. Total Urban Renewal Taxes est. from Special Levy.....	0		
	13. Total Resources--add lines 10,11 and 12.....	11,802,063	14,699,703	

STATEMENT OF INDEBTEDNESS

Debt Outstanding		Debt Authorized, Not Incurred	
<input type="checkbox"/> None	X As Summarized Below	<input type="checkbox"/> None	X As Summarized Below

PUBLISH BELOW ONLY IF COMPLETED

Long-Term Debt	Estimated Debt outstanding at the Beginning of the Budget Year July 1, 2010	Estimated Debt authorized, not incurred at the Beginning of the Budget Year July 1, 2010
Bonds	0	0
Interest bearing warrants	0	0
Other	7,065,000	0
Total Indebtedness	7,065,000	0

Short-Term Debt

This budget includes the intention to borrow in anticipation of revenue ("Short-Term Borrowing") as summarized below:

FUND LIABLE	Estimated Amount to be Borrowed	Estimated Interest Rate	Estimated Interest Cost
N/A	N/A	N/A	N/A

150-504-076-2 (Rev. 12-07)

URA Board of Directors Meeting

Date: 05.18.10

List of Meeting Attendees:

Request to Speak Forms: ✓

Documents submitted at meeting: ✓

Work Session

A.) Cannery Plaza Design Elements, Exh. A

B.) URA Project Priority List, Exh. B

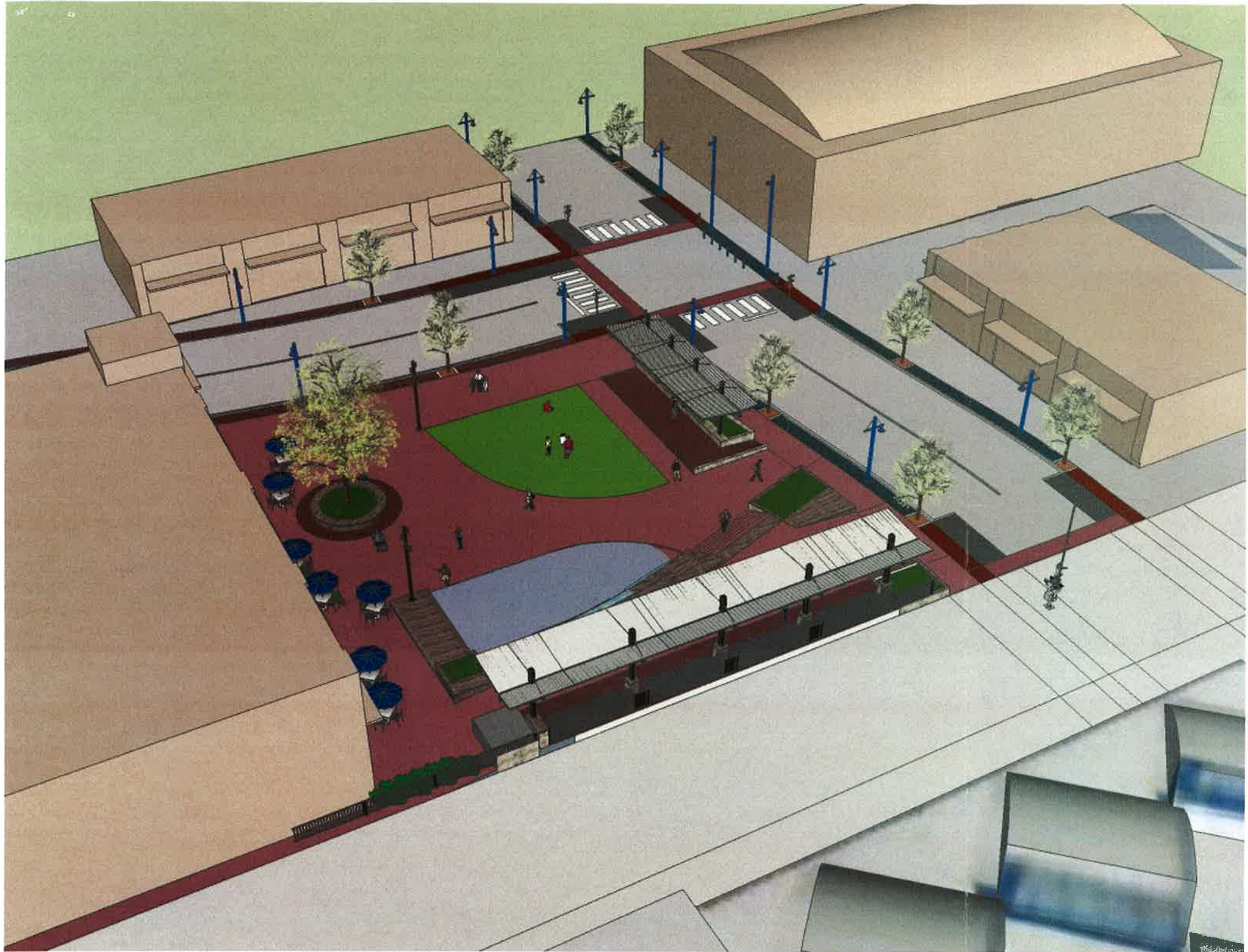
C.) Community Arts Center Presentation, Exh. C

Regular URA Meeting

Public Hearing Testimony

Agenda Item 4A

1.) Jim Claus, Exh. A + B



Pedestrian Lights
Blue streetscape street lights within the festival street section.



Project North



Brick Sidewalks
Brick sidewalks adjacent to the brick plaza.



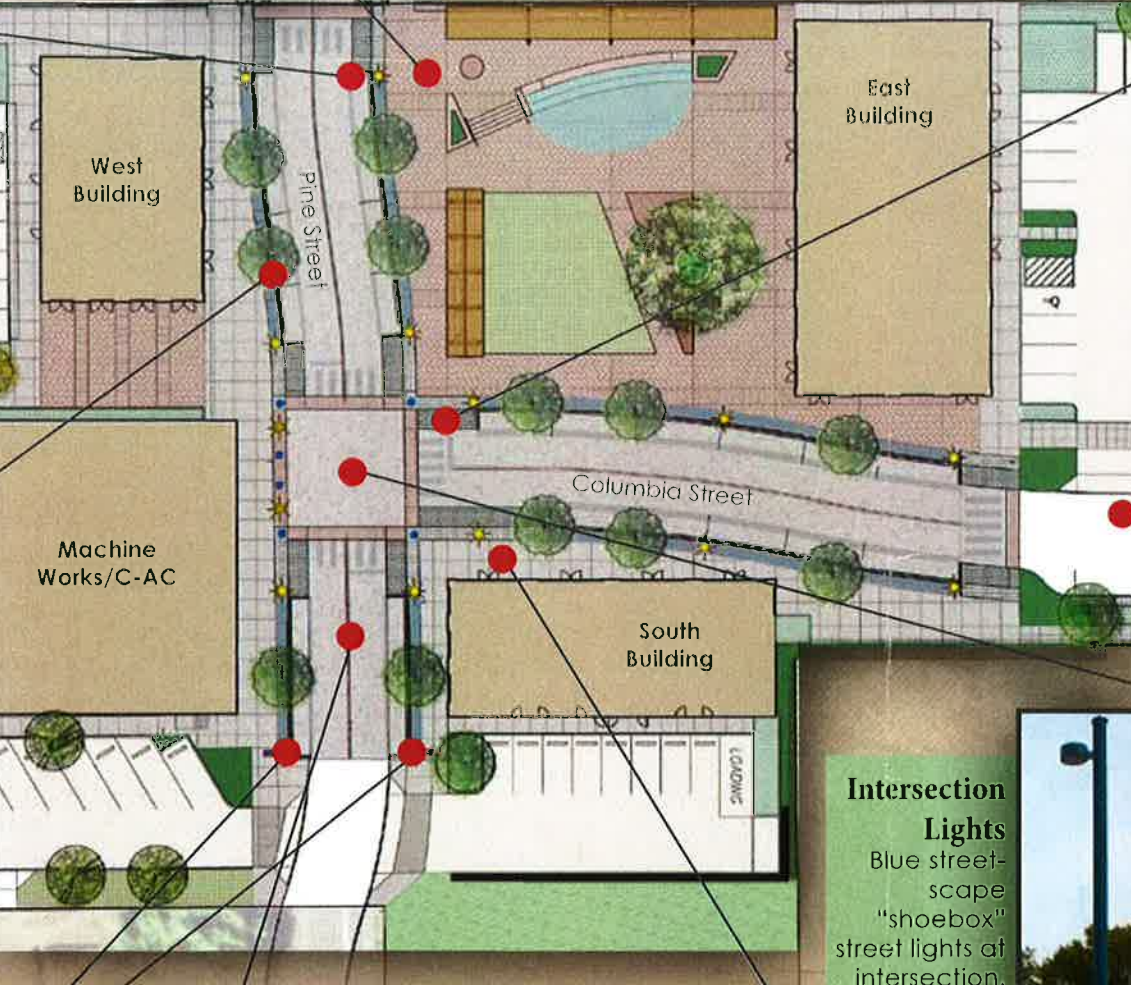
Stop Signs
Stop signs within the festival street section will not have a monument base.



Street Lights
Black street lights to match South Pine Street will be located on Columbia, Highland, Washington and Willamette outside of the festival street section.



Furnishing Zone
Materials will be the same as the downtown streetscape festival section.



Intersection Lights
Blue streetscape "shoebox" street lights at intersection.



Paving Material
Charcoal concrete with scoring for intersection paving and street centerline.



Paving Material
Red concrete with scoring for intersection paving and parking delineation.



Gateway
Pedestrian lights with a "Welcome to Old Town" banner will serve as the entry feature south on Pine Street.



Street Section
Street will have a crown to shed water to the outside and a roll curb to delineate the edge of the roadway as well as control drainage.

Concrete Sidewalks
Materials will be the same as the downtown streetscape festival section.



Intersection
Bollards and street lights will be placed in a pattern to protect pedestrians from vehicles without the use of monuments. Directional signage will be sign mounted similar to the sign at Pine Street and Willamette Street. Locations are yet to be determined.



Bollards
Bollards will look the same as the downtown streetscape festival section and be located at the intersections.



SHERWOOD OLD CANNERY SITE

Harper Houf Peterson Righellis Inc.
ENGINEERS • PLANNERS • LANDSCAPE ARCHITECTS • SURVEYORS

lango . hansen

ANKROM MOISAN ARCHITECTS
ARCHITECTURE INTERIORS PLANNING

CAPSTONE
Partners LLC

URA Board of Directors meeting 05.18.10, work session, Exh. A

URA Project Priorities (10/09) Plus Staff Identified Projects

URA Projects	Past and Projected Expenses	Projected Completion	Funding Source	Current and Projected URA Debt
Existing Indebtedness/ Projects (1)	14,668,667	Done	Prior Debt and Fund Balance	\$ 13,362,560
Cannery Property Purchase (1) (2)	3,065,000	Done	URA Term Loan	3,065,000
Machine Shop Purchase (1)	950,000	Done	Fund Balance	
Loan to Water System (1) (2)	3,000,000	Done	URA Term Loan	3,000,000
Cannery Streets /Utilities (3)	3,373,222	2010	URA Line of Credit and Fund Balance	3,373,222
Cannery Square (Plaza) (3)	2,749,259	2010	URA Line of Credit	2,749,259
Machine Works Rehabilitation / Cultural Arts (3)	3,539,285	2011	URA Line of Credit	3,539,285
Downtown Streets (3) <i>New Recent Estimate</i>	800,000	2011	Fund Balance	
Incentives	1,800,000	On-going	Fund Balance / Reimbursements	
Old Town Economic Stimulus	100,000	On-going	Fund Balance / Reimbursements	
Parking (3)	550,000	2011	Fund Balance	
Staff Identified Projects:				
Adams/Oregon Signal (Langer) (3)	1,500,000	2010	Fund Balance	
Washington Hill Street Repair	1,500,000	2012	Reimbursements / Increase in MI	
Total Expenses (MI) if all projects are done	\$37,595,433		Total Current and Projected Debt	\$ 29,089,326
Total Allowed Maximum Indebtedness (MI)	\$35,347,600			
Overspent until reimbursements are made	\$2,247,833			
Reimbursements (Property sales / loan payoff)	-6,250,000			
Total Indebtedness (MI) with reimbursements	31,345,433			
Balance for future projects if reimbursements are made	\$4,002,167			
Notes: (1) Projects are already completed; (2) Reimbursements through property sales and loan repayments will result in additional income in future years (~\$6,250,000); (3) Projects are current estimates;				

Community Arts Center

City of Sherwood

URA Board Presentation

18 May 2010

Work Session

Committee Update

- ▶ Identification of Goals
- ▶ Identification of three potential models for further study
- ▶ Next Steps

Goals

1. Serve the largest community user groups in a multifunctional facility
2. Build a facility that stays within the confines of the project scope, schedule, and budget
3. Provide a long-term revenue stream to make the center self-supporting
4. Have a facility that enhances the potential of bringing an increased number of patrons to take advantage of the revitalized Old Town Sherwood

Three models for further study

- ▶ A | Theater Option
- ▶ B | 90/10 Option
- ▶ C | 60/40 Option



- ▶ Single large flexible room
 - Small performances
 - Visual Arts
 - Meetings / Classroom Space
- ▶ Floor seating - approx 300 seats
- ▶ Small moveable stage
- ▶ Back of house facilities
 - Catering/Warming Kitchen
 - Storage

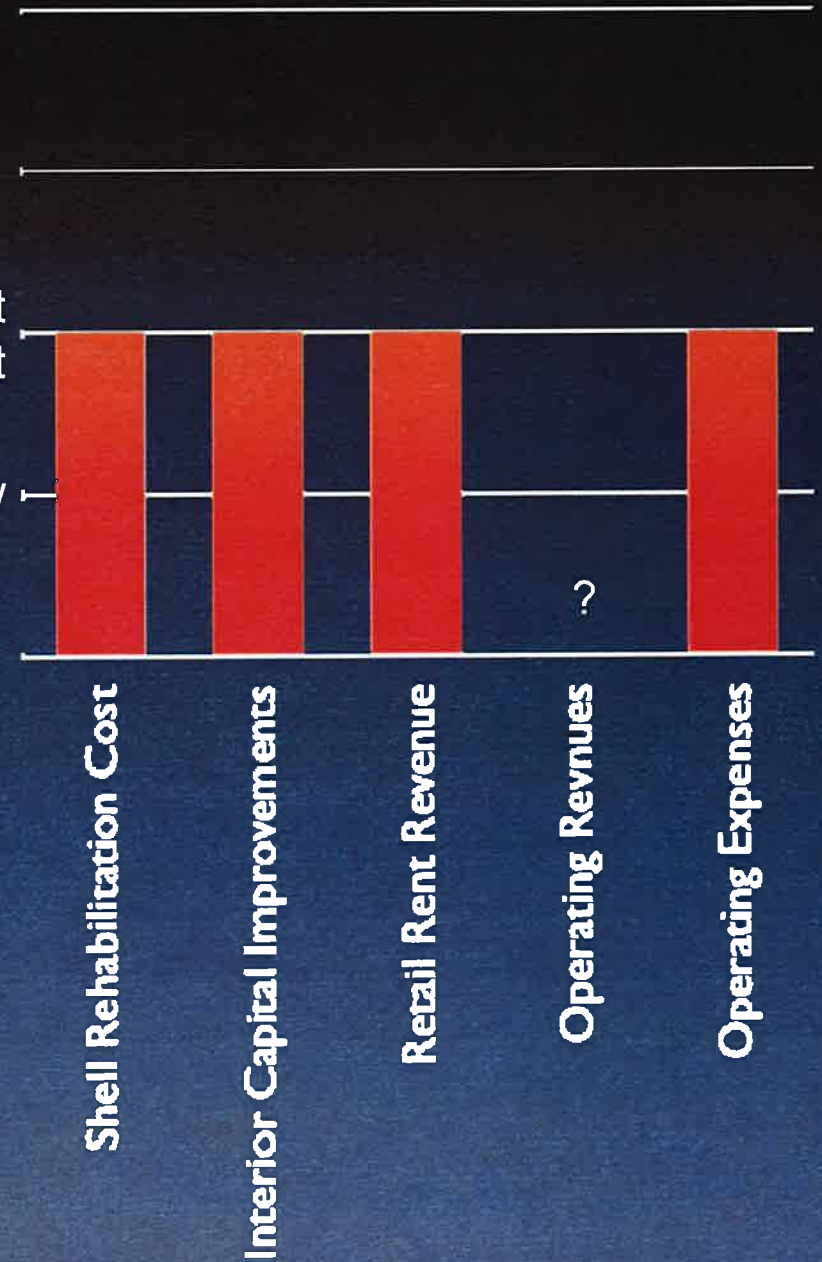
Baseline Model



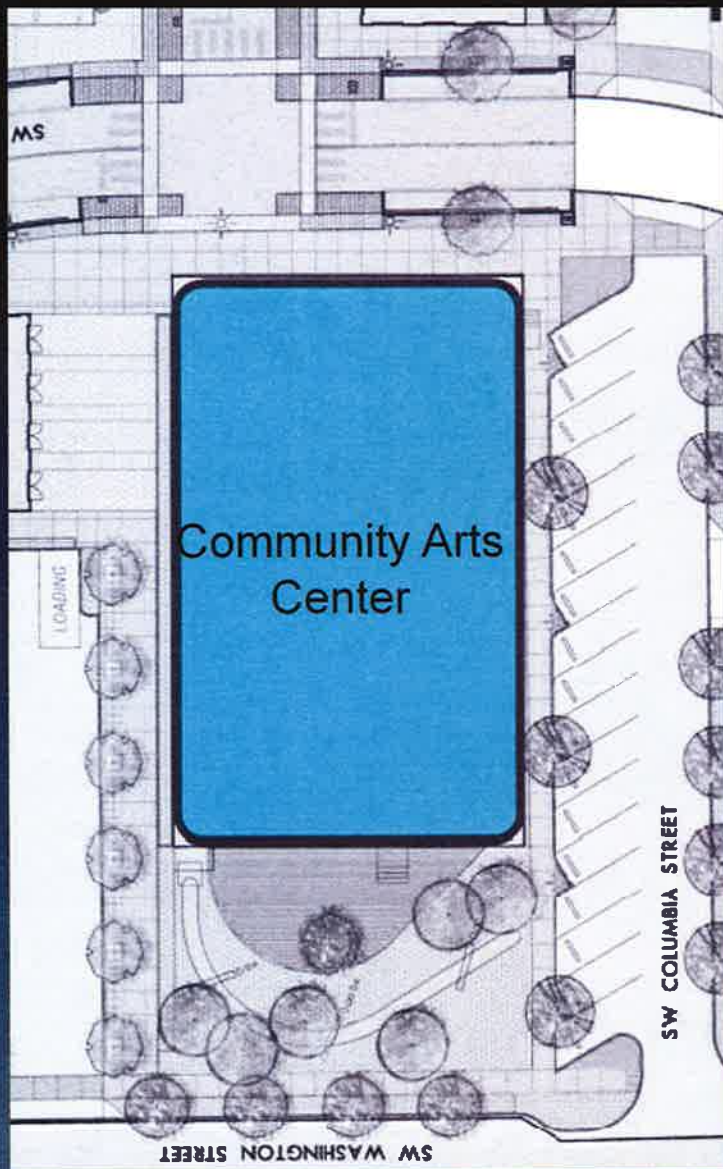
Approx Current
URA Budget

Above

Below

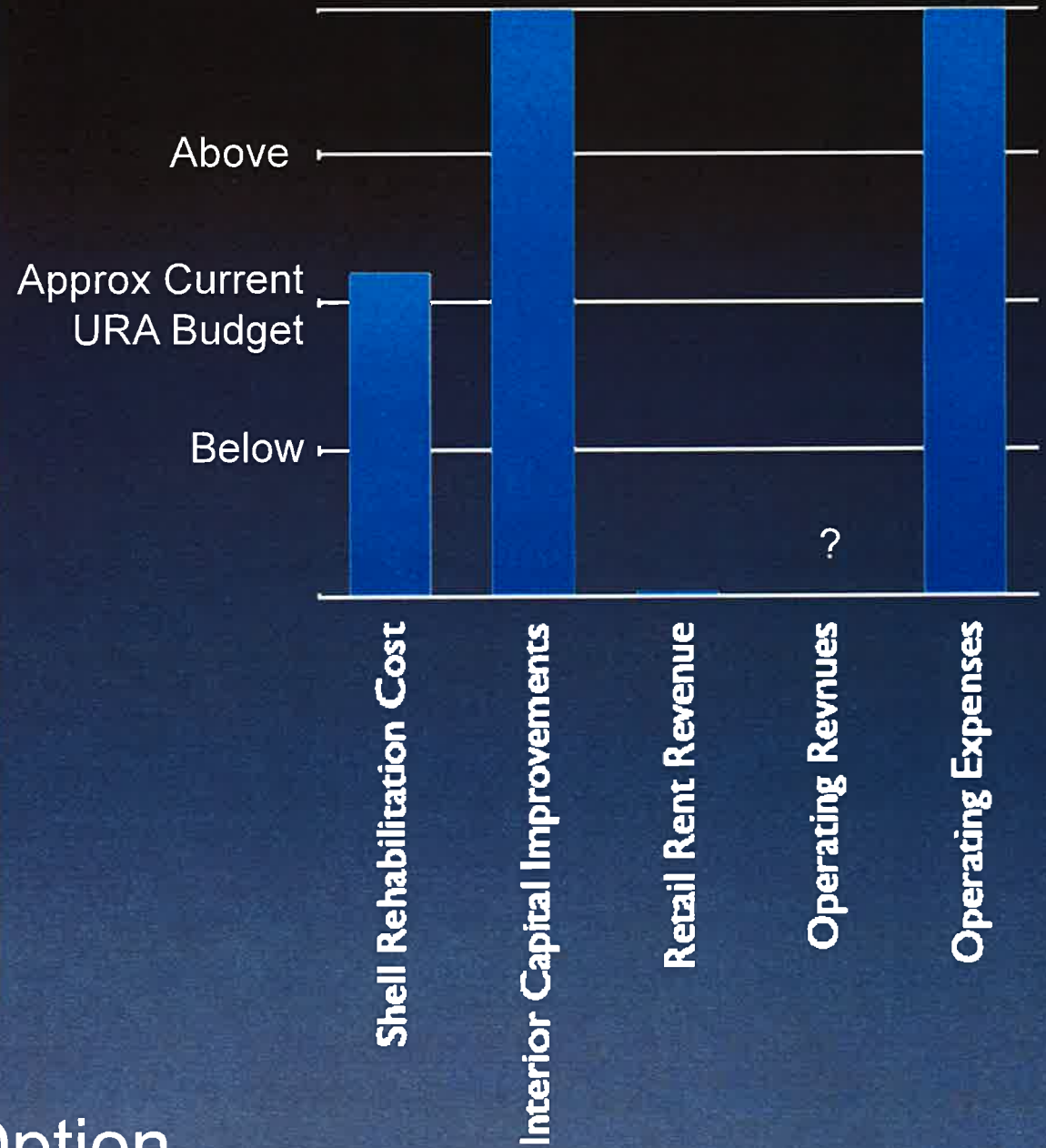
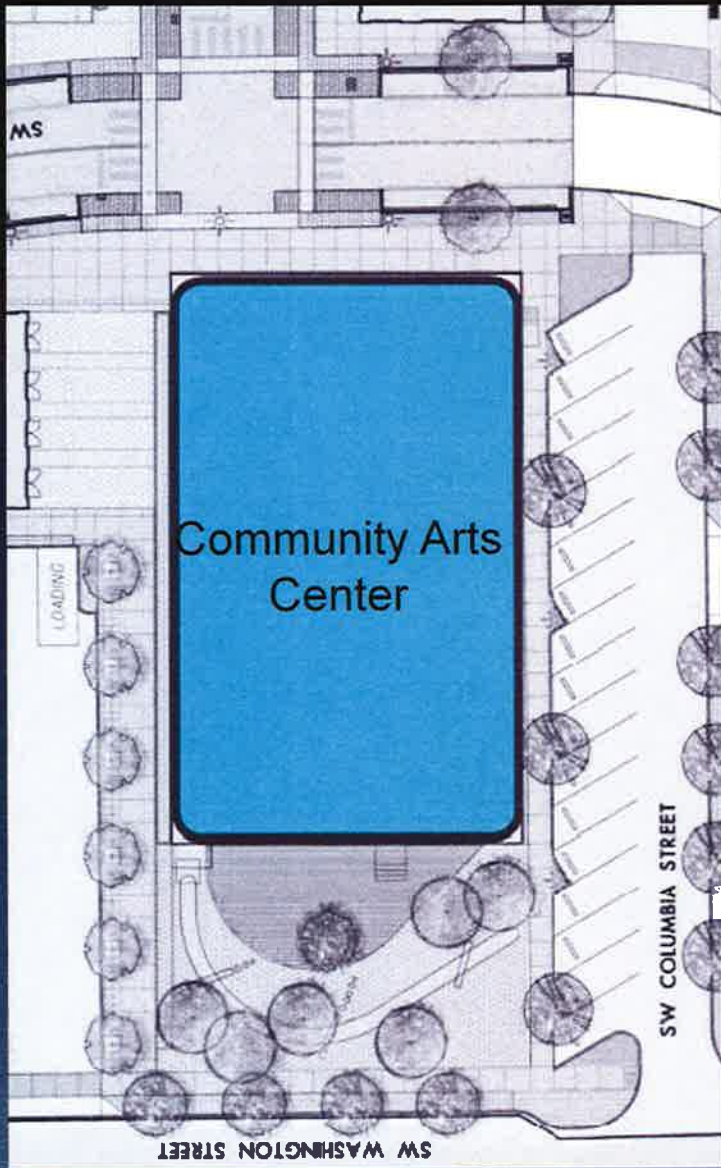


Baseline Model



- Large Flexible Room
 - Performances
 - Visual Arts
 - Meeting / Classroom Space
- Combination telescoping and floor seating - approx 500 seats
- Permanent performance stage
- Potential orchestra pit
- Potential fly system with tower
- Back of house facilities
 - Catering / Warming Kitchen
 - Makeup / Costume / Green rooms (These rooms could double as additional classrooms)
 - Set construction / storage

Option A | Theater Option



Option A | Theater Option



Option B | 90/10 Option

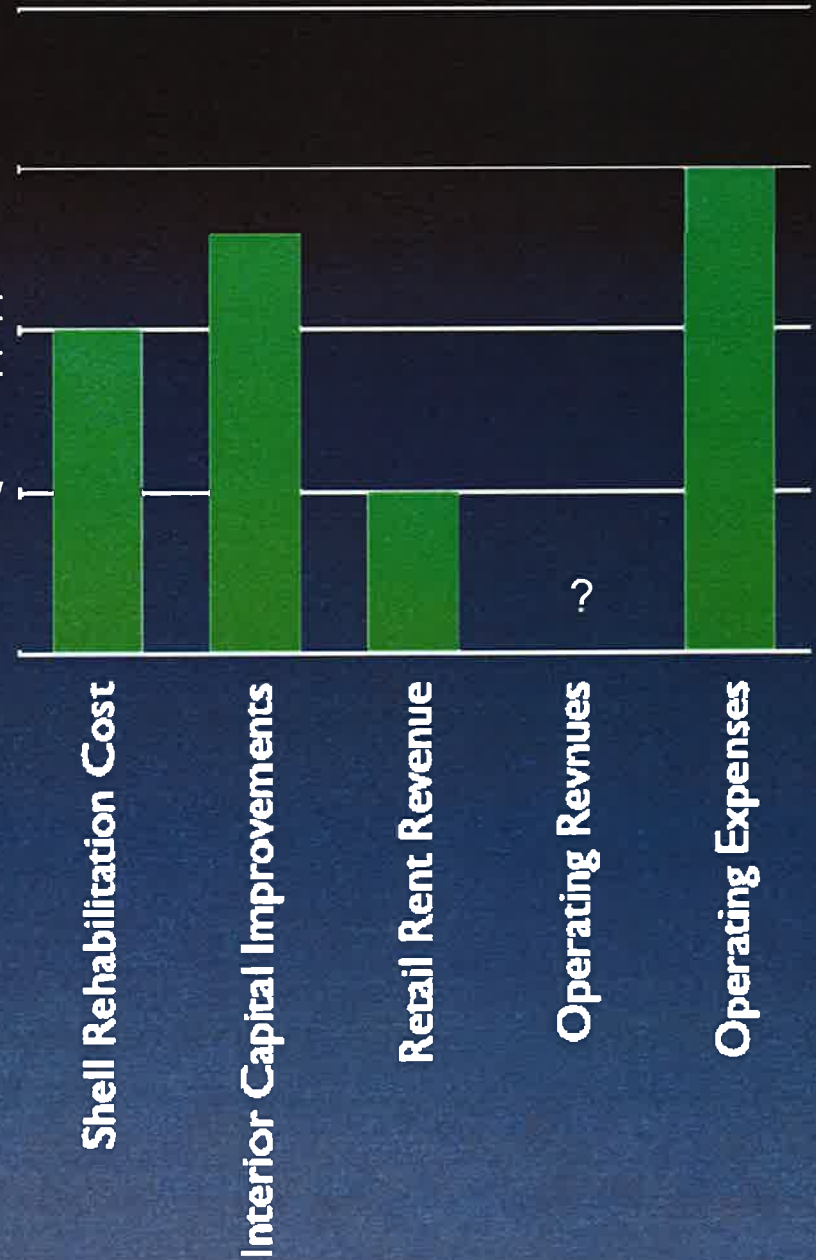
- ▶ Large Flexible Room
 - Performances
 - Visual Arts
 - Meeting / Classroom Space
- ▶ Combination telescoping and floor seating - approx 325 seats
 - Telescoping seating could be deferred to later date.
- ▶ Permanent performance stage
- ▶ Back of house facilities
 - Catering / Warming Kitchen
 - Makeup / Costume / Green rooms (These rooms could double as additional classrooms)
 - Set construction / storage
- ▶ Ability to expand into full building in the future
 - Resulting in additional floor seats - approx 400 seats or additional gallery/classroom space



Approx Current
URA Budget

Above

Below

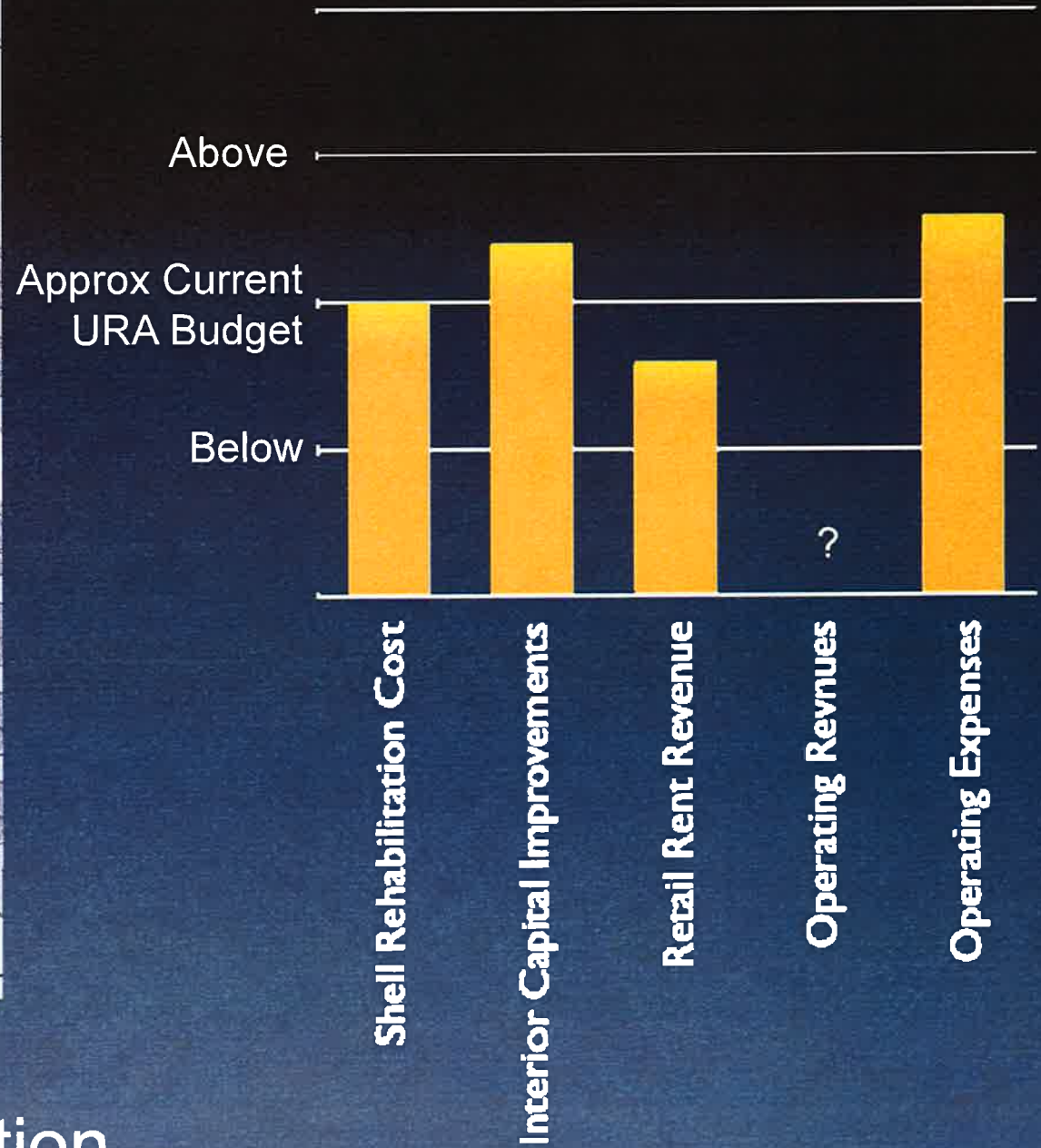


Option B | 90/10 Option



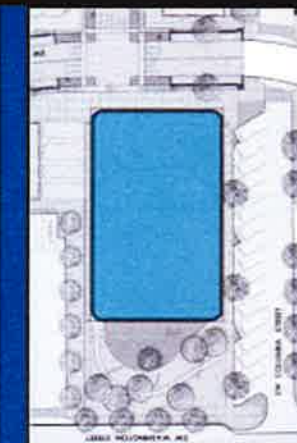
- ▶ Large Flexible Room
 - Performances
 - Visual Arts
 - Meeting / Classroom Space
- ▶ Floor seating - approx 300 seats
- ▶ Small moveable stage
- ▶ Back of house facilities
 - Catering / Warming Kitchen
 - Makeup / Costume / Green rooms (These rooms could double as additional classrooms)
 - Limited set construction / storage
- ▶ Ability to expand into full building in the future
 - Resulting in additional telescoping and floor seats - approx 400 seats, additional gallery/classroom space, additional back of house space, and permanent stage

Option C | 70/30 Option

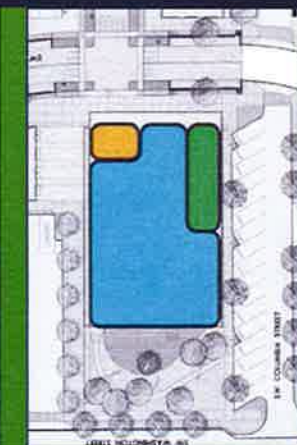


Option B | 70/30 Option

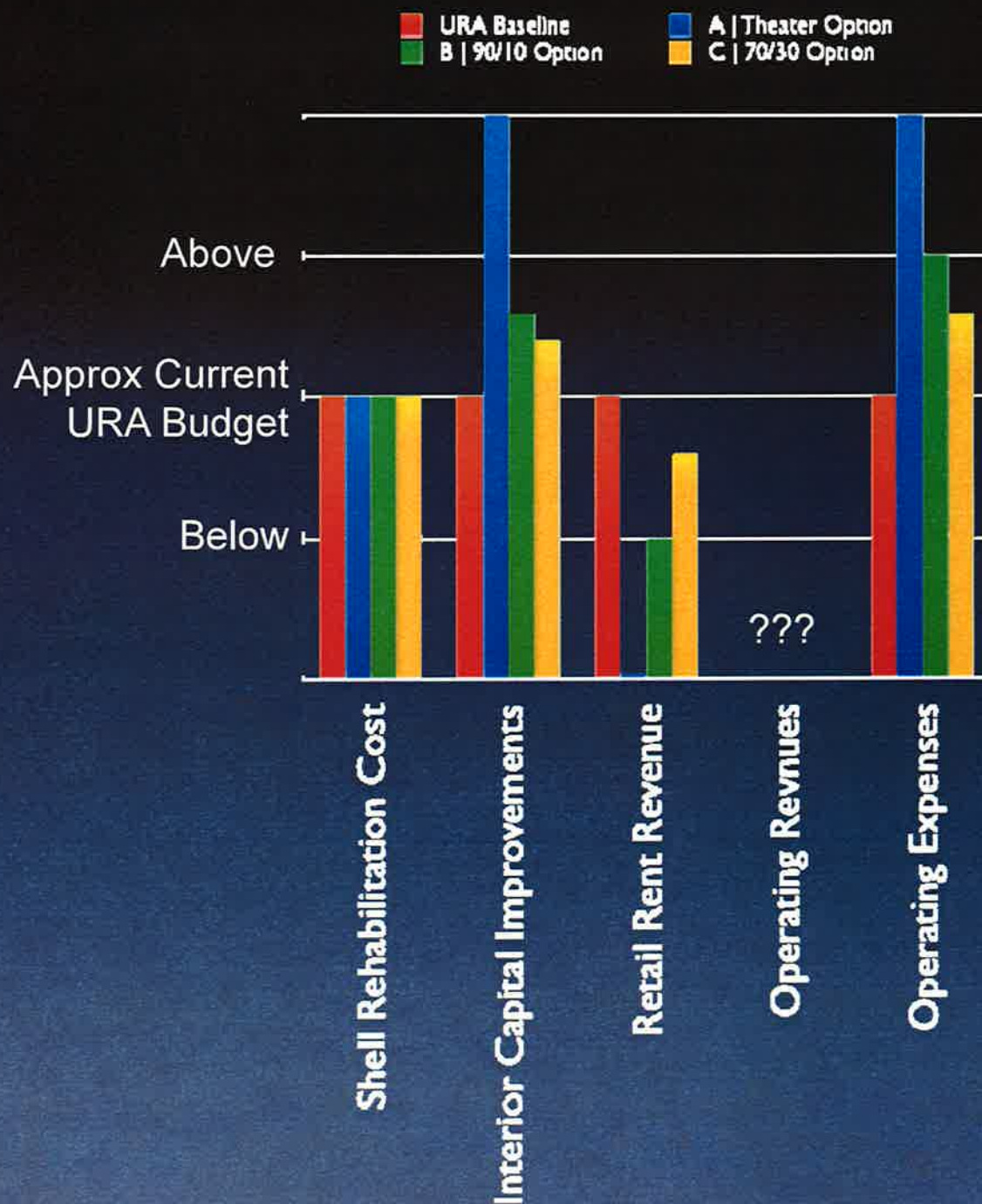
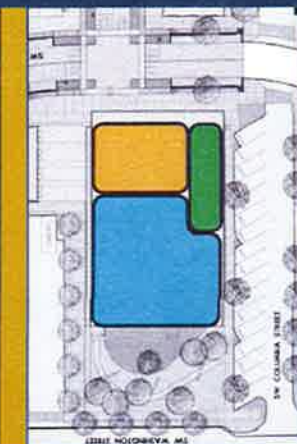
A | Theater Option



B | 90/10 Option



C | 70/30 Option



Next Steps

- ▶ Stakeholder Questionnaire
 - ▶ By Committee
- ▶ Architectural Schematic Design
 - By Ankrom Moisan - Requesting URA approval up to a max of \$10,000 design fees for study of three models proposed
- ▶ Construction Cost Estimating
 - By Consultant to Ankrom Moisan - Requesting URA approval up to a max of \$3,000 consulting fees for the three models proposed
- ▶ Operation pro forma
 - ▶ By Committee

In any City forum or meeting:

- Individuals may not impugn the character of anyone else, including but not limited to members of the community, the reviewing body, the staff, the applicant, or others who testify. Complaints about staff should be placed in writing and addressed to the City Manager. If requested by the complainant, they may be included as part of the public record. Complaints about the City Manager should be placed in writing and addressed to the Mayor. If requested by the complainant, they may be included as part of the public record.
- Comment time is 4 minutes with a Council-optional 1 minute Q & A follow-up.
- The Chair of a meeting may have the ability to modify meeting procedures on a case-by-case basis when especially complicated issues arise, or when the body is involved in extraordinary dialogue, but only after receiving the advice and majority consent of the body. The Chair may also cut short debate if, in his judgment, the best interests of the City would be served.

(Note: Written comments are encouraged, and may be submitted prior to the meeting by mail, or at the meeting. There is no limit to the length of written comment that may be submitted)

Persons who violate these rules may be asked to stop their comments by any member of the body. Comments beyond the 4-minute limit may not be included in the record of the meeting. Persons who impugn the character of anyone will be required to stop immediately. Their comments will not be included in the record of the meeting, and they will forfeit their remaining time. Any person who fails to comply with reasonable rules of conduct or who causes a disturbance may be asked or required to leave and upon failure to do so becomes a trespasser.

I have read and understood the Rules for Meetings in the City of Sherwood.

Name: Susan Claus Date: 5/19/2010

Address: 22211 SW Pathway

Telephone: 625-5265

I would like to speak to the Council regarding:

Subject: Urban Renewal Board

If you want to speak to Council about more than one subject, please submit a separate form for each item.

Please give this form to the City Recorder prior to you addressing City Council. Thank you.

URA Board of Directors Mtg.
05.18.10 Public Hearing, 4A

I object to
this document.
Please place this
into the Urban
Renewal Board
Hearing Budget.

Thank You -
Susan Claus

Rules for Meetings in the City of Sherwood

It is the purpose of these rules to promote common courtesy and civility in all meetings of the City of Sherwood. All who wish to speak should expect to be treated fairly and with respect. All who speak should reciprocate by focusing on the issue being considered, while respecting the opinions of those with whom they may disagree. This will enable our community to establish an environment wherein all issues and opinions may be fairly considered and decisions, though sometimes difficult, will be made in a spirit of mutual respect of all citizens, no matter their differences.

Public Hearings before the City Council and other Boards and Commissions shall follow the following procedure:

- Staff Report--15 minutes
- Applicant--30 minutes(to be split, at the discretion of the applicant, between presentation and rebuttal.)
- Proponents—5 minutes each (applicants may not also speak as proponents.)
- Opponents—5 minutes each
- Rebuttal—Balance of applicant time(see above)
- Close Public Hearing
- Staff Final Comments—15 minutes
- Questions of Staff/Discussion by Body—no limit
- Decision

(Note: Written comments are encouraged, and may be submitted prior to the hearing, at the hearing, or when the record is left open, after the hearing for a limited time. There is no limit to the length of written comment that may be submitted)

Appeals before the City Council and other Boards and Commissions shall follow the following procedure:

- Staff Report--15 minutes
- Applicant – 30 minutes (to be split, at the discretion of the applicant, between presentation and rebuttal.)
- Only those who previously went on the written or verbal record at the PC hearing may appear before Council.
- No one can pass their time to someone else
- Proponents—5 minutes each (applicants may not also speak as proponents.)
- Opponents—5 minutes each. Opponents who represent a neighborhood or business association have 15 minutes
- Appellants—30 minutes (to be divided if there are multiple appellants.)
- Rebuttal—Balance of applicant time (see above)
- Close Public Hearing
- Staff Final Comments—15 minutes
- Questions of Staff/Discussion by Body—no limit
- Decision

(Note: Written comments are encouraged, and may be submitted prior to the hearing, at the hearing, or when the record is left open, after the hearing for a limited time. There is no limit to the length of written comment that may be submitted)

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I have read and understood the Rules for Meetings in the City of Sherwood.

Name: R James Clays Date: 5/18/2010

Address: _____

Telephone: _____

I would like to speak to the Council regarding:

Subject: URA Budget

If you want to speak to Council about more than one subject, **please submit a separate form for each item.**

Please give this form to the City Recorder prior to you addressing City Council. Thank you.

URA Board of Directors Mtg.
05.18.10, Public Hearing, 4A

Rules for Meetings in the City of Sherwood

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- Applicant--30 minutes(to be split, at the discretion of the applicant, between presentation and rebuttal.)
- Proponents—5 minutes each (applicants may not also speak as proponents.)
- Opponents—5 minutes each
- Rebuttal—Balance of applicant time(see above)
- Close Public Hearing
- Staff Final Comments—15 minutes
- Questions of Staff/Discussion by Body—no limit
- Decision

(Note: Written comments are encouraged, and may be submitted prior to the hearing, at the hearing, or when the record is left open, after the hearing for a limited time. There is no limit to the length of written comment that may be submitted)

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I have read and understood the Rules for Meetings in the City of Sherwood.

Name: Eugene Stewart Date: 5/18/2010
Address: PO Box 134
Telephone: 625-8072

I would like to speak to the Council regarding:

Subject: URA Budget

If you want to speak to Council about more than one subject, **please submit a separate form for each item.**

Please give this form to the City Recorder prior to you addressing City Council. Thank you.

*URA Board of Directors Mtg. 05.18.10
Public Hearing. 4A*

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Jim Claus, 22211 SW Pacific Highway, Sherwood, Oregon 97140

May 18, 2010

ENTERED IN AS PART OF THE PUBLIC HEARING 8-C RECORD

"APPROVED" 2010-11 FY Sherwood Budget

Sherwood City Council

Email: CityCouncil@sherwoodoregon.gov

Sherwood, Oregon 97140

Dear City Council:

Tonight you vote on our town's next budget. Prior to the excesses of Schultz, Patterson and Mays, our town was the wealthiest town per capita in Oregon. We grew fast and banked millions of dollars in System Development and Traffic Impact fees-- contained in separate distinct accounts. With careful, sustained, competent management our low cost town should be healthy even during distressed economic periods. A paradigm shift in resource allocation, transparency, and accountability spearheaded by Schultz, Patterson and Mays over the past years has delivered to our town a high cost, unsustainable environment that has citizens almost completely foreclosed from the public process... yet the Mayor and staff expect the citizens to unilaterally support staff decisions (i.e. "trust us") and pay the bills. They collapsed our city's accounts and funds from 28 down to seven. The public process is now on a ventilator-- barely alive and breathing. How could this have happened?

Budget Committee and "Approved" Budget

This year's budget is typical of Mays and Patterson have done to the town. First, the "budget committee" they have reviewing Patterson's budget has no charter authority. Next, the public was told that they could ask questions and those questions would be answered-- we are still waiting for responses. And now, among other insults, the town's budget for this budget meeting has already been advertised and designated by the staff as "Approved" (SEE city's web site and attached Agenda notice)-- apparently by the group that has no charter authority. LIES, LIES and FAIRY TALES. Staff is deliberately confusing the citizens with word games and sleight of hand. Why?

New Taxes and Projects But Little Homework

Staff asks for millions of dollars-- without doing proper "due diligence" or homework-- then throw their idea or major project into the budget for approval and funding. For instance, staff has proposed a NEW TAX on street lights. They have not prepared any kind of a detailed report to the citizens or to City Council showing the scope of the problem, the RESEARCHED potential solutions and alternatives, and sources of income that are already generated to pay such fees. Instead they have taken the "broken record" approach-- similar to that of a spoiled child wanting another toy "we need the tax, we need the tax, WE NEED THE TAX!!!!!!"

Likewise, the Cannery project being proposed by staff will cost this town millions of dollars in capital and interest expense while decreasing property values in some of the surrounding area.

Staff Using Capital monies to Fund Operations

Under Patterson's long time tenure (contrary to his claims that we need to give him time to "fix" things because he has only been here one year), capital assets have been used to help fund the staff. The city has been selling assets to the Sherwood Urban Renewal Agency and then putting the proceeds into the city's General Fund to be used for operations such as staff salaries. Proceeds from the Old School House and the Cannery site are two examples. If it was up to staff, the proceeds from the Robin Hood Theater lots would have remained in the General Fund for staff's use in the 2009-10 budget. Citizens/City Council cannot rely on staff to keep out of the capital funds. Staff also doesn't appear to be able to realistically cut expenses.

Discouraging Citizen Input

Citizens who are upset by staff's behavior, their lack of competence, and/or their lack of professionalism can count on being discouraged and harassed from appearing in public meetings or appealing to the staff and City Council in writing. Armed guards are placed at all City Council meetings and many, many other public meetings such as the Planning Commission. Staff has "911" speed dialed into their cell phones so they can also call and/or threatened to call the police (we all remember how Tom Nelson with his cell phone threatened my wife to have police come over to throw her out of the SURPAC meeting).

Staff Resumes and Management Positions and Qualifications

I have attached resumes of the four main architects of this budget. Not one of them is a CPA. Sherwood's Budget Officer is a high school graduate who has taken a couple accounting courses at a community college. Until a couple months ago, she was the interim finance director and in charge of the city's books. Our new CFO has a college degree in history. Our city manager has a degree in communications.

IS IT TOO LATE TO FIX?

No. This budget and its several bad assumptions will fall of its own weight. We can find ways to cut costs in the city staff and operations.

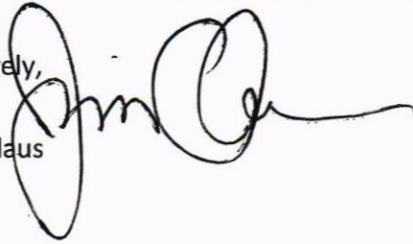
- o RE-NOTIFY the citizens about the 2010-11 Budget hearing to correct the incorrect notification stating that the budget has already been "Approved."
- o Reducing staff loads more in line with reoccurring cash flows will dramatically correct the red ink. Staffing is at more than 100% from when the city was busy with development activity. Now, development is almost non-existent. Our budget does not contain reoccurring monies to support a large "development" or "building permit" related staff. No one should be raiding the Capital funds for operations.
- o Stop engaging in risky investment behavior. We should admit to the mistake with the Broadband project. Sherwood has other commercial high speed internet providers in town that can handle the traffic. We already know that they do not want Sherwood's Broadband infrastructure because they wouldn't buy it when offered. We can't find/generate enough revenues to cover expenses or capital outlays.
- o Open up the Public Process. We have many citizens in this town who could help with budgeting ideas and cost cutting. Unfortunately currently there is no two-way dialog.

- o Stop Staff from trying to be the Master Developer of the town. Staff is not equipped by experience, temperament, knowledge, or by trade to be the Developer of the town. The Urban Renewal Agency was not formed to provide a forum for city staff to be developers.
- o Property owners should be able to use their land as zoned without Patterson/Mays directing the staff to interfere.
- o Staff should be curtailed from creating layers and layers of administrative "process" and red tape that is designed to promote staff job security and promote high fee costs to the citizens and businesses.
- o City Council should direct the City Manager to match job descriptions with qualifications-- Especially where the town's finances are concerned. Especially with Managerial staff.

I have also included several pages of materials for your review regarding items in the budget. I hope you will read them with careful consideration. We have examples of cities all around the Metro area who are cutting costs to match revenues. Let's get serious and do the same.

Sincerely,

Jim Claus

A handwritten signature in black ink, appearing to read 'Jim Claus', with a large, stylized initial 'J' and 'C'.



**6:00PM URA BOARD OF DIRECTOR
WORK SESSION AND REGULAR MEETING**

REGULAR CITY COUNCIL MEETING

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. CONSENT AGENDA

- A. Approval of April 20, 2010 City Council Meeting Minutes
- B. Resolution 2010-019 Reappointing David Scheirman to the Parks Adv. Board
- C. Resolution 2010-020 Reappointing Mary Reid to the Parks Adv. Board
- D. Resolution 2010-021 Appointing Frank Funk to the Parks Adv. Board

5. PRESENTATIONS

- A. Recognition of Eagle Scouts
- B. Recognition of Sherwood School District Superintendent Dan Jamison
- C. Proclamation Emergency Medical Services (EMS) Week
- D. Proclamation National Missing Children's Day

6. CITIZEN COMMENTS- The Council reserves the right to conclude this section of the agenda at any time. The Attorney General's Public Records and Meeting Manual states, *"The right of public attendance guaranteed by the Public Meeting Law does not include the right to participate by public testimony or comment"*. Public comments are limited to 4 minutes per individual.

7. NEW BUSINESS

- A. Resolution 2010-022 Approving City Council Goals 2010 (Jim Patterson, City Manager)
- B. Resolution 2010- 023 Authorizing City Manager to amend the Water Supply Agreement with the City of Tualatin and Tualatin Valley Water District (Craig Sheldon, Public Works Director)
- C. Resolution 2010-024 Authorizing the City Manager to sign an update Intergovernmental Agreement (IGA) with the Sherwood School District (Julie Blums, Accounting Supervisor)

AGENDA

**SHERWOOD CITY COUNCIL
May 18, 2010**

**6:00pm URA Board of Directors Work
Session and Regular Meeting**

**Regular City Council Meeting
(Following the URA Board Meeting)**

**City Council Executive Session
(Following the Regular Council Meeting)
Pursuant to ORS 192.660(F)
Exempt Public Records**

**Sherwood City Hall
22560 Pine Street
Sherwood, OR 97140**

8. PUBLIC HEARING

- A. Ordinance 2010-008 Establishing provisions for the City of Sherwood to conduct or authorize Criminal Background Inquiries of non-police applicants for employment and volunteer positions** (Anna Lee, HR Manager)
- B. Public Hearing on 2010-11 FY Fee Schedule**
(Julie Blums, Budget Officer) (No Legislation, hearing only)
- C. Public Hearing on Approved 2010-11 FY City of Sherwood Budget**
(Julie Blums, Budget Officer) (No Legislation, hearing only)

9. CITY MANAGER & STAFF REPORTS

10. COUNCIL ANNOUNCEMENTS

11. ADJOURN to Executive Session

How to Find Out What's on the Council Schedule:

City Council meeting materials and agenda are posted to the City web page at www.sherwoodoregon.gov, by the Friday prior to a Council meeting. Council agendas are also posted at the Sherwood Library/City Hall, the YMCA, the Senior Center, and the City's bulletin board at Albertson's. Council meeting materials are available to the public at the Library. The public may make copies of any Council meeting materials, at no charge.

To Schedule a Presentation before Council:

If you would like to appear before Council, please submit your name, phone number, the subject of your presentation and the date you wish to appear to the City Recorder Sylvia Murphy by calling 503-625-4246 or by e-mail to: citycouncil@ci.sherwood.or.us.

Friday, April 23, 2010

Mayor Mays and City Council:

Again, thank you all for your participation in the three 2010-2011 Budget Committee meetings. I know that adding 3 meetings to your already busy schedules in one month is a challenge and we all appreciate that you made these meetings a priority.

- Approved budget delivered to City Council on May 7, 2010
 - Public Hearing on Approved Budget on May 18, 2010
 - Adoption of Budget June 1, 2010
-
- The City of Sherwood will be making a presentation to the Oregon Park and Recreation Department in Bend Oregon June 8th through the 10th for the \$100,000 skate park grant.
 - The second design work shop for the skate park will be held May 13th at 6pm at the YMCA Teen Center.
 - The Community Services Fair is Saturday, May 22nd from 11am to 2pm at the Sherwood Fire Station.
 - Flower baskets in Old Town to be installed towards the end of the first week of May.
 - You will see that ARRA project signs have been put up on Sherwood Blvd to notify the public of the upcoming Federal Stimulus road paving project. The City will also notice the project in the Sherwood Archer, Sherwood Gazette, and on the City website.
 - In case you were wondering the two F-16 fighter jets circling Sherwood on Wednesday between 1pm and 2pm were involved in a training exercise. Chief Groth was not calling in air support!
 - Saturday, April 24th (that is tomorrow) don't miss the annual Friends of the Sherwood Public Library Used book sale. The Sherwood Senior Center will be filled with great bargains on books and videos of all kinds from 10am to 4pm and all proceeds from the sale go to support the City of Sherwood Public Library.

Finally, I will be out of the office Monday, April 26th but will be able to respond to e-mail via Blackberry. Enjoy your weekend.



Jim Patterson
City Manager
www.sherwoodoregon.gov
503 625-4200

CITY MANAGER
REPORT April 23, 2010

City of Sherwood
2010-2011
Approved Budget



Budget
"Approved"
May 7, 2010
Run Date

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I have read and understood the Rules for Meetings in the City of Sherwood.

Name: Lori Randel Date: 5/18/10
Address: 22710 SW OLCOTT Place 97140
Telephone: 503-625-9527

I would like to speak to the Council regarding:

Subject: Monuments in Cannery PUD

If you want to speak to Council about more than one subject, **please submit a separate form for each item.**

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*URA Board of Directors Meeting, 05.18.10
Public Hearing, 4A*

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I have read and understood the Rules for Meetings in the City of Sherwood.

Name: Day Pedersen Date: 5-18-10

Address: 16018 SW Peddler Ln.

Telephone: 503 314 9772

I would like to speak to the Council regarding:

Subject: Cultural Arts Center budget request

If you want to speak to Council about more than one subject, **please submit a separate form for each item.**

Please give this form to the City Recorder prior to you addressing City Council. Thank you.

*URA Board of Directors Mtg. 05.18.10
General Comments*

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City of Sherwood, Oregon

22560 SW Pine Street
Sherwood, OR 97140

Approved Budget

2010-2011



Budget Committee

City Council

Mayor
Council President
Council Member
Council Member
Council Member
Council Member
Council Member

Keith Mays
Dave Heironimus
Del Clark
Robyn Folsom
Dave Grant
Linda Henderson
Lee Weislogel

Citizens

Chair
Vice Chair
Citizen Member
Citizen Member
Citizen Member
Citizen Member
Citizen Member

Kimberly Rocha-Pearson
Ivonne Pflaum
Irene Baker
Timothy Carkin
Perry Francis
Steve Munsterman
Lynette Waller

City Manager
Finance Director
Budget Officer

Jim Patterson
Craig Gibbons
Julie Blums

www.ci.sherwood.or.us

Budget
"Approved"
May 7, 2010
Run Date

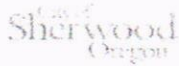


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Our COMMUNITY For BUSINESS City GOVERNMENT DEPARTMENTS More Resources:
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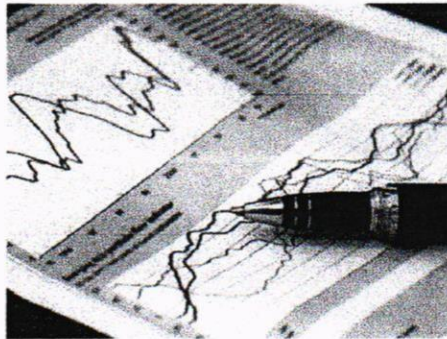


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Finance

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- » Police Department
- » Public Works
- » Utility Billing
- » Field House
- » Fire
- » Community Development



Contact Info:
Phone: 625-4212
Fax: 625-5524
Email: finance@ci.sherwood.or.us

Mission:

The Mission of the Finance Department is to provide the finest in financial information, projections, and support services to the City staff, its Council and external users in support of their decision making processes.

Description:

The Finance Department is charged with a variety of tasks including coordination of the City's annual budget, audit process and grant administration. In addition, finance provides the functions of payroll, accounts receivable and payable and cash receipts. The Finance Department prepares a wide range of internal and external financial reports for use by other organizations, City Council and its commissions and boards, City staff and the general citizenship.

RESOURCES

- [2010-11 Budget Committee Approved Budget](#)
- [2009-10 Adopted Budget](#)
- [2008 - 2009 CAFR](#)
- [2007 - 2008 CAFR](#)
- [Urban Renewal Agency - 2008 CAFR](#)
- [Urban Renewal Agency - 2009 CAFR](#)
- [09/10 Fee Schedule](#)
- [Court](#)
- [Businesses](#)
- [Business Licenses](#)
- [Alarm Permit Application](#)

Where Is
This Proposed
Fee 2010-11
Schedule?

CITY WEBSITE

Sherwood's proposed budget would cut vacant position for public safety director

By Brad Schmidt, The Oregonian

April 01, 2010, 4:30PM

SHERWOOD -- City Manager Jim Patterson on Thursday released his proposed budget for the upcoming fiscal year, which includes eliminating a management position tied to a \$250,000 lawsuit settlement.

Specifics of the \$57 million budget can be found [here](#).

Of note, the proposal includes adding 7.5 full-time-equivalent positions while subtracting one, for a net addition of 6.5 positions above the current budget.

Patterson proposes cutting the position of public safety director, which has gone unfilled since Ronald Ruecker left for a job with the FBI in 2009.

Sherwood created Ruecker's position in 2007 and subsequently settled a \$250,000 lawsuit by former police chief Bill Middleton, who claimed he was essentially demoted while serving overseas in the military.

Patterson also proposes adding two court clerks and increasing the hours for the municipal judge to handle photo red-light violations.

Finance director Craig Gibbons said Thursday that the city expects to receive about \$1.2 million in revenues from red-light cameras during the fiscal year, which begins July 1.

-- Brad Schmidt

Subj: **Re: Assumptiuons of Red flex camera system and the 2010-11 Sherwood Budget**
 Date: 5/12/2010 10:35:07 A.M. Pacific Daylight Time
 From: ClausSL@aol.com
 To: citycouncil@ci.sherwood.or.us

TO: **City Council**
 FR: **Jim Claus**
 RE: **Budget 2010-2011**
 Structure of City Government
 DT: **10 May 2010**

The more I look at the recent city budget (that we had considerable trouble downloading), I am becoming more appalled. Per Keith Mays and Jim Patterson, I have been requested to direct my comments to Tom Pessemier as the contact person. I have asked Mr. Pessemier to answer questions for me regarding the budget. Those are the Mayor and City Manager restrictions, not mine and I take great exception to that "process" since such requests are First Amendment restrictions. It is that same routine that Keith Mays relied upon during the Cannery Hearings— when he objected to the content of my words, he tried to cut off my access to the City Council. Aside from the fact that I believe this is a content restriction on pure political speech, it also prevents the City Council from receiving input from the citizens that you as a governing body should be made privy to.

My first question to Mr. Pessemier which he refuses to answer concerns the Red Flex Cameral system you are attempting to install. Allegedly that the City will make \$750,000-\$1,250,000 according to the 2010-11 budget? What studies do you have to support those figures? The City of Newberg says they make less than \$50,000 annually on their Springbrook/99W light. Where in Heaven's name do you think you are going to get that kind of revenue for that traffic light? I believe there is no credible answer from Mr. Pessemier.

Mr. Patterson tries to convince the Council that neither staff nor the Council need reply to such citizen questions.

Mr. Patterson related to all during the last budget meeting that he assured the Moody investment analyst back in 2009 that the City will no more "engage in risky investment behavior." How are the city's actions justified with the Red flex system revenues being conjecture. What credible transportation engineer report does the city have verifying the red light projections?

It is becoming obvious that a pure political decision was made to generate "Reflex" revenue in my opinion and belief. Hopefully, the city has numerous wrecks or other supporting traffic data on this intersection to justify this enormous tax on Sherwood residents and passers through our town.

Could you please answer— How much in gross and net revenues the city is estimating to be receiving in the 2010-11 budget?

Sincerely, _

Jim Claus

Subj: **Please pass to Budget Committee and City Council before mtg tonight**
 Date: 4/14/2010 1:19:48 P.M. Pacific Daylight Time
 From: ClausSL@aol.com
 To: citycouncil@ci.sherwood.or.us
 CC: budgetcommittee@ci.sherwood.or.us

Dear All-- Staff estimated from the last budget meeting that they would be processing 1100 tickets a month, at \$287 per ticket for an annualized gross of \$3,788,400 (before any cut that Redflex receives). Before we all get so giddy about projections and budgets-- let's review the whole picture. People are not going to keep getting burned by the cameras... 36 tickets a day- every day to infinity and beyond? Sounds a little high... Let's post a few years of revenue stream before we start spending the staff projections...

Also, you might want to check out what Hillsboro thinks... they backed out of the Redflex program-- worried about a potential image and reputation problem related to the "Welcome to Hillsboro- here's your ticket" hand shake that motorists would receive

Hillsboro turns off photo red light cameras

Friday, April 09, 2010
 By Susan Gordanier
The Hillsboro Argus

The Argus

Drivers negotiating one of Hillsboro's most dangerous intersections won't have to worry about automated cameras after all.

The Hillsboro City Council Tuesday reversed its June 2009 decision to install a monitoring system offered by Redflex Traffic Systems Inc., of Phoenix, Ariz., at Northwest Evergreen Parkway and 185th Avenue.

Breaking its signed contract with Redflex will set the city back \$2,000, a penalty that would have been much higher had equipment already been installed.

According to a memo supplied by Hillsboro Police Lt. Henry Reimann, the project's coordinator, progress had been delayed and a memo of understanding with Washington County, which has responsibility for 185th as a primary arterial, had been placed on hold.

Tuesday's discussion essentially duplicated arguments raised during a February council work session. In the 2009 vote to implement the automated system, only Councilors Aron Carleson and Doug Johnson had withheld support. Now, of the remaining council members, only Ed Dennis, who had originally proposed adding this "tool" to the traffic safety mix available to Hillsboro police, remained in favor of implementation.

Objections centered around the image projected by the use of photo monitoring of drivers.

Councilor Aron Carleson focused on the damage this could do to the city's reputation. The Evergreen-185th intersection is very close to a high-use exit from Highway 26. "Welcome to Hillsboro," Carleson said. "Your first intersection is with photo red light camera."

Council Mike Castillo pointed out another consequence of camera implementation: the severing of the relationship between the traffic patrol officer and driver. "You can go to court (to challenge the ticket), but it is a fundamentally different relationship with a judge," he said.

Both Castillo and Carleson, along with Dennis, serve on the council's Transportation Committee, which had originally recommended bringing the monitoring system to Hillsboro. The committee's shift of support was not lost on Councilor Doug Johnson, who pointed out that both the motion and second to terminate came from within its members.

Castillo suggested that over time photo red light surveillance might become more acceptable as a traffic safety tool. "In 10 years this might be viewed as just how cities do business," he said.

This argument did not play well with Councilor Nenice Andrews who questioned the value of such systems for accident prevention. "I'm fairly jaded in regard to statistical studies," she said. "So last time was a qualified yes, and I probably would have been OK with it if it hadn't come back."

"Now, from a philosophical view, I am opposed to even a pilot project," she concluded.

Subj: **Re: City Council 2010-11 Budget request**
Date: 5/7/2010 10:09:48 A.M. Pacific Daylight Time
From: ClausSL@aol.com
To: citycouncil@ci.sherwood.or.us, pattersonj@ci.sherwood.or.us, gibonsc@ci.sherwood.or.us
CC: murphys@ci.sherwood.or.us

Dear Council, Jim and Craig--

Thank you for all your work on the upcoming budget. I would like to suggest that as a matter of form that each page of the budget be designated in a footer with the proper page number, Budget Name and budget year, city name, date the budget document was run, something like this:

City of Sherwood, Oregon
Proposed Budget 2010-11
Date run:
Page ____ of ____

Currently the budget document only has a page number at the bottom.

I have experienced difficulty when trying to talk with people about the various budget pages individually-- since there are different versions floating around, the discussions become unnecessarily tangled trying to figure how which pages people have. Additionally, when presenting budget information to the Council, it will also solve any issue of from which version of the budget that the excerpted pages belong.

Additionally, I would like to formally request that Jim asks staff that the DRAFT and FINAL (if ready and approved) business plan for the Sherwood Broadband be put up on the city's web site. I know members of the budget committee have also requested copies. I know I would like a copy too-- It is an easy document to upload and would save us all a lot of time and money for it to be generally available. If for some reason this request is denied, could you please have Sylvia send me a records request form. Since this is part of the active budget hearings process, I don't believe I should be charged for the document.

Thank you for your consideration in this matter.

Sincerely,

Susan

Subj: **Re: Tigard's budget problems- a case in point**
 Date: 5/3/2010 4:39:08 P.M. Pacific Daylight Time
 From: ClausSL@aol.com
 To: hendersonl@ci.sherwood.or.us, folsomr@ci.sherwood.or.us, grantd@ci.sherwood.or.us, clarkd@ci.sherwood.or.us, heironimusd@ci.sherwood.or.us, weislogell@ci.sherwood.or.us, maysk@ci.sherwood.or.us
 CC: gibonsc@ci.sherwood.or.us

Dear Council--

Please see the newspaper article below regarding the City of Tigard. Sherwood has immediate budget problems that need to be addressed-- sooner rather than later. At the last city budget meeting, the city manager communicated to everyone in the room that he and his staff could find savings in the budget-- and suggested that Council direct them to find \$200,000 in savings for the budget. \$200,000 is not enough-- and clearly there is more than \$200,000 worth of "fluff and stuff" in that proposed budget.

Tigard is a case study for Sherwood. As examples:

- > The Tigard Police Department has **deferred their contractual increases** for part of the budget year.
- > Other remaining city management and professional employees (who have not been laid off) have **"volunteered to not receive it at all"** and,
- > the city's general union employees have **agreed to take some furlough days**.

These are examples of some budget savings including employees ***"switching to insurance plans with higher deductibles."***

I have also attached the email that I received from Julie Blums regarding that \$950,000 Tel Comm Fund loan that was made from the Cannery Sale Proceeds-- THOSE ARE CAPITAL FUND proceeds that should be left in CAPITAL ACCOUNTS. What is Plan "B" for the Broadband when we finally agree that the Broadband will not be able to pay back the \$950,000 loan and accumulated interest? We haven't even discussed that the sale between the City of Sherwood Urban Renewal Agency and the City of Sherwood is not an arms length transaction....

We are supposed to stop engaging in "risky" investment behavior. Let's take that seriously. Look at our abysmal track record....

> **Robin Hood Theater--** The city was going to make BIG money in the theater business in the late 1990s and early 2000s. It kept a building that didn't belong to the City, ran the theater at a deficit for several years, and then tore down the asset that didn't even belong to the city-- not real bright.

> **Sherwood Broadband--** without being indelicate here... the Cash Cow never appeared-- we have a Money Pit. Now we are hoping to entice new businesses to town with a Broadband incentive-- not really a formula designed to bring in significant revenues. (How are we ever going to seriously pay back the \$950,000 Loan from the Cannery proceeds?) Ready, Fire, Aim.

> **Sherwood Water Barons--** to quote the Mayor "Water is the new Oil." Canby declined. Lake Oswego made an agreement with Tigard. Unless there is breaking news, we don't have any other user prospects for our oversized system... we were sold an idea that outside users' fees would reduce our citizens' water rates, help offset Sherwood's capital costs, etc... The words "we were sold blue sky" come to mind....

> **The Development Business--** The Cannery PUD is an example of the city's unsustainable development philosophy. We are going to spend many millions of dollars to get back one or two million-- maybe...). Another example is when the staff forced concrete streets in the core of Old Town-- without curbs-- in spite of warnings that those streets wouldn't work. We now know first hand that those warnings should have been heeded. We cannot afford to complete the Old Town streetscape pattern-- and we know that it is dysfunctional and should be modified.

Staff keeps casting around for new municipal business opportunities-- without the requisite competency. As much as we may like the staff, they are not competent to lead our town into more "business opportunities"

that are nothing more than expensive, blind, dead end alleys. The Council has to function as the adult in those kinds of interactions with staff. We have some serious state and federal obligations as well as obligations to the Sherwood citizens. We cannot continue to engage in risky investment behavior.

Everyone in the state except Sherwood staff seems to know there are significant financial challenges for us to face. Please, don't let the staff bully everyone on this budget. Council needs to make changes to keep the budget viable. Inventing new taxes is not the answer. I was encouraged that Craig Gibbons said we have to get our operations costs vs. operations revenues in line and not look to capital projects or capital funds to cover operational shortfalls.

Thank you for all the time you devote to our town. And thank you in advance for your work on the budget.

Sincerely-- Susan Claus

 <http://www.tigardtimes.com/news/story>

Prosser: Tigard not broke

Following layoffs, the city manager posts a response to concerns about the city being 'out of money'

By Geoff Pursinger

The Times, Apr 29, 2010

The recent news that Tigard was letting go of 11 staff members and cutting services to help pay for next year's budget has gotten Craig Prosser talking.

The Tigard city manager is helping to clear up a few things after his office was inundated with questions and concerns about the service cuts and program reductions – most wondering how the city could be “out of money” and “going broke.”

On the city's website, Prosser helped to answer a few questions about the state of Tigard's finances today, and what led to the decision to cut library hours, and reduce the city's staff by 6 percent.

“First let me assure you that Tigard has not run out of money,” he wrote in an open letter to citizens. “We are taking actions to make sure that we will not run out in the future.”

The city forecasts its revenues and expenditures five years into the future, he wrote, and those forecasts showed that the city's general fund – which pays for most of the traditional, core operations of the city including police, the library, parks, etc. – would still be positive over the next two years, but would be below what the city considers to be acceptable.

“If we take no corrective action, the fund balance would disappear in the third year of the forecast,” Prosser wrote. “We cannot allow that to happen.”

The current economic state of Tigard is no different than numerous cities across the state, Prosser wrote.

"In Oregon, voters have chosen to limit the growth in the primary local government revenue source – property taxes," he wrote. "They have not at the same time limited the growth in local government expenses."

The city pays salaries for its employees, and purchases property, liability and workers compensation insurance. The city pays the going rate for those items same as any other Tigard business, Prosser wrote.

"Over time, limited revenues and unlimited expenses are not sustainable. The current economic condition has only exacerbated this basic issue," he said.

Of course, this isn't surprising. The city has seen this trend developing for a number of years, and over time city employees have switched to insurance plans with higher deductibles, installed more energy-friendly devices, updated fees and charges throughout the city and have applied for numerous grants, to save money

But sometimes that's just not enough.

"Despite all of our efforts, the current recession has impacted us, just as it has impacted our citizens. We deliberately built the current year's budget to continue providing the services our citizens need, especially during hard economic times to bridge to what was expected to be the start of the recovery in 2010," he wrote.

But the recovery hasn't come as fast as the city needed, and Prosser said the city can't bridge the hard times any longer.

"We must cut expenses more deeply than we have already," he wrote.

The Tigard Police Department agreed to delay its contractually-required cost of living pay increase by 6 months, and management and professional employees volunteered to not receive it at all, Prosser wrote, and the city's general employees union will take furlough days.

If you'd like to know more about Tigard's budget for next year, the city is holding three budget meetings open to the public, May 3, 10 and 17 at 6:30 p.m. at the Public Works Auditorium, 8777 S.W. Burnham Street.

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REGAL COURIER

GUEST OPINION

Are city revenues even more at risk?

BY LEAGUE OF OREGON CITIES

, Dec 23, 2009

Oregon cities are facing unparalleled revenue challenges. The current economic crisis is unlike any that officials currently serving in government have ever experienced.

As economic recovery has yet to take hold in Oregon, cities face additional potential fiscal challenges in the coming months.

Depending upon the outcome of votes in January on Measures 66 and 67, raising personal and corporate taxes, revenues and programs essential to cities could be at risk.

Background on state-shared revenues

State-shared revenues are essential to the ability of Oregon cities to meet community needs. They assist cities in providing basic services to citizens and are integral to local economic vitality - which ultimately contributes to the economic prosperity of the state as a whole.

Despite this impact, however, state-shared revenues remain largely misunderstood by many in state and local government.

Cities in Oregon have depended on state-shared revenues from liquor, cigarette and 9-1-1 telecommunication taxes for decades in order to fund essential services such as police and fire protection, infrastructure projects, economic development, parks, libraries, services for seniors and other basic community needs.

It is important to recognize that these services benefit all citizens, not just city residents.

Very often, cities act as service centers for individuals who live outside city boundaries but still need essential services.

Additionally, cities provide services to visiting tourists whose dollars benefit the state.

When state-shared revenue formulas were first instituted, local governments were preempted from enacting similar local taxes on these items in exchange for a specified portion of the revenues collected by the state.

This revenue sharing became a vital part of city funding, especially after property-tax restrictions associated with Measures 5 and 50 were enacted.

In a real sense, these are not "shared revenues" but based on their history, these are city and county revenues collected by the state. Unfortunately, changes to the various funding formulas have resulted in significant decreases over the years.

Originally, 25 percent of tobacco-tax revenues collected by the state were dedicated to cities, but that amount has dropped to just 1.7 percent today. In order to rebalance the state's 2007-09 biennial budget, the Legislature instituted a 50-cent surcharge on distilled spirits and dedicated those new revenues entirely to the general fund.

This bypassed the state-shared revenue formula and denied cities an estimated \$4 million in funding.

The end result is that today most cities in Oregon don't have adequate reserves to withstand cuts to state-shared revenues.

Recession has dramatic local impacts

revenues represent an unwelcome possibility.

A recent survey of Oregon cities indicates revenue streams have been decreasing dramatically since the start of the recession.

Specifically, one-third of cities in Oregon have seen property-tax revenue reductions, and nearly half have reported declines in fee revenues.

These budgetary shortfalls have forced cities to consider further decreases to their workforce and place further strain on programs already pushed beyond capacity.

With 81 percent of Oregon jobs are located within their boundaries, cities in Oregon are the state's economic centers for commerce and industry.

Therefore, any loss of shared revenue by cities would have a substantial negative impact on the broader Oregon economy.

A healthy state requires cities with sound economies, which are, in turn, dependent upon healthy local fiscal structures that are able to grow to meet demand.

In short, cities must be able to provide services that attract and retain business in Oregon.

Any further reduction in city fiscal capacity would in turn reduce the ability to attract and support business activity.

Preemption hits hard

The capability of cities to address local needs by raising their own revenue is hindered by state-mandated preemptions.

Local cigarette taxes, alcohol taxes, 9-1-1 taxes and gas taxes (temporarily for non-grandfathered cities), each components of the state-shared revenue program, are now preempted revenue sources for cities.

These preemptions often result in inadequate funding to meet even basic service levels.

For instance, the money currently spent by city law enforcement responding to alcohol-related issues surpasses what cities receive in state-shared revenues derived from liquor taxes - this despite the fact that local police must contend with the majority of the alcohol-related enforcement issues.

By statute, cities also are preempted from imposing a transfer tax on the sale of real estate.

Such a tax would have no impact on real-estate transaction levels and would be a very valuable tool in funding basic local services.

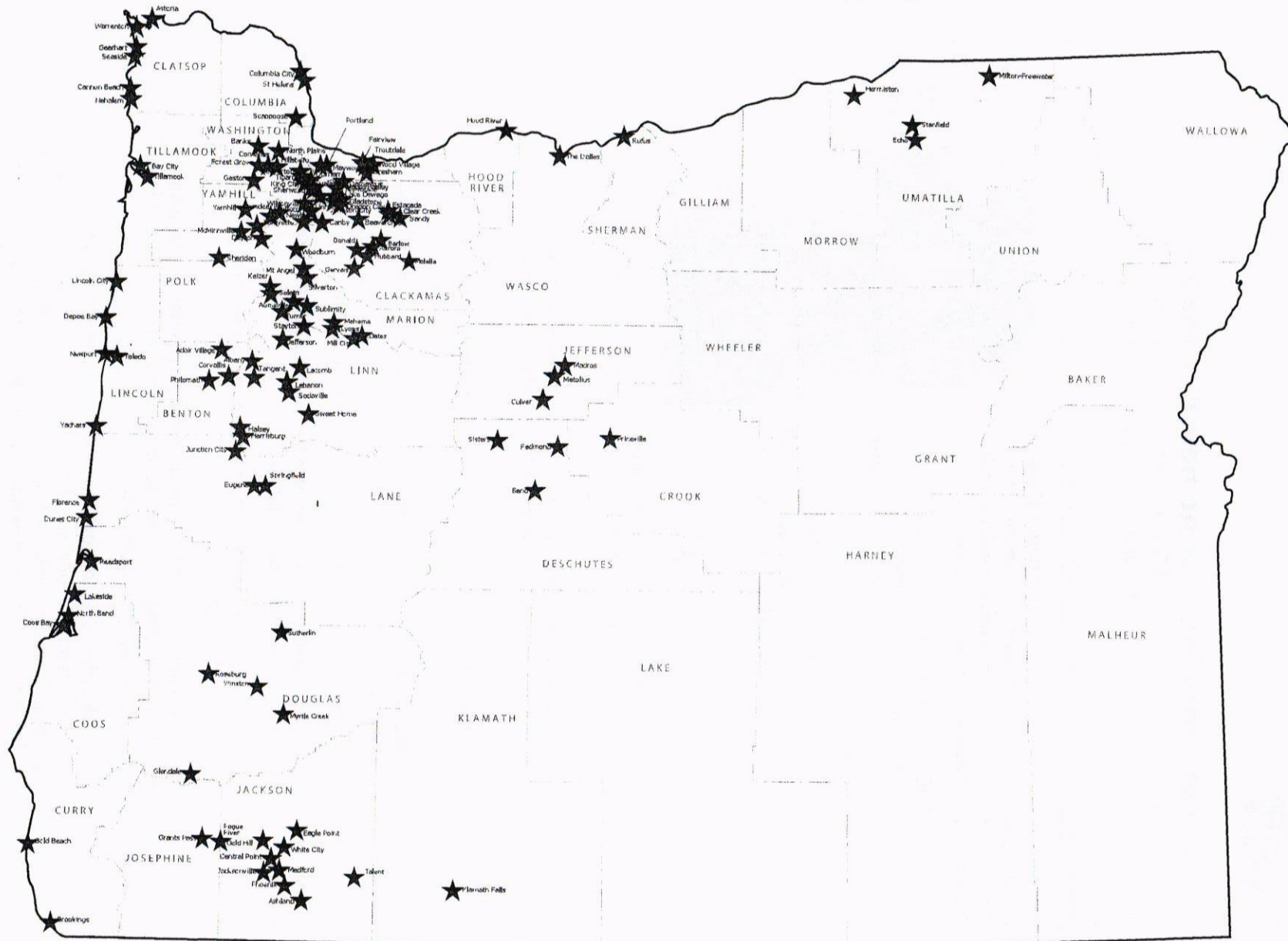
Also concerning to cities is the relatively recent imposition of a requirement that 70 percent of new local lodging tax revenue be dedicated to tourism purposes.

This preemption ignores tourism's impact on communities, including the need for increased law enforcement and additional transportation infrastructure as well as the maintenance of existing infrastructure.

In the coming months, important choices will be made in the effort to ensure a healthy economic future for Oregon. The following will be critical to this process: an understanding of the value of state-shared revenues; an appreciation of how preemptions restrict local problem solving; and recognition that cities providing adequate services are essential to the state's economic development and recovery.

The above piece is reprinted with permission from the November 2009 "Local Focus," a publication of the League of Oregon Cities. For more information, contact editor Kevin Toon at ktoon@orcities.org, write League of Oregon Cities at PO Box 928, Salem, OR 97308, call 503-588-6550, fax 503-399-4863 or visit www.orcities.org.

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Sherwood Gazette

Sherwood councilors name new city manager

It's only been two weeks since City Manager Ross Schultz announced his August retirement, but Sherwood city councilors say they've already found their man

BY KELLY MOYER

The Sherwood Gazette, Jan 16, 2008, Updated Oct 30, 2009

Less than two weeks after city manager Ross Schultz announced his August retirement, the Sherwood City Council has named Assistant City Manager Jim Patterson as his replacement.

In a surprisingly quick turn of events, Sherwood Mayor Keith Mays announced at the council's regular Jan. 15 meeting that councilors had already interviewed Patterson and were ready to offer him the job.

"Council was ready to make a decision and so the decision was made," Mays said. "(Patterson) was the right choice and council clearly recognized that. He has the full support of the council."

Council voted 6-0 Tuesday night — councilor Dave Grant was absent — to offer Patterson the job.

Schultz, who has been Sherwood's city manager for the past seven years, announced his retirement on Jan. 2, and said he would continue to work through August.

"I leave knowing what a great management team is in place to help you continue to carry on that good work you do so well," Schultz wrote to staff members the day after announcing his retirement to councilors.

According to Mayor Mays, Patterson expressed an interest in the job right after Schultz made his announcement.

"He was the only internal (candidate) who expressed an interest," Mays said. "I know for a fact that the rest of the senior staff was not interested in the position."

But why didn't city councilors interview for the position or even announce the opening?

Mays said councilors discussed the issue on Saturday, Jan. 5, during a work session and then called for an emergency meeting to further discuss their options.

That meeting, which included an executive session and was not announced to the media as required by state law, took place on Thursday, Jan. 10.

"We met on Thursday to consider criteria for the city manager position and we adopted criteria that night," Mays said. "After that meeting we had an executive session on Saturday and interviewed senior city staff on their opinions on the city manager job."

The mayor said councilors discussed four options for hiring a new city manager during the special Jan. 10 meeting, including conducting a national search, conducting a statewide search and placing internal candidates in the mix with external candidates. Instead of advertising the position, however, councilors decided that the one internal candidate to show interest was the best they were going to get, Mays said.

"When you have a candidate as strong as Jim Patterson ... there's no reason for delay," Mays said. "I am confident we would not have found a candidate more passionate or more dedicated to serving the



Jim Patterson, Sherwood's assistant city manager, will replace City Manager Ross Schultz in August.

CONTRIBUTED PHOTO

Setting up a succession plan -- in effect grooming an employee to take over for a senior administrator - is not totally uncommon in city government, says Mike McCauley, executive director of the League of Oregon Cities.

"It's not the most likely way (to hire a city manager)," McCauley says. "But that's because most places don't have an internal candidate who is either interested or qualified for the position."

In fact, McCauley says, hiring an internal candidate may be a good option for cities like Sherwood. The League of Oregon Cities recruits city managers and McCauley said the pool of qualified candidates is shrinking.

"There is literature that shows a growing number of (cities) hiring people internally," McCauley says.

But that doesn't mean closing the process is a good thing for Sherwood.

Professor Douglas Morgan, Ph.D., is director of public administration at the Executive Leadership Institute, which is part of Portland State University's Mark O. Hatfield School of Government.

Morgan says that, for cities like Sherwood, which have grown so rapidly over the past decade, creating a sense of trust between government and the community is crucial and that having transparency in the administrative hiring process is a part of this.

"Cities like Sherwood that find themselves caught in this net of rapidly expanding growth and resources, and that fall behind meeting expectations of the community require an extra special effort on part of the council and the administrative leadership to work together in building the confidence of the community," Morgan says.

As for Patterson, he says he's humbled by the decision and was just as surprised as everyone else when council offered him the position Tuesday night.

"I'm very happy for the opportunity and am grateful to the city council for giving me an opportunity to serve my community as city manager," Patterson said. "I was told late last week that I was to show up at a regularly scheduled goal setting session and that I would be interviewing for the position. ... This is something that I've wanted to do for a long time. Being city manager has been a goal of mine since getting into public service."

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James Alan Patterson

Objective

Pursue a career in public sector management. My personal and professional mission is to win, managing a company or department. **I will successfully provide leadership and establish relationships with co-workers that will benefit the government entity that employs me.** My experience in private sector management, sales, sales management, fiscal management, work with non-profits and my experience in sales, marketing and negotiation skills will be a perfect fit for urban renewal and economic development departments.

Summary of qualifications

I am an engaging, stimulating communicator who is poised and capable of projecting enthusiasm and motivating others. I have a strong sense of urgency and competitive drive to get things done. I place a high level of importance on working with others to meet and exceed goals and expectations. My 18 years of sales, sales management and general management experience allows me to understand people well and use this understanding to effectively influence and persuade them to act. **My career includes regional selling, managing, sports event management, media relations, public relations, work with non-profits, and negotiation.** I have strong written, verbal and computer skills.

Work experience

2002 – Present United Advertising Media Portland, Oregon
General Manager **(Auto Mart Magazine)**

- Local Executive for a subsidiary of Trader Publishing, responsible for P&L of the Auto Mart Magazine. Manage and supervise local staff of 12. Responsible for coaching, counseling, leading and encouraging company sales force to meet and exceed revenue goals. Oversee all administrative, sales, production and publishing functions for the product with \$4,000,000 in annual sales.

1999 - 2002 Chipman Corporation Alameda, California
Vice President, Sales & Marketing **(Agent for United Van Lines)**

- Responsible for coaching, counseling, leading and encouraging our company sales force to meet and exceed revenue goals. Recruit, hire personnel, approve contract pricing, approve travel & entertainment expenses for sales, approve and implement company advertising budget. Serve as a member of the company Executive Committee. Required to control cost of sales expense, deficit expense, conduct sales and quality training meetings and monitor performance of 35 plus sales staff in three western states.

1997 – 1999 Chipman Corporation Oregon, California
General Manager **(Agent for United Van Lines)**

- Served in the GM capacity in two company locations, Portland Or. and Sacramento California. Responsible for divisions entire \$5-\$6 million dollar budget. Provided oversight and daily leadership of company administrative staff, operations staff, and sales staff and profitability.

1995 – 1997 Prestige Allied Van Lines Wilsonville, Oregon
National Account Manager (Agent for Allied Van Lines)

- Responsible for sales of relocation services in a residential territory and development of companies national account business. Developed book of business by cold calling on new accounts and generating referrals from new business.

1994 – 1995 OWNCO Marketing Portland, Oregon
Advertising Specialties Sales

- Responsibilities included account sales, service, new business Development (cold calling) and account forecasting. Clients included Avia, Epson Portland, Pacific Power & Light, Thomason Auto Group and Bear Creek Corporation.

1991-1993 ProMax Incorporated Portland, Oregon
Vice President

- Founded this start-up sports event management company with Former NFL All Pro, Neil Lomax. Served as tournament director of the Thomason/Lomax Quarterback Shootout. Responsible for oversight of sales, marketing, budgets and event planning. In addition provided leadership in sales of new corporate sponsors. **Worked closely with NFL, NBA, MLB and college athletes. Proceeds from the event benefited local non-profits.**

1984 – 1991 Broadcast Radio Sales Oregon
Air Talent / Account Executive

- Over a 7 year period worked first in small market McMinnville Oregon (KCYX) as on air talent and sales account executive. Worked at Portland market radio stations KKCW (K103FM), KEX-AM and KMJK-FM as radio sales account executive. Responsibilities included management and sales of new direct and agency accounts, account forecasting, and creation of marketing strategies for direct clients, commercial production, script writing and voice talent. Certified Radio Marketing Consultant 2/09/90.

Education

1980 – 1984 Portland State University Portland, Oregon
Bachelor of Science, Communications

- Successfully completed and earned a degree in four years.

Community activities

Served as and elected City Councilor in Sherwood, Oregon. City of Antioch CA. Park and Recreation Commission. Currently serve as Chairman of the Sherwood Urban Renewal Commission. Sherwood High School Football Assistant coach 2003 to present.

The City of Sherwood is seeking a **FINANCE DIRECTOR**



The City of Sherwood is a full-service City with an exceptional workforce, a stable political environment, and a mission on behalf of its citizens to make Sherwood a great place to live, work and raise a family. With approximately 90 employees, it operates under a City Manager Form of government. The City Manager is responsible for the day-to-day administration of City business, implementation of Council policies, and establishment of operating policies and processes, utilizing an Executive Team.

Responsive, involved, effective, quality-driven; these are watchwords of an administration that truly cares about the quality of life of its citizens and employees.

Position Overview

The Finance Director is a key member of the City's executive management team and is responsible for managing the City Budgets of 64 million dollars, and has a high level of visibility and interaction with citizens, business leaders, community groups and City Department heads. The Finance Director reports directly to the City Manager.

Candidate Profile

The ideal candidate will have a combination of education and experience equivalent to the following: Plan, direct and oversee the operations of the Finance Department, including municipal court, utility billing, financial reporting and billing systems, budget development, and investments, with accountability for results in terms of costs, personnel and methods. Supervise department personnel in the performance of their duties. Communicate with public on financial matters and concerns. Equivalent to a complete four year University education in accounting and seven years experience, which includes at least two years of supervisory experience. Possession of Certified Public Accountant designation and previous Oregon Municipal experience is required. Working experience with Navision and Hansen Governmental software helpful.

The Finance Director will be:

- A proactive, effective, and straightforward communicator able to actively engage co-workers, community groups and residents.
- Represent the City in a positive and influential manner, willing to embrace and support City goals and initiatives.
- A leader with a high level of initiative who demonstrates uncompromising integrity and dedication to promoting an ethical, fair and positive team.
- A motivator with commitment to excellence in customer service.
- A strategic thinker and problem-solver able to facilitate consensus.
- Team leader and team builder with a successful track record of collaboration.
- A manager who has demonstrated continued personnel growth and development.
- An accomplished strategic thinker to assess current and future needs of a department and to devise and implement plans to meet and manage change.

Compensation and Benefits

The salary range is \$6541 - \$8374 month. The starting salary will depend on the extent of a candidate's background both in terms of qualifications and directly related experience. The City of Sherwood provides excellent benefits which include: City paid PERS, paid time off, excellent health benefit package, life insurance, long term disability insurance and a terrific work environment.



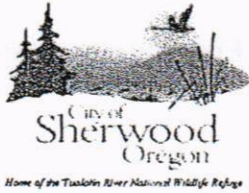
Home of the Tualatin River National Wildlife Refuge

Application and Selection Process

A City application and cover letter will be used to select the top candidates. Those selected for further consideration will be invited to an assessment center and oral interview. Prior to hiring, the successful candidate may be asked to complete a satisfactory pre-employment criminal history background investigation and drug test. Applicants that were not selected will be notified by phone or mail once the position has been filled.

City of Sherwood
Human Resources Department
22560 SW Pine Street, Sherwood, OR 97140
Fax 503-625-5524

Position is open until filled. A City application and job announcement may be downloaded from the City's website at <http://www.ci.sherwood.or.us>. Application materials will be screened in relation to the criteria outlined in this packet. Recruitment #2009-13.



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FEB 16 2010

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RECORDER'S OFFICE

REQUEST FOR RECORDS

City of Sherwood
22560 SW Pine St.
Sherwood, OR 97140
Fax (503) 625-5524
Phone (503) 625-5522
Website: www.ci.sherwood.or.us

ORS 192.420 allows for the right "of every person" to inspect any nonexempt public record of a public body in Oregon. The City will respond to record requests within five (5) business days and will provide records within twenty (20) business days. Time required will depend upon the volume of records requested, the available staff to respond to the request, and the difficulty in determining whether the records are exempt from disclosure. The City's need to consult with other agencies may also need to be taken into account. Submit your request to a specific department or the City Recorders office if unknown.

Today's Date: 16 Feb 2010
Name: SUSAN CLAUSS
Address: 22211 SW Pacific Hwy
Phone: 625 5265 Email: CLAUSSC@GOL.COM

Records Request (s):

Record (s) Description (Detail may reduce search time, attach additional page if needed)

☐ View a Record (on site)
☐ Photocopies (.15 single/ .25 double sided) (8.5x11)
☐ Audio/Video/Data Disk \$25 each

PDF copies of Craig Gibbons
Job application, Resume, Letters of
Recommendation, Cont'd Certs, materials
submitted for Job Applications as furnished

Staff time is billed in 15-minute increments according to the calculations shown on the current fee schedule, available on the City of Sherwood website listed above. An estimate of charges will be calculated and a 50% deposit required upon receipt of request. Balance will be due upon pick-up of record(s) requested.

Director
City of
Sherwood

Estimated Fees:

Deposit Amount:

Date Record (s) Picked Up:

Customer Initials:

Staff Only:

Request Received By:

Name

Sylvia Murphy

Department

City Recorder

Deposit Paid

Check #

5813

Cash

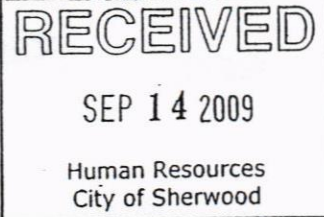
Visa/MC

Balance Paid

Check #

Cash

Visa/MC



Employment Application

Human Resources Department
22560 SW Pine Street
Sherwood, OR 97140

PLEASE COMPLETE A SEPARATE APPLICATION FOR EACH POSITION YOU APPLY FOR

We are an Equal Opportunity Employer dedicated to a policy of non-discrimination in employment on the basis of race, color, religion, sex, national origin, age, or physical disability. The City of Sherwood provides access, equal opportunity and reasonable accommodation in its services, programs, activities, education and employment for individuals with disabilities. To request disability accommodation, contact the Human Resource Department at (503) 625-4201.

Position Applied for: FINANCE DIRECTOR			
Name: Gibbons Craig L.			
<i>Last</i>		<i>First</i>	
<i>Street</i>		<i>City and State</i>	
<i>Zip</i>			
Home Phone:	Business Phone:	Cell Phone:	
Social Security Number	Drivers License No.	State	Expiration Date
Other/Former Names:		Email Add	
How did you learn about this position?			
League of Oregon Cities Web Site			
<input type="checkbox"/> Newspaper	<input type="checkbox"/> Internet	<input type="checkbox"/> Walk-In	<input type="checkbox"/> Referral
<input type="checkbox"/> Other _____			
Do have computer experience? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Windows <input checked="" type="checkbox"/> Mac <input type="checkbox"/> Other			
What software applications are you most familiar with (word, excel, access)?			
All Microsoft office applications, Financial: Vadim, Springbrook, PeopleSoft, Brass			
Can you, after employment, submit verification of your legal right to work in the U.S?			
Yes			

Education:

Check highest level completed:				
<input type="checkbox"/> High School/GED <input type="checkbox"/> Community College <input checked="" type="checkbox"/> College/University				
Name and location of school		Graduated?		Type of Diploma or Degree
		Yes	No	
HS or GED	North Eugene High School	Yes		
Vocational, Technical or Jr. College				

College or University	University of Oregon	Yes			BA History
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Education - continued:

Name and location of school		Graduated?		Type of Diploma or Degree	Course of Study/Major
Yes	No				
Other					
Other					
Other					
Please list any licenses, training, certificates, or memberships you now have that may be helpful in this position:					
Senior Professional In Human Resources, Associate in Risk Management, Accounting Course through University of Washington					

Experience: Please list your previous employment beginning with your most recent experience. You may include all applicable military, non-paid or volunteer work. If you had more than one position with the same employer, list each separately. Use additional sheets if necessary.

May we contact your present employer? YES ☐ NO ☐ Certainly, but not until we have talked.

Month/Year	Employer: City of Coburg	Supervisor:
From: July 2006	Address: POB 8316 Coburg OR 97408	Phone:
To: Current	Street City State Zip	Reason for leaving:
Years: Months: 3	Position/Duties: Finance Director: supervise all GL accounting, budgeting, financial reporting, and audit preparation. Manage Capital Projects	Seeking new challenges and higher salary
Last monthly salary: \$ 5,400		
Month/Year	Employer: City of Talent Oregon	Supervisor:
From: July 2004	Address: POB 445 Talent Oregon 97540	Phone:
To: July 2006	Street City State Zip	Reason for leaving:
Years: Months:	Position/Duties: Finance Director: supervise all	Return to Eugene area for

2 0	GL accounting, budgeting, financial reporting, and audit preparation.	family needs
Last monthly salary: \$ 4,700		

Experience - continued

Month/Year	Employer: Lewis County Washington	Supervisor
From: 05-2003	Address: Chehalis Washington	Phone
To: 07-2004	Street City State Zip	Reason for leaving:
Years: Months:	Position/Duties: Labor Relations Director	Γ
Last monthly salary: \$ 5,000		
Month/Year	Employer: City of Springfield	Supervisc
From: 01-1985	Address: 255 Fifth Street Springfield, OR 97477	Phone
To: 4-2003	Street City State Zip	Reason for leaving:
Years: Months:	Position/Duties: Risk Manager with HR management duties and Property management duties. Manage Insurance Fund and all related duties, Manage HR functions	
Last monthly salary: \$ 5,000		Advancement

References:

Name: Betty Wheeler (Retired City Manager)	Phone:	Relationship/Years acquainted: 5 Former supervisor, Talent Oregon
Name: Eileen Stein (City Manager, Sisters, Oregon)	Phor	Relationship/Years acquainted: 20 Former Coworker, City of Springfield
Name: Rita Wallace	Phone:	Relationship/Years acquainted: 10 Former subordinate at City of Springfield

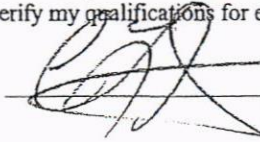
Have you ever been discharged or requested to resign from any position? If yes, explain here: No

Have you been convicted of a felony on or after your eighteenth (18) birthday? (Do not include minor traffic violations or arrests without convictions.) ☐ Yes ☒ No. If yes, please give a short explanation outlining the circumstances of your conviction in the space below. (Please indicate date, nature, place of offense, and disposition.) Convictions are not necessarily disqualifying.

Certificate of Applicant *(read carefully before signing)*: I hereby certify that all statements made in this application are true and I agree and understand that any misstatements of facts herein may cause forfeiture of employment. I authorize previous employers and references to release information as necessary to verify my qualifications for employment.

Date: 9-11-09

Signature: _____

A handwritten signature in black ink, appearing to be 'C. J. [unclear]', written over a horizontal line.

Craig L. Gibons

Employment

Finance Director-City Treasurer-Project Manager. City of Coburg Oregon (Since July, 2006). Manage all accounting, financial reporting, and budget functions for a municipality with a \$10 million annual budget. Capital Projects Manager for public works projects.

Oversee all financial operations of city.

Manage two multi-year capital improvement projects.

\$ 5,000,000 in improvements to existing water system.

\$25,000,000 sewer system construction project.

Major Accomplishments: Financial Stability

Within six months on job eliminated multi-year audit backlog, subsequent audits have been completed within six months of year-end.

Redesigned fund structure, reducing number of funds from 22 to ten.

Recommended and implemented cost reductions in all funds, bringing City to financial stability after six years of deficit spending.

Recommended and implemented new revenue sources:

Local gas tax

Street tree utility fee

Fire suppression infrastructure water fee

Business license,

Police training fee

Designed, recommended, and oversaw physical consolidation and downsizing of Municipal Court and initiation of professional collection processes on \$1 million in unpaid fines.

Eliminated superfluous bank accounts and simplified banking processes using web-based tools.

Major Accomplishments: Capital Project Controls and Funding

Established financial controls over Capital Project spending and created financial plan for all Capital Improvements.

Generated additional capital projects funding through the Oregon Departments of Environmental Quality and Community and Economic Development and three Federal agencies (Rural Development, Economic Development, and the Environmental Protection Agency)

Managed arbitrage analysis on two bond issuances.

Developed Sewer and Parks System Development Charges and Local Improvement Districts

Finance Director. City of Talent, Oregon (2004-2006). Managed all accounting and budget functions for a municipality with an \$8 million annual budget.

Managed all financial operations of city including budget, audit, monthly reporting, payroll, accounts payable, grant accounting, and utility billing.

Major Accomplishments

- Purchased and implemented new financial and utility billing software.
- Redesigned chart of accounts and fund structure.
- Redesigned City Hall front office area to improve functionality.
- Designed and implemented new front desk business processes.
- Served on team designing new City Hall.

Human Resources Director. Lewis County; Chehalis Washington (2003-2004). Developed and implemented overall employee relations plan for a county with 600 employees in twelve collective bargaining units. Supervise Risk Management Division.

Lead negotiator for collective bargaining agreement negotiations with Sheriffs Patrol unit (Teamsters).

Handled grievance and disciplinary matters.

Advised and guided elected officials and department heads on contract administration, personnel issues, and legal compliance (Family Medical Leave laws, Fair Labor Standards Act, and the Americans with Disabilities Act).

Risk Manager. City of Springfield, Oregon (1984-2003). Managed finance and human resources functions for municipality with 380 employees.

Finance Functions, Risk Management

Managed \$8,000,000 insurance fund (internal service fund)

Prepared risk management budget and presented it to Budget Committee.

Developed and managed cost allocation system for cost of risk.

Prepared actuarial analyses to project future costs of selfinsured claims.

Managed city insurance programs.

Managed workers compensation, liability, property, disability, unemployment claims and litigation, represented city in administrative law hearings.

Managed city purchasing and contracting program.

Reviewed and approved all solicitation documents (Requests for Proposals, Requests for Bids, and Requests for Qualifications).

Negotiated and drafted contracts.

Reviewed and approved all contracts.

Created standard contract forms for routine contracting situations.

Adopted AIA and other standard industry forms for city use.

Reviewed and approved all major purchases of materials and services.

Reviewed and approved all surety bonds.

Risk Manager. City of Springfield, Oregon (continued)

Finance Functions: Property Management

- Managed portfolio of 1,300 vacant residential building lots taken over by city through foreclosures on Bancrofted infrastructure improvements.
- Prepared net present value analysis of bond debt services to determine cash flow needs on \$19,000,000 of debt service on properties.
- Convened and staffed advisory panel of local finance experts to provide policy guidance on disposition of lots.
- Developed Single Lot Sales Policy classifying lots and setting sales procedures and sales prices.
- Implemented Single Lot Sales Policy and negotiated sale of first lot.

Finance Functions: General Services

- Managed Mail Room and centralized print shop.
- Managed centralized supply purchasing and warehouse function.
- Supervised employee training function; chaired training committee.

Human Resources Functions

- Served on labor negotiation teams (using both traditional and interest-based bargaining processes) for all four employee collective bargaining units: Police, Fire (IAFF), Public Works (AFSCME), and General Service (OPEU).
- Developed personnel policies and labor contract provisions.
- Assisted departments with difficult employee relations problems.
- Coached and guided supervisors in fair employment practices and employee corrective action.
- Investigated allegations of unlawful employment discrimination and harassment.

Consulting Projects

- City of Tigard,** Risk Management Survey
- Southern Willamette Private Industry Council** Contract and Finance Review
- Laurel Hill Center,** Internal Investigation
- Hutchins Imported Motors,** Established Human Resources System
- Centralia-Chehalis Airport Authority,** Personnel Issues

Education & Certifications

- BS in History** (emphasis on labor history), University of Oregon

Senior Professional in Human Resources (SPHR), HR Certification Institute
Associate in Risk Management (ARM), Insurance Institute of America

Professional and Community Activities

Member, Oregon Municipal Finance Officers Association
Member, Oregon Municipal Finance Officers Association IT Committee
Member, Society for Human Resources Management
Executive Board Member and Treasurer, Eugene Celebration Board of Directors
Founding Member and past president, Oregon Chapter of the Public Risk Management Association
Past President, Oregon Chapter Risk and Insurance Management Society
Producer, state and regional risk management conferences (1985-1992), state chapters of the Public Risk Management Association and the Risk and Insurance Management Society
Member, League of Oregon Cities' General Government Standing Committee, 1986-1992
Member, League of Oregon Cities' Tort Reform Advisory Panel, 1987 Legislative Session
Member, McKenzie Willamette Hospital Medical Care Advisory Panels (1990)
Member, Editorial Advisory Board of the Public Risk Management Association
Representative, Lane County Human Rights Consortium (2002-2003)
Lifetime Member, University of Oregon Alumni Association
Community Member, United Way of Jackson County (2005-2006)

Publications, Policy Reviews, and Presentations

Gibons, C. and other members of the Diversity and Human Rights Consortium
"Academy and Community: A New Model for Social Justice Collaboration".
(2003) *16th Annual Conference on Race & Ethnicity in American Higher Education*, May 28, 2003
Gibons, C. (2001). Prejudice, the Hidden Costs in Liability Claims Investigations".
Annual Public Risk and Insurance Management Association Conference.
Gibons, C. (1992) "Don't Let Your Risk Freefall: Special Events Risk Management".
Public Risk Magazine
Gibons, C. "The Oregon Health Plan". *Public Risk Magazine*
Gibons, C. "Managing Your Entity's Surety and Performance Bond Program". *The Public Entity Risk Management Manual*. Alexandria, VA. Public Risk Management Association.
Cramer, R. and Gibons, C. (1998). *The Public Entity Insurance Purchasing Handbook*. Portland, OR: Northwest Government Finance Institute.
Gibons, C. (1985 through 2002) *City of Springfield Annual Risk Report*.
Distributed nationally by the Public Risk Management Association.



THE SHERWOOD ARCHER

MARCH 2010 ISSUE

WWW.SHERWOODOREGON.GOV

March 2010 City of Sherwood Meetings

Meetings at City Hall unless otherwise noted
22560 SW Pine Street Sherwood Oregon

March 1	Parks & Rec Board	7:00pm
March 2	City Council	7:00pm
March 4	Cultural Arts Commission	7:00pm
March 9	Planning Commission	7:00pm
March 11	City Council	7:00pm
March 16	City Council	7:00pm
March 23	Planning Commission	7:00pm

City Council
1st & 3rd Tuesday of every month 7:00pm

Cultural Arts Commission
1st Thursday of every month 7:00pm

Library Advisory Board
3rd Wednesday of every month 7:00pm

Parks & Recreation Board
1st Monday of every month 7:00pm

Planning Commission
2nd Monday of every month 7:00pm

Sherwood
2nd

Who and What governs our local government? FROM CITY MANAGER JIM PATTERSON

Every year at this time as City staff gets closer to proposing a budget for the next fiscal year I get questions about the role of those in City government and how decisions are made in our City. Who can raise taxes, how are fee increases approved, who sets policy, is the City Manager our version of a Czar? Fortunately our City operates under a Home Rule Charter and our Charter clearly defines how the City of Sherwood is to be governed. It establishes authority, responsibilities and the chain of command.

In our Home Rule Charter, Chapter II section 6 Distribution, says that aside from provisions for initiative and referendum powers given to City voters, the City charter vests all of the City powers to the City Council. This includes their legislative, administrative and quasi-judicial authority. The City Council exercises legislative authority by ordinance, administrative authority by resolution and quasi-judicial authority by order.

The City Charter defines the City Council's legislative, administrative and quasi-judicial authority along with defining how elections are to be conducted. The City Charter in Chapter VII outlines and details the roles and responsibilities of appointive officers of the City. The City of Sherwood has four (4) appointive officers including the City Manager, City Recorder, City Attorney and Municipal Court Judge. A majority of the City Council must appoint and may remove any appointive officer.

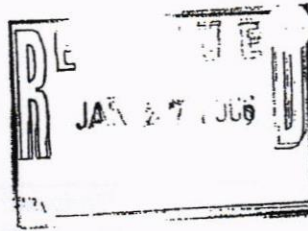
The City Manager is responsible to the Mayor and City Council for proper administration of all City business. The City Manager works with assisting the Mayor and City Council in the development of City policies, and carrying out of policies established by ordinance and resolutions. The City Manager per our Charter does not make the rules, but is responsible to administer and enforce all City ordinances, resolutions, franchises, leases, contracts, permits and other City decisions. While the City Manager is responsible to prepare and administer the annual City budget, the budget committee that includes citizen members and the City Council adopts the budget. The City Manager has no authority over the City Council or over the judicial functions of the municipal court.

If you are interested in learning more about Sherwood City governance you can find the City Charter at www.sherwoodoregon.gov. From the home page click on the City Council tab at the top of the page, then go to the right side of the screen and click on City Charter. You will find City Council agendas, Council meeting minutes, City Council rules and City Council reports.

City staff is working with the City Council and citizen budget Committee members to present a balanced budget for next fiscal year 2010-2011 that lives within its means. With revenues from the state projected to be down again this year, revenues from building and planning departments to be in further decline, there are no plans to grow local government unnecessarily. The proposed budget will not cut services or support to our community and community groups.

Upcoming Budget Committee meetings are scheduled at City Hall in the Community room for April 7th, April 14th and April 20th as part of the regular City Council meeting on that date. A proposed budget will be distributed to City Council the first week of May and then the City Council will vote to adopt a budget on June 1, 2010.

Please feel free to contact me directly via e-mail at patterson@ci.sherwood.or.us or call 503-625-4200.



Employment Application

Human Resources Department
22560 SW Pine Street
Sherwood, OR 97140

PLEASE COMPLETE A SEPARATE APPLICATION FOR EACH POSITION YOU APPLY FOR

We are an Equal Opportunity Employer dedicated to a policy of non-discrimination in employment on the basis of race, color, religion, sex, national origin, age, or physical disability. The City of Sherwood provides access, equal opportunity and reasonable accommodation in its services, programs, activities, education and employment for individuals with disabilities. To request disability accommodation, contact the Human Resource Manager at (503) 625-4224.

Position Applied for: Staff Accountant			
Name:			
Blums	Julie	M	
Last	First	M.I	
Address:			
1			
Street	City and State	Zip	
Home Phone:	Business Phone:	Cell Phone:	
Social Security Number	Drivers License No.	State OR	Expiration Date 02/22/2013
Other/Former Names:		Email Address:	
How did you learn about this position?			
<input type="checkbox"/> Newspaper	<input type="checkbox"/> Internet	<input type="checkbox"/> Job Posting	<input checked="" type="checkbox"/> Referral <input type="checkbox"/> Other _____
Do you type/have computer experience? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Windows <input type="checkbox"/> Mac <input type="checkbox"/> Other			
What software applications are you most familiar with (word, excel, access)? Word, Excel, Access, BRIO, jClarety, SBT Accounting Package, Igrafx, Power Pointe, Quickbooks, Mainframe systems – State Financial Management System and the PERS RIMS system			
Can you, after employment, submit verification of your legal right to work in the U.S? Yes			

Education:

Check highest level completed:					
<input checked="" type="checkbox"/> High School/GED <input type="checkbox"/> Community College <input type="checkbox"/> College/University					
Name and location of school		Graduated? Yes No		Type of Diploma or Degree	Course of Study/Major
HS or GED	Cleveland High School Portland, OR	X		Degree	Business / Accounting
Vocational, Technical or Jr. College					
College or University	Portland Community College, Portland, OR		X		Accounting

Education - continued:

Name and location of school		Graduated?		Type of Diploma or Degree	Course of Study/Major
Yes	No				
Other					
Other					
Other					

Please list any licenses, training, certificates, or memberships you now have that may be helpful in this position:

I am a member of WesPay

Experience: Please list your previous employment beginning with your most recent experience. You may include all applicable military, non-paid or volunteer work. If you had more than one position with the same employer, list each separately. Use additional sheets if necessary.

May we contact your present employer? YES ☒ NO ☐

Month/Year	Employer: Oregon PERS	Supervisor: David Tyler
From: 12/2003	Address: 11410 SW 68 th Parkway Tigard, OR 97223	Phone: 503-603-7709
To: Current	Street City State Zip	Reason for leaving: Looking for new career opportunities
Years: 2 Months: 2	Position/Duties: Accounting Manager/ Business Process Owner	
Last monthly salary: \$ 4,175.00	I am responsible for 7 direct report staff and 2 indirect staff. I am responsible for the accounting for the: Def Comp program, IRC415 retirement side plan, health insurance programs, Social Security program, all cash receipts, accounts receivable, and pension disbursements. I am also working on a special project to replace our legacy system. I am a process owner and am responsible for making sure all business requirements for each of my processes are gathered, understood, and either programmed into the new system or have a manual process. I look for process improvements and areas where efficiencies can be gained. I report to the executives at a minimum weekly to keep them updated.	
Month/Year	Employer: Oregon PERS	Supervisor: Christina Shearer

		Current # 503-625-4236
From: 11/1999	Address: 11410 SW 68 th Parkway Tigard, OR 97223	Phone: Current # 503-625-4236
To: 12/2003	Street City State Zip	Reason for leaving: Promotion
Years: 3 Months: 11	Position/Duties: Accountant 3/Program Tech	
Last monthly salary: \$ 3,875.00	I was the lead accountant overseeing the accounting for several programs (IRC415 retirement side plan, Deferred Compensation plan, Social Security, and the health insurance programs), as well as all cash receipts, pension disbursements, and accounts receivables for PERS. I have developed policies and procedures for all of the above areas. I was responsible for making sure the agency was in compliance with federal and state regulations regarding banking and ACH activities. I prepared financial reports for revenues and expenditures that were used for the agency budget. I was responsible for all IT changes for the fiscal operations section. I worked with the IT department to fix or make changes to the computer system.	
Month/Year	Employer: Oregon PERS	Supervisor: Christina Shearer
From: 9/1998	Address: 11410 SW 68 th Parkway Tigard, OR 97223	Phone: Current # 503-625-4236
To: 11/1999	Street City State Zip	Reason for leaving: Promotion
Years: 1 Months: 2	Position/Duties: Accountant 1/ Deferred Compensation Accountant	
Last monthly salary: \$ 2,566.00	I was responsible for reviewing the monthly financial reports from our TPA. I evaluated whether the TPA was properly reporting contributions, transfers, investment income, distributions, and expenses for the Deferred Compensation Program. I prepared audited financial work papers and statements. I processed ACH transactions for the Def Comp contributions. I prepared cash reconciliations for the following programs, Deferred Comp, IRC 415 side plan, health insurance and Social Security. I processed A/P for the IRC 415 side plan. I was responsible for recording all activity to the internal General Ledger as well as the State Financial Management System. I was responsible for preparing workpapers and financial statements for the Def Comp program and the Social Security program. I prepared financial reports and projections to be used for	

	budget preparation for the Def Comp program.	
Month/Year	Employer: Oregon PERS	Supervisor: Christina Shearer
From: 3/1998	Address: 11410 SW 68 th Parkway Tigard, OR 97223	Phone: Current # 503-625-4236
To: 9/1998	Street City State Zip	Reason for leaving: Promotion
Years: Months: 6	Position/Duties: Accounting Tech 3/ Check Reconciliation Tech	
Last monthly salary: \$ 2,399.00	I processed all manual checks for the agency and reconciled all outstanding checks for each checking account. I was responsible for reconciling returned EFT's and checks. I processed the stale dated checks and the journal entries that were required.	
Month/Year	Employer: Oregon PERS	Supervisor: Christina Shearer
From: 02/1998	Address: 11410 SW 68 th Parkway Tigard, OR 97223	Phone: Current # 503-625-4236
To: 03/1998	Street City State Zip	Reason for leaving: Promotion
Years: Months: 1	Position/Duties: Accounting Tech 2/ Cashier	
Last monthly salary: \$ 1,843.00	I was responsible for all checks received for the agency, I would balance them against the remittance advices and process the daily bank deposit.	
Month/Year	Employer: Key Bank of Oregon	Supervisor: Scott Ringsage
From: 2/1995	Address: 825 NE Multnomah Portland, OR 97232	Phone: HR 1-800-367-5690
To: 2/1998	Street City State Zip	Reason for leaving: To pursue an accounting career.
Years: Months: 3	Position/Duties: Customer Service Rep/New Accounts and loans	
Last monthly salary: \$ 1,900.00	I was responsible for opening new accounts and processing home equity, car, and personal loans.	
Month/Year	Employer: Key Bank of Oregon	Supervisor: Brenda Mills
From: 3/1993	Address: Oak Grove, OR	Phone: HR 1-800-367-5690
To: 2/1995	Street City State Zip	Reason for leaving: Promotion
Years: Months: 1 3	Position/Duties: Vault Teller	
Last monthly salary: \$ 1,500.00	I was responsible for processing cash receipts and disbursements for the commercial customers. I also prepared weekly projections of cash flow needs for the entire branch.	

Month/Year	Employer: Key Bank of Oregon	Supervisor: Melissa Whitcomb
From: 3/1993	Address: Milwaukie, OR	Phone: HR 1-800-367-5690
To: 11/1993	Street City State Zip	Reason for leaving: Promotion
Years: Months: 9	Position/Duties: Teller	
Last monthly salary: \$ 1,300.00	I was responsible for cash receipts and disbursements.	
Month/Year	Employer: JK Gill	Supervisor: Sandra Gustafson, Company has gone out of business
From: 7/1989	Address: Portland, OR	Phone:
To: 5/1993	Street City State Zip	Reason for leaving: Company was going out of business
Years: Months: 3 10	Position/Duties: Cashier and Supervisor	
Last monthly salary: \$ 1,200.00	I was responsible for cashing and supervising staff. I also processed payroll and daily bank deposits.	

References:

Name: Christina Shearer	Phone:	Relationship/Years acquainted: Former Manager, 8 years
Name: Karen Chavez	Phone:	Relationship/Years acquainted: Peer manager, 5 years
Name: David Tyler	Phone:	Relationship/Years acquainted: Manager, 1 year

Have you ever been discharged or requested to resign from any position? If yes, explain here:

No

Have you been convicted of a felony on or after your eighteenth (18) birthday? (Do not include minor traffic violations or arrests without convictions.) ☐ Yes ☒ No. If yes, please give a short explanation outlining the circumstances of your conviction in the space below. (Please indicate date, nature, place of offense, and disposition.) Convictions are not necessarily disqualifying.

Certificate of Applicant (read carefully before signing): I hereby certify that all statements made in this application are true and I agree and understand that any misstatements of facts herein may cause forfeiture of employment. I authorize previous employers and references to release information as necessary to verify my qualifications for employment.

Date: 1/26/06

Signature:

Julie Blum



Friday
Nov 9th
9:00am

RECEIVED

OCT 22 2007

HUMAN RESOURCES

Employment Application

Human Resources Department
22560 SW Pine Street
Sherwood, OR 97140

PLEASE COMPLETE A SEPARATE APPLICATION FOR EACH POSITION YOU APPLY FOR

We are an Equal Opportunity Employer dedicated to a policy of non-discrimination in employment on the basis of race, color, religion, sex, national origin, age, or physical disability. The City of Sherwood provides access, equal opportunity and reasonable accommodation in its services, programs, activities, education and employment for individuals with disabilities. To request disability accommodation, contact the Human Resource Department at (503) 625-4201.

Position Applied for: Economic Development Manager

Name:

Nelson

William

Thomas (Tom)

Last

First

M.I.

Street

City and State

Zip

Home Phone:

Business Phone:

Cell Phone:

Social Security Number

Drivers License No.

State

Expiration Date

OR

1/25/2015

Other/Former Names:

Email Address:

tom.nelson4@comcast.net

How did you learn about this position?

☐ Newspaper

☐ Internet

☐ Walk-In

☒ Referral

☐ Other

Do have computer experience?

☒ Yes

☐ No

☒ Windows

☐ Mac

☐ Other

What software applications are you most familiar with (word, excel, access)? Word, Excel, Powerpoint

Can you, after employment, submit verification of your legal right to work in the U.S?

Yes

Education:

Check highest level completed:

☐ High School/GED

☐ Community College

☒ College/University

Name and location of school

Graduated?

Yes

No

Type of
Diploma or Degree

Course of
Study/Major

HS or GED

Big Sandy High School
Dallardsville, Texas

☒

High School
Diploma

Vocational,
Technical or
Jr. College

Linn Benton Community
College

☒

Associate of Arts &
Associate of
Science

Business

College or
University

Oregon State University

☒

Bachelor of Science

Business, with
minor in
Behavioral
Science

Education - continued:

Name and location of school		Graduated?		Type of Diploma or Degree	Course of Study/Major
		Yes	No		
College	Oregon State University	X		Masters of Business Administration	Business Management with minor in Human Development & Family Studies
Other					
Other					
Please list any licenses, training, certificates, or memberships you now have that may be helpful in this position:					

Experience: Please list your previous employment beginning with your most recent experience. You may include all applicable military, non-paid or volunteer work. If you had more than one position with the same employer, list each separately. Use additional sheets if necessary.

May we contact your present employer? YES ☒ NO ☐

Month/Year	Employer: Oregon Economic and Community Development Department	Supervisor: John Wahrgren
From: August/2000	Address: 775 Summer St NE, Salem, OR 97301	Phone: 503-986-0165
To: Present	Street City State Zip	Reason for leaving: Would leave for Career Advancement
Years: 7 Months: 2	Position/Duties: Public Finance Officer, Program Development Specialist and Community Development Coordinator	
Last monthly salary: \$5,600 / month		
Month/Year	Employer: US Bank	Supervisor: Dan LaCoste
From: December / 1999	Address: 1110 Wallace Rd NW, Salem, OR 97304	Phone: 503-299-4124
To: June / 2000	Street City State Zip	Reason for leaving:
Years: 0 Months: 6	Position/Duties: Small Business Banker	
Last monthly salary: \$4,000/month		

Experience - continued

Month/Year	Employer: MetLife Financial Services	Supervisor: Joe Andrew
From: September / 1998	Address: 5335 SW Meadows Rd, #295, Lake Oswego, OR	Phone: 503-620-8720
To: December / 1999	<i>Street City State Zip</i>	Reason for leaving:
Years: 1 Months: 3	Position/Duties: Financial Services Representative	Career Advancement
Last monthly salary: \$4,000 / month		
Month/Year	Employer: Integrity Organization Enterprises	Supervisor: Self-employed
From: January/1998	Address: 869 Meadowlawn Dr SE, Salem, OR 97317	Phone: 503-930-8628
To: Present	<i>Street City State Zip</i>	Reason for leaving:
Years: 9 Months: 9	Position/Duties: Organizational and Management Consulting practice	Career change
Last monthly salary: \$ varied by contract		

Month/Year	Employer: Chemeketa Community College	Supervisor: Connie Green
From: July / 1995	Address: 4000 Lancaster Dr. NE, Salem, OR 97301	Phone: 503-378-7187
To: January / 1998	<i>Street City State Zip</i>	Reason for leaving:
Years: 2 Months: 5	Position/Duties: Small Business Development Center Director	Career change
Last monthly salary: \$3,600 / month		
Month/Year	Employer: Air Products & Chemicals, Inc.	Supervisor: Bryant Layton
From: July / 1973	Address: 1600 NE Old Salem Rd., Albany Oregon	Phone: 610-481-5110
To: July / 1995	<i>Street City State Zip</i>	Reason for leaving:
Years: 22 Months:	Position/Duties: Plant Superintendent	Company downsized and offered a transfer. Chose not to move due to family.
Last monthly salary: \$ 4,800 / month		

Month/Year	Employer: Linn-Benton Community College	Supervisor: Dennis Sargent
From: October /1982	Address: 6500 Pacific Blvd. Albany, OR 97321	Phone: 541-917-4923
To: June / 1995	Street City State Zip	Reason for leaving:
Years: 12 Months: 8	Position/Duties: Part time (.48 position) as a Trainer, Teacher, and Business Counselor	Began full time position at Chemeketa Community College
Last monthly salary: \$2,000 / month		
Month/Year	Employer: Albany City Council	Supervisor: Elected position
From: October / 1995	Address: 333 Broadalbin SW, Albany, OR 97321	Phone: 541-917-7500
To: January / 1997	Street City State Zip	Reason for leaving:
Years: 11 Months: 3	Position/Duties: City Councilor	Lost election in 4 th term
Last monthly salary: \$ 125 stipend		

References:

Name: Steve Bryant	Phone:	Relationship/Years acquainted: Former Albany City Manager / 22 yrs
Name: Connie & Gregg Jacot (Sh	Phone:	Relationship/Years acquainted: Character references / 25 years
Name: Yvonne Addington (F	Phone:	Relationship/Years acquainted: Former OECD Manager / 7 years

Have you ever been discharged or requested to resign from any position? If yes, explain here:

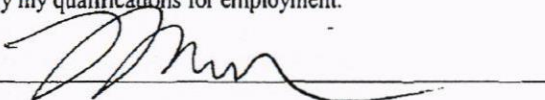
Yes - I didn't make sales quota at US Bank.

Have you been convicted of a felony on or after your eighteenth (18) birthday? (Do not include minor traffic violations or arrests without convictions.) ☐ Yes ☒ No. If yes, please give a short explanation outlining the circumstances of your conviction in the space below. (Please indicate date, nature, place of offense, and disposition.) Convictions are not necessarily disqualifying.

Certificate of Applicant (read carefully before signing): I hereby certify that all statements made in this application are true and I agree and understand that any misstatements of facts herein may cause forfeiture of employment. I authorize previous employers and references to release information as necessary to verify my qualifications for employment.

Date: 10/12/07

Signature:



W. TOM NELSON

Objective

A key role that provides the opportunity to contribute my expertise in community, economic, and small business development; municipal budgeting; industrial management and project management; and aligns with my passion for community development and personal involvement in community activities.

Summary of Qualifications

- 15 years in small business development; 12 years in municipal government; and 7 years in a statewide economic development organization
- Extensive experience in manufacturing management with a Fortune 100 company
- Adept at communicating, influencing, and relationship building with all levels of government
- Expertise in generating and implementing economic development strategies
- Demonstrated ability to manage complex projects including program and policy implementation
- Extensive experience in leading and participating in community activities

Experience

Financial Management and Community Development

- ***Oregon Economic and Community Development*** *August 2000 – Present*
 - Public Finance Officer responsible for developing and analyzing the financing of community facilities, water and wastewater systems for municipalities, as well as small business lending programs.
 - Regional Community Development Coordinator – Developed and coordinated community development projects for Coos, Curry, and Douglas, Jackson and Josephine Counties.
 - Liaison with League of Oregon Cities.
 - Program Development Specialist – Developed drinking water and wastewater financing programs.
- ***US Bank*** *December 1999 – June 2000*
 - Small Business Banker responsible for building relationships and selling bank products to small businesses.
- ***MetLife*** *September 1998 – December 1999*
 - Account Representative for insurance and investment sales and service.

Organizational/Public Sector

- ***Chemeketa Community College*** *July 1995 – January 1998*
 - Director Small Business Development Center – Developed, coordinated and managed counseling and training programs assisting the 25,000 small businesses in Marion, Polk, and Yamhill Counties.
 - Project Manager Oregon Advanced Technology Consortium – Developed, coordinated and managed programs and field engineers assisting Oregon's manufacturers in developing technology and the workforce to be globally competitive.
 - Director Western Oregon International Trade Council – Developed, coordinated, directed and managed counseling and training programs to assist Oregon businesses with international trade.
 - Project Manager Business and Industry Consortium – Developed and coordinated academic program curriculum and faculty to meet the needs of regional business and industry.

▪ **Linn Benton Community College**

October 1982 – June 1995

- Small Business Trainer and Counselor
- Project Coordinator Oregon Advanced Technology Consortium – Responsibilities included development and implementation of marketing plan for OATC at LBCC; performing business needs assessments; providing management and budget oversight; assisting OATC in developing and implementing statewide business plan and work plan model; counseling and referral services for area manufacturers; and scheduling workshops.
- Small Business Management Program – Developed and coordinated program based on the Minnesota model; marketed and promoted the program to the business community; taught and coordinated workshops for small business clients; and provided long and short-term small business counseling.
- Instructor – Taught classes in Business Management, Accounting, and Economics. Outstanding Part-Time Faculty award in 1990.

Industrial

▪ **Air Products and Chemicals, Inc.**

July 1973 – July 1995

- Plant Manager responsible for operating and maintaining an on-site nitrogen generation facility at Teledyne WahChang. Budget responsibilities included \$1 million asset management and \$500,000 annual budget. Additional responsibilities included inventory management, problem solving and trouble-shooting processes, continuous quality improvement, and customer relations.

Small Business

▪ **Integrity Organizational Enterprises**

January 1997 – Present

- Small Business Consultant – Assisted businesses with strategic planning, organizational development, time management, and financial planning.

▪ **Business Design Consultants**

June 1985 – June 1987

- Small Business Consultant – Assisted businesses with strategic planning, organizational development and time management.

▪ **Design Etc.**

June 1987 – August 1996

- Owner, business manager and general contractor for local interior design firm.

Community Involvement

▪ **Albany City Council**

12 years

Albany Planning Commission; Chair – Public Works, Budget, Finance, and Legislative Committees.

▪ **Private Industry Council**

6 years

Vice President; Chair – Employment and Training Local Advisory Committee; Chair – Strategic Planning Committee.

▪ **Oregon Community Foundation Leadership Council**

3 years

Participated in strategic planning and funds disbursement.

▪ **Oregon Child Development Foundation**

5 years

President and founding board member for organization dedicated to increasing the quality and supply of childcare in Oregon. Responsible for \$1 million budget and operation of grant process; board leadership, and management of executive director; and development of 15,000+ new quality child care slots in Oregon.

▪ **Albany Rotary Club**

10 years

Past President, board member and chair of most committees.

▪ **Linn County Commission on Children and Families**

3 years

Participated in development and implementation of comprehensive plan.

▪ **Albany Area Chamber of Commerce**

16 years

Chair – Industrial, Promotions, and Continuous Quality Improvement Committees. Junior First Citizen

Nominee 1992; Outstanding Citizen of the Month 1986; Winner 1984 Membership Drive.

- ***Albany-Millersburg Economic Development Corporation*** ***4 years***
Board of Directors; assisted in development of business recruitment and retention strategies.
- ***Greater Albany Public Schools***
President Booster Club; Zone Committee; South Albany High School Site Council.
- ***Salem Area Chamber of Commerce***
- ***Monmouth/Independence Area Chamber of Commerce – Vice President***
- ***Toastmasters***

Education

M.B.A., Oregon State University

B.S. Business, Oregon State University

Professional Membership and Certifications

- International Economic Development Council
- Oregon Economic Development Association

References Available Upon Request



Employment Application

City Hall - Personnel Dept.
20 NW Washington St.
Sherwood, OR 97140

We are an Equal Opportunity Employer. We are dedicated to a policy of non-discrimination in employment on the basis of race, color, religion, sex, national origin, age, or physical disability.

Position Applied for:			
<i>Operation Specialist Public Works Department</i>			
Name:			
<i>Sheldon</i>		<i>Chris</i>	
<small>Last</small>		<small>First</small>	
Address:		M.I.	
<i>7</i>		<i>5</i>	
<small>Street</small>		<small>City and State</small>	
Home Phone:		Business Phone:	
		Message Phone:	
Social Security Number		Drivers License No.	
		State	
		Expiration Date	
		<i>OR</i>	
		<i>3-20-2000</i>	
Other/Former Names:			
How did you learn about this position?			
Newspaper <input checked="" type="checkbox"/> Jobs Available <input type="checkbox"/> Job Posting <input type="checkbox"/> Web <input type="checkbox"/> Other <input type="checkbox"/>			
Do you type/have computer experience? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Windows <input type="checkbox"/> Mac <input type="checkbox"/> Other			
<i>Some Computer training (not much)</i>			
What software applications are you most familiar with (word, excel, access)?			
Can you, after employment, submit verification of your legal right to work in the U.S?			
<i>yes</i>			

Education:

Check highest level completed: <input checked="" type="checkbox"/> High School/GED <input type="checkbox"/> Community College <input type="checkbox"/> College or University				
Name and location of school	Graduated? Yes No	Type of Diploma/Degree	Course of Study/Major	
HS or GED				
<i>Near Kah-wie H.gh school</i>	<i>X</i>	<i>Diploma</i>	<i>Basic</i>	
<i>Rockaway Beach OR</i>				
Vocational, Technical or Jr. College				
<i>California State University</i>	<i>X</i>	<i>27 CEUs</i>	<i>Water/Wastewater</i>	
<i>Cal. State</i>				
College or University				
<i>Michigan State University</i>	<i>X</i>	<i>6 CEUs</i>	<i>Water/Wastewater management</i>	
<i>Michigan</i>				

Education - continued:

Name and location of school	Dates Attended		Graduated		Type of Diploma/Degree	Course of Study/Major
	From	To	Yes	No		
Other						
Other						
Other						

Please list any licenses, training, certificates, or memberships you now have that may be helpful in this position:

Water Distribution Level 2 Cross Connection Inspector, Flagger Certification, OSHA

Training, CPR, In Practice and Compact per Card Confined Space training,

Class A CDL - Truck, will be taking Level 2 Wastewater Collection Test 9/23
will be taking Water Distribution Level 3 in October

Experience: Please list your previous employment beginning with your most recent experience. You may include all applicable military, non-paid or volunteer work. If you had more than one position with the same employer, list each separately. Use additional sheets if necessary. May we contact your present employer? ☒ Yes ☐ No

Month/Year	Employer:	Supervisor:
	City of Tigard	Sam Morrison
From:	Address:	Phone:
9/95	8777 SW Burnham St	639-4171
To:	Street City State Zip	Reason for leaving:
Present	Tigard OR 97223	Present To better my career goal
Years: Months:	Duties:	
4 0	SR Person on construction crew install	
Last monthly salary:		
\$3269.00 + OT	Water services, hydrants, valves, and	
Month/Year	Employer:	Supervisor:
	City of Longview	Mary Baker
From:	Address:	Phone:
3/94	1460 Industrial Way	(360) 577-3358
To:	Street City State Zip	Reason for leaving:
9/95	Longview WA	To better my career goal
Years: Months:	Duties:	
1 6	Operating current water and wastewater	
Last monthly salary:		
\$2461.00	Installing water/sewer lines	

Experience - continued

Month/Year 9/91	Employer: City of Beaverton	Supervisor: Don Morris / Steve Baker
From: 9/90	Address: Allen Blvd	Phone: 526-2220
To: 9/94	Street City State Zip Beaverton OR 97005	Reason for leaving: To better my career goal
Years: Months: 3 6	Duties: Install water lines, meter, valves, gas valves	
Last monthly salary: \$ 2080.00	Inspecting sewers, storm lines, run equipment.	
Month/Year	Employer:	Supervisor:
From: 9/89	Address: Elm St	Phone: 357-3358
To: 9/90	Street City State Zip Forest Grove OR	Reason for leaving: To better my career goal
Years: Months: 1 0	Duties: Crack sealing, paving, laying water, sewer	
Last monthly salary: \$ 1551.00	storm lines operate equipment	

References

Name: Kerry Fisher	Phone:	Relationship/Years acquainted: Friend 4
Name: Ben Rosales	Phone:	Relationship/Years acquainted: Friend 10 years
Name: Gary Peterson	Phone:	Relationship/Years acquainted: Friend 4

Have you ever been discharged or requested to resign from any position? If yes, explain here:

NO

Have you been convicted of a felony on or after your eighteenth (18) birthday? (Do not include minor traffic violations or arrests without convictions.) ☐ Yes ☒ No. If yes, please give a short explanation outlining the circumstances of your conviction in the space below. (Please indicate date, nature, place of offense, and disposition.) Convictions are not necessarily disqualifying.

Certificate of Applicant (read carefully before signing): I hereby certify that all statements made in this application are true and I agree and understand that any misstatements of facts herein may cause forfeiture of employment. I authorize previous employers and references to release information as necessary to verify my qualifications for employment.

Date: **9/22/99**

Signature: **[Signature]**

RECEIVED

Ross Schultz - Resume
February 2, 2009

FEB 3 2009

BY: DMO

February 2, 2009

Prineville City Manager Recruitment
C/o League of Oregon Cities
P.O. Box 928
Salem OR 97308.

Dear Ms. Oke,

I am interested in the position of, **Prineville - City Manager** as advertised on the LOC web site. The job appears to be an excellent fit for the 25 plus years I have accumulated in public sector management and for me personally.

The attached resume details the positions I have held, but below are the highlights of my career that makes me an excellent choice for The City of Prineville's next City Manager.

- **Management of High Growth, rapidly changing environment** - 25+ years experience in managing administrative departments in highly complex and fast-paced municipal corporations. Eighteen of those years were spent working at the Port of Portland where I managed Finance, Accounting and Information Technology. In 8 years managing the City of Sherwood, it was the fastest growing City in the State for 4 years running. This growth curve required close work with our neighboring City's, the County, Metro and regional water, sanitary and public safety organizations.
- **Management of Complex Undertakings** - Over the last 8 years, Sherwood staff has built \$40+ million in new Civic Infrastructure. Those projects include; Civic Building/ Library, 2 reservoirs and associated water system, baseball complex, softball complex, three new neighborhood parks, 1 new regional park, indoor soccer facility, police station, public works facility, major addition to the City Owned YMCA, and a major "face-lift" for our Old Town. As City Manager, I have coached staff, the public and the electeds through concept planning, public approval, funding, construction and turnover.
- **Innovation** - While the City Manager, Sherwood distinguished itself from other Cities by the ability to think outside the box. Examples include our Police Station and Sherwood Broadband. In '01, when we built our Police Station, we included a firing range for our officers. This has allowed them to improve their job skills while saving transportation and overtime costs. It has become a regional asset for other Cities as well. In '03, Sherwood created its own tele - communications utility. This utility has been an economic stimulus for our Old Town, and it serves over 250 residences and 10 business parks in 4 different Cities, in and around Sherwood. It also provides data connectivity to all of Sherwood's education facilities, as well as allowing Sherwood to lead the County in our approach to interoperability and connectivity to emergency services.

I look forward to your questions about the attached resume and the listed accomplishments above. I also, look forward to our discussions on how I can help the City of Prineville continue to be an excellent place to live and do business.

*Ross Schultz - Resume
February 2, 2008*

Ross Schultz - Resume

August 2008 to Current - City-x Consulting

I am working now, as a consultant, but find that I miss the day-to-day operations of City Government. Currently, I am Interim City Manager for the City of Dayton, (Oct. 08 through current) and in Jan. of 09 began working as a Financial Advisor to the City of Cornelius.

June 2001, to August 2008 - City of Sherwood City Manager (pop 16,500)

Sherwood has been one of Oregon's fastest growing Cities since the mid 90's. This has caused many challenges maintaining order in a chaotic environment. In addition to the \$40+ million in capital infrastructure creation mentioned in my cover letter, other solutions that I have been responsible for, include; an Inter-Governmental Agreement with our School District to share facilities for recreation and other services; Creation of 3 new committees to improve communication with our Citizens; Reorganization of staff to streamline our ability to make Sherwood a great place to do business and to work; Implementation of tools to improve communication between the Public and City Hall; Implementation of a planning process that integrates Council visioning, staff / council planning and staff execution; Creation of an Urban Renewal District that has been instrumental in the rehab of our Old Town, making it a vibrant place to build and locate; Re-hab and reuse of several City Assets for improved public benefit or cash flow to support other uses.

I was responsible for a \$30m (apprx.) operating budget and 100 Full Time Employee's. During my 8 years of service to Sherwood and all of this extraordinary growth, we have kept the Price of City Services / per capita, in a steady decline.

I retired from Sherwood, but have not yet retired in the PERS system.

March 2000 to June 2001 - City of Sherwood Finance Director / Assistant City Manager

Re-organized Sherwood's financial systems. Collapsed over 28 different funds into the seven funds we use today. Revised our budget and Annual reports so that Sherwood received the Government Finance Officers Association (GFOA) award of Financial Excellence for the last 6 years in a row.

October 1981 - March 2000 Port of Portland (700 Employees)

Business Manager Corporate Systems - 3 years (Most Recent)

Responsible for Information Technology Systems for 17 different Departments in our Corporate Division.

Finance Manager - Corporate - 11 years

Responsible for Annual \$500m budget Prep and Capital planning for Airport, Marine Terminals, Land Development and Ship Repair facilities.

Operations Manager - Information Technology - 4 years

Managed the Port's Communication and Technology Group.

Rosa Schultz - Resume
February 2, 2009

Education -

BS Business Administration
Accounting Courses (CPA Exam Prep)
Vietnam Vet.

- Cal Poly Pomona 1974
- Portland State 1996
- 1970 - 71

References -**Mark Cottle, Attorney at Law**

400 Sherwood Blvd

Sherwood, Oregon 97140

(503) 625-5529

Past Mayor Sherwood 2000 - 2004

Jenni Lipscomb, President JBL Consulting

22560 SW Pine Street

Sherwood, OR 97140

(503) 789-9417

Keith Mays, Mayor City of Sherwood

22560 SW Pine Street

Sherwood, OR 97140

(503) 625-4246

Paul Elsner, Attorney at Law

1750 SW Harbor Way

Portland, OR 97201

(503) 226-7191

Personal -

Rosa Schultz

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Email [REDACTED]

Ross Schultz – Resume

September 8, 2008

Career Highlights

- **High growth rapidly changing environment** – I have 25+ years experience in managing administrative departments in mainly municipal corporations. Eighteen years working at the Port of Portland where I managed Finance, Accounting and Information Technology departments and more recently, as the City Manager for the City of Sherwood where for the past 6 years I have managed, the Directors of Community Development, Public Safety, Community Services, Administration, Public Works and Water and Telecommunications Utilities.
- **Working with City Council form of government** - As City Manager for the City of Sherwood, I supported six Councilors and a Mayor. I have supported 3 different mayors and 12 different council members. I have been instrumental in helping Council facilitate open communications between, City Council, City Staff and our Citizens. I would receive an excellent rating from all of the elected officials I have served.
- **Professional management** – Awarded 25 years of service cumulated at the Port of Portland and City of Sherwood. I am a member of the Board of Directors League of Oregon Cities and a credentialed city manager with the ICMA
- **Over the last 6 years**, City staff has built \$40+ million in new civic infrastructure. Those projects include; City Hall/Library, reservoir and associated water lines, baseball complex, softball complex, three new neighborhood parks, one new regional park, two new artificial turf soccer/football fields, indoor soccer facility, police station, public works facility, major addition to the City owned YMCA, and a major "face-lift" for Sherwood's Old Town. As City Manager, I coached staff, the public and the elected officials through concept planning, public approval, funding, construction and turnover of these projects. Please note, that while we were completing these additions to our community, staff supported residential growth of over 2,000 single-family residences and 3 major new shopping centers.
- **Regional Participation** – The City of Sherwood has grown from a population of 2,500 in 1993 to over 16,000 today. The majority of that growth has occurred during my administration. It required close work with our neighboring cities, the County, Metro and regional water, sanitary and public safety organizations.

Ross Schultz – Resume

September 8, 2008

Background and experience:

June 2001, to August 2008– **City of Sherwood City Manager** (pop 16,100)

Sherwood has been one of Oregon's fastest growing Cities since the mid 90's. This caused many challenges maintaining order in a chaotic environment. Some solutions that I have helped architect and implement, include; an Intergovernmental Agreement with our School District to share facilities for recreation and other services; Creation of 3 new committees to improve communication with our Citizens; Reorganization of staff to streamline our ability to make Sherwood a great place to do business; Implementation of tools to improve communication between the Public and City Hall; Developed a planning process that integrates Council visioning, staff / council planning and staff implementation; Creation of an Urban Renewal District that has been instrumental in the rehab of our Old Town, making it a vibrant place to build and locate; Created a Telecommunications Utility that now serves over 250 residences, 6 business parks and five free Hot Spots.

At Sherwood I was responsible for approximately \$30 million a year budget and 100 full time employees. During my six years and all of this extraordinary growth, we reduced the cost of City services on a per capita basis.

March 00 to June 2001 – **City of Sherwood Finance Director/Assistant City Manager**

Reorganized Sherwood's financial systems. Collapsed over 28 different funds in to the seven funds we use today. Revised our budget and Annual reports so that Sherwood has received the Government Finance Officers Association award of Financial Excellence for the last 5 years in a row.

October 1981 – March 2000 **Port of Portland** (700 Employees)

Business Manager Corporate Systems – 3 years (Most Recent)

Responsible for Information Technology Systems for 17 different Departments in our Corporate Division. Line management

Finance Manager – Corporate – 11 years

Responsible for Annual \$500m budget Prep and Capital planning for Airport, Marine Terminals, Land Development and Ship Repair.

Operations Manager – Information Technology - 4 years

Managed the Port's Communication and Technology Group.

Feb. 1974 October 1981

Systems Manager – FMC Portland, OR

Cost Accountant / Data Processing Manager – Masonite Ukiah Ca.

Ross Schultz – Resume

September 8, 2008

Assistant Controller - ABEX Corp. – Willits Ca

Education –

BS Business Administration	- Cal Poly Pomona 1974
Accounting Courses (CPA Exam Prep)	- Portland State 1996

References –

Mark Cottle, Attorney at Law
400 Sherwood Blvd
Sherwood, Oregon 97140 (503) 625-5529
Past Mayor Sherwood 2000 – 2004

Dave King, Regional Director YMCA
23000 SW Pacific Hwy
Sherwood, OR 97140 (503) 625-9622

Paul Elsner, Attorney at Law
1750 SW Harbor Way
Portland, OR 97201 (503) 226-7191

Darrel Buttice, Partner CFM
1100 SW Sixth Avenue
Portland, OR (503) 913-0070

Personal -

Ross Schultz
15653 SW Oriole Ct.
Sherwood, Oregon 97140
Rschu6@gmail.com



Employment Application

City Hall – Personnel Dept.
20 NW Washington St.
Sherwood, OR 97140

We are an Equal Opportunity Employer. We are dedicated to a policy of non-discrimination in employment on the basis of race, color, religion, sex, national origin, age, or physical disability.

Position Applied for:			
Name: Schultz Ross E.			
Address: <small>Last</small>		<small>M.I.</small>	
<small>Street</small>		<small>City and State</small>	
<small>Zip</small>			
Home Phone:	Business Ph.	Message Phone:	
Social Security Number	Drivers License No.	State	Expiration Date
Other/Former Names:			
How did you learn about this position? Newspaper			
Newspaper <input checked="" type="checkbox"/> Jobs Available <input type="checkbox"/> Job Posting <input type="checkbox"/> Web <input type="checkbox"/> Other <input type="checkbox"/>			
Do you type/have computer experience? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Windows <input type="checkbox"/> Mac <input checked="" type="checkbox"/> Other			
What software applications are you most familiar with (word, excel, access)? Any Microsoft Programs			
Can you, after employment, submit verification of your legal right to work in the U.S? Yes			

Education:

Check highest level completed: <input type="checkbox"/> High School/GED <input type="checkbox"/> Community College <input checked="" type="checkbox"/> College or University					
Name and location of school		Graduated?		Type of Diploma/Degree	Course of Study/Major
Yes	No				
HS or GED					
Vocational, e					
College or University	1. California Polytechnic University 2. Portland State	x		B.S. Prep for CPA	Business Accounting

Education – continued:

Name and location of school		Dates Attended		Graduated		Type of Diploma/Degree	Course of Study\Major
		From	To	Yes	No		
Other							
Other							
Other							

Please list any licenses, training, certificates, or memberships you now have that may be helpful in this position:

Experience: Please list your previous employment beginning with your most recent experience. You may include all applicable military, non-paid or volunteer work. If you had more than one position with the same employer, list each separately. Use additional sheets if necessary. May we contact your present employer? ☐ Yes ☐ No

Month/Year	Port of Portland	Supervisor: Howard Fuhrman
From: 2/97	Address: 121 NW Everett Portland Oregon 97209	Phone: (503) 944-7000
To: Present	<i>Street City State Zip</i>	Reason for leaving:
Years: Months: 3	Duties: Business Systems Manager – Corporate Systems	
Last monthly salary: \$6,600		
Month/Year	Employer: Port of Portland	Supervisor: Tom Johnson
From: 7/87	Address: (same)	Phone (503) 944-7610
To: 2/97	<i>Street City State Zip</i>	Reason for leaving: Promotion
Years: Months: 9+	Duties: Finance Manager	
Last monthly salary: \$4,600		

Experience - continued

Month/Year	Employer: Port of Portland	Supervisor:
From: 10/81	Address: Same	Phone:
To: 7/87	Street City State Zip	Reason for leaving: Promotion
Years: Months: 5+	Duties: Data Processing Manager	
Last monthly salary: \$		
Month/Year	Employer: FMC Marine and Rail	Supervisor:
From: 4/80	Address: Front Ave. Portland Oregon	Phone:
To: 10/81	Street City State Zip	Reason for leaving: Business Closed.
Years: Months: 1+	Duties: Accounting Systems Manager	
Last monthly salary: \$		

References

Name: Tom Gilbertson Vice President Investments US Bank	Phone: ,	Relationship/Years acquainted: Work / 15
Name: Courtney Wilton Finance Director David Douglas School District	Pho	Relationship/Years acquainted: Work / 8
Name: Jenni Lipscomb	Phone: (555) 555-5555	Relationship/Years acquainted: Work / 15

Have you ever been discharged or requested to resign from any position? If yes, explain here: No

Have you been convicted of a felony on or after your eighteenth (18) birthday? (Do not include minor traffic violations or arrests without convictions.) ☐ Yes ☒ No. If yes, please give a short explanation outlining the circumstances of your conviction in the space below. (Please indicate date, nature, place of offense, and disposition.) Convictions are not necessarily disqualifying.

November 18, 2008

City of Cornelius
% Dave Waffle – City Manager

Dave,

Attached is the resume you requested. Please let me know if you need more information. Look forward to hearing from you.

- **Management of High Growth, rapidly changing environment – 25+ years** experience in managing administrative departments in highly complex and fast-paced municipal corporations. Eighteen of those years were spent working at the Port of Portland where I managed Finance, Accounting and Information Technology. In 8 years managing the City of Sherwood, it was the fastest growing City in the State for 4 years running. This growth curve required close work with our neighboring City's, the County, Metro and regional water, sanitary and public safety organizations.
- **Management of Complex Undertakings** - Over the last 8 years, Sherwood staff has built \$40+ million in new Civic Infrastructure. Those projects include; Civic Building/ Library, 2 reservoirs and associated water system, baseball complex, softball complex, three new neighborhood parks, 1 new regional park, indoor soccer facility, police station, public works facility, major addition to the City Owned YMCA, and a major "face-lift" for our Old Town. As City Manager, I have coached staff, the public and the electeds through concept planning, public approval, funding, construction and turnover.
- **Working with City Council** - As City Manager, I support six Councilors and a Mayor. In all, I have supported three different Mayors and more than a dozen different Council Members. I have been instrumental in helping Council facilitate open communications between, themselves, Staff and our Citizens. Last year I was awarded the 25-year service award from the ICMA and was designated as a Credentialed Manager.
- **Innovation** – Sherwood has distinguished itself from other Cities by its ability to think outside the box. Examples include our Police Station and Sherwood Broadband. In '01, when we built our Police Station, we included a firing range for our officers. This has allowed them to improve their job skills while saving transportation and overtime costs. In '03, Sherwood created its own tele – communications utility. This utility has been an economic stimulus for our Old -Town, and provides City Internet free. It also serves over 250 residences, 10 business parks and 6 free Hot Spots. It provides free connection to all 8-school locations in our City and with our Communications capabilities; we are leading the County in our approach to Interoperability and connectivity to emergency services. This innovative approach to Municipal Management earned the City of Sherwood the number 18th Best City under 50,000 to live (ref. Forbes 2007).

Ross Schultz - Resume

June 2001, to Current – **City of Sherwood City Manager** (pop 16,500)

Sherwood has been one of Oregon's fastest growing Cities since the mid 90's. This has caused many challenges maintaining order in a chaotic environment. Some solutions that I have helped architect and implement, include an Inter-Governmental Agreement with our School District to share facilities for recreation and other services; Creation of 3 new committees to improve communication with our Citizens; Reorganization of staff to streamline our ability to make Sherwood a great place to do business and to work; Implementation of tools to improve communication between the Public and City Hall; Development of a planning process that integrates Council visioning, staff / council planning and staff implementation; Creation of an Urban Renewal District that has been instrumental in the rehab of our Old Town, making it a vibrant place to build and locate; Currently, I am responsible for roughly a \$30m budget and 100 Full Time Employee's. During my 8 years of service to Sherwood and all of this extraordinary growth, we have kept the Price of City Services / per capita in a steady decline.

March 00 to June 2001 – **City of Sherwood Finance Director / Assistant City Manager**

Reorganized Sherwood's financial systems. Collapsed over 28 different funds into the seven funds we use today. Revised our budget and Annual reports so that Sherwood has received the Government Finance Officers Association award of Financial Excellence for the last 6 years in a row.

October 1981 – March 2000 **Port of Portland** (700 Employees)

Business Manager Corporate Systems – 3 years (Most Recent)

Responsible for Information Technology Systems for 17 different Departments in our Corporate Division.

Finance Manager – Corporate – 11 years

Responsible for Annual \$500m budget Prep and Capital planning for Airport, Marine Terminals, Land Development and Ship Repair facilities.

Operations Manager – Information Technology - 4 years

Managed the Port's Communication and Technology Group.

Education -

BS Business Administration	- Cal Poly Pomona 1974
Accounting Courses (CPA Exam Prep)	- Portland State 1996

References -

Mark Cottle, Attorney at Law
400 Sherwood Blvd
Sherwood, Oregon 97140 (503) 625-5529
Past Mayor Sherwood 2000 - 2004

Jenni Lipscomb, President JBL Consulting
22560 SW Pine Street
Sherwood, OR 97140 (503) 789 -9417

Dave King, Regional Director YMCA
23000 SW Pacific Hwy
Sherwood, OR 97140 (503) 625-9622

Paul Eisner, Attorney at Law
1750 SW Harbor Way
Portland, OR 97201 (503) 226-7191

Personal -

Ross Schultz
15653 SW Oriole Ct.
Sherwood, Oregon
97140

503 - 516-6509 (Cell)

Email Ross@City-x.com

Resume

Jennefer Draper Lipscomb

Experience

City^x

Sherwood, OR

August 2008 to present

This company was incorporated in August 2008 to provide software and consulting services to local governments and has not yet entered into any contracts under this name.

JDL Services, LLC

Lake Oswego, OR

May 2005 to August 2008

In May 2005 I established my own company to provide project management services to small governments. My primary client since then has been the City of Sherwood, OR. Following is a list of projects completed or in process that I managed for the City of Sherwood, population 16,000.

Hansen Implementation - Project manager for a project to implement "Hansen", the City's building permit management software. Duties included: identification of business requirements; documenting business processes; writing request for proposal for permitting software; negotiating the contract and schedule with the vendor; preparing Council legislation and presenting legislation to Council as required; and managing the vendor performance during implementation.

Public Works Hansen Asset Implementation - Responsible for hiring vendor, managing the contract, managing internal resources, designing interface and data conversion specifications, design report specifications, process review, 'as is' and 'to be', finding a new contractor to assist in the implementation when the vendor didn't perform, negotiate with vendor for payment for not performing

Document Locator Implementation - Project manager for a new City-wide document management system. Specific responsibilities included: identification of business requirements; development of implementation design document; vendor selection; implementation consultant selection; contract negotiation; and staff oversight in the implementation of the new I.T. system

Citywide GIS - Responsible for hiring consultant to do a needs assessment, developing a scope of work for the consultant to implement GIS, organized meetings with staff to determine needs, organized intradepartmental meeting to identify joining business processes and developed new processes, made presentations to staff, management and Council.

Cultural Arts Community Center Feasibility Study - Assigned to act as staff liaison to a committee of citizens selected to advise the Sherwood City Council on the feasibility of constructing and operating a Cultural Arts Community Center. Organized the committee, prepared agenda's and minutes for the meetings, established rules for the meetings, reported-

to Council the Committee's recommendation on each phase of the project. Work also included selecting a consultant to produce the feasibility study, managing the consultant's work, analyzing survey results, creating an executive summary of the survey.

Business Process Analysis City Procurement Process – Reviewed all State and City legislation related to procurement and summarized the information gathered into a flow chart, developed modifications to existing practice to follow all legislation and GAAP principles, developed administrative policies, developed training for new practices and policy, delivered training.

Sherwood U - The City of Sherwood identified a need to improve employee technical skills and I was given the task of developing a program. Tasks accomplished were; identifying project team, developing with the team the Sherwood U curriculum, identifying instructors for City specific classes, identifying instructors for non city specific classes, creating the schedule of classes, designing a survey for staff to identify which classes would be of interest, developing some of the course syllabus, negotiating with contractor and monitoring contractor performance.

Sherwood Civic Building: Overall responsibility for managing the \$9.8 million project for the construction of a new civic building/library. This included; working with staff and Council to develop goals and objectives for the project; managing public input into building design process; preparing City Council legislation as required; developing and managing the contractor selection process; representing the City with the contractor and architect in the construction process; managing the schedule and budget; managing the performance of the contractor, architect and other sub-contractors associated with the project.

Duties also included coordinating with multiple government agencies, utilities, vendors, contractors and City staff routinely; making presentations to City Council, citizens groups and staff as required; preparing weekly status reports for City management.

Sherwood Civic Building Retail Tenant – Worked with committee of Council members, citizens and staff to select a lessee for the retail space in the Sherwood Civic Building. Tasks included; organizing and leading meetings with the group to identify requirements for tenants in the building, preparing a Request for Proposals for the lessee, evaluating the RFP, negotiating the terms of the lease with the lessee, presenting committee recommendation to Council, preparing Council staff report and legislation. Managed the build out of retail space including coordinating the construction of the retail space with the City's contractor and the lessee's contractor.

Police Facility Firing Range – On this project I was requested to manage the retrofit of a portion of an original construction contract which was not properly scoped or constructed at inception. As project manager responsible for: Identification of issues related to the construction of firing range, determination of potential remedy with the contractor or architect, recommending a course of action to City Manager; developing Council legislation and presented to Council as required, issuing sole source contract; obtaining building permits, and managing vendor performance

Emergency Management – Conducted research on work required for Sherwood to implement an emergency management system. Conducted meeting with senior staff to identify highest threats to the community. Worked with Tualatin Valley Fire and Rescue to conduct a

table top exercise for the City. Assisted in the establishment of management team roles in the event of an emergency.

**Carisbrook Technologies
Wilsonville, OR**

May 2003 – May 2005

Carisbrook Technology Services is a privately held management consulting firm targeting the information technology field. My goal for joining Carisbrook was to establish myself as an independent project manager in a more varied area than my previous experience had allowed. I was immediately assigned the City of Sherwood project to manage the new Civic Building/Library development.

Project Manager Sherwood Civic Building - During the first two years of this project, I managed the public outreach responsibilities for the project which included: the City planning process ending with planning commission approval; SURPAC review and approval; and city council meetings where the project was developed and finally approved. Components of this work included liaison with hired public relations firms; legal advisors; as well as local media. Directing the architect in the development of a building design that would meet the budget criteria established by the City Council of Sherwood.

**Port of Portland
Portland, OR**

February 1972 – May 2003

Held increasingly responsible positions with the Port of Portland, a government agency involved in airport, maritime, and business park development and management.

Most recently involved with the development of new management information systems within the Port. Following are some of the major accomplishments.

Project Manager for Two Avantis Software Implementations – The first, Port of Portland Corporate Purchasing, Accounts Payable and Marine and Dredge Department Assets and second, Portland International Airport Assets - Responsibilities included: preparation of a business case analysis for the purchase; identification of the business requirements; preparation of the design document; responsible for the entire procurement process including vendor and contractor selection and contract negotiation; responsible for budget and schedule; monitoring vendor and contractor performance; desktop hardware upgrades and development and delivery of training to staff. First project was a \$3.5 million project and took 1 year to complete. The PDX project was \$500,000 and took 6 months to complete.

Project Manager GIS Development – Developed the business case for the implementation of a Port-wide GIS (Geographical Information System). Identified the requirements; analyzed the GIS technology; identified the financial benefits to the Port of Port-wide GIS and made presentation to management for approval.

Project Manager Finance & Administration August 1985 – March 1997)

Project Manager Development of an Information Model for Port - Scope of work was to determine what information was needed to do Port business and who should be responsible for that information. Interviewed Port management and 25 staff members to

determine requirements. Developed scope of project; hired consultant to assist with project; prepared management presentation of information model.

Financial Analyst (November 1978 – August 1985)

Responsible for assisting in the preparation of the Port legal budget; the Port general obligation bond official statements and the process for issuing general obligation bonds; Port revenue bond official statements and the process for issuing revenue bonds; financial analysis as required and business process analysis as required.

February 1972 – November 1978

Variety of support positions leading to the role of analyst and project management

Skills

Microsoft software: MS Office (Word, Excel, PowerPoint, Access), MS project, MS Visio

References

Craig Sheldon, Public Works Director, City of Sherwood
Kathy Taylor, Chief Operating Officer Metropolitan Exposition & Recreation Commission
Marshall Payne, GeoNorth

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The Public's Business

By Lisa Baker

Some have called it a time of reckoning for the private sector as once-mighty industries watch their hottest investments become frigid in the dank economy.

As a result, many businesses, rather than chasing the next new thing, are reforming their playboy ways, devoting themselves to more careful courting.

But their very reticence seems somehow to have steamed the shorts of the Northwest's public sector, which despite punishing economic indicators—or possibly because of them—seems to be throwing a coming out party. Now, government is where ventures are launched and government is where the action is.

Consider this shortlist of recent public enterprise: the city of Portland is considering buying Portland General Electric and is at the same time pursuing professional baseball--financing plans for both projects is unknown. Clackamas County in October teed off on a \$7 million golf business, paid for by the sale of bonds. The city of Vancouver is building a hotel with a combination of sales and hotel-motel room tax revenue. And, the city of Ashland has pioneered its own telecommunications company on a \$5.8 million bank loan.

Local government is in business like never before, seemingly heeding the advice of economists and business boosters alike who advised that government should "act more like a business."

If so, why are the same economists and business boosters more frustrated than ever?

..... Lost in the Translation

Econo-speak.

"That's not what we meant," says Greg Peden, lobbyist for the Portland Business Alliance. He admits that he and his ilk did say, "Act more like a business" but what they intended was sort of what your mother would say when you dragged your shirtsleeve through the gravy: "Sit up straight, watch what you're doing and tuck your shirttail in."

It was not a call to go forth and conquer.

"When people said they wanted government to act like business, they meant to act efficiently, to be more aware of the bottom line," Peden says. "We were not saying we wanted them to get into private business."

Randall Pozdena, economist with Portland-based EcoNorthwest, agrees. "Why should they do that? We have plenty of businesses."

He has a one-word answer to why governments should stay out of the business world: Pamcorp.

It was the hot new thing in the early 1990s that was supposed to make a mountain of cash for the Oregon Public Employees Retirement Fund. The proposal was simple: \$50 million in bonds would fund a start-up aircraft repair concern at the Portland International Airport. Returns from the investment would pay the \$400,000 in monthly debt service and then the profits—predicted to be some \$145 million--would fatten the fund. The Oregon State Treasury, manager of the fund, guaranteed repayment of the bond.

In the summer of 1993, the business opened and repaired precisely two aircraft before collapsing under higher-than-expected costs and less-than-expected interest from paying customers, according to accounts in *The Oregonian*. Despite help from the Port of Portland, which agreed to waive \$1.6 million in land lease payments, and a \$1 million bailout from the Oregon Investment Council, Pamcorp never resurfaced. Months later, then-Attorney General Ted Kulongoski filed suit against the company's top executives, claiming that the three had "milked the corporation of its assets."

Pamcorp remains on PDX grounds, renting out its hangar for aircraft parking, but it's making chump change, Pozdena says. "It's a white elephant."

The lesson, he says, is that a failed investment, however good it looked in the beginning, exposes the public to losses that must be paid back.

It's a pain the people of Ashland will soon feel in the aftermath of the city's attempt at the telecommunications business. In 2001, the city went live with its own cable television/high speed internet service, offering low-cost hook-ups to its residents.

Two years later, the business is swimming in debt, owing in part to too-low estimates on fiber construction costs and, like Pamcorp, fewer than expected customers. The city expects to surpass \$14 million in losses by the end of the fiscal year.

Lee Tuneberg, Ashland's finance manager, is quick to tell you: This is not his fault.

Hired after Ashland Fiber Network launched, Tuneberg finds himself with a mandate to make the venture pay off when he wasn't in on its formation in the first place. "People thought this was going to be a boon."

It doesn't help that the city is not the only act in town. A private provider, Charter Communications, was already offering service in Ashland before the city went forward with its business plan. Why did the city go forward? "I think people are asking themselves that very question now in hindsight," Tuneberg said. "But at the time, it was about creating alternatives for our residents."

The bank loan on the project was secured by the city's electricity fund, which means electricity rate hikes will likely be levied to cover the city's business losses, Tuneberg says. Property tax increases are also under consideration.

Why not simply raise cable rates? "We don't want to affect our competitiveness by raising rates," he says. Instead, the city will look at "expanding product offerings" to entice customers who don't yet have cable or to "steal customers" away from Charter, he says. Why not sell? "We're not considering that at this point. Beneficial things go with having Ashland Fiber Network," Tuneberg says. Chief among those is cheap cable service. "I have the expanded basic service," he says. "60 or 70 channels...and my bill is \$30.60 a month. And then I get high speed Internet for \$31 per month. I know people elsewhere who pay upwards of \$100 for these."

The size of rate and/or tax bill increases is unknown at this point, he says.

It's not the only city facing financial reverses from its outings into the business world.

The City of Portland is losing hundreds of thousands of dollars each year on the \$40 million renovation of Civic Stadium, now PGE Park, money that was intended to be paid back once the park was operating and selling seats and boxes. But expenses soared well beyond projections and luxury boxes sold for less than expected. The project has been bleeding cash since its opening.

But officials still hold out hope that the facility will prove itself a moneymaker, and that the stadium's successful Women's World Cup soccer championship in October was just a taste of what's to come. In the meantime, the city is discussing tax increment financing, among other ideas, to raise money to fund a stadium for a major league baseball team.

Pozdena says it's not surprising that local government-backed projects have so far failed to be a smashing success. He says government takes on business plans that private investors won't touch because they're too risky or just plain infeasible. "Look at Pamcorp. This project was shopped by promoters to everyone—banks and investors—everybody turned up their noses at it."

Moreover, Pozdena says, government agencies are less thorough in investigating the loss-benefit picture because "it's not their money anyway... If there were money in it, developers would be stepping up begging you to let them do it."

Fore!

It's hard to be realistic about anything on a golf course.

The dead-even cut of the grass, graceful bending of trees, the ripple your Titleist makes as it drops short and low into the water hazard for the third time. Ah, golf.

In the 90s, golf took off like a line drive, adding fairway after fairway as golf fans competed for tee times and compared drivers and Tiger Woods sightings. From 1986 to 1990, there weren't enough putting greens to satisfy golf-crazed hordes. And so, between 1991 and 1999, course developers got to work, unfurling green carpet over every picturesque knoll they could find.

Oregon was part of the boom, adding, among others, two courses at The Reserve in Aloha, two at Pumpkin Ridge in North Plains, one at Stone Creek near Oregon City, and one at Langdon Farms in Aurora.

And then the economy slowed. Stopped, even. Executives, if they still had jobs, no longer had expense accounts with which to entertain clients at local courses. Families cut household budgets, deciding to keep Dish Network, dump golf. Not enough new players have taken up where departing players left off, leaving an inflated number of courses to fight over what is left of the market, according to course owners and managers.

The fairways have cleared.

The National Golf Foundation has declared that golf, once thought to be somewhat recession-proof, is in a slump.

But that fact has not cooled local governments' desire to invest in it, and not just to settle for the love of the traditional par-3 muni course, which has been a popular government fare for decades.

Clackamas County acquired Stone Creek Golf Club in October, a designer, regulation course that in its first year of operation earned more than consultants predicted while charging more than most government-owned courses per round. Stone Creek General Manager Gordon Tolbert says that once the novelty wears off, the number of customers will drop somewhat and level off. Even so, he believes the course will do well because of its comparatively ungolfed east side location:

Now the west side, he says, that's where the crowd of courses is.

But that fact has not cooled the City of Sherwood's desire to play through. Armed with a consultant's glowing feasibility report, council members say they're confident their short course, likely to be funded with bonds, will succeed despite generally acknowledged saturation of the field, and two other short courses nearby.

Ross Schultz, Sherwood city manager, says the concept comes recommended by respected golf consultants at Pumpkin Ridge Associates who came, well, recommended.

Brainstorm NW discovered that Pumpkin Ridge Associates is indeed well-regarded in course design and construction. However, Oregon golf officials say they are unknown in the business of feasibility.

Greg Crawford, a principal with the 2-year-old company, says the Associates have performed two or three feasibility studies, aside from Sherwood's, but that they prefer design work. "Feasibility studies are not our favorite thing to do," he says. At the same time, Crawford said the firm would "absolutely" like to design Sherwood's course, should the city proceed. While the Associates report gave figures and estimates showing future profitability, Crawford said it did not actually recommend building the course. "We try to steer clear of recommendations."

Stone Creek's Tolbert said Sherwood's course "might be doable" if it included the right amenities—clubhouse, restaurant, driving range—and if it was maintained and managed by experts in the field. He said he does believe that there can be too much golf for the sport's own good. "Eventually, you can kill the golden goose," he says.

Told that the course is not slated for a restaurant and that the Sherwood Family YMCA is being tapped to manage it, Tolbert said: "Well, they're being optimistic."

But failure would not be the worse thing that could happen to Sherwood's venture, some say. Against the odds, it could succeed.

And that's what bothers Chris Maletis, owner of Langdon Farms, an 18-hole course about 15 minutes from Sherwood. He says the city's course will likely take precious rounds from his business and others, most of which are suffering from declining rounds in the past two years. Ditto plans for a Newberg-area course being pushed by the Chehalis Park and Recreation District.

Todd Rohrer, marketing director for Langdon, puts it this way: "We're keeping our head above the water, but these are tough times."

It's especially galling that the competition is coming from subsidized courses that will pay no property taxes on their land, he says. "We don't need government to help us, necessarily, but we'd prefer government not make it harder for us."

Sherwood Mayor Mark Cottle is unsympathetic. "Well, you know, life's hard," he says. "Yeah, we're subsidizing to the tune of about \$2 million. So what? If you can't stand the competition, you should do something else."

Cottle says he believes the city's rapid population growth will ensure plenty of players for the new course and that the recession-caused slowdown will end soon. "Everything's down big time. Let's face it, the economy sucks. Now, you can wait for a good time and then (build the course) or we can assume the historical trend will hold true and the U.S. will come out of bad economic times."

It's not the only sports enterprise Sherwood is attempting. There's also soccer: The city has announced plans to build an indoor soccer arena just three miles from a new, privately owned arena whose owners had carefully selected their site to be in an underserved area, well away from Beaverton and Clackamas indoor facilities.

Dave Heironimus, Sherwood city councilman, says he heard about the Tualatin arena, but is unconcerned about competition. "My only concern is for our facility. If it takes business away from theirs, I'm sorry for that, but my job is to look out for the best interest of the city of Sherwood."

He was similarly nonchalant about the potential for Sherwood's golf course to shove private golf out of business. "If it's for the public good that we're doing this, then I don't care about private enterprise. It's not our job to make a for-profit enterprise work... Besides, Langdon Farms isn't local anyway. It doesn't provide anything for Sherwood." Heironimus said that if Langdon Farms goes out of business, "they can all work at our course."

The Inn Crowd

The newest player in the hospitality business would like you to know: They'll leave the light on for you.

The City of Vancouver, with hoped-for cash help from Clark County, is preparing to try its hand at the hotel business, hoping receipts from the 225-room hotel venture will help pay for an accompanying conference center. Hilton Hotels have tentatively agreed to act as manager for the \$71 million project, which will be financed largely with proceeds from the city's hotel-motel room tax.

Stephen Burdick, economic development manager for Vancouver, said the plan makes sense because no one is interested in simply building a convention center because such facilities traditionally lose money. He says he believes this one, with the hotel attached, will make the city \$1.5 million per year in continuing revenues—revenues that are currently heading across the river to Portland because of lack of conference space in Vancouver. And there's the added attraction of a long-term revenue source that isn't dependent on taxpayer good will.

But Washington's Hotel and Lodging Association is incensed over the deal.

Jan Simon, executive vice president of the association, says the city's hotel will drain the market advantage out of having a convention center in the first place. "A convention center in its purest sense drives room nights," she says. In this proposal, the city absorbs all of the benefits and keeps them to itself. In addition, it will take customers away from existing inns.

Worse, she says, the city is using the industry's own tax—one that's expected to be used to promote the lodging industry--to compete against it. Given that the city's hotel will not have to pay local taxes while the others will, "It will not be a level playing field," she says.

.....

Good for the Goose...

Public sector officials say it's silly to suggest that government shouldn't have the same opportunity to make money as any other business. And during economic stress times, government projects can pave the way for new investment and thereby put the private sector back in business, they say. So, a new conference center brings travelers to a city who also shop in the downtown and patronize local restaurants.

But primarily, they point out that every dollar government makes in investments potentially lightens the load on taxpayers.

Take Portland Public Schools. The district is planning to rebuild Whitaker Middle School, which was shut down last year after it was found to be infected with both mold and radon. The district has little cash for construction but if it allows a portion of the 13-acre school property in northeast Portland to be developed for housing or retail, it could use the profits to leverage construction of the new school.

So far, a mix of commercial development and housing is being explored. While district officials don't fancy themselves in the development business, they say there is advantage in maintaining ownership of the commercial portions to create a revenue stream over the long term rather than settle for a lump sum.

Marc Abrams, former member of the school board, pushed the concept of the district using private enterprise to buy new school construction but said there was significant resistance from the community for what he believes is prudent fiscal policy.

"There is political pressure that is contrary to acting like a business," he says. "People who want us to keep the land for green space so they can walk their dogs, for instance."

But Abrams believes it is the district's job—especially in times of financial crisis—to wisely invest district resources in ways that bring more private money into the coffers to be used for the public good. Failing to take advantage of opportunities makes the burden on the taxpayer all the more ominous—school buildings aren't cheap.

Others say the tough economy has made the public resistant to more taxes, yet unwilling to let go of the services and amenities government offers. And so, the mandate is to be creative in finding projects that offer both amenities and cash return.

Sometimes, a significant cash return is unnecessary as long as the service is provided without an actual sucking sound emanating from a city's bank account, public officials say.

Such is the parking scene in Eugene. There, the city of Eugene and Lane County have a lock on the parking business. Between the two, nearly every parking garage and surface lot is publicly owned.

Despite the near-monopoly, however, public officials say they don't see much profit—just enough to pay for maintenance and debt service on the properties. “We are self-supporting,” says George Jessie, who manages parking services for Eugene. “It doesn't cost the city anything and there is, arguably, some profit—more like a dividend to the general fund.”

He says the city has mulled turning the parking business over to the private sector, but because the cost of doing business is higher for the private businesses, it's unlikely to be profitable. In the end, Jessie says, he sees it as a support to businesses downtown that otherwise would end up having to provide parking to their customers at an added cost.

Opportunity Costs

Peden, of Portland Business Alliance, says government is losing its grip on the big picture. “Look at it this way: Say you have a city enterprise fund that's self-sustaining, there's (no loss) of taxpayer dollars, so it's a wash. It is not good or bad for taxpayers. Compare that to a private business that would pay taxes on its profits. That is good for our economy, without robbing Peter to pay Paul.”

He says government could whip up its revenues simply by letting private industry do what it does best “rather than trying to compete with it.”

Pozdena is more blunt about the prospects of government in business: “Government can't do what it's supposed to do, let alone run businesses like these. Most of them are fiscal disasters...because most people who go into government are those who already failed at the private sector.”

http://blog.oregonlive.com/nwheadlines/2009/06/todays_headlines_64.html

Today's headlines: Sherwood's broadband bust; Tacoma's missing woman mystery

By Phil Manzano, The Oregonian

June 15, 2009, 7:45AM



Five years after the city of Sherwood started down the road of providing high-speed Internet access to its residents and businesses, it's found what many other cities who tried the same thing have found: it's a hard way to turn a dollar.

Sherwood taxpayers have put up \$1.55 million so far, but Sherwood Broadband has failed to bring in projected revenue and faced cost overruns, according to The Oregonian. Still, local politicians continue to embrace the concept.

Here's an excerpt of the story by reporter Brad Schmidt:

SHERWOOD -- Unlike Portland, reminders of this city's insolvent attempt to provide widespread Internet access aren't perched atop streetlights or traffic signals, where hundreds of Wi-Fi antennas have been abandoned by private industry.

Here, the signs are less obvious. And here, taxpayers carry a heavy burden.

Five years ago, Sherwood leaders ambitiously set out to build and operate a fiber-optic network creating Internet connections to every home and business. They promised that the enterprise would pay for itself -- and then some, creating excess revenue for other city projects.

So far, that hasn't happened.

Read the rest of the story [here](#).

Sherwood rethinks fiber-optic access for all

By Jacob Arnold, The Oregonian

June 14, 2009, 9:18PM

SHERWOOD -- Unlike Portland, reminders of this city's insolvent attempt to provide widespread Internet access aren't perched atop streetlights or traffic signals, where hundreds of Wi-Fi antennas have been abandoned by private industry.

Here, the signs are less obvious. And here, taxpayers carry a heavy burden.

Five years ago, Sherwood leaders ambitiously set out to build and operate a fiber-optic network creating Internet connections to every home and business. They promised that the enterprise would pay for itself -- and then some, creating excess revenue for other city projects.

So far, that hasn't happened.

Plagued by loose planning and oversight, Sherwood's experience exemplifies the risks and challenges of government-funded Internet projects now running in a handful of Oregon communities.

Sherwood Broadband has been subsidized by \$1.55 million in taxpayer money. It has missed revenue projections by nearly one-third while expenses have been more than one-quarter over budget. It serves about two dozen business locations -- nearly half of them outside city limits -- and about 50 wireless users each day. One elected official publicly called it a "significant money loser."

Sherwood leaders acknowledge missteps, particularly minimal marketing and sales efforts. But officials say they are developing a new strategy. And they insist that the 60-mile network could eventually lead to new jobs and economic development.

"Sherwood Broadband is a valuable asset to Sherwood, and its value will increase over time, as more businesses get to utilize it," Mayor Keith Mays says. "I am still a supporter of Sherwood Broadband."

Public money

Experts estimate about 100 governments nationwide have invested public money to create wireless networks, with an additional 50 providing high-speed fiber connections to homes and businesses.

Many see Internet access as the future -- 74 percent of Americans use it, up from 64 percent five years ago, according to the Pew Research Center.

"They view communications as critical infrastructure that is going to be an engine of just about everything communities do and need this century," says Jim Baller, a Washington, D.C., attorney who works with governments on Internet projects.

The investments aid business development, create governmental efficiencies and savings, and improve entertainment options in neglected communities, Baller says. In Sherwood, for example, officials estimate their network saves nearly \$100,000 annually for the city, schools and community.

But providing Internet access requires money, sometimes a lot of it.

"It's important for cities to be cognizant that it's a very competitive and complex marketplace," Verizon spokesman Jon Davies says. "While it may seem like a good idea to go in with public money, it could end up a difficult situation."

Portland's national reputation as a tech-savvy, wireless-friendly metropolis is only aided by the fact that the area's largest private employer makes computer chips. The city spent an estimated \$250,000 in partnering with a California company to build a free wireless network. MetroFi Inc. lost more than \$2 million and abandoned nearly 600 antennas when it pulled the plug last summer, unable to finance the advertisement-supported project.

In southern Oregon, Ashland launched a triple-play cable network including Internet, TV and telephone. Initial expenses jumped to about \$15 million -- four times higher than expected -- and payback won't happen until 2024.

"This is the only service we run where we're in direct competition with the private sector in a high-tech business," says Martha Bennett, Ashland city administrator. "It's just not what governments do."

In the central Willamette Valley, MINet is considered Oregon's top government-funded Internet service. The partnership between Monmouth and Independence is backed by about \$14 million in state loans. Offering triple-play options through a fiber connection, it serves about 3,200 homes and businesses.

"We are a shining star," says Phil Garrett, general manager for the municipal owned nonprofit.

Expansion without a plan

Sherwood is not a shining star.

In 2004, Sherwood bought a 21-mile high-speed fiber connection from Portland and hooked it to an existing line in the city, using \$300,000 from the city's Urban Renewal Agency.

Ross Schultz, the city manager at the time, saw Internet connectivity as a business incentive for Sherwood, a bedroom community that experienced some of Oregon's most explosive growth during the 1990s. Schultz says he contacted Comcast and Verizon, but neither wanted to form a partnership.

"This was a risk," says Schultz, the project's top backer, who began pushing the idea in 2001. "Unless you take the risk, you're not going to reap the benefits."

The plan, as stated in a Sherwood City Council resolution: "Build and operate a telecommunications network, creating a connection from every address in the city to the Internet via fiber-optic cable."

But the grand vision lacked details.

Sherwood Broadband had no business plan. It had no staff. Schultz and the city's technology guru managed and marketed the project, going after customers considered to be the "low-hanging fruit." They eventually contracted with Tigard-based Sterling Communications to be the Internet service provider.

In 2006, the City Council set formal goals for Sherwood Broadband. Among them: Stimulate economic development and generate revenue for other projects.

City Councilor Linda Henderson admits she can't name a business that has been drawn to the community because of Sherwood Broadband. "I don't know of a company that has it on a top 10 list," says Henderson, a broadband fan nonetheless.

As for revenues: "Sherwood Broadband ... has been a significant money loser for the city each fiscal year it has been in operation," City Council President Dave Heironimus wrote last fall in Sherwood's monthly newspaper.

Heironimus has been the project's most outspoken critic. He is particularly critical of Schultz, who, he says, helped persuade the council to expand into Newberg because the Portland line wasn't making enough money.

Sherwood hired CSI Inc. to do the seven-mile extension. The company was owned by then-City Councilor Dave Luman, a former consultant who helped Schultz pitch the Internet project. Luman recused himself from voting.

Officials approved spending \$200,000. It jumped to \$300,000 because of "unanticipated costs driven by the permitting process," according to the city. Several big-time businesses were supposed to sign on. Only Providence Newberg Medical Center did.

"I don't see how anyone can say it's a success," Heironimus says. "Is it an utter failure? No. I think we're heading in the right direction."

Stop or keep going?

Today, the broadband system reaches the Sherwood School District, a couple of residential developments, government buildings and some businesses. The city also created seven wireless hot spots that are accessed each day by about 50 people.

But budget and staffing problems forced city leaders in January to seek a "new sustainable solution." The three options for Sherwood Broadband: Sell it, lease it or keep going.

New City Manager Jim Patterson and technology manager Brad Crawford are now crafting Sherwood Broadband's first business plan, which is expected to include a timeline toward financial solvency.

"The broadband utility has probably underperformed to its potential. And that's disappointing," says Patterson, Schultz's former assistant.

"What is hopeful here, though, is that with a new strategy ... we'll make better decisions, we'll be more responsible in terms of our expenditures and our revenue -- that's the upside here," Patterson said. "Now it's all a matter of how do you do it in a smart way?"

In March, the City Council transferred \$950,000 from the general fund to rectify Sherwood Broadband's budget problems. The transfer cut the city's general fund reserves by almost half.

On Tuesday, the City Council is expected to approve its 2010 budget. Projections show Sherwood Broadband will earn \$325,000 in revenue. That's slightly more than the previous five years combined. About \$91,000 of that has been set aside to pay for a new telecommunications supervisor for Sherwood Broadband.

Looking back, the city's former manager pauses when asked whether Sherwood Broadband has been a success.

"If I had it all to do over again," Schultz says, "I likely wouldn't do it."

-- Brad Schmidt; bradschmidt@news.oregonian.com

<http://siliconinvestor.advfn.com/readmsg.aspx?msgid=21684029>

BROADBAND

Sherwood, OR expanding municipal fiber optic network to surrounding communities, will use "excess revenue" ("I don't ever say the p-word," or profit, because that's a business term, [City Manager Ross] Schultz said") to enable deployment of \$10 - \$12 residential wireless service by the end of the year

<http://www.oregonlive.com/business/oregonian/index.ssf?/base/business/1126177395278001.xml&coll=7>

Subj: **RE: Records Request for Sherwood Broadband Business Plan**
Date: 5/12/2010 3:48:30 P.M. Pacific Daylight Time
From: murphys@ci.sherwood.or.us
To: ClausSL@aol.com

Hi Susan, the DRAFT Sherwood Broadband Business Plan can be found on the City website at the following link.

<https://www.sherwoodoregon.gov/administration>

Take care,

Sylvia Murphy, CMC
City Recorder
murphys@ci.sherwood.or.us
Ph: 503-625-4246
Fax: 503-625-4254

From: ClausSL@aol.com [mailto:ClausSL@aol.com]
Sent: Wednesday, May 12, 2010 10:11 AM
To: Sylvia Murphy
Subject: Re: Records Request for Sherwood Broadband Business Plan

Hi Sylvia--

I am following up on my earlier email (see below) regarding the Sherwood Broadband business plan. I would like the latest draft and also the approved plan as voted on by City Council if that had already occurred. Please let me know if it has been placed on the city's web site and if so, where it can be found.

Thanks--

Susan

Subject: Re: City Council 2010-11 Budget request
Date: 5/7/2010 10:09:48 A.M. Pacific Daylight Time
From: ☐ ClausSL@aol.com
Reply To:
To: citycouncil@ci.sherwood.or.us, pattersonj@ci.sherwood.or.us, gibonsc@ci.sherwood.or.us
CC: murphys@ci.sherwood.or.us
BCC:
Sent on:
Sent from the Internet (Details)

Dear Council, Jim and Craig--

Thank you for all your work on the upcoming budget. I would like to suggest that as a matter of form that each page of the budget be designated in a footer with the proper page number, Budget Name and budget year, city name, date the budget document was run, something like this:

Tuesday, May 18, 2010 AOL: ClausSL

City of Sherwood, Oregon
Proposed Budget 2010-11
Date run:
Page ____ of ____

Currently the budget document only has a page number at the bottom.

I have experienced difficulty when trying to talk with people about the various budget pages individually-- since there are different versions floating around, the discussions become unnecessarily tangled trying to figure how which pages people have. Additionally, when presenting budget information to the Council, it will also solve any issue of from which version of the budget that the excerpted pages belong.

Additionally, I would like to formally request that Jim asks staff that the DRAFT and FINAL (if ready and approved) business plan for the Sherwood Broadband be put up on the city's web site. I know members of the budget committee have also requested copies. I know I would like a copy too-- It is an easy document to upload and would save us all a lot of time and money for it to be generally available. If for some reason this request is denied, could you please have Sylvia send me a records request form. Since this is part of the active budget hearings process, I don't believe I should be charged for the document.

Thank you for your consideration in this matter.

Sincerely,

Susan

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Subj: Re: LUBA tape replacement- Time Sensitive-- Cannery PUD
Date: 4/12/2010 1:37:08 P.M. Pacific Daylight Time
From: ClausSL@aol.com
To: CrawfordB@ci.sherwood.or.us, murphys@ci.sherwood.or.us
CC: lerandel@hotmail.com

Hi Brad--

Why do citizens have to have password protected access to public information on the web site? If you do not have access to the web and go in to City Hall to obtain a copy of the tape, you do not have to register for access to receive it in person.

What kind of tracking does the City do for web site users? Does the City capture the IP address of the user? What is done with that ID? What tracking tools are used by the City?

Thank you.

In a message dated 4/12/2010 12:09:42 P.M. Pacific Daylight Time, CrawfordB@ci.sherwood.or.us writes:

Susan,

Yes I got the access denied message originally. If you have troubles with the website you can email webmaster@ci.sherwood.or.us, this message will go out to all of us in IT. A few of us have Blackberries and monitor this email nearly all hours of the day.

Regards,
 Brad

From: ClausSL@aol.com [mailto:ClausSL@aol.com]
Sent: Monday, April 12, 2010 11:56 AM
To: Brad Crawford; Sylvia Murphy
Cc: lerandel@hotmail.com
Subject: Re: LUBA tape replacement- Time Sensitive-- Cannery PUD

Brad-- Did you get the access denied reports? Also, is there an after hours number people can call regarding problems with the web site? Thanks-- Susan

In a message dated 4/12/2010 11:53:15 A.M. Pacific Daylight Time, CrawfordB@ci.sherwood.or.us writes:

Hi Susan,

I just checked again from several different computers and it does appear to be working. It's possible that your web browser is "remembering" the last state of the podcast page, usually a restart of your computer will resolve this.

Regards,
 Brad

From: Sylvia Murphy
Sent: Monday, April 12, 2010 11:49 AM
To: 'ClausSL@aol.com'
Cc: lerandel@hotmail.com; Brad Crawford
Subject: RE: LUBA tape replacement- Time Sensitive-- Cannery PUD

Susan,

IT Staff looked into this morning as I did and it was functioning correctly. Brad is checking it again.

Sylvia Murphy, CMC

City Recorder

murphys@ci.sherwood.or.us

Ph: 503-625-4246

Fax: 503-625-4254

From: ClausSL@aol.com [mailto:ClausSL@aol.com]
Sent: Monday, April 12, 2010 11:39 AM
To: Sylvia Murphy
Cc: lerandel@hotmail.com
Subject: Re: LUBA tape replacement- Time Sensitive-- Cannery PUD

Sylvia-- It gives an Access Denied message for the Pod casts and asks for a password, etc... that's part of the problem and when it happens during a time that no one is at city hall, then more time is lost. I believe we have a request in to the IT department. Why would there need to be a password for a pod cast?

In a message dated 4/12/2010 11:23:40 A.M. Pacific Daylight Time, murphys@ci.sherwood.or.us writes:

Lori Randel brought this to our attention and staff is working on it, I'll advise when it's ready for pickup. In the meantime, the audio from the 2/16/10 Council meeting is available on the City website at this link. [Council Podcasts | City of Sherwood Oregon](#)

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Subj: RE: Follow up to our conversation
Date: 2/5/2010 11:19:51 A.M. Pacific Standard Time
From: blumsj@ci.sherwood.or.us
To: ClausSL@aol.com
CC: pattersonj@ci.sherwood.or.us, murphys@ci.sherwood.or.us

Susan,

My corrections are in red below.

Thanks,
 Julie Blums
 City of Sherwood
 Accounting Manager
 503-625-4240

From: ClausSL@aol.com [mailto:ClausSL@aol.com]
Sent: Monday, February 01, 2010 12:00 AM
To: Julie Blums
Subject: Re: Follow up to our conversation

Julie—

Could you verify that this is what you shared with Council a couple Saturday's ago at the City Council's Goal Setting Session about how the proceeds from the Cannery Sale were used. I know you didn't make a handout, but I took some notes. When you and I talked at the break I also asked you a few questions, which detail I have also included here. If I have anything wrong, please correct me. I wanted to follow up with you before too much time passed from that Saturday Council meeting when you gave your oral report.

Thank you in advance for your help. -Susan

Sale of Cannery from City of Sherwood to Sherwood Urban Renewal Agency	\$ 3,065,000
Proceeds deposited into City General Fund 2008	

Pay Back Interfund Loan to Sewer Fund- (2009 or 2008?)	\$ 4,593,000 1,595,075
---	--

This pay back recorded through what kind of a "transfer" between the General Fund and the Sanitary Sewer Fund

This transaction was recorded as a reduction of a receivable for Sanitary And a reduction of a payable for the General Fund

Loan to Telecom Fund	900,000 950,000
-----------------------------	-----------------------------------

Transfer from General Fund to Telecom Fund (2009 or 2008?)

(This loan will be repaid with ___ % interest by Tel Com Fund once Broadband becomes viable)

The interest will be based on the Local Government Investment Pool rates

Loan to Storm Sewer Fund for Stella Olsen Bridge Project	350,000 370,000
---	-----------------------------------

Transfer from General Fund into Storm Sewer Fund (2009 or 2008?)

(You said this was already paid back to the General Fund in 2009)

Friday, February 05, 2010 AOL: ClausSL

Paid Cost for Paving of VFW Parking Lot (2009 or 2008?)
Expense from General Fund

~~445,000~~ 134,000

~~Other Expenses () What was this?~~

~~60,000~~

Misc left in General Fund for expenses

~~47,000~~ 15,925

TOTAL

\$3,065,000

=====

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DRAFT Business Plan for FISCAL YEAR 09/10

January - 2010

Contributors:

Brad Crawford: IT Director

Jim Patterson: City Manager

Tom Nelson: Economic Development Director

1. Executive Summary

Sherwood Broadband (SBB), the City of Sherwood's telecommunications utility has seen steady growth in the six years since its formation. This growth has given SBB roughly 60 miles of fiber optic communication lines and service to nearly 50 public and private businesses. It is estimated that the replacement value of the SBB network is near \$1.4M. To date, SBB has saved the City of Sherwood's general fund over \$200k and provides \$100k annually in combined savings to both the city and school district.

While Sherwood Broadband has contributed many benefits to the community it has come at a financial cost. In the 08/09 budget staff transferred \$950k from the general fund to the telecom fund to cover its prior investment. The goal of this business plan is to outline a strategy to provide return on this investment and provide sustainability through a positive revenue source in the coming years. This plan takes a conservative approach to growth which projects annual return on investment and protects the utility from incurring debt. With a conservative approach to growth it's expected that revenue will stay rather flat unless the business and economic conditions increase within Sherwood.

As Sherwood Broadband transitions to this limited growth business model it must keep expenses in check if sustainability is to occur. This business plan also outlines a few strategies to minimize future expenses and risks while increasing revenue. While it is difficult to know how future conditions will affect the utility, it is safe to assume that if expenses are kept low and current customers are protected that sustainability can be achieved.

1.1 Objectives

- Operate in a no or limited growth mode, growth focused in Sherwood only
- Stimulate economic development through partnerships with other service providers and business retention and recruitment strategies.
- Maintain a balanced budget that pays back existing debt by fiscal year 2019/2020
- Pursue risk and expense minimization strategies

1.2 Mission

Promote broadband utilization within Sherwood, and stimulate Economic Development through the use of broadband services.

1.3 Keys to Success

- Maintain current customer relationships
- Keep expenses flat unless revenue increases
- Limit liabilities and risks within the utility
- Promote the utility to other service providers
- Develop programs that encourage economic development within the utility

1.4 Threats to Success

- **Loss of current customers** – Since the majority of revenue is generated from just a few large customers the loss of any one of them could be detrimental to revenue forecasts
- **Reliability of the network** – With the lack of a high speed redundant connection on the network, SBB is limited to what it may provide its customers. This could consequently result in a loss of new business and existing customer renewals.

2. Organizational History

In early 2001 staff proposed a project called the Sherwood Community Access Network System (SCANS). The scope of this project was to build a community network and deliver it to every home in Sherwood via fiber optic communications. The price of this project was estimated at the time at about \$10 million.

While at the time funding was not available for a project of this size it did however lay the ground work for a pilot project funded by the Urban Renewal Agency. This project was to purchase a fiber optic communications line from downtown Sherwood to a major data center in Portland. This gave Sherwood the ability to purchase internet bandwidth and network connectivity at discounted rates. In the 05-06 Budget, the budget committee created the Sherwood owned utility, Sherwood Broadband.

Since that time many fiber optic construction projects occurred to bring connectivity to both public and private facilities. Additionally, Sherwood Broadband began installing wireless access points at various points around Sherwood to offer free wireless internet access to the surrounding residents and visitors.

2.1 Legal Entity

The City authorized the creation of Sherwood Broadband in 2005, by ordinance 05-007, which is now Chapter 4.04 of the Sherwood Municipal Code. Sherwood Broadband operates and maintains a fiber optic communications system capable of providing internet access and other communications services to customers inside and outside of the

City. The system is comprised of facilities constructed by the City as well as dark fiber owned by other entities to which the City has access through long term agreements.

2.3 Past Performance

	2006-07 Actual	2007-08 Actual	2008-09 Budget	2008-09 Projected	2009-10 Proposed	2009-10 Approved
SOURCES						
Beginning fund balance	\$(494,479)	\$(469,315)	\$(764,725)	\$(754,604)	\$ 35,558	\$ 35,558
Revenue						
Charges for services	54,613	88,262	145,000	168,000	325,000	325,000
Fines, interest and other		225				
Total revenue	54,613	88,487	145,000	168,000	325,000	325,000
Other sources						
Transfers in	300,000			950,000		
Total other sources	300,000	-	-	950,000	-	-
Total sources	(139,866)	(380,828)	(619,725)	363,396	360,558	360,558
USES						
Expenditures						
Personal services						
Salaries and wages		22,798	72,597	35,773	62,390	62,390
Payroll taxes		2,093	7,476	3,682	5,998	5,998
Benefits		8,082	24,936	10,857	22,464	22,464
Total personal services	-	32,973	105,009	50,312	90,852	90,852
Materials and services						
Professional & technical	56,384	31,365	17,000	111,000	15,000	15,000
Facility and equipment	47,065	150,245	60,000	30,300	20,000	20,000
Other purchased services	90,791	45,369	44,660	29,089	50,979	50,979
Supplies	25,000	4,671	15,000	15,000	15,000	15,000
Minor equipment	27,297	12,465		6,250		
Other materials & services	23,918	61,956	35,684	20,887	33,703	33,703
Total materials & services	270,454	306,071	172,344	212,526	134,682	134,682
Capital outlay						
Infrastructure	9,907	14,515	75,000	65,000	100,000	100,000
Furniture and equipment	34,818	19,765			15,000	15,000
Total capital outlay	44,725	34,280	75,000	65,000	115,000	115,000
Debt service						
Principal						
Interest	14,271					
Total debt service	14,271	-	-	-	-	-
Total expenditures		373,324	352,353		340,534	340,534

Other uses	329,450			327,838		
Transfers Out		451				
Ending Fund Balance	(469,315)	(754,604)				
Contingency			(972,078)	35,558	20,024	20,024
Total uses	(139,866)	(380,828)	(619,725)	363,396	360,558	360,558

3. Services Definitions – “Point to Point services”

- **Network Transport** - This service utilizes the Sherwood Broadband equipment to create a virtual communications link between two points. There is no content (Internet, Voice, and Video) on this communications link; it is only a dedicated connection between two points.
- **Dark Fiber** – Excess fiber that Sherwood Broadband owns. This can be used to provide a dedicated communications link that is outside of the Sherwood Broadband infrastructure.
- **Wavelength** – This is similar to dark fiber in that it allows for the creation of a dedicated communications link. Instead of using dedicated fibers this technology uses a dedicated color of light to create the communications link over a fiber optic connection.

4. Strategy and Implementation

There are several key strategies that Sherwood Broadband will focus on in this business plan. These strategies, services, partnerships and economic development are seen as key drivers to maintain sustainability of the utility.

Services – Sherwood Broadband currently offers both Internet and dedicated point to point services. The Internet services that SBB provides represent a small portion of the utilities annual revenue. Furthermore this service requires the utility to purchase Internet bandwidth from other service providers which results in a rather large annual expense. Additionally, these Internet services are complex to implement and maintain on the network and therefore require more resources to administer. In this new business model it will be important for Sherwood Broadband to move away from providing these Internet services and focus solely on dedicated point to point services. By doing so the utility opens the door for partnerships to occur with Internet Service Providers (ISPs). These ISPs could, for a fee, utilize the SBB network to sell Internet to Sherwood businesses and residents.

Partnerships – Partnering with other Internet Service Providers has the greatest opportunity for Sherwood Broadband to both increase utilization of the network as well as revenue. With the sales force these ISPs offer they have a much greater opportunity to sell service in Sherwood than what SBB could do on its own. Furthermore, since these ISP's have great insight into the needs of their current customers they can be used to help attract new businesses to Sherwood. This business plan emphasizes these partnerships and recognizes that they will be the primary source for new revenue within the utility.

Economic Development – With Economic Development being one of the primary drivers for the formation of Sherwood Broadband this plan recommends the creation of programs to support Economic Development through the utility. One way this can be done is through a partnership with service providers and developing a program that incents them when they bring a new business into town. This could be done by offering the service provider free or discounted services to new business. Furthermore, this incentive can be offered, as well, through the city's economic development department as a way to entice businesses to locate in Sherwood. These economic development incentives can be offered via free or reduced extension of services providing access, as well as discounted services over a period of time to new business. To qualify for incentives, a business would be required to:

- a. Be a "traded sector" industry
- b. Provide "average county wage" employment
- c. Or provide over \$1 million in additional capital investment

5. Financial Plan – Return on Investment

Investment from several sources in Sherwood Broadband utility has incurred since its inception. The largest portion occurred last year when Sherwood transferred roughly \$950k from the proceeds of the sale of the cannery. Another portion came from the original grant of \$300k from the Urban Renewal Agency that formed the utility. The last portion came from a \$300k capital investment for the Newberg fiber optic line which was funded through the general fund in 06/07. The business plan outlines a strategy to provide return on these investments as follows:

- **General Fund transfer 08/09 (950k)** – Return on this investment will occur over time from revenue generated by the utility. The goal is to reach breakeven on this investment by the 2019/2020 fiscal year.

- **Urban Renewal (300k)** – Return on this investment will be seen by means of subsidies the utility provides to businesses moving to Sherwood. The value of that subsidy will be tracked and a return realized for the initial investment.
- **Newberg Fiber (350K)** – Return on investment will be seen by means of savings the city achieves because of the broadband utility, and the free services it provides. Estimated savings to date has been roughly 200k and continues to provide 100k annually in savings from both city and school district services.

5.1 Projected Performance

Highlights

- \$520k projected beginning fund balance in FY15/16
- Capital investment for network redundancy is included
- No additional revenue is projected other than revenue from network redundancy
- No capital investment for new fiber projects is projected

	2009-10 Projected	2010-11 Projected	2011-12 Projected	2012-13 Projected	2013-14 Projected	2014-15 Projected
SOURCES						
Beginning fund balance	\$ 25,342	88,842	168,842	236,842	304,842	412,842
Revenue						
Charges for services						
Fines, interest and other	203,500					
Total revenue	203,500	250,000	238,000	238,000	238,000	238,000
Other sources						
Transfers in						
Total other sources	-					
Total sources	228,842	250,000	406,842	474,842	542,842	650,842
USES						
Expenditures						
Personal services						
Salaries and wages	30,000	45,000	45,000	45,000	45,000	45,000
Payroll taxes						
Benefits						
Total personal services	30,000	45,000	45,000	45,000	45,000	45,000
Materials and services						
Professional & technical	25,000	25,000	25,000	25,000	25,000	25,000
Facility and equipment	25,000	20,000	20,000	20,000	20,000	20,000
Other purchased services	45,000	15,000	15,000	15,000	15,000	15,000
Supplies		15,000	15,000	15,000	15,000	15,000
Minor equipment						
Other materials & services	15,000	10,000	10,000	10,000	10,000	10,000
Total materials & services	110,000	85,000	85,000	85,000	85,000	85,000

Capital outlay						
Infrastructure		40,000	40,000	40,000		
Furniture and equipment						
Total capital outlay		40,000	40,000	40,000		
Debt service						
Principal						
Interest						
Total debt service	-					
Total expenditures	140,000	170,000	170,000	170,000	130,000	130,000
Other uses						
Transfers Out						
Ending Fund Balance						
Contingency						
Total uses	140,000	170,000	170,000	170,000	130,000	130,000

Summary

Sherwood Broadband, as with most utilities, provides community services beyond its pro forma and breakeven analysis that can be measured better in terms of "livability". Considerable research has concluded that the presence of broadband services assists a community in attracting businesses, as well as making a community more attractive for its residents.

However, this business plan provides a quantitative analysis that will make Sherwood Broadband a successful enterprise beyond the overall community benefit. Not only does it provide a conservative plan for sustainability of the utility, but it also provides return on investment that provides financial strength for the utility in years to come.

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Sherwood projects to revitalize downtown area

Daily Journal of Commerce (Portland, OR), Jan 7, 2005 by Justin Stranzl

After about 30 years during which no new buildings were constructed in the city of Sherwood's downtown area, the city will soon have its first new downtown building, which will be followed up by several other downtown revitalization projects.

The downtown building project will kick off tomorrow when Howard S. Wright Construction breaks ground for the new Sherwood Civic building, which will house city hall offices, a library and retail space.

This is a really exciting event for Sherwood, said Jill Daniel, marketing manager with Howard S. Wright Construction. It is going to be a new focal point for the town- There is strong community support for this project.

The 31,000-square-foot civic building, which will rise at Northeast Oregon and Northwest Pine streets in the city's Old Town district, is estimated to cost the city of Sherwood about \$10 million in building and land costs. The actual cost of constructing the building is estimated at about \$6.7 million.

We are excited about this project, Daniel said. Our goal is to have this project finished by Thanksgiving of this year.

According to Steve Simpson, the project architect with Thomas Hacker Architects Inc., the goal for the project is to create a contemporary building that combines both the public institutions that it will house and also relates to the historical context of Sherwood's downtown area.

One of the design challenges we faced was to give each distinct program its own identity both from the exterior and interior, Simpson said. This was achieved through manipulation of building massing, scale and material.

Simpson said the design of the building includes an energized programmatic overlap that occurs in the public areas of the project such as plazas, lobbies and common areas. Additionally, Simpson said much design emphasis was paid to the library's large double volume reading room, which he says will be defined by masonry walls and twelve fabricated steel columns.

Sherwood City Manager Ross Schultz said that he hopes the building will be a catalyst for additional redevelopment in downtown Sherwood.

We're hoping that it will spur new economic development around the structure, Schultz said.

One property in particular that Schultz hopes the new civic center will spur into development is a 6.4-acre former cannery site, located across the street from the civic center project. The city of Sherwood acquired the property from Bob Jones Enterprises for \$1.8 million and hopes to see it redeveloped with high-density residential and retail space beginning in 2006.

We're hoping to partner with a developer or developers to get that thing developed, Schultz said. The big reason to get Old Town redeveloped is to give it a sense of its own.

In addition to the civic building and cannery property redevelopment, the city is also planning a multi-million dollar streetscape improvement project that is scheduled to begin later this year.

Estimates for the streetscape project have ranged from \$10 million to \$15 million. The Sherwood Urban Renewal Policy Advisory Committee will make a recommendation at a Jan. 19 meeting as to how much the city will be able to afford to spend on the project.

When these projects are completed, our Old Town will be a beautiful place to come and do business, Schultz said. We're trying to make Sherwood the best town to live in and the best city to work in.

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Urban Renewal in Oregon

History, Case Studies, Policy Issues, and Latest Developments

Researched and written by
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Consultants in Policy, Planning & Project Management

Urban Renewal in Oregon
History, Case Studies, Policy Issues, and Latest Developments

This report was prepared for the
Portland Development Commission
on behalf of the
Association of Oregon Redevelopment Agencies

2002



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Preface

Urban Renewal in Oregon tells the “story” of urban renewal and how communities have often reaped the benefits and sometimes the disappointments. It hits the high points, relying on the memories of people who were and are involved in different phases of urban renewal and on secondary information sources. Rather than examining every urban renewal project in the state, this report uses case studies to illustrate different themes and elements of Oregon’s urban renewal story. It concludes with a look at what the future may bring.

The impetus for this project was the desire on the part of the Association of Oregon Redevelopment Agencies (AORA) to honor Lyle Stewart’s pioneering work on urban renewal in Oregon. AORA decided to develop and offer an annual lecture series – the “Lyle Stewart Lectures” – at the planning schools of the University of Oregon and Portland State University. *Urban Renewal in Oregon* will serve as a foundation for the lecture series, and to better inform the public about how urban renewal works.

An ongoing lecture series provides an ideal forum for discussing the dynamics of urban renewal as new projects develop, laws and practices change, and community needs evolve. The lectures also provide a way to introduce planning students to a field they may not have otherwise considered.

We hope the history, case studies, and discussion of policy issues and the future of urban renewal will serve the public well.

Acknowledgments

We specially acknowledge the Portland Development Commission, which generously funded this project, along with its extremely helpful staff. We also want to acknowledge AORA, which provided significant moral and other support and on whose behalf *Urban Renewal in Oregon* was written.

Thanks also to Oliver Norville, another Oregon urban renewal pioneer, who generously gave his time and wisdom to this project. Many current and former city and county managers, urban renewal directors, community leaders, and others willingly shared information and helped shape this project. A complete list of those who have contributed to this effort is in the Bibliography.

Dedication to Lyle Stewart (1923-1998)

"Lyle Stewart was the dean of urban renewal people in the state."¹

Lyle Stewart, an architect and planner, was born in Colorado. His family moved to California during the Depression. Starting with nothing, his father built a successful career at Mobil Oil.

Lyle went to the University of Southern California School of Architecture and met his future wife, Katie, who at the time was his boss at the USC art store. She later became an integral part of his consulting practice. Lyle and Katie went to England when he received a Fulbright Fellowship to study town and country planning at the University of Liverpool.

Upon returning to California, Lyle taught planning and urban design at USC. His most notable achievement in California was the key role he played on a resource team serving the California legislature. In 1950, this team was asked to develop viable methods of local financing of part of the costs of redevelopment projects. The result of this effort was the creation of tax increment financing (TIF).

Lyle's first Oregon urban renewal project was in Medford. He and Katie moved to the Medford area in 1964 only a few years after voters approved a constitutional amendment making Oregon the second state to authorize tax increment financing.

Lyle introduced the promise of urban renewal and TIF to communities of all shapes and sizes in Oregon (and other western states). He helped develop their plans and visualize their redevelopment projects, making his mark on more than 40 urban renewal plans throughout the state.

His work extended from the Portland Development Commission and Clackamas County in the north, to Salem in the mid-Willamette Valley, to Seaside and Astoria on the coast, to Bend in central Oregon, and to Pendleton in the east, just to name a handful of his Oregon projects. This work included the design and cost estimates of project improvements and development of financing plans including tax increment analysis, projections, and any tax impacts on taxing districts.

Lyle drew from his architecture and planning skills as well as his thorough knowledge of tax increment financing. In his urban renewal work, Lyle was the principal responsible for existing condition surveys, blight documentation, urban design, renewal plans, and report preparation.

Some of his last work was in Lincoln City, where he and Katie moved in the 1990s, and in Talent and Grants Pass near where he got his start in Oregon. The last complete plan he developed from scratch was for the White City area of Jackson County.²

Urban Renewal in Oregon is dedicated to Lyle Stewart, whose groundbreaking work on urban renewal left its mark on Oregon and throughout the West.

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Introduction

"Renewal – the act or state of being renewed. Renew – to recover; to revive, restore to a former state, make new or as if new again. Renovate, repair, restore."³

Urban renewal has been embraced by cities and counties of all shapes and sizes in nearly every region of Oregon. It has offered municipalities a way to redevelop and revitalize their communities, using public investment to stimulate private investment in areas that otherwise would have remained stagnant or undeveloped.

Originally a federal housing program, urban renewal agencies were first formed to take advantage of federal funding to do what was characterized as "slum clearance." It has come a long way since this highly controversial approach to redevelopment. It is now used as a tool for downtown revitalization, multi-use projects, and economic development driven by community wants and needs. Why has urban renewal been important to so many Oregon communities?

To start with, "urban renewal" plans do not necessarily address "urban" areas or "renewal" of existing buildings. Since 1979, financing has been available for projects having little to do with urban areas or renewal, but Oregon law still refers to "urban renewal agencies" and the term has had staying power.

Nearly 50 Oregon cities and counties⁵ currently have or are considering having active urban renewal agencies. While many of their urban renewal plans focus on restoring and reviving downtown areas, there are numerous examples that focus on industrial development. Their plans have been used to spur on redevelopment in areas that otherwise would have remained physically deteriorated, unsafe, or poorly planned.⁶ And all of their plans focus on working closely with their communities to make them a much better place for the future.

Tax Increment Financing

The true value of urban renewal as we know it today stems from three types of authority not otherwise available to local government:

- It allows for the use of tax increment financing to finance improvement projects.
- It allows for special powers to buy and assemble sites for development or redevelopment, if that is desired.
- It allows for special flexibility in working with private parties to complete development projects.

Tax increment financing (TIF) is the primary way urban renewal projects are financed, even though agencies can and do use other funding sources. Because of the significance of its impact, TIF has become nearly synonymous with urban renewal in Oregon. Appendix A lists Oregon urban renewal agencies currently using TIF.

The concept of TIF is simple. Tax revenue generated by the incremental increase in value ("increment") in the renewal area can be used to pay for improvements in the area being renewed. Once an urban renewal boundary is defined, the county

assessor “freezes” the assessed value of real property within the urban renewal district. When property values go up as a result of investment in the area or appreciation, the taxes on the increase in the assessed value above the frozen base are used to pay for the improvements in the urban renewal area (see chart in “How Urban Renewal Works”). In the long term, the increment goes back at full value onto the tax rolls, from which all taxing districts benefit.

TIF enables communities to finance urban renewal projects and leverage other funding, often through cost sharing with other city and county departments or as a match for grants from the state or federal government. TIF also enables communities to do long-range renewal planning outside of the politics and limitations of the annual general fund budget process. Because of this flexibility, urban renewal agencies can respond more readily to economic and real estate cycles.

Urban Renewal Broadens its Focus

TIF came into its own in the 70s, and along with it came a fundamental shift in the way urban renewal was being planned and implemented in communities throughout the state. Land clearance and focusing on housing were no longer the sole function of urban renewal. Instead, urban renewal expanded to become a tool for regenerating cities and towns. Their activities and plans are driven by what is most needed and works best for each community.

“When urban renewal was first used in Oregon, its practices mirrored the prevailing redevelopment wisdom of its time. Areas thought to be blighted were completely cleared of structures, with the idea that by removing blight and providing readily developable parcels, new development would be induced. In most instances, entire neighborhoods were removed in the name of urban renewal. In some instances, the anticipated development never occurred. Today, urban renewal agencies no longer clear large areas of land. Instead, they work within the existing built and social environment to create and encourage redevelopment opportunities for those who desire it.”⁷

Urban renewal has experienced notable advances in public involvement and accountability as a result of past controversies. In 1971, a Portland City Club committee detailed some of the problems it associated with Portland Development Commission (PDC) projects like South Auditorium, Linnton, and Emanuel Hospital. The committee was so concerned about what it perceived as “lack of coordination and remoteness from citizen influence” that it called for, among other things, abolition of the PDC as an “independent, autonomous agency, and creating a city department to undertake urban renewal.”⁸

Later in the 70s, the legislature appointed an interim committee to address a variety of urban renewal “abuses” among the twelve then-existing urban renewal agencies. One of the identified problems was the large amount of land in some urban renewal areas. At that time, Lincoln City reported that 95% of the city was within its urban renewal area while Toledo anticipated 89% of the city would be. The impact on Lincoln County taxing districts, and especially schools, would have been severe.

"Urban renewal is an attempt to give back to the city what age and obsolescence have taken away. It is a program of systematic improvement through which citizens, in partnership with governmental agencies and private enterprise, come together to restore the vitality of the city."⁴

Oregon law now demands that urban renewal plans be consistent with other plans (notably the municipality's comprehensive plan), that the public and overlapping taxing districts be involved and informed, and that regular fiscal reports be made. The law also places an upper limit on the amount of land and assessed value that can be in an urban renewal area.

Ongoing Concerns

But urban renewal will likely always attract some controversy. Recently, Multnomah County criticized PDC for including too much land in the North Interstate Urban Renewal Area, reducing its revenue more than necessary to achieve the plan goals. Numerous projects built in part with urban renewal funds have been criticized for not generating increment in proportion to the urban renewal investment. Examples include the Performing Arts Center in Newport, the Eastbank Esplanade in Portland, and the public library in Eugene downtown.

Over the years, some communities have rejected urban renewal plans either directly or indirectly by public vote. These votes have often been the result of actions by an individual or group strongly opposed to urban renewal in the community. Critics generally object to what they perceive as public subsidies for private businesses, overreaching by the agency in land area or scope of projects, and "taxation without representation."

In March 2002, Woodburn voters approved the adoption of an urban renewal plan. The ordinance adopting the plan was referred by initiative to the voters because some residents believed that urban renewal plans should be voter approved. Troutdale had a different result in that special election. Voters overwhelmingly voted no on an ordinance referred by initiative that would have designated the city council as the agency overseeing urban renewal, thus effectively nullifying the urban renewal plan.

Examples of urban renewal setbacks include:

- Gresham, where voters defeated two different downtown plans in the 1980s;
- Beaverton, where residents approved a charter amendment in 1980 requiring majority voter approval of any new urban renewal activity; and
- Canby, where residents in 2000 indirectly rejected a mixed downtown/industrial development by refusing to approve annexation of land necessary for implementing part of the urban renewal plan.

Gresham and Canby are revisiting and modifying how urban renewal might work in their communities as described in the case studies included in this report. Beaverton has also given thought to how urban renewal could be a tool for revitalization of the central part of the city.

Urban renewal agencies counter their critics by demonstrating the long-term advantages of urban renewal, working closely with the community and overlapping taxing districts to respond to concerns during the planning and implementation stages, and documenting the proportionate benefit of projects to the urban renewal area. Agencies also have been flexible in changing the scope and nature of urban renewal plans and projects as demonstrated in many of the case studies.

A recent research project provided quantitative information on how the public perceives urban renewal. Although the data are limited to Portland, it is likely - attitudes in other areas of the state would similarly express both strong support for and reservations about urban renewal, as has been the case throughout the history of urban renewal in Oregon. The following is from the research summary:

"Portland residents like and support urban renewal. Roughly two in three (68%) have favorable opinions of the program and more than three in four (78%) support the concept of urban renewal.

"Top-of-mind, the aspect of urban renewal that residents like best is that it helps to rehabilitate the city in a variety of ways, including the environment, affordable housing, new business and jobs. Conversely, the main hesitations residents have about the program are paying for the improvements and displacing residents...

"After hearing statements about urban renewal and tax increment financing, support for urban renewal remains strong. Three in four residents favored urban renewal, even after learning voter approval is not required and that funds cannot be used for social programs."⁹

Report Overview

This report presents the evolution of urban renewal in Oregon, grouping and summarizing significant developments by key historical events and legislative milestones. It goes on to discuss in more detail how urban renewal works. Ten case studies that illustrate the breadth and themes of different urban renewal plans are presented. A discussion of latest developments affecting the future of urban renewal and common elements that can and do affect the success of urban renewal efforts follows.

The last section discusses future issues and policy implications. It recognizes that urban renewal has demonstrated a remarkable resilience over the years, in large measure because of its widespread use in so many communities that have benefited.

Evolution of Urban Renewal in Oregon

"We started out as a child of federal government ... all having renewal agencies so we could get money and tear down neighborhoods and rebuild them. I think life got more subtle and sophisticated and we understood old things had value and saving them has value."¹⁰

The Early Years

"The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family . . ."¹²

This clear statement of intent in the U.S. Housing Act of 1949 marked the beginning of what became known as "modern urban renewal."¹³ The Act restated a commitment first made by the federal government in 1937 to provide decent housing for every American.

The 1949 Housing Act provided federal funds to cities for urban redevelopment in the post-war period, with an increasing amount of federal funds available for nonresidential projects over time. Title I of the Act offered federal funds to local public agencies to assemble, clear, and resell or lease land for predominantly residential uses to private developers or public housing agencies – what many referred to as "slum clearance."

The Oregon legislature responded to the federal legislation by passing an urban renewal law in 1951. This enabling legislation authorized only housing authorities to act as urban renewal agencies, but was expanded in 1957 to include city councils, county commissions, or separate boards appointed by these governing bodies.

To be eligible for federal funds, cities had to comply with myriad federal requirements. One requirement was that each state receiving federal urban renewal funds have a test case on the use of eminent domain to acquire public property for urban renewal purposes. In the landmark decision *Foeller et ux. v. Housing Authority of Portland*,¹⁴ the Oregon Supreme Court in 1953 upheld the constitutionality of Oregon's "Urban Redevelopment Law."

Urban renewal agencies were formed throughout the country to take advantage of the availability of significant federal funds to help revitalize their communities. Oregon was no exception.

The earliest urban renewal efforts were undertaken in Portland by the Housing Authority (HAP), which at the time was the only agency under Oregon law that could act as an urban renewal agency. On recommendation of the Portland Redevelopment Advisory Board, a citizens' committee organized under the 1951 state enabling laws, HAP decided on major redevelopment of what was called the Vaughn Street area. The project was defeated by Portland voters in 1952 and HAP was unable to later revive it.¹⁵

At HAP's suggestion, the Mayor's Advisory Committee on Urban Renewal (MACOUR) was appointed in 1955 and it soon presented to the city council a planning proposal for what became known as the South Auditorium project. This project is included in the case studies later in this report.

Council at the time expressed concern about whether renewal authority should continue with HAP, given its focus on public housing. To get around state restrictions, HAP contracted with the City of Portland Planning Commission for professional services, which in turn hired Santa Barbara's planning director, John Kenward, to head a new seven-person urban renewal section in the Planning Bureau.¹⁶

Kenward and Planning Director Lloyd Keefe, with the support of MACOUR, went to the Oregon legislature in 1957 to gain direct authority for the city council (along with county commissions and appointed separate bodies) to act as urban renewal authorities. The next year Portland voters approved creation of an independent agency – the Portland Development Commission (PDC) – to undertake urban renewal programs.¹⁷

Eugene formed its urban renewal agency in 1958, the same year PDC was created. Salem was next in 1961. Interest in urban renewal was not limited to the larger cities in Oregon – Cascade Locks, Cottage Grove, Albany, Coos Bay, Newport, Beaverton, Toledo, Lincoln City, and Tualatin formed their own agencies during the mid to late 60s and early 70s.¹⁸ At the time, Cascade Locks had the distinction of having one of the smallest urban renewal programs in the nation.¹⁹

The earliest Oregon urban renewal agency projects were driven by federal funding availability. In Portland, Eugene, and Salem, university-related projects were completed at Portland State University, the University of Oregon, and Willamette University using urban renewal funding specially set aside for them. The early urban renewal agencies also used Neighborhood Development Program and Model Cities funding which reflected a shift from large scale clearance to neighborhood rehabilitation. These programs generally involved the community much more than before in planning and decision-making.²⁰

The early "slum clearance" projects such as South Auditorium in Portland and Eugene downtown generated the most controversy because of the widespread displacement of residents and businesses and demolition of what some considered historically valuable buildings. PDC set up its own relocation assistance office for the South Auditorium project, and the Eugene renewal agency helped small businesses with loans and other assistance, but the relocation assistance available at that time was insufficient to take care of all of the needs of those who were displaced.²¹

Congress passed the Federal Uniform Relocation and Real Property Acquisition Act of 1970, and Oregon later enacted its own relocation provisions which substantially incorporated the same benefits.²² The federal act set up a procedure to provide relocation benefits for any federally assisted program. It required, among other things, the purchase of homes at fair market value, reimbursement of moving costs, and additional assistance to homeowners and renters.

"TIF is a bootstrap operation that pays for itself...It is a fabulous tool that must be used carefully." 11

Advent of Tax Increment Financing

The Housing Act required a local match for federal urban renewal funds. To find ways to meet that match, in 1950 a California resource team (which included Lyle Stewart) worked with the Legislature to develop viable ways for local financing. Its work resulted in tax increment financing (TIF) – now a major means of funding redevelopment throughout the country.²³ A California constitutional amendment authorizing TIF was approved in 1950, and in 1951 the California legislature enacted implementing legislation.

Again, the concept of TIF allows tax revenue generated by the incremental increase in value ("increment") in the renewal area to pay for improvements in the area being renewed. In the long term, the increment goes back at full value onto the tax rolls, from which all taxing districts benefit.

John Kenward, PDC's director, was familiar with what was known as the "Sacramento plan," having come to Portland from California. Sacramento was the only city using TIF at the time. Kenward teamed with Oliver Norville, general counsel to PDC, to draft a constitutional amendment based on the California constitution for legislative referral. The amendment, which authorized the use of TIF by Oregon urban renewal agencies to finance urban renewal projects, overwhelmingly passed both houses of the legislature.²⁴

In 1960, Oregon voters approved that constitutional amendment.²⁵ The following year the legislature enacted implementing legislation. Oregon was thus the second state in the nation to authorize TIF. By 1970, only five other states had joined Oregon and California; however, by 1997 nearly every state had authorized this financing method.²⁶

Oregon's constitutional amendment was grounded in the then-existing Federal Housing Act programs, and allowed use of tax increment financing only for redevelopment or an urban renewal project. To qualify, an area must be "blighted" or "deteriorated."

The first enabling legislation required a finding of "blight" based on the strict standards for federally assisted programs.²⁷ Urban renewal later evolved from a program for clearance of blighted areas and development of low-cost housing to a program for stimulating development in areas that were not otherwise developing well. As a result, the legislature became interested in defining "blight," an issue that would be addressed in the late 70s by the legislature.

Major Changes in the 1970s

In 1974, Congress passed the Housing and Community Development Act. The Act consolidated numerous federal grant programs, including urban renewal, into one block grant that went directly to cities and counties. There were no longer direct federal grants to urban renewal agencies; rather there were undedicated block grants that went directly to local government. For urban renewal, this fundamental shift in financing and planning resulted in much more use of TIF.

Other trends during the 70s also contributed to increased use of TIF. One was a change in emphasis from redeveloping housing areas to revitalizing business districts, a strategy that was more likely to generate substantial tax increment revenue. Secondly, the public was becoming increasingly reluctant to approve general obligation bond levies, and tax increment bonds did not require voter approval. And third, taxing districts were attracted by the potential for increased assessed valuation of the entire district which lowered tax rates.²⁸

TIF thus came into its own as the main way for urban renewal agencies to finance their projects and the term is often used as a substitute for urban renewal. At the same time, the highly structured regulations of the Housing Act that underlay Oregon's original enabling legislation no longer existed. Over time, state statutes alone proved inadequate to guide TIF activities.

Problems emerged during the 1977 Oregon legislative session. The identified problems included lack of citizen participation in the process for developing an urban renewal plan, inadequate fiscal accountability to the public, excessive impact on other taxing bodies, use of tax increment for economic development rather than "slum clearance," and the large size of some urban renewal areas like Lincoln City and Toledo.

Rather than take action during the session, an interim task force was appointed to study and report back to the next session. Based on the interim committee's recommendations, the 1979 Legislature substantially rewrote Oregon urban renewal statutes, providing direction in the formation and operation of renewal agencies.²⁹

Highlights included:³⁰

- Expanded permissible uses of TIF recognizing that communities could be improved by stimulating economic development without housing.
- Expanded the definition of "blight" (the key term for defining an urban renewal district) to include, "[a] growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare."
- Improved public scrutiny of renewal efforts by requiring local development agencies to prepare detailed annual reports addressing the uses and effects of TIF, including effects on overlapping taxing districts.
- Required approval of an urban renewal plan by non-emergency ordinance after public notice, hearing, and consideration of public testimony and after presentation to overlapping taxing districts.
- Restricted the percentage of a municipality's assessed value and land area that could be placed within an urban renewal area.

Most of the changes enacted in 1979 continue to be the core of urban renewal law and practices today, along with legislative refinements over the years. Major changes to TIF were later required to respond to voter approved changes in Oregon's tax structure (Measures 5, 47, and 50).

Major Activity in the 80s

Many Oregon urban renewal agencies matured during the 80s. Agencies that had been formed in the late 60s and early 70s were implementing previously adopted urban renewal projects, and new agencies formed in the late 70s started phasing in their urban renewal projects.

As Oregon went into the depths of an economic downturn in the late 70s and early 80s, urban renewal was needed more than ever. In some communities, it was the only economic stimulus available to the community.

The economic downturn was both a blessing and a curse for urban renewal agencies. On the one hand, inflation benefited urban renewal districts by increasing land values, thus generating more increment. On the other hand, the prime rate climbed into the twenties and interest rates on tax exempt bonds were as high as 13%. This was a double hit – to both the agency issuing bonds and to private developers with whom the agency was trying to form a partnership.

Seaside, for instance, was affected by these economic trends. Formed in 1978, the agency was ready to proceed in 1982 with a major downtown infrastructure project when bond interest rates reached 12.75%. Although some thought the agency should wait, others supported the agency's decision to proceed precisely because things were so bad. In retrospect it turned out to be a good decision.³¹ Not all agencies were as fortunate. For example, a major downtown development agreement fell through in Eugene because of the inability of the developer to obtain affordable financing.

The 80s saw the beginning of urban renewal agencies "having the mindset to be in the economic development business."³² An early example was PDC's Northwest Front Avenue Urban Renewal Area, established in 1978. The selected site was considered blighted because of bad soil conditions and no access. Only later did officials learn the site also was a "brownfield" (i.e. it was environmentally contaminated). Without urban renewal it would not have been feasible to develop.

"The project provided \$14 million in tax increment financing for...site improvements [for Wacker Siltronic, a German semiconductor manufacturer]...In addition to returning more than ten times Portland's urban renewal investment in enhanced property tax value, the plant provided 800 jobs. Jobs were made available to unemployed Portland residents through the region's first 'first-source' hiring agreement."³³

Early examples of "greenfield" (i.e. not environmentally contaminated) developments were Fairview Urban Renewal District in Salem (1984) and Leveton Tax Increment District in Tualatin (1985). Both encompassed substantial acres of undeveloped land with great potential for industrial development but no infrastructure and not "ready to go," something Pacific Rim companies in particular expected at the time.³⁴ The urban renewal agencies were able to acquire options to purchase the land at "bare land value," borrow the funds to build the infrastructure, and then succeed in quickly attracting significant development, thus "jump starting" a generation of increment to pay back the loans.

The 80s represented a time of tax reform activity. Oregon voters handily defeated several sales tax measures and also voted down several property tax limitation measures. It is important to understand that from the time TIF was approved in 1960 until the passage of Ballot Measure 50 in 1997, Oregon had a levy-based tax system. Under this system, property tax rates were "elevated" to produce the authorized levy amounts and extra funds, equal to the taxes on the increment for urban renewal agencies. As a result, the impact of tax increment financing was on tax rates paid by taxpayers, and generally not on overlapping taxing districts.

The looming anti-tax sentiment among voters, and especially the high level of initiative and referral activity that could affect property taxes, was worrisome for urban renewal agencies. In 1985, representatives of some agencies lobbied the legislature for mitigation of the losses in tax increment revenue should its referred sales tax measure pass. In 1986, a group of agencies met to provide input for the federal tax reform act that affected the tax exempt status of certain types of urban renewal bonds.

Some agencies also saw inconsistencies in urban renewal practices throughout the state, and felt they could be vulnerable to a legislative response to perceived urban renewal abuses. These combined needs for a unified response from urban renewal agencies showed the need for an ongoing organization to represent their interests.

As a result, under the leadership of urban renewal agencies including Tualatin, PDC, Lake Oswego, and others, the Association of Oregon Redevelopment Agencies (AORA) was formed in 1987. AORA members include urban renewal agency staff and professionals serving those agencies. It serves as an affiliate organization of the League of Oregon Cities, advocating for urban renewal agencies and developing guidelines and procedures for all agencies to voluntarily follow.

Upheaval of the 90s

Two statewide ballot measures in the 90s dramatically altered Oregon's property tax system. In 1990, voters approved Measure 5, which established limits on the amount of property taxes paid by any individual property for all levies other than for general obligation bonds. When fully implemented in 1995-96, it cut tax rates an average of 51% from their 1990-91 levels.

The impact of Measure 5 on urban renewal agencies was significant. Urban renewal revenue were categorized as local government taxes subject to the Measure 5 limit of 1% (or \$10.00 per \$1,000) of a property's real market value. (The taxable "assessed value" of property was generally equal to its real market value.) In many cities, the total of urban renewal taxes and other local government taxes exceeded the limit.

When local government taxes on a property exceeded \$10.00 per \$1,000, the taxes were proportionately reduced or "compressed" until they met the limit. Losses of taxes from this process are called "compression losses." A common response to Measure 5 compression losses was to direct urban renewal agencies to reduce or eliminate collecting tax increment revenue to lessen the Measure 5 losses to general government agencies.

Another impact was that for the first time, taxes for urban renewal were identified as such on tax statements, thus increasing the visibility of TIF. Urban renewal agencies expected a huge outcry from the public when they received their statements, but the response was much less than anticipated.

Making things far worse for urban renewal was an Oregon Supreme Court decision that TIF bonds were not exempt from Measure 5 limits, whereas taxes for general obligation bonds were.³⁵ Voters soundly rejected Ballot Measure 1 in a special statewide election in 1993. The measure was an attempt to allow voters to approve an exemption for TIF bonds in their city or county.

Portland, The Dalles, and Albany were examples of cities with urban renewal agencies that were hit hard. In Portland, urban renewal funded by TIF nearly ground to a halt.³⁶ The Dalles urban renewal agency had sold bonds before Measure 5 passed. Because of the impact of Measure 5 on their taxing districts, The Dalles paid off the bonds and became a "penniless organization" at the time.³⁷ Albany's experience was similar, but unlike The Dalles, Albany decided to terminate its plan. The Dalles kept its plan alive, but did not collect any revenue.

In 1997, voters passed Measure 47, which proved unworkable, but which was replaced by Measure 50. Measure 50 cut the taxing authority of taxing districts, rolled back the assessed value of property, and limited annual growth in assessed value to 3%. Measure 50 also transformed the system from one primarily based on levies to one primarily based on permanent rates.³⁸ Taxing districts received revenue based on changes in assessed value.

By creating a rate-based property tax system, the bulk of the impacts of TIF now take the form of revenue impacts on overlapping taxing districts as opposed to rate impacts on taxpayers. This is a major concern to urban renewal agencies and it requires working closely with all taxing districts as new urban renewal plans are developed or substantially amended.

The Measure 50 system of raising urban renewal taxes would have resulted in 50-60% less revenue than agencies could collect under Measure 5. Therefore, specific provisions of the measure "grandfathered" plans in place as of the effective date of Measure 47, allowing existing urban renewal plans to use a special urban renewal levy to make up most of the potential losses and complete their projects.

Urban renewal plans approved after Measure 47's effective date could still be feasible, but did not provide as much tax increment revenue as earlier plans. Measure 50 minimized the impact of Measure 5 on urban renewal funding because it reduced taxes levied by other local governments, and not all urban renewal tax revenue had to fit within the 1% Measure 5 limit. However, it resulted in the loss of revenue to overlapping taxing districts which created a new set of challenges.

Within the new parameters of Measure 50, financing of urban renewal through tax increment was back on track with significant activity throughout the state. In Portland, for example, five new districts were established following the passage of Ballot Measure 50. New urban renewal plans were adopted in communities like Sandy, Canby, Columbia County, La Grande, Lebanon, Albany, Troutdale, and Coquille. It is too early to judge the success of these new plans.

The New Millennium

The new millennium started out well. Although there were bills introduced in the 2001 legislative session that could have dramatically altered urban renewal, the only legislation of consequence that passed was HB 2315. This bill, which applied to urban renewal plans adopted after its effective date, made minor modifications in the TIF process resulting in a slight to moderate reduction in revenue for future urban renewal plans.

But, the end of 2001 marked a potentially dramatic turnabout. The Oregon Supreme Court, in a unanimous decision, reversed an earlier Oregon Tax Court decision. It ruled that the tax increment revenue from school and bond levies need to be categorized as local government taxes and subject to the Measure 5 \$10.00 per \$1,000 real market value limit. Known as the *Shilo* case,³⁹ the precise impact on urban renewal agencies is so far unknown, but it will reduce revenue to the agency and to overlapping taxing districts by forcing more taxes under the local government limit.

In spite of the uncertainties surrounding urban renewal, communities are continuing to consider urban renewal. Recent initiatives include Brookings, Madras, Sisters, Hermiston, and Pendleton. Existing agencies are considering how to handle current and planned projects given preliminary analyses of the impact of the *Shilo* decision. Because each community and its property tax situations are different, agencies likely will need to respond in different ways.

A chronology of the legislative history of urban renewal is in Appendix B.

How Urban Renewal Works⁴⁰

"While most states authorize TIF, there is substantial variation among them in how it operates. The laws range from extremely basic (Alaska's law is one printed page) to very detailed (California's is over 300 pages)."⁴¹

[Oregon's urban renewal law is a modest 19 pages.]⁴²

How urban renewal works in Oregon is governed by Oregon statutes, Department of Revenue administrative regulations, and how the courts have interpreted Oregon laws. Many of these legal requirements focus on when and how TIF can be used for urban renewal.

Other factors influence how urban renewal works. Perhaps most important are the unique circumstances of each community. These are generally reflected in the urban renewal plan for each area a community has designated as blighted. Practices and procedures also have developed over the years. AORA has included these, along with guidelines for "best practices," in a manual that is given to all urban renewal agencies. The manual is designed to encourage uniform practices among agencies throughout the state.⁴⁴

How can a community use urban renewal?

Any municipality (city or county)⁴⁵ can use urban renewal, but it must establish an urban renewal agency and it must adopt an urban renewal plan.

What is an urban renewal agency?

Urban renewal agencies are created by state law (ORS Chapter 457) but are specifically "activated" by the municipality's governing body. The agencies are separate legal bodies, but in most cases in Oregon, members of the urban renewal board also are members of the governing body. However there are exceptions and the designation of an agency board is dictated by the particular circumstances of the municipality.⁴⁶

Generally, the choice to make the governing body the urban renewal agency reflects a belief that it provides greater public accountability since the members are elected officials among other advantages. Those who like independent agencies say they are "devoid of partisan politics"⁴⁷ and enable the governing body to act as "mediator and adjudicator" if needed.⁴⁸

What is an urban renewal plan?

To undertake urban renewal projects with tax increment financing, the projects must be authorized in an urban renewal plan. The plan applies to a specific geographic area of the municipality, which is called the urban renewal area. In adopting the plan, the municipality's governing body must find that the area is eligible for urban renewal because of existing "blight," which is defined as conditions such as deteriorated buildings and lack of adequate infrastructure.

The urban renewal plan is required by statute to contain goals and objectives, authorized urban renewal projects, a limit on the expenditures (excluding interest payments on debt), specific provisions regarding acquisition and disposition of land

"The need for public involvement in urban renewal planning and project implementation has grown steadily over the years.... [I]t allows the agency to clearly identify critical community issues and areas of confusion or concern."⁴³

(and use of eminent domain), and provisions regarding how the plan may be amended in the future. An urban renewal plan is accompanied by an urban renewal report that documents the conditions of blight, provides detailed financing and scheduling information, and projects the impacts on overlapping taxing districts.

How is an urban renewal plan adopted?

First, the governing body or urban renewal agency decides that it wants to consider an area for a possible plan. This decision is usually in response to interest in the community in revitalizing the area.

As a typical next step, the eligibility and feasibility of the area as an urban renewal area is studied. This "feasibility study" includes information about property values, development conditions, availability and condition of streets and utilities, and other key factors. (Alternatively the feasibility study can be folded into the preparation of an urban renewal plan and report.)

If the area is found eligible by the governing body and it wishes to proceed with urban renewal, an urban renewal plan and report is prepared. The planning must involve citizens at every stage, and especially when it comes to determining what projects and activities are to be undertaken. Notice must also be sent to affected taxing districts, who may make comments on the plan.

An urban renewal plan must be presented to the planning commission for its recommendations and then must be adopted by the governing body after a public hearing is held. Notice of the public hearing must be sent to each individual household in the city or, for a county agency, to each individual household in the school districts included in the plan area.

What can happen under an urban renewal plan?

Urban renewal agencies can do certain projects or activities under an adopted urban renewal plan. These projects and activities include:

Construction or improvement of streets, utilities, and other public uses. The most common type of urban renewal project is infrastructure development, including streets and utilities. Urban renewal also commonly funds parks, plazas, and pedestrian facilities.

Rehabilitation or conservation of existing buildings. An urban renewal agency can assist in rehabilitation projects of any type (residential, commercial, industrial) typically through loans and grants to private property owners.

Acquisition and improvement of property. An urban renewal agency can acquire property, typically for resale for private or a combination of public/private development. The agency has the power of eminent domain (condemnation) for redevelopment purposes, which is not a power of cities or counties themselves. The agency must identify properties to be acquired in the urban renewal plan, which must be acquired at fair market value.

Once acquired, urban renewal agencies can clear and improve the properties prior to resale or lease. Any persons or businesses displaced by agency acquisition are entitled to relocation assistance.

Because use of the power of eminent domain is controversial in some communities, an urban renewal plan can limit the authority of the agency to acquire property. For example, a plan may require a plan amendment for a specific acquisition or it may prohibit condemnation, allowing land acquisition only if there is a willing seller.

Resale or lease of property. An urban renewal agency can sell or lease property it owns for redevelopment. Unlike cities and counties, the agency can legally sell for less than fair market value. Property can be sold for its "fair reuse value" which takes into consideration restrictions on the use or types of uses that may be developed or redeveloped on the property and other limitations imposed by the urban renewal plan that may affect the property's value. The developer is required to develop in accordance with the plan and within a reasonable period of time pursuant to a development agreement.

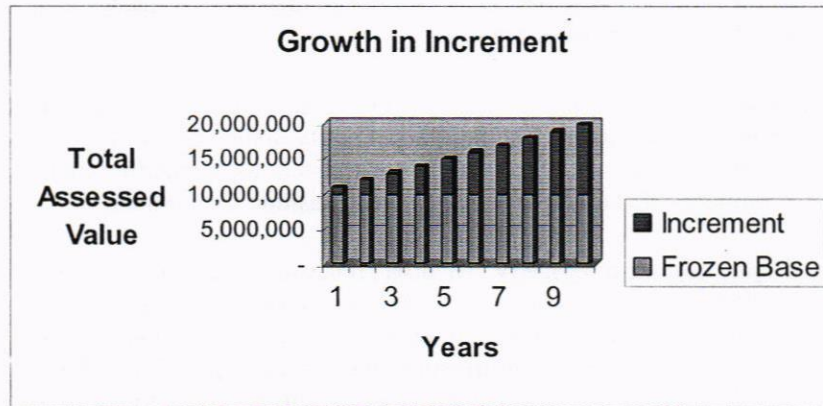
What about projects with citywide or regional scope?

Some urban renewal projects which are located within urban renewal areas provide benefits on a much broader scale. Some of these projects are public buildings like a city hall, library, or conference center. Other types of projects with broad benefits might be the main trunk of sanitary sewer, storm sewer, water lines, or transportation projects.

The urban renewal agency is expected to demonstrate a clear connection between such projects and the particular objectives of the urban renewal plan. In terms of funding such projects, the agency should allocate tax increment funds in general proportion to the benefits received by the urban renewal area compared to the community as a whole.

How are urban renewal plans financed?

Urban renewal is unique in that it can be financed by urban renewal taxes through TIF. Urban renewal taxes are generated by the *increase* in total assessed values in the urban renewal area from the time the urban renewal area is first established. The assessed value of an urban renewal area at the time the plan is adopted is called the "frozen base." Growth above the base is called the "increment" as illustrated in the following chart.



Case Studies Introduction

The following case studies tell the story of urban renewal in Oregon through the experience of different communities. These communities faced both unique and common problems and had both unique and common challenges in developing and implementing their urban renewal plans. These communities were willing to take risks, to accept setbacks, to seize opportunities, and to persevere in the face of difficult odds.

These selected case studies illustrate a variety of characteristics of urban renewal efforts in Oregon. To fully catalog all of the projects for the nearly 50 active urban renewal agencies⁴⁹ in Oregon would be cumbersome and not necessarily helpful. Additional case studies may be added as this document is periodically revised and updated.

The case studies demonstrate that there are commonalities among urban renewal efforts. They also demonstrate that what works in one community may not work in another.

Some of the key themes that emerge from the case studies are:

- Influence of the economy (probably the single most important factor in determining whether an agency can move ahead)
- Payoff for patience and perseverance
- Advantages of being flexible and ready to respond to unplanned opportunities
- Impact of public opinion
- Importance of being able to do significant land assembly (something for which urban renewal is uniquely suited)
- Willingness to revisit urban renewal

Each case study begins by listing some of the key elements of the community's experience with the described urban renewal plan. It then highlights the community's experience with their urban renewal plan(s) and projects. The case studies are presented in chronological order from the earliest to the most recent.

The Pioneering Plan – South Auditorium Project

"In the 1950's, Portland suffered from urban decay...Today, 25 years after the adoption of the South Auditorium plan, Portland is healthy and has been honored as one of the nation's most livable cities."⁵⁰

Key elements:

- First project of the new PDC
- Land clearance then considered "best practice"
- Significant land assembly and development
- Neighborhood upheaval and controversy with displacement of residents and businesses
- Significant addition to tax rolls
- Stimulant to downtown development and revitalization
- Federal financial assistance

The flagship project of the Portland Development Commission (PDC) became known as the South Auditorium project because civic auditorium was within its boundaries. The project started in 1958. The urban renewal area originally encompassed 83.5 acres on the southern fringe of downtown and was bordered by SW Market Street, Harbor Drive, Arthur Street, and Fourth Avenue. It was expanded in 1963 to include 26 acres at the southern end of downtown between Market and Jefferson streets.

The area was mostly noted for having a high crime and juvenile delinquency rate, deteriorating housing, and overcrowding. Also, part of the impetus for the South Auditorium project was the decline of retail sales in the central business district and the expected impact of Lloyd Center which was completed in 1960.⁵¹

As with most early urban renewal projects, PDC followed the prevailing wisdom which was to clear and rebuild. Initiated in 1958, the project eventually relocated 1,573 residents including 336 families and 289 businesses, demolished 445 buildings, and acquired at least 349 parcels of land. Over 100 condemnation proceedings were filed. By 1963 all of the land had been cleared for new development.

As noted in a recent history of Portland urban renewal:

"The South Portland auditorium area had been eyed for clearance and redevelopment since 1950. John Kenward [PDC director] characterized the district as 'blighted' and 'economically isolated.' The plan was to turn this old 'stopover' neighborhood into a place of offices and businesses, a plan that was confirmed when the state highway department ratified a plan for a foothills freeway that would run across the southwestern and western edge of the downtown area. This freeway encompassed the urban renewal district within its bounds, making it natural to integrate South Portland into downtown."⁵²

The goals and objectives of the urban renewal plan were to clear land, relocate all residents, and build a campus-like mixed-use development.

Key projects and accomplishments included:

- Ira Keller Fountain (originally called the Forecourt Fountain and later named after the first chair of the Portland Development Commission who oversaw the South Auditorium project)
- Multi-family housing in high rise buildings
- Office and retail projects
- Parks and fountains
- New streets, trees, sidewalks, and pedestrian ways

The project was especially noted for the high quality of its design, including closing certain streets to automobile traffic to create “super blocks,” guidelines that achieved maximum density while accommodating setback and height restrictions and off-street parking requirements, and a “necklace of pedestrian malls with jewel-like parks, plazas and fountains on the chain.”⁵³ Each of the early buildings was reviewed by a panel of noted architects. The designs of the Pettygrove Park and Lovejoy and Ira Keller fountains all received national and international recognition.

The South Auditorium project was challenged by the displacement of existing residents and ethnic neighborhoods. This major relocation effort was based on Housing Act guidelines in place at the time, predating federal relocation assistance guidelines adopted in 1970. PDC established its own eight-person onsite relocation office, providing services to the more than 1,500 displaced residents. Especially affected were the poor, elderly, and single people who comprised about one-third of the displaced residents. Many were elderly Jewish immigrants who saw the project as the end of their neighborhood, along with its five synagogues, Jewish Community Center, and kosher shopping district. Also affected were the area’s Greek, Italian, and Irish residents.

Neighborhood opposition came primarily through a group called the Property Owners Committee, which challenged the condemnation process and valuation of their land. Some criticized PDC for initially saying there would be no new housing in the area, then later including housing beyond the means of most of those displaced. “This experience gave rise to the charge that the poor were being displaced to make room for the well-to-do.”⁵⁴

In the end, the city and PDC linked redevelopment of the South Auditorium area to downtown stability and vitality. The project has generally been hailed as extremely successful. However, such an extensive clearance project would likely never be undertaken again given the change in emphasis in urban renewal plans to working with residents to revitalize their communities.

South Auditorium marked the first time PDC used TIF for urban renewal. The \$5 million, 14 year tax increment bonds were sold in 1966 and fully retired seven years early in 1974, greatly due to the substantial increase in assessed value in the area. The project added \$394 million to the tax rolls when it expired in 1974. By 1983, the area was almost fully developed.

South Auditorium’s success set an important precedent for how urban renewal was viewed both in Portland and in Oregon. Some have cited its success as a significant contributing factor to the Oregon legislature’s positive response to urban renewal during the 1977 interim study.⁵⁵

Before, During, and After the Mall – Eugene Downtown

“Eugene’s downtown, like others across the country, found itself in competition with new regional shopping centers offering enclosed shopping and acres of free parking.”⁵⁶

Key elements:

- Significant land assembly
- Creative and complex financing and deal-making
- Flexibility in attaining plan goals
- Retail to mixed-use emphasis
- Federal financial assistance

Eugene’s downtown development efforts date back to 1958, when Eugene’s urban renewal agency was established. In 1967, the city council established an independent Eugene Renewal Agency to administer the renewal process and by the next year a renewal plan for downtown was completed. The task was daunting:

“High vacancy rates coupled with high land prices discouraged removal of old buildings for construction of new ones. Parking shortages and traffic congestion in downtown were becoming ever-increasing problems. Many parcels were owned by out-of-town interests and were scattered and small, which hindered consolidating land for larger developments. In addition, the opening of a nearby shopping center [Valley River], and continued suburban growth, seemed to heighten the need for regeneration of the downtown. Each of these factors contributed to a serious deterioration of the economic health and structural integrity of the city.”⁵⁷

At that time, the national strategy for addressing downtown decline, dictated in large measure by federal urban renewal funding, was to clear and redevelop buildings. Like many other cities, Eugene followed that strategy along with what was considered leading edge urban design in the 60s – “create a pedestrian mall to imitate a park-like setting for retail as a response to regional malls.”⁵⁸

The project was initially funded with federal urban renewal funds that reached \$23 million. The renewal agency’s match was met through construction of a parking garage financed through tax increment and assessments on adjacent properties.

During the 70s, the renewal agency acquired more than 100 properties, removed 112 buildings, designed and constructed the conversion to a pedestrian mall, and rehabilitated 45 structures. Expectations for the mall ran high. One hundred out of 220 displaced businesses chose to relocate downtown. More than \$1 million was loaned for rehabilitation of commercial properties at below market rates. Private investment in rehabilitation and related improvements was about \$3 million.

In 1973, a free parking program was established with a tax on downtown property owners and businesses. Another public parking garage was constructed in 1975. Two anchor retailers who otherwise might have left downtown had signed long leases just prior to county approval of Valley River Center, a regional mall located within two miles of downtown. Although a major anchor left downtown and another downsized considerably, from 1972-1977 gross retail sales increased 46%.

Development of the mall was not without controversy. Some merchants were not convinced it was the right strategy. A few fought acquisition and demolition of their businesses. Some community members objected to the demolition of buildings they felt had historic value. A small nonprofit group – Oregonians Cooperating to Protect Whales – captured daily headlines trying to stay in rented space that was eventually demolished.

The renewal plan had always included a major downtown hotel and a site had been identified for a performing arts center. In 1977 attempts to land a major retail and hotel development failed. It became clear the downtown needed something more to attract a hotel – a public conference center. An elaborate development agreement and a creative financing package resulted in a combined privately owned hotel and publicly owned conference center and parking garage.

At about the same time, performing arts center supporters were gearing up for another bond election after defeats in 1972 and 1973. At one point supporters were talking about siting the center in a park outside the downtown area, but renewal agency and city officials were able to redirect efforts to downtown. As an incentive, the renewal agency offered to build a parking structure and sell the site for the performing arts center, adjacent to the civic center/hotel, for one dollar.

The 80s were a very difficult time for the downtown with interest rates at an all time high, economic collapse, office vacancies increasing, and retail sales declining. Efforts to strengthen the downtown retail base continued, but the anticipated siting of Nordstrom's never materialized. The economy thwarted attempts to do a major retail development at 8th and Willamette, envisioned in the initial plan. Then an attempt to redevelop a vacant site and incorporate three existing historic buildings led to stresses between the renewal agency and historical preservationists. The Agency had selected a development proposal that created more taxable value over a proposal that retained greater parts of the existing buildings.

In 1982, partly as a result of the historic building controversy, the Eugene city council assumed the role of the Renewal Agency Board. In 1984, a downtown plan was adopted which opened part of the mall area to vehicular traffic and modified other circulation patterns. By 1986, the emphasis on development shifted from retail to mixed-use commercial (office and retail) development.

The change in emphasis was formalized in 1990 when voters approved an updated urban renewal plan that encouraged smaller scale commercial mixed-use projects rather than accommodating a large scale retail project. The updated plan emphasized redeveloping remaining sites, improving access and circulation, assisting with developing a new transit station and public library, constructing additional parking, and encouraging housing development.

Following the plan update, downtown development had mixed success. Retail continued to leave, leaving many structures unoccupied. On the other hand, the vacant Bon Marche building and adjacent structures were redeveloped for Symantec Corporation, and other new office buildings were built in the renewal area.

Although a bond proposal to fund development of a new city library on the vacated Sears property was defeated by voters in 1994, a later public advisory vote was positive, and the renewal district purchased the Sears property for that purpose.

Over the years, the mall was slowly dismantled with voter approval of various proposals to reopen parts of the mall to auto traffic, including Olive and Broadway. The public voted on these proposals as a result of a charter amendment requiring public approval on any mall removals. The central fountain, once the centerpiece of the mall, also was removed.

In September, 2001, Eugene voters approved a measure to totally open up the mall to vehicular traffic. As the mayor said, "This [reopening the mall] was our last chance to bring vitality back to the core of the city."⁵⁹

Why did the mall fail? There were many contributing factors: Eugene's economy, failure to initially focus on more than retail in the downtown core, some merchants' opposition, and growing public perception that the mall was not a safe place to shop.

Eugene downtown is not totally out of the woods. Symantec Corporation recently announced it was moving out of downtown because it needed more space, leaving its buildings vacant again. However, advocates of opening up the mall to traffic believe it will bring back stores and restaurants and attract more downtown housing projects. Eugene downtown has a relatively new transit center and a nearly completed public library, both significant public improvements. On the other hand, so much urban renewal money is going into financing the new public library that there is little left for other projects. As has been Eugene's experience since 1968, only time will tell.⁶⁰

Renewing a Fishing Village – Newport

"We, the undersigned, strongly feel that the Newport Waterfront is vital to the economic future of the community through its commercial and sport fishing, shipping, and tourist potential. Each must be fully supported."⁶¹

Key elements:

- Collaborative and creative problem solving with other public entities and the community
- Integrating and promoting different elements of the local economy
- Funding of major cultural and tourist facilities

In the fall of 1971, Newport's city manager attended a conference in San Diego where he learned about tax increment financing and urban renewal. He recognized the potential of TIF to help revive a community that had "lost its luster."⁶²

By 1973, the Newport Development Commission was formed and had adopted its urban renewal plan, thus joining a small group of Oregon urban renewal pioneers. Unlike most agencies, the commission was set up and continues to be a separate board from the city council, with no overlap in membership. Members are appointed by the mayor with the council's consent. "If the city council is first in line, you have no ability to act as adjudicator or mediator between the people and other entities like the planning commission or urban renewal agency."⁶³

The plan, called the Newport Development Agency (NDA) Project, contained key elements that anticipated and neutralized potential controversy. The plan:

- Limited the commission's authority to acquire real property and demolish and clear buildings on acquired land only to do so "when specifically approved by this Plan to the extent necessary to provide land for needed public facilities."⁶⁴
- Set district boundaries in the context of the entire community's needs, limiting the size of the district to about 25% of the city's land area in contrast to nearby Lincoln City and Toledo, whose districts encompassed most of their city's land area causing significant impacts on tax rates for overlapping taxing districts.
- Set project priorities that would result in achievable and visible results.

To address concerns that the commission was taking money from the school district, it asked for input from the district. One advantage for the commission was that the school district was countywide and so the impact of the plan would not be excessive. The school district and the commission were able to work out something that benefited both – the commission acquired the Central Grade School property in the uptown part of the urban renewal area, which provided the school district with the resources for a needed school addition.

This arrangement with the school district was one in a series of urban renewal projects that anticipated and responded to addressing community economic development and other needs in the three main areas of the urban renewal area – Bay Front, Nye Beach, and Old Uptown. The commission used land exchanges, leveraged other resources, and was creative in solving problems. The agency was responsive to requests of the community, county, and others, and often set its agenda with consideration of their needs.

The first amendment to the plan, called the "Water Amendment," was in 1976 and addressed the fisheries part of Newport's economy. Hake, a natural shrimp predator, had been over-fished and the shrimp population was booming. The city knew of 15 fish processing plants that might locate on the Bay Front and also knew the water system could not handle it. The commission and city teamed up to add treatment and reservoir capacity. The commission was able to use tax increment financing for anticipated water demand from the fish processing plants in the urban renewal area and general obligation bonds funded the remainder of the upgrade.

Other urban renewal efforts addressed the tourism part of the economy and its relationship to fishing. Tourists were interfering with fisheries. In the mid-1970s after an organizing effort by the fishing community, more than 260 signatures were submitted on petitions asking the city to develop public access to the bay, along with public restrooms and a public observation area. The commission responded positively to this grassroots effort, and also added parking in the area.

Tourism was promoted through a variety of other projects, many centered in the Nye Beach area which was formerly called "Poverty Gulch" because of its seriously deteriorated condition. The commission upgraded the old bath house for the Yaquina Arts Association and acquired the old natatorium site for parking for the arts center in an effort to draw tourists to the area.

Then in the late 1970s, a theater group approached the commission about acquiring a site for a performing arts center (PAC). The theater group was told it was expected to raise \$500,000 and a site was identified that had deteriorated motels that accounted for significant police activity. The plan amendment noted that the area was in a blighted and deteriorated condition "due to a substantial extent to the lack of aesthetic, social and cultural attractions in said core area."⁶⁵

The PAC, which opened in 1988, was one of several facilities funded in part or whole by TIF that had citywide or regional scope. Other projects included a new library, new senior center, and land for a county jail. For all of these projects, the commission related them to the plan goals in the plan amendments, and particularly to economic development. More recently, a proposal for a school for the arts adjacent to the PAC is under consideration by the NDA. Many of the projects have made Newport a significant destination for cultural tourism along the Oregon coast.

Originally scheduled to end collection of tax increment revenue in 1997, the last plan amendment in the late 80s extended collections through 2000. The amendment, which also repealed the restriction on land acquisition to help promote economic development and public/private partnerships, focused on the Nye Beach area.

While all of this activity was occurring in the central part of Newport, in 1983 the commission adopted the South Beach Urban Renewal Plan in the area south of Yaquina Bay where the Oregon Coast Aquarium is now located. The plan identified a variety of problems, including irregular land parcels, inadequate access to properties and utility service, drainage problems, and stagnation and underutilization of land resources. Part of the impetus for the plan was to help guide development of nearly 3,000 acres which were under one ownership. This plan is scheduled to extend through 2010.

Neither of the Newport urban renewal districts was collecting their full increment until after the passage of Ballot Measure 50 which, among other things, did not allow an urban renewal agency that flexibility. As a result, revenue available to the commission increased, thus enabling the commission to complete the projects envisioned by both of their urban renewal plans.⁶⁶

In the central city, the Naterlin Center, formerly known as the Central Grade School property and one of the commission's first land acquisitions, will soon become the new city hall. Other planned projects include expanding the Performing Arts Center, additional infrastructure improvements, and converting two streets in the Nye Beach area to mixed pedestrian/vehicle use. In South Beach, the next ten years will likely see the siting of an event center, improvements to a community center and the aquarium, and street improvements.

Both the Newport Development Agency Project and South Beach Urban Renewal Plan have been especially distinguished by lack of controversy, close working relationships with residents, the county, and school district, and emphasis on siting public facilities. Both have succeeded in significantly revitalizing and diversifying what was a dying community.⁶⁷

The 3 R's (Reality, Readiness, Risk) – Tualatin Commons

"We were told the market was not ready for this project; that people needed a reason to be in downtown Tualatin....So the lake took the place of an anchor."⁶⁸

Key elements:

- Flexibility to change direction of plan
- Difficult land assembly and clearance of a barrier to development
- Willingness to consider ideas ahead of their time and ideas that were ready to go
- Ongoing communication with the public

Reality was front and center when the Tualatin Development Commission was formed in 1975. Its central urban renewal district site was dominated by an operating and smelly pet food manufacturing plant. The district was in a 100-year floodplain. And there were numerous land owners in a central business district that had no clear identity and was largely undeveloped. But the city council, acting as the commission, stood ready to take advantage of any opportunity to create something special at its community center.

After the district generated some tax increment revenue through normal suburban development, the commission decided in 1983 to take two important steps in assuming a stronger leadership role in developing Tualatin's central core. First, it created a full-time urban renewal department and hired a redevelopment director. Second, it proposed its first vision for the downtown area called Village Square.

The Village Square project hoped to combine public and private development to create a new village-scale downtown. In 1985, an architecture firm drew plans to "develop a cohesive and integrated downtown atmosphere."⁶⁹ The following year, a private development company was hired to sign major retail tenants.

The commission authorized the acquisition of land at prime locations in the middle of town. The purchases, totaling 19 acres, took place in a series of transactions from 1985 through 1987. The land assembly was challenging because of the widely varying land owners and their different expectations. Most of the acquired land was undeveloped, but had buildings which were acquired and later demolished. Most parcels were acquired from willing sellers, but eminent domain actions had to be filed in some cases. These were settled prior to trial.

The most significant land purchase occurred when the pet food site became available for sale quite unexpectedly in 1987. This event, which nearly doubled the size of the Village Square parcel, is viewed as a key turning point in the whole downtown creation process. Because of prior groundwork, the commission was positioned to purchase and clear the site for development without incurring additional bonded indebtedness.

The initial concept was retail development of the property. But poor economic conditions in the 1980s hindered success with what was already considered a risky retailing and design concept by bucking the prevailing suburban trends of big box and strip mall development. By the end of the 80s, two major developers failed in their attempts to carry through with projects on the site, most notably being unable

to sign a retail anchor. The mayoral candidate at the time said “When I ran for office it looked like a bomb had been dropped on the downtown area.”⁷⁰

Concerned that the public perceived not one but two failures, the commission asked Tualatin residents what they wanted for their city center at a 1990 public forum. The message was clear – they not only wanted the project to continue, but “[t]he people wanted a park-like setting and they definitely didn’t want a strip mall.”⁷¹

Ten objectives came out of that forum, including a stronger civic focus and diverse development. The commission moved quickly to implement these objectives, renaming the project “Tualatin Commons,” including more civic elements and approving an overall site plan with mixed use and a grid.

By 1992, the market was improving and the commission had revenue in reserve for implementation of its plan. A market consultant was hired to blend the community’s desires with market realities. The consultant was concerned that a key element was still missing – a reason for people to be in downtown Tualatin, and recommended reconfiguring the plan.

This was tough news after all of the work the commission had done. But the commission was willing to listen, demonstrating its continued readiness to make something happen. A new team was assembled and recommended building a lake in the center of the project area to both serve as the much-needed “anchor” and reduce costs by providing fill for floodplain development. The team also recommended the commission act as the land developer, avoiding the need to work for a third time with a single large developer.

Although seemingly risky and bold at the time, the preliminary plan was endorsed by the commission in July 1992. The new team included a public relations component which informed the community and assessed public opinion. A motto for the project – the “heart of a great city” – was chosen and helped convey that the project was in harmony with the ten objectives the community had developed.

Not everyone was enthusiastic about the new project or the lake. A group of about 40 residents launched an initiative petition drive to limit the commission’s ability to pursue the project, believing voters should approve these kinds of projects. The petition was never filed with the elections division.

In July 1993, ground was broken for Tualatin Commons, which is at the center of the 324 acre central urban renewal district. The Commons now includes the lake, plazas, office buildings, hotel, restaurants, town homes, apartments, and a unique business/town home complex called “Tualatin Mews” which received a Governor’s Livability Award in June 1998.

The commission sold its last parcel of land in 1998, but is not resting on its success. It has developed the Tualatin Commons Enhancement Strategy Work Plan that outlines future improvements, the most visible of which will be the much-anticipated clock/bell tower that will serve as a landmark for those visiting Tualatin Commons. The commission also provides funding assistance to property owners and business lessees to restore or update their building facades, in turn increasing the assessed value of District properties and providing aesthetic improvements.⁷²

A New Vision – Lincoln City’s ‘String of Pearls’

“Lincoln City has the opportunity to have five downtowns instead of just one.”⁷³

Key elements:

- Overcoming past problems caused by an overreaching plan
- Creation of a fresh vision that resulted in new community support for urban renewal
- Active and creative public involvement
- Leveraging additional resources with targeted use of tax increment revenue

Urban renewal success seemed elusive for many years along the so-called “miserable miles” named for the five contiguous towns⁷⁴ that stretch eight miles along Highway 101. These towns had merged in 1965, creating Lincoln City.

Lincoln City was among the group of the first 11 urban renewal agencies in Oregon. Approved in 1976, its first plan was controversial from the beginning, largely because the plan area encompassed 95% of the city’s land area. Tax rates for the county-wide school system and county government ballooned. The situation was exacerbated by other urban renewal activity in the county – a large urban renewal area in Toledo and a smaller one in Newport.

The Lincoln County situation influenced much of the 1979 legislative reform, in particular the restrictions on the percentage of a municipality’s assessed value and land area that could be placed within an urban renewal area.

Urban renewal was essentially dormant over the following decade. Then in 1987, a Year 2000 Community Appearance Committee was formed and recommended reviving urban renewal for Lincoln City. In October 1988, a new urban renewal plan was adopted. It included only 18% of the city’s land area, the boundaries of which were often about one lot deep along Highway 101, extending further for each of the six historic “downtowns” of Lincoln City.⁷⁵

During the first ten years of the Year 2000 Plan, only about \$2 million were spent on projects, limited by the amount of available tax increment revenue. Since 1998, that situation has changed as more substantial revenue became available to the agency, largely due to a factory outlet development centered in the urban renewal area.

Lincoln City’s first full time urban renewal director was hired in 1998. With an emphasis on strong visual identities and a flair for creative marketing, he and his staff set out to recast the way the community looked at urban renewal. Drawing upon the image of a “string of pearls” (thus avoiding the less appealing image of a “boa constrictor that swallowed six chickens”), urban renewal has evolved into a process of “polishing” its six historic downtown “pearls” through active community involvement. Urban renewal projects are also improving the “strings” between the pearls, especially through expanded infrastructure and more efficient traffic flow.

The strategy treats each “pearl” as having a distinctive identity, using urban renewal to plan and shape that identity.

Although Oceanlake merchants had already begun to create a vision for their downtown, the urban renewal agency decided to start the new strategy in Taft, near the southern end of the city. An active trading center in the 30s, Taft had become “a sagging settlement of surf shops, trailer parks and antique stores in buildings that have seen better days. Tourists may lodge at Taft’s new hotels, but they head to Depoe Bay or Newport to spend their entertainment dollars.”⁷⁶

Taft was a good candidate for being the first “pearl.” The agency wanted to gain some experience with new approaches to design and public involvement and Taft’s problems were not as complex as in Oceanlake. Unlike Oceanlake, Highway 101 is not the main street in Taft. Taft has an active, committed business association with eight out of ten owning their own buildings; Oceanlake had the opposite ownership pattern.

The Taft process began in late 1999, when the agency hired a design studio that energized the community through its active involvement of the public. Volunteers staffed a vacant storefront. Residents participated in picnics, a logo contest, and social events during which they contributed their ideas about Taft’s future. The Taft urban renewal planning process leveraged other funding as well. The Oregon Department of Transportation (ODOT) committed \$1.2 million for a transportation improvement project and \$774,000 through a Local Street Networks grant, in addition to a state historic preservation office grant for a report on Taft’s history.

Because of the overwhelming public buy-in and ODOT’s inclusion in the entire process, the plan’s implementation has been smooth. The plan recommended a new zoning designation, Taft Village Core Zone, to provide incentives for mixed use, pedestrian friendly developments that restore the historic charm of Taft, rather than adding hotels or big box retail. The Taft Redevelopment Plan received the professional achievement in planning award from the Oregon Chapter of the American Planning Association in 2000.

The Oceanlake planning process for redevelopment began in late 2001. As the project overview stated, “Oceanlake is experiencing higher than normal business turnover, the effects of regional economic stagnation, and needed investment in public and private infrastructure.”⁷⁷ Similar to Taft, the process emphasizes a high level of community participation, including interactive workshops, special youth activities, and six businesses hosting information centers.

The Lincoln City Urban Renewal Agency has plans to redevelop the remaining historic districts – Nelscott, Cutler City, Wecoma Beach, and DeLake within the 25 year duration of the Plan. The agency continues to have a proactive communications strategy, including regular articles in the Chamber newsletter, special mailings, web site information, and creation of visual materials depicting Lincoln City’s historic heritage. The wide variety of urban renewal projects⁷⁸ undertaken by the agency and ongoing communications help sustain community support.⁷⁹

A Rebirth? – Gresham

"Gresham was at a nexus where paths and stars crossed – it had to choose what it wanted to be."⁸⁰

Key elements:

- Public defeat of two different downtown urban renewal plans in the 80s
- Challenges in communicating the value of urban renewal
- Recent (1998-present) exploratory efforts in the Rockwood area

The 1980s saw a great deal of urban renewal activity throughout Oregon. Municipalities were interested in economic development and finding new ways to address planning, infrastructure, and other needs. Gresham was no exception.

The first community in Oregon to have its comprehensive land use plan adopted by the Land Conservation and Development Commission, Gresham's plan included a large triangle-shaped area in the center of the city designated as transit-oriented and multi-use. The triangle, which required further study and planning, became the urban renewal area for a plan adopted by the city council in 1981.

The plan focused on financing improvements to the central area in anticipation of development on the fairgrounds site (which was within the urban renewal area) and the arrival of light rail in five years. The projects mostly involved reconstructing the old downtown infrastructure.

The plan was controversial in the community. Plan opponents argued that the area was too large, was based on speculative development plans, and negatively affected overlapping taxing districts. They were successful in referring a ballot measure in November, 1981, that asked the question:

"Shall the City of Gresham create the 'Gresham Redevelopment Commission' to have the urban renewal powers authorized by state law?"⁸¹

Learning that tax increment revenue estimates prepared by a consultant were flawed gave a boost to urban renewal opponents. Supporters unsuccessfully argued the plan would help develop a lagging area. Over two-thirds (71%) of Gresham voters rejected the measure, which meant the end of the 1981 plan.

Community leaders still saw the need to finance improvements in the downtown area and wanted to revisit urban renewal. In the mid-80s, a mayor who supported urban renewal was elected. The situation also was different than in 1981 in that development plans were no longer speculative (a new shopping center was planned for the fairgrounds site, offering the opportunity to capture the increment for urban renewal projects) and light rail's opening was imminent.

In 1986, the city council adopted another downtown urban renewal plan. The plan, with a smaller area than in 1981, sought to connect the new shopping center on the fairgrounds, the old downtown, the light rail corridor, and the new parkway. Supporters of the plan included downtown business owners and the school district, which realized the long-term benefits of the urban renewal plan.

Public opposition was mounted again. Led by leading anti-tax activists, opponents argued that the money going to urban renewal should really be Gresham taxpayers' money and that the business community should pay for their own downtown improvements. They also argued there really was no "blight" since the development on the fairgrounds site was going to happen without urban renewal.

Opponents forced the issue by filing a charter amendment initiative requiring voter approval of urban renewal plans and amendments. The city sponsored a competing charter amendment requiring voter approval of plans, but not amendments.

Urban renewal proponents again had their hands full. The vote was set in the middle of a recession with anti-tax sentiment at such a high level that only a few years later would result in the passage of Ballot Measure 5. In that climate, discussion of the long-term benefits of urban renewal was a hard sell. Supporters tried to make the case that increased density in downtown would protect neighborhoods near the fairgrounds, downtown, and light rail stations from development, and would capitalize on the tremendous investment in light rail.

Both measures passed by wide margins with the initiative charter amendment prevailing because it received more votes (68.4%). As required by this new charter amendment, the city council placed adoption of the 1986 Gresham Redevelopment Plan on the March 1987 ballot and it failed by 53% to 47%. The setback was enormous, and for the next 15 years urban renewal was not pursued by the council.

Community needs, though, change over time. Gresham now has a thriving central area and attention has shifted to the Rockwood Town Center. Rockwood, an area of unincorporated Multnomah County annexed in the 1980s and often referred to as Gresham's "front door," clearly has significant housing and economic needs. Through a process to assess Rockwood's long-term needs, the community came together and in 1998 completed work on the Central Rockwood land use plan and a Rockwood Action Plan, the aim of which is to create a thriving, live/work neighborhood.

At about the same time, a majority of Gresham's city council members were willing to explore how urban renewal might help implement parts of the action plan. The city conducted a feasibility study in the fall of 2001, with the conclusion that urban renewal seemed especially suited to the Rockwood area because it could:

- Support development of vacant, underutilized, and difficult to develop industrial sites;
- Revitalize Rockwood's core area into a viable regional town center;
- Implement many of the goals and objectives of several past planning efforts that have focused on Rockwood-West Gresham; and
- Promote the rehabilitation of existing and the development of new housing.

In the winter of 2002, the city took the next step and started developing an urban renewal plan for the Gresham area. The March 2001 defeat of urban renewal in the neighboring community of Troutdale indicates some ongoing public opposition to urban renewal. But the city is working with a broad-based community group in developing the plan, and doing extensive outreach to the public as it undertakes this next step in the urban renewal process. Stay tuned....⁸²

Lemonade out of Lemons – Hillsboro Ronler Acres

"It was time for urban renewal – only because everything else had failed."⁸³

Key elements:

- Urban renewal was a last resort, and a solution uniquely suited to Ronler Acres
- Ability to assemble hundreds of unusable residential lots for Intel site
- Compatibility of urban renewal with the Strategic Investment Program (SIP) that capped the assessed value of huge industrial facilities

Hillsboro has become a major high technology center in the Portland Metropolitan Area, and its physical size has doubled during the past 20 years. Did anyone imagine this transformation when, with great promise and expectation, the Ronler Acres area in Hillsboro was platted in 1959 into 15,000 square foot lots? Eight hundred and fifty (850) lots were sold with the promise that infrastructure would follow. But in 30 years only one house and one duplex were developed. Ronler Acres had all the makings of a lemon.

Although several private interests attempted to develop Ronler Acres, they all failed, thwarted by diverse ownership, outdated codes, covenants and restrictions, no infrastructure, and new zoning. In the meantime, Ronler Acres became something of a wasteland surrounded by new high technology industry investments. The potential existed to use Ronler Acres for industrial development that would provide significant jobs.

In 1988, Hillsboro took another look at how to solve the Ronler Acres problem, studying different options and soliciting the help and advice of community groups and businesses. The ultimate solution was to create an urban renewal plan for Ronler Acres.

Most importantly, urban renewal provided the means to assemble the land for development – authority the city itself did not have. "There was absolutely no other legal way in the world to assemble that land."⁸⁴ Urban renewal also allowed for phasing in specific projects over time, allowing payback of costs through the tax increment. And Ronler Acres represented one of the types of "blight" urban renewal was designed to address.

Urban renewal bonds were sold to finance the projects. By the fall of 1994, all of the lots were acquired by the Hillsboro Economic Development Council (HEDC), its urban renewal agency. In 1994, Intel purchased 250 acres for two fabrication plants with an estimated value of over \$2.5 billion. Intel also loaned the HEDC \$5.2 million.

The development of this site was facilitated by the Strategic Investment Program (SIP). This allowed for the assessed value of huge industrial facilities to be capped at \$100 million (with annual increases of 3%). Though the market value of the entire facilities was over \$1 billion, the capped assessed values were still so substantial that they allowed for aggressive completion of urban renewal projects.

Remaining parcels were sold to PacTrust, which constructed a mixed-use neighborhood integrated with light rail transit. The HEDC also partnered with Washington County, the Oregon Department of Transportation, and others to develop infrastructure. Other Ronler Acres development includes a PGE substation, fire station, and city park and sports complex. "Orenco Station," the new mixed-use neighborhood in Ronler Acres, has won numerous design awards.

In the end, \$30 million in public investment resulted in \$610 million returned to tax rolls, and that number is increasing. Industrial activity in the project created hundreds of millions of dollars in state corporate and individual income tax.

Because of the scale of investment by Intel in Ronler Acres, the agency was able to terminate the tax increment financing of the plan well ahead of schedule.⁸⁵

The Nine Lives of Urban Renewal – The Dalles

"There were a lot of dreams and not much to work with. It almost did us in."⁸⁶

Key elements:

- Urban renewal agency persevered – having to adjust boundaries, survive compression, and mediate with the "Committee to Dissolve Urban Renewal"
- Consistent public and taxing district involvement
- Recent success at leveraging other funds
- Projects long hoped for getting under way

In the mid-80s, The Dalles was rocked by both a national recession and the devastating impact of two local aluminum plants closing. "Things were tough here."⁸⁷ In an attempt to help get the economy back on track, an ad hoc committee was formed to look at the potential for urban renewal. The committee included broad representation from overlapping taxing districts and the community.

Based on the committee's recommendation, the city council created a separate urban renewal agency and appointed an independent board in April 1990. Four months later, the agency adopted the Columbia Gateway/Downtown Urban Renewal Plan with widespread support.

As The Dalles started to come out of the depths of the recession, property values, which had plummeted, were rising rapidly. There was new development in the plan area, including a new K-Mart store. All resulted in tax increment revenue being available and the agency was able to sell \$2.5 million in bonds its first year. Then Ballot Measure 5 passed, and The Dalles was in deep Measure 5 compression.⁸⁸ Because overlapping taxing districts suffered, the agency decided to pay back the bonds, essentially returning the money.

The city decided to continue the agency even though it looked like it would take a long time to get out of compression. "At that point, we were a debtless, penniless organization."⁸⁹ But the agency still had powers it could draw upon that the city did not have (e.g. condemnation for redevelopment). The agency also had a modest amount of revenue from interest and one year's collection of tax increment revenue.

While the agency was treading water after Measure 5, another challenge emerged. The original plan area included a small part that was in a second smaller school district – District 9 – which included the area where the new K-Mart was built. The result was that residents in District 9 had dramatically higher tax rates than those in the other school district. The agency learned about the problem when a rather upset resident of District 9 brought in a tax statement.

This was a potential public relations nightmare for the agency, which held several public meetings to explain the problem and how the agency intended to correct it. The agency immediately began a boundary amendment process to exclude all of District 9 from the urban renewal area.

With hopes dashed by the passage of Ballot Measure 5, the agency had to operate in the face of big expectations that could not be met. For three years the agency chose not to collect any tax increment revenue. The agency knew, though, how important it was to get something tangible completed. In 1995, through a combination of grants, a local improvement district, and some urban renewal funds, Phase I of the planned downtown streetscape project was completed.

The streetscape project gave the urban renewal a lift, and as the area started coming out of compression four years after Measure 5, the agency looked to its future. Working closely with the county tax assessor, the agency calculated as precisely as it could how much it could collect without affecting other overlapping districts. "We hit a bulls eye on the amount certified to the assessor – we were right on the money."⁹⁰

As the agency collected tax increment revenue in 1996 for the first time in four years, there was new hope that appeared dashed once again with the passage of Ballot Measure 47 that same year. However, urban renewal was back on track with the passage of Ballot Measure 50 the following year.

Measure 50 required certain actions by urban renewal agencies, including certifying how much debt the agency would issue over the remaining life of the urban renewal district. For The Dalles, that amount was roughly \$38 million. This amount sparked opposition to urban renewal in the form of the Committee to Dissolve Urban Renewal. This committee referred the plan amendment ordinance to the 1998 general election and the voters repealed it.

To save urban renewal, the city entered into a mediation process with the Committee to Dissolve Urban Renewal. The final settlement addressed the major issues identified by the committee: reduce the size of the urban renewal area (requiring a plan amendment), modify the project list (resulting from reduced revenue), and transfer urban renewal governance to the city council.

The committee agreed not to refer the ordinance amending the plan, and the city followed through on its commitments. The council designated its own members as the Urban Renewal Agency and appointed an advisory committee representing taxing districts and community interests. In August 1999, the plan was amended to fit projects within projected revenue.

Urban renewal in The Dalles started moving ahead. In early 2000 the agency sold bonds to design and complete the next phase of its downtown streetscape project, which started in early 2001. Support was clearly demonstrated when the downtown building owners overwhelmingly approved creation of a local improvement district to help fund the project. These same business owners also showed up at a council meeting to express their support for urban renewal when they learned that opponents were going to again attack urban renewal.

Many of the goals of the urban renewal plan have started to gel, helped along by an improved local economy and community leadership. The agency set up a property rehabilitation grant and loan program, available to downtown businesses and civic and nonprofit groups serving a public purpose.

The hoped-for redevelopment of The Commodore Hotel, an eyesore in the middle of the downtown area that had been vacant for years, is proceeding. A private developer has taken on the project, and the urban renewal agency is assisting with loans. The redevelopment plan includes mixed-use retail, housing, offices, and community space.

A bridge that is a gateway to the downtown area was rebuilt through the combined efforts of the agency and the city's public works department. This historic structure, built in 1920, was falling apart and was rebuilt to its historic look, true to the urban renewal plan's goal to maintain and enhance the historic character of the downtown area.

Most recently, a conceptual plan was developed to reconnect downtown with the Columbia River. The Dalles historically enjoyed a strategic location on the Columbia. Downtown extended to the waterfront, which was a major stop for tour boats and trade. That connection was severed when the railroad came in and when I-84 was built in the 60s.

The planning process was funded through grants and urban renewal funds, following through on the urban renewal plan's strong connection to the Riverfront Masterplan. Urban renewal funds are playing a key role in implementing this plan, contributing to a \$6.5 million underpass and railroad crossing project reconnecting downtown to the Columbia River (to begin construction in September 2002), and a \$4.9 million Riverfront Trail.

Like a cat, urban renewal in The Dalles seems to have had nine lives. Faced with problems that for others might have meant the end of urban renewal, The Dalles persevered to establish a successful, vital urban renewal program.

The agency may need to use yet another one of those lives, given the uncertainties surrounding the recent *Shilo* decision. The projected impact on the agency is minor under current interpretations of the decision, but challenges are anticipated and, if successful, could result in substantially reduced revenues. The agency, already feeling that anticipated revenues are not adequate to complete all projects, feels this could further hamper the community's high hopes for urban renewal that have been dashed so many times during urban renewal's life in The Dalles.⁹¹

Building a Community – Jackson County/White City

"We succeeded because, early on, our urban renewal director went out and became a functioning part of White City."⁹²

Key elements:

- Strong citizen involvement and leadership
- Unusual combination of residential and prime industrial property
- Strong coordination with economic development agencies
- Urban renewal agency demonstrating commitment to area
- Flexibility and creative approach to plan amendments

White City, an unincorporated area of Jackson County located between Medford and Eagle Point, was a military installation during World War II. When Camp White was demilitarized in 1946, infrastructure including roads, sewers, and water was left behind.

Over time, some housing was built and some forest products companies started locating in White City. But the area and the entire county were heavily timber dependent, and the 80s recession hit both very hard. White City's unemployment and crime rate soared, as did the demand for social services. At times, White City required close to 50% of the county's total expenditures for social services and police protection.

The late 80s, saw the start of several efforts to improve and develop White City. A newly elected county commissioner started working closely with the White City school principal⁹³ and the community to form a Community Improvement Association. The commissioner also worked with the county administrator and Lyle Stewart, who was well known, having lived in the Medford area for some time.

Out of these efforts came a recommendation for a White City Urban Renewal Area. With the active involvement of the association, an urban renewal agency was established in April 1991. The urban renewal plan was adopted in July 1991, with the Jackson County Commissioners acting as the agency board. It was one of the last plans adopted before Ballot Measure 5.

The plan area was unusual in that it was split nearly evenly between an industrial area to the west of Highway 62 and a residential area to the east. The plan was detailed about what needed to be fixed and how to fix it. It emphasized infrastructure improvements to address inadequate streets, sewers, water systems, and funding for housing rehabilitation and public facilities.

The county actively sought loans from businesses to get the agency started. The original plan anticipated that industrial development would play a major role in funding the urban renewal plan. That happened very soon after plan adoption when \$11 million in improvements were made to Boise Cascade's White City plant.

The county administrator felt at the time that "...there was a heavy air of cynical defeatism out there; they didn't believe they would get any help."⁹⁴ To overcome that, the county assigned a staff person to work with the community and the newly

formed White City Urban Renewal Advisory Group. The staff person became very involved with White City, helping to build trust between the county and the community.

There were several major "turnarounds" in implementing the urban renewal plan. The first was the First Street project that rebuilt old streets, and put in new sewers, water, and sidewalks in a 10 to 12 block residential area. The improvements were so visible and welcome that residents started fixing up their own property as they started seeing things getting better.

The second major turnaround was in 1993, when a transformer manufacturer in White City needed to redo its plant and threatened to leave the area for Grants Pass (whose urban renewal agency gave cash outright to businesses) or Idaho. The company approached the county for help. Although it did not have an industrial investment program in place, the urban renewal agency determined what it could do for the company over several years, including sewer and water improvements and on-site landscaping. The company stayed.

The advisory group was furious, believing that urban renewal funds committed to the community were being given away. The county held a series of meetings to help them and the community understand that the urban renewal area needed increased industrial value to fund their projects. The agency ended up negotiating a policy that less than half of the increment generated by a specific industrial project would be used for investment in that project. The rest would be used to fund projects for the benefit of the entire urban renewal area.

Another big turnaround for urban renewal in White City came soon after when 3M (now Eastman Kodak) sought to make major investments in their existing facility, and asked the legislature to approve a White City enterprise zone. The company had developed a new product and either the White City plant or another 3M facility would produce it. Since the county did not have an industrial investment program in place, it wasn't surprising that 3M did not know about the urban renewal area.

There was pressure from economic development agencies to overlay the enterprise zone over the urban renewal area. The county opposed this because the zone would drastically reduce the tax increment revenue from new industrial projects. The conflict was resolved in 1994 when the agency approved a substantial amendment to the urban renewal plan, creatively defining air and water quality as a condition of blight and authorizing public investments in private pollution control facilities.

The amendment marked a major evolution for the agency by including an industrial component, offering assistance to *existing* companies expanding in the plan area. The urban renewal agency was thus able to offer 3M up front assistance to upgrade its plant to meet the very tight airshed standards in the Medford area. In 1997 when a new company approached the county about locating in White City, the plan was amended to include *new* companies as well.

Although the advisory committee was concerned again about the investment in industry, the 3M project delayed planned residential projects by only a few months and ultimately provided substantial new revenue for the plan.

Groundbreaking public facilities projects have been built in the White City urban renewal area as well. The agency was able to convince the state to reorient a planned project in the area by siting a new facility on land owned by the agency.

The land was set aside for public facilities, including a new library and civic center. The new Rogue Family Center was modeled after a county pilot project that gathered diverse agencies into one service center. Completed in 2000, it is to many a symbol of White City being able to solve its problems.

The challenges for White City urban renewal have been ongoing. Because White City was a county urban renewal plan, all county residents contributed to help fund the urban renewal area. In 1997, residents of the Shady Grove area opposed to paying taxes for White City filed a lawsuit against the agency. The suit was unsuccessful.

Another challenge is that the western portion of the urban renewal area is home to several threatened animal and plant species. The agency has worked hard to resolve an expedited permitting process to deal with these environmental issues.

In spite of all of the challenges, the agency has succeeded through a commitment to the community, flexibility in meeting unique and changing circumstances, willingness to advocate for the area's needs, and creatively solving problems through plan amendments.

White City's success in urban renewal has been marked by many spin-off efforts, including approval of a special policing district and setting up a model program to address an abandoned car problem. But success is probably marked most significantly by the county's ability to complete the plan eight years earlier than originally planned, putting the increment back on the tax rolls in 2009.⁹⁵

Everything is Local – Canby

"We feel a balance must be struck, sooner rather than later, between rapid residential growth in recent years and sluggish industrial growth."⁹⁶

Key elements:

- Attempt to combine downtown revival with new industrial development
- Plan required annexation of industrial land by public vote
- Inability to reach compatible agreement with local taxing district
- After initial defeat, willingness to scale back size of urban renewal area

In December 1998, the Canby Urban Renewal District Advisory Committee started a series of public meetings to help formulate an urban renewal plan for the city. The city was concerned about becoming solely a bedroom community, with residents leaving to work and spend in other communities and a lopsided tax base heavily dependent on residential property.

These factors were the impetus for urban renewal, as included in the plan goals:

- To diversify the economic base and family wage jobs within the district,
- To maintain an effective, efficient, and safe traffic system for vehicular and pedestrian users,
- To improve and retain existing businesses, and
- To improve attractive visual amenities for customers and community members throughout the district.⁹⁷

The plan combined an unimproved light industrial area (some of which was not within city limits) and the downtown commercial district, both of which were viewed as key to meeting the plan goals. By combining the two areas in one urban renewal plan, the concept was to save money for infrastructure improvements and to have flexibility in using tax increment revenue for projects in either area as needed.

The plan was approved by the Canby City Council (which also serves as the Urban Renewal Agency) in November 1999. The plan anticipated positive benefits from improvements made to "transform the Canby area to a new employment center ...[including] reduced automobile usage, increased use of alternative means of transportation, improved public and pedestrian safety, and better public facilities."⁹⁸

Though there was substantial public involvement in the plan development, its adoption still generated a great deal of local controversy. The planning commission recommended that the plan not be implemented immediately. But the city council scheduled a vote in September 2000 to annex 301 acres of the light industrial area needed to complete the Logging Road Industrial Park envisioned by the plan.

The council proceeded so quickly in large part to secure favorable energy rates in the industrial park area. The city was negotiating with BPA for rates that would apply to any land *inside* the city limits by the end of September. The council believed this would give the industrial area a competitive advantage, making it more attractive to future development. The annexation vote failed by a 2-to-1 margin.

The vote became the focal point for debate not only about the merits of the annexation, but also about urban renewal and the future of the community. While most residents agreed on the value of industrial development, some opponents were concerned the growth was too much, too soon. Some objected to the city being the land use applicant. And still others opposed urban renewal generally, believing it a “hand out” to landowners and something that should itself be submitted to a vote.

The most visible argument against annexation was raised by the Canby Fire District, which said it could not provide adequate fire protection in the annexed area. The fire district opposed the urban renewal plan because of concerns about lost revenue because of TIF. Attempts to reach agreement with the district had failed before the annexation vote, in part over legal questions about what would be allowable TIF expenditures to help out the fire district. Campaign signs throughout Canby read: “Support your local firefighters – Vote NO.”

The plan acknowledged changes in fiscal impacts of TIF since it was adopted after Measure 50.

“Use of tax increment financing may result in some ‘foregone’ property tax revenue by other taxing bodies. While some property taxes will be foregone during the life of the Plan, it is anticipated that new property values created by urban renewal activities will result in an early payback of these foregone revenue. Further, given the current conditions within the Canby area, it seems reasonable to assume that the increases in property values either would not materialize, or would be much lower if the urban renewal activities were not carried out.”⁹⁹

On the heels of the annexation vote, the incumbent mayor and two incumbent council members, who supported urban renewal and annexation, were defeated in the 2000 general election by candidates who opposed annexation. By March 2001, the *Canby Herald* headlined an editorial “Tunnel Vision” and went on to say the majority of the council and the mayor opposed “...the size and scope of the Urban renewal district and any significant city involvement in providing infrastructure for future industrial development,” commenting that a decade’s worth of visioning for the city’s future “is now in disarray, and hurt feelings abound.”¹⁰⁰

But the urban renewal advisory committee continued to meet and tried to reach a compromise that would enable urban renewal to move forward in Canby. Facing a year-end deadline, the committee recommended reducing the size of the urban renewal area, developing projects to benefit the fire district, and seeking a facilitated agreement between the city and fire district.

In November 2001, the urban renewal agency approved reducing the city’s urban renewal district on a split vote (followed by a similar vote of the city council). Those voting to proceed expressed a strong desire to move forward, frustrated by roadblocks like the fire department’s decision to withdraw from facilitated mediation. They wanted to move ahead with efforts to attract new business to Canby in the light of the declining economy and budget problems, enabling the agency to spend accumulating urban renewal revenue on needed projects. A list of project priorities was approved. Sequoia Parkway, which would serve the industrial area, was put at the top of the list, but divisions remain about how it will be financed.

Advocates of moving ahead in the industrial area believe development needs a "spark" to make it happen sooner rather than later. Others want to focus only on downtown revitalization, believing development in the industrial area will happen without urban renewal funds and that industry should pay for the parkway rather than giving them a "handout."

Canby has had a rough road implementing urban renewal. Through perseverance, a willingness to compromise in response to local concerns, and to make tough decisions, the agency is moving forward. But the future for this very new urban renewal plan is uncertain. Council and community opinion is still split. The planning commission has recommended that the agency be constituted separate from the council by the end of the year. The fire district is still opposed because of lost revenue. And the impact of the *Shilo* decision is unknown, but potentially very damaging. But for now, urban renewal is alive in a modified form in Canby.¹⁰¹

Latest Developments

"Taxes on the increment to fund urban renewal projects belong in the Measure 5 category that 'dedicates revenue raised to fund government operations other than the public school system.'"¹⁰²

It is hard to capture the dynamics of urban renewal as new case studies develop, laws and practices change, and community needs evolve. This section is intended to provide a means for capturing new, significant events that affect urban renewal as they unfold. This will hopefully make *Urban Renewal in Oregon* a living rather than a static document.

While this report was being written, just such an event occurred. On December 20, 2001, the Oregon Supreme Court ruled in favor of the owner of property in Portland's Airport Way Urban Renewal Area in the *Shilo* case.¹⁰³ The decision resulted in changes to how tax increment revenue will be collected for urban renewal agencies.

Most of the turning points in the history of urban renewal in Oregon have been the result of legislative actions and public votes or court decisions. The *Shilo* case is likely to be another of those turning points. The opinion is grounded in Measure 5 which passed in 1990 and had at that time a profound impact on many urban renewal agencies as well as taxing districts. In the *Shilo* case, the court found that the statutes directing how urban renewal revenue are categorized for Measure 5 purposes are unconstitutional.

The impacts of this decision on urban renewal revenue, and on the revenue of local governments that levy taxes in urban renewal areas, depend on how the decision is implemented. Under rules recently put in place by the Oregon Department of Revenue, the impacts appear to be smaller than expected for those urban renewal plans that have been analyzed. However, the issue may not be fully resolved, and future changes by the courts or the legislature may result in greater revenue losses due to Measure 5 compression.

The question many communities are asking is whether they should move forward with an urban renewal plan. For a community that has gained support for a new urban renewal plan the best advice may be to continue its work. A financial analysis can determine whether the potential impacts of the *Shilo* case are acceptable. For communities that are just beginning to consider urban renewal, it may be wise to wait for action by the 2003 Legislature for further resolution of the issue.

Only time will tell how *Shilo* ultimately will affect the future of urban renewal in Oregon.¹⁰⁴

More on Case Studies and Common Elements

"Renewal in and of itself is a powerful tool, but it doesn't stand alone."¹⁰⁵

The previous case studies, along with the broad experiences of other urban renewal agencies, demonstrate common elements that can affect urban renewal efforts. Some elements are more or less within the control of the agency; others are not, but often they can be influenced by agency action (or inaction).

Focus and Vision

Most successful plans have had a clear vision and focus on what they want to accomplish. As one agency director said, "you can get lost so quickly."

A clear vision evolved for a vital retail core, redeveloped surface parking lots, and dramatic parks and open spaces after PDC initiated Portland's Downtown Waterfront Urban Renewal Plan in 1974. The Downtown Plan became a national model for downtown revitalization, having unprecedented success in attracting retail and office development and in bringing back customers and pedestrians.

To solve a wide array of problems, the plan included a wide array of projects, including Pioneer Place, RiverPlace, Waterfront Park, and Pioneer Courthouse Square. Since its start in 1974, annual growth in property value has been nearly 10% and downtown crime has decreased 65% since 1990.¹⁰⁶

Willingness to Reevaluate

Even with initial clear focus, urban renewal agencies sometimes need to revisit assumptions because of changing circumstances. In Tualatin, the agency substantially revised its initial downtown redevelopment concept.

The Medford Urban Renewal Agency has worked hard to maintain focus, while adapting to changing circumstances. The original City Center Revitalization Plan, adopted in 1988, set out a strategy involving 19 public projects. It later became apparent that downtown development required more and different investments.

The agency undertook a new vision plan, completed in 1995, which describes the preferred future and provides an action agenda that is reevaluated and updated annually. "The key to the downtown's continued success is the development of a clear understanding and belief in the role of downtown as a place, and how that place functions in our community."¹⁰⁷

Perseverance and Staying Power

Many renewal agencies have persevered through very difficult times, often waiting for years to have enough increment to accomplish any projects. Astoria is an example of a "...city [that] stayed with it with very little success...it spent its renewal dollars well...and its current success has been fueled by a general economic rebound."¹⁰⁸

Similarly, Coquille has had an urban renewal plan for four years, but only recently has had enough tax increment revenue to start planning some projects. Bend's urban renewal program was relatively inactive for most of a decade, but undertook a total revision of their plan to focus on public/private development partnerships. Philomath has finally accumulated enough revenue to begin critical infrastructure projects in its downtown.

Visible projects, even if they are small, help maintain public support and confidence in the urban renewal program. Small projects have often been the only option for some agencies that had very little tax increment revenue to work with for the first years of their renewal plan. As The Dalles case study demonstrates, doing even the first part of a larger project can be valuable.

The Economy

The economy is an "underlying driving force in renewal."¹⁰⁹ Urban renewal has tools that can stimulate activity when it would not otherwise happen. If there is an underlying market demand, urban renewal can counteract bad economic conditions by providing low interest loans and land at "fair reuse value" which can significantly bring down the cost and attract new development.

There are, though, many communities where the increment is not enough to finance any redevelopment of consequence. These are cities like Astoria and The Dalles which patiently waited until conditions changed.

Public Involvement and Outreach

Although Oregon law since 1979 has required that the public be involved and informed, public involvement and outreach have become more prominent as urban renewal is scrutinized more closely and as agencies realize the importance of including affected communities in helping to determine their own future. Many of the "quieter" urban renewal agencies, like La Grande and Newport, have had close working relationships with their constituencies and little community controversy.

The Portland Development Commission (PDC) has invested substantial time and resources in involving the public in its most recent urban renewal areas – River District, Lents, Interstate Corridor, and Gateway – and relating the renewal plans to already completed community plans. In the early days of urban renewal it was virtually impossible to adequately include the public because of the nature of federally assisted clearance projects, and PDC was criticized for proceeding without consulting affected neighborhoods in the South Auditorium and Emanuel areas.

Public involvement doesn't avoid controversy. In Lincoln City, which has had extensive public involvement and outreach, a recommendation to consider a highway couplet as an option for its most recent redevelopment effort generated substantial controversy. But as an editorial stated: "This...has done more to inform the...residents than any number of mailings or meetings could do. That's good. If nothing else it has brought the neighborhood together so their future and that of the neighborhood can be planned with input from all."¹¹⁰

Relationship with Taxing Districts

Renewal agencies need strong relationships with taxing districts within the urban renewal area. Measure 50 made this essential. By creating a rate-based property tax system, TIF impacts primarily affect revenue to overlapping taxing districts as opposed to higher property taxes.

The biggest challenge with taxing districts, as it is with the public, is to communicate the long-term benefits of a permanent increase in the assessed value of property in the urban renewal area. As the case study demonstrates, The Dalles carefully included taxing districts from the beginning, gaining understanding and support for urban renewal.

Sometimes working with taxing districts includes finding ways urban renewal can help meet some of their needs within legal constraints. An example might be a new fire district station in the urban renewal area. Taxing districts and the public are sometimes frustrated, though, that urban renewal funds cannot be used for operations.

Anticipating Controversial Issues

Successful efforts often have anticipated and neutralized potential controversy in crafting urban renewal plans. Probably the most common example is limiting the agency's ability to use the power of eminent domain. Land condemnation is highly controversial in some communities.

Sandy's urban renewal plan states: "The Agency will not acquire property by eminent domain for public improvement projects funded by this Plan, until properties are identified and added to this Plan by Council approved amendments..."¹¹¹ Newport's plan initially limited its authority to acquire real property only for public facilities, a provision that was later changed.

In three of PDC's most recent urban renewal areas – Lents, Interstate Corridor, and Gateway – the citizen oversight committees voted to limit or prohibit condemnation.

Opportunity

Salem's urban renewal agency was able to combine opportunities presented by two different urban renewal areas – Riverfront/Downtown and Fairview. Fairview was planned as an industrial park in three phases, but had no development to fund needed infrastructure and essentially had a base value of zero.

The agency was able to offer land at Fairview to relocate a Boise Cascade plant from the riverfront area, agreeing to build a shell structure if Boise Cascade would match that investment. The agency negotiated a loan with Oregon's Economic Development Department to fund the needed infrastructure. The new plant became the cornerstone of development at Fairview, generating enough tax increment revenue to pay back the loan and fund the second phase of the renewal plan.¹¹²

Creative Approaches to Solving Problems

Problems in urban renewal areas come in many different forms, and successful resolution is often characterized by creativity. In Medford, an editorial opined: “Another must-do project is removing the Jackson Street Dam, which turns Bear Creek into a muddy liability right where it should be a high-visibility asset.”¹¹³ No one wanted to take it on.

Because of the impact on fish, removal involved numerous agencies like the State Departments of Environmental Quality and Fish and Wildlife, the Environmental Protection Agency, and the National Marine Fisheries Service. The renewal agency took the lead because of the impact on downtown Medford, and worked closely with the irrigation district to build a state of the art diversion facility to protect fish migration that received national recognition.¹¹⁴

The Jackson County/White City case study demonstrates a creative approach to defining blight to include air quality. This enabled the agency to help finance improvements to a business to meet the region’s tight air quality standards, thus keeping the business, the jobs, and the increased assessed value in the renewal area.

Willingness to Take Risks

It is often during the worst economic times that urban renewal is needed the most. Yet at these times it is the hardest to do. In the middle of a deep recession, and with opposition from some downtown business leaders, Seaside took a risk and sold bonds at an interest rate of 12.75% in 1982 to undertake a major downtown redevelopment project. It worked, and the downtown area took off, helping the community’s economy and generating increment for other projects.¹¹⁵

The Portland Development Commission undertook its first industrial project – Wacker Siltronic – with very little notice and without much experience at that time in this type of development. Portland’s mayor recruited the company to build a facility in Portland, and then challenged PDC to find a funding mechanism. The project was extremely successful and the NW Front Urban Renewal Plan has been completed and its debt retired.

Leveraging Other Resources

Many urban renewal agencies have been successful in using TIF to leverage other resources. Sometimes it serves as a match for other government funding. TIF can be used to share costs with the municipality’s general government for projects that benefit both the community as a whole and the urban renewal area. This is commonly done with various infrastructure projects like roads, sewers, bridges, and the like.

In other cases, agencies have formed partnerships with the business community, as well as other government agencies. Milton-Freewater was successful in putting together a \$2.5 million incentive package to attract a 400 job computer call center. The package included contributions from the city, state, and area businesses. Among other contributions, the urban renewal agency is meeting the debt service on the incentive package loan by using the increment from the new development.¹¹⁶

Openness to Revisiting Urban Renewal

Some communities have been willing to revisit urban renewal. In the 70s, new-development along the freeway was affecting Pendleton's downtown. The city looked at possibly using urban renewal for downtown revitalization, and decided not to proceed. Over 25 years later, Pendleton is taking another look at a downtown urban renewal plan.

Lyle Stewart started encouraging Medford to do urban renewal as early as 1963, but it wasn't until 1988 that the highly successful urban renewal agency was created. Gresham is revisiting urban renewal after two major voter setbacks in the 80s.

Realistic Expectations

The feasibility study is a key component of determining what realistically can be done. But it is hard to keep expectations grounded in reality because of the 20 plus year time frame for urban renewal plans. Doing tangible projects, no matter how small, helps keep people from becoming frustrated with the progress or urban renewal activities. In Seaside, the local newspaper hailed the arrival of trash receptacles. "They represent the first concrete improvement effected by the Seaside Improvement Commission."¹⁷

Since 1992 when its agency was created, Harrisburg has extended water and sewer lines to an industrial area, developed streetscape, paved a gravel parking lot, and contributed toward expansion of the city's sewage treatment facility. "These may be relatively small improvements in other cities, but in our town of less than 3,000, the [agency] has played a very important role in changing our town for the better today, as well as making a positive contribution for tomorrow."¹⁸

A residential-only focus may not work well because of the relatively small increase in residential property values. However, residential development can be successful and realistic when combined with other projects. Many downtown plans include a housing component as an additional strategy for revitalization. The Jackson County/White City case study describes an urban renewal area that included both industrial and residential land. Though industrial development plays a major role in funding the urban renewal plan, extensive new residential development has also generated increment.

Leadership

Urban renewal leadership emerges in many different ways. Sometimes it is an individual, like the long-time city manager of Newport who led a hugely successful redevelopment effort. Sometimes it is a group of business and other community leaders who give their time and commitment to reaching consensus on what needs to be done, like in La Grande. Or it can be like Gresham's city council that is willing to take another look at urban renewal even though it previously failed.

Lack of continuity, particularly with turnover of elected officials, can cause leadership problems. Some agencies try to insulate themselves from these problems by having a separate agency board.

Timing and Luck

“Timing is everything but coupled with luck helps a lot.” This was clearly demonstrated in Salem’s downtown renewal area. Salem knew it had to secure a major retailer to succeed with Salem Center. Nordstrom’s had made a prior commitment to the developer, and followed through on the commitment. If it had been six months later, the deal wouldn’t have happened because Nordstrom’s was changing its retail strategy. Eugene’s timing was on the unlucky side, being unable to attract Nordstrom’s for its downtown mall because it was too late.¹¹⁹

Public Opposition

In many communities, public opposition has led to renewal agency efforts to find solutions tailored to the specific issues in that community. In Bandon, for example, citizen activists opposed the agency both locally and in the state capital. Ultimately, the renewal agency fashioned an agreement that let voters decide based on changes to various elements in the urban renewal plan. Voters approved, and the plan is moving forward.

The Dalles used mediation to reach agreement with a group opposing the scope of the agency’s activities. Canby is working to reshape its renewal efforts to address public concerns. Sometimes, though, a community cannot come to agreement. Milwaukie deferred urban renewal efforts because of strong public opposition, while voters in other communities have either severely limited or entirely stopped urban renewal activities.

Future Issues and Policy Implications

"You need to be ready to swing with whatever is in front of you."¹²⁰

Urban renewal has demonstrated a remarkable resilience over the years. This is in large measure because of its widespread use in so many communities that have benefited. As a result, legislators from areas with active urban renewal plans generally have supported whatever changes were necessary to keep urban renewal alive, refining it to respond to public and taxing district concerns about its impacts, and making the changes required by voter approved property tax measures.

Urban renewal's current and future status will be influenced by a number of factors:

- Reduced revenue for *new* urban renewal plans because of Measure 50
- Anticipated shutdown of many plans that started in the 70s and 80s
- Competition for revenue with overlapping taxing districts
- Ramifications of the *Shilo* case
- Changes to Oregon's tax system to provide stable revenues for local governments and schools

Complicating this picture are vulnerabilities revealed through increased public and media scrutiny. One public belief is that some agencies overreach, making renewal areas larger than they need to be while trying to accomplish too much. This can create problems with taxing districts that lose short-term revenue, recently demonstrated by Multnomah County's objection to the size of PDC's Interstate Corridor renewal area.

Another vulnerability is establishing an urban renewal area where development would have otherwise happened. This comes up most often when an agency anticipates a new development and tries to capture the increment for other projects. This can provide fuel for opponents who believe urban renewal should not use public tax dollars to subsidize private businesses.

A third vulnerability is where the benefits of a project to the urban renewal area are not seen as proportional to the high cost. Examples are often public facilities that serve an entire community or region, like a public library or civic center. The media recently criticized the Eastbank Esplanade in Portland, built in part with urban renewal funds and at what some considered an unreasonable cost that had little direct benefit to the renewal district.

Other vulnerabilities include claims that urban renewal causes gentrification, the inaccurate perception that urban renewal decreases school funding, and the charge that urban renewal is taxation without representation.

Headlines like "Renewal is in, but renters are out"¹²¹ in a Portland newspaper are problematic for urban renewal agencies throughout the state. Portland has been a leader, and many agencies have tried to emulate its success at smaller scales. Likewise, agencies are concerned problems aired in Portland will negatively affect their own agencies, public opinion, and legislators' responses to the *Shilo* decision and other similar developments.

The future, as always, is unknown. New constraints could be placed on what urban renewal can do. The legislature may be more receptive to requests from taxing districts to opt out of urban renewal areas, thus diluting tax increment revenue. And with tax assessors and the attorney who represented Shilo Inn in the *Shilo* case saying "...Oregon's property tax system is ...too complicated even for professional tax collectors to comprehend,"¹²² the door is pushed open even wider for structural changes that could profoundly change how urban renewal works in Oregon.

Some urban renewal advocates believe it would be better to recast urban renewal policy, clearly acknowledging that its prime purpose is as an economic and community development tool. They believe this approach could potentially counteract some of the most visible vulnerabilities by putting urban renewal into a more realistic context, rather than perpetuating the need for "blight" as the justification for an urban renewal plan.

Given all of the different forces influencing urban renewal's future, agencies consistently point to the tangible and intangible long-term benefits to communities and taxing districts, as the case studies in this report demonstrate. A recent economic analysis of five of PDC's current urban renewal areas showed that all had property valuation increases that exceeded the citywide average, sometimes significantly, along with reductions in crime.¹²³

Urban renewal agencies also have been willing to voluntarily self-monitor, primarily through the statewide Association of Oregon Redevelopment Agencies. Individual agencies are often actively responding to and working with their critics. PDC, for example, recently announced a study that will quantify how, if at all, urban renewal contributes to gentrification.¹²⁴ Many agencies have modified plans tailored to addressing local concerns.

In the end, some ask: Is the "heyday of urban renewal" in Oregon over? Are the "plums all picked?"¹²⁵ Only time will tell, of course. For communities without urban renewal, there is still the promise of a very flexible, important tool that can help them solve local problems. The challenge is not whether they have needs, but whether they can successfully launch an urban renewal plan under the current tax structure and under careful public scrutiny. If history is any barometer, urban renewal has a strong future in Oregon.

Appendix A: Oregon Urban Renewal Agencies Using Tax Increment Financing¹

Agency (Municipality)	Urban Renewal Plan	Agency (Municipality)	Urban Renewal Plan
City of Astoria	Astoria East UR	City of Newport	Newport UR
City of Bandon	Bandon UR 1		South Beach UR
	Bandon UR 2	City of North Bend	North Bend UR
City of Bend	Central Bend UR	City of Oregon City	Oregon City UR 3-Hilltop
City of Canby	Canby UR		Oregon City-Downtown
City of Cascade Locks	Cascade Locks UR	City of Philomath	Philomath UR
City of Coos Bay	Coos Bay City UR 89	Portland Development	Downtown UR
	Coos Bay Empire UR 95	Commission	South Park Block UR
Clackamas County	Clackamas Town Center UR1		Central East Side UR
	Clackamas Industrial UR2		Airport Way UR
	Government Camp UR5		Convention Center UR
Coos County	Coos County UR 1		Lents Town Center UR
City of Coquille	Coquille UR		River District UR
City of Cottage Grove	Row River UR		North Macadam UR
City of Eugene	Eugene UR		Interstate Corridor UR
	Riverfront UR		Gateway UR
City of Gladstone	Gladstone UR 1	City of Rainier	Rainier Waterfront UR
City of Grants Pass	Grants Pass Parkway UR	City of Redmond	South Airport Industrial UR
City of Harrisburg	Harrisburg UR		Redmond Downtown UR
City of Hillsboro	No active plan area 01-02	City of Roseburg	North Roseburg UR
City of Hood River	Hood River UR	City of Salem	Fairview UR
Jackson County	Jackson County UR		Riverfront UR
City of Keizer	North River Road UR		North Gateway UR
City of Klamath Falls	Klamath Falls UR	City of Sandy	Sandy UR
City of La Grande	City of La Grande UR	City of Seaside	Greater Seaside UR
City of Lake Oswego	Lake Oswego UR 4	City of Sherwood	Old Town UR
City of Lebanon	Lebanon UR 1	City of Talent	City of Talent UR
	Lebanon UR 2	City of The Dalles	Columbia-Gateway/ Downtown UR
	Lebanon UR 3		Leveton UR
City of Lincoln City	Lincoln City UR	Tualatin Development	Central UR
City of Medford	City of Medford UR	Commission	Veneta UR
City of Milton-Freewater	Milton-Freewater UR	City of Veneta	Waldport UR
		City of Waldport	Wilsonville UR
		City of Wilsonville	

¹ Source: Oregon Department of Revenue, Research Section, Preliminary as of March 1, 2002. Agency and plan names were recorded directly from this source. Many of the actual agency and plan names may be different.

Appendix B: Legislative History of Urban Renewal in Oregon

Many of the milestones shaping urban renewal in Oregon were state and federal legislative actions and public votes or court decisions directly related to those actions.¹²⁶ The following is a chronology that summarizes those milestones to date.¹²⁷

1949: Congress approved Title I of the Federal Housing Act of 1949, the first landmark legislation regarding urban renewal. The program provided a way to finance renewal efforts through federal loans and grants to public agencies, with detailed federal regulations and oversight for how the program was to operate.

1951: The Oregon legislature enabled housing authorities to function as urban renewal agencies. This enabling legislation, codified in ORS Chapter 457, did not duplicate or preempt the existing federal urban renewal program, but rather was supported by the procedural and substantive standards of the federal law. The Oregon Supreme Court upheld the constitutionality of the law, and specifically its eminent domain provisions, in a landmark decision – *Foeller et ux. v. Housing Authority of Portland*, 198 OR 205 (1953).

1957: The Oregon legislature made substantial changes to Chapter 457, both in the definitions and the declaration of necessity and purpose. The legislation also extended to city councils, county commissions, or an appointed separate body the power to function as an urban renewal agency.

1960: Oregon voters approved a constitutional amendment, referred by the legislature, which authorized the use of TIF to finance redevelopment. This approval made Oregon the second state (after California which pioneered tax increment financing in 1951) to grant such authority. The amendment provided a way to increase local resources available for the public match for federal urban renewal funds. Implementing legislation followed in 1961. Use of TIF was limited to urban renewal agencies.

1974: Congress passed the Housing and Community Development Act, which consolidated numerous federal programs and channeled them as block grants to cities and counties, phasing out the 25 year old federal channeling of funds directly to urban renewal programs. This congressional action opened the door for TIF as a major local urban renewal financing method.

1977: The Oregon legislature directed an interim legislative committee to study the whole area of urban renewal and TIF, in response to concerns that some public agencies were using tax increment financing inappropriately. The interim committee was asked to report back to the 1979 session. Its report was completed by the end of 1977 and recommended significant changes in statutes governing urban renewal agencies.

1979: Based on the interim legislative committee's work, HB 2083 was introduced. The final approved legislation substantially rewrote Oregon urban renewal statutes, providing direction in the formation and operation of renewal agencies. The legislation expanded the permissible uses of TIF, defined "blight" which is the defining characteristic of an urban renewal district, restricted the percentage of assessed value that could be placed within an urban renewal district, and improved public scrutiny of renewal efforts.

1988: The Oregon Supreme Court determined that urban renewal taxes do not need to fit within the six percent annual limit on tax base increases. *Dennehy v. Oregon Department of Revenue*, 305 OR 595 (1988).

1990: Oregon voters approved Ballot Measure 5, which created a ceiling on property taxes for non-school and school purposes. All taxes, including tax increment revenue, had to be categorized for general government, public schools, or exempt (exempt taxes were those levied for voter approved general obligation bonds).

1991: The Oregon legislature passed Measure 5 implementing legislation that provided that all taxes collected by means of TIF be categorized as local government taxes subject to the \$10/\$1,000 real market value tax limit. For many cities this resulted in levied taxes exceeding the limit, and urban renewal agencies generally reduced or stopped collecting tax increment revenue to lessen the "compression" losses to general government agencies. In *City of Portland v. Smith*, 314 OR 178 (1991), the Oregon Supreme Court determined that taxes for payment of urban renewal bonds were not exempt from Measure 5 limits.

1993: In a special election, Oregon voters rejected Ballot Measure 1, which would have allowed local voters to exempt taxes for urban renewal bonds from Ballot Measure 5 limits.

1996: Oregon voters approved Ballot Measure 47, which reduced and limited property taxes. The impact on TIF was never determined.

1997: In response to the belief that Measure 47 could not be implemented without substantial litigation, the Oregon legislature referred Measure 50 to a May special election. Oregon voters approved the measure, which repealed Measure 47 and replaced Oregon's levy-based property tax system with a rate-based system. Because the Measure 50 system of raising urban renewal taxes resulted in substantially less revenue than before, specific provisions of the measure "grandfathered" plans in place as of the effective date of Measure 47.

These provisions allowed "existing urban renewal plans" to complete their projects by means of a special urban renewal levy, which would still be within Measure 5 local government property tax limits. The legislature also passed SB 1215, which implemented Measure 50, and which allowed municipalities to choose among three options for the collection of tax increment revenue. The options had different effects on the taxes raised and the revenue impacts on overlapping taxing districts.

2001: The Oregon legislature passed HB 3215, which exempted taxes for future voter approved bond issues and local option levies from tax increment revenue for certain urban renewal plans. On December 20, 2001, the Oregon Supreme Court handed down its decision in *Shilo Inn v. Multnomah County et al.*, 333 OR 101 (2001). This decision will affect the way urban renewal taxes are subjected to the Measure 5 limits and create the need for yet more changes to Oregon's property tax system.

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 "An Overview of Urban Renewal," October 2000.
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 The Dalles Urban Renewal Agency:
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 Johnson, Craig and Man, Joyce, editors, *Tax Increment Financing and Economic Development: Uses, Structures, and Impact*, Albany: State University of New York Press, 2001.
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Dennehy v. Oregon Department of Revenue, 305 OR 595 (1988).
Foeller et ux. v. Housing Authority of Portland, 198 OR 205 (1953).
Housing Act of 1949, ch. 338, sec. 2, 63 Stat. 413, 42 U.S.C. sec. 1441 (1964).
Oregon Constitution, Article IX, Section 1c.
Oregon Revised Statutes, Chapters 281 and 457.
Shilo Inn v. Multnomah County, et al., 333 OR 101 (2001).

Newspapers

Canby Herald, various articles.
The Daily Journal of Commerce, September 24, 2001.
The Dalles Chronicle, various articles.
East Oregonian, various articles.
The Mail Tribune, February 23, 1994.
Newport News-Times, various articles.
The News Guard, various articles.
The Oregonian, various articles.
Seaside Signal, various articles.

Persons Interviewed

Burt, Donald, Medford Urban Renewal Agency director, April 2001.
Celia, Jean, assistant to the director, Lincoln City Urban Renewal Agency, July 2001.
Cleeton, Bruce, Harrisburg city administrator, July 2001 (correspondence by electronic mail).
Conlow, Cathy, former Jackson County Community and Economic Development director, April 2001.
Davis, Don, former Newport city manager, July 2001.
Durow, Dan, The Dalles Community and Economic Development director, July 2001.
Harris, Linda, Milton-Freewater assistant city manager, April – June 2002 (correspondence by electronic mail).
Hayden, Richard, Salem Community Development Department, Urban Development Division administrator, May 2001.
Hunt, Dave, former director of PDC and Eugene Urban Renewal Agency, July 2001.
Kupper, Charles, Spencer & Kupper and former director of Eugene Renewal Agency, June 2001.
LaCrosse, Pat, former PDC director, July 2001.
Lawrence, Dave, Hillsboro Deputy city manager, July 2001.
Lehman, Larry, Pendleton city manager and former Seaside city manager, December 2001.
Norville, Oliver, attorney and former PDC general counsel, December 2000 and May 2001.
Olsen, Kurt, Lincoln City Urban Renewal director, July 2001.
Raymond, Burke, former Jackson County administrator and Beaverton City manager, May 2001.
Richards, Joe, former attorney for the Eugene Urban Renewal Agency, June 2001.
Russell, John, Salem Community Development Department, Redevelopment supervisor, May 2001.
Sasaki, Sam, Newport city manager, April 2002.
Stewart, Katie, May 2002.
Swanson, Mike, Milwaukie city manager and former interim Canby Community Development director, December 2001.
Tashman, Jeffrey, Tashman Johnson LLC, May 2001.
Walker, Rick, former Gresham Planning manager, November 2001.
Weil, Margaret, former mayor of Gresham, July 2001.
Weinman, Richie, Eugene Housing & Community Development Division director, June 2002.
Williams, John, Canby Community Development and Planning director, February 2002.
Young, Janet, former Tualatin Economic Development director, June 2001.

End Notes

Dedication to Lyle Stewart (1923-1998)

¹ Interview with Burke Raymond, former Jackson County administrator and Beaverton city manager, May 2001.

² Most of the background on Lyle Stewart was provided by his wife, Katie Stewart, through a comprehensive resume dated May 1998, and an interview with her in May 2002.

Introduction

³ *The Random House Dictionary of the English Language*, Second Edition, 1987.

⁴ "Portland...A City for the Good Life," Portland Development Commission, undated (1973?).

⁵ Only three counties currently have urban renewal agencies – Clackamas, Coos, and Jackson.

⁶ "Urban Renewal Primer," Portland Development Commission, August 2001.

⁷ "Opportunity Gateway Education Session on Urban Renewal," Portland Development Commission, July 2000.

⁸ "Report on Urban Renewal in Portland," City Club of Portland, August 1971, pages 73 and 75.

⁹ "Opinions About Urban Renewal," a report for the Portland Development Commission, CFM Research, July 2001.

Evolution of Urban Renewal in Oregon

¹⁰ Neil Goldschmidt on "40th Anniversary Videotape," Portland Development Commission, December 1998.

¹¹ John Kenward on 40th Anniversary Videotape, Portland Development Commission, December 1998.

¹² Housing Act of 1949, chapter 338, section 2, 63 Stat. 413, 42 USC Section 1441(1964).

¹³ Report on Urban Renewal in Portland, City Club of Portland, 1971, page 27.

¹⁴ *Foeller et ux. v. Housing Authority of Portland*, 198 OR 205 (1953).

¹⁵ "Report on Urban Renewal in Portland," City Club of Portland, August 1971, page 34.

¹⁶ *Ibid.*

¹⁷ Voters officially approved creation of a new "Department of Development and Civic Promotion." They also approved a two-thirds mill tax to provide for the city's share of financing future projects. "Portland Urban Renewal Summary," Portland Development Commission, December 1971.

¹⁸ These first 12 urban renewal agencies were later studied by a Joint Legislative Interim Task Force on Urban Renewal Financing in 1977.

¹⁹ Interview with Oliver Norville, attorney and former general counsel to PDC, December 2000.

²⁰ "A Brief History of Urban Renewal in Portland, Oregon," Wollner et al., August 2001, has a good overview of neighborhood rehabilitation programs and how they were implemented in Portland.

²¹ Interview with Oliver Norville, attorney and former general counsel to PDC, July 2002.

²² Oregon relocation provisions are in ORS Chapter 281.

²³ Lyle Stewart resume, May 1998.

²⁴ John Kenward on "40th Anniversary Videotape," Portland Development Commission, December 1998.

²⁵ The full text of the Constitutional Amendment is:

"Article IX, Section 1c. Financing redevelopment and urban renewal projects. The Legislative Assembly may provide that the ad valorem taxes levied by any taxing unit, in which is located all or part of an area included in a redevelopment or urban renewal project, may be divided so that the taxes levied against any increase in the assessed value, as defined by law, of property in such area obtaining after the effective date of the ordinance or resolution approving the redevelopment or urban renewal plan for such area, shall be used to pay any indebtedness incurred for the redevelopment or urban renewal project. The legislature may enact such laws as may be necessary to carry out the purposes of this section. [Created through S.J.R. 32, 1959, and adopted by the people Nov. 8, 1960; Amendment proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997.]"

²⁶ *Tax Increment Financing and Economic Development*, edited by Johnson and Man, 2001, page 31.

²⁷ The court found that “blight” was a sufficiently definite standard in *Foeller et ux. v. Housing Authority of Portland*, 198 OR 205 (1953).

²⁸ See discussion in “Joint Legislative Interim Task Force Report on Urban Renewal Financing,” December 1977, page 6.

²⁹ Many of the recommended reforms were similar to ones developed earlier by Oliver Norville when he was general counsel to the Portland Development Commission. Interview with Oliver Norville, May 2001.

³⁰ See the “Joint Legislative Interim Task Force Report in Urban Renewal Financing,” December 1977, for a complete discussion of the scope and nature of identified problems, policy considerations, and reasoning behind specific task force recommendations. See also the “Report on Tax Increment Financing in Oregon,” City Club of Portland, June 1991, pages 12-13.

³¹ Interview with Larry Lehman, former Seaside city manager, December 2001.

³² Interview with Jeffrey Tashman, Tashman Johnson LLC, May 2001.

³³ “A Brief History of Urban Renewal in Portland, Oregon,” Wollner et al., August 2001, page 31.

³⁴ Interview with Janet Young, former Tualatin Economic Development director, regarding Leveton Tax Increment District, June 2001.

³⁵ *City of Portland v. Smith*, 314 OR 178 (1991).

³⁶ “A Brief History of Urban Renewal in Portland, Oregon” Wollner et al., August 2001, page 33.

³⁷ Interview with Dan Durow, The Dalles Community Development director, July 2001.

³⁸ “Appendix B: A Recent History of Oregon Property Taxation,” Oregon Department of Revenue, undated (late 1990s?).

³⁹ *Shilo Inn v. Multnomah County, et al.*, 333 OR 101 (2001). A petition for reconsideration was allowed, but the Oregon Supreme Court declined to reconsider any of the substantive parts of the decision and remanded the case to the tax court.

How Urban Renewal Works

⁴⁰ Much of this section was originally in “An Overview of Urban Renewal,” Tashman Johnson LLC, October 2000.

⁴¹ *Tax Increment Financing and Economic Development*, edited by Johnson and Man, August 2001, page 32.

⁴² ORS Chapter 457; OAR 150 Division 457.

⁴³ “Administrative Guidelines and Procedures Manual for Urban Renewal Agencies in Oregon,” Association of Oregon Redevelopment Agencies, February 2001, page 4.

⁴⁴ The Association of Oregon Redevelopment Agencies has published “Administrative Guidelines and Procedures Manual for Urban Renewal Agencies in Oregon.” Last published in February 2001, it contains detailed information on all elements of developing and implementing urban renewal plans in Oregon. The manual is updated as needed and is available through the League of Oregon Cities.

⁴⁵ Under ORS 456.060, housing authorities can be urban renewal agencies as well as municipalities (defined as cities and counties in ORS Chapter 457). No housing authorities currently exercise urban renewal powers.

⁴⁶ Some current examples of renewal agencies with a separate agency board are the Portland Development Commission, Medford Urban Renewal Agency, Hood River Urban Renewal Agency, Newport Urban Renewal Agency, and Rainer Economic Development Council. Some other agencies have changed over time.

⁴⁷ Interview with Joe Richards, former attorney for the Eugene Urban Renewal Agency, June 2001.

⁴⁸ Interview with Don Davis, former Newport city manager, July 2001.

Case Studies

⁴⁹ Some urban renewal agencies have more than one urban renewal area. The Portland Development Commission, for example, currently has ten active plans (Downtown Waterfront, South Park Blocks, Central Eastside, Airport Way, Oregon Convention Center, River District, Lents Town Center, North Macadam, Interstate Corridor, and Gateway).

⁵⁰ “ULI 1983 Awards for Excellence Program Proposal,” Portland Development Commission, April 1983.

⁵¹ The area also had been identified in 1955 as suitable for an urban renewal area. At that time, the intent was to use the urban renewal process to acquire and clear land on which to build a new coliseum. Voters mandated an east side location for the coliseum in 1956, but the South Auditorium area still remained a designated urban renewal area. See *Portland: Planning, Politics, and Growth in a Twentieth-Century City*, Carl Abbott, 1983, pages 210-211.

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- ⁵² "A Brief History of Urban Renewal in Portland, Oregon" Wollner et al, August 2001, page 10 citing as a source Abbott, 1983.
- ⁵³ "ULI 1983 Awards for Excellence Program Proposal," Portland Development Commission, 1983, page 5.
- ⁵⁴ "Report on Urban Renewal in Portland," City Club of Portland, August 1971, page 38.
- ⁵⁵ The main sources for this case study were: a variety of materials provided by the Portland Development Commission; "Report on Urban Renewal in Portland," City Club of Portland, August 1971; and interview with Oliver Norville, urban renewal attorney and former general counsel for PDC, December 2000 and May 2001; and Abbott, 1983.
- ⁵⁶ "Downtown Development Efforts," Eugene Renewal Agency, undated, page 1.
- ⁵⁷ "Central Eugene Renewal Project," Eugene Renewal Agency, October 1977, page 1.
- ⁵⁸ "Downtown Development Efforts," Eugene Renewal Agency, undated, page 2.
- ⁵⁹ Eugene Mayor Jim Torrey quoted in *The Daily Journal of Commerce*, September 24, 2001, page 3.
- ⁶⁰ The main sources for this case study were: materials provided by the Eugene Renewal Agency; interviews with Dave Hunt, former director of the Eugene Renewal Agency and Portland Development Commission, July 2001, Charles Kupper, Spencer & Kupper and former Eugene Community Development director, June 2001, and Joe Richards, former Eugene Renewal attorney, June 2001; and review and comments through electronic correspondence by Richie Weinman, Eugene Housing & Community Development Division, June 2002.
- ⁶¹ Introduction to petitions signed in the late 1970s by 264 Newport citizens requesting a public observation area on the waterfront so tourists would not interfere with commercial fishing activity.
- ⁶² Interview with Don Davis, former Newport city manager, July 2001.
- ⁶³ *Ibid.*
- ⁶⁴ "Urban Renewal Plan," Newport Urban Renewal Agency, May 1973, page 3.
- ⁶⁵ "Urban Renewal Plan and Report of The City of Newport Seventh Amendment (Major and Minor)," Newport Urban Renewal Agency, undated (1989?).
- ⁶⁶ Each of these plans has had several amendments.
- ⁶⁷ The main sources for this case study were: interview with former City Manager Don Davis, July 2001; various documents including the plan, plan amendments, and related materials; articles from *Newport News-Times*; and interview with current City Manager Sam Sasaki, April 2002.
- ⁶⁸ Interview with Janet Young, former Economic Development director, City of Tualatin, June 2001.
- ⁶⁹ Quote from an article in *The Oregonian*, August 20, 1998.
- ⁷⁰ Quoting Steve Stolze, former Tualatin mayor, in an article in *The Oregonian*, August 20, 1998.
- ⁷¹ *Ibid.*
- ⁷² The main sources for this case study were: materials provided by the City of Tualatin (including the city's web site); interview with Janet Young, former Tualatin Economic Development director; *The Oregonian* article, August 20, 1998; and an article in *Urban Land*, November, 1994 by Dave Leland, lead consultant for Tualatin Commons and managing director of Leland Consulting Group, Portland, Oregon.
- ⁷³ *Oregon Business*, October 2000, by Sue Fagalde Lick quoting Kurt Olsen, Lincoln City Urban Renewal Director, page 14.
- ⁷⁴ Three of the communities that merged were incorporated cities. Joint Legislative Interim Task Force on Urban Renewal Financing, December 1977, page 23.
- ⁷⁵ Although when Lincoln City was incorporated it combined five towns, the urban renewal agency has identified a sixth historic area which is referred to as Wecoma Beach.
- ⁷⁶ *Oregon Business*, October 2000, page 14.
- ⁷⁷ See website about Oceanlake project (www.digitalplanningstudio.com/oceanlake/Overview.asp).
- ⁷⁸ The Lincoln City Urban Renewal Agency has also undertaken a variety of projects not specific to the historic districts, including among many others a renovation and rehabilitation loan program, feasibility study for a Creative Arts and Activities Center and a Youth Center, and placement of public art in public spaces.
- ⁷⁹ The main sources for this case study were: interviews with urban renewal director Kurt Olsen and Jean Celia, assistant to the director, July 2001; information provided by the agency and on Lincoln City's web site; and "Report of the Joint Legislative Interim Task Force on Urban Renewal Financing," December 1977.
- ⁸⁰ Interview with Margaret Weil, former mayor of Gresham, July 2001.
- ⁸¹ Resolution No. 1006, November 17, 1981.
- ⁸² The main sources for this case study were: interviews with former Gresham Mayor Margaret Weil, July 2001, former Gresham City Manager Burke Raymond, May, 2001, and former Gresham planning manager Rick Walker (along with notes from other interviews with him), April 2002; the "Rockwood Renewal Feasibility

Study,” November, 2001; information on the city’s website (www.ci.gresham.or.us); and review by Gresham Community Planning Division director Richard Ross.

⁸³ Interview with Dave Lawrence, Hillsboro deputy city manager, July 2001.

⁸⁴ Interview with Oliver Norville, attorney and former general counsel to PDC, July 2002.

⁸⁵ The main sources for this case study were: “The Ronler Acres Project: A Case Study,” City of Hillsboro, 2001 and an interview with Dave Lawrence, deputy city manager and economic development director for the Hillsboro Economic Development Council, July 2001.

⁸⁶ Interview with Dan Durow, The Dalles Community and Economic Development director, July 2001.

⁸⁷ *Ibid.*

⁸⁸ See the section on “The Evolution of Urban Renewal in Oregon, Upheaval of the 90s,” for more background on Ballot Measure 5 and compression.

⁸⁹ Interview with Dan Durow, The Dalles Community and Economic Development director, July 2001.

⁹⁰ *Ibid.*

⁹¹ The main sources for this case study were: materials provided by the Columbia Gateway Urban Renewal Agency including the “Columbia/Gateway Urban Renewal Plan and Report, August 1999; articles in *The Dalles Chronicle*; and an interview with Dan Durow, The Dalles Community and Economic Development director, July 2001.

⁹² Interview with Burke Raymond, former Jackson County administrator, May 2001.

⁹³ The Eagle Point School District, which served the White City area, was aware of the growing needs in White City. One of the indicators was a 60% turnover rate in the elementary school, according to an interview with Cathy Conlow, former Jackson County Community and Economic Development director, April 2001.

⁹⁴ Interview with Burke Raymond, former Jackson County administrator, May 2001.

⁹⁵ The main sources for this case study were: interview with Cathy Conlow, former Jackson County Community and Economic Development director, April 2001; interview with Burke Raymond, former Jackson County administrator, May 2001; and Jackson County’s web site (www.co.jackson.or.us).

⁹⁶ *Canby Herald* editorial, March 14, 2001.

⁹⁷ Canby Urban Renewal Plan, pages 2-3, November 1999.

⁹⁸ Canby Urban Renewal Area Report on the Urban Renewal Plan, page 5, November 1999.

⁹⁹ *Ibid.*

¹⁰⁰ *Canby Herald* editorial, March 14, 2001.

¹⁰¹ The main sources for this case study were: Canby Urban Renewal Area Plan and accompanying Report; various *Canby Herald* articles; City of Canby website (www.ci.canby.or.us); and interviews with John Williams, Canby Community Development and Planning director, February 2002, Mike Swanson, Milwaukie city manager and former interim Canby Community Development director, December 2001, and Charles Kupper, Spencer & Kupper, June 2001.

Latest Developments

¹⁰² *Shilo Inn v. Multnomah County et al.*, 333 OR 101 (2001).

¹⁰³ *Ibid.*

¹⁰⁴ Much of the text for this section was based on or taken from an article for the Oregon Downtown Development Association Newsletter “Downtown Renaissance,” July-September 2002, by Jeffrey Tashman, Tashman Johnson LLC and Jeannette Launer, Attorney at Law.

More on Case Studies and Common Elements

¹⁰⁵ Interview with Richard Hayden, Salem Community Development Department, Urban Development Division administrator, May 2001.

¹⁰⁶ “Portland Urban Renewal Economic Analysis,” E.D. Hovee & Company, memorandum report to the Portland Development Commission, September 2001.

¹⁰⁷ “Annual Financial Report, 1999-2000,” Medford Urban Renewal Agency, p. 3.

¹⁰⁸ Interview with Charles Kupper, Spencer & Kupper, June 2001.

¹⁰⁹ Interview with Richard Hayden, Salem Community Development Department, Urban Development Division administrator, May 2001.

¹¹⁰ *The News Guard*, April 24, 2002.

¹¹¹ “Sandy Urban Renewal Plan,” City of Sandy, December 1998, page 9. Urban renewal agencies cannot acquire land by eminent domain unless specifically identified in the plan.

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- ¹¹² Interviews with Richard Hayden and John Russell, Salem Community Development Department, May 2001.
- ¹¹³ *The Mail Tribune*, February 23, 1994.
- ¹¹⁴ Interview with Donald Burt, Medford Urban Renewal Agency director, April 2001.
- ¹¹⁵ Interview with Larry Lehman, Pendleton city manager and former Seaside city manager, December 2001.
- ¹¹⁶ The main sources for this paragraph were: *East Oregonian*, October 1998; electronic correspondence from Linda Harris, Milton-Freewater assistant city manager, April – June, 2002; “Milton-Freewater Urban Renewal Agency Budget Message for FY 2001-2002,” City of Milton-Freewater.
- ¹¹⁷ *Seaside Signal*, May 1, 1980.
- ¹¹⁸ Electronic correspondence from Bruce Cleeton, Harrisburg city administrator, July 2001.
- ¹¹⁹ Interview with Richard Hayden and John Russell, Salem Community Development Department, May 2001.

Future Issues and Policy Implications

- ¹²⁰ Interview with Dave Hunt, former Eugene Renewal Agency director and Portland Development Commission director, July 2001.
- ¹²¹ *Portland Tribune*, specific date unavailable [early 2002?].
- ¹²² “Urban renewal drains resources, confuses all,” Gregory W. Byrne, J.D., *Cascade Commentary*, Cascade Policy Institute, February 2002.
- ¹²³ “Portland Urban Renewal Economic Analysis,” E.D. Hovee & Company, memorandum report to the Portland Development Commission, September 2001.
- ¹²⁴ *The Oregonian*, December 29, 2001.
- ¹²⁵ The essence of comments by several urban renewal veterans.

Appendixes

- ¹²⁶ In addition to state and federal legislation, a number of Oregon municipalities have local charter provisions limiting the use of tax increment financing in their communities. Many municipalities have had various public votes on local initiatives and referrals that have directly affected the operation of urban renewal in their communities.
- ¹²⁷ The main sources for this section were: “Joint Legislative Interim Task Force Report on Urban Renewal Financing,” December 1977; “An Introduction to Urban Renewal in Oregon,” League of Oregon Cities, September 1979; “Report on Tax Increment Financing in Oregon,” City Club of Portland, June 1991; “Measure 50 Urban Renewal Implementation,” League of Oregon Cities Conference, Tashman Johnson LLC, 1997.



City of
Sherwood
Oregon

Home of the Tualatin River National Wildlife Refuge

Sherwood Old Schoolhouse Property Redevelopment Request for Proposal

Owner

Sherwood Urban Renewal Agency

22560 SW Pine St

Sherwood, OR 97140

Tom Nelson, Economic Development Manager

503.625.4247 T

503.625.5524 F

I. INTRODUCTION

A. Request for Proposal

The Sherwood Urban Renewal Agency is soliciting Proposals in response to this Request for Proposal (RFP) to redevelop the property known as the Old Schoolhouse at 16023 SW 3rd in Sherwood. The City invites and welcomes respondents who can provide such service to submit proposals.



WASHINGTON COUNTY HISTORICAL SOCIETY PHOTO

B. Background

The Old Schoolhouse, as depicted above, was built in 1912 on .67 acres or 29,185 square feet according to Oregon State plat maps. The property has an irregular shape and has street frontage on two sides. There are about 134 feet of frontage along NW 3rd Street and 130 feet along SW Sherwood Boulevard, a major connector between the historic downtown and the newer section of Sherwood known as six corners. The property is identified on Washington County Tax Map 2S1W Section 32BB as Tax Lot 500.

The original structure had four floors, including the basement. However the top floor was removed when the Sherwood Grange #272 purchased the building in 1950. The building was subsequently purchased by a private party and converted into a business known as Starbuck Interior Designs. In 2000 the building and property was purchased by the City of Sherwood, and subsequently sold to the Sherwood Urban Renewal Agency for \$550,000.

In December of 2007, the building was demolished. Due to its age, disrepair, and the diminished structural integrity due to the removal of the top floor, the building was deemed to be unsafe. However, public sentiment varied from attempts to preserve the building to calls for the rebuilding of a replica of the original building.

C. Proposal

The Sherwood Urban Renewal Agency is requesting a redevelopment proposal for property at 16023 SW 3rd in Sherwood, known as the Old Schoolhouse Site.

Goals of the URA for redevelopment:

- Purchase of the property, giving the URA a condominium interest in a portion of the basement level of the structure to be built to be used as a "Data Co-location Center".
- Construction of a close replica of the original "Old Schoolhouse" using materials that are reasonably similar and architecturally sound.
- Development of a business on the main floor that would be compatible with the businesses in the Old Town area.
- Development of the other space that would be compatible with businesses found in Old Town or office space and/or Community Space for training and meetings.
- Design and development that meets the requirements of the City of Sherwood development code.

D. Solicitation Schedule

Task	Due Date
RFP issued	April 16, 2008
Proposals due at Sherwood City Hall	May 7, 2008
Interviews	May 12, 2008
Staff Makes Recommendation to URA Board	May 21, 2008
Transaction Completed	June 30, 2008

II. PROPOSAL FORMAT

In order to facilitate the analysis of responses to this RFP, Respondents are required to prepare their proposals in accordance with the instructions outlined in this section. At the sole discretion of the City of Sherwood, respondents whose proposals deviate from these instructions may be considered non-responsive and may be removed from consideration.

Proposals shall be prepared as simply as possible and provide a straightforward, concise description of the Respondent's capabilities to satisfy the requirements for this RFP. Expensive bindings, color displays, promotional material, etc., are not necessary or desired. **EMPHASIS SHOULD BE ON ACCURACY, COMPLETENESS AND CLARITY OF CONTENT.** All part, pages, figures, and tables should be numbered and clearly labeled. The Proposals shall be organized into the following major sections.

A. Cover Letter

The Proposal shall contain a cover letter with the Respondent's name, address, and signature of an authorized person. The cover letter should describe why you or your firm should be considered for this opportunity.

B. Development Plan

The Development Plan shall include the following:

1. Narrative description of how the proposed business supports the goals in Section I(C), above.
2. Proposal must identify available financing.
3. Analysis of market conditions that makes this proposal viable.
4. A list of any financial expectations the respondent has of the City relative to the space.

C. Experience

In order to determine the experience of both the Respondent and the key staff assigned, the City is asking Respondent to provide evidence of current and past experience managing a successful business. Evidence should include resumes of all key personnel including the project manager who would be assigned to the development project and the manager responsible for establishing and managing the proposed business.

D. Miscellaneous Information

Any miscellaneous proposal information the respondent would like to include in the response to the RFP shall be included in this section

III. SELECTION PROCESS

A. Selection Process

A six member selection committee made up of representatives of SURPAC, Cultural Arts Commission, URA Board and City staff will evaluate all responses received and score each proposal, weighted as noted below. Scores will be summed and no more than the 3 highest scored proposals will be invited to an interview with the Committee. Once the interview is complete the most qualified respondent will be selected.

B. Selection Criteria

Criteria	Weight
Probability of successful business	45
o Business experience	
o Familiarity with proposed business concept	
Financial Strength	25
City resources required to accomplish business	20
How the proposal fits with URA Goals	5
Innovative approach for the use of space	5

IV. REQUEST FOR PROPOSALS INSTRUCTION AND CONDITIONS

A. Clarification of Responses

The City reserves the right to request clarification of any item in a firm's response or to request additional information necessary to properly evaluate particular qualifications. All requests for clarification and responses shall be in writing.

B. Submission of Proposals

Responses to the Request for Proposal must be received by 5:00 PM May 7, 2008. Six copies of the Proposal must be delivered to the following address in sealed envelopes clearly marked:

Attn: Tom Nelson
Old School Redevelopment
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140

Respondents are responsible for ensuring that Proposals are received by the above office prior to the deadline. The City may, at its sole discretion, decline to consider late submissions.

C. Public Disclosure of Proposals

Any information provided to the City pursuant to this RFP may be subject to disclosure under Oregon's public records law (ORS 192.410 to 192.508). Any information deemed by the Respondent to be privileged, confidential or otherwise exempt from disclosure should be plainly marked as such and separated from the remainder of the Proposal in a separate envelope.

D. Rejection of Request for Proposals

The City of Sherwood reserves the right to reject all submissions and not select any respondent to this RFP.

E. Investigations

The City of Sherwood may make such independent investigation as deemed necessary to determine the responsiveness and/or ability of any respondent to perform the work, and the respondent shall furnish to the City of Sherwood all such information and data for this purpose as the City of Sherwood may request.

V. APPEALS

Respondents may appeal only deviations from laws, rules, regulations or procedures. Disagreement with the scoring by evaluators may not be appealed.

All appeals must be in writing and physically received by City of Sherwood Economic Development Manager no later than 5:00 PM May 20, 2008.

Address appeals to:

APPEAL OF DISQUALIFICATION
ATTN: Tom Nelson, Economic Development Manager
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140

Appeals must specify the grounds for the appeal including the specific citation of law, rule, regulation, or procedure upon which the protest is based. The judgment used in scoring by individual evaluators is not grounds for appeal.

Appeals not filed within the time specified in the paragraph above, or which fail to cite the specific law, rule, regulation or procedure upon which the appeal is based shall be dismissed.



Request for Proposals

City of Sherwood Redevelopment of the Old Cannery Site

Issue Date: July 5, 2007

Exclusive Representation

GVA Kidder Mathews

One SW Columbia Street, Suite 950

Portland, OR 97258

503.221.9900



Table of Contents

1. The Opportunity
2. Introduction
3. Executive Summary
4. The Site
5. Development Responsibilities
6. Terms & Conditions
7. Selection Process & Criteria
8. Submission Requirements
9. Submission Instructions

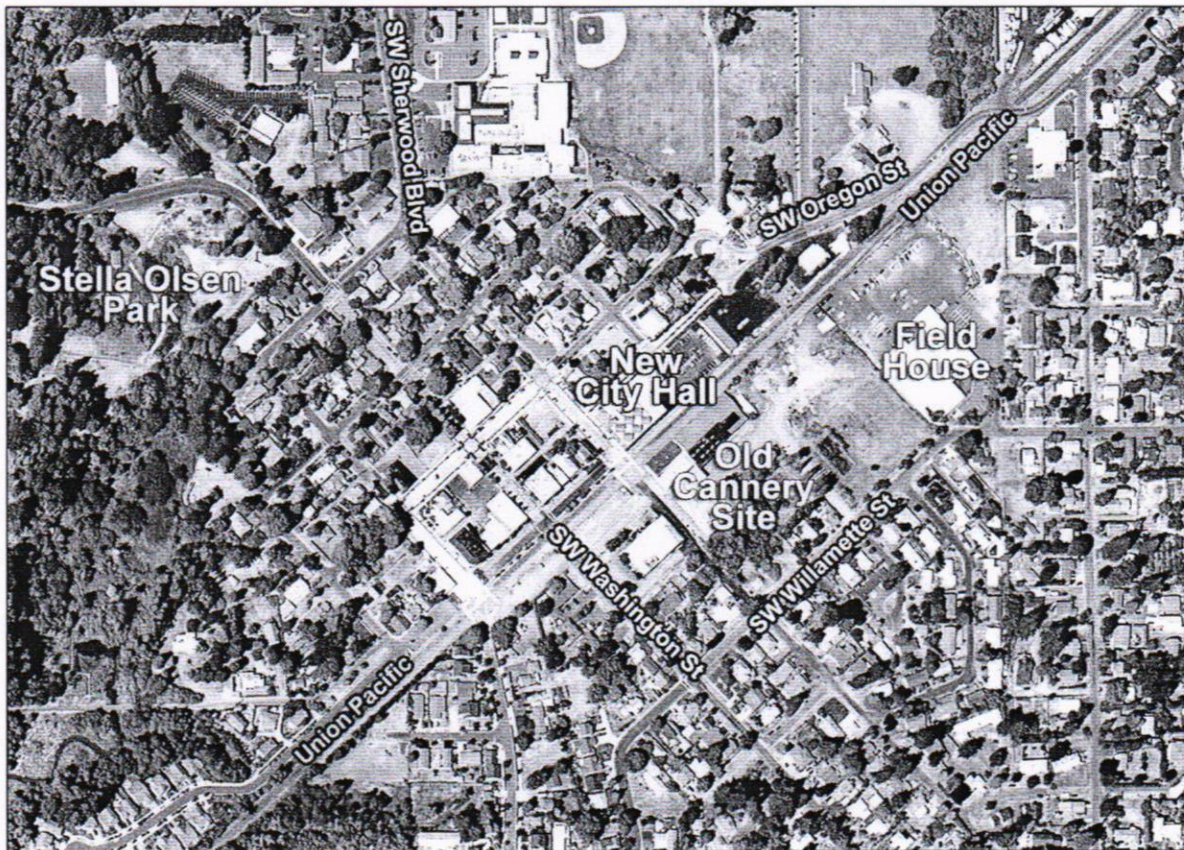
1. The Opportunity

Three Parcels in Downtown Historic Sherwood, Oregon

Appraised at \$3.7 Million - \$14 per square foot

MAJOR REDEVELOPMENT OF SUBURBAN DOWNTOWN SHERWOOD

This redevelopment will consist of three parcels in historic Old Town Sherwood totaling 6.06 acres (263,974 SF) and known as the Old Cannery Site. The parcels are zoned either High-Density Residential or Retail Commercial and the Redevelopment Program targets a mixed-use scheme of residential uses comprising 50%-70% of the property and commercial-retail uses comprising the balance of the site.



THE OFFERING

The material contained in this Offering Memorandum is confidential, furnished solely for the purpose of considering the purchase of the real property described herein, and is not to be used for any other purposes or made available to any other person without the express written consent of GVA Kidder Mathews.

Interested buyers should be aware that Seller, City of Sherwood, owner of the real property known as the Old Cannery Site, is selling the property in its "AS IS" condition with all faults, without representations or warranties of any kind or nature. Prior to and/or after contracting to purchase, as appropriate, Buyer will be given a reasonable opportunity to inspect and investigate the Property and all improvements thereon, either independently or through agents of Buyer's choosing. In addition to the first sentence of this paragraph, but without limiting the generality thereof, Buyer shall not be entitled to and should not rely on Seller or its affiliates or its agents as to (i) the quality, nature, adequacy, and physical condition of the Property, including, but not limited to, any structural elements, foundation, appurtenances, access, landscaping, and the electrical, HVAC, plumbing, sewage, and utility systems; (ii) the quality, nature adequacy, and physical condition of soils, ground water, and geology; (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Property; (iv) the development potential of the Property, its habitability, merchantability, or fitness, suitability, or adequacy of the Property for any particular purpose; (v) the zoning or the legal status of the Property; (vi) the Property's or its operation's compliance with applicable codes, laws, regulations, statutes, ordinances, covenants, conditions, and restrictions of any governmental, quasi-governmental entity, or any other person or entity; (vii) the quality of any labor and materials furnished at or to the Property; (viii) the compliance of the Property with any environmental protection, pollution, or land use laws, rules, regulations orders or requirements, including, but not limited to, those pertaining to the handling, generating, storing, or disposing of any hazardous materials, or the Americans with Disabilities Act; and (ix) except as expressly provided otherwise in an executed contract of sale, the condition of title and the nature, status, and extent of any right-of-way, lease, right of retention, possession, lien, encumbrance, license, reservation, covenant, condition, restriction, and any other matter affecting the title. Although the Seller may have performed work, or contracted for work performed by third parties in connection with the Property, Seller and its agents shall not be responsible to Buyer or any successor on account of any errors or omissions or construction defects of such predecessors and/or third parties.

Seller reserves the right to withdraw the Property being marketed at any time, without notice, to reject all offers and to accept any offer without regard to the relative price and terms of any other offer. Any offer to Seller must be (i) presented in the form of a non-binding Letter of Intent, (ii) incorporated in a formal written contract of purchase and sale to be prepared by Seller and executed by both parties, and (iii) approved by Seller before the transaction becomes binding on either party.

Neither the Prospective Buyer nor Seller shall be bound until execution of the contract of purchase and sale, which contract shall supersede prior discussions and writings and shall constitute the sole agreement of the parties. Prospective Buyer shall be responsible for their costs and expenses of investigating the Property and all other expenses, professional or otherwise, incurred by them, including brokerage fees to Buyer's agents.

DEVELOPMENT OBJECTIVES

GVA Kidder Mathews has been retained by the City of Sherwood ("Owner") to exclusively market the Old Cannery Site, Sherwood, Oregon. The site is approximately 6.06 acres and sits in the heart of Old Historic Downtown Sherwood, located on Highway 99 between Tigard and Newberg.

Sherwood's Old Town Historic District is a 10-square-block area which houses the City Hall and has seen a significant amount of redevelopment in recent years, including the construction of a new City Hall and Library facility, and the construction of significant streetscape improvements by the City of Sherwood.

The redevelopment concept as envisioned by the City of Sherwood and the Cannery Development Advisory Committee (CDAC) contemplates a medium-density mixed-use project for both residential and retail-commercial uses. Ideally, the residential uses would consist of a combination of condominiums, townhouses, and single-family dwellings, while retail-commercial would be comprised of commercial buildings and storefront lofts. Most retail activity would be expected to take place on the first floor with perhaps office space or housing above.

The goals of the redevelopment project include the stimulation of new investment and development in Old Town, north of the railroad tracks, which border the site. A "small-town" feel and complimenting the existing Old Town is the goal of the project which should have a unified architectural character and should encompass the grid pattern established in Old Town and adjacent neighborhoods. The ultimate character of the development should be that of a unique, high-quality place which capitalizes on the major investment the City has made in new streets, sidewalks, and street lighting north of the railroad tracks. A small open area, plaza or town square suitable to a community gathering place will need to be included in the redevelopment scheme.

The City's redevelopment concept was derived from a July 2005 consultant document, "Sherwood Cannery Development Strategy". The document is available on www.sherwoodcannery.com as an attachment, and is meant to serve as a guide and roadmap for the redevelopment of the Cannery site. While it suggests percentages for the relative mix of residential and retail-commercial uses, the City of Sherwood will be flexible in allowing the ultimate developer to implement its desired strategy. Further, the schematic diagrams showing the composition and building types on the respective development parcels are to be treated as guidelines only.

Similarly, the Redevelopment Strategy reflects the requirements of the Old Town Overlay District (OT), contained in Chapter 9 of the Sherwood Zoning and Development Code. The OT zoning-district is intended to establish objectives and define a set of development standards to guide physical development in historic downtown Sherwood. The OT overlay is intended to provide development flexibility with respect to uses, site sizes, setbacks, heights, and site design elements. Land use applications must demonstrate substantial conformance with the Overlay District standards.

The ultimate overlaying goal is a successful, high-quality project which maximizes the Cannery project's "small-town" feel, compliments the existing Old Town, and can be successfully implemented by a capable developer with a proven track record.

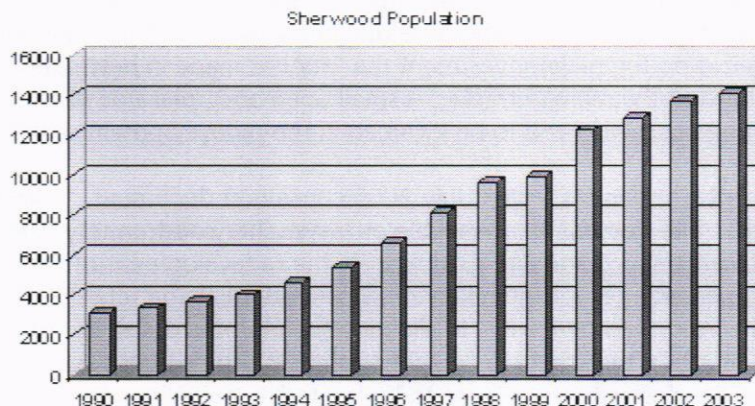
A complete copy of the Sherwood Cannery Development Strategy can be downloaded from the "Opportunity" Section of www.sherwoodcannery.com.

2. Introduction

BACKGROUND AND HISTORICAL HIGHLIGHTS – SHERWOOD, OREGON

Prior to western settlers arriving in 1853, the Tualatin Indians inhabited the area which is now known as Sherwood, Oregon. In 1885, JC Smock gave a right-of-way on his property to the Portland and Willamette Valley railroad. He and his wife, Mary Ellen Sebastian platted the town in 1889, the same year rail service began. Tradition has it that no one, not even the town's founders liked the name "Smock Ville," and so a public meeting was held to rename the town. A prominent businessman, suggested the name Sherwood, which is the town in Michigan that he was from, which is itself named after the legendary Sherwood Forest of England.

The main industry in the 1890's was a brick yard supplying building materials to Portland. Most of Sherwood's commercial buildings were built at this time, including the nine-block area known as Old Town. The brickyard closed in 1895, and a year later, a terrible fire razed most of the business district. The economy diversified to include a fruit and vegetable cannery and a tannery, which supported Sherwood until 1971. Today the main industry is manufacturing. In 1911, Sherwood's city limits were one square mile, and a population of 350. Today, Sherwood's population is in excess of 15,000 and the city limits have expanded to four and a half square miles.



Sherwood continues to remain one of the fastest-growing towns in Oregon, but such growth has not diminished the small-town atmosphere of historic Old Town, which is evident in annual community gatherings such as the popular Robin Hood Festival, Cruisin Sherwood Classic Car Show, Music on the Green, The Arts Festival, the Onion Festival, Run for the Roses and Missoula Children's Theatre. In addition, Sherwood boasts excellent active recreational facilities that play host to state and regional high school and youths sports championship events.

Sherwood is also home to the Tualatin River National Wildlife Refuge, one of only a handful of urban national wildlife refuges in the country. The Tualatin River National Wildlife Refuge has received Sunset Magazine's 2007 Environmental Award for being a piece of "preserved paradise". The refuge was included on a list of 10 winners Sunset honored in Alaska, Arizona, California, Hawaii, Montana, New Mexico and Utah. The awards are detailed in the magazine's March 2007 edition. The 1,358-acre refuge, just off Oregon 99W, about 15 miles southwest of Portland, was opened to the public last June, offering a network of walking trails through varying habitats, as

well as a wildlife photography blind and a pier for handicapped fisherman. An interpretive center remains under construction. The U.S. Fish & Wildlife Service has approved plans to expand the refuge to more than 3,000 acres.

While Old Town boasts antique shops and tea houses, it is only minutes away from new commercial development concentrated at Highway 99W and Tualatin-Sherwood Road and rolling hills and farmland have combined with high-end residential development to provide a bucolic setting south of Old Town. The Cannery site is adjacent to rail lines that could be used in the future for commuter rail from the Portland Airport to Yamhill County. Sherwood will also serve as the "end of the line" for the Washington County winery tour as part of the Washington County tourism plan.

Sherwood's location approximately 12 miles southwest of downtown Portland in southeast Washington County offers residents a suburban community with a rural feel.

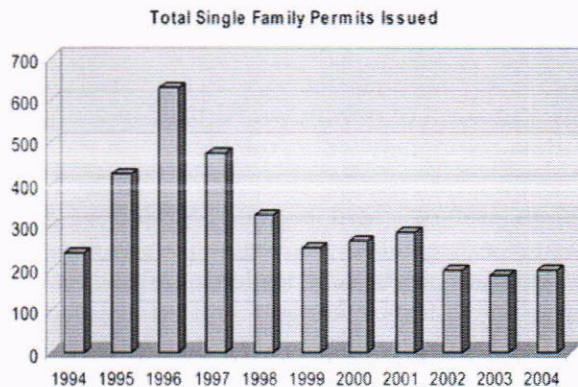
Schools within the Sherwood School District are acknowledged as among the best in metropolitan Portland, and Sherwood academic Target Scores exceed State of Oregon Student Benchmarks in all categories. Sherwood High School's dropout rate of 1% is an academic statistic that distinguishes it from virtually every other large high school in Oregon, and extracurricular participation by students exceeds 75%.

During a period when Oregon's public school districts have faced challenging funding issues, Sherwood residents have shown their commitment to educational funding. With the recent passage of a \$98 million capital construction bond measure, the district is assured of the ability to maintain existing facilities and add new school facilities as necessary.

Sherwood's small-town ambiance, suburban yet rural character, and superior schools are reflected in an average median household income of \$70,549, compared to a \$52,122 median income for Washington County. Further, the median sale price of residential housing in Sherwood is \$342,184, compared to a median price of \$253,940 for Washington County.

STRONG LOCAL ECONOMY

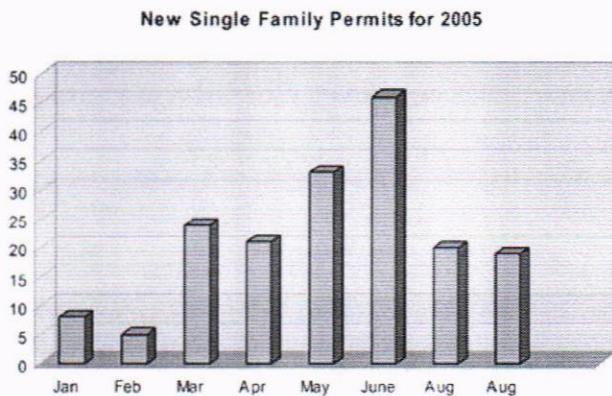
Oregon's unemployment steadily decreased from 2003 through 2005 and stands at 5.57% though the state continues to underperform the nation, which saw an unemployment decrease to 4.7%. Economic forecasters are predicting that the region will create more jobs and see another one million residents added to its population base. Part of the growth is attributed to the excellent quality of life, access to recreational opportunities, moderate climate, and a good public school system.



LACK OF AVAILABLE RESIDENTIAL LAND

With the creation of the Urban Growth Boundary in the 1970s, suburban sprawl has been contained and measured growth has allowed cities such as Sherwood to provide new housing stock and an excellent school system. Development has been thoughtful and reflective of city council decisions aimed at consistent design standards, contained commercial development, and affordable as well as upscale residential neighborhood developments.

However, the supply of developable residential and commercial land has diminished over the past five years, and the challenge of bringing additional land into the Urban Growth Boundary is becoming difficult. These conditions are in large measure responsible for the increase in median housing prices in metropolitan Portland, and the availability of an infill residential-commercial parcel as typified by the Cannery site is a unique opportunity.



3. Executive Summary

THE DEVELOPMENT SITE

An approximate 6.06 acre site owned by the City of Sherwood within the Old Historic Downtown Redevelopment Area, a 10 square block area which has experienced significant revitalization in recent years, including the construction of a new City Hall and Library, and the construction of extensive streetscape improvements.

DEVELOPMENT CONCEPT

Commercial and residential with a pedestrian-oriented, medium-density neighborhood that is compatible with, and ideally supportive of, the Sherwood concept development plan. Important development objectives include attracting sensitive design elements compatible with the historic flavor of the Downtown area. The Development Concept and suggested mix of uses are provided as an attachment to this offering.

PURCHASE

The site is available for sale only to a single buyer. It is not priced but has been the subject of an MAI appraisal in January 2007 which valued the site at \$3,700,000.

SELECTION PROCESS

A two step request for proposal selection process (see Section 7).

SUBMITTALS DUE

September 4, 2007 at 4:00 PM. Submittals may be mailed to the address below or delivered in person to the Bid Desk at the City of Sherwood, City Hall, 22560 SW Pine Street, Sherwood, Oregon 97140.

CITY OF SHERWOOD REPRESENTATIVES

For further information, contact via letter, fax or e-mail.

Tony R. Reser
Senior Vice President
GVA KIDDER MATHEWS
One SW Columbia St., Suite 950
Portland, OR 97258
503.221.2271 phone
503.221.2277 fax
treser@gvakm.com

Colleen S. Colleary
Vice President
GVA KIDDER MATHEWS
One SW Columbia St., Suite 950
Portland, OR 97258
503.221.2265 phone
503.221.2277 fax
colleenc@gvakm.com

James Patterson
Assistant City Manager
CITY OF SHERWOOD
22560 SW Pine St.
Sherwood, OR 97140
503.625.5522 phone
503.625.5524 fax
pattersonj@ci.sherwood.or.us

4. The Site

DESCRIPTION OF SITE

Subject site is located on a city block which is divided by a wetland area. The site is an L-shaped site with frontage along both SW Willamette and SW Pine streets. The site is effectively level at street grade and is served by all public utilities.

LAND AREA

Three parcels consisting of 263,974 square feet (6.06 acres) Gross Site Area. The subject area is summarized in the following table:

Parcel#	Size (Acres)	Size (SF)
R0555599	5.46	237,838
R0555615	0.51	22,216
R0556017	0.09	3,920
	6.06 Acres	263,974 SF

EXISTING BUILDINGS/USE SUMMARY

The City of Sherwood will demolish and remove the existing improvements. The site will be delivered in shovel ready condition.

EXISTING ZONING

Retail Commercial (4.46 acres); High-Density Residential (1.60 acres) The site is the Old Town overlay, the city's most flexible zoning designation that allows for great latitude in redevelopment of the site.

TRANSPORTATION

The site has excellent arterial and freeway access. Arterial access is provided by Oregon Street and Washington Street to Hwy 99, and Oregon Street connects to Tualatin Sherwood Highway to the East, and thereafter to Interstate 5 at the Tualatin interchange.

UTILITIES INFRASTRUCTURE

The site currently has electrical, sewer, water, gas and communications service. The developer will extend these utilities from the property line onto the site. The estimated charges allocable to Systems Development Fees for the project are \$2.0-\$2.5 million.

ENVIRONMENTAL REMEDIATION

The City expects to complete characterization of the site's environmental condition prior to execution of the sale with the developer. Existing environmental assessments have not identified any extraordinary environmental issues. The property will be conveyed by the City ready to develop with no known environmental deficiencies.

UTILITIES

Public Water: Tualatin Valley
Sanitary Sewer: Clean Water Services
Electricity: Portland General Electric
Natural Gas: Northwest Natural

FLOOD PLAIN/WETLAND

FEMA/FIRM Map number 4102730001A – Map Date: 01/06/1952
locates the subject in Zone C, outside the 100-year flood plain.

SOILS

A geotechnical investigation has not been performed.

5. DEVELOPER RESPONSIBILITIES

DEVELOPER'S RESPONSIBILITIES

The Developer will plan and construct a development project on the Cannery site consistent with the objectives described herein. All "due diligence" and development activities shall be undertaken solely at the cost of the Developer. The Developer will assume the following principal responsibilities related to development:

- Obtain entitlements for the development of the property. Following selection the developer will then meet with City of Sherwood Planning personnel for a pre-application conference at no cost to applicant. Following the pre-application conference, the Developer will proceed with the Type IV development agreement application. The Developer will have sole financial responsibility for the entitlement process, including any additional environmental review and/or permitting that may be required. The City will support the Developer during these processes.
- Secure financing for the proposed project.
- Complete construction of the proposed project.

CITY'S RESPONSIBILITIES

The City will assume the following principal responsibilities:

- Cooperate, and assist where needed, in obtaining key entitlements and regulatory approvals.
- Complete investigation and remediation or other appropriate management of any known environmental contamination, consistent with applicable Oregon Department of Environmental Quality regulations, in coordination with the Developer's site planning activities. The City will lead any interactions and negotiations with regulatory agencies that are required to establish a contamination management approach that is consistent with the site development process.
- Complete demolition of the Cannery buildings and other limited site clearance.
- Prompt review and processing of the Type IV development agreement application.
- Certify compliance with SEPA.
- Prompt review and processing of all development permits.

6. Terms & Conditions

GENERAL TERMS

This RFP is neither a contract nor a commitment of any kind by the City, and does not commit the City to begin exclusive negotiations nor to pay any cost incurred in the submission of a response. The submission of a response to this RFP constitutes an invitation to negotiate with the City. The City, at its sole discretion, reserves the right to accept or reject, in whole or in any part, responses to this RFP, to request new responses, reissue the RFP, or not to proceed with this project or any part thereof.

All submitted responses will become the property of the City and will become public documents. Upon receipt by the City, the responses submitted including any and all attachments to the response and any interim reports and investigations prepared by the development team shall become the property of the City. The City shall have the right to copy, reproduce, or otherwise dispose of each response received. The City shall be free to use as its own, without payment of any kind or liability, therefore, any idea, scheme, technique, suggestion, layout, or plan received during the RFP process.

Failure to provide any of the requested data within the specified submission period may cause the City, at its sole discretion, to reject the submitted response or require the data to be promptly submitted.

The qualifications of each member of the development team are important criteria in the selection process. The selected Developer will not be allowed to substitute any members of the development team without prior approval by the City. The City, at its sole discretion, reserves the right to accept or reject proposed changes to the development team.

All facts and opinions stated within this RFP and in all supporting documents and data, including but not limited to statistical and economic data and projections, are based on available information from a variety of sources. No representation or warranty is made with respect to this information. The developer will be responsible for conducting all feasibility analyses required to undertake the development.

In the interest of a fair and equitable selection process, the City retains sole responsibility to determine the timing, arrangement and method of proposal presentations throughout the selection process. Developers and members of their team are cautioned not to undertake any activities or actions to promote or advertise their qualifications or proposal except in the course of City-sponsored presentations.

REAL ESTATE REPRESENTATIVE

GVA Kidder Mathews, or designee, is the designated City representative for this RFP ("City Representative") and is being compensated by the City of Sherwood. No real estate fees or any other commissions of any type will be paid to respondents for this RFP or their agents or representatives. All contacts and communications regarding this RFP should be submitted in writing only by mail, fax or e-mail. The deadline for receipt of questions is 4:00 PM August 30, 2007. Questions received after this date and time will not be considered. Only questions answered by the City in writing will be binding. Oral and other interpretations,

clarifications or submittal instructions will be without legal effect. Interpretations, clarifications or supplemental instructions will be issued by addenda and will be provided in writing to all developers who have indicated an interest in the project by virtue of having downloaded the RFP from the City's web site or received it from the City's Bid Desk or from the representatives listed below:

Submit questions to:	Tony Reser or Colleen Colleary
Mailing address:	GVA Kidder Mathews One SW Columbia Street, Suite 950 Portland, OR 97258
Phone Number:	(503) 221-9900
Fax number:	(503) 221-2277
E-mail:	treser@gvakm.com colleenc@gvakm.com

REJECTION OF RESPONSES

The City reserves the right to accept or reject any or all responses in their entirety or in part, and to waive informalities and minor irregularities. During the evaluation process, if the City determines that a particular requirement may be modified or waived, then the requirement(s) will be modified or waived for all respondents and all responses will be re-evaluated in light of the change.

WITHDRAWAL OF RESPONSES

Submitted responses may be withdrawn prior to the deadline for submission of responses. After opening of the responses by the City and prior to the time the selected developer is notified, respondents may withdraw their response. Financial capacity is addressed below.

PUBLIC DISCLOSURE

As a public agency, the City is subject to the Oregon State Public Disclosure Act. As such, the City may be required to disclose information provided in respondent's response. The City will promptly notify respondent of any requests for public disclosure of respondent's documents. Respondent shall be responsible for and bear the costs of taking legal action in an attempt to prevent disclosure of such documents. In no event shall the City be liable to respondent for disclosure of respondent's documents the City deems disclosable under Public Disclosure Act.

7. Selection Process & Criteria

SELECTION PROCESS

An evaluation panel consisting of City staff and consultants will review all responses for their relative strengths and weaknesses based on the submission requirements and will follow a two-step process.

1. First Step

Initial responses to this RFP will be evaluated and a short list of two to three development teams will be selected.

2. Second Step

Selected developers will be asked to submit detailed proposals that include, but are not limited to, site plan, phasing schedule (if applicable), a financial pro-forma, purchase price and proof of financial capacity.

SELECTION SCHEDULE

ITEM	DATE
RFP Available	July 11, 2007
RFP Response Due	September 4, 2007
Short-listed Recommendations Determined and RFP made to Short Listed Firms	September 18, 2007
Proposals Due from Short-Listed Firms	September 28, 2007
Developer Selection Recommendation to City Council and Public Hearing	October 9, 2007
Exclusive Negotiating Period Begins	October 12, 2007

SELECTION CRITERIA

The City intends to select a development team to enter into exclusive negotiations based on the information contained in the responses to this RFP, an investigation of the team's past projects and performance, interviews with the development teams, and other pertinent factors. The following criteria are among those that the City will use to evaluate the submissions:

1. Developer Experience and Qualifications

Score: 40%

- A demonstrated track record in securing appropriate entitlements and completing development of high quality compatible projects of comparable size, land use type and level of investment.
- Experience in successfully collaborating with public sector partners.
- Economic success of past projects.
- Architectural and urban design quality of past projects.

- Timeliness of performance.
- Qualifications of members of the development team.

2. Preliminary Development Concept

(See Section 8. Submission Requirements, Preliminary Development Concept)

Score: 40%

- Responsiveness of the preliminary development concept to the City's development objectives, including indications of financial feasibility.
- The preliminary development concept should demonstrate a thoughtful and realistic understanding of the potential market and the existing site context, as well as a thorough understanding of the development process. A clear understanding of the market forces leading to a successful development strategy is also critical to the selection process.

3. Financial Capacity

Score: 20%

- Capitalization of the development entity and ability to fund at least \$10 million of development costs.
- Availability of sufficient predevelopment equity for project success.

8. Submission Requirements

COVER LETTER/EXECUTIVE SUMMARY

Each response must contain a cover letter highlighting how the respondent meets the requirements of this RFP. This summary should be written to allow the evaluation panel to quickly ascertain the highlights of the response.

DEVELOPER IDENTIFICATION

1. Identify the lead development entity's name, street address, mailing address, phone number, fax number, and e-mail address. Specify the legal form of the organization (e.g., corporation, partnership, joint venture, other). Specify the date the organization was established.
2. Identify the principal point of contact with the City, who will be authorized to represent the developer in negotiations and make legally binding commitments for the entity. Describe the limitations of the negotiator's authority.
3. List all officers, partners, or owners of the development entity by name, title, and distribution (percentage) of ownership.
4. Identify development partners and any other members of the development team, including planning, design and financial consultants. Identify the specific role and responsibilities of each member of the team. Provide relevant experience for each, a description and photographs of relevant previous projects, and their role in the cited projects. This section cannot exceed 20 pages for all members of the team combined.
5. Provide an organization chart including the key personnel of development team. Include resumes of key personnel in the addendum.

RELEVANT DEVELOPMENT TEAM EXPERIENCE

List and describe the development entity's experience in developing comparable projects. In total, this section is limited to a maximum of 20 pages, including photographs. For each project, provide the following:

- Project description, including date of initiation and completion, location, size of development, concept, price points, land uses and cost.
- The precise role that the entity and principals of the entity who are assigned to the City's project played in the project's development.
- Financial structure of the project, including amount and source of equity and debt financing.
- Key performance dates, including the property acquisition date, the date construction started, and the date completed.
- Evidence of market and economic success.

- Describe the development entity's philosophy regarding long-term holding of its assets. If a management firm is to be employed to manage the project, submit sufficient data on its experience to enable determination of its ability to manage this development.
- Description of the extent to which there was close collaboration with public sector partners.
- Experience in dealing with site contamination issues, including testing, characterization, and remediation of soil and groundwater contamination.
- Experience in dealing with surface water and storm water management during both construction and operation of the project.
- Application of sustainable development policies and/or "green building" principles and practices.
- Experience in creating community consensus and successful public outreach.
- For each project or relevant experience, provide a name and phone number of a contact person familiar with your project.

PRELIMINARY DEVELOPMENT CONCEPT

The respondent should provide a brief narrative description and graphic depiction of the preliminary development concept on which the final site development plan would be based that is consistent with the intent expressed in this RFP and allows the City to understand the respondent's overall vision for and analysis of the project. It is understood that this description would be representative of the type of development proposed by the developer for the site. This description should include preliminary indications of the nature and type of development planned, including land use, building type and configuration; relationship to surrounding uses; approach to access to the site; approach to parking; development phasing; approach to financing development components; and a generalized indication of the types of tenants envisioned for the project. An indication of the design quality of the development should be made, perhaps through reference to other town center or similar developments.

FINANCIAL CAPACITY

The City requests evidence that the development entity has the financial capacity to carry out the proposed project. The City recognizes the sensitive nature of the financial information requested in this RFP. Such information may, therefore, be submitted under separate cover and labeled "Confidential." Only two copies are required. This information will be used solely by the City for purposes of evaluation and will be kept confidential to the fullest extent allowed by law.

1. For the development entity or, in the case of a company formed specifically for this project, for each of its guarantors, provide the following information:
 - Audited financial statements for the most recent calendar or fiscal year.
 - Letters from the developer's lenders and other financial partners attesting to the developer's capacity to undertake this project.
2. Provide evidence from established financial source(s) of the ability to provide the necessary debt and equity for the project, and identify the expected range of financing needed for this project. Indicate other recent projects where a similar level of investment was made, and provide appropriate references.

3. Identify the source, nature and amount of predevelopment equity available to the developer to fund a project of this nature. Identify the process to secure equity for predevelopment costs, and any limitations on the availability of these funds that may impact the development of this project.
4. Is the development entity or any named individual in the proposed project involved in any litigation or other disputes that could result in a financial settlement having a materially adverse effect on the ability to execute this project? If yes, please explain.
5. Has the development entity or any named individual in the proposed project ever filed for bankruptcy or had projects that have been foreclosed? If yes, please list the dates and circumstances.

Due to the often confidential nature of the financial information, the respondent may submit its response to this section in a separate sealed envelope, marked "Confidential Developer Proposal". The sealed envelope will be opened and reviewed by the financial evaluation committee.

DEPOSIT/GUARANTEE

A good faith deposit of \$100,000, is required in the form of a cashier's check, money order, surety bid bond, or letter of credit payable to the City of Sherwood. If applicable, the deposit will be placed in an interest bearing earnest money deposit account accruing interest to the respondent.

RESPONDENT'S CERTIFICATION

A completed certification in form attached as Appendix A.

9. Submission Instructions

INSTRUCTIONS

1. Deadline

Each development entity responding to this RFP is required to submit copies of its response by September 4, 2007 at 4:00 PM to the Bid Desk at the City of Sherwood

Late submittals will not be considered. Fax or e-mail submittals are not acceptable.

2. Delivery

Responses should be directed to:

Jim Patterson
Assistant City Manager
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140
(503) 625-5522 phone
(503) 625-5524 fax

Responses may be mailed to the address above or delivered in person or by messenger to the Bid Desk at the City of Sherwood.

3. Page Limit

All responses are limited to a maximum of 50 pages, including the limits identified in Section 8, Submission Requirements. A page is defined as a single piece of paper. The "tab" pages are not included in the 50-page limit, nor are any addenda sections. Addenda sections may not, however, exceed ten (10) pages.

APPENDIX A RESPONDENT'S CERTIFICATION

By submitting a response, respondent understands, agrees and warrants that:

Respondent has carefully read and fully understands the information provided in this RFP, including, but not limited to, Section 8. Submission Requirements

Respondent has the capability to successfully undertake and complete the responsibilities and obligations of the response being submitted.

All information in the response is true and correct.

The City has the right to negotiate fees and other items it deems appropriate for the benefit of the City and the general public.

The City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Respondent, and Respondent hereby grants the City permission to make said inquiries and to provide any and all requested documentation in a timely manner.

Dated this ____ day of _____, 2007.

(Respondent)

By: _____

Title: _____

(TO BE ACCEPTED, ALL RESPONDENTS MUST SIGN THIS CERTIFICATION)

RECEIVED

SEP 4 2008

CITY OF SHERWOOD
RECORDER'S OFFICE

PURCHASE AND SALE AGREEMENT

DATE: July, 2008

(the "Effective Date")

September 3

BETWEEN: City of Sherwood Urban Renewal Agency
22560 SW Pine Street
Sherwood, OR 97140
ATTN: Jim Patterson
Fax: (503) 625-5524

("Seller")

AND: Capstone Partners, LLC,
an Oregon limited liability company
1015 NW 11th Avenue, Suite 243
Portland, Oregon 97209
ATTN: Chris Nelson

("Purchaser")

Recitals

A. Seller owns certain real property commonly known as the Old Cannery Site and consisting of Tax parcels R0555599, R0556017 and R0555615 in Washington County, in Sherwood, Oregon (the "Current Seller Property"). A legal description of the Current Seller Property is attached as Exhibit A-1 and made a part of this Agreement. Purchaser desires to purchase from Seller a portion of the Current Seller Property depicted as "Site A-1", "Site B-1", "Site B-2", "Site C", "Site D", and "Phase II Property" on the attached Exhibit A-2 (the "Land"). The legal description of the Land will be determined during the subdivision process that Purchaser and Seller contemplate occurring as part of the development of the Property. As used in this Agreement, "Property" includes:

(i) the Land and improvements, and all related rights and appurtenances, including all right, title and interest of Seller in and to any of the following: any oil, gas, or other minerals laying under such land, any water or water rights benefiting such land and any stock evidencing any such rights, any easements benefiting such land and any strips and gores adjoining such land;

(ii) all right, title and interest of Seller in permits or governmental approvals related to the Property, whether granted by governmental authorities or private persons (collectively, the "Rights"); and

(iii) the tangible personal property located on the Property. Tangible personal property shall mean all tangible personal property located on or in the real property or structures on the real property, and owned by the Seller.

B. Purchaser desires to purchase the Property from Seller, and Seller desires to sell the Property to Purchaser for the price and on the terms and conditions described below.

Agreement Terms and Conditions

NOW, THEREFORE, in consideration of the mutual promises of the Parties set forth below, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. PURCHASE AND SALE

1.1. Seller agrees to sell the Property to Purchaser and Purchaser agrees to purchase the Property from Seller, all on the terms and conditions set forth in this Purchase and Sale Agreement (the "Agreement").

1.2. It is contemplated that the Property will be purchased in two (2) phases. The first phase of the Property is comprised of the following parcels (collectively the "Phase I Purchase"), each of which are depicted on the attached Exhibit A-2; provided, however, that the exact size and location of each such parcel shall be determined during the land division process: (i) Site A-1 which is approximately 20,100 square feet of land located at the southwest corner of Pine Street by the railroad, (ii) Site B-1 and Site B-2 which is approximately 47,800 square feet of land, and (iii) Site C and D which is approximately 80,063 square feet of land located along Willamette Street. It is contemplated that the Phase I Purchase will occur on or before July 31, 2009 (the "Phase I Purchase Outside Date"); provided that the Phase I Purchase Outside Date shall be extended for delays beyond the control of Purchaser (collectively, "Delay Events"), including, without limitation, for delays due to force majeure events, acts of terrorism, war, weather delays, public agency delays and delays in obtaining governmental approvals (including appeals), strikes and unavailability of obtaining debt capital on terms reasonably acceptable to Purchaser. The second phase of the Property is comprised of the balance of the Property, which is approximately 32,446 square feet of land (the "Phase II Property"). It is contemplated that the purchase of the Phase II Property will occur on or before December 31, 2012 (the "Phase II Purchase Outside Date"), subject to extensions for Delay Events.

1.3. This Agreement shall be effective provided it is executed by both Seller and Purchaser, and in such event shall be deemed effective as of the date set forth above.

2. SELLER DEVELOPMENT GOALS FOR THE PROPERTY. Seller desires in connection with Purchaser's acquisition and development of the Property that Purchaser use commercially reasonable efforts to develop the project to be constructed on the Property consistent with the following:

2.1. A medium density mixed use development for both residential and commercial uses.

2.2. A development likely to stimulate new investment and development in the Sherwood "Old Town" and surrounding areas.

2.3. A development that will contribute to a "small town" feel with a unified architectural character.

2.4. A development that is complementary to the major investment that the City of Sherwood has made in new streets, sidewalks and street improvements north of the railroad tracks.

2.5. A development that substantially is in compliance with the overlay district standards for the City of Sherwood's Old Town.

2.6. It is contemplated that Site A-1 shall be developed as one approximately 5,000 square foot single story brick commercial building fronting on SW Pine Street; provided,

however, Purchaser may change how Purchaser develops Site A-1 so as to allow for integrated and compatible master plan uses between the Property and the existing property located to the east of Site A-1 (the "Warehouse Property").

2.7. It is contemplated that Site B-1 shall be developed as one approximately two-story 14,000 square foot brick mixed use commercial building located adjacent to the public plaza to be constructed by Seller.

2.8. It is contemplated that Site C and Site D shall be developed as two approximately 50 unit three story apartment buildings with brick facades on public streets.

3. PURCHASE PRICE AMOUNTS

3.1. The purchase price (the "Purchase Price") for Site A-1 shall be an amount equal to the product of \$12.50 and square feet of land in Site A-1.

3.2. The Purchase Price for Site B-1 and Site B-2 shall be an amount equal to the product of \$15.00 and square feet of land in Site B-1 and Site B-2.

3.3. The Purchase Price for Site C and D shall be the product of 80,063 square feet and the residual land value of Site C and D (but not more than \$12.00 per square foot or less than \$8.00 per square foot), which residual land value shall be determined by a multi-family appraiser mutually selected by Purchaser (subject to approval by Seller, which approval shall not be unreasonably withheld, conditioned or delayed) using Purchaser's actual cost assumptions, revenue and operating expense assumptions to assist such appraiser in determining such residual land value.

3.4. The Purchase Price for the Phase II Property shall be \$16.00 per square foot of land that comprises the Phase II Property.

4. TIMING OF PAYMENT OF PURCHASE PRICE

4.1. The Purchase Price for Site A-1 and Site B-1 and Site B-2 shall be paid in cash on the closing of the purchase by Purchaser of Site A-1, Site B-1 and Site B-2.

4.2. The Purchase Price for Site C and Site D shall be paid in cash after the closing of the purchase of Site C and Site D. Such Purchase Price shall not be paid until the earlier of (i) thirty (30) days after both of the apartment buildings to be built on Site C and Site D have been built and 95% of the square feet of rental space in such apartment buildings has been leased to tenants who are in occupancy and paying rent, or (ii) the date that is the fifth anniversary of the date that both of the apartment buildings have been completed as determined by the receipt of all necessary final certificates of occupancy or similar permits related to the use and occupancy.

4.3. The Purchase Price for the Phase II Property shall be paid in cash on the closing of the purchase by Purchaser of the Phase II Property.

5. SELLER PRE-CLOSING OBLIGATIONS

5.1. Prior to Closing (defined below), Seller will: (i) discharge all liens (including tax liens, liens for assessments and inchoate liens) encumbering the Property or any part of the

Property; (ii) cure all title objections that Seller agrees to cure in accordance with this Agreement; (iii) satisfy all requirements of the Title Company customarily required of a seller of real property located in Oregon related to issuance of the Purchaser's Title Policy, (iv) within ten (10) days after the Effective Date, provide Purchaser with all information in Seller's possession pertaining to the Property (including, without limitation, information pertaining to environmental matters, wetlands, soils, zoning, title and survey matters); (v) cooperate with Purchaser in facilitating all required zoning approvals, design review approvals, and other approvals necessary or advisable for the development of the Property, (vi) fund the construction of the public plaza and all public streets and related infrastructure that Seller is required to construct pursuant to that certain Development Agreement dated concurrently herewith between Seller and Purchaser (the "Development Agreement"), (vii) obtain a "no further action letter" from the Oregon Department of Environmental Quality with respect to Hazardous Materials that currently and/or previously were present on the Property in form and substance satisfactory to Purchaser, and (viii) initiate and obtain approval of a text amendment to the City of Sherwood's land use regulations so as to allow Purchaser to transfer residential density from portions of the Property to Sites C and D, which text amendment shall be in a form and substance satisfactory to Purchaser.

- 5.2. Until the Closing or termination of this Agreement by Purchaser or Seller, Seller will not, without Purchaser's approval, do any of the following: (i) amend, terminate or otherwise modify, or consent to the amendment, termination or modification of, any Rights related to the Property; (ii) grant, create or allow the creation of any easement, right-of-way, encumbrance, lien, restriction, condition, assessment, lease or other cloud on title which affects the Property, or amend, extend or otherwise modify the terms of any existing easement, right-of-way, encumbrance, lien, restriction, condition, assessment, lease or other cloud on title which affects the Property; or (iii) sell or otherwise transfer or dispose of all or any part of the Property, or enter into an agreement to sell or otherwise transfer or dispose of all or any part of the Property.

6. PURCHASER'S DUE DILIGENCE CONDITIONS

- 6.1. Seller shall promptly deliver to Purchaser (but not later than ten (10) days after the Effective Date) all documents and materials in Seller's possession or control pertaining to the Property, including, without limitation, copies of all environmental reports and test results for the Property and all other information (including reports or test results performed for other persons) relating to the presence of Hazardous Materials, wetlands, environmental constraints, geotechnical data and other considerations typically of importance to a transaction of this nature, as well as a current ALTA survey for the Property and a topographical survey of the Property. Seller shall use commercially reasonable efforts to deliver to Purchaser a traffic study report for Old Town Sherwood as soon as reasonably possible.
- 6.2. Purchaser's satisfaction with the condition of the Property and Purchaser's ability to develop the Property for Purchaser's intended purpose, as determined by Purchaser in Purchaser's sole discretion, is a condition to closing of the purchase and sale. Purchaser shall notify Seller in writing on or before the Due Diligence Contingency Date whether or not Purchaser's due diligence contingency has been satisfied (the "Satisfaction Notice"). As used herein, the "Due Diligence Contingency Date" shall be forty-five (45) days after the later to occur of: (i) the mutual execution of this Agreement, (ii) Seller's delivery to Purchaser of a current ALTA survey of the Property, or (iii)

Seller's delivery to Purchaser of a current traffic impact study with respect to the proposed development of the Property. If Seller does not timely receive the Satisfaction Notice or if Purchaser notifies Seller in writing that Purchaser's due diligence contingency has not been satisfied, this Agreement shall terminate and Purchaser shall provide Seller with copies, at no cost to Seller, of all third party final reports obtained by Purchaser with respect to the physical condition of the Property.

- 6.3. During the term of this Agreement, Purchaser and its representatives shall, at reasonable times, be entitled to go upon the Property for the purpose of making or conducting any inspection, investigation, test or survey reasonably related to the purchase of the Property or to Purchaser's prospective use thereof, provided only that all such activities shall be without expense to Seller and that Purchaser shall fully and immediately restore the Property to substantially its present condition following conduct of any tests. Purchaser shall hold Seller harmless from any damage to persons or property caused by Purchaser's activities on the Property; provided that in no event shall Purchaser be required to indemnify Seller to the extent such liens, costs and expenses arise from the negligence or willful misconduct of Seller or Seller's agents or employees, and in no event shall Purchaser have any duty to indemnify, defend or hold any person or entity harmless from or against any claim, demand, damage, loss, action, liability, cause of action, or judgment, including without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, arising out of or in connection with the mere fact of having discovered and/or reported (to the extent such reporting was required by law) any adverse physical condition, title condition, or other defect with respect to the Property.
- 6.4. For the purposes of this Agreement, "Hazardous Materials" shall mean any substance, chemical, waste or other material which is listed, defined or otherwise identified as "hazardous" or "toxic" under any federal, state, local or administrative agency law or ordinance including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*; the Federal Water Pollution Control Act, U.S.C. §§ 1251 *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1471 *et seq.*; Toxic Substances Control Act, 15 U.S.C. §§ 2601 *et seq.*; Refuse Act, 33 U.S.C. §§ 407 *et seq.*; Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §§ 11001 *et seq.*; Occupational Safety and Health Act, 29 U.S.C. §§ 65 *et seq.*, to the extent it includes the emission of any Hazardous Material and includes any Hazardous Material for which hazard communication standards have been established; Federal Insecticide, Fungicide, and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. §§ 136 *et seq.*; Federal Safe Drinking Water Act, 42 U.S.C. §§ 300(f) *et seq.*; or any similar or analogous state or local statute or ordinance, or any regulation, order, rule, or requirement adopted thereunder, as well as any formaldehyde, urea, polychlorinated biphenyls, petroleum, petroleum product or by-product, crude oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixture thereof, radon, asbestos, and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. §§ 3011 *et seq.*
- 6.5. As used in this Agreement, "Title Company" shall mean First American Title Insurance Company. Within thirty (30) days after the Effective Date, Purchaser shall obtain from Title Company and review a preliminary title report with respect to the Property, together with all documents and information pertaining to the exceptions to title listed in

such report. Purchaser may advise Seller in writing and in reasonable detail, not later than thirty (30) days after Purchaser's receipt of the Title Report, what exceptions to title, if any, listed in the then current preliminary report or disclosed on any survey obtained by Purchaser that are not acceptable to Purchaser (the "Title Objections"). Purchaser shall not, however, unreasonably express disapproval of any exceptions to title and, prior to notifying Seller of any Title Objections, shall endeavor in good faith to cause Title Company to modify and update the preliminary report to reflect requested corrections and revisions. Purchaser's failure to deliver a notice of Title Objections to Seller within such thirty (30) day period shall be deemed Purchaser's acceptance of all title and survey matters. Seller shall have five (5) business days after receipt of Purchaser's Title Objections to give Purchaser notice that: (i) Seller will remove any Title Objections from title (or afford the Title Company necessary information or certifications to permit it to insure over such exceptions), or (ii) Seller elects not to cause such exceptions to be removed. Seller's failure to provide notice to Purchaser within such five (5) business day period as to any Title Objection shall be deemed an election by Seller not to remove the Title Objection. If Seller so notifies or is deemed to have notified Purchaser that Seller shall not remove any or all of the Title Objections, Purchaser shall have until sixty (60) days after Purchaser's receipt of the Title Report to determine and to notify Seller whether Purchaser will: (a) proceed with the purchase and take the Property subject to such exceptions, or (b) terminate this Agreement. As used in this Agreement, "Permitted Exceptions" shall include and refer to any and all exceptions to title, excepting solely Title Objections that have been identified by Purchaser within the time frames contained in this Section and that Seller has notified Purchaser pursuant to this Section that Seller is willing to remove.

7. PURCHASER'S AND SELLER'S CONTINGENCIES

- 7.1. Purchaser's obligations under this Agreement are contingent upon the satisfaction or waiver of Purchaser's due diligence and title contingencies set forth above within the time frames set forth above.
- 7.2. Purchaser's obligations under this Agreement are contingent upon the mutual execution of this Agreement and approval of this Agreement by Seller's board.
- 7.3. Purchaser's obligations under this Agreement are contingent upon all representations of Seller contained in this Agreement are accurate and complete in all material respects at the time of a Closing as if made again at that time.
- 7.4. Purchaser's obligations under this Agreement are contingent upon Seller's performance all of the obligations to be performed by Seller under this Agreement at or before Closing.
- 7.5. Purchaser's obligations under this Agreement are contingent upon the Title Company being prepared to issue the Purchaser's ALTA extended coverage Title Policy conforming to the requirements of this Agreement.
- 7.6. Purchaser's obligations under this Agreement are contingent upon Purchaser obtaining final, binding approvals that are not subject to appeal for all governmental approvals required by Purchaser for Purchaser's proposed development of the Property, including, without limitation, all PUD, subdivision, public improvement, land use, building permit and other similar approvals.

- 7.7. Purchaser's obligations under this Agreement are contingent upon the creation of separate legal lots for all portions of the Property to be purchased by Purchaser and which are to be retained by Seller.
- 7.8. Purchaser's obligations under this Agreement are contingent upon the receipt of a binding commitment from Seller to pay for the cost of development and construction of the public plaza and public rights of way and infrastructure contiguous with the Property pursuant to the terms and provisions of the Development Agreement, as well as for the dedication of land areas needed for all such public rights of way.
- 7.9. Purchaser's obligations under this Agreement are contingent upon the receipt of a construction financing commitment with respect to the development of the portion of the Property to be acquired as part of the Phase I Purchase upon such terms and from such lender as is reasonably acceptable to Purchaser.
- 7.10. Purchaser's obligations under this Agreement are contingent upon obtaining pre-lease or pre-sale commitments for a minimum of 40% of the proposed retail, office and/or commercial buildings contemplated to be developed on the portion of the Property to be acquired as part of the Phase I Purchase, or as may be required by Purchaser's construction lender.
- 7.11. Purchaser's obligations under this Agreement are contingent upon the receipt by Seller of all building permits necessary for the construction of the public plaza, all public rights of way and all other related infrastructure that is contiguous to the Property.
- 7.12. Purchaser's obligations under this Agreement are contingent upon the receipt of a confirmation from the State of Oregon Bureau of Labor and Industries that under the State of Oregon prevailing wage laws, Purchaser shall have no obligation to pay prevailing wages in connection with Purchaser's proposed development of the Property.
- 7.13. Purchaser's obligations under this Agreement are contingent upon Seller not being in default of the Development Agreement.
- 7.14. Seller's obligations under this Agreement are contingent upon Purchaser providing evidence, reasonably acceptable to Seller, that Purchaser has obtained a loan commitment for construction of a substantial portion of the development on the Phase I Purchase, which commitment shall include a typical completion guarantee in favor of the construction lender.

8. PURCHASER'S RESPONSIBILITIES

- 8.1. Purchaser shall submit a preliminary proforma demonstrating the financial feasibility of the proposed development of the Property to Seller for Seller's review no later than two (2) weeks after the Due Diligence Contingency Date.
- 8.2. Purchaser shall provide Seller with monthly updates on Purchaser's efforts with respect to the development of the Property. Such reports are not intended to be comprehensive reports but merely a summary of the development progress that has occurred during the month period immediately prior to the date of each such report.

8.3. Purchaser shall develop a proposed schedule of performance with respect to the proposed development of the Property for review by Seller. Currently, it is contemplated that such schedule of performance will be as follows, subject Delay Events:

<u>Date</u>	<u>Milestone</u>
Due Diligence Contingency Date	Purchaser's due diligence ends
2 Weeks following Due Diligence Contingency Date	Purchaser provides draft master plan to Seller
4 Weeks following Due Diligence Contingency Date	Seller approves master plan (not to be unreasonably withheld)
Day after Seller approves master plan	Purchaser initiates PUD zoning process
7/31/09	Phase I closing occurs and commences construction.

8.4. Purchaser shall develop a preliminary master plan for the Property.

8.5. Purchaser shall use commercially reasonable efforts to obtain a planned unit development zoning designation for the Property.

8.6. Purchaser shall use commercially reasonable efforts to obtain all legal lot subdivisions to effectuate the transactions contemplated by this Agreement.

8.7. Purchaser shall provide Seller with schematic and design documents promptly following preparation by Purchaser's architect.

8.8. Purchaser shall provide Seller with such information as Seller reasonably requests regarding the potential sources of financing of the proposed development of the Property.

8.9. Purchaser shall develop a marketing program for the sale or lease of the buildings to be developed on the Property.

8.10. Purchaser shall participate in Seller's community outreach/public input process pertaining to the proposed development of the Property.

8.11. Purchaser agrees to construct Project Improvements as defined and set forth in the Development Agreement between the Seller and Purchaser which is attached and incorporated herein.

8.12. Purchaser agrees to assist Seller with Infrastructure Improvements as defined and set forth in the Development Agreement which is attached and incorporated herein.

9. CLOSING

9.1. The Closing of the purchase and sale of the Property shall occur in two phases, the first with respect to the portion of the Property to be acquired as part of the Phase I

Purchase (the "Phase I Closing"), and the second with respect to the Phase II Property (the "Phase II Closing"). Each closing will occur in an escrow to be administered by the Title Company ("Escrow"). The parties agree to provide the Title Company with escrow instructions consistent with the terms of this Agreement.

- 9.2. The closing date ("Closing" or "Closing Date") for the Phase I Closing shall occur on a date selected by Purchaser that is on or before the Phase I Purchase Outside Date and the Phase II Closing shall occur on a date selected by Purchaser that is on or before the Phase II Purchase Outside Date.
- 9.3. On or before the applicable Closing Date, Seller shall deposit into Escrow funds to pay Seller's portion of the closing costs and Title Insurance, as well as all of the following: (i) an original special warranty deed in statutory form (the "Deed"), duly executed by Seller and notarized, (ii) a certificate of non-foreign status (the "FIRPTA Certificate"), and (iii) such documents as the Title Company may require to establish the authority of Seller to complete the sale of the Property as contemplated by this Agreement and to issue the Purchaser's Title Policy with respect to the portion of the Property purchased on such Closing Date.
- 9.4. On or before the applicable Closing Date, Purchaser shall deposit into Escrow such funds (by certified check or wire transfer) as are necessary to complete payment of the Purchase Price that is payable on such Closing Date under the terms and provisions of this Agreement, and to pay Purchaser's portion of the closing costs. Purchaser shall also deposit into Escrow such documents as the Title Company may require to complete the sale of the Property as contemplated by this Agreement.
- 9.5. On the Closing Date, the Title Company shall: (i) deliver the applicable Purchase Price to Seller; (ii) cause the Deed to be recorded in the Official Records of Washington County, Oregon; (iii) deliver to Purchaser the Purchaser's Title Policy (defined below) and, the executed FIRPTA Certificate, (iii) promptly after such Closing, the Title Company shall deliver to each of Purchaser and Seller an accounting of all funds received and disbursed and copies of all executed and recorded or filed documents deposited with the Title Company with the recording or filing information noted on such documents.
- 9.6. On the applicable Closing Date, the Title Company shall issue to Purchaser an extended ALTA owner's policy of title insurance (the "Purchaser's Title Policy"), insuring Purchaser as the owner of the portion of the Property acquired on such Closing Date subject only to non-delinquent real property taxes and assessments and the Permitted Exceptions. The Purchaser's Title Policy shall have a liability limit equal to the Purchase Price for the portion of the Property acquired on such Closing Date. Seller shall pay the premium for extended ALTA coverage and endorsements.
- 9.7. Purchaser shall pay one-half of the Title Company's escrow fee and all recording fees, and Seller shall pay one-half of the Title Company's escrow fee and all transfer or similar taxes.
- 9.8. The Title Company shall prorate, as of the Closing Date, real property taxes and assessments payable in the tax year of the Closing between Purchaser and Seller based upon the number of days such portion of the Property conveyed on the Closing Date is owned by the respective parties during such year. If such portion of the

Property is subject to taxation for a prior tax year as a result of the transfer of such portion of the Property from a public Seller to a taxable purchaser, Purchaser shall pay the taxes for such earlier tax years.

9.9. Seller will deliver possession of the applicable portion of the Property to Purchaser at Closing, free of all rights of possession of Seller or any third parties.

10. WARRANTIES

10.1. Seller hereby represents and warrants to Purchaser as follows:

- 10.1.A. Seller has full power and authority to enter into and perform this Agreement in accordance with its terms, and all requisite action has been taken by Seller in connection with the execution of this Agreement and the transaction contemplated by this Agreement.
- 10.1.B. This Agreement has been duly executed and delivered by Seller and constitutes a valid, binding and enforceable obligation of Seller.
- 10.1.C. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.
- 10.1.D. There is no litigation, claim or arbitration pending or, to Seller's knowledge, threatened with respect to the Property. There is no condemnation, environmental, zoning or other proceeding, either instituted or to Seller's knowledge, planned to be instituted, which could detrimentally affect the use, development or operation of the Property or the value of the Property, nor has Seller received notice of any special assessment proceeding affecting the Property.
- 10.1.E. Except as disclosed to the Purchaser in writing, Seller has received no notice from any governmental entity that the Property is in violation of any laws, ordinances, rules or regulations applicable to the Property, including, without limitation, any such laws, ordinances, rules or regulations pertaining to Hazardous Materials. Neither Seller, nor, to Seller's knowledge, any third party has used, generated, manufactured, produced, stored or disposed of on, under, or about the Property or transported to or from the Property any Hazardous Materials.
- 10.1.F. Seller owns the Property free and clear of all liens, encumbrances, leases or other occupancy rights and security interests whatsoever, subject only to the Permitted Exceptions. Seller has not performed, nor caused to be performed, any work on the Property which would cause a construction or other lien to be filed against the Property. No special tax, regular or special assessment, license, fee, impact or development fee, levy, late-comer charge, mitigation payment, lien or charge (individually and collectively a "Charge") has been imposed against the Property or Seller by any governmental, quasi-governmental, public, quasi-public, utility, transportation or other entity, authority or agency (individually and collectively an "Agency"). Seller has not entered into any agreement or understanding with respect to any Charge which may now or hereafter, directly or indirectly, be imposed on the Property or become an obligation of

the owner of the Property. Seller has not agreed to install, construct, modify, repair or improve any improvement for or on behalf of any Agency, the cost of which may now or hereafter, directly or indirectly, be imposed on the Property or become an obligation of the owner of the Property.

10.1.G. Seller knows of no defect in the physical condition of the Property.

10.1.H. No representation, warranty or statement of Seller in this Agreement contains any untrue statement of a material fact or omits a material fact necessary to make the statements of fact contained herein not misleading. All such representations, warranties and statements of Seller are based upon current, accurate, and complete information and there has been no adverse material change in such information. Seller knows of no material fact nor has Seller failed to disclose to Purchaser any material fact which would prevent Purchaser from developing the Property after the closing of the sale of the Property as contemplated by Purchaser.

10.1.I. Seller and each person or entity owning an interest in Seller is:

(1) not identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"), and

(2) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, and

(3) none of the funds or other assets of Seller constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), and

(4) no Embargoed Person has any interest of any nature whatsoever in Seller (whether directly or indirectly). The term "Embargoed Person" means any person, entity or government subject to trade restrictions under law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Seller is prohibited by law or Seller is in violation of law. Seller also shall require, and shall take reasonable measures to ensure compliance with the requirement, that no person who owns any other direct interest in Seller is or shall be listed on any of the Lists or is or shall be an Embargoed Person.

10.2. Purchaser hereby represents and warrants to Seller as follows:

10.2.A. Purchaser has full power and authority to enter into and perform this Agreement in accordance with its terms, and all requisite action has been

taken by Purchaser in connection with the execution of this Agreement and the transactions contemplated hereby.

10.2.B. This Agreement has been duly executed and delivered by Purchaser and constitutes a valid, binding and enforceable obligation of Purchaser.

10.2.C. Purchaser represents and warrants that Purchaser and each person or entity owning an interest in Purchaser is:

(1) not identified on any List maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation; and

(2) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States; and

(3) none of the funds or other assets of Purchaser constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person; and

(4) no Embargoed Person has any interest of any nature whatsoever in Purchaser (whether directly or indirectly). Purchaser also shall require, and shall take reasonable measures to ensure compliance with the requirement, that no person who owns any other direct interest in Purchaser is or shall be listed on any of the Lists or is or shall be an Embargoed Person.

10.3. Except as expressly set forth in this Agreement, as of the Effective Date, no warranties, guarantees or representations have been or are being made by Seller or any agent or representative of Seller concerning: (i) the availability of any governmental permits or approvals obtained or to be obtained in connection with Purchaser's use of the Property, except to the extent that such permits or approvals may be obtained by Purchaser applying for, and the City of Sherwood approving, such permits or approvals through the City's regulatory land use and building permit processes; (ii) the suitability of the Property for Purchaser's intended use; (iii) the physical condition of the Property; (iv) the compliance of the Property with any past or present zoning, land use, building, fire, safety, environmental or other ordinances, restrictions, laws and regulations; (v) the sub-surface condition of the Property; or (vi) the presence of any material in, under, or on the Property which is regulated by any ordinance, regulation or law.

10.4. Purchaser will accept the Property in its present condition, "AS IS, WITH ALL FAULTS" without any representations or warranties by Seller or any agent or representative of Seller, expressed or implied, except as set forth in this Agreement and the documents to be delivered by Seller at Closing. Purchaser acknowledges that Purchaser will ascertain for itself the value and condition of the Property and Purchaser is not relying on, nor has Purchaser been influenced by, any representation of Seller or any agent or representative of Seller regarding the value, condition, or any aspect of the Property, except as set forth in this Agreement. As part of Purchaser's agreement to purchase the Property "AS IS, WITH ALL FAULTS," and not as a limitation on such

agreement, Purchaser hereby unconditionally and irrevocably waives and releases any and all actual or potential rights Purchaser might have regarding any form of warranty, express or implied, of any kind or type, relating to the Property, except for Seller's warranties set forth in this Agreement and the documents to be delivered by Seller at Closing. Such waiver is absolute, complete, total and unlimited in every way.

11. BROKERAGE COMMISSIONS

- 11.1. Seller acknowledges to Purchaser that it has a broker relationship with GVA Kidder Mathews in connection with the transactions contemplated by this Agreement, whose fee shall be paid by Seller. Seller shall protect, defend, indemnify, and hold Purchaser harmless for, from and against any and all other claims, liabilities or demands with respect to any fees or other compensation asserted as a result of Seller's actions in connection with this Agreement.
- 11.2. Purchaser acknowledges to Seller that Purchaser has not used a broker or finder in connection with the transactions contemplated by this Agreement. Purchaser shall protect, defend, indemnify, and hold Seller harmless for, from and against any and all other claims, liabilities or demands with respect to any fees or other compensation asserted as a result of Purchaser's actions in connection with this Agreement.
- 11.3. These indemnities shall survive the Closing or the termination of this Agreement.

12. BREACH

- 12.1. If a party (a "Breaching Party") is in breach of such party's obligations under this Agreement, the non-breaching party (the "Non-Breaching Party") may give the Breaching Party written notice of such default. If such default is not cured within thirty (30) days of the date of such notice is received by the Breaching Party, the Non-Breaching Party may then terminate this Agreement by written notice to the Breaching Party; provided, if the Breaching Party notifies the Non-Breaching Party that the default specified in such notice is one that cannot be cured within such thirty (30) day period, but that the Breaching Party has commenced the cure of such default and is diligently pursuing the cure of such default to completion, the Non-Breaching Party may not terminate this Agreement prior to the completion of such cure unless the Breaching Party ceases to diligently pursue the cure of such default.
- 12.2. If this Agreement is terminated pursuant to the provisions of this Section, neither party shall have any further obligations under this Agreement; provided, however, if this Agreement is terminated due to a Seller default, Purchaser shall be entitled to pursue any remedy available to Purchaser at law or in equity, including, without limitation, an action of specific performance, or receive reimbursement from Seller for all costs and expense incurred by Purchaser in connection with this Agreement, including, without limitation, Purchaser's due diligence costs and costs and expense incurred in connection with efforts to obtain financing. If this Agreement is terminated due to Purchaser's default, Seller shall be entitled to receive Seller's out of pocket third party costs incurred in connection with the transaction contemplated by this Agreement up to an amount equal to Fifty Thousand Dollars (\$50,000.00).

13. CONDEMNATION

If after the Effective Date, and prior to Closing, the Property is or becomes subjected to a bona fide threat of condemnation by a body having the power of eminent domain, or is taken by eminent domain or condemnation (or sale in lieu thereof), Purchaser shall have the right to terminate this Agreement by written notice to Seller or proceed with the purchase (in which event all condemnation proceeds shall be paid to Purchaser).

14. DAMAGE OR DESTRUCTION

- 14.1. All risk of damage or destruction of the Property after the Effective Date and prior to Closing shall remain with the Seller. If the Property is or becomes damaged, the Seller shall notify the Purchaser of the extent of the damage and the scope of necessary repairs as soon as such information is reasonably available to the Seller, and Purchaser shall give notice within ten (10) business days after receiving Seller's notification, of its election to either proceed with the Closing, or to terminate the Agreement. If the Purchaser elects to proceed to Closing, the Seller shall assign any available insurance proceeds applicable directly to the Property to the Purchaser for Purchaser's use in making repairs, but Seller's responsibility for repairs is limited to the applicable insurance proceeds. If the Purchaser elects to terminate the Agreement solely as a result of damage or destruction, the termination shall be effective as of the date of Purchaser's notice. In the case of termination under this Section, no breach of the Agreement shall be deemed to have occurred, and a Party shall have no further claim or remedy against the other party as a result of the termination.

15. GENERAL PROVISIONS

15.1. Assignment

Purchaser may not assign this Agreement or its rights under this Agreement without the written consent of the Seller, which consent shall not be unreasonably withheld or delayed; provided, however, no consent shall be required in connection with the assignment of Purchaser's interest in this Agreement to any entity in which Purchaser has an ownership or management interest. Purchaser shall remain a manager of any entity to which Purchaser assigns its interest in this Agreement. This Agreement shall be binding upon and inure to the benefit of any permitted assignee or successor in interest to a party, and Purchaser shall be released of all obligations under this Agreement.

15.2. Notices

All notices and demands which either party gives to the other under this Agreement shall be sent by hand delivery, by registered or certified mail (postage pre-paid, return-receipt requested), by fax transmission, or by Federal Express or other reputable overnight courier service. All notices and demands shall be given to a party at the address or fax number set forth at the beginning of this Agreement or as may be changed upon written notice to the other party. Notices shall be effective upon the earlier of actual delivery or refusal of a party to accept delivery thereof; *provided that* notices given by fax transmission shall be simultaneously transmitted by another means allowed hereunder. A copy of any notice given to Purchaser shall also be given to Brad Miller, Ball Janik LLP, 101 SW Main Street, Suite 1100, Portland, Oregon 97204. A copy of any notice given to the Seller shall also be given

to Pamela J. Beery, Beery, Elsner & Hammond, 1750 SW Harbor Way, Suite 380, Portland, Oregon 97201.

15.3. Severability

If any provision of this Agreement shall be invalid or unenforceable, the remaining provisions shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15.4. Attorneys' Fees

In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained with respect to any dispute relating to this Agreement, the prevailing or non-defaulting party shall be entitled to recover from the losing or defaulting party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge or arbitrator, shall include fees and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

15.5. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

15.6. Time of the Essence

Time is of the essence in this Agreement.

15.7. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

15.8. Amendment to this Agreement

The terms of this Agreement may not be modified or amended except by an instrument in writing executed by Seller and Purchaser.

15.9. Waiver

The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

15.10. Statutory Disclaimer

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY

IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES, THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

15.11. Consequences of Termination

If Purchaser or Seller terminates this Agreement, neither Purchaser nor Seller will have any further obligation under this Agreement, except for indemnity obligations, which shall survive such termination. Nothing in this Section is intended to limit the provisions of this Agreement dealing with the disposition funds or documents held in Escrow following termination of the obligations of Purchaser or Seller. In addition, neither the termination of this Agreement nor this Section limits the liability of a party for its breach of this Agreement, which liability shall survive termination.

15.12. Public Communications

Whenever commercially practicable, all public communications concerning the Property (such as press releases or information provided to the media and all substantive discussions with public agencies having jurisdiction over the Property) will be undertaken jointly by Purchaser and Seller and shall be subject to prior written approval of each party, which approval shall not be unreasonably withheld, conditioned or delayed.

15.13. Survival

Except as otherwise provided in this Agreement, all covenants, undertakings and obligations under this Agreement and all representations and warranties contained in this Agreement will survive Closing and will not be merged into the Deed or other documents delivered under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

City of Sherwood Urban Renewal Agency

By: _____

Jim Patterson, District Manager

PURCHASER:

Capstone Partners LLC, an Oregon limited liability company

By: _____

Chris Nelson, Member

By: Triangle Development Company, an Oregon corporation, Member

Jeffrey M. Sackett, President

EXHIBIT A-1

LEGAL DESCRIPTION of CURRENT SELLER PROPERTY

Real property in the County of Washington , State of Oregon, described as follows:

PARCEL I:

BEGINNING AT A POINT ON THE SOUTHERLY BOUNDARY OF THE SOUTHERN PACIFIC RIGHT OF WAY, FROM WHICH THE CENTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN WASHINGTON COUNTY, OREGON, BEARS SOUTH 47°17' WEST, 230.0 FEET AND SOUTH 43°24' EAST, 1443.0 FEET, BEING ALSO THE MOST NORTHERLY CORNER OF THE WAREHOUSE LOT; FROM THE SAID BEGINNING POINT;
RUNNING THENCE SOUTH 43°33' EAST, 200.00 FEET TO THE NORTHERLY LINE OF THAT CERTAIN TRACT OF LAND, DEED FOR WHICH IS RECORDED IN DEED BOOK 102, PAGE 0497;
THENCE WITH THE NORTHERLY LINE OF SAID TRACT, NORTH 47°50' EAST, 90 FEET;
THENCE NORTH 43°33' WEST, 200.26 FEET TO THE ABOVE DESCRIBED RIGHT OF WAY LINE;
THENCE SOUTH 47°18' WEST 90 FEET TO THE PLACE OF BEGINNING.

PARCEL II:

BEGINNING AT THE CENTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN WASHINGTON COUNTY, OREGON;
RUNNING THENCE NORTH 43°24' WEST, 21.87 CHAINS TO THE SOUTH BOUNDARY LINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT OF WAY;
THENCE NORTH 47°15' EAST, 130 FEET TO THE PLACE OF BEGINNING;
THENCE NORTH 47°18' EAST, 100 FEET;
THENCE SOUTH 46°36' EAST, 200 FEET;
THENCE SOUTH 42°45' WEST, 100 FEET;
THENCE NORTH 43°24' WEST, 200 FEET TO THE PLACE OF BEGINNING.

PARCEL III:

BEGINNING AT THE CENTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN WASHINGTON COUNTY, OREGON AND
RUNNING THENCE NORTH 43°24' WEST, 21.87 CHAINS TO THE SOUTH BOUNDARY LINE OF THE RIGHT
OF WAY OF THE PORTLAND AND WILLAMETTE VALLEY RAILROAD COMPANY (NOW HELD AND USED BY SOUTHERN PACIFIC COMPANY);
THENCE NORTH 47°15' EAST, 30 FEET TO A POINT WHICH IS THE TRUE PLACE OF BEGINNING OF THE LAND HEREBY DESCRIBED;
THENCE RUNNING NORTH 47°15' EAST 100 FEET;
THENCE SOUTH 46°36' EAST, 50 FEET;
THENCE SOUTH 42°45' WEST, 100 FEET;
THENCE NORTH 43°24' WEST, 50 FEET TO THE PLACE OF BEGINNING.

PARCEL IV:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE RIGHT OF WAY OF THE SOUTHERN PACIFIC COMPANY, WHICH IS NORTH 43°24' WEST, 1443.0 FEET OF THE CENTER OF SECTION 32, TOWNSHIP 2
SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN WASHINGTON COUNTY, OREGON, SAID POINT BEING ALSO THE NORTHERLY CORNER OF EPLER'S ADDITION TO SHERWOOD;
THENCE NORTH 47° 14' EAST ALONG SAID SOUTHEASTERLY RIGHT OF WAY LINE, 30.0 FEET TO THE MOST WESTERLY CORNER OF TRACT CONVEYED TO WILLIAM FRANKLIN SMITH BY DEED RECORDED IN DEED BOOK 106, PAGE 0359;
THENCE SOUTH 43°24' EAST, 50.0 FEET TO THE MOST SOUTHERLY CORNER OF SAID SMITH TRACT;

THENCE NORTH 47° 15' EAST, 100.0 FEET TO THE MOST EASTERLY CORNER OF SAID SMITH TRACT;
THENCE SOUTH 43°24' EAST ALONG THE SOUTHWESTERLY LINE OF TRACT CONVEYED TO CRAVES
CANNING CO., A CORPORATION, BY DEED RECORDED IN DEED BOOK 121, PAGE 0076, 40.0 FEET;
THENCE SOUTH 47°26' WEST, 130.0 FEET TO THE NORTHEASTERLY LINE OF SAID EPLER'S ADDITION;
AND
THENCE NORTH 43°24' WEST TO THE TRUE PLACE OF BEGINNING.
EXCEPTING THEREFROM THAT PORTION DEDICATED FOR RIGHT-OF-WAY PURPOSES BY RESOLUTION
2007-080 RECORDED NOVEMBER 2, 2007 AS FEE NO. 2007-115729.

PARCEL V:

ALL OF LOT 5, BLOCK 1, EPLER'S ADDITION TO SHERWOOD (PLAT VOLUME 3, PAGE 0004), IN THE
COUNTY OF WASHINGTON AND STATE OF OREGON.
EXCEPT A STRIP FROM THE SOUTHERLY END OF SAID LOT WHICH HAS BEEN PREVIOUSLY DEEDED TO
THE TOWN OF SHERWOOD FOR STREET PURPOSES BY DEED BOOK 147, PAGE 0079.
ALSO EXCEPTING THEREFROM THAT PORTION DEDICATED FOR RIGHT-OF-WAY PURPOSES BY
RESOLUTION 2007-080 RECORDED NOVEMBER 2, 2007 AS FEE NO. 2007-115729.

PARCEL VI:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 5, BLOCK 1, EPLER'S ADDITION TO
SHERWOOD (PLAT VOLUME 3, PAGE 0004), IN WASHINGTON COUNTY, OREGON;
THENCE WITH THE NORTHEASTERLY LINE OF SAID LOT EXTENDED, NORTH 43°24' WEST, 18.0 FEET
TO THE SOUTHEASTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC COMPANY;
THENCE RUNNING ALONG SAID RIGHT OF WAY LINE, SOUTH 47°33' WEST 50.0 FEET;
THENCE SOUTH 43°24' EAST, 18.0 FEET TO THE MOST WESTERLY CORNER OF SAID LOT 5; AND
THENCE NORTH 47°33' EAST, 50.0 FEET TO THE PLACE OF BEGINNING.

PARCEL VII:

BEGINNING AT A POINT ON THE SOUTHEASTERLY BOUNDARY LINE OF THE SOUTHERN PACIFIC RIGHT
OF WAY, IN SECTION 32, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN
WASHINGTON COUNTY, OREGON; FROM SAID BEGINNING POINT THE CENTER OF SAID SECTION 32
BEARS SOUTH 47°17' WEST, 320 FEET AND SOUTH 43°24' EAST, 1443 FEET; FROM SAID BEGINNING
POINT;
RUNNING THENCE WITH THE SAID RIGHT OF WAY LINE, NORTH 47°17' EAST, 350.8 FEET;
THENCE SOUTH 42°44' EAST, 511 FEET;
THENCE SOUTH 47°24' WEST, 328 FEET;
THENCE NORTH 43°24' WEST, 310 FEET TO AN IRON PIPE AT THE MOST NORTHERLY CORNER OF
TRACT, DEED FROM WHICH IS RECORDED IN DEED BOOK 102, PAGE 0497;
THENCE WITH THE NORTHWESTERLY LINE OF SAID TRACT SOUTH 47°50' WEST, 17 FEET;
THENCE NORTH 43°33' WEST, 200.26 FEET TO THE PLACE OF BEGINNING.

PARCEL VIII:

BEGINNING AT AN IRON PIPE WHICH BEARS NORTH 43°24' WEST 1243.4 FEET AND NORTH 47°15'
EAST 337.85 FEET FROM A STONE SET FOR THE CENTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE
1 WEST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF WASHINGTON AND STATE OF OREGON;
SAID POINT OF BEGINNING BEING THE MOST NORTHERLY CORNER OF A TRACT OF LAND CONVEYED
TO THE CITIZENS BANK OF SHERWOOD BY DEED RECORDED IN DEED BOOK 154, PAGE 0449;
THENCE SOUTH 43°24' EAST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, 280 FEET TO A
CORNER OF SAME;
THENCE SOUTH 47°15' WEST 17 FEET TO A POINT;
THENCE NORTH 43°24' WEST 280 FEET TO A POINT;
THENCE NORTH 47°15' EAST TO THE PLACE OF BEGINNING.

PARCEL IX:

Purchase and Sale Agreement

ALL OF LOTS 7 AND 8, BLOCK 1 EPLER'S ADDITION TO SHERWOOD (PLAT VOLUME 3, PAGE 0004), IN WASHINGTON COUNTY, OREGON;
EXCEPTING A TRACT DEEDED BY ELLA WECKERT TO THE PUBLIC FOR STREET PURPOSES, BY INSTRUMENT RECORDED IN DEED BOOK 147, PAGE 0079.

PARCEL X:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 7, BLOCK 1, EPLER'S ADDITION TO SHERWOOD (PLAT VOLUME 3, PAGE 0004), IN WASHINGTON COUNTY, OREGON;
THENCE SOUTHERLY ALONG THE NORTHWESTERLY LINE OF SAID BLOCK 1, 105 FEET TO THE MOST WESTERLY CORNER OF LOT 8 IN SAID BLOCK;
THENCE NORTH 43°24' WEST FOLLOWING THE MOST SOUTHERLY LINE OF SAID LOT 8 IF EXTENDED, 18 FEET TO THE SOUTHEASTERLY LINE OF THE RIGHT OF WAY OF THE SOUTHERN PACIFIC RAILROAD;
THENCE NORTHERLY FOLLOWING THE SOUTHEASTERLY LINE OF SAID RIGHT OF WAY 105 FEET;
THENCE SOUTH 43°24' EAST, 18 FEET TO THE PLACE OF BEGINNING.

PARCEL XI:

THE NORTHEASTERLY 15 FEET OF LOT 6, BLOCK 1, EPLER'S ADDITION TO SHERWOOD (PLAT VOLUME 3, PAGE 0004), IN THE COUNTY OF WASHINGTON AND STATE OF OREGON.

PARCEL XII:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 6, BLOCK 1, EPLER'S ADDITION TO SHERWOOD (PLAT VOLUME 3, PAGE 0004), IN THE COUNTY OF WASHINGTON AND STATE OF OREGON;
THENCE WITH THE NORTHEASTERLY LINE OF SAID LOT EXTENDED, NORTH 43°24' WEST 18 FEET TO THE SOUTHEASTERLY RIGHT OF WAY LINE OF THE SOUTHERN PACIFIC COMPANY;
THENCE RUNNING WITH SAID RIGHT OF WAY LINE, SOUTH 47°33' WEST 15 FEET;
THENCE SOUTH 43°24' EAST 18 FEET TO THE WESTERLY LINE OF SAID LOT 6, BLOCK 1, EPLER'S ADDITION TO SHERWOOD;
THENCE WITH THE SAID WESTERLY LINE OF LOT 6, NORTH 47°33' EAST 15 FEET TO THE PLACE OF BEGINNING.

PARCEL XIII:

BEGINNING AT THE SOUTHWEST CORNER OF THAT CERTAIN TRACT DEEDED TO JOHN BRIGHOUSE AND IVY M. BRIGHOUSE IN DEED BOOK 254, PAGE 0025, SAID BEGINNING POINT BEING NORTH 43°24' WEST 1353.42 FEET FROM A STONE MARKED WITH X, SET FOR CENTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN WASHINGTON COUNTY, OREGON;
RUNNING THENCE NORTH 47°15' EAST AND PARALLEL WITH THE PORTLAND AND WILLAMETTE VALLEY RAILROAD RIGHT OF WAY 130 FEET;
THENCE SOUTH 43°24' EAST 110 FEET;
THENCE NORTH 47°15' EAST AND PARALLEL WITH SAID PORTLAND AND WILLAMETTE VALLEY RAILROAD RIGHT OF WAY 6 FEET;
THENCE SOUTH 43°24' EAST 105 FEET;
THENCE SOUTH 47°15' WEST AND PARALLEL WITH SAID RAILROAD RIGHT OF WAY 48 FEET;
THENCE NORTH 43°24' WEST 75 FEET;
THENCE SOUTH 47°15' WEST 13 FEET;
THENCE NORTH 43°24' WEST 128 FEET;
THENCE SOUTH 47°15' WEST 75 FEET TO THE SOUTH LINE OF BRIGHOUSE TRACT;
THENCE NORTH 43°24' WEST 12 FEET TO THE POINT OF BEGINNING.
EXCEPTING THEREFROM THAT PORTION DEDICATED FOR RIGHT-OF-WAY PURPOSES BY RESOLUTION 2007-080 RECORDED NOVEMBER 2, 2007 AS FEE NO. 2007-115729.

PARCEL XIV:

BEGINNING AT THE SOUTHWEST CORNER OF THAT CERTAIN TRACT DEEDED TO JOHN BRIGHOUSE AND IVY M. BRIGHOUSE IN DEED BOOK 254, PAGE 0025, SAID BEGINNING POINT BEING NORTH 43°24' WEST 1353.42 FEET FROM A STONE MARKED WITH X, SET FOR CENTER OF SECTION 32, TOWNSHIP 2 SOUTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, IN WASHINGTON COUNTY, OREGON;

RUNNING THENCE SOUTH 43°24' EAST 12 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED;

THENCE NORTH 47°15' EAST 75 FEET TO A POINT;

THENCE SOUTH 43°24' EAST 128 FEET;

THENCE NORTH 47°15' EAST 13 FEET;

THENCE SOUTH 43°24' EAST 75 FEET TO A POINT;

THENCE SOUTH 47°15' WEST 88 FEET, MORE OR LESS, TO A POINT WHICH IS SOUTH 43°24' EAST OF THE TRUE POINT OF BEGINNING;

THENCE NORTH 43°24' WEST TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DEDICATED FOR RIGHT-OF-WAY PURPOSES BY RESOLUTION 2007-080 RECORDED NOVEMBER 2, 2007 AS FEE NO. 2007-115729.

PARCEL XV:

LOT 6, EPLER'S ADDITION TO SHERWOOD (PLAT VOLUME 3, PAGE 0004), IN THE CITY OF SHERWOOD, COUNTY OF WASHINGTON AND STATE OF OREGON.

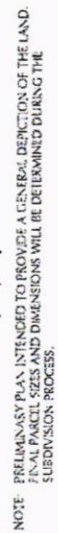
TOGETHER WITH THAT PORTION OF THE VACATED STREET LYING ADJACENT TO AND NORTHWESTERLY OF SAID LOT 6 WHICH INURED THERETO BY ORDINANCE NO. 112, RECORDED MAY 14, 1931 IN BOOK 147, PAGE 0080.

EXCEPTING THEREFROM THE NORTHERLY MOST 15 FEET OF SAID LOT 6, LYING WITHIN 15 FEET OF THE BOUNDARY LINE BETWEEN AND COMMON TO LOTS 5 AND 6, EPLER'S ADDITION TO SHERWOOD (PLAT VOLUME 3, PAGE 0004), AS CONVEYED TO PORTLAND CANNING COMPANY, INC., AN OREGON CORPORATION, BY DEED RECORDED JUNE 11, 1953 IN BOOK 345, PAGE 0621.

THE LEGAL DESCRIPTION WAS CREATED PRIOR TO JANUARY 01, 2008.

Source: Preliminary Report Order Number: NCS-346311-OR1 - First American Title

EXHIBIT A-2
TO PURCHASE AND SALE AGREEMENT



CAPSTONE PARTNERS
ANKROM MOISAN ARCHITECTS
AUGUST 14, 2008



**Sherwood
Mixed Use Development**

RECEIVED

SEP 4 2008

OLD CANNERY SITE DEVELOPMENT AGREEMENT

CITY OF SHERWOOD
RECORDER'S OFFICE

THIS OLD CANNERY SITE DEVELOPMENT AGREEMENT (this "Agreement"), made as of this 3rd day of September, 2008 (hereinafter referred to as the "date of this Agreement"), by and between Sherwood URA Urban Renewal Agency ("Sherwood URA"), and Capstone Partners, LLC ("Developer").

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and for and in consideration of Ten Dollars (\$10.00) and other valuable consideration in hand paid by each party hereto to the other at or before the sealing hereof, the receipt and sufficiency of said consideration being hereby acknowledged by the parties hereto, Sherwood URA and Developer do hereby agree as follows:

ARTICLE I
DEFINITION

Section 1.1 Definition of Terms. Whenever used in this Agreement, the following terms shall have the following meanings:

Business Day. Any Day excluding any Saturday, any Sunday, and any national holiday observed by the United States Government.

Closing. The meaning ascribed to such term in the Purchase and Sale Agreement.

Conveyed Property. The land depicted on Exhibit B-1 attached hereto.

Construction. Any activity normally encompassed by any of the following terms: construction, reconstruction, demolition, excavation, building, rebuilding, renovation, restoration, or any similar term, which is performed within the Conveyed Property or the Infrastructure Property or any portion thereof at any time subsequent to the date of this Agreement.

Day. Any one calendar day, unless specifically noted to the contrary.

Default. An occurrence of any event or omission which, with giving of notice or passage of time or otherwise, may become an Event of Default.

Development Services Agreement. An agreement between Developer and Sherwood URA in the form attached as Exhibit B-4, pursuant to which Sherwood URA will contract with Developer to, among other things, provide development services in connection with the design and construction of the Infrastructure Improvements.

Event of Default. Any Event of Default as defined in Section 5.1 or 5.2 hereof, as applicable.

Herein, hereunder, hereby, hereto, hereof and any similar term shall mean and have reference to this Agreement as a whole.

The term **including** shall mean and have reference to "including without limitation."

Infrastructure Improvements. The structures and improvements, together with all fixtures and appurtenances attached or affixed thereto constructed, equipped and installed on the Infrastructure Property, which Infrastructure Improvements shall include a public plaza, public streets, utilities and similar public amenities, all described on Exhibit B-2 attached hereto.

Infrastructure Property. The property upon which the Infrastructure Improvements are located as depicted on the attached Exhibit B-3.

Interference. A direct and physical encroachment or other incursion upon the Infrastructure Property or the Conveyed Property that causes a material construction delay or increase in costs or operation expenses, or an unreasonable disruption with respect to the use or occupancy of either the Infrastructure Property or the Conveyed Property for its intended use.

Laws. Any and all present and future statutes, ordinances, rules, regulations, or binding determinations by the United States Government, the State of Oregon, the City Sherwood, Oregon, Washington County, or any other governmental authority having power or jurisdiction over Sherwood URA, Developer, the Conveyed Property, the Project Improvements, the Infrastructure Property or any of them.

Lien. With respect to any property, any security deed, mortgage, deed to secure debt, deed of trust, lien, pledge, assignment, charge, security interest, title retention agreement, levy, execution, seizure, attachment, garnishment, or other encumbrance of any kind in respect of such property, whether or not choate, vested, or perfected.

Notice of Noncompliance. The meaning ascribed to such term in Section 3.2 hereof.

Operations. Any and all operations, occupation, maintenance, repair, and similar and related work performed on or in the Conveyed Property or any portion thereof or on or in the Infrastructure Property or any portion thereof at any time subsequent to the Closing.

Operative Agreements. The Purchase and Sale Agreement, this Agreement and all easements or covenants granted or reserved at the time of conveyance of the Conveyed Property.

Person. Any natural person, corporation, partnership, limited liability company, business trust, or other legal entity.

Project Improvements. The buildings, structures, and improvements, together with all fixtures and appurtenances attached or affixed thereto, required to be constructed, equipped and installed on the Conveyed Property by Developer pursuant to the Purchase and Sale Agreement.

Purchase and Sale Agreement. That certain Purchase and Sale Agreement of even date herewith, by and between Sherwood URA and Developer providing for the sale by Sherwood URA and the purchase by Developer of the Conveyed Property.

Substantial Completion of the Project Improvements. Such completion of Construction of the Project Improvements as will make the Project Improvements sufficient, suitable, and ready for immediate occupancy for the use intended, which completion shall be deemed to have occurred when all necessary final certificates of occupancy or similar permits related to the use and occupancy of the Project Improvements have been issued.

Substantial Completion of the Infrastructure Improvements. Such completion of Construction of the Infrastructure Improvements as will make the Infrastructure Improvements sufficient, suitable, and ready for immediate occupancy for the use intended, which completion shall be deemed to have occurred when all necessary final certificates of occupancy or similar permits related to the use and occupancy of the Infrastructure Improvements have been issued.

Section 1.2 Other Capitalized Terms. Capitalized terms not defined in this Article 1 shall have the meanings set forth for such terms in this Agreement.

ARTICLE II **COORDINATION OF CONSTRUCTION OF PROJECT IMPROVEMENTS AND** **INFRASTRUCTURE IMPROVEMENTS**

Section 2.1 Work Groups to Coordinate Project Improvements and Infrastructure Improvements.

(a) Sherwood URA and Developer shall coordinate development and construction of the Project Improvements and the Infrastructure Improvements. Sherwood URA and Developer shall create a work group (hereinafter "Work Group") to, among other things, work collaboratively on:

(i) communicating and cooperating in seeking approvals from the City of Sherwood for the construction of the Infrastructure Improvements and the Project Improvements;

(ii) resolution of any inter-related civil engineering issues;

(iii) development of tentative construction schedules for the Infrastructure Improvements and the Project Improvements; and

(iv) addressing site maintenance during the construction of the Infrastructure Improvements and the Project Improvements.

(b) The work group shall consist of those representatives of Sherwood URA, Developer and such other persons who possess the information and skills needed to achieve the objectives of the Work Group. Developer and Sherwood URA each shall appoint a lead representative to the Work Group. The lead representative shall coordinate

scheduling of the Work Group activity and be responsible for documenting the agreements reached by the Work Group as required herein.

(c) Lead Representatives shall determine on behalf of the party he or she represents if the proposals from the Work Group are acceptable. If the Work Group fails to agree upon the specifications or other information necessary to undertake the Project Improvement or the Infrastructure Improvements by the agreed-upon deadlines or if an agreement can not be reached regarding such deadlines, the party undertaking the impacted improvement shall have the right to propose such specifications or schedules to the other party. The party receiving the specifications or schedules shall have ten (10) Business Days to provide comments on the proposal. If comments are submitted, the party undertaking the Improvement shall notify the other party within ten (10) Business Days if the comments will be incorporated into the party's plan and, if so, in what manner. The parties shall then proceed under the resulting plan or schedule.

(d) The Work Group shall document agreements, or alteration thereof, on the subjects listed in subsection 2.1(a) herein in written reports to the parties.

Section 2.2 Construction of the Project Improvements. Developer shall comply with all of the following covenants in connection with the Construction of the Project Improvements:

(a) Developer shall keep Sherwood URA notified of all Construction scheduled for the Project Improvements on a monthly basis via the Work Group.

(b) Any and all Project Improvements shall be constructed at the sole cost and expense of Developer and Persons other than Sherwood URA, and Sherwood URA shall have no obligation to Developer or to any third party to construct, repair, maintain, or operate any Project Improvements. This covenant shall survive the expiration or termination of this Agreement.

Section 2.3 Construction of the Infrastructure Improvements. Sherwood URA shall comply with all of the following covenants in connection with the Construction of the Infrastructure Improvements:

(a) Sherwood URA and Developer shall enter into the Development Services Agreement and will abide by the terms and conditions therein.

(b) Sherwood URA shall keep Developer notified of all Construction scheduled for the Infrastructure Improvements on a monthly basis via the Work Group.

(c) Any and all Infrastructure Improvements shall be constructed at the sole cost and expense of Sherwood URA and Persons other than Developer, and Developer shall have no obligation to Sherwood URA or to any third party to construct, repair, maintain, or operate any Infrastructure Improvements. This covenant shall survive the expiration or termination of this Agreement.

ARTICLE III **INTERFERENCE**

Section 3.1 No Interference. All Construction and Operations on the Conveyed Property and the Infrastructure Property and any work or activity connected therewith by or on behalf of Developer or Sherwood URA, shall be performed in such a manner so as not to constitute an Interference.

Section 3.2 Notice of Noncompliance. Prior to commencing any action to seek remedial activity under this Article, Sherwood URA or Developer, as applicable, shall raise the issue with the Work Group. If the Work Group can not resolve the dispute in a timely manner, Sherwood URA or Developer, as applicable, shall give written notice to the other describing with particularity the Interference (the "Notice of Noncompliance"). The recipient of a Notice of Noncompliance shall be responsible for curing or correcting the Interference within a period of five (5) Business Days following receipt of such Notice of Noncompliance; provided, however, that if such cure or correction cannot reasonably be effected within said five (5) Business Day period, then the recipient of the Notice of Noncompliance shall be required to commence, within said five (5) Business Day period, action to effect such cure or correction and thereafter to prosecute diligently and continuously such action until such cure or correction has been effected.

ARTICLE IV **ADDITIONAL COVENANTS**

Section 4.1 Management of Construction of Infrastructure Improvements. Sherwood URA shall contract with Developer to provide development services to Sherwood URA in connection with the Construction of the Infrastructure Improvements pursuant to the terms and provisions of the Development Services Agreement. Developer shall be paid a development services fee described in the Development Services Agreement, which fee shall be based on the actual bids utilized for the construction of the Infrastructure Improvements, which fee shall be determined by Developer (but is subject to the approval of Sherwood URA, not to be unreasonably withheld, conditioned or delayed and in no event is to be less than five percent or more than eight percent of the project costs for the Infrastructure Improvements). Such development services fee shall be paid on a monthly straight-line basis, starting at the closing of Site B (as defined in the Purchase and Sale Agreement) and running through the estimated course of construction of the Infrastructure Improvements.

Section 4.2 Utility Facilities. Sherwood URA shall be wholly responsible for maintaining, in good and operating condition and repair, all utility facilities used during Construction of the Project Improvements and the Infrastructure Improvements (including, without limitation, the water, sewer, gas, and electrical facilities) which are located on the Infrastructure Property. Sherwood URA shall complete the construction of all utility facilities that are part of the Infrastructure Improvements that are necessary for the construction of the Project Improvements prior to the date Developer is scheduled to commence construction of the Project Improvements. Developer shall be wholly responsible for maintaining, in good and operating condition and repair, all utility facilities used during Construction of the Project Improvements and the Infrastructure Improvements (including, without limitation, the water,

sewer, gas, and electrical facilities) which are located on the Conveyed Property. In the case use of a utility is shared by Sherwood URA and Developer during Construction, costs shall be allocated based on the relative usage of the utility by each party.

Section 4.3 Maintenance of Infrastructure Improvements. The parties may agree to share maintenance on some Infrastructure Improvements and Project Improvements jointly used by the parties notwithstanding obligations set forth in the Operative Agreements. Further written agreements will detail the improvements being shared, maintenance responsibilities, and the cost allocation.

ARTICLE V **DEFAULTS**

Section 5.1 Events of Default by Developer. An Event of Default by Developer shall be deemed to have occurred under this Agreement if Developer shall fail or refuse to observe, perform, or comply with any of the other provisions of this Agreement, whether by neglect, inadvertence, intent, or otherwise within forty-five (45) Days after written notice is given by Sherwood URA to Developer (a "Developer Default Notice"); provided, however, that in the case of a failure which cannot reasonably be cured within the aforesaid forty-five (45) Day period, no Event of Default shall be deemed to exist and Sherwood URA may not exercise any of the remedies set forth in this Agreement, unless and until Developer shall have failed either (i) to commence action to effect such cure within such forty-five (45) Day period or (ii) to prosecute diligently and continuously such action until such failure has been cured. Any notice given pursuant to this Section shall identify the failure in question with reasonable particularity.

Section 5.2 Events of Default by Sherwood URA. An Event of Default by Sherwood URA shall be deemed to have occurred under this Agreement if Sherwood URA shall fail or refuse to observe, perform, or comply with any of the other provisions of this Agreement, whether by neglect, inadvertence, intent, or otherwise within forty-five (45) Days after written notice is given by Developer to Sherwood URA (a "Sherwood URA Default Notice"); provided, however, that in the case of a failure which cannot reasonably be cured within the aforesaid forty-five (45) Day period, no Event of Default shall be deemed to exist and Developer may not exercise any of the remedies set forth in this Agreement, unless and until Sherwood URA shall have failed either (i) to commence action to effect such cure within such forty-five (45) Day period or (ii) to prosecute diligently and continuously such action until such failure has been cured. Any notice given pursuant to this Section shall identify the failure in question with reasonable particularity.

Section 5.3 Remedies. Upon the occurrence of an Event of Default, the non defaulting party shall be entitled to exercise any and all remedies conferred by this Agreement or otherwise available to such non defaulting party in law or in equity.

Section 5.4 No Waiver of Rights. No failure by a non defaulting party to insist upon the strict performance of any of the terms of this Agreement or to exercise any right or remedy upon a Default hereunder, no acceptance by a non defaulting party of partial performance, and no custom or practice of the parties hereto at variance with the provisions hereof shall constitute a waiver of any such Default or of any of the terms of this Agreement or a waiver of a non

defaulting party's right to demand exact compliance with the provisions contained in this Agreement. None of the terms of this Agreement to be kept, observed, or performed by a defaulting party and no breach thereof shall be waived, altered, or modified except by a written instrument executed by a non defaulting party. No waiver of any breach shall affect or alter this Agreement, but each of the terms of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach hereunder. No waiver of any Default hereunder by a defaulting party shall be implied from any omission by a non defaulting party to take any action on account of such Default if such Default persists or is repeated, and no express waiver shall affect any Default other than the Default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

Section 5.5 Rights Are Cumulative. All rights, powers, privileges, and remedies conferred by this Agreement upon Sherwood URA and Developer shall be cumulative and shall be deemed additional to any and all of the remedies to which either party may be entitled in law, in equity, or otherwise, unless specifically and expressly limited by the provisions of this Agreement. Either party shall have the right to restrain by injunction any violation or threatened violation of any of the terms, covenants, or conditions of this Agreement and by decree to compel performance of any such terms, covenants, or conditions, it being agreed by Developer and Sherwood URA that the remedy at law for any breach of such term, covenant or condition (except those requiring the payment of a liquidated sum or damages in accordance with express provisions of this Agreement) is not adequate.

ARTICLE VI **MISCELLANEOUS PROVISIONS**

Section 6.1 No Joint Venture or Partnership. Nothing contained in this Agreement shall be construed to create the relationship between Sherwood URA and Developer of principal and agent, of mortgagee and mortgagor, of partners, of joint venturers, or of any association with each other or, except as may be expressly provided in this Agreement, so as to render either of the parties liable for the debts or obligations of the other.

Section 6.2 Effect of Review, Objection, Failure to Object, Approval. Non-Approval or Consent. In no event shall any review, objection, failure to object, approval, non-approval, or consent by Sherwood URA or Developer with respect to any act, plan, or proposal of the other made pursuant to any provision of this Agreement or otherwise be deemed (i) to constitute an assumption by Sherwood URA or Developer of responsibility or liability for the adequacy or suitability of any such act, plan, or proposal, (ii) to constitute a waiver of any claim or right that Sherwood URA or Developer might have against the other or any other person or entity by reason of or in connection with any act or omission of such other person pursuant to or in accordance with any act, plan, or proposal reviewed by Sherwood URA or Developer, or (iii) to result in Sherwood URA's or Developer's being deemed a joint tortfeasor with the other.

Section 6.3 Notices. Except as may be expressly set forth in this Agreement to the contrary, every notice, demand, request, submittal, consent, approval, or other communication required or permitted to be given to any party hereto pursuant to the terms of this Agreement

shall be effective only if given in writing and personally delivered or mailed, postage prepaid, by certified United States mail, return receipt requested, addressed as follows:

SHERWOOD URA: Sherwood URA Urban Renewal Agency
22560 SW Pine Street
Sherwood, OR 97140
ATTN: Jim Patterson
Fax: (503) 625-5524

With a copy to: Pamela J. Beery
Beery, Elsner & Hammond
1750 SW Harbor Way, Suite 380
Portland, OR 97201

DEVELOPER: Capstone Partners LLC
1015 NW 11th Avenue, Suite 243
Portland, Oregon 97209
ATTN: Chris Nelson
Fax No.: (503) 226-1973

With a copy to: Ball Janik LLP
Attn: Bradley S. Miller
101 SW Main St., Suite 1100
Portland, OR 97204
Fax No.: (503) 295-1058

or to such other address as any such party may from time to time designate by notice to the other party in accordance with this Agreement. Every notice, demand, request, submittal, consent, approval, or other communication transmitted as aforesaid shall be deemed to have been given, or communicated, as the case may be, on the date of personal delivery or three (3) Business Days after the time that the same shall have been deposited, certified, in the United States mail from a United States post office or box.

Section 6.4 No Personal Liability. No director, commissioner, officer, official, or employee of Sherwood URA or Developer shall be personally liable to the other (i) on account of any default or breach by Sherwood URA or Developer under this Agreement, (ii) for any amount which may become due to the other under this Agreement, or (iii) with respect to any obligations under the terms of this Agreement. Neither Sherwood URA nor Developer shall collect or attempt to collect any money judgment for such matters from the personal assets of any of the directors, commissioners, officers, officials, or employees of the other on account of a failure by the other to comply with, observe, or perform any of the terms of this Agreement.

Section 6.5 Headings. The headings of the various articles and sections of this Agreement have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending, or affecting in any way the express terms and provisions hereof.

Section 6.6 Severability. If any provision of this Agreement or the application thereof to any person, business entity, public body, or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, and the application of such provision to persons, business entities, public bodies, or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby and shall continue to be valid and enforceable to the fullest extent permitted by law.

Section 6.7 Governing Law. This Agreement shall be governed by and interpreted and construed under the laws of the State of Oregon.

Section 6.8 Exhibits. All Exhibits referred to herein and affixed hereto are deemed incorporated herein by reference with the same force and effect as if at each place of reference, in lieu of such reference, such respective Exhibit were set forth in its entirety.

Section 6.9 Entire Agreement. In the making, execution, and delivery of this Agreement, neither party has been induced by any representations, statements, covenants, or warranties made by the other party or its agents, other than as specifically set forth herein and in the other Operative Agreements. This Agreement and the other Operative Agreements constitute the full, complete, and entire agreement between and among the parties hereto with respect to the subject matters set forth herein and supersede all prior agreements between Sherwood URA and Developer on the subject matters set forth herein. No agent, employee, officer, representative, or attorney of the parties hereto has the authority to make, or has made, any statement, agreement, representation, or contemporaneous agreement, oral or written, in connection herewith modifying, adding to, or changing the provisions of this Agreement. No amendment of this Agreement shall be binding or effective unless such amendment shall be in writing, signed by both Sherwood URA and Developer.

Section 6.10 Time Is Of Essence. All time limits stated in this Agreement are of the essence of this Agreement.

Section 6.11 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original instrument, and such counterparts together shall constitute one and the same instrument.

Section 6.12 Compliance. No failure of either party hereto to exercise any right or power given hereunder or to insist upon strict compliance with any conditions and obligations specified herein, and no custom or practice of any of the parties hereto at variance with the terms of this Agreement, shall constitute a waiver of either party's right to demand exact compliance with the terms and conditions of this Agreement.

Section 6.13 Survival and Termination of Agreement. This Agreement shall expire and terminate upon the termination of the Purchase and Sale Agreement, or, if the Purchase and Sale Agreement is not terminated, upon later to occur of the Substantial Completion of the Project Improvements or Substantial Completion of the Infrastructure Improvements in compliance with the requirements of this Agreement or the mutual agreement of Developer and Sherwood URA.

Section 6.14 No Third Party Beneficiary. No individual or entity that is not a signatory to this Agreement (other than successors, successors-in-title and assigns of the parties to this Agreement) shall have any rights or privileges under or arising out of this Agreement, nor shall any person or entity that is not a signatory to this Agreement otherwise be deemed a third party beneficiary of this Agreement.

Section 6.15 Estoppel Certificates. Sherwood URA and Developer shall execute, acknowledge and deliver to the other promptly upon written request a certificate certifying, among other things, any of the following as requested:

(a) that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that this Agreement is in full force and effect, as modified, and stating the modifications);

(b) that no notice has been given by Sherwood URA to Developer or by Developer to Sherwood URA of any default under this Agreement that has not been cured and to the best of its knowledge and belief no default exists (or, if such exists, describing the same).

Certificates from Sherwood URA and Developer pertaining to the aforesaid matters may be relied upon by any existing or prospective lending institution and by any prospective assignee or successor of any interest under this Agreement. No certificate issued hereunder, however, shall be deemed to affect the rights and obligations of Sherwood URA and Developer between themselves under this Agreement.

IN WITNESS WHEREOF, Sherwood URA has caused this Agreement to be executed on its behalf by its duly authorized officers, and Developer has caused this Agreement to be executed on its behalf by its duly authorized officers, all on the day and year first above set forth.


Sherwood URA Urban Renewal District

By:


Jim Patterson, District Manager

Capstone Partners LLC, an Oregon limited liability company

By:


Chris Nelson, Member

By: Triangle Development Company, an Oregon corporation, Member

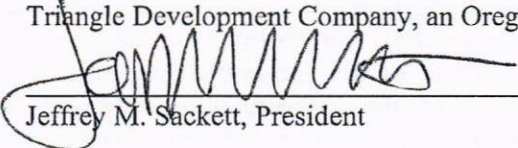
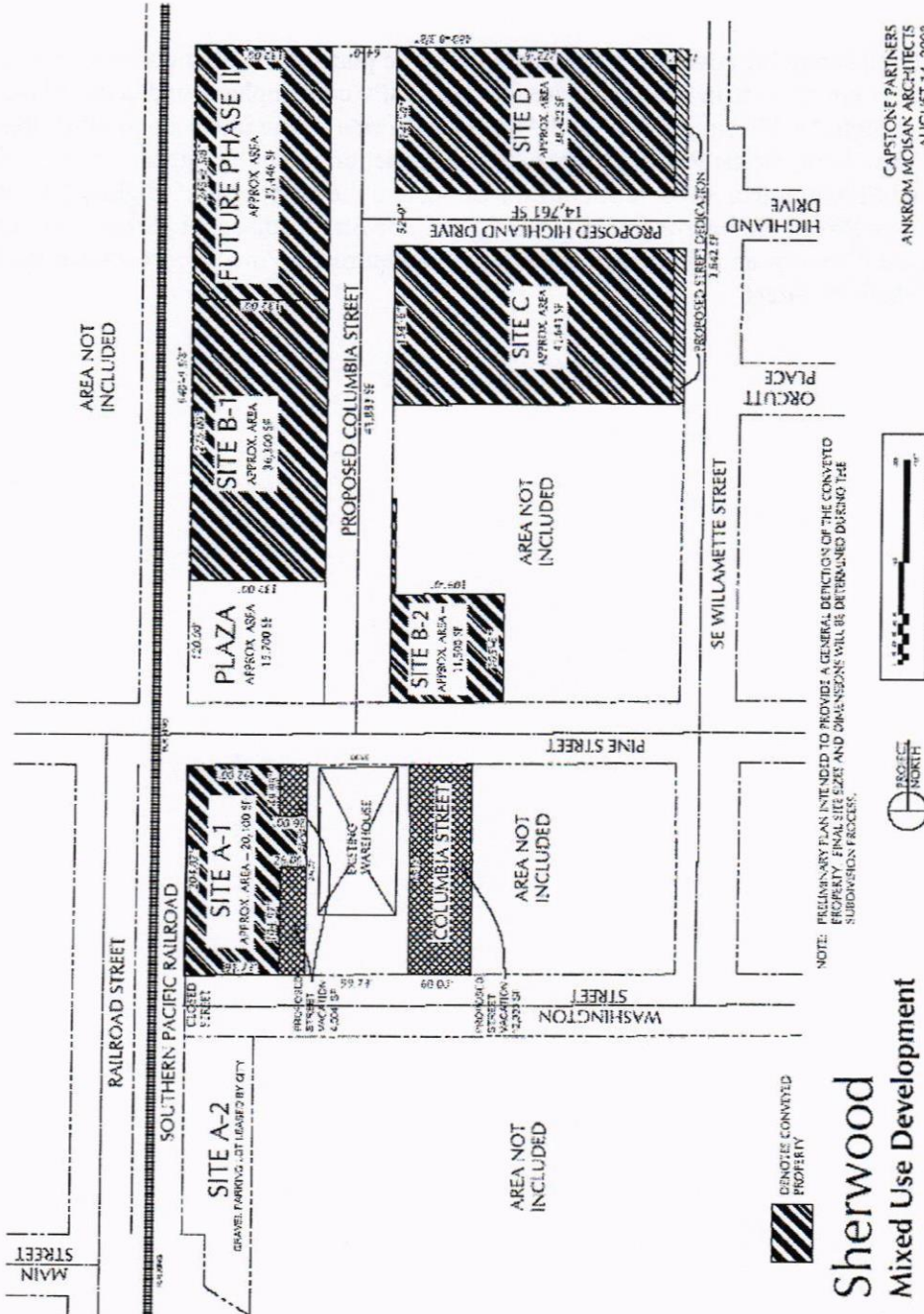

Jeffrey M. Sackett, President

EXHIBIT B-1

Depiction of Conveyed Property

EXHIBIT B-1
TO THE DEVELOPMENT AGREEMENT
CONVEYED PROPERTY



CAPSTONE PARTNERS
ANKROM MOISAN ARCHITECTS
AUGUST 14, 2003

Sherwood
Mixed Use Development

EXHIBIT B-2

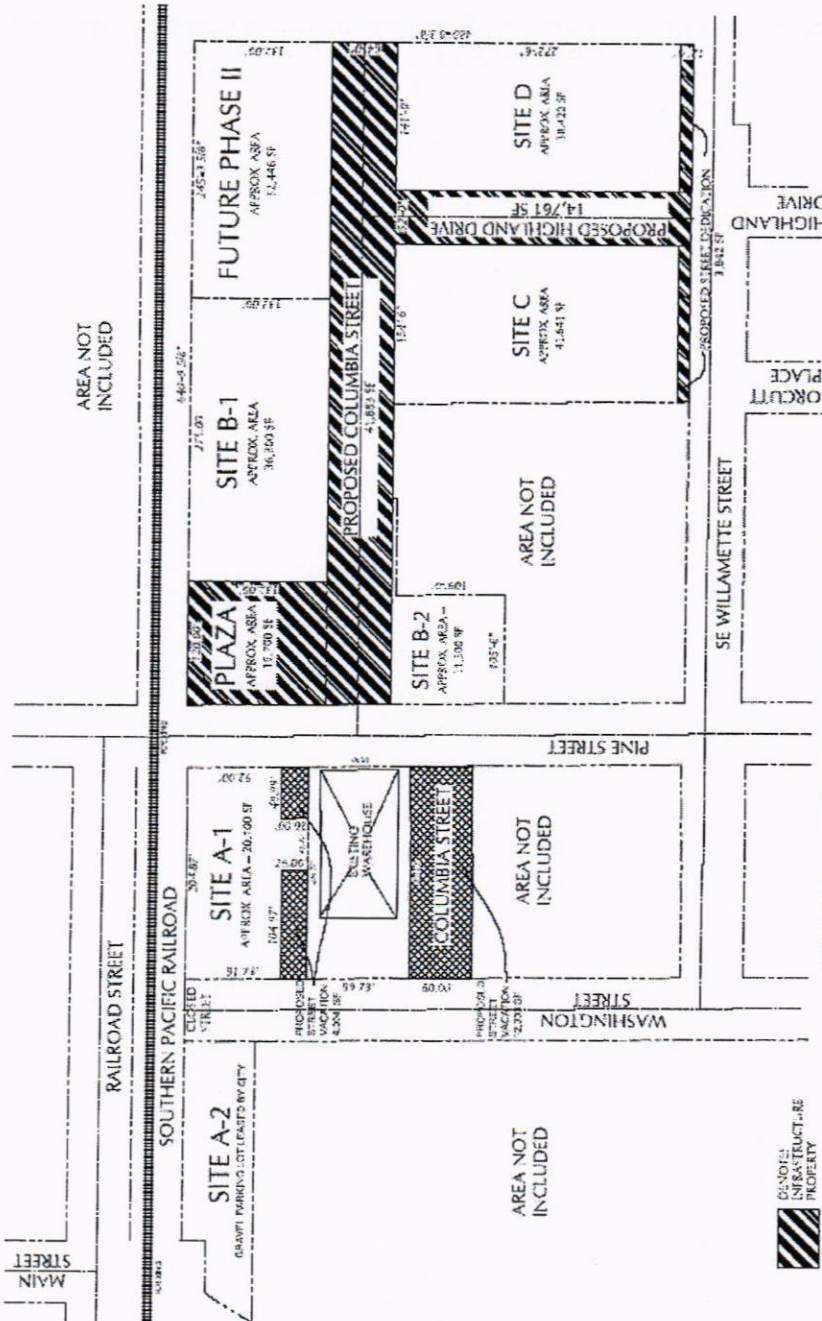
General Description of Infrastructure Improvements

The Infrastructure Improvements consists of a public plaza containing not less than 10,000 square feet nor more than 20,000 square feet (currently contemplated and depicted herein to be approximately 15,700 square feet) at the northeast corner of the intersection of SE Pine Street and the Southern Pacific Railroad tracks, the construction of public rights of way for the proposed SE Columbia Street north of Pine Street and the proposed SE Highland Drive west of Willamette Street, the improvement of SE Willamette Street adjacent to Sites C and D of the Conveyed Property, and the improvement, if any, required to Pine Street between the railroad and Willamette Street

EXHIBIT B-3

Depiction of Infrastructure Improvements

EXHIBIT B-3
TO SITE DEVELOPMENT AGREEMENT
INFRASTRUCTURE PROPERTY



NOTE: PRELIMINARY PLAN INTENDED TO PROVIDE A GENERAL DEPICTION OF THE INFRASTRUCTURE PROPERTY. FINAL DIMENSIONS OF INFRASTRUCTURE PROPERTY WILL BE DETERMINED DURING THE SUBDIVISION PROCESS.



Sherwood
Mixed Use Development



CAPSTONE PARTNERS
ANKROM MOISAN ARCHITECTS
AUGUST 14, 2003

EXHIBIT B-4

Development Services Agreement

The Development Services Agreement is that separate agreement between the parties as defined in Section 1.1 herein. It is attached here as Exhibit B-4 for clarity.

May 18, 2010

ENTERED IN AS PART OF THE PUBLIC HEARING 8-C RECORD

"APPROVED" 2010-11 FY Sherwood Budget

Sherwood City Council

Email: CityCouncil@sherwoodoregon.gov

Sherwood, Oregon 97140

Dear City Council:

Tonight you vote on our town's next budget. Prior to the excesses of Schultz, Patterson and Mays, our town was the wealthiest town per capita in Oregon. We grew fast and banked millions of dollars in System Development and Traffic Impact fees-- contained in separate distinct accounts. With careful, sustained, competent management our low cost town should be healthy even during distressed economic periods. A paradigm shift in resource allocation, transparency, and accountability spearheaded by Schultz, Patterson and Mays over the past years has delivered to our town a high cost, unsustainable environment that has citizens almost completely foreclosed from the public process... yet the Mayor and staff expect the citizens to unilaterally support staff decisions (i.e. "trust us") and pay the bills. They collapsed our city's accounts and funds from 28 down to seven. The public process is now on a ventilator-- barely alive and breathing. How could this have happened?

Budget Committee and "Approved" Budget

This year's budget is typical of Mays and Patterson have done to the town. First, the "budget committee" they have reviewing Patterson's budget has no charter authority. Next, the public was told that they could ask questions and those questions would be answered-- we are still waiting for responses. And now, among other insults, the town's budget for this budget meeting has already been advertised and designated by the staff as "Approved" (SEE city's web site and attached Agenda notice)-- apparently by the group that has no charter authority. LIES, LIES and FAIRY TALES. Staff is deliberately confusing the citizens with word games and sleight of hand. Why?

New Taxes and Projects But Little Homework

Staff asks for millions of dollars-- without doing proper "due diligence" or homework-- then throw their idea or major project into the budget for approval and funding. For instance, staff has proposed a NEW TAX on street lights. They have not prepared any kind of a detailed report to the citizens or to City Council showing the scope of the problem, the RESEARCHED potential solutions and alternatives, and sources of income that are already generated to pay such fees. Instead they have taken the "broken record" approach-- similar to that of a spoiled child wanting another toy "we need the tax, we need the tax, WE NEED THE TAX!!!!!!"

Likewise, the Cannery project being proposed by staff will cost this town millions of dollars in capital and interest expense while decreasing property values in some of the surrounding area.

Staff Using Capital monies to Fund Operations

Under Patterson's long time tenure (contrary to his claims that we need to give him time to "fix" things because he has only been here one year), capital assets have been used to help fund the staff. The city has been selling assets to the Sherwood Urban Renewal Agency and then putting the proceeds into the city's General Fund to be used for operations such as staff salaries. Proceeds from the Old School House and the Cannery site are two examples. If it was up to staff, the proceeds from the Robin Hood Theater lots would have remained in the General Fund for staff's use in the 2009-10 budget. Citizens/City Council cannot rely on staff to keep out of the capital funds. Staff also doesn't appear to be able to realistically cut expenses.

Discouraging Citizen Input

Citizens who are upset by staff's behavior, their lack of competence, and/or their lack of professionalism can count on being discouraged and harassed from appearing in public meetings or appealing to the staff and City Council in writing. Armed guards are placed at all City Council meetings and many, many other public meetings such as the Planning Commission. Staff has "911" speed dialed into their cell phones so they can also call and/or threatened to call the police (we all remember how Tom Nelson with his cell phone threatened my wife to have police come over to throw her out of the SURPAC meeting).

Staff Resumes and Management Positions and Qualifications

I have attached resumes of the four main architects of this budget. Not one of them is a CPA. Sherwood's Budget Officer is a high school graduate who has taken a couple accounting courses at a community college. Until a couple months ago, she was the interim finance director and in charge of the city's books. Our new CFO has a college degree in history. Our city manager has a degree in communications.

IS IT TOO LATE TO FIX?

No. This budget and its several bad assumptions will fall of its own weight. We can find ways to cut costs in the city staff and operations.

- o RE-NOTIFY the citizens about the 2010-11 Budget hearing to correct the incorrect notification stating that the budget has already been "Approved."
- o Reducing staff loads more in line with reoccurring cash flows will dramatically correct the red ink. Staffing is at more than 100% from when the city was busy with development activity. Now, development is almost non-existent. Our budget does not contain reoccurring monies to support a large "development" or "building permit" related staff. No one should be raiding the Capital funds for operations.
- o Stop engaging in risky investment behavior. We should admit to the mistake with the Broadband project. Sherwood has other commercial high speed internet providers in town that can handle the traffic. We already know that they do not want Sherwood's Broadband infrastructure because they wouldn't buy it when offered. We can't find/generate enough revenues to cover expenses or capital outlays.
- o Open up the Public Process. We have many citizens in this town who could help with budgeting ideas and cost cutting. Unfortunately currently there is no two-way dialog.

- o Stop Staff from trying to be the Master Developer of the town. Staff is not equipped by experience, temperament, knowledge, or by trade to be the Developer of the town. The Urban Renewal Agency was not formed to provide a forum for city staff to be developers.
- o Property owners should be able to use their land as zoned without Patterson/Mays directing the staff to interfere.
- o Staff should be curtailed from creating layers and layers of administrative "process" and red tape that is designed to promote staff job security and promote high fee costs to the citizens and businesses.
- o City Council should direct the City Manager to match job descriptions with qualifications-- Especially where the town's finances are concerned. Especially with Managerial staff.

I have also included several pages of materials for your review regarding items in the budget. I hope you will read them with careful consideration. We have examples of cities all around the Metro area who are cutting costs to match revenues. Let's get serious and do the same.

Sincerely,

Jim Claus

A handwritten signature in black ink, appearing to read 'Jim Claus', with a large, stylized initial 'J' and a long horizontal flourish extending to the right.

Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES**

May 18, 2010

22560 SW Pine Street, Sherwood Oregon 97140

WORK SESSION

1. **CALL TO ORDER:** Board member Dave Heironimus called the meeting to order at 6:05pm.
2. **URA BOARD PRESENT:** Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel, Del Clark and Robyn Folsom. Chair Keith Mays arrived at 6:10pm.
3. **STAFF & LEGAL COUNSEL PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Craig Gibbons, Public Works Director Craig Sheldon, Community Development Director Tom Pessemier, Community Services Director Kristen Switzer, Economic Development Manager Tom Nelson, Budget Officer Julie Blums, Planning Manager Julia Hajduk, Human Resource Manager Anna Lee and District Recorder Sylvia Murphy. City Attorney Paul Elsner.
4. **OTHERS PRESENT:** Kurt Lango with Lango Hansen, Ben Austin with HHPR, Murray Jenkins with Ankrom Moison, Martha Shelly with Capstone Partners, Jeff Sacket with Capstone Partners, Doug Pederson and Bob Silverforb with the Cultural Arts Community Center Project Oversight Steering Committee.
5. **TOPICS DISCUSSED:**
 - A. **Cannery Project Update.** Tom Nelson briefed the URA Board of design elements of the plaza and presented a power point presentation (see record, Exhibit A). Discussion followed. Tom Nelson provided the Board members with a Project Priority List (see record, Exhibit B) and informed the Board the numbers on the exhibit were different from the previously provided list as this current list includes costs for staff time. Discussion followed.
 - B. **Community Center Steering Committee Briefing:** Doug Pederson Chairman for the Cultural Arts Community Center Project Oversight Steering Committee provided the Board with an update on the steering committee and briefed the board with a power point presentation (see record, Exhibit C). Discussion followed. The Board discussed a request from Mr. Pederson for funding of Architectural plans and Cost Studies and the Board directed Mr. Pederson to bring the request before the Board in open session.
6. **ADJOURNED:** Chair Mays adjourned at 7pm.

REGULAR URA BOARD MEETING

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 7:10pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel, Del Clark and Robyn Folsom.
3. **STAFF PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Craig Gibbons, Public Works Director Craig Sheldon, Budget Officer Julie Blums, Community Development Director Tom Pessemier, Community Services Director Kristen Switzer,

Economic Development Manager Tom Nelson, Planning Manager Julia Hajduk and District Recorder Sylvia Murphy. City Attorney Paul Elsner.

4. CONSENT AGENDA:

A. Approval of November 3, 2009 URA Board Meeting Minutes

MOTION: FROM DEL CLARK TO APPROVE THE CONSENT AGENDA, SECONDED BY LEE WEISLOGEL. ALL BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

5. PUBLIC HEARING:

A. Urban Renewal Agency 2010-11 Approved Budget Document

Chair Mays stated the Board will hold a public hearing on the approved 2010-11 Budget, approved and recommended by the Budget Committee and asked the District Recorder to read the public hearing statement.

Statement: The URA Board of Directors will hold a public hearing on the approved URA 2010-11 Budget. The purpose of the hearing is to allow the public an opportunity to submit testimony on the above said document. The order of business the Board will follow is to hear the staff report, public testimony, additional staff comments and questions from the Board. The hearing will then be closed and no additional testimony will be received, discussion by the Board will follow. Any interested person may present testimony, if you wish to speak please fill out the testimony form and submit it to the District Recorder. The Chair will recognize those persons wishing to speak and any questions should be addressed through the Chair. When you come to the microphone, please state your name and address for the record as this hearing will be recorded, please speak clearly and limit our testimony to four minutes.

Julie Blums, Budget Officer came forward and explained that the Board has before them the staff report and stated the actual budget document is not attached due to the size of the document and stated she hopes the Board has their budget documents with them. Julie explained tonight the Board would be holding the Public Hearing, asking and answering questions in preparation of a June adoption.

Chair Mays opened the hearing and asked to receive testimony on the recommended URA 2010-11 Budget.

Eugene Stewart, 22595 SW Pine Street Sherwood came forward and stated he is on the Board of Old Town Business Association and they have voted as they would like to see Washington Street and Railroad Street completed to match the rest of downtown. He stated that he feels this should be a priority and is not sure if there is money in this budget to address this issue and said this would be a good time to fix the problems as there's a down turn in the economy and not wanting to interrupt business in old town. Mr. Stewart stated Clancy's lost 30% of their business during prior street construction and said they want to know when it will happen and commented about fixing the current street bricks permanently so they don't continue to come up.

Lori Randel, 22710 SW Orcutt Place Sherwood stated she could not tell based on the documents on the website whether or not we are including an intern in the URA Budget and asked the Board not include the intern position and said the \$19,000 spent on the intern this year was poorly spent, she was poorly supervised and she did more harm than good.

Jim Claus, 22211 SW Pacific Hwy Sherwood came forward and entered into the record two exhibits (see record, Exhibits A & B) and informed the City Recorder that unlike the cannery hearing he will file an affidavit and claim the documents are there and said he has two copies of it, one he will mail separately. Mr. Claus stated they deal with the budget. Mr. Claus stated what he finds with the budget is the Board has no concept of the time value of money and said this is distressing and what you have done is you're borrowing money at 4% on 20 years and if you look at it on a financial intermediary basis as you need to, you will get back 1.5% maximum on the taxable portions of what you're putting in. Mr. Claus stated this is a 3 to 1 ratio and said the documents he submitted has information about urban renewal programs around Oregon and said they consider a successful one to be a 50 to 1 ratio. Mr. Claus commented regarding the money borrowed for the City Hall building over \$6 million and money borrowed for the streets over \$7 million and said the time value of money on this is \$1 million a year, and said actually it is \$1.8 million and said the Board is programming loss into the budget and needing to go to other urban renewal projects to borrow the money. Mr. Claus stated he tried to caution the Board, this is bad business and bad public policy and is exceedingly dangerous to do as the Board is threatening the general thing. Mr. Claus stated you're rated by Moody Analysts and they sign off on what you do and this is how you got a bond rating that did not go up or down, because they still think you're in a positive cash flow position, Mr. Claus stated he does not believe this. Mr. Claus commented regarding the problem being the Boards and those that participate with the Board and said the entire urban renewal thing is in the tank and the figures are over \$35 million with no time value of money. Mr. Claus continued to state the Board has no contingencies in the fund. Mr. Claus referenced prior elected officials and prior administration and commented regarding what they could not do with LID's (Local Improvement Districts).

Susan Claus, 22211 SW Pacific Hwy Sherwood stated she thinks there are procedural issues with the budget and stated she submitted comments and did not receive replies but did receive a copy of a draft Broadband Business Plan when requested and said there is still no conversation or explanation for the \$950,000 loan that the Telecom Fund received from proceeds of the cannery sale and said she believes this still needs to be handled and said there is still no interest deducted on the Telecom Fund and this was money that came from the Urban Renewal. Ms. Claus commented she would like to raise the continued objection to using any sales of capital assets to fund in the general fund, having the Urban Renewal Agency purchase things from the City and then the City dump into the general fund and use this to fund operations. Ms. Claus stated she had an overall objection to, not only on the website but on the newly printed out budget that it states it's been approved, she stated this is a concern of hers as well as other community members and said if this is preapproved why would anyone come testify. Ms. Claus stated the Board has closed the loop in the public process, whether intentional or not, and said it's also stated in the City Manager's report that it is an approved budget, it's was on the website as approved and then changed to say it was approved by the Budget Committee. Ms. Claus stated she objects to how this was done, as an approved budget, as people don't know the intricate details and processes to come and testify and said she also objects to the notice given to the citizens that this has already been done. Ms. Claus stated she also wants to object and made comments regarding the Budget Committee being supplied with not only the proposed budget but a balance sheet and said your giving them one side of the picture and we might have additional expenses and liabilities that come up during the budget cycle. Ms. Claus referenced other liabilities and gave an example of receiving a letter from DEQ. Ms. Claus asked that citizens are responded to when asking questions and testifying and said it's never a two way process. Ms. Claus said if you're going to be a representative of the people, you have to know what they think and made comments about having an open budget committee and questions not being answered and now a budget with a lot of flaws is being adopted. Ms. Claus concluded and stated she believes this needs to be re-noticed as the community believes this has already been approved, re-noticed and allow people to come and testify.

Chair Mays asked for other testimony, with none received he closed the public hearing and asked the Board if they had any questions of staff.

Ms. Henderson referenced page 3 and asked why contingences of the URA Budget are budgeted at \$500,000 but projected at \$2.8 million. Julie Blums replied this is because we are not going to spend some of the money we originally thought we would and that money has been moved over to next year.

Ms. Henderson said that's why we have contingencies of \$2.3 million, more than we had last year. Julie confirmed and said we moved over infrastructure costs for the Cannery, moved them into next year because we are not spending them this year and we also moved the debt issuance into next year.

Ms. Henderson asked why would that be assigned a contingency fund. Julie replied we have tax revenue coming in as well, Ms. Henderson interjected and said so it's a combination, Julie confirmed.

Chair Mays asked for other Board questions, with none received he addressed the next agenda item.

6. STAFF REPORTS: None.

Chair Mays recognized Doug Pederson and asked him to come forward.

Doug Pederson, 16018 SW Red Clover Lane Sherwood stated he is the Chair person for the Cultural Arts Steering Committee, for the Community for the Arts Center and said he's coming before the Board to request funding for Architectural plans and cost studies. Mr. Pederson stated they need \$10,000 for the architectural schematic design to do 3 designs and they need \$3000 for construction cost estimating, for a total of \$13,000. Mr. Pederson provided a more detailed briefing to the URA Board in the work session held earlier this evening.

Chair Mays asked and confirmed Doug Pederson and this Committee had met with SURPAC, and that SURPAC was supportive, but they felt at the time the timing wasn't right. Doug stated that Chair Mays was correct that SURPAC was supportive but that it wasn't the right time and said that it was the Cultural Arts Committee that brought this to SURPAC originally and not the Steering Committee.

Chair Mays asked for Board questions, none were received and the following motion was made.

MOTION: FROM MR. HEIRONIMUS THAT THE BOARD GRANT THE REQUEST FOR \$13,000 FOR ARCHITECTURAL AND COST ANALYSIS, SECONDED BY MS. HENDERSON.

Chair Mays asked for discussion on the motion to take the \$13,000 from the 2009-10 contingency fund to support those two endeavors as outlined.

Finance Director Craig Gibbons stated we may not need to take it out of contingency as there may be sufficient funds in Materials and Services. Chair Mays replied great, he is glad to hear that.

Board discussion followed regarding the need to amend the motion to specify funding sources. It was determined that an amendment was not necessary.

City Manager Patterson requested the motion state: **the Board authorizes the District Administrator approving these expenses to go ahead and move forward with approval.**

AMENDED MOTION: MR. HEIRONIMUS AMENDED HIS MOTION TO INCLUDE THIS LANGUAGE, MOTION SECONDED BY MS. HENDERSON. ALL BOARD MEMBERS VOTED IN FAVOR.

With no other business to address Chair Mays adjourned the URA Board meeting.

7. **ADJOURNED:** Chair Mays adjourned at 7:37pm and convened to the regular City Council meeting.

Submitted by:


Sylvia Murphy, CMC, District Recorder

Approved:


Keith S. Mays, Chairman