



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Tuesday, January 17, 2012

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

**URA Board of Directors Meeting
(Following the City Council Meeting)**

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

Tuesday, January 17, 2012
Following the City Council Meeting

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

REGULAR URA MEETING

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT

A. Approval of November 1, 2011 URA Board of Directors Meeting Minutes

4. NEW BUSINESS

A. URA Resolution 2012-001 Recommending a substantial amendment to the Urban Renewal Plan to Increase Maximum Indebtedness (Tom Nelson, Economic Development Manager)

5. STAFF REPORTS

6. ADJOURN

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
November 1, 2011
22560 SW Pine Street, Sherwood Oregon 97140**

URA BOARD REGULAR MEETING

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 7:36 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Matt Langer, Bill Butterfield and Krisanna Clark. Robyn Folsom was absent.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Pro Tem Tom Pessemier, Finance Director Craig Gibbons, Public Works Director Craig Sheldon, Economic Development Manager Tom Nelson, Police Chief Jeff Groth, Administrative Assistant Kirsten Allen and City Recorder Sylvia Murphy. City Attorney Chris Crean.

Chair Mays addressed the Consent Agenda and asked for a motion.

4. **CONSENT AGENDA:**

A. Approval of October 4, 2011 URA Board of Directors Meeting Minutes

MOTION: FROM LINDA HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY BILL BUTTERFIELD. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR (ROBYN FOLSOM WAS ABSENT).

Chair Mays addressed the next agenda item.

5. **NEW BUSINESS**

A. URA Resolution 2011-019 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

Tom Nelson, Economic Development Manager came forward and informed the Board that it has been brought to our attention that the property lease for the property on Railroad known as the gravel lot, had expired in 2002 and we no longer have a lease. Tom stated he thought this may have occurred when there was a change from Southern Pacific to Union Pacific.

Tom stated the space is needed for improved parking for the Community Center and said staff has been in negotiations with the Railroad and said their leasing practices are different now in comparison to prior years. Tom informed the Board the lease was approximately \$100 per year and today it's about 10% of the purchase price per year, at approximately \$20,000 per year.

Tom stated the Railroad has indicated they are willing to sell the property and said this would be the best avenue for us and the purchase would be for an appraised value. Tom stated staff would like to move forward and receive approval for the property purchase at the appraised value.

Tom informed the Board the first step would be to do a minor amendment to the Plan to purchase property for public use. Tom reminded the Board that in the past, the City Council had to also pass an amendment to purchase property, but this was for property that would not necessarily be for public use. Tom stated the Board needs to take this action first and then authorize the Urban Renewal Agency Administrator to negotiate the purchase of the property.

Chair Mays asked if this would then come back to the Board for approval. Tom replied the Board would grant the authority this evening with the next resolution on the agenda.

Chair Mays stated it was unfortunate the lease expired and the railroad didn't want to continue the terms and said it was on the radar to secure the property for the community and old town, primarily for parking. He said if we are able to acquire the property we would be able to improve it and have functional space.

Mr. Grant asked if the City was continually paying on a month to month basis until today. Tom replied no, the City has not paid since 2002 and said we have not received a bill.

Mr. Grant asked if we had planned on improving the space for the cannery development. Tom replied this is how it was brought to our attention that the lease had expired, was when we notified them we were going to make improvements to the property.

Ms. Henderson asked about the appraised value and why the Board was not discussing this and asked if staff would be coming back to the Board for approval of a purchase price.

Tom replied we have not had it appraised yet and his plan was to seek authorization of purchase based on the appraised value as this is very timely with the Community Center project.

With no other Board questions, Chair Mays asked for a motion.

MOTION: FROM DAVE GRANT TO ADOPT URA RESOLUTION 2011-019, SECONDED BY BILL BUTTERFIELD. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR (ROBYN FOLSOM WAS ABSENT).

Chair Mays addressed the next agenda item.

B. URA Resolution 2011-020 of the Urban Renewal Agency of the City of Sherwood for purchase of real property

Tom Nelson, Economic Development Manager explained this resolution would authorize the URA Administrator to negotiate the price and purchase the property. Tom referenced

language in the resolution, *“the owner has agreed to sell the property at the appraised value subject to URA Board approval”*.

Mr. Butterfield asked who the negotiator would be, Tom indicated Tom Pessemier would be the negotiator as the Urban Renewal Agency Administrator.

Ms. Henderson asked if we would be getting only one appraisal. Tom confirmed this is what is usually done.

Tom Pessemier informed the Board that typically the Railroad has their own appraiser and staff would be looking at an independent appraisal as well and if there was a major discrepancy in the appraisal reports, he would bring the information back to the URA Board for consideration. Tom P. stated staff doesn't anticipate this as staff has worked with the Railroad in the past and is familiar with them.

Tom Nelson informed the Board that the Railroad has informed staff the appraised value is roughly \$15.50 a square foot and this was comparable to other properties in the area, this equates to \$270,000 for 17,000 square feet.

Ms. Henderson asked if there was a plan on the books on how the pavement would be utilized as a parking structure. Tom Nelson replied it would be public parking.

With no other Board questions, the following motion was received.

MOTION: FROM LINDA HENDERSON TO ADOPT URA RESOLUTION 2011-020, SECONDED BY KRISANNA CLARK. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR (ROBYN FOLSOM WAS ABSENT).

Chair Mays addressed the next agenda item.

C. URA Resolution 2011-021 approving an amendment to the Intergovernmental Agreement for the provisions of support services between the City of Sherwood and the Sherwood Urban Renewal Agency

Chair Mays stated the City Council considered a similar resolution this evening.

Tom Nelson, Economic Development Manager confirmed and stated this is just the Urban Renewal Agency's approval of the amendment.

Chair Mays asked for questions from the Board, with none heard, the following motion was received.

MOTION: FROM LINDA HENDERSON TO ADOPT URA RESOLUTION 2011-021, SECONDED BY BILL BUTTERFIELD. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR (ROBYN FOLSOM WAS ABSENT).

Chair Mays addressed the next agenda item.

D. URA Resolution 2011-022 authorizing a Personal Services Contract with Elaine Howard Consulting, LLC for the purpose of preparing for a substantial amendment to the Urban Renewal Plan to increase maximum indebtedness

Tom Nelson, Economic Development Manager came forward and informed the Board that he had received notification from Tashman Johnson that due to personal reasons he needed to cancel his contract and not accept any payment and pass the work onto another consultant.

Chair Mays stated the Urban Renewal Agency wasn't out any money due to the cancellation of the contract and Tom Nelson confirmed and said the work that we thought would be done last month has not been completed.

Tom informed the Board that Elaine Howard LLC is very well known in the consulting community for urban renewal and is a member of AORA (Association of Oregon Redevelopment Agencies) and said staff is recommending approval of the contract.

Chair Mays asked for questions from the Board.

Mr. Butterfield confirmed that Ms. Howard was recommended and asked if staff had looked at other consultants. Tom confirmed Elaine Howard was recommended and said there are limited consultants in the state that do urban renewal type of work and said she is in a network of other consultants and Ms. Howard may sub work out as well.

Mr. Butterfield asked what the fee was for Ms. Howard in comparison to Tashman Johnson. Tom replied her fee is \$20,000 and believes Tashman Johnson was \$17,700 and said Mr. Tashman had not addressed legal counsel in reviewing the work and Ms. Howard works with a professional that does a lot of urban renewal work.

Ms. Henderson asked if the scope of work was the same and if an RFP was issued.

Tom confirmed the scope of work was the same and replied an RFP was not issued.

Ms. Henderson asked if we had issued an RFP would Ms. Howard have likely bid on it and asked if Ms. Howard is local. Tom replied yes and confirmed she is a local consultant.

With no other Board questions received the following motion was made.

MOTION: FROM DAVE GRANT TO ADOPT URA RESOLUTION 2011-022, SECONDED BY LINDA HENDERSON. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR (ROBYN FOLSOM WAS ABSENT).

Chair Mays addressed the next agenda item.

6. STAFF REPORTS:

Ms. Henderson asked Tom Nelson to provide an update on the Cannery Square.

Tom Nelson replied the plaza is scheduled to open on December 3rd for the Tree Lighting Ceremony and said they held a progress report meeting today and the contractors are being pressed and they believe they will have substantial completion by November 23rd.

Tom stated one issue came up with three plaza streetlights being on backorder and due to the contractor's agreement to have it completed by November 23rd, the contractor will be installing three other streetlights and will replace them in January. Tom stated the different lights aren't very noticeable as they are 4 inches in diameter verses 5 inches.

7. ADJOURN: Chair Mays adjourned the URA Board meeting at 7:50 pm.

Sylvia Murphy, CMC, District Recorder

Keith S. Mays, Chair

URA Meeting Date: January 17, 2012

Agenda Item: New Business

TO: Sherwood Urban Renewal Agency Board

FROM: Tom Nelson, Economic Development Manager

SUBJECT: URA RESOLUTION 2012-001 RECOMMENDING A SUBSTANTIAL AMENDMENT TO THE URBAN RENEWAL PLAN TO INCREASE MAXIMUM INDEBTEDNESS

Issue

Should the URA adopt a Resolution recommending a substantial amendment to increase maximum indebtedness?

Background


The URA approved URA Resolution 2011-022 on November 1, 2011 to authorize a contract with Elaine Howard Consulting, LLC to prepare for a substantial amendment to the URA Plan to increase maximum indebtedness.

Other Factors:

- An increase in Maximum Indebtedness is needed to complete priority projects in the Urban Renewal Plan;
- An increase in Maximum Indebtedness requires a substantial amendment to the Urban Renewal Plan.
- SURPAC has recommended the substantial amendment to increase Maximum Indebtedness.
- The attached letter (Exhibit A) outlines the necessary process to approve a substantial amendment. The URA Plan Amendment (Exhibit B) and Report (Exhibit C) are also attached as supporting documents.
- A recommendation from the URA to the City Council is a necessary step in the amendment process.

Recommendation: Approval of the attached resolution to recommend to the Sherwood City Council a substantial amendment to the Urban Renewal Plan to increase Maximum Indebtedness.

Exhibit A

<p>To: Sherwood Urban Renewal Agency From: Tom Nelson, Economic Development Manager Re: Substantial Amendment, Amendment No. 15 Date: January 17, 2012</p>	
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I. PURPOSE

This is a Sherwood Urban Renewal Plan Amendment (Amendment) to the Urban Renewal Plan (Plan) to increase the financial capacity of the Plan (maximum indebtedness¹). Because it is increasing the maximum indebtedness, it is termed a substantial amendment. The Amendment also makes changes to sections of the Plan to update it to be in conformance with present statutory provisions, comprehensive plan and zoning changes and urban renewal best practices. The Sherwood Urban Renewal Agency (Agency) is being asked to forward the Amendment to the Sherwood Planning Commission for their review for conformance with the Sherwood Comprehensive Plan and to the Sherwood City Council and recommend that the City Council adopt the Amendment.

II. BACKGROUND

The Sherwood Urban Renewal Plan was adopted on August 29, 2000 and has been amended fourteen times. The present amendment will increase the maximum indebtedness by \$9,785,869 from \$35,347,600 to \$45,133,469. The increase in maximum indebtedness is for the addition of projects to the plan which will improve the transportation systems, both street and trail, within the Area. It will also add to the capacity to provide additional revenues to existing projects within the Plan as identified in Table 12 in the Report to the Fifteenth Amendment.

The URA has accomplished a significant amount of work since its inception in August/2000. The following table accounts for Maximum Indebtedness to date:

¹ Maximum indebtedness is the limit on an urban renewal plan for how much can be spent on projects and programs throughout the life of the plan. In accordance with state law, every urban renewal district has a maximum indebtedness

Table 1 – Sherwood Urban Renewal Projects August/2000 to date

URA Projects	Expenditure
Sherwood City Hall	\$ 9,197,507
Downtown Streets Phase I	8,225,079
Cannery Project (Partially Completed)	9,020,043
Oregon Street/Langer Farms Pky. Intersection	1,000,000
Sherwood Forest Senior Affordable Housing Project	365,038
Old School Property	619,627
SW 1st Street Properties	264,000
Robin Hood Properties	250,000
SW Main Street Property (WQ Facility)	240,585
Sherwood School Fields and Grandstands	380,000
Façade Grants	181,071
Administration (August/2000 to date)	2,186,214
Total	\$ 31,929,164

Included in the projects to date are purchases of blighted properties that will eventually be either publically or privately developed, restoring revenue to the URA which can either be spent on qualified URA projects or to defease debt. The plan's initial Maximum Indebtedness is \$35,347,600 which leaves a balance of \$3,418,436. Most of this remainder will be needed to complete the Cannery Project.

The projects which are being added to the Plan are mainly infrastructure projects to improve the transportation network within the Sherwood Urban Renewal Area (Area), allowing for the development of underutilized parcels in the Area. Of primary significance are the first two projects. The Downtown Streets Phase II project is needed to complete the redevelopment of Old Town Sherwood. The Oregon Street Improvement Project will complete redevelopment of a primary entrance to Sherwood and a connector to the planned Tonquin Industrial Area. Other projects receiving additional funding are ongoing improvement projects within the Area, such as façade grants and sidewalk improvements. The future projected projects are identified in Table 2, below.

Table 2 – Projected Future Projects for Sherwood Urban Renewal Area

Project	Estimated Cost
Infrastructure	
Downtown Streetscapes Phase 2	\$2,950,000
Oregon Street Improvements	3,290,000
Lincoln Street Improvements - Willamette to Division Street	734,000
Century Drive Extension	500,000
Cedar Creek Trail	\$200,000 - 300,000
Sub-Total Infrastructure	\$7,674,000 - 7,774,000
Property Acquisition	\$500,000
Façade Grants	200,000
Main Street Program	100,000
Parking Study	50,000
Alley Improvements in Old Town	500,000
Sidewalk Improvements in Old Town	100,000
URA Administration	1,200,000
Traffic Re-routing Study and Plans for Old Town	175,000
Redevelopment of Public Land into Parking Lots	371,000
Sub-total Other Projects	\$3,196,000
Total	\$10,870,000 - 10,970,000

One of the changes made by the 2009 Oregon legislature was instituting revenue sharing with impacted taxing jurisdictions. This revenue sharing clause is applied to existing urban renewal plans when actions are taken that result in an increase in the maximum indebtedness of these existing plans. Revenue sharing is instituted at certain specified trigger points as specific in ORS 457.470.

The financial projections, completed by ECONorthwest, estimate that the Sherwood Urban Renewal Area (Area) will begin revenue sharing in FY 2014 when the Area is projected to meet the 10 percent of initial maximum indebtedness trigger stated in the statutes (10% of \$35,347,600 is \$3,534,760). At that 10 percent limit, the affected taxing jurisdictions will begin receiving a portion of the increased tax revenue as a result of the projected increased assessed value within the Area. This is a positive benefit to the taxing jurisdictions, as they will not receive this revenue sharing without the Amendment.

The Area is projected to meet the 12.5 percent of the initial maximum indebtedness trigger in FY 2016, at which time the tax increment revenues to the Agency from the Area are held stable at that number, \$4,418,450, and the impacted taxing jurisdictions

receive a proportionate share of the increase in tax increment revenues for the remaining life of the district. These revenue sharing requirements only minimally impact the length of time the district will be in operation. An analysis of the tax increment revenues without revenue sharing indicates the Area would be able to defease the debt one year later with revenue sharing as without. These impacts are shown in tables 17 and 18 of the attached Report.

III. AMENDMENTS TO URBAN RENEWAL PLAN

The Amendment is considered to be a substantial amendment that requires the same procedure for adoption as a new urban renewal plan. The Amendment would increase the maximum indebtedness and add projects to the Plan. Substantial amendments are required to be adopted in the same manner as the adoption of an urban renewal plan, requiring approval of the Sherwood Urban Renewal Agency, notice to the taxing jurisdictions, review by the Sherwood Planning Commission, notice to the citizens of Sherwood and a Sherwood City Council hearing.

There are also other changes to the Plan to bring it up to date with current best practices. The significant changes in the Plan are:

- Updating Section 100 The Urban Renewal Plan to list all previous amendments.
- Updating Section 200 Citizen Participation to add information about Citizen Participation in this Amendment.
- Updating Section 400 Land Use to bring it in conformance with present zoning and comprehensive plan designations.
- Adding projects to Section 500 Description of Projects to be Undertaken, sub section 504 Public Improvements.
- Updating Section 700 Amendments to the Urban Renewal Plan to bring it into conformance with State Statutes.
- Increasing the Maximum Indebtedness in Section 800 Maximum Indebtedness.
- Updating the Plan's Attachment B – Comprehensive Plan Goals and Objectives to bring it up to date with the City's Comprehensive Plan.
- Adding funding to projects within the Plan as shown in Table 12 in the Report to the Fifteenth Amendment. (Projects are identified in the table above)

The Amendment is shown in Attachment 1.

An updated Report (Attachment 2) accompanies the Amendment. It follows the requirements of ORS 457 and analyzes, among other things, the continued existence of blight in the Area and the financial feasibility of increasing the maximum indebtedness.

IV. PROCESS FOR AMENDMENT

The process of adopting a substantial amendment to the Urban Renewal Plan consists of the following steps:

- Preparation of an Amendment, including the opportunity for citizen involvement.
- Forwarding a copy of the Amendment and the Report to the governing body of each taxing district. (The taxing districts letters were sent out on January 6, 2011.)
- Urban Renewal Agency review of the Amendment and accompanying Report and recommendation to forward the Amendment to City Council for adoption. (January 17, 2012)
- Review and recommendation by the Planning Commission. (The Sherwood Planning Commission review is scheduled for January 24, 2012.)
- Notice to all citizens of Sherwood of a hearing before the City Council. (Notice will be provided by an article in the February 2012 edition of the Sherwood Archer, which reaches all postal patrons as specified in ORS 457.120.)
- Hearing by City Council and adoption of the Amendment and accompanying Report by a non-emergency ordinance. The hearing and date set for vote by City Council is scheduled for February 21, 2012. The ordinance must be a non-emergency ordinance, which means that the ordinance does not take effect until 30 days after its approval and during that period of time may be referred to Sherwood voters if a sufficient number of signatures are obtained on a referral petition.
- Presentation to the Washington County Commission on January 24, 2012.

V. STAFF RECOMMENDATION

Staff recommends that the Sherwood Urban Renewal Agency forward the Urban Renewal Plan Amendment and Report on the Urban Renewal Plan Amendment to the Sherwood City Council and recommend approval of the Amendment.

Attachments:

- A. Sherwood Urban Renewal Plan Amendment No. 15
- B. Report on the Sherwood Urban Renewal Plan Amendment No. 15

Sherwood Substantial Amendment 2011 Amendment No. 15

Exhibit B

The following amendments are made to the Sherwood Urban Renewal Plan. Additions are in italics and deletions are shown in ~~cross-out~~.

Section 100. The Urban Renewal Plan

The following amendments have been made to the Sherwood Urban Renewal Plan.

Amendment 1: Resolution No. 2003-002 February 11, 2003

- 1) inserting properties proposed to be acquired,*
- (2) inserting a section providing information on the benefit to the renewal area provided by public buildings*
- (3) inserting a corrected boundary map to rectify an error in the map attached to the plan adopted by Council Ordinance 2000-1098*
- (4) revising the description of project activities to clarify the Agency's intent to participate in funding a multi-use public facility*
- (5) revising the definition of substantial amendments to the plan to be consistent with ORS 457.085(i).*

Amendment 2: Resolution No. 2004-004 March 23, 2004

- (1) revising the Cost of Project Activities Table to more accurately reflect the Agency's estimate of the cost of the projects*
- (2) revising the Agency's Performing Arts Goal to reflect a wider range of activities*
- (3) revising the Agency's Promote Private Development goal to include an objective relative to Tournament Town Northwest*
- (4) more accurately reflect the current view of the description of project activities to clarify the Agency's intent to participate in funding an indoor soccer facility*
- (5) that the new activity, addition of a public soccer facility, is consistent with Plan Objectives A and F.*

Amendment 3: Resolution No. 2004-11 June 8, 2004

- (1) inserting properties proposed to be acquired in Section 503, Item C. Tax Map 2S132BD TL 800 Corner of Washington and Railroad*

Amendment 4: Resolution No. 2005-005 May 17, 2005

- (1) amends boundary to include Sherwood High School Field*

Amendment 5: Resolution No. 2008-001 February 19, 2008

*(1) inserting properties proposed to be acquired in Section 503, Item C.
(Old Cannery Site)*

Amendment 6: Resolution No. 2008-005 March 18, 2008

*(1) inserting properties proposed to be acquired in Section 503, Item C.
(Machine Shop, 120 SW Washington Street also known as 22832 SW
Washington Street)*

Amendment 7: Resolution No. 2008-003 March 18, 2008

*(1) inserting properties proposed to be acquired in Section 503, Item C.
(Old Schoolhouse, 16023 SW 3rd Street)*

Amendment 8: Resolution No. 2008-017 June 17, 2008

(1) amends boundary to include Sherwood High School Stadium

Amendment 9: Resolution No. 2008-019 August 5, 2008

*(1) amends boundary to include area at 21305 SW Pacific Highway, 21655
Pacific Highway, and Tax Map 2 S130D001101*

Amendment 10: Resolution No. 2008-024 October 7, 2008

*(1) inserting properties proposed to be acquired in Section 503, Item C.
15804 SW 1st Street (R554563) and 15824 SW 1st Street (RR554572)*

Amendment 11: Resolution No. 2009-011 September 15, 2009

*(1) inserting properties proposed to be acquired in Section 503, Item C.
16020 SW 1st Street (R555269 and RR555250)*

Amendment 12: Resolution No. 2009-014 November 3, 2009

*(1) inserting properties proposed to be acquired in Section 503, Item C.
21949 SW Sherwood Blvd.*

Amendment 13: Resolution No. 2011-015 September 20, 2011

*(1) inserting properties proposed to be acquired in Section 503, Item C.
22939 SW Main Street*

Amendment 14: Resolution No. 2011-019 November 11, 2011

*(1) inserting properties proposed to be acquired in Section 503, Item C.
Railroad Parking Lot*

Amendment 15: Ordinance No.

- (1) Updates Section 100 The Urban Renewal Plan*
- (2) Updates Section 200 Citizen Participation to include Substantial Amendments*
- (3) Updates Section 300 Relationship to Local Objectives to bring it into present day best practices*
- (4) Updates Section 400 Proposed Land Uses*
- (5) Increases maximum indebtedness in Section 800*

Section 200. Citizen Participation

A Substantial Amendment was undertaken in 2011. This amendment was adopted in the same process as an original adoption of an urban renewal plan in accordance with ORS 457.085, including the following process:

- reviewed by the Urban Renewal Agency on January 3, 2012,*
- forwarded to the Planning Commission for their review at a public meeting on January 24, 2012,*
- heard before the City Council at a hearing on February 21, 2012 which was noticed to all citizens in Sherwood in accordance with ORS 457.120.*
- All taxing jurisdictions were consulted and conferred on the amendment through a letter to them on January 6, 2012 which offered to meet with them at their request,*
- The Agency met with the Washington County Commission on January 24, 2012.*

Section 400. Proposed Land Uses

This Section, starting with the descriptions of the comprehensive Plan and Zoning applying to the Renewal Area, is replaced in its entirety to reflect current language in Title 16- Zoning and Community Development Code.

Residential Zones

The Low Density Residential (LDR) zoning district provides for single-family housing and other related uses with a density of 3.5 to 5 dwelling units per acre. Minor land partitions shall be exempt from the minimum density requirement.

The Medium Density Residential, Low (MDRL) zoning district provides for single-family and two-family housing, manufactured housing and other related uses with a density of 5.6 to 8 dwelling units per acre.

The Medium Density Residential, High (MDRH) district provides for a variety of medium density housing, including single-family, two-family housing, manufactured housing multi-family housing, and other related uses, with a density of 5.5 to 11 dwelling units per acre. Minor land partitions shall be exempt from the minimum density requirement.

The High Density Residential (HDR) zoning district provides for higher density multi-family housing and other related uses with density of 16.8 to 24 dwelling units per acre. Minor land partitions shall be exempt from the minimum density requirement.

Commercial Zones:

The Neighborhood Commercial (NC) zoning district provides for small scale, retail and service uses, located in or near residential areas and enhancing the residential character of those neighborhoods.

The Retail Commercial (RC) zoning district provides areas for general retail and service uses that neither require larger parcels of land, nor produce excessive environmental impacts.

The General Commercial (GC) zoning district provides for commercial uses that require larger parcels of land, and/or uses which involve products and activities that require special attention to environmental impacts.

The Office Commercial (OC) zoning district provides areas for business and professional offices and related uses in locations where they can be closely associated with residential areas and adequate major streets.

Industrial Zones

The Light Industrial (LI) zoning district provides for the manufacturing, processing, assembling, packaging and treatment of products which have been previously prepared from raw materials. Industrial establishments shall not have objectionable external features and shall feature well-landscaped sites and attractive architectural design, as determined by the Commission.

Institutional / Public Zone

The Institutional/Public (IP) zoning district provides for major institutional and governmental activities such as schools, public parks, churches, government offices, utility structures, hospitals, correctional facilities and other similar public and quasi-public uses.

Planned Unit Development

Planned Unit developments (PUDs) integrate buildings, land use, transportation facilities, utility systems and open space through an overall site design on a single parcel of land or multiple properties under one or more ownerships. The PUD process allows creativity and flexibility in site design and review which cannot be achieved through a strict adherence to existing zoning and subdivision standards.

Section 700. Amendments to the Urban Renewal Plan

C. Other Minor Amendments

3. Addition of a project substantially different from those identified in Sections 501 through 506 of the Plan. ~~or substantial modification of a project identified in Section 501 through 506 if the addition or modification of the project costs less than \$500,000 in 1999 dollars.~~

~~D. Amendments requiring approval per ORS 457.095~~

~~1. The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, and which cost more than \$500,000, shall be an amendment requiring approval per ORS 457.095, but not requiring notice as provided in ORS 457.120. The \$500,000 amount will be adjusted annually from the year 2000 according to the "Engineering News Record" construction cost index for the Northwest area.~~

Section 800. Maximum Indebtedness

The maximum indebtedness authorized under this plan ~~is \$35,347,600 (Thirty-five million, three hundred forty seven thousand, and six hundred dollars).~~ *\$45,133,469 (Forty-five million, one hundred thirty three thousand four hundred sixty nine thousand dollars).*

Attachment B – Comprehensive Plan Goals and Objectives

This section is replaced in its entirety with the following section.

Attachment B

As part of the consideration of a substantial amendment to the Sherwood Urban Renewal Plan (Plan), the section in the existing Plan, which addresses the Comprehensive Plan, is being updated to reflect current best practices. The following section will replace the existing Attachment B in its entirety.

ATTACHMENT B-COMPREHENSIVE PLAN GOALS AND OBJECTIVES

ORS 457.085 requires that an Urban Renewal Plan relate to definite local objectives. This section reviews the City Comprehensive Plan, The Vision for Old Town Sherwood and the Economic Development Strategy Plan.

A. CITY OF SHERWOOD COMPREHENSIVE PLAN

The City's Comprehensive Plan considers a wide range of goals and policies relating to land uses, traffic, transportation, public utilities, recreation and community facilities, economic development, housing and environmental protection. The goals of City of Sherwood Comprehensive Plan document are shown below in *italics*. The way the urban renewal plan in its entirety (both existing elements and proposed amendments) conforms to these components is shown in regular type. Specific goals and policies found in the Sherwood Comprehensive Plan which relate to this Plan are:

LAND USE POLICIES OF THE COMPREHENSIVE PLAN

The Land Use Chapter forms the backbone of the Comprehensive Plan. It expresses and applies City policy governing the allocation of land resources in the Planning Area. It specifies the kind, location and distribution of land use that the community intends to see developed. The development of land use policy has been the result of a carefully defined planning process that encouraged the involvement of all persons and agencies with an interest in the use of land within the Urban Growth Area of Sherwood.

An existing land use inventory and analysis was conducted in 1977 and again in 1989 to determine factors contributing to the existing pattern of development and the possible effects of the existing land use pattern on future development. A buildable land survey was taken to determine the nature and extent of vacant and developable land that was available and suitable for future urban growth. Then, standards were developed and applied to make a determination of future space needs for each major category of land use. These studies are to be periodically updated to provide the most reliable basis for plan policy.

1. EXISTING DEVELOPMENT PATTERN

Existing development in the Sherwood Planning Area is located in and around the original town center along the Southern Pacific Railroad line. The development pattern clearly indicates the historic reliance of the first community of Sherwood on the railroad for transportation of person and goods.

The development pattern indicates historic growth outward from the original town center grid to the hillside south of the railroad tracks and along major radial streets.

The existing 1990 distribution of developed land by major category in the Urban Growth Boundary is residential 54%; commercial 6%; industrial 17%; and public and semi-public 23%. About 205 acres, or almost 9% of all land within the urban area, is non-buildable due primarily to flood plains, creek bank slopes, and power line easements.

2. APPLICABLE LAND USE POLICIES AND IMPLEMENTING STRATEGIES

Policy 1 Residential areas will be developed in a manner that will insure that the integrity of the community is preserved and strengthened.

Strategy:

- New housing will be located so as to be compatible with existing housing.
- Buffering techniques shall be used to prevent the adverse effects of one use upon another. These techniques may include varying densities and types of residential use, design features and special construction standards.

New apartment units are planned as a project in the Area to help strengthen the downtown core and to provide housing opportunities to Sherwood residents. They will be integrated into the downtown public square area, with close access to the library and other city facilities.

Policy 2 The City will insure that an adequate distribution of housing styles and tenures are available.

Strategy:

- New developments will be encouraged to provide an adequate distribution of owner-occupied and renter-occupied units of all types and densities.

The development of apartments will provide much needed apartment choices in the downtown core for those who wish to be in proximity of the downtown but are unable to afford homeownership in the Area. The Agency has also purchased property intended for the future development of Senior Affordable Housing.

Policy 3 The City will insure the availability of affordable housing and locational choice for all income groups.

Strategy:

- Housing shall be of a design and quality compatible with the neighborhood in which it is located.

The development of apartments will provide much needed apartment choices in the downtown core for those who wish to be in proximity of the downtown but are unable to afford homeownership in the Area. The Agency has also purchased property intended for the future development of Senior Affordable Housing.

3. APPLICABLE ECONOMIC DEVELOPMENT POLICIES AND STRATEGIES

Policy 1 The City will coordinate on-going economic development planning with involved public and private agencies at the state, regional, county and local level.

Strategy:

- The City will develop and update an economic database through a two-way sharing of information between public and private agencies involved in economic planning.

The City and Agency staff are actively engaged with the development planning with public and private agencies at the state, regional, county and local level. The ability to use tax increment financing allows the City to implement economic development plans for the Area. Many of the projects involve coordinating with other entities to enable full project funding.

Policy 2 The City will encourage economic growth that is consistent with the management and use of its environmental resources.

Strategy:

- The City will adopt and implement environmental quality performance and design standards for all industrial, commercial and institutional uses.
- The City will seek to attract non-polluting industries to the urban area.
- The City will provide bikeway and pedestrian linkages between residential and non-residential areas.

Projects in the Plan assist in the development of bikeway and pedestrian linkages in the Area, providing substantial pedestrian improvements in the downtown core and trail linkages to the Cedar Creek Trail. Street improvements to Oregon Street and Century Drive include sidewalks, and Oregon Street will have a bike lane and is part of the planned Tonquin Trail (which the Cedar Creek trail is part of). Projects also provide for infrastructure development that will allow the City to attract non-polluting industries to the Area.

Policy 3 The City will direct public expenditures toward the realization of community development goals by assuring the adequacy of community services and facilities

for existing and future economic development.

Strategy:

- The City will coordinate planning with special districts providing services to the urban area to assure the adequacy of those services to support economic development.
- The City will continue to develop plans and improvement programs for parks, libraries and other “soft” services, recognizing that adequate facilities in these areas are an important component in business attraction and retention.

The Agency has assisted, through projects in the Plan, in the development of the Sherwood Library, Sherwood City Hall, the Cultural Arts Strategy, and the Community Center. The City meets regularly with the Sherwood School District, Tualatin Valley Fire and Rescue, Washington County and other special districts to coordinate special services as part of the implementation of projects in the Plan. In support of the policy, the Lincoln Street Improvements will help upgrade the road so that it provides adequate service to the neighborhood. The Parking Study and Redevelopment of Public Land into Parking Lots project will both help add appropriate parking facilities to adequately service the downtown core to support existing and future economic development.

Policy 4 The City will seek to improve regional access to the urban area as a means to encourage local economic development.

Strategy:

- The City will encourage the maximum use of the railroad corridor, encourage the development of spur service lines where needed and evaluate the feasibility of passenger service.

Regional access will be improved with the improvements along Oregon Street and Century Drive, both transportation improvements in the Plan.

Policy 5 The City will seek to diversify and expand commercial and industrial development in order to provide nearby job opportunities, and expand the tax base.

Strategy:

- The City will encourage the revitalization of the Old Town Commercial area by implementation of 1983’s “Old Town Revitalization Plan” and the Old Town Overlay Zone.

The Plan provides projects that are intended to strengthen the downtown core, including street and streetscape improvements in the Sherwood Old Town Commercial Area. The Old Town Façade Grant Program also supports the downtown core.

The infrastructure improvements in the Plan along Oregon Street and Century Drive will assist in the future development of commercial and industrial uses that will provide job opportunities and expand the tax base.

Policy 6 The City will seek funding through EDA or HUD for the rehabilitation of the Old Town and Washington Hill neighborhoods.

Strategy:

- The City will seek implementation of new and rehabilitated housing goals set in the Regional Housing Opportunity Plan.
- The City will encourage the provision of affordable housing by designating areas within the City for medium density and high density developments, and by participating in State and Federal housing subsidy programs.

A property purchased through the Plan is intended to be used for Senior Affordable Housing, which conforms to this policy.

4. APPLICABLE COMMERCIAL LAND USE POLICIES AND STRATEGIES

Policy 1 Commercial activities will be located so as to most conveniently service customers.

Strategy:

- Community wide and neighborhood scale commercial centers will be established.
- Commercial centers will be located so that they are easily accessible on major roadways by pedestrians, auto and mass transit.
- Neighborhood commercial centers will be designated in or near residential areas upon application when need and compatibility to the neighborhood can be shown.

The Plan provides projects that are intended to strengthen the downtown core including street and streetscape improvements in the Sherwood Old Town Commercial Area. The Old Town Façade Grant Program also supports the downtown core.

The Plan includes a project to provide infrastructure improvements along Oregon Street and Century Drive which will provide opportunities for the development of community-wide commercial centers.

Policy 2 Commercial uses will be developed so as to complement rather than detract from adjoining uses.

Strategy:

- Commercial developments will be subject to special site and architectural design requirements.
- The older downtown commercial area will be preserved as a business district and unique shopping area.

The Plan provides projects that are intended to strengthen the downtown core including street and streetscape improvements in the Sherwood Old Town Commercial Area. The Old Town Façade Grant Program also supports the downtown core. The Cannery development will complement Old Town Sherwood and help preserve the business district.

Policy 4 The 1983 “Sherwood Old Town Revitalization Plan” and its guidelines and strategies are adopted as a part of the Sherwood Comprehensive Plan.

Strategy:

- The City will continue to encourage implementation of the goals, objectives, strategies and improvement projects outlined in the “Old Town Revitalization Plan.”

The Plan provides projects that are intended to strengthen the downtown core including the Downtown Streetscapes Phase 2 project in the Sherwood Old Town Commercial Area. The Old Town Façade Grant Program also supports the downtown core. The Cannery Project will complement Old Town Sherwood and help preserve the business district. The Oregon Street Improvements will help turn the Street into an appropriate gateway to Sherwood and will support the downtown core. Additionally, Alley Improvements and Sidewalk Improvements to Old Town, the Parking Study, the Traffic Re-routing Study and Plans for Old Town, and the Main Street Program will all help support the downtown core, and thus conform with the above strategy and policy.

5. APPLICABLE INDUSTRIAL USE OBJECTIVES

Policy 1 Industrial uses will be located in areas where they will be compatible with adjoining uses, and where necessary services and natural amenities are favorable.

Strategy:

- Industrial development will be restricted to those areas where adequate major roads, and/or rail, and public services can be made available.

The Plan includes a project to provide infrastructure improvements along Oregon Street and Century Drive that will provide opportunities for the development of industrial uses to provide job opportunities and services for the residents of Sherwood.

Policy 2 The City will encourage sound industrial development by all suitable means to provide employment and economic stability to the community.

Strategy:

- The City will allocate land to meet current and future industrial space needs that will provide an appropriate balance to residential and commercial activities.
- The City will encourage clean capital and labor-intensive industries to locate in Sherwood.

The Plan includes a project to provide infrastructure improvements along Oregon Street and Century Drive that will provide opportunities for the development of industrial uses to provide job opportunities and services for the residents of Sherwood.

6. COMMUNITY DESIGN

Policy 1 The City will seek to enhance community identity, foster civic pride, encourage community spirit, and stimulate social interaction through regulation of the physical design and visual appearance of new development.

Strategy:

- Develop a civic/cultural center and plaza park as a community focus.
- Develop a system of streets, bikeways, sidewalks, malls, and trails linking schools, shopping, work, recreation and living areas.
- Promote the preservation of historically or architecturally significant structures and sites.

The Plan contains projects which help to foster community identity by installing street and streetscape improvements in the Old Town Area, providing civic improvements in the Old Town Area, developing the Cannery Area with a public plaza, community center, retail and commercial uses in addition to new housing which will support the Old Town Area. The Plan also contains a project to assist in the development of the Cedar Creek Trail system.

Policy 2 The formation of identifiable residential neighborhoods will be encouraged.

Strategy:

- Neighborhood scale facilities such as retail convenience centers, parks and elementary schools will be provided in or near residential areas.
- Natural and manmade features shall be used to define neighborhoods and protect them from undesirable encroachment by incompatible uses.

The projects in the Plan that provide assistance to businesses support the formation of identifiable residential neighborhoods by supporting businesses that provide neighborhood services.

Policy 3 The natural beauty and unique visual character of Sherwood will be conserved.

Strategy:

- Eliminate the visual presence of public utilities where possible.
- Adopt a sign ordinance that regulates the number, size and quality of signs and graphics. Standardize and improve the quality of public signs and traffic signalization.
- Develop and apply special site and structural design review criteria for multi-family, and manufactured housing parks, commercial and industrial developments.
- Develop and maintain landscaped conservation easements along major roadways and parkway strips along minor streets.

- Implement the Old Town design guidelines in the 1983 "Sherwood Old Town Revitalization Plan".

The streetscape project in the Plan has helped to underground utilities throughout the Old Town Area. The Plan has also assisted in providing way-finding signage in the Old Town Area.

Policy 4 Promote creativity, innovation and flexibility in structural and site design.

Strategy:

- Encourage visual variety in structural design.

The ability to partner with private developers, as allowed through projects in the Plan, provides opportunities to become involved in the design component of new development.

Policy 5 Stabilize and improve property values and increase tax revenues by the prevention of blighting influences including those resulting from noise, heat, glare, air, water and land pollution, traffic congestion, improper site and structure maintenance and incompatible land uses.

Strategy:

- Through traffic will be minimized in residential areas.
- Local site access will be discouraged along arterial and collector streets.
- Use a variety of buffering techniques to minimize the effects of incompatible uses.

Projects in the Plan including street and streetscape improvements (Downtown Streetscapes Phase 2, Oregon Street Improvements, Lincoln Street Improvements, Century Drive Extension, Alley Improvements, Sidewalk Improvements) and redevelopment assistance (Property Acquisition, Façade Grants, Main Street Program) support the City's efforts to improve property values and increase tax revenues by the prevention of blighting influences.

7. RECREATIONAL RESOURCES

The City of Sherwood has substantial open space and recreation opportunities within both the City limits and the urban growth boundary. Adjacent recreational opportunities for the region are associated with a potential greenway along the Tualatin River, the Tonquin Geological Area, Hedges Creek Wetlands and the proposed Rock Creek National Urban Wildlife Refuge in the northeast sector of the Sherwood UGB.

Policy 1 Open Space will be linked to provide greenway areas.

The Plan has a project to assist in the development of the Cedar Creek Greenway Expansion Trail and Redevelopment.

Policy 2 The City will maximize shared use of recreational facilities to avoid cost duplication.

A project in the Plan assisted in the renovation of the Sherwood High School Field and Stadium, a shared use facility in the Area.

Policy 4 The City will encourage and support the private sector in the provision of needed recreational opportunities.

Strategy:

- The City will adopt and implement standards for the provision of on-site open space and recreation areas and facilities in private development.
- The responsibility of new developments in meeting standards may, where appropriate be met by the provision of privately owned and maintained areas and facilities.
- The City will encourage the provision of private commercial recreation areas and facilities which address community recreational needs.

The Cannery Project will provide open space surrounded by mixed-use development meeting the policy for open space and recreation development.

8. TRANSPORTATION

The purpose of the Transportation element of the Comprehensive Plan is to describe a multi-modal system which will serve the future transportation needs of Sherwood. The plan for the future transportation system should be capable of effective implementation, responsive to changing conditions and be consistent with plans of adjoining jurisdictions. The Plan seeks to foresee specific transportation needs and to respond to those needs as growth occurs.

Goal 1: Provide a supportive transportation network to the land use plan that provides opportunities for transportation choices and the use of alternative modes serving all neighborhoods and businesses.

Policy 1 The City will ensure that public roads and streets are planned to provide safe, convenient, efficient and economic movement of persons, goods and services between and within the major land use activities. Existing rights of way shall be classified and improved and new streets built based on the type, origin, destination and volume of current and future traffic.

Projects in the Plan provide for the improvement of public roads and streets in the Area, including streetscape improvements.

Policy 2 Through traffic shall be provided with routes that do not congest local streets and

impact residential areas. Outside traffic destined for Sherwood business and industrial areas shall have convenient and efficient access to commercial and industrial areas without the need to use residential streets.

The project in the Plan for improvements to Oregon Street and Century Drive will assist in providing routes that do not congest local streets.

Policy 4 The City shall encourage the use of more energy-efficient and environmentally sound alternatives to the automobile by:

- The designation and construction of bike paths and pedestrian ways;

The projects in the Plan that assist in the construction of sidewalks, paths and bikeways and trails encourage more energy-efficient and environmentally sound alternative to the automobile.

Policy 6 The City shall work to ensure the transportation system is developed in a manner consistent with state and federal standards for the protection of air, land and water quality, including the State Implementation Plan for complying with the Clean Air Act and the Clean Water Act.

All new construction of the transportation system in the Plan will be in compliance with these policies.

Goal 2: Develop a transportation system that is consistent with the City's adopted comprehensive land use plan and with the adopted plans of state, local, and regional jurisdictions.

All new construction of the transportation system in the Plan will be in compliance with these policies.

Goal 4: Develop complementary infrastructure for bicycles and pedestrian facilities to provide a diverse range of transportation choices for city residents.

Policy 1 The City of Sherwood shall provide a supportive transportation network to the land use plan that provides opportunities for transportation choices and the use of alternative modes.

The improvements to the sidewalks, streetscape and Cedar Creek Greenway help encourage alternative modes of transportation.

Policy 2 Sidewalks and bikeways shall be provided on all arterial and collector streets for the safe and efficient movement of pedestrians and bicyclists between residential areas, schools, employment, commercial and recreational areas.

The construction of Oregon Street and Century Drive, a project in the Plan, provides sidewalks and bikeways.

Policy 5 The City of Sherwood shall include requirements for the provision of bicycle parking on large commercial, industrial, and multi-family residential projects.

Bicycle parking will be provided in the Cannery Project and will be required on any new development, as required in the Area.

Policy 6 The City of Sherwood will coordinate the bikeway system with adjacent jurisdictions, especially Tualatin, Wilsonville, Clackamas and Washington County.

Goal 6: Provide a convenient and safe transportation network within and between the Sherwood Old Town (Town Center) and Six Corners area that enables mixed use development and provides multi-modal access to area businesses and residents.

Policy 1 The City of Sherwood shall continue to refine and develop existing and new design guidelines and special standards for the Old Town and Six Corners areas to facilitate more pedestrian and transit friendly development.

Policy 2 The City of Sherwood shall work to provide connectivity, via the off-street trail system and public right-of-way acquisitions and dedications, to better achieve street spacing and connectivity standards.

Projects in the Plan including street improvements support the City's efforts to provide a convenient and safe transportation network within and between Sherwood Old Town and Six Corners.

As described in the findings above, the Sherwood Urban Renewal Plan continues to conform with the Sherwood Comprehensive Plan with the amendments proposed.

B. VISION FOR OLD TOWN SHERWOOD

The final draft of the Vision for Old Town Sherwood was completed in January of 2000 and adopted by the Sherwood City Council on February 8, 2000. The Action Plan is presented in five chapters, which represent the key components of the Vision. The chapter summaries, which relate to the urban renewal plan, taken directly from the Vision for Old Town document, are shown below in *italics*. The way the urban renewal plan conforms to these components is shown in regular type.

Land Use and Design

This chapter recommends expansion and clarification of the Old Town District boundaries. It also recommends mixed-use zoning, with clear historic design standards. And, it recommends a new civic center complex to house city hall and other public and private activities.

The Plan has completed projects and has future projects that conform with this recommendation. The City Hall/Library complex was a project in the Plan. In addition, a new Community Center will be redeveloped as a project in the Plan. Part of this development will incorporate a new mixed-use development.

Transportation

This chapter recommends careful evaluation of the draft Transportation Systems Plan (TSP) to ensure that the access, circulation and parking needs of Old Town are appropriately incorporated into the final TSP. It also includes recommendations for street, sidewalk, and parking improvements.

The Plan has completed projects and has future projects that conform with this recommendation. Transportation projects within the Plan include street, sidewalk, streetscape improvements and parking improvements in the Old Town Area.

Business Development

This chapter recommends actions related to business retention, revitalization, recruitment, and an overall promotional and marketing strategy.

The Plan has completed projects and has future projects that address this recommendation. Façade loans and redevelopment assistance are projects in the Plan that conform with this recommendation.

Funding

This chapter recommends creation of an urban renewal district together with other public and private funding mechanisms. The intent is to provide a focused financial strategy that leverages private investments through targeted public expenditures to ensure that the essential assets of the vision are realized.

The creation of the urban renewal district implements this recommendation. Many of the projects in the Plan have been funded through the combination of funding mechanisms, including private development expected in the Cannery Project.

As described in the findings above, the Sherwood Urban Renewal Plan conforms with the Vision for Old Town Sherwood.

C. CITY OF SHERWOOD ECONOMIC DEVELOPMENT STRATEGY

The City of Sherwood Economic Development Strategy was adopted by the Sherwood City Council in 2007. The Vision Statement is *“The City of Sherwood will drive economic development and support businesses that provide jobs for our residents by building on our assets and developing the necessary infrastructure to retain existing businesses and support new*

businesses. Economic development also will be supported by maintaining our livability and character as a clean, healthy, and vibrant suburban community where one can work, play, live, shop and do business.”

The goals of City of Sherwood Economic Development Strategy document are shown below in *italics*. The way the urban renewal plan conforms to these components is shown in regular type.

Goal: Support existing businesses and recruit additional businesses that provide local family-wage jobs. Replace any employment land rezoned for other uses with other employment land.

Objective: Capture existing workers in Sherwood who now work elsewhere.

Objective: Provide locations and support for local jobs for local residents.

Objective: Support and build upon manufacturing and other industries likely to produce family wage jobs.

Projects within the Plan conform to this Goal and these Objectives. The projects provide for infrastructure improvements to support development of vacant and underutilized parcels.

Goal: Support tourism as an economic engine.

Objective: Promote the cultural arts and historical attractions as tourism generators.

Objective: Continue to promote sporting events (i.e., Sports Town USA) as a tourism engine for Sherwood.

Objective: Leverage the presence of the Tualatin River National Wildlife Refuge, and its anticipated 50 to 60 visitors per day, to increase tourism in Sherwood.

Projects within the Plan conform to this Goal and these Objectives. The projects provide for the development of the library and the Community Center both of which provide cultural activities for the community. Projects have provided assistance with the field and stadium renovation at Sherwood High School support sporting events. The Cedar Creek Trail will be an asset to the trail and natural wildlife system.

Goal: Develop the infrastructure and services necessary to support economic development in Sherwood.

Objective: Identify and protect strategic industrial and other employment sites.

Objective: Prioritize infrastructure improvement projects according to their anticipated economic benefit.

Objective: Calculate the employment land mix necessary to help the city be self-sustaining in terms of the provision of adequate utilities and services.

Objective: Encourage the growth of a variety of restaurants and retail establishments that would cater to business people.

Objective: Improve transportation access to support tourism and other economic development strategies.

Projects within the Plan conform to this Goal and these Objectives. The projects provide for infrastructure improvements to support development of vacant and underutilized parcels. The façade loan program and redevelopment loans will also encourage the growth of restaurants and retail establishments that would cater to business people.

As described in the findings above, the Sherwood Urban Renewal Plan conforms with the Sherwood Economic Development Strategy.

Exhibit C

**REPORT ACCOMPANYING
SHERWOOD URBAN RENEWAL PLAN
AMENDMENT No. 15**



Prepared for the City of Sherwood

December 7, 2011

Elaine Howard Consulting, LLC www.elainehowardconsulting.com office: 503.635.2783 cell: 503.975.3147
elaine@elainehowardconsulting.com

Sherwood Urban Renewal Area



Elaine Howard Consulting, LLC

Elaine Howard

James Vanden Bos

ECONorthwest

Nick Popunek

Jeannette Launer, Legal Counsel

Elaine Howard Consulting, LLC www.elainehowardconsulting.com office: 503.635.2783 cell: 503.975.3147
elaine@elainehowardconsulting.com

TABLE OF CONTENTS

INTRODUCTION	1
EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES.....	3
PHYSICAL CONDITIONS	3
LAND USE	3
ZONING AND COMPREHENSIVE PLAN DESIGNATIONS	4
INFRASTRUCTURE: EXISTING CONDITIONS.....	6
STREET AND SIDEWALK CONDITIONS	6
STORMWATER.....	8
SANITARY SEWER.....	8
WATER	9
SOCIAL CONDITIONS	9
ECONOMIC CONDITIONS	11
TAXABLE VALUE OF PROPERTY WITHIN THE AREA	11
BUILDING TO LAND VALUE RATIO	11
IMPACT ON MUNICIPAL SERVICES.....	12
REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN	13
THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA	13
THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS	17
THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT	18
AMOUNT OF INCREASED MAXIMUM INDEBTEDNESS ALLOWED.....	19
THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED.....	20
FINANCIAL ANALYSIS OF THE PLAN	22
IMPACT OF THE TAX INCREMENT FINANCING	23
COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA	26
RELOCATION REPORT.....	26

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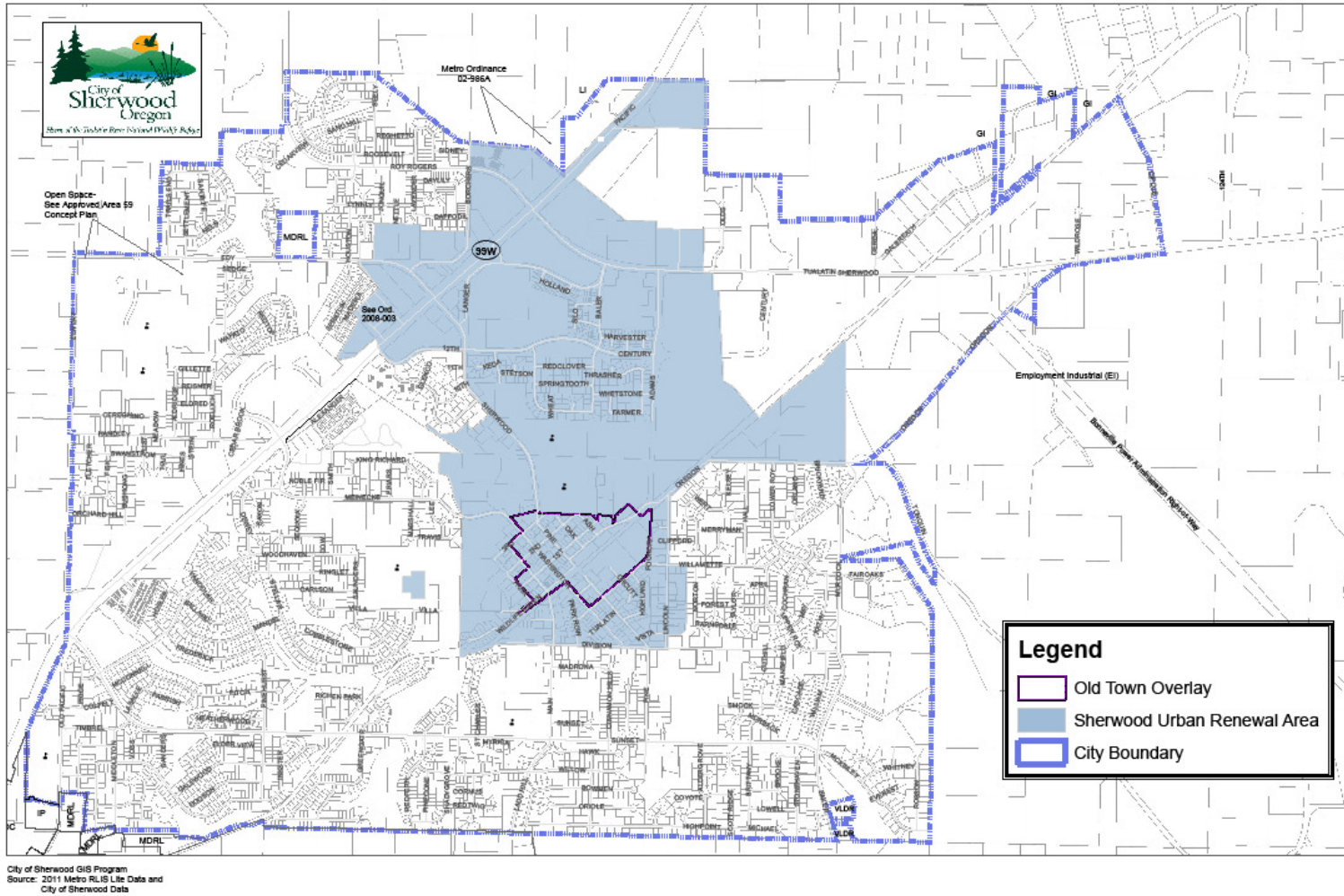
INTRODUCTION

The Report on the Amendment to the Sherwood Urban Renewal Plan (Report) contains background information and project details pertaining to the Sherwood Urban Renewal Plan Amendment (Amendment). The Report is not a legal part of the Sherwood Urban Renewal Plan (Plan), but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Amendment to the Plan.

The Report provides the information required in ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the Sherwood Urban Renewal Area (Area). Documentation of the existing conditions of the Area is required because this is a Substantial Amendment to the Sherwood Urban Renewal Plan. Many of the projects identified in this Report for the existing conditions of the infrastructure of the Area are projects identified in a master plan or capital improvement plan, but are not necessarily identified as projects in the Sherwood Urban Renewal Plan.

The Sherwood Urban Renewal Plan was established in August of 2000, and has completed many projects towards its purpose of eliminating blight in downtown Sherwood. Over the years, as the economic and physical landscape around Sherwood has changed, the Plan has also changed. To date, there have been 14 amendments, with the most recent being passed in November of 2011. These amendments have, among other things, updated project costs, adjusted the boundary and established the maximum indebtedness. The amendment this Report addresses - the 15th Amendment to the Sherwood Urban Renewal Plan - seeks to raise the Maximum Indebtedness (MI) of the Plan by \$9,785,869, bringing the total MI to be incurred to \$45,133,469. This will be considered a substantial amendment, and will require a City Council vote on a non-emergency ordinance.

Figure 1 - Sherwood Urban Renewal Plan Area Boundary



EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Sherwood Urban Renewal Area (Area), and documents the occurrence of “blighted areas”, as defined by ORS 457.010(1).

Physical Conditions

Land Use

According to the Washington County Assessor’s Office, the Area, shown in Figure 1 above, contains 1068 parcels, and consists of 473.78 acres and 122.06 acres of right-of-way, for a total size of 595.84 acres.

An analysis of property classification data from the Washington County Assessment and Taxation database was used to determine the land use designation of parcels in the Area.

Within the Area, the largest use of land is Commercial – Improved (25.75% of total acreage). Following this, but excluding tax-exempt uses, is Residential – Improved (17.75%) and then Residential – Land Only (12.15%). Another interesting thing to note is that, when comparing individual parcels instead of acreage, over 50% of the parcels in the Area are Residential – Improved (610 parcels), followed by Condominiums (234 parcels).

Table 1 - Existing Land Use of Area

Land Use	Parcels	Acreage	% of Total Acreage
Commercial - Improved	84	122	25.75%
Tax-Exempt	83	121.75	25.70%
Residential - Improved	610	84.1	17.75%
Residential - Land Only	19	57.57	12.15%
Industrial - Vacant	7	32.98	6.96%
Multi-Family	8	29.85	6.30%
Miscellaneous	4	10.22	2.16%
Commercial - Vacant	11	5.5	1.16%
Industrial - Improved	3	4.17	0.88%
Urban Developable Tract - Vacant	3	2.86	0.60%
Urban Developable Tract - Improved	2	2.78	0.59%
Condominiums	234	0	0.00%
Total*	1,068	473.78	100.00%

*This total does not include 291 leasing interests Source: Washington County Assessor

Zoning and Comprehensive Plan Designations

In the City of Sherwood, the zoning code implements the Comprehensive Plan. This code establishes districts to control land use throughout the city, and regulates development standards within these established use districts.

As illustrated in Table 2 and Figure 2, the largest portion (16.07%) of the Area is zoned as Retail Commercial. This is followed by Institutional and Public, which is approximately 14.43%, and close after that is Light Industrial – PUD (14.13%). All combined, residential zones comprise 29.70% of the Area and commercial zones comprise 26.50% of the Area.

Table 2 - Existing Zoning and Comprehensive Plan Designations of Area

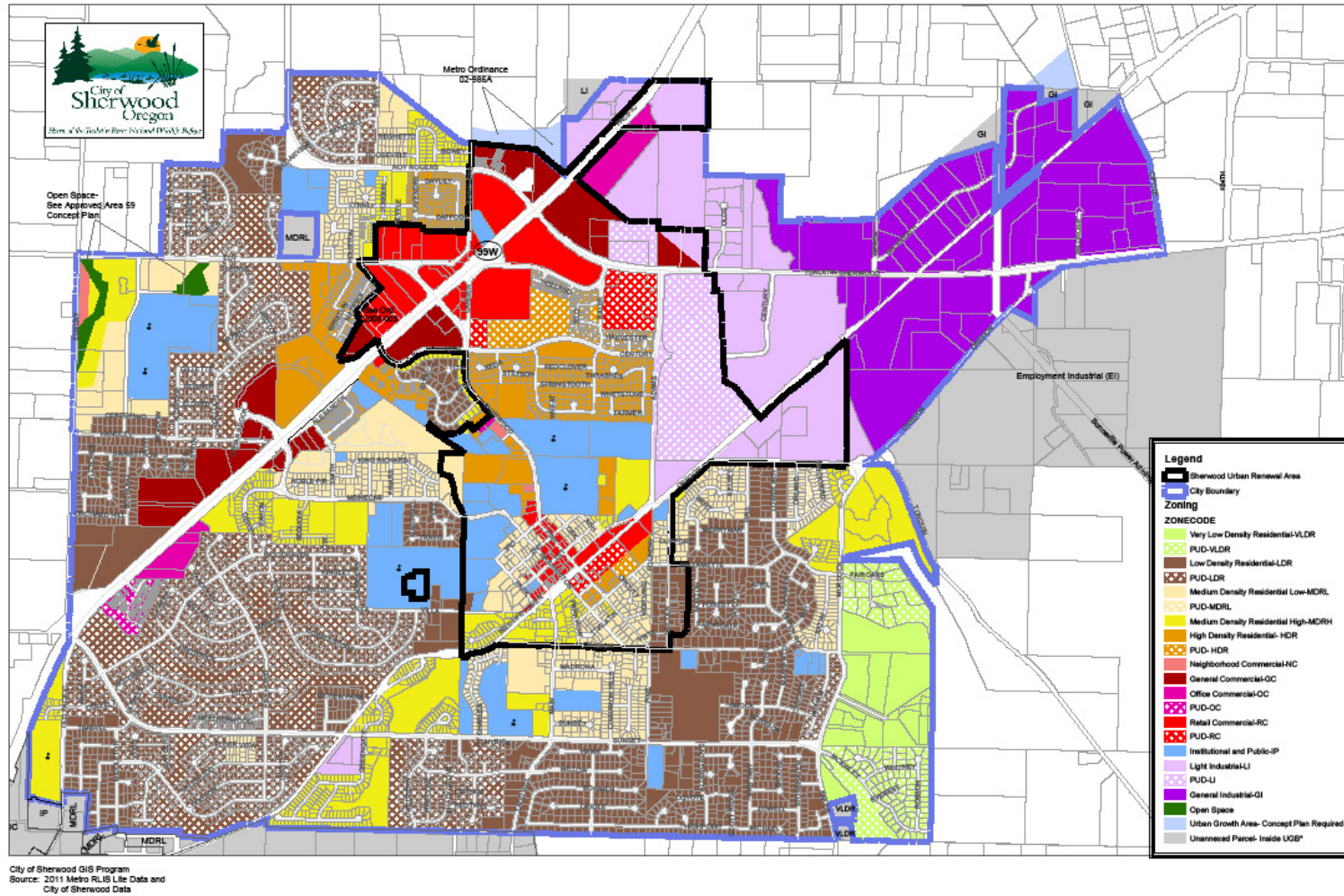
Zone	Parcels	Acreage	% of Total Acreage
Retail Commercial	109	76.5	16.07%
Institutional and Public	18	68.69	14.43%
Light Industrial - PUD	3	67.25	14.13%
High Density Residential	231	60.14	12.64%
Light Industrial	10	46.78	9.83%
General Commercial	229	31.63	6.65%
Not Specified	9	25.75	5.41%
High Density Residential - PUD	180	24.37	5.12%
Medium Density Residential Low	152	24.02	5.05%
Medium Density Residential High	79	22.44	4.71%
Retail Commercial - PUD	4	16.17	3.40%
Low Density Residential	40	10.39	2.18%
Neighborhood Commercial	2	1.03	0.22%
Office Commercial	2	0.81	0.17%
Total*	1,068	475.97**	100.00%

**Total does not include 291 leasing interests*

***This number differs slightly from other totals because the City of Sherwood uses a different GIS system than Washington County*

Source: City of Sherwood

Figure 2 - Area Zoning and Comprehensive Plan Designations



Infrastructure: Existing Conditions

Street and Sidewalk Conditions

While large portions of the Area have been recently improved and streetscaped with urban renewal funds, there are still sections of road that do not adequately serve the community. These sections need to be upgraded to provide a safe and appealing transportation network that will encourage efficient pedestrian and vehicular travel and make the Area an attractive location for business owners. Some of the notable streets that still require improvements are listed below:

Century Drive has yet to be constructed, but it is needed to provide an adequate connection to a Light Industrial zoned portion of the Area. Once transportation facilities are provided, the Light Industrial area will be better able to attract investors.

Lincoln Road is in a dilapidated condition and requires resurfacing.

Oregon Street serves as one of the entrances to the community, yet it has not been improved to the level of the surrounding streets. To properly represent the community and encourage visitor stops, it needs appropriate signage and there needs to be a gateway welcoming traffic to Downtown Sherwood. Additionally, from the roundabout to Lower Roy Road, Oregon Street has no sidewalks, and after Lower Roy Road, there is only a sidewalk on one side of the street. Along with various streetscape projects, including sidewalks, resurfacing, planters, and greenery, there are utilities running along the street that need to be undergrounded.

Railroad Street in Downtown Sherwood needs resurfacing to address the large amounts of cracking and patching that currently exists in the pavement. The street also requires some streetscaping treatment, including a sidewalk, street trees, and planters.

Additionally, the Transportation System Plan for Sherwood was created in 2005, and it identifies both the current conditions of the transportation system and what will be needed to meet demand in the long term. To meet both current and future demand, the plan, and City of Sherwood, have identified deficiencies in the system, and detailed projects totaling \$56,890,379 that are required to address these deficiencies. Those projects that were identified in the plan, and by the City, and that have yet to be completed, and lie within the Urban Renewal Area (URA) boundary, are listed in Table 3, below.

Table 3 – Projects in Area in the Transportation System Plan

Project	Estimated Cost
Capital	
Downtown Streetscapes Phase 2 Design and Construction	\$2,927,596
Century Drive	\$500,000
Edy Road/Borchers Drive	\$600,000
Oregon Street	\$8,000,000
Sherwood Boulevard/Langer Drive	\$750,000
Sherwood Boulevard/Century Drive	\$275,000
Roy Rogers Road from Borchers Drive to Highway 99W	\$4,000,000
Langer Drive/Tualatin-Sherwood Road	\$250,000
Lincoln Street (from Oregon Street to Willamette Street)	\$2,970,000
Lincoln Street (from Willamette Street to Division Street)	\$4,000,000
Clifford Court	\$2,375,000
Highland Drive (Willamette Street to Pine Street)	\$2,400,000
Willamette Street (Pine Street to Division Street)	\$2,250,000
Villa Street/First Street Connection	\$2,882,265
Sub-Total	\$34,179,861
Rehabilitation	
Lincoln Street (from Willamette Street to Division Street)	\$146,741
Alexander Lane (from Smith Avenue to end of street)	\$14,320
Gleneagle Drive (from 10th Street to Sherwood Boulevard)	\$132,252
Gleneagle Drive (from Glenco Court to 12th Street)	\$90,607
Glenco Court (from Gleneagle Drive to the end of the cul-de-sac)	\$23,735
12th Street (from Sherwood Boulevard to Highway 99W)	\$207,700
10th Street (from Gleneagle Drive to Sherwood Boulevard)	\$29,585
Oregon Street (from Lincoln Street to Murdock Road)	\$215,578
Pine Street	\$2,550,000
Old Town Streets	\$10,800,000
Cannery Arterials	\$2,550,000
Future Phases	\$4,700,000
Oregon Street/Tonquin Road	\$1,000,000
Adams Street/Tualatin-Sherwood Road	\$250,000
Sub-Total	\$22,710,518
Total	\$56,890,379

Source: City of Sherwood Transportation Systems Plan

Stormwater

Stormwater treatment in the Area is generally sufficient, however, there are still a few projects planned in the Area.

Table 4 - Stormwater Projects in the Area Listed in the Capital Improvement Plan

Project	Estimated Cost
Catch basin/inlet replacement program	\$332,000
Repairs to Water Facility at 2nd and Park	\$12,000
Columbia St. Storm Water Facility	\$1,500,000
Oregon St. Regional Storm Water Facility	\$400,000
South Stella Olsen Park Stormwater Facility	\$250,000
Community Campus Park Stormwater Facility	\$250,000
Total	2,744,000

Source: City of Sherwood Capital Improvement Plan

Sanitary Sewer

The Sanitary Sewer Master Plan for Sherwood was created in 2007, and it identifies both the current conditions of the sanitary sewer system and what will be needed to meet long-term demand. To meet both current and future demand, the Master Plan and the City of Sherwood have identified deficiencies in the system, and have detailed the projects, totaling \$2,032,161, that are required to address these deficiencies. Those projects that are identified in the Master Plan, and by the City, and that have yet to be completed, and lie within the URA boundary, are listed in Table 5, below.

Table 5 - Sanitary Sewer Projects in the Area from the Sanitary Sewer Master Plan

Project	Project Category	Project Location	Estimated Cost
11	Rehabilitation	SW Willamette St at Orcutt Place	\$76,382
12	Rehabilitation	SW Willamette St. at Highland Drive	\$124,912
14	Rehabilitation	SW Washington St	\$52,750
15	Rehabilitation	SW Schamburg Dr. at Division	\$245,182
17	Rehabilitation	SW Pine/SW Park	\$76,382
18	Rehabilitation	Old Town Laterals	\$40,000
19	Rehabilitation	Ash Street Manhole	\$10,000
Small portions of:			
6	Capacity Upgrade	Rock Creek Trunk	\$356,128
7	Capacity Upgrade	Rock Creek Trunk	\$366,928
8	Capacity Upgrade	Area 48 North	\$683,497
Total			\$2,032,161

Source: City of Sherwood Sanitary Sewer Master Plan

In addition to the projects listed above, the Sanitary Sewer Master Plan also identifies two manholes on Oregon Street for potential replacement.

Water

The City of Sherwood has identified water projects to take place within the Area, totaling \$1,049,840. These projects mainly address infrastructure deficiencies in fire flow and water transmission.

Table 6 - Water Projects in the Area Listed in the Capital Improvement Plan

Project	Estimated Cost*
Regal Cinema	\$21,060
Langer Drive at Albertson's Parking Lot	\$148,850
Albertsons Parking Lot	\$43,810
Tualatin Sherwood Rd.	\$111,930
First St., Pine to Washington	\$33,280
Langer Drive Stub-Out South No.1	\$49,168
Langer Drive Stub-Out South No.2	\$56,336
Roy Rogers Rd. Stub-Out	\$15,582
North Sherwood Blvd Stub-Out No.2	\$15,582
North Sherwood Blvd Stub-Out No.3	\$32,242
Adams North Ext.	\$522,000
Total	\$1,049,840

Source: City of Sherwood Capital Improvement Plan *costs are in 2005 dollars

Social Conditions

There are 871 parcels in the Area with residential uses, accounting for 36.23% of the acreage, and 80.28% of parcels, in the Area. The 2010 census data that was recently released is used, below, to describe the social conditions within the Area. Due to the fact that this data is for the City of Sherwood as a whole, not just the URA, some variation can be expected between the values represented in the tables and the actual values within the URA. The percentages presented here, however, should provide a reasonably accurate picture of what demographic exists within the Sherwood Area.

The age distribution in Sherwood has two peaks, one at the 5-14 year age groups, and a second at the 35-44 year age groups. These groups account for over 40% of Sherwood's population, and people under 50 years of age account for over 79% of the total population. Overall, the median age of a Sherwood City resident (meaning half of Sherwood residents are older, and half are younger) is 34.3 years. The full age distribution of the Area is shown in Table 7, below.

Table 7 - Age

Age	Population	Percent
Under 5 years	1,518	8.3%
5 to 9 years	1,860	10.2%
10 to 14 years	1,842	10.1%
15 to 19 years	1,218	6.7%
20 to 24 years	608	3.3%
25 to 29 years	927	5.1%
30 to 34 years	1,330	7.3%
35 to 39 years	1,876	10.3%
40 to 44 years	1,858	10.2%
45 to 49 years	1,400	7.7%
50 to 54 years	1,065	5.9%
55 to 59 years	801	4.4%
60 to 64 years	651	3.6%
65 to 69 years	421	2.3%
70 to 74 years	275	1.5%
75 to 79 years	210	1.2%
80 to 84 years	151	0.8%
85 years and over	183	1.0%
Total population	18,194	100.0%
Median age (years)	34.3	

Source: 2010 US Census Data

The racial characteristics of the City of Sherwood are shown in Table 8, below. The majority of people (88.3%) in Sherwood identify themselves as white and the second largest group (5.2%) that people identify with is Asian.

Table 8 - Racial Characteristics

Race	Population	Percent
White	16,732	88.3%
Black or African American	252	1.3%
American Indian and Alaska Native	235	1.2%
Asian	989	5.2%
Native Hawaiian and Other Pacific Islander	149	0.8%
Some Other Race	585	3.1%
Total	18,942	100.0%

Source: 2010 US Census Data

The US Census chooses to describe Hispanic or Latino demographics in a table separate from the other races. This data is shown below in Table 9, and is simply another representation of the racial characteristics of the Area. The majority of people who identify themselves as Hispanic or Latino are of Mexican origin (5.4%).

Table 9 - Racial Characteristics (Hispanic or Latino)

Race	Population	Percent
Mexican	983	5.4%
Puerto Rican	46	0.3%
Cuban	45	0.2%
Other Hispanic or Latino [5]	205	1.1%
Not Hispanic or Latino	16,915	93.0%
Total population	18,194	100.0%

Source: 2010 US Census Data

Economic Conditions

Taxable Value of Property Within the Area

The estimated 2011/2012 total assessed value of the real property in the Area is \$251,690,670. The total assessed value, including all real, personal, manufactured, and utility properties, is \$290,300,463. The frozen base is \$115,300,444. The excess value of the Sherwood Urban Renewal Area is \$175,000,019.¹ The total assessed value of the City of Sherwood is \$1,518,340,179².

Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio", or "I:L." The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 4:1 or more.

¹ Excess value is the "incremental value" over the frozen base in an urban renewal area

² Data from Washington County Assessor's 2011-12 tax roll summary

Table 10, below, “I:L Ratio of Parcels in the Area”, shows the improvement to land ratios for taxable properties within the Area. Approximately 58% of the acreage in the Area (730 parcels) has an improvement ratio below 1.5. Only 5.27% of the acreage (eight parcels) meets the I:L ratio of 4.0. The I:L ratios for improved properties in the Area are very low. Additionally, the Area contains 82.01 acres of undeveloped land.

Table 10 - I:L Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
Not Taxable	59	97.87	20.66%
No Improvements	58	82.01	17.31%
Condos	234	0.00	0.00%
0.01 - 0.50	77	58.41	12.33%
0.51 - 1.00	406	86.96	18.35%
1.01 - 1.50	189	47.09	9.94%
1.51 - 2.00	22	42.79	9.03%
2.01 - 3.00	13	22.61	4.77%
3.01 - 4.00	2	11.05	2.33%
4.01 - 5.00	2	4.95	1.04%
>5.0	6	20.04	4.23%
Total*	1068	473.78	100.00%

Source: raw data from Washington County Assessor

**This total does not include 291 leasing interests because there is no land value listed*

Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in the Section on Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are primarily transportation projects. The use of urban renewal funding for these projects allows the city to match other funding sources to actually construct the improvements. It also allows the city to tap a different funding source than the City of Sherwood’s general funds to make these improvements.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services, but will also generate systems development charges and revenues from the use of utilities in the Area. As the development will be new construction, it will be up to current building code, and will aid in any fire-protection needs.

These impacts will be countered by providing major transportation funding for vital connections to Sherwood and major parcels of undeveloped and underdeveloped land. This land will provide future jobs to the Sherwood area, and future increased tax base for all taxing jurisdictions.

REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the area has not changed with this amendment. The documented reason for selections was to cure blight within the area.

THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are shown in Table 11, below, and the table is followed by descriptions of the projects and how they relate to the existing conditions in the Area:

Table 11 - Projects to be Completed Using URA Funds

Project	Estimated Cost
Downtown Streetscapes Phase 2	\$2,950,000
Oregon Street Improvements	3,290,000
Lincoln Street Improvements - Willamette to Division Street	734,000
Century Drive Extension	500,000
Cedar Creek Trail	200,000 - 300,000
Sub-Total Infrastructure	\$7,774,000
Property Acquisition	\$500,000
Façade Grants	200,000
Main Street Program	100,000
Parking Study	50,000
Alley Improvements in Old Town	500,000
Sidewalk Improvements in Old Town	100,000
URA Administration	1,200,000
Traffic Re-routing Study and Plans for Old Town	175,000
Redevelopment of Public Land into Parking Lots	371,000
Sub-total Other Projects	\$3,196,000
Total	\$10,970,000

Source: City of Sherwood

Downtown Streetscapes Phase 2

This project will reconstruct Railroad Street between Pine Street and Main Street, and Washington Street between Railroad Street and 1st Street to match Cannery Street development. It will also include the installation of new utility infrastructure.

Existing Conditions: These roads do not have improvements that bring them to the same level as roads in the surrounding area. Additionally, they have large amounts of cracking and patching, and are, in places, missing key ingredients to a pedestrian friendly downtown, including sidewalks.

Oregon Street Improvements

This project will reconstruct Oregon Street between Lincoln Street and a roundabout at Murdock to full TSP standards. It also includes the option to construct a regional trail.

Existing Conditions: Oregon Street will be enhanced to the level that it can function as an appropriate gateway to downtown Sherwood.

Lincoln Street Improvements - Willamette to Division Street

This project will rehabilitate the Lincoln Street pavement section between Willamette Street and Division Street. The URA funded portion of the project will not bring the road fully up to TSP standards for residential street sections.

Existing Conditions: Lincoln Street is dilapidated and requires resurfacing. This project will improve the road and bring it back up to a serviceable condition.

Century Drive Extension

This project constructs an extension of Century Drive between Adams Avenue and Tualatin-Sherwood Road. This three-lane road extension is classified as a collector and will conform to the TSP street standards. The road will provide improved access to industrial properties.

Existing Conditions: Currently, this portion of the Langer property lacks sufficient road access, and this issue has proven to be a barrier to development.

Cedar Creek Trail

This project will provide URA funds, which will match a \$5.2 million Metro Regional Flexible Funds Grant, to develop a regional trail system through Sherwood. The trail system will promote non-automotive transportation within the

URA area and downtown Sherwood as a whole, and will support both pedestrian and bicycle traffic.

Existing Conditions: Sidewalks, parks, and some trails currently exist within the URA, but they do not provide adequate connections from the surrounding communities to downtown Sherwood.

Property Acquisition

The Agency desires to continue to acquire properties within the Area.

Existing Conditions: There are properties within the Area that are presently privately or publicly owned that the Agency may wish to acquire in the future. (Any acquisition must be done through a Plan amendment that specifies those properties to be acquired.)

Façade Grants

The Agency has a Façade Grant Program that provides grants to property owners within the Area.

Existing Conditions: There is an existing Façade Grant Program that will need future, continued funding.

Main Street Program

The Main Street Program supports efforts to improve Old Town, the “Main Street” of the Area. These funds will only be used for capital improvements or other eligible urban renewal expenditures.

Existing Conditions: The Main Street Program, which supports Old Town, is in operation and works on projects in Old Town. The group may, from time to time, identify projects that will assist in upgrading the Area.

Parking Study

A parking study for Old Town is desired to evaluate future parking needs and project future improvements to address those needs.

Existing Conditions: There are parking needs in Old Town that need to be analyzed and addressed.

Alley Improvements in Old Town

The Agency desires to make improvements to the alleys in Old Town. The alleys are currently gravel and underground utilities are near the surface. The URA plans to relocate the utilities and pave the alleys to improve pedestrian flow.

Existing Conditions: There are alleys in Old Town that are blighting conditions in the Area and need to be improved.

Sidewalk Improvements in Old Town

The Agency desires to make improvements to the sidewalks in Old Town, where needed.

Existing Conditions: There are sidewalks in Old Town that are blighting conditions in the Area and need to be improved.

Traffic Rerouting Study and Plans for Old Town

The Old Town area requires analysis of the traffic patterns and their impacts.

Existing Conditions: There is significant traffic in the Old Town area that impacts the area. A study will allow the Agency and City to address these issues.

Redevelopment of Public Lands into Parking Lots

There are publicly owned lands that could be used as parking lots to help facilitate parking in the Area.

Existing Conditions: These publicly owned lands are not presently used as parking lots, but have the potential to address parking issues in the Area.

URA Administration Costs

Administrative Costs are incurred to implement the Urban Renewal Plan.

Existing Conditions: The City currently bills urban renewal administrative costs to the Agency.

THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 12 below. The sources of funds are tax increment revenues. The Cedar Creek Trail will be a match to other local funds.

Table 12 - Estimated Cost of Projects

Project	Estimated Cost
Infrastructure	
Downtown Streetscapes Phase 2	\$2,950,000
Oregon Street Improvements	3,290,000
Lincoln Street Improvements - Willamette to Division Street	734,000
Century Drive Extension	500,000
Cedar Creek Trail	200,000 - 300,000
Sub-total Infrastructure	\$7,674,000 - 7,774,000
Property Acquisition	\$500,000
Façade Grants	200,000
Main Street Program	100,000
Parking Study	50,000
Alley Improvements in Old Town	500,000
Sidewalk Improvements in Old Town	100,000
URA Administration	1,200,000
Traffic Re-routing Study and Plans for Old Town	175,000
Redevelopment of Public Land into Parking Lots	371,000
Sub-total Other Projects	\$3,196,000
Total	\$10,870,000 - 10,970,000

Source: City of Sherwood

THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The project schedule is shown in Table 13. The infrastructure projects will be scheduled as shown. The other projects will be ongoing and will be completed as directed by the Agency.

Table 13 - Anticipated Completion Dates

Project	Anticipated Completion Date
Infrastructure	
Downtown Streetscapes Phase 2	October 2012
Oregon Street Improvements	October 2013
Lincoln Street Improvements - Willamette to Division Street	October 2017
Century Drive Extension	October 2012
Cedar Creek Trail	October 2015

Source: City of Sherwood

AMOUNT OF INCREASED MAXIMUM INDEBTEDNESS ALLOWED

ORS 457.220(4)(a) and (b) state that an urban renewal plan’s indebtedness may be increased, but is limited to the aggregate of all amendments under this subsection, and may not exceed 20% of the plan’s initial maximum indebtedness, as adjusted by the index used in the plan to compute future costs of projects that will be financed under the plan. The computation for the Sherwood Urban Renewal Plan is shown below. The initial maximum indebtedness was \$35,347,600. The adjustment factor in the Plan was 3%. Therefore, the Plan’s maximum indebtedness may be increased by \$9,785,869 to a new maximum indebtedness of \$45,133,469.

Table 14 - Maximum Indebtedness Increase

Year	Percentage Rate	Maximum Indebtedness
Adopted Aug 29, 2000	Initial MI	\$35,347,600
2001, Year 1		36,408,028
2002, Year 2	3%	37,500,269
2003, Year 3		38,625,277
2004, Year 4		39,784,035
2005, Year 5		40,977,556
2006, Year 6		42,206,883
2007, Year 7		43,473,089
2008, Year 8		44,777,282
2009, Year 9		46,120,601
2010, Year 10		47,504,219
2011, Year 11		48,929,345
20% of Year 11		9,785,869
New Maximum Indebtedness		\$45,133,469

THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 15 shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area also hits the revenue sharing triggers implemented by the State in ORS 457.470, as further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FYE 2021 (any outstanding bonds will be defeased). The maximum indebtedness is increased by \$9,785,869 to a new maximum indebtedness of \$45,133,469 (Forty-five million, one hundred thirty three thousand four hundred sixty nine thousand dollars).

The estimated total amount of tax increment revenues required to service the increase in maximum indebtedness of \$9,785,869 is \$19,277,202. This estimate is a conservative estimate of the potential revenue required as the Area shows some ability to defease loans earlier than the projections below indicate, which would lower the total revenues required. The increased maximum indebtedness extends the urban renewal area by an estimated three years, from FYE 2018 to FYE 2021, even with revenue sharing.

Table 15 - Tax Increment Revenues and Allocations to Debt Service

FYE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Service											
2003 B of A Loan: Civic Building	\$ 305,590	\$ 300,236									
2003 OECDD Loan	\$ 438,486	\$ 435,853	\$ 437,879	\$ 434,138	\$ 434,738	\$ 434,938	\$ 434,483	\$ 438,353	\$ 436,313	\$ 438,553	\$ 434,828
2004 B of A Loan: Cannery	\$ 39,682	\$ 37,809	\$ 35,983								
2005 B of A Loan: Old School	\$ 56,080	\$ 55,126	\$ 56,112	\$ 55,928	\$ 55,628	\$ 56,212	\$ 55,626	\$ 55,922	\$ 56,048		
2005 B of A Loan: Sports Fields	\$ 24,256	\$ 23,644	\$ 24,032	\$ 24,386	\$ 23,706	\$ 24,026	\$ 25,032	\$ 24,564	\$ 23,782		
2006 B of A Loan: Downtown Streets	\$ 175,396	\$ 175,416	\$ 175,398	\$ 175,396	\$ 175,386	\$ 175,396	\$ 175,395	\$ 175,386	\$ 175,397	\$ 175,398	\$ 43,849
2006 OECDD Loan: Downtown Streets	\$ 483,820	\$ 485,419	\$ 481,619	\$ 482,619	\$ 483,219	\$ 483,419	\$ 483,220	\$ 482,619	\$ 481,619	\$ 484,863	\$ 482,263
2010 B of A Loan	\$ 554,820	\$ 553,346	\$ 551,360	\$ 553,866	\$ 555,606	\$ 551,580	\$ 552,046	\$ 551,746	\$ 555,680	\$ 553,596	\$ 555,768
2012 Loan	\$ -	\$ 650,188	\$ 650,188	\$ 650,188	\$ 650,188	\$ 650,188	\$ 650,188	\$ 650,188	\$ 650,188	\$ 650,188	\$ 650,188
2013 Loan	\$ -	\$ -	\$ 267,774	\$ 267,774	\$ 267,774	\$ 267,774	\$ 267,774	\$ 267,774	\$ 267,774	\$ 267,774	\$ 267,774
Total Debt Service	\$ 2,078,130	\$ 2,717,037	\$ 2,680,345	\$ 2,644,295	\$ 2,646,245	\$ 2,643,533	\$ 2,643,764	\$ 2,646,552	\$ 2,646,801	\$ 2,570,372	\$ 2,434,670
Cumulative Remaining D/S											
Outstanding debt	\$ 27,154,483	\$ 25,076,353	\$ 23,009,504	\$ 21,247,121	\$ 19,520,788	\$ 17,792,505	\$ 16,066,934	\$ 14,341,132	\$ 12,612,542	\$ 10,883,703	\$ 9,231,293
New Debt	\$ 19,277,202	\$ 19,277,202	\$ 18,627,014	\$ 17,709,052	\$ 16,791,090	\$ 15,873,128	\$ 14,955,166	\$ 14,037,204	\$ 13,119,242	\$ 12,201,280	\$ 11,283,318
Total Debt	\$ 46,431,685	\$ 44,353,555	\$ 41,636,518	\$ 38,956,173	\$ 36,311,878	\$ 33,665,633	\$ 31,022,100	\$ 28,378,336	\$ 25,731,784	\$ 23,084,983	\$ 20,514,611
Debt Service Fund											
Beginning Fund Balance	3,718,395.28	\$ 4,962,359	\$ 5,789,338	\$ 6,703,212	\$ 7,711,996	\$ 8,879,151	\$ 10,654,068	\$ 12,428,754	\$ 14,200,652	\$ 15,972,301	\$ 17,820,379
TIF Revenues	\$ 3,322,094	\$ 3,544,016	\$ 3,594,219	\$ 3,653,079	\$ 3,813,400	\$ 4,418,450	\$ 4,418,450	\$ 4,418,450	\$ 4,418,450	\$ 4,418,450	\$ 4,418,450
Total Resources	\$ 7,040,489	\$ 8,506,375	\$ 9,383,557	\$ 10,356,291	\$ 11,525,396	\$ 13,297,601	\$ 15,072,518	\$ 16,847,204	\$ 18,619,102	\$ 20,390,751	\$ 22,238,829
Coverage Ratio	1.60	1.30	1.34	1.38	1.44	1.67	1.67	1.67	1.67	1.72	1.81
Ending Fund Balance	\$ 4,962,359	\$ 5,789,338	\$ 6,703,212	\$ 7,711,996	\$ 8,879,151	\$ 10,654,068	\$ 12,428,754	\$ 14,200,652	\$ 15,972,301	\$ 17,820,379	\$ 19,804,159

Source: ECONorthwest. Revenue sharing begins in FY 2014 and the tax increment revenues to the District are stabilized in FY 2017; see line TIF Revenues

FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2021, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include new development projects, as identified by the City of Sherwood, and growth rates, at a minimum of 3%, increasing in the later years of the projections.

Table 16 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 15. These projections include shared revenue with impacted taxing jurisdictions.

Table 16 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues and Revenue Sharing

FYE	Total AV	Frozen Base	Increment	Tax Rate	TIF	TIF for URA	TIF Shared
2012	\$290,643,763	\$115,340,003	\$175,303,760	18.9505	\$3,322,094	\$3,322,094	\$0
2013	\$302,354,391	\$115,340,003	\$187,014,388	18.9505	\$3,544,016	\$3,544,016	\$0
2014	\$314,416,292	\$115,340,003	\$199,076,289	18.9505	\$3,772,595	\$3,594,219	\$178,376
2015	\$326,840,185	\$115,340,003	\$211,500,182	18.9505	\$4,008,034	\$3,653,079	\$354,955
2016	\$360,680,214	\$115,340,003	\$245,340,211	18.9505	\$4,649,320	\$3,813,400	\$835,920
2017	\$395,027,844	\$115,340,003	\$279,687,841	18.9505	\$5,300,224	\$4,418,450	\$881,774
2018	\$414,605,993	\$115,340,003	\$299,265,990	18.9505	\$5,671,240	\$4,418,450	\$1,252,790
2019	\$431,364,888	\$115,340,003	\$316,024,885	18.9505	\$5,988,830	\$4,418,450	\$1,570,380
2020	\$448,430,232	\$115,340,003	\$333,090,229	18.9505	\$6,312,226	\$4,418,450	\$1,893,776
2021	\$466,084,014	\$115,340,003	\$350,744,011	18.9505	\$6,646,774	\$4,418,450	\$2,228,324
2022	\$476,606,334	\$115,340,003	\$361,266,331	18.9505	\$6,846,178	\$4,418,450	\$2,427,728

Source: ECONorthwest

IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies and local option levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2021.

Note that, starting in FY 2014, there is a positive benefit to the taxing jurisdictions as a result of the increased maximum indebtedness. Updating the plan to increase the maximum indebtedness forces the plan to comply with the updated revenue sharing trigger, which comes into effect in FY 2014. The negative numbers, which begin in 2019, show the impact due to the need to extend the length of the Area as a result of the increase in maximum indebtedness. The Area is projected to meet the 10 percent of initial maximum indebtedness trigger stated in the statutes in FY 2014 (10% of \$35,347,600 is \$3,534,760). At that 10% limit, the affected taxing jurisdictions will begin receiving a portion of the increased value within the Area. The Area is projected to meet the 12.5% of the initial maximum indebtedness trigger in FY 2016, at which time the tax increment revenues to the Agency from the Area are held stable at that number, \$4,418,450, and the impacted taxing jurisdictions receive a proportionate share of the increase in tax increment revenues for the remaining life of the district.

The impacts tables do not reflect the impacts of bonds on the taxing jurisdictions as those impacts are made up by slightly increased bond rates in the locality.

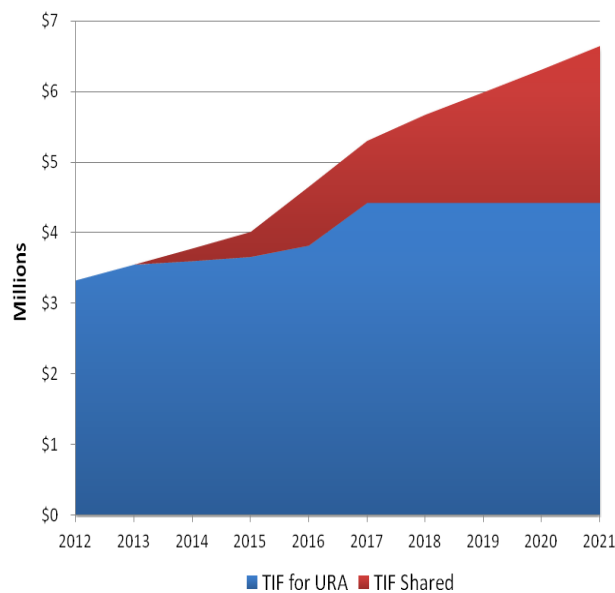
These revenue sharing requirements only minimally impact the length of time the district will be in operation. An analysis of the tax increment revenues without revenue sharing indicated the Area would be able to defease the debt one year later with revenue sharing as without.

Table 17 - Projected Impact on Taxing District Permanent Rate Levies for New Maximum Indebtedness

Jurisdiction Name	2014	2015	2016	2017	2018	2019	2020	2021	Total
Washington County	\$26,717	\$53,165	\$125,204	\$132,072	\$187,643	(\$661,794)	(\$661,794)	(\$661,794)	(\$1,460,582)
Metro	\$909	\$1,809	\$4,261	\$4,495	\$6,386	(\$22,523)	(\$22,523)	(\$22,523)	(\$49,708)
Port of Portland	\$660	\$1,313	\$3,092	\$3,262	\$4,634	(\$16,344)	(\$16,344)	(\$16,344)	(\$36,072)
Portland Community College	\$2,662	\$5,297	\$12,475	\$13,159	\$18,696	(\$65,937)	(\$65,937)	(\$65,937)	(\$145,523)
Northwest ESD	\$1,448	\$2,881	\$6,784	\$7,156	\$10,167	(\$35,860)	(\$35,860)	(\$35,860)	(\$79,142)
Sherwood School District	\$45,297	\$90,138	\$212,274	\$223,918	\$318,134	(\$1,122,023)	(\$1,122,023)	(\$1,122,023)	(\$2,476,310)
Tualatin Valley Fire and Rescue	\$16,710	\$33,251	\$78,305	\$82,601	\$117,356	(\$413,901)	(\$413,901)	(\$413,901)	(\$913,481)
City of Sherwood	\$31,039	\$61,764	\$145,455	\$153,434	\$217,993	(\$768,837)	(\$768,837)	(\$768,837)	(\$1,696,825)
Total	\$125,441	\$249,618	\$587,850	\$620,096	\$881,009	(\$3,107,219)	(\$3,107,219)	(\$3,107,219)	(\$6,857,643)

Source: ECONorthwest

Figure 3 - Tax Increment Financing Revenue Sharing



The graph to the left, prepared by ECONorthwest, shows the revenue sharing as a result of this amendment to increase maximum indebtedness.

The Sherwood School District and the Education Service District are not directly affected by the tax increment financing, but the amount of their taxes divided for the urban renewal plan is shown in the chart. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone because of the use of Tax Increment Financing are replaced, as determined by a funding formula at the State level with State School Fund revenues.

Table 18 shows the projected increased revenue to the taxing jurisdictions at the end of the Urban Renewal Area. These projections are for FYE 2022. They include permanent rates, local option levies, and bonds.

Table 18 - Additional Revenues Obtained After Termination of Tax Increment Financing

Jurisdiction Name	FYE 2022
Washington County	\$1,025,418
Metro	\$34,898
Port of Portland	\$25,325
Portland Community College	\$102,166
Northwest ESD	\$55,563
Sherwood School District	\$1,738,522
Tualatin Valley Fire and Rescue	\$641,320
City of Sherwood	\$1,191,276
Total	\$4,418,450

Source: ECONorthwest

COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

There is one existing urban renewal area in the City of Sherwood. State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal manufactured, and utility properties in the Urban Renewal Area, is \$102,540,480. The total assessed value of the City of Sherwood less excess value of the urban renewal area is \$1,343,036,419. This is 11.54% of the total assessed value, well below the 25% maximum. The Urban Renewal Area has 595.84 acres, including right of way, and the City of Sherwood has 2,745 acres; therefore 21.71% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 19 - Urban Renewal Area Conformance with Assessed Value and Area Limits

Urban Renewal Area	Assessed Value	Acres
Sherwood Urban Renewal Area Frozen Base	\$102,540,480	
Sherwood Urban Renewal Area Acreage		595.84
Total Acreage, City of Sherwood		2,745
Total Assessed Value City of Sherwood *	\$1,343,036,419	
Percent of Sherwood Assessed Value in Urban Renewal Area		11.54%
Percent of Sherwood Acreage in Urban Renewal		21.71%

Source: City of Sherwood, Washington County Assessor

*Less Incremental Assessed Value in Urban Renewal Areas

RELOCATION REPORT

There is no relocation anticipated due to this amendment.



URA RESOLUTION 2012-001

A RESOLUTION RECOMMENDING A SUBSTANTIAL AMENDMENT TO THE URBAN RENEWAL PLAN TO INCREASE MAXIMUM INDEBTEDNESS

WHEREAS, ORS 457.220 was amended in 2009 to allow an urban renewal agency to amend the urban renewal plan (URP) to include an indexing factor for maximum indebtedness; and

WHEREAS, additional Maximum Indebtedness is needed to complete priority project within the Urban Renewal District; and

WHEREAS, the Sherwood Urban Renewal Agency (URA) wishes to amend the Sherwood Urban Renewal Plan to include the allowed indexing factor; and

WHEREAS, increasing maximum indebtedness requires a substantial amendment to the Urban Renewal Plan; and

WHEREAS, SURPAC (Sherwood Urban Renewal Plan Advisory Committee) met August 11, 2011 and recommended an increase in maximum indebtedness to finance priority projects remaining in the plan; and

WHEREAS, the URA authorized the Agency Administrator to negotiate a single source contract with Elaine Howard Consulting, LLC on November 1, 2011; and

WHEREAS, Elaine Howard Consulting, LLC has prepared the necessary documents to amend the Plan; and

WHEREAS, overlapping taxing jurisdictions have been notified as required by ORS 457

NOW, THEREFORE, THE SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

Section 1: The substantial amendment prepared by Elaine Howard Consulting, LLC. be forwarded to the Sherwood Planning Commission for concurrence with the City's Comprehensive Plan.

Section 2: The Sherwood Urban Renewal Agency recommends adoption of an ordinance for the substantial amendment to the Sherwood City Council at its meeting on February 21, 2012.

Section 3: This Resolution shall be in effect upon its approval and adoption.

Duly passed by the Board of Directors for the Sherwood Urban Renewal Agency this 17th day of January 2012.

Keith S. Mays, Chair

Attest:

Sylvia Murphy, CMC, District Recorder

Urban Renewal Update

January 17, 2012



Home of the Tualatin River National Wildlife Refuge



Tom Nelson
URA / Economic Development Manager
City of Sherwood

Jan 17, 2012 URA Board
Date Gov. Body

4.A New Business A
Agenda Item Exhibit #

URA Res. 2012-001
Presentation

The Sherwood Urban Renewal Plan & Report

**Adopted and Approved
August 29, 2000
Ordinance 2000-1098**



Home of the Tualatin River National Wildlife Refuge



Old Cannery Site and Warehouse

This is what is now the corner of SW Railroad and SW Pine just a little over 6 years ago. A major part of the Urban Renewal Plan is to remove blighting influences such as this.



Could you have envisioned this as a site for City Hall?

This building was on the same site that is now the Library and City Hall



From Old Warehouse to New City Hall & Library

The warehouse site in the previous slide has been transformed by revitalization efforts into a new city hall and library.

This anchor investment has perpetuated significant interest in what was once a blighted area.



Example of New Streetscape

Visitors, (MOST) residents and former residents continue to compliment us on the redevelopment of Old Town



But what was to be done with the Old Cannery?

The City bought the property, but did not yet know how it should be redeveloped. A Feasibility Study was conducted by David Leland & Associates.



\$30 Million Private Investment

The old cannery site in the previous slide has been purchased by the Urban Renewal Agency, demolished and is slated for a \$30 million mixed use development as depicted above.



Cannery Square

This is a recent photo of the completed plaza



What about this Old Machine Shop?

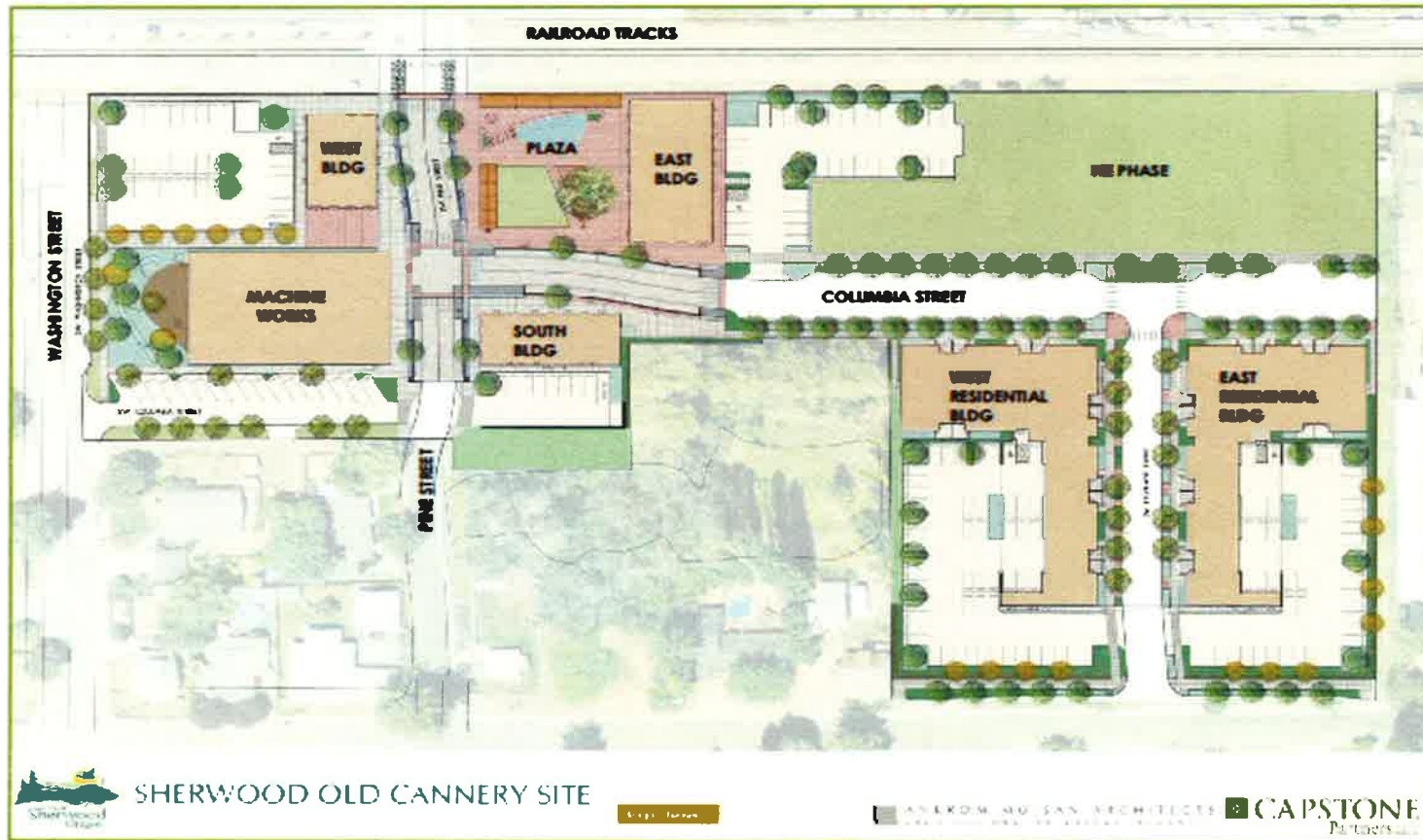
The URA purchased this property across from the proposed Plaza because it would detract from the success of the Cannery Redevelopment left as it is.



Cannery Shops / Sherwood Community Center – The Old Machine Shop

The URA has contracted with Capstone Partners, LLC to convert the Old Machine Shop into Retail Space and a Community Center. The project should be completed in 2012.

Cannery Development



SHERWOOD CANNERY SQUARE

PUD PLAN

This PUD (Planned Unit Development) was approved in 2009 – Construction of infrastructure is complete.

Other development is underway by private developers...



Transportation Improvements

The URA invested \$1,000,000 to improve this important intersection and rail crossing at Langer Farms Parkway and SW Oregon Street.



Schools and Fields Investments

The URA provided funding for turf fields and a contribution toward the new SHS stadium.



Indoor Field House

The URA assisted in funding the Indoor Field House



Sherwood Forest Senior Affordable Housing

The URA purchased blighted property adjacent to the Senior Center for this proposed project to be developed in partnership with a Washington County non-profit (Accessible Living, Inc.). The purchase also included needed right of way for the extension of Cedar Creek Trail

Property Investments

URA Property Purchases		Purchase Price
Old School Property	\$	550,000
Cannery & Machine Shop		3,990,000
SW 1st Street Properties		264,000
Robin Hood Properties		250,000
SW Main Street Property (WQ Facility)		240,585
Sherwood Blvd. Property		325,000
	Total \$	5,619,585

The URA has invested in properties and removed blight. Some of the properties will have a public use, and others may be sold for private development. Future sales are estimated to allow the URA to recoup as much as \$4 million which may be used for future projects or to defease the URA debt.

Another Redevelopment Tool

Façade Grants

Up to \$15,000 Matching Grants per
Facade

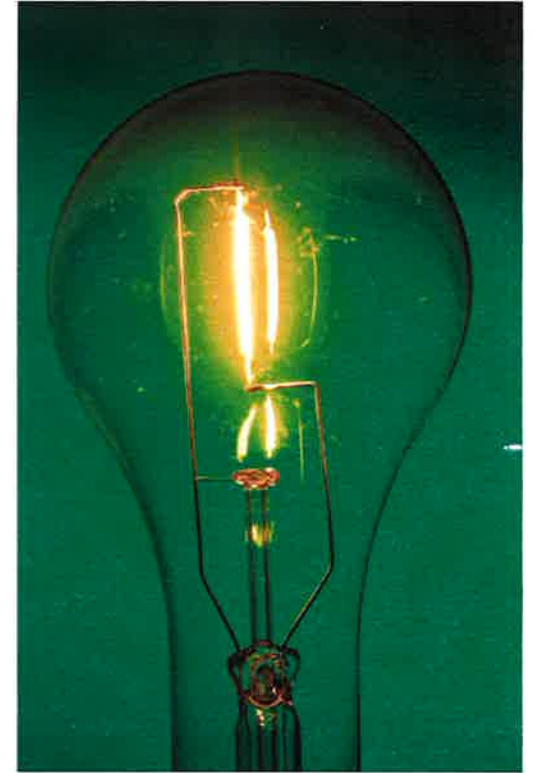
Over \$200,000 in Assistance to:

- Smock House
- Stewart Maplethorpe
- Morback House
- Sherwood Cobbler
- Lavender Tea House
- Stitch in Time
- Railroad Street Antiques
- Smockville Station Antiques
- What Goes Around Comes Around
- Bridges Financial
- Old Town Dental
- Lundy Building
- Clancy's
- Let's Make Music
- Nottingham's / Hodney's / Old Church





Questions???



Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
January 17, 2012
22560 SW Pine Street, Sherwood Oregon 97140**

URA BOARD REGULAR MEETING

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 7:52 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Linda Henderson, Robyn Folsom, Bill Butterfield, Matt Langer, and Krisanna Clark. Dave Grant was absent.
3. **STAFF PRESENT:** City Manager Pro Tem Tom Pessemier, Finance Director Craig Gibons, Public Works Director Craig Sheldon, Economic Development Manager Tom Nelson, Planning Manager Julia Hajduk, Police Captain Jim Reed, Administrative Assistant Kirsten Allen and City Recorder Sylvia Murphy.

Chair Mays addressed the Consent Agenda and asked for a motion.

4. CONSENT AGENDA:

A. Approval of November 1, 2011 URA Board of Directors Meeting Minutes

MOTION: FROM LINDA HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY BILL BUTTERFIELD. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR (DAVE GRANT WAS ABSENT).

Chair Mays addressed the next agenda item.

5. NEW BUSINESS

A. URA Resolution 2012-001 Recommending a Substantial Amendment to the Urban Renewal Plan to Increase Maximum Indebtedness

Tom Nelson, Economic Development Manager and Elaine Howard, with Elaine Howard Consulting came forward. Tom presented a power point presentation regarding what the URA Board has accomplished since August 2000 (see record, Exhibit A). Tom reminded the board that Resolution 2000-1098 was adopted in August 2000 to approve the Urban Renewal Plan, and showed pictures illustrating what the district looked like. Tom stated that a major part of the plan was to remove blighting influences in the Urban Renewal District. Tom stated that visitors, residents, and former residents continue to compliment the redevelopment of Old Town.

Tom explained the cannery project, stating that Capstone Development LLC has proposed the redevelopment of the area that will include about a \$30 million investment at full build out. Tom discussed the purchase of the old machine shop on Washington Street and stated that it will be converted to a Community Center with retail space, set to be completed this year.

Tom stated that the URA invested \$1,000,000 to improve the railroad crossing and intersection at Langer Farms Parkway and Oregon Street. Tom stated that the URA also provided funding for turf fields, made a contribution to the new stadium at the high school, and to the Sherwood indoor field house. Tom stated the URA purchased blighted property adjacent to the Senior Center for a proposed project to be developed in partnership with a Washington County non-profit organization and said the purchase also included a needed right-of-way for the extension of the Cedar Creek Trail.

Tom stated that the URA has invested in properties and removed blight, stating that some of the properties will have a public use, such as infrastructure, the cannery plaza, and the community center, while other properties can be resold for private development; stating that with the \$5.6 million spent, as much as \$4 million could be recouped from selling the properties after the public uses have been put to use.

Tom showed a list of façade grants for properties throughout Old Town totaling approximately \$180,000. Tom stated that the façade grants provided an incentive for façade redevelopment that has resulted in about \$1,000,000 in private development on those properties. Tom referred the Board to page 9 in the packet for a list of the projects done to date for the life of the URA.

Ms. Robyn Folsom asked about the discrepancy between the amount spent on the purchase of the Old School House between the presentation, which stated \$550,000 and the packet, which stated \$619,627. Tom explained that the property was purchased for \$550,000, but there were additional costs for demolition and environmental issues which is reflected in the packet. Ms. Folsom asked if there was a timeline for being able to recoup some of the funds. Tom answered that the URA has an agreement with Capstone Development for their portion of the property by 2017. Tom stated that the Old School House property and the Robin Hood Theater property are market related and once other developers see the success of current development in old town there will be more demand for the Robin Hood lot. Ms. Folsom asked regarding the appraised values dropping. Tom stated that the Robin Hood lot was appraised in 2009 and concurred with Ms. Folsom that the Old School house would not recoup the amount it was purchased for unless the Board waited. Tom stated that a piece of property purchased on Main Street for a water quality facility will be put on the market for sale after a lot line adjustment.

Ms. Henderson asked for clarification of the narrative on page 9 of the packet regarding the \$3.4 million to be used for the cannery project, and if it was meant to be for the Community Center. Tom explained that the Cannery Project includes the Plaza and the Community Center, and confirmed that most of the remainder is for the Community Center. Ms. Henderson asked if the purchase of the center is included in the \$9 million listed. Tom confirmed.

Ms. Folsom asked regarding the money spent for Oregon Street / Langer Farms Parkway intersection and asked for clarification on if the work was done because of a federal grant. Tom confirmed and stated there was a need to get the signal installed in a timely manner.

Ms. Henderson asked if a million dollars was spent. Tom answered that a million dollars was the URA contribution. Mayor Mays added that the rest came from Washington County and street transportation funds. Tom Pessemier added that the final accounting was not complete, that the County's money will be spent before the URA money. Ms. Henderson expressed that she thought there would be some savings on the project. Mr. Pessemier stated he hoped there would be.

Tom Nelson asked if there were questions from the Board regarding the substantial amendment to the Urban Renewal Plan based on the material reviewed in the packet and at a previous work session, stating that there is a demand for additional maximum indebtedness to complete projects which includes the downtown streets. Tom added that when first looking at the substantial amendment there was not a list of projects with the total amount needed, but looked instead at the amount allowed using the indexing offered by the 2009 legislature. Tom stated that a substantial amendment gives an allowance for future revenues that can be used for the Urban Renewal projects. Tom stated that this method of substantial amendment is allowed only once, so the URA will ask for the full indexed 20% allowed and should the Board decide not to spend the money, the bonds could be defeased early or other projects could be chosen.

Elaine Howard added that another thing that happened in the 2009 legislature was that it now allows cities to take less than the full amount of the tax increment proceeds, which allows the Board to take less each year or to shut down the District at any time as long as the Board can maintain commitments on any outstanding bonds. Ms. Howard pointed out that there are many projects within the Urban Renewal District that remain on the capital improvements project list as prioritized by the City Engineer, and there are a number of other projects that could be allocated funding. Ms. Howard stated that a minor amendment is another funding possibility and offered to explain the process.

Tom Nelson explained that part of the process for the substantial amendment was public noticing requirements and meetings with the Planning Commission, TVF&R and the Washington County Board of Commissioners.

Mayor Mays asked for questions from the Board.

Ms. Folsom asked what qualified as a successful Urban Renewal District. Ms. Howard answered that there are no actual metrics to measure success, but her measure was the feel of the community, a show of development, and private investment, such as the commitment from Capstone Development. Ms. Howard stated that communities want private development money to leverage with Urban Renewal dollars. Ms. Howard stated that it was possible to have higher levels of investment in Sherwood's Old Town, but there does not seem to be a high vacancy rate, and there are a lot of thriving small businesses. Ms. Howard commented on how the library has created a central core to downtown and there is a lot of pedestrian activity on the streets. Ms. Howard commented that there were still a large percentage of properties in the district that are underdeveloped and constitute a blight that can be addressed.

Ms. Folsom asked if it was typical for Urban Renewal districts to spend so much money on streets. Ms. Howard confirmed and stated that there are not a lot of good funding sources for streets and streets are one of the prime objectives, along with streetscapes and plazas, which bring people to downtown and help make them want to come back.

Ms. Folsom asked what is in the City Budget for the re-pavement of streets like Lincoln, Pine and Willamette. Tom Pessemier replied by breaking the projects into two categories: Re-pavement, or the rehabilitation of the pavement surfaces, and Capacity Improvements which increases the capacity and adds sidewalks. Mr. Pessemier stated that there has been a lot of discussion about the lack of funding to keep up with the street maintenance program, and the City adopted measures last year to help maintain the Pavement Condition Index rating for streets by adopting a new fee structure. Mayor Mays added that those fees supplement the shared revenue the city receives from the State along with the fuel tax. Mr. Pessemier commented that Lincoln Street was paved with some of those dollars. Mr. Pessemier stated that roadway capacity improvements are mainly funded by System Development Charges through the County which fund around 29% of the funds required to maintain collector and arterial streets and can only be used on collector and arterial streets. Mr. Pessemier stated there is also a City transportation SDC fee which could potentially fund projects. Mayor Mays asked if the city pursues County MSTIP (Major Streets Transportation Improvement Program) money. Mr. Pessemier confirmed and stated money was received for Sherwood Blvd from the American Recovery and Reinvestment Act (ARRA). Mayor Mays stated that the steady revenue for street maintenance comes from the fuel tax and the transportation road fee, with money for street capacity improvements coming from SDC's, the occasional County MSTIP or federal ARRA money.

Mr. Butterfield commented that the Board can choose between taking the money and getting the projects done or decide which projects have to be done with the \$3.4 million available and find other funding in the future. Mr. Butterfield asked what was to be gained from Oregon Street improvements. Tom Nelson answered that projects on the list have been added by Council or were part of the original plan and they cannot be done without additional funding. Tom stated the \$3.4 million is money that will be spent on the Community center, which means the downtown streets project would not get done. Tom stated that the improvements on Oregon Street are important because of the Tonquin industrial area, and the street is the last transportation link into Sherwood that is substandard. Tom stated the Tonquin Industrial area is intended to be annexed and will be a freight corridor when it is developed. Tom stated that the area between the fire station and the roundabout is a blighted area, adding that the tannery site is likely to be redeveloped. Tom stated there is no source of revenue for the redevelopment of a street like Oregon Street. Mr. Butterfield asked if the land were redeveloped wouldn't the businesses pay for it. Tom answered that it would not include the whole street. Tom added that Council had identified to staff the other projects on the list as important.

Ms. Linda Henderson inquired about the \$3.3 million estimate for Oregon Street. Tom answered that they were engineer estimates. Ms. Henderson asked at what point will the final decision on projects will be made, adding that the list was generated in 2000, new projects have been added every year, and there are projects on the list that may never be done. Ms. Henderson commented that \$10 million was a large amount of money in addition

to extending the life of the district and expressed her concerns about a list of projects that were vetted publically without requirements to complete them. Ms. Henderson commented that it takes time to complete capital projects, but that many of the projects would get done fairly quickly. Tom answered that it is planned to complete the streets construction project this construction season, Oregon Street within the next couple of years, depending on annexation and development, and the other streets would be done as staff time allowed.

Ms. Henderson asked that the Board consider that the Community Center funding was between seven hundred and eight hundred thousand dollars short of what is wanted for the facility. Mayor Mays added that a work session was needed to make that determination. Ms. Henderson stated she wondered if less money could be spent on studies to provide more money that could be used over the life of the Community Center.

Mayor Mays stated that the Board could act on the resolution today and have a work session or continue the resolution and have a work session. Ms. Henderson confirmed the meeting timeline with Tom Nelson. Tom stated he would meet with the School District next. Ms. Henderson stated she wanted feedback from the school district in order to vote on a list of projects. Tom stated that tonight's vote was for recommending a substantial amendment and not voting on a list. Tom added that the list of identified projects can change, but the dollar amount is set and gives the Urban Renewal Agency permission to expend that amount on worthy projects. Tom suggested that council meet in a joint session with SURPAC to review the list and make a recommendation on priorities.

Ms. Henderson asked how delaying a decision would affect the process. Ms. Howard reminded the Board that City Council has final approval and stated that the Board was voting on starting the process; which means engaging the taxing agencies and looking at the variables. Ms. Howard stated that meeting with the agencies may provide feedback to include other projects, but that the plan contains goals and objectives that have to be met and the project list must meet those constraints. Ms. Howard reiterated that amending the maximum indebtedness can only be done once without going through the legal process, therefore allowing the taxing jurisdictions a vote and that this is what the proposal before the Board is. Ms. Howard stated that the report has identified many opportunities, including the Community Center, to allocate the funding.

Mr. Butterfield asked how the substantial amendment would affect the average rate payer in the city. Ms. Howard answered that it is close to nothing and further explained that on any general obligation bonds or local option levies passed before October 2001, the amount of taxes not paid by the Urban Renewal area is reallocated on to the rest of the taxpayers. Ms. Howard stated that in the City of Keizer the amount was around \$3 a year and offered to do the specific calculation for Sherwood. Mr. Butterfield stated he would like to see actual numbers.

Ms. Henderson asked if that number was a function of when the district was retired. Tom answered that it does not increase taxes on any of the citizens. Ms. Henderson stated it is an increase because it remains a tax for longer. Tom stated that the tax increment will be shared among the other taxing jurisdictions after all the debt is paid, so the taxes don't go down, but the taxes get reallocated to another entity. Ms. Howard added that the general

obligation bonds and local option levies will be recalculated after the district is closed and there will be a very small change in the tax bill because the taxes will be allocated over a larger portion of property owners. Ms. Howard stated that some of the bonds and levies may expire before the district is closed and each one will have to be looked at individually.

Tom Pessemier commented that he remembered two that expire within the next two fiscal years. Mayor Mays added that the school district had some. Ms. Howard confirmed the type of Urban Renewal District that Sherwood has is a Window District and school bonds count.

Ms. Henderson asked regarding the project list if there were any properties listed, that were currently not in the district, meaning the district would have to be amended to bring additional property in. Tom answered no, unless the Tonquin area was annexed, which would mean a sliver of property would be added for infrastructure to the area and would be added to the boundary with a 1% amendment.

Ms. Henderson asked for clarification on the property acquisition line item with a \$500,000 value. Tom answered that it was earmarked for potentially having to purchase property for public parking.

Ms. Folsom stated her desire to finish the downtown streetscape because it was an overdue commitment made to the citizens. Tom answered that it was up to the Board to prioritize projects and direct staff when to complete them. Tom added that he understood Phase II of the streetscape was to be completed this year.

Ms. Folsom posed the question of going into debt because it can be done, stating that in lean economic times, how does the need of the City outweigh the need of another taxing agency. Mayor Mays commented that the City will find out as other taxing agencies are engaged. Tom commented that these projects are intended to drive redevelopment which will help them all, plus in the case of TVF&R making traffic improvements cuts down their response time which is a benefit to them. Tom stated the improvements are not just for us, but for the greater community.

Ms. Folsom asked for feedback from the community, stating that she does not like taking on debt and wants to know how the citizens feel about it. Ms. Folsom stated she would like to see the downtown streets done and start paying back the debt in 2017.

Mr. Langer asked regarding the graph on page 61 of the URA packet and asked for an explanation on the public's behalf. Ms. Howard explained that in the 2009 legislature they changed what happens under a substantial amendment and setup trigger points for revenue sharing with taxing jurisdictions and those trigger points are reflected on the chart. Ms. Howard explained that the point that the revenue comes in, off of the tax increment financing, equals 10% of the original maximum indebtedness you start sharing with the impacted taxing jurisdictions. Ms. Howard added that under the current plan there would not be any sharing with those other jurisdictions until the plan is closed out in 2018 and under the amendment the taxing jurisdictions start getting revenue off of the increased value in the area in the year 2014 so that although they go three years longer without

getting the full amount they start to get something, so there is some positive tradeoff to them as shown in Table 17. Ms. Howard stipulated that the projections are based on development occurring and a 3.5% increase in value in the area and the projections are not actual but are estimates based on data received. Ms. Howard stated that this is new to substantial amendments and is a positive benefit to the taxing jurisdictions.

Ms. Howard commented that there are very few economic development tools for cities to use, that there used to be community block grants, federal money, and more state money to help communities develop and there really aren't those funds any more. Ms. Howard remarked that urban renewal is a way to develop roads and to encourage vacant parcels to develop. Ms. Howard commented that Oregon Street was a vital project because of the vacant land around it. Ms. Howard stated that if all of the vacant land were to be put to productive use it would provide jobs and increase the tax base and help all of the taxing jurisdictions, because in just a three year time period they would start seeing the increase in value off of the property. Ms. Howard stated that Urban renewal is a very powerful tool and the only economic development tool for Cities other than using general fund money. Ms. Howard stated that in order to facilitate and to catalyze development this is the tool to use.

Ms. Folsom asked for further explanation of the numbers in parentheses on Table 17. Ms. Howard answered that in 2014 to 2018 with the new maximum indebtedness the taxing jurisdictions get a positive amount of money, in 2019 negative values are shown because the district would have been closed in 2018, the chart shows the net financial impact and the amount the taxing jurisdictions will forego for an additional three years. Tom added that this is not reflective of the money they are receiving now. Ms. Folsom reminded the citizens that this information could be found in the URA Packet that was available online. Mayor Mays added that if you add up the estimated distribution under a major amendment it is equal to about a year, in essence extending the district by three years is more like two years because of the collective estimated shared revenue. Tom Nelson stated that there could be enough property sold in the interim that the rest of the debt could be defeased.

Ms. Clark asked regarding the Traffic and Parking Studies on Table 12 on page 54 of the packet and questioned if there was a state requirement to conduct studies as part of the process therefore using a portion of the funds to do them. Mayor Mays stated that he was not aware of a requirement. Mr. Pessemier stated that a Parking Study has been discussed for a long period of time and was part of the original plan. Mr. Pessemier stated in regards to the Traffic Rerouting Study and Plans for Old Town, that success in old town will create traffic flow issues and failure to resolve those issues will have an opposite effect of promoting growth and increased value. Mr. Pessemier explained that this project is farther in the future, but not doing so would end up hurting the district by the lack of foresight.

Mr. Langer asked regarding further clarification on the graph on page 61 per year 2017 where the URA is capped off. Tom Nelson explained that in 2017, URA collections plateau, as illustrated by the blue line, and any additional revenue coming in because of growth and development are divided among the other taxing jurisdictions, as illustrated by the red line. Mr. Langer commented that growth rate is an estimate and there is no limit to the amount

that could be redistributed to the other taxing jurisdictions. Tom agreed that a conservative approach in predicting revenue was taken.

Mr. Langer stated that it sounded like the Board was discussing increasing taxes by \$10.9 million, but that it was a discussion about whether to continue to use the money for URA projects and investing in infrastructure or ending the URA and the \$10.9 million would go back to the redistribution process into all of the other taxing jurisdictions. Tom Nelson clarified that the amount was \$10.7 million.

Ms. Howard added that schools need growth in the community, and to create growth in the community, incentives need to be provided. Ms. Howard stated that school districts should want urban renewal, because although it takes money from the schools now, in the long run it increases their funding and their per student ratios.

Ms. Folsom stated that this was the beginning of the process and moving forward tonight meant opening up to broader conversations with the Planning Commission, SURPAC, the community, and the taxing jurisdictions. Ms. Howard commented that a vote from the Board did not mean the City Council has approved the amendment.

With no other Board questions, Chair Mays made a motion.

MOTION: FROM CHAIR KEITH MAYS TO ADOPT URA RESOLUTION 2012-001, SECONDED BY MATT LANGER. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR (DAVE GRANT WAS ABSENT).

Chair Mays addressed the next agenda item.

6. **STAFF REPORTS:** There were no staff reports.
7. **ADJOURN:** Chair Mays adjourned the URA Board meeting at 8:55 pm.


Sylvia Murphy, CMC, District Recorder


Keith S. Mays, Chair