



URA BOARD WORK SESSION 5:15PM

WORK SESSION 6:00PM

REGULAR CITY COUNCIL MEETING

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. CONSENT:

- A. Approval of June 7, 2011 City Council Minutes
- B. Resolution 2011-055 Canvassing May 17, 2011 Election Results
- C. Resolution 2011-056 Reappointing Molly Woodbury to the Library Advisory Board
- D. Resolution 2011-057 Authorizing the City Manager to sign a successor collective bargaining agreement between the City of Sherwood and the Sherwood Police Officer's Association (SPOA)
- E. Resolution 2011-058 Authorizing the City Manager to Enter into a Contract with DKS Associates for On-Call Traffic Engineering Services
- F. Resolution 2011-059 Authorizing the City Manager to Award Contract to Brix Paving Company to Construct the FY 11-12 Pavement Maintenance Project
- G. Resolution 2011-060 Authorizing City Manager to sign IGA between the City of Sherwood and the Sherwood School District for the purposes of the School Resource Officer
- H. Resolution 2011-062 Initiating an Annexation of Urban Growth Boundary Expansion Area 54 and 55, also referred to as the Brookman Concept Plan Area, Located South of the Existing Sherwood City limits and north of Brookman Road

5. PRESENTATIONS

- A. Proclamation, Geography Awareness Week
- B. Proclamation, Relay for Life
- C. Certificate of Appreciation, Recognition of outgoing City Councilor David Luman

6. SWEARING IN CEREMONY

- A. Councilor Elect Krisanna Clark to City Council Seat 5

AGENDA

**SHERWOOD CITY COUNCIL
July 19, 2011**

5:15pm URA Board Work Session

6:00pm Council Work Session

7:00pm Regular City Council Meeting

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

7. CITIZEN COMMENTS

8. NEW BUSINESS

- A. Resolution 2011-061 Accepting the Dedication of Certain Real Property Necessary to Construct, Install, and Thereafter Maintain Street and Utility Infrastructure Related to the Extension of SW Adams Avenue between SW Tualatin-Sherwood Road and Highway 99W (Tom Pessemier, Community Development Director)**
- B. Resolution 2011-063 A Resolution Referring to the Voters of Sherwood a Proposed Revision of the City Charter (Chris Crean, City Attorney)**

9. PUBLIC HEARING

- A. Ordinance 2011-008 Amending Title 12 (Streets, Sidewalks, and Public Places) of the Sherwood Municipal Code by Adding a New Chapter (12.17) Establishing Limitations on Excavations and Cuts in Newly Improved Public Street Pavement Surfaces (Bob Galati, City Engineer)**
- B. Ordinance 2011-009 Amending Multiple Sections of the Zoning and Community Development Code to Require Parks and Open spaces in New Subdivisions and Including Divisions I, II, VII, and VIII (Heather Austin, Senior Planner)**

10. CITY MANAGER & STAFF REPORTS

11. COUNCIL ANNOUNCEMENTS

12. ADJOURN

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.

URA Board of Directors Meeting

Date: 7-19-11

List of Meeting Attendees: None

Request to Speak Forms: None

Documents submitted at meeting:

Work Session

A.) Sherwood Cannery Square Update

B.) Urban Renewal Update with attached report

Completed by Jeff Tashman of Tashman Johnson LLC

7-19-11
Date

URA Board
Gov. Body

Work Sess.
Agenda Item

A (6 pgs)
Exhibit #



View from Pine Street

SHERWOOD COMMUNITY CENTER

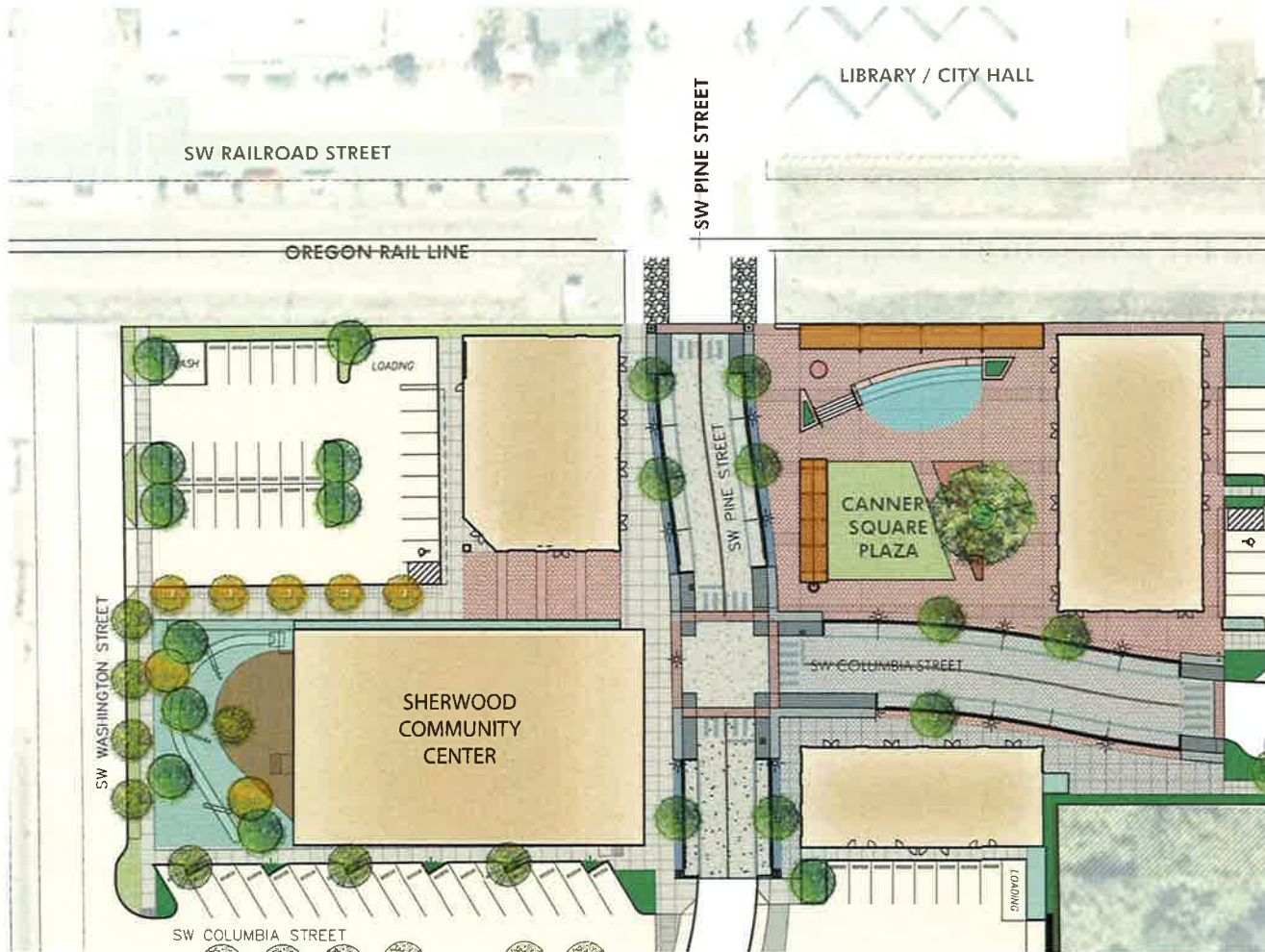
SHERWOOD CANNERY SQUARE



CAPSTONE
Partners

ANKROM MOISAN ARCHITECTS
ARCHITECTURE INTERIOR PLANNING

07.19.2011



SHERWOOD COMMUNITY CENTER

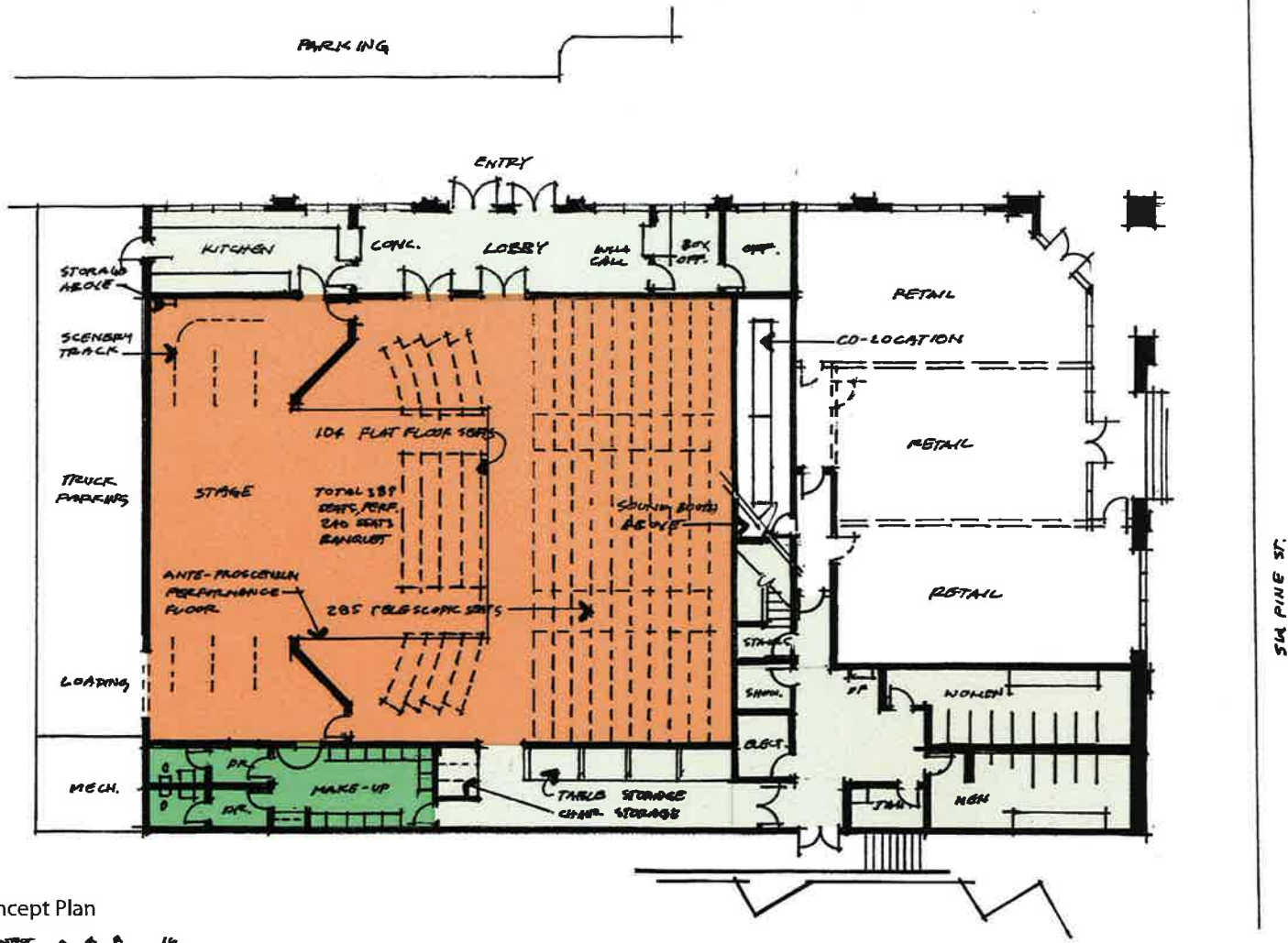
SHERWOOD CANNERY SQUARE



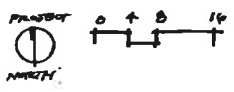
CAPSTONE
Partners III

ANKROM MOISAN ARCHITECTS
ARCHITECTURE INTERIORS PLANNING

07.19.2011



Concept Plan



SHERWOOD COMMUNITY CENTER

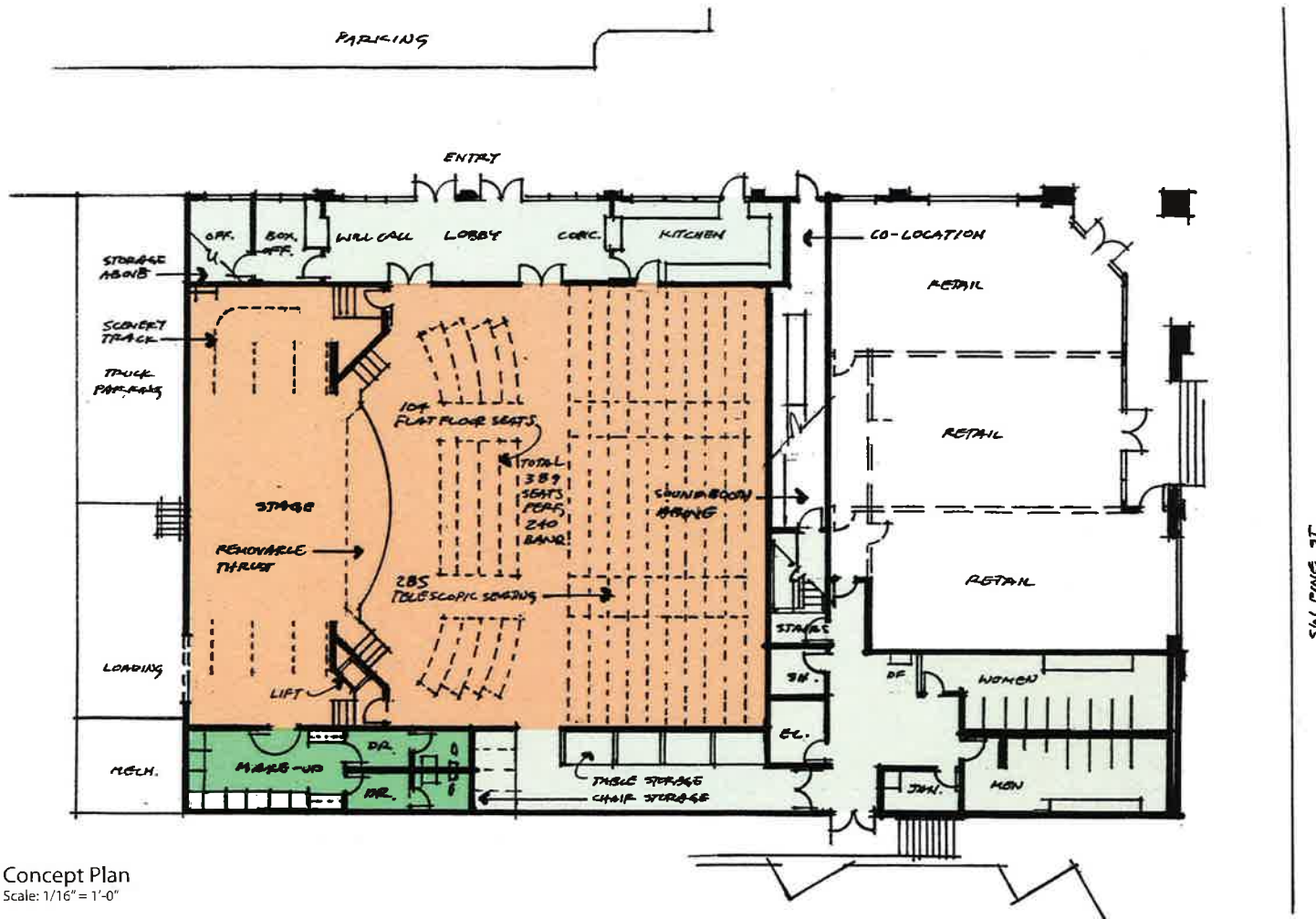
SHERWOOD CANNERY SQUARE



CAPSTONE Partners LLC

ANKROM MOISAN ARCHITECTS
 EXP. INTERIORS, EXTERIORS, PLANNING

07.19.2011



Concept Plan
 Scale: 1/16" = 1'-0"

SHERWOOD COMMUNITY CENTER

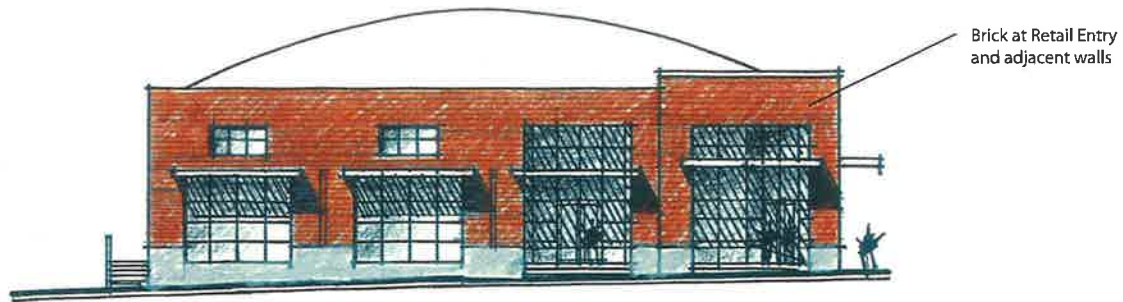
SHERWOOD CANNERY SQUARE



CAPSTONE
 Partners

ANKROM MOISAN ARCHITECTS
 ARCHITECTURE INTERIORS PLANNING

07.19.2011



East Elevation



North Elevation

SHERWOOD COMMUNITY CENTER

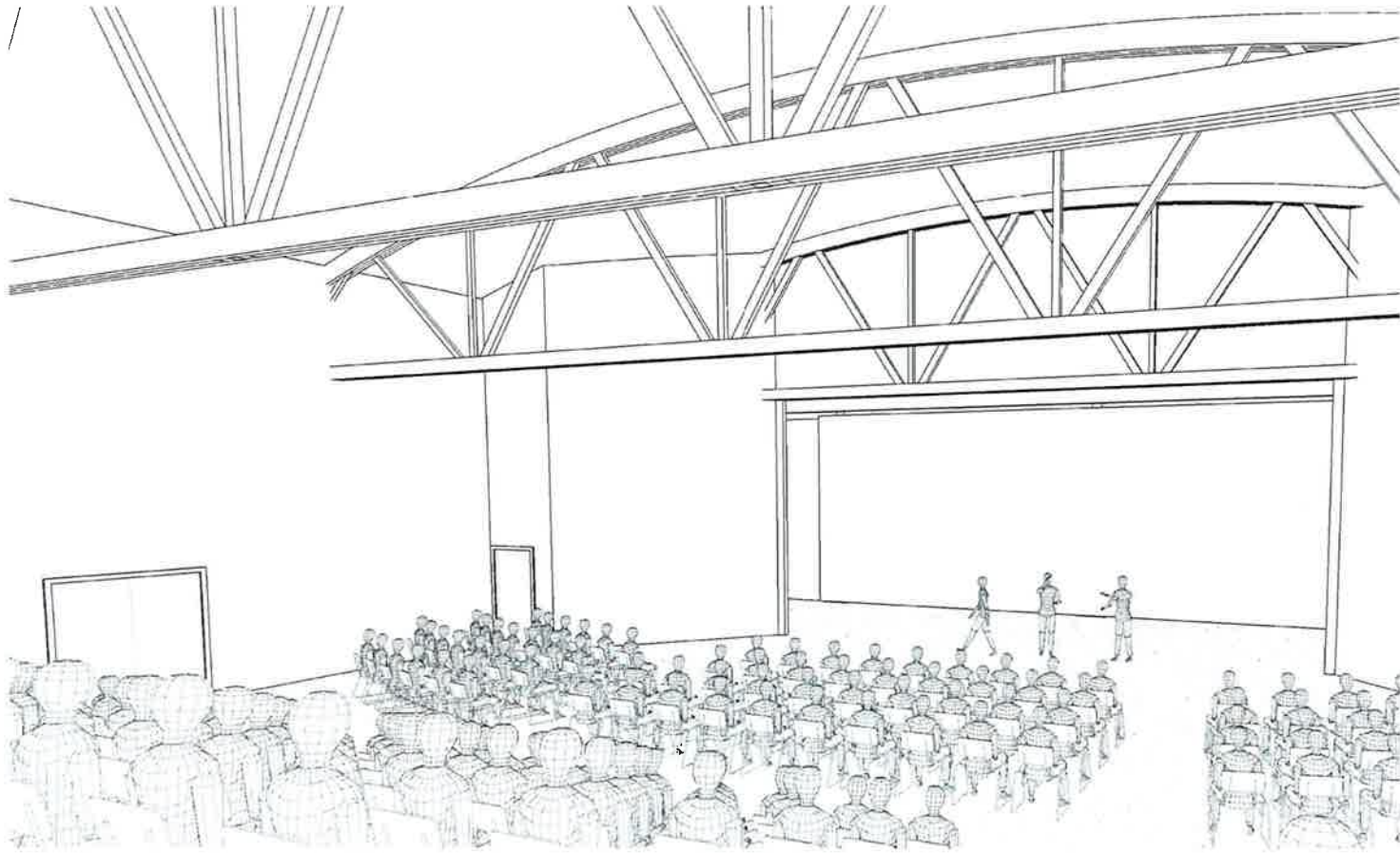
SHERWOOD CANNERY SQUARE



CAPSTONE
Partners

ANKROM MOISAN ARCHITECTS
ARCHITECTURE INTERIOR PLANNING

07.19.2011



Study - View of Interior

SHERWOOD COMMUNITY CENTER

SHERWOOD CANNERY SQUARE



CAPSTONE
Partners LLC

ANKROM MOISAN ARCHITECTS
ARCHITECTURE INTERIORS PLANNING

07.19.2011

7-19-11
Date

URA Board
Gov. Body

Work Session
Agenda Item

B
Exhibit #



Home of the Tualatin River National Wildlife Refuge

Date: July 19, 2011

To: URA Board

From: Tom Nelson, URA Manager

RE: Urban Renewal Update

The recent report (attached) completed by Jeff Tashman of Tashman Johnson, LLC indicated that the URA had a little more than \$6.3 million left before Maximum Indebtedness of \$35,347,600 is reached. This should be sufficient to complete the three phases of the Cannery Project based on projected expenses.

These are the major projects completed to date for which the URA is servicing debt:

| Debt Instrument | Amount Incurred |
|--|---------------------|
| 2003 OECDD Civic Building/Streets Loan | \$5,846,000 |
| 2003 BOA Civic Building Loan | 2,435,000 |
| 2004 Cannery Demolition Loan | 350,000 |
| 2006 OECDD Streets Loan | 6,400,000 |
| 2006 BOA Streets and Crossings Loan | 1,800,000 |
| 2008 BOA Line of Credit (Water, Cannery, Signal) | 7,065,000 |
| BOA Old School and Sports Fields Loan | 830,000 |
| IFA Cannery Loan (to date) | 2,046,642 |
| Total Debt to date | \$26,772,642 |

In addition, the URA has spent \$5,267,596 of tax increment on administration and capital projects since its inception. These expenditures include Façade Grants and other capital projects for which loans were not needed, as well as administrative expenses. They are listed in the following table:

| Non-Loan Tax Increment Expenditures | Amounts |
|---|--------------------|
| Downtown Streetscapes Phase B | 25,079 |
| Cedar Creek Trail and Senior Housing Development | 365,038 |
| Cultural Arts Feasibility Study | 26,715 |
| Façade Grants | 181,071 |
| Redevelopment of Sherwood High School Grandstands | 100,000 |
| Purchase of the Robin Hood Lot | 250,000 |
| Purchase of 15804 & 15824 SW 1st | 264,000 |
| Purchase of Machine Shop | 925,000 |
| Demo of Old School House | 69,627 |
| Civic Building Capital Improvements | 916,507 |
| Administration | 2,289,039 |
| Less Program Revenue | -144,480 |
| Total Non-Loan Tax Increment Expenditures | \$5,267,596 |

The remaining Maximum Indebtedness coupled with the repayment of an Interfund loan to the Water Fund left \$6,359,577 as of April 30, 2011 to spend on URA priority projects. Since the Cannery Project has been the URA's top priority, those funds will be allocated toward that project. The URA also owns property that will be sold in the future. The funds generated will not count toward Maximum Indebtedness, and can be used to fund other priority projects. Property sales should generate in excess of \$3 million, depending on market conditions.

| Remaining Funds for URA Projects | Amount |
|---|--------------------|
| Maximum Indebtedness of Plan | 35,347,600 |
| Long Term Debt Issued and Incurred | -26,772,642 |
| Total Non-Loan Tax Increment Expenditures | -5,267,596 |
| Repayment of Water Loan | 3,052,215 |
| Balance Remaining Funds for URA Projects | \$6,359,577 |

Staff, SURPAC, and the URA Board have identified some priority projects still needed to successfully complete the URA plan, and the removal of blighted conditions in Sherwood. We have been working with our attorneys at BEH to develop a strategy to increase Maximum Indebtedness to complete these projects. We will ask Community Development to determine projected costs of these projects in future years. URA Specialist, Jeff Tashman has submitted a proposal to assist us in that effort. It is attached. These projects include:

- Completion of downtown streets
- Redevelopment of Washington Hill streets
- Redevelopment of Oregon Street to the roundabout
- Extension of infrastructure to the Tonquin Industrial Area
- Redevelopment of the Tannery property
- Administrative expenses through the completion of the plan
- Additional allocation for Façade Grants
- Other projects yet to be identified by SURPAC and the URA Board

Staff is recommending that we consult with SURPAC at its August 11, 2011 meeting, and with their concurrence we will bring a resolution to the URA Board at its August 16, 2011 meeting to approve Tashman's proposal.



To: Tom Nelson and Craig Gibons
 From: Jeff Tashman
 Subject: Remaining Maximum Indebtedness
 Date: 13 June 2011

This memo summarizes our firm’s analysis of the remaining Maximum Indebtedness of the Sherwood Urban Renewal Plan (“Plan”). The Maximum Indebtedness of the Plan is \$35,347,600.

Tax increment revenues must be spent on payments of principal and interest on indebtedness incurred to carry out the Plan. The Maximum Indebtedness is the total principal amount of indebtedness that may be incurred under the Plan that is paid from tax increment revenues. Included in the principal amount of indebtedness is the expenditure of annual tax increment revenues for any purpose except payment of interest on debt. Payment of project and/or administrative expenses from the proceeds of debt or from income other than tax increment revenues is not subject to the Maximum Indebtedness.

The analysis of the debt that has been incurred under the Plan and the amount remaining within the Maximum Indebtedness is based on accounts of revenues and expenditures provided by the City of Sherwood. This is shown in the Table 1, below, as \$3,307,361.74. The Urban Renewal Agency also has unexpended proceeds from prior borrowings and repayment of loans made by the Agency that can be spent on carrying out the Urban Renewal Plan, as shown in Table 4 below.

Table 1: Remaining Maximum Indebtedness

| | Debt Amount | Balance |
|--|------------------|------------------|
| Maximum Indebtedness of Plan | | \$ 35,347,600.00 |
| Long Term Debt Issued and Incurred | \$ 26,772,642.08 | \$ 8,574,957.92 |
| Expenditures of Tax Increment Revenues For Contract Debt | \$ 5,267,596.18 | \$ 3,307,361.74 |

Note that the Long Term Debt Issued and Incurred excludes amounts not drawn down from the IFA as of April 30, 2011. Contract debt is debt incurred by the Agency to carry out the Plan but not received from formal borrowings.

Table 2 shows the principal amounts of debt issued and incurred.

Table 2: Debt Issued and Incurred

| Debt Instrument | Amount Incurred |
|--|-------------------------|
| 2003 OECDD Civic Building/Streets Loan- Rev Src 35 | \$ 5,846,000.00 |
| 2003 BofA Civic Building loan - Rev Src 34 | \$ 2,435,000.00 |
| 2004 Cannery Demolition Rev Src 36 | \$ 350,000.00 |
| 2006 OECDD Streets Loan - Rev Src 38 & 40 | \$ 6,400,000.00 |
| 2006 BofA City Streets & Crossings Loan - Rev Src 41 | \$ 1,800,000.00 |
| 2008 BofA Line of Credit - Rev Src 49 | \$ 7,065,000.00 |
| 2005 BofA Old School & Sports Fields Rev Src 37 | \$ 830,000.00 |
| 2011 IFA Cannery Loan Rev Src 45 | \$ 2,046,642.08 |
| | |
| Total | \$ 26,772,642.08 |

Table 3 shows the Expenditures of Tax Increment Revenues for Contract Debt.

Table 3: Contract Debt

| Uses | Amounts |
|----------------------|-----------------|
| Administration | \$ 3,205,545.93 |
| Capital | \$ 114,333.67 |
| Non Capital Projects | \$ 2,092,196.52 |
| Sub Total | \$ 5,412,076.12 |
| Program Income | \$ (144,479.94) |
| Total | \$ 5,267,596.18 |

Table 4: Remaining Proceeds of Indebtedness Deducted from Maximum Indebtedness

| Estimated Funds Deducted from Maximum Indebtedness Remaining to be Spent | |
|--|-----------------|
| 2006 B of A Streets & Crossings Loan | \$ 13,798.93 |
| Repayment of Water Loan | \$ 3,038,417.23 |
| Total Unspent But Deducted | \$ 3,052,216.16 |

Summary:

With a balance of \$3,307,361.74 in available Maximum Indebtedness (Table 1) and a balance of \$3,052,216.16 in remaining proceeds of indebtedness (Table 4), \$6,359,577.90 was available for URA projects as of April 30, 2011.



MEMORANDUM

TO: Tom Nelson
FROM: Jeff Tashman
SUBJECT: Proposal for Substantial Amendment of Sherwood Urban Renewal Plan
DATE: 30 June 2011

I. UNDERSTANDING OF PROJECT

The City of Sherwood's Sherwood Urban Renewal Plan (the "Plan") has a Maximum Indebtedness ("MI") of \$35,347,600.00, of which \$3,307,361.74 remained to be issued as of April 30, 2011. This means that no more than the \$3.3 million, plus proceeds from prior debt and program income, can be spent on urban renewal projects and administration over the life of the Plan. This financial capacity is not sufficient to complete the projects under the Plan and other projects that may be necessary to cure and prevent blight in the Sherwood Urban Renewal Area ("Area"). Because of this, the City of Sherwood ("City") wishes to consider an amendment of the Plan to increase its maximum indebtedness ("Proposed Amendment"). The increase would be limited to an amount which is 20% of the current MI as modified or "indexed" under ORS 457.220(4).¹

The Proposed Amendment is considered a substantial amendment under the Plan and under Oregon statutes. As such it requires the same procedural steps that would be required for a new urban renewal plan and it also requires a report on the Proposed Amendment ("Amendment Report"). The City has asked us to prepare a scope of work and budget for assisting the City and the Sherwood Urban Renewal Agency in preparing the Proposed Amendment and Amendment Report, as well as drafts of related notices and staff reports. Our proposal below includes a proposed scope of work, budget and schedule.

¹ (4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

(a) The aggregate of all amendments under this subsection may not exceed 20 percent of the plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

(b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the initial maximum indebtedness may be increased annually on the anniversary date of initial approval of the plan by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary of plan approval. This increase may be applied only to the first amendment to the maximum indebtedness that is made on or after January 1, 2010.

II. PROPOSED SCOPE OF WORK

A. Public Involvement

The proposed scope of work includes public involvement, which is required in “all stages in the development of an urban renewal plan.”² In our experience a good way to involve and inform the public regarding the Proposed Amendment is a public meeting prior to beginning the formal adoption process. Additional opportunities for the public to participate will be at the Planning Commission meeting and at the public hearing before the City Council.

B. Draft Urban Renewal Plan Amendment

The essential parts of the Proposed Amendment will be to define the projects that are to be undertaken, determine the costs and urban renewal share of such projects, project future tax increment revenues, estimate the borrowing capacity of these revenues and compare borrowing capacity to projected expenditures. This would provide the basis for a new maximum indebtedness figure but which will be within the statutory 20% limits cited above.

Work on the proposed Amendment would include the following:

1. Inventory Existing Conditions in Urban Renewal Area and Document Conditions of Blight

A substantial amendment of the Plan requires that the City Council find that the Area continues to be a blighted area as defined in statute. There are no precise tests of whether an urban renewal area is blighted or not, but some conditions of blight that were found when the Plan was adopted still remain and others will be inventoried. The inventory of existing conditions will include need for public facilities to support redevelopment, improvement to land value ratios (a measure of whether a parcel is underdeveloped), street and sidewalk conditions, and utility conditions. We will rely on City staff to provide data on street, sidewalk and utility conditions.

2. Determine Necessary Urban Renewal Projects

We will consult with city staff to determine what urban renewal projects and programs are required to complete the Plan and cure and prevent blight in the Area.

3. Determine Project Costs and Urban Renewal Share

We will rely on City staff to provide cost estimates of the projects listed in Task 2.

4. Project Tax Increment Revenues and Borrowing Capacity and Determine Required Maximum Indebtedness

The financial analysis is a critical part of the Proposed Amendment and the Amendment Report, and is the basis for the City Council making a finding that the Proposed Amendment is economically feasible. We will project the tax increment revenues likely to be available for the Plan, identifying and taking into

²(ORS 457.085(1))

Proposal for Substantial Amendment of Sherwood Urban Renewal Plan

account development and redevelopment opportunity sites, land use regulations and the impacts of the anticipated urban renewal investments.

We will then project the borrowing capacity of the tax increment revenue stream, and provide a suggested schedule of long and short term borrowings. We will coordinate all this analysis with the Finance Director.

5. Review Provisions for Plan Amendments

We will review the current provisions for future plan amendments and discuss with staff whether changes to those provisions may be appropriate. If changes are desired we will draft the necessary language.

6. Draft Proposed Amendment

The elements described above will be compiled into a draft Proposed Amendment, consisting primarily of the elements discussed above and other required elements such as the relationship of the Urban Renewal Plan to local objectives as stated in the Comprehensive Plan and its implementing ordinances and codes.

C. Draft Amendment Report

We will prepare the Amendment Report as required by law³. The report is primarily a technical document that provides background information and is a basis for the findings that the Council must make in adopting the plan. Little public review is normally devoted to the report. It is not adopted by Council and is not legally binding on the Urban Renewal Agency.

D. Adoption Process

The consultants will provide the ordinances, notices and the substance of the staff reports required for adoption of the Amendment. The Planning Commission must review the proposed urban renewal plan (primarily for conformance to the City's Comprehensive Plan) and make a recommendation to Council.

The Proposed Amendment and Report will be sent to the overlapping taxing districts, and the City should offer to meet with representatives of those districts to discuss the potential service demand and property tax revenue impacts. A meeting with the County Board of Commissioners is required, but no action need be taken by the County. We assume City staff will conduct the meetings with the County and overlapping taxing districts.

The Council must hold a public hearing before adopting a non-emergency ordinance approving the Proposed Amendment. Notice of the hearing on the Proposed Amendment must be sent to each individual household in the City. Finally, a notice of Plan adoption must be published and the plan recorded and transmitted to the County Assessor.

³ ORS 457.085(3)

Proposal for Substantial Amendment of Sherwood Urban Renewal Plan

The consultants will also prepare summary documents and display graphics for the Planning Commission and Council meetings and will assist in the presentations for these meetings.

III. PROPOSED BUDGET

The work will be completed for a fee not to exceed \$17,525.00 on a flat-fee basis. Monthly invoices will cite the progress made on the project and show a percent of completion accomplished in the billing period. Though we propose a flat-fee compensation method, the following table of hours and tasks is the basis for the proposed fee. The Notes in the table show our assumptions on attendance at public meetings.

| Task | Hours | Expenses | Cost | Notes |
|--|-----------|------------|--------------|---|
| | Tashman | | | |
| Public Information Meeting Materials | 6 | | \$ 1,050.00 | Tashman available by phone |
| Preparation of Amendment and Report | 55 | | \$ 9,625.00 | |
| Preparation of Notices and Staff Reports | 12 | | \$ 2,100.00 | |
| Planning Commission Hearing | | \$1,000.00 | \$ 1,000.00 | Subcontractor attends. Tashman available by phone |
| Council Hearing | 10 | \$2,000.00 | \$ 3,750.00 | Tashman attends one hearing |
| | TOTAL | | \$ 17,525.00 | |
| Hourly Billing Rates | | | | |
| Tashman | \$ 175.00 | | | |

IV. SCHEDULE

The work can be started immediately and will take 4 months to complete, subject to timely scheduling of public meetings and assuming one Council hearing.

Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
July 19, 2011
22560 SW Pine Street, Sherwood Oregon 97140**

URA BOARD WORK SESSION

1. **CALL TO ORDER:** Chair Keith Mays called the URA Board work session to order at 5:23pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Robyn Folsom, Bill Butterfield, Matt Langer and Councilor Elect Krisanna Clark. David Luman was absent. Robyn Folsom left the meeting at 6:05pm.
3. **STAFF PRESENT:** City Manager Jim Patterson, Economic Development Manager Tom Nelson, Finance Director Craig Gibons, Community Services Director Kristen Switzer, HR Manager Anna Lee, Police Chief Jeff Groth and Agency Recorder Sylvia Murphy.
4. **OTHERS PRESENT:** Jeff Sacket with Capstone Partners LLC, Murray Jenkins with Ankrom Moisan Architects, Scott Wagner with Ankrom Moisan Architects, Paul Luntsford with Pladesigns, Inc. and Judy Silverforb with the Sherwood Cultural Arts Commission.
5. **TOPICS:**
 - A. **Community Center Update.** Scott Wagner, Murray Jenkins and Paul Luntsford presented renderings of proposed building designs (see record, Exhibit A). Discussion followed.
 - B. **URA Update.** Economic Development Manager Tom Nelson and Finance Director Craig Gibons presented information to the URA Board and provided a report including a report from Tashman & Johnson LLC., (see record, Exhibit B). Discussion followed.
6. **ADJOURN:** Chair Mays adjourned the URA work session at 6:37 pm and convened to a City Council work session, followed by a regular Council meeting.



Sylvia Murphy, CMC, Agency Recorder



Keith S. Mays, Chairman