



**CITY COUNCIL EXECUTIVE SESSION 5:45PM**

**CITY COUNCIL WORK SESSION 6:00PM**

**REGULAR CITY COUNCIL MEETING**

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**4. CONSENT:**

- A. Approval of July 12, 2011 City Council Minutes
- B. Approval of July 19, 2011 City Council Minutes
- C. Approval of July 26, 2011 City Council Minutes
- D. Resolution 2011-064 a Resolution authorizing the City Manager to enter into an amended Intergovernmental Agreement (IGA) with the Washington County Watershed Technical Committee for the Regional Solid Waste Management Plan

**5. PRESENTATIONS**

- A. Eagle Scout Recognition

**6. CITIZEN COMMENTS**

**7. NEW BUSINESS**

- A. Resolution 2011-065 to recognize the partnership between the City of Sherwood and Raindrops to Refuge (Jim Patterson, City Manager)
- B. Resolution 2011-066 authorizing a temporary Utility Easement for AT&T Mobility (Brad Crawford, IT Manager)
- C. Resolution 2011-067 approving a Ballot Title for an Election on the Annexation of the Brookman Area (Chris Crean, City Attorney)

**AGENDA**

**SHERWOOD CITY COUNCIL  
August 2, 2011**

**5:45 Council Exec. Session  
(ORS 192.660(2)(e), Real Property)**

**6:00pm Council Work Session**

**7:00pm Regular City Council Meeting**

**URA Board Work Session  
(following the Council Meeting)**

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

- D. Resolution 2011-068 Transferring Budget Expenditure Appropriations between categories for Budget Year 2011-12 (Craig Gibons, Finance Director)**
- E. Resolution 2011-069 Authorizing an increase in the Municipal Judge's Compensation (Craig Gibons, Finance Director)**
- F. Resolution 2011-063 referring to the Voters of Sherwood a Proposed Revision of the City Charter (Chris Crean, City Attorney)**

## **8. CITY MANAGER REPORT**

## **9. COUNCIL ANNOUNCEMENTS**

## **10. ADJOURN TO URA BOARD WORK 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](http://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.

### **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@sherwoodoregon.gov](mailto:citycouncil@sherwoodoregon.gov)

Sherwood URA Board Meeting

Date: 08.02.11

List of Meeting Attendees: *None*

Request to Speak Forms: *None*

Documents submitted at meeting: ✓

*Work Session -*

*A.) Staff Memo dated June 28, 2011 re: URA*

*Update and report from Tashman Johnson, LLC,*

*Exh. A*

8-2-11  
Date

URA Board of Directors  
Gov. Body

Work Session  
Agenda Item

A  
Exhibit #

Date: June 28, 2011

To: Jim Patterson, URA Administrator

From: Tom Nelson, URA Manager

RE: Urban Renewal Update



The recent report completed by Jeff Tashman of Tashman Johnson, LLC indicated that the URA had a little more than \$6 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
<b>Total Debt to date</b>	<b>\$26,772,642</b>

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
<b>Total Non-Loan Tax Increment Expenditures</b>	<b>\$5,267,596</b>

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 priority projects. Property sales could generate in excess of \$3 million, depending on market conditions.

<b>Remaining Funds for URA Projects</b>	<b>Amount</b>
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
<b>Balance Remaining Funds for URA Projects</b>	<b>\$6,359,577</b>

Staff 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 Beery Elsner 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. Jeff Tashman is also analyzing the URA's ability to service additional debt in the future. These projects include:

- Completion of downtown streets
- Redevelopment of Oregon Street to the roundabout
- Extension of infrastructure to the Tonquin Industrial Area
- 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



To: Tom Nelson and Craig Gibons  
 From: Jeff Tashman  
 Subject: Remaining Maximum Indebtedness  
 Date: 13June 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	<b>\$ 26,772,642.08</b>

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

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### **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).<sup>1</sup>

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.

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<sup>1</sup>(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.”<sup>2</sup> 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

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<sup>2</sup>(ORS 457.085(1))

# Approved Minutes

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

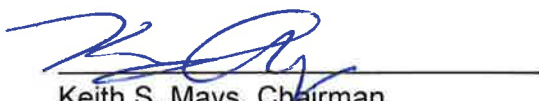
**August 2, 2011**

**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 8:17 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Robyn Folsom, Bill Butterfield, Matt Langer and Krisanna Clark.
3. **STAFF & LEGAL COUNSEL PRESENT:** City Manager Jim Patterson, Economic Development Manager Tom Nelson, Finance Director Craig Gibbons and Agency Recorder Sylvia Murphy. City Attorney Chris Crean.
4. **TOPICS:**
  - A. **URA Update.** Economic Development Manager Tom Nelson presented information to the URA Board and provided a staff memo which included a report from Tashman & Johnson LLC., (see record, Exhibit A). Discussion followed. Tom informed the Board that staff would be bringing forward legislation at a future meeting for consideration of a contract for services with Tashman, Johnson LLC.
5. **ADJOURN:** Chair Mays adjourned the URA work session at 8:35 pm.

  
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Sylvia Murphy, CMC, Agency Recorder

  
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Keith S. Mays, Chairman