

**City of Sherwood
Ordinance 2005-001**

AN ORDINANCE APPROVING A PLAN MAP AMENDMENT, ESTABLISHING THE OFFICE COMMERCIAL ZONING DISTRICT FOR TAX LOT 7500 & 7700 WASHINGTON COUNTY ASSESSORS MAP 2S 1 29CC CONSISTING OF 0.83 ACRES MORE OR LESS, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the subject property was reviewed in response to a request for a plan map amendment, changing the zoning district of the parcel to Office Commercial; and

WHEREAS, the Sherwood Planning Commission conducted a public hearing on the proposed Plan Map Amendment on December 7, 2004, and made findings granting approval of the plan map amendment with conditions to the City Council; and

WHEREAS, the Community Development and Zoning Code Section 4.203.02 specifies the criteria to approve a change in the Comprehensive Plan Map, and that the Sherwood City Council finds that the subject proposal complies based on the findings of the Planning Commission; and

WHEREAS, the Sherwood City Council has received the application materials, the City's Planning Staff report, the Planning Commission findings, and the Council reviewed the materials submitted and the facts of the proposal and conducted a public hearing on February 22, 2005.

NOW, THEREFORE, THE CITY ORDAINS AS FOLLOWS:

Section 1. Commission Review & Public Hearings. That the application for a Plan Map Amendment (city file No. PA 04-04) to establish the Office Commercial District for Tax Lot 7500 & 7700 of WASHINGTON COUNTY ASSESSORS MAP 2S 1 29CC was subject to full and proper review, and public hearings were held before the Planning Commission on December 7, 2004, continued to January 18, 2005, and the City Council on February 22, 2005.

Section 2. Findings. That after full and due consideration of the application, the City Staff report, the record, findings, and of the evidence presented at the public hearing, the Council finds that the subject property is appropriate to rezone to Office Commercial subject to conditions, and therefore, the Council adopts the findings of fact contained in the staff report dated February 15, 2005.

Section 3. Approval. That a request for a Plan Map Amendment is hereby **APPROVED** as stipulated in the Notice of Decision dated February 22, 2005; labeled "Exhibit A" and attached to this ordinance.

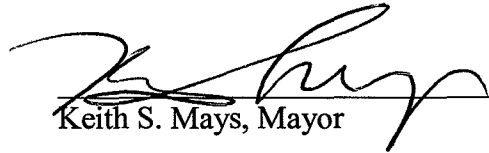
Section 4. Manager Authorized. The Planning Director is hereby directed to take such action as may be necessary to document this amendment, including preparation of a

certified modification of the Official Zoning Map, at such time as all conditions of the approval have been fully satisfied in accordance with City ordinances and regulations.

Section 5. Effective Date. This ordinance shall become effective immediately after adoption of the Transportation System Plan (PA 04-03) by the City Council.

Duly passed by the City Council this 22nd day of February, 2005.

Approved by the Mayor this 22nd day of February, 2005.


Keith S. Mays, Mayor

Attest:


C.L. Wiley, City Recorder

	AYE	NAY
Luman	<input checked="" type="checkbox"/>	___
King	<input checked="" type="checkbox"/>	___
Henderson	<input checked="" type="checkbox"/>	___
Heironimus	<i>absent</i>	___
Grant	<input checked="" type="checkbox"/>	___
Durell	<input checked="" type="checkbox"/>	___
Mays	<input checked="" type="checkbox"/>	___

Exhibit A: City Council Notice of Decision dated February 22, 2005.

**EXHIBIT A
ORDINANCE 2005-001**

**CITY COUNCIL
NOTICE OF DECISION**

**CITY OF SHERWOOD
Staff Report**

**Date: 02-15-05
File No: PA 04-04 Plan Map Amendment**

TO: CITY COUNCIL

App. Submitted: 10-21-2004
App. Complete: 11-29-2004
PC Hearing Date: 12-07-2004
Continued: 01-18-2005
CC Hearing Date: 02-22-2005
120 Day Deadline: 03-29-2005

(Plan Amendment application not subject to 120-day

rule)

FROM: PLANNING DEPARTMENT
(Report prepared by Kevin A. Cronin, Planning Supervisor)

Kevin A. Cronin, Planning Supervisor

I. BACKGROUND

- A. Applicant/Owner: City of Sherwood
ATTN: Jim Patterson
20 NW Washington
Sherwood, OR 97140
- Applicant's Representative:
Dave Wechner, AICP
Planning Consultant
10975 SW Garden Park Pl. #B
Tigard, OR 97223
- B. Address/Location: The subject property is located at 995 North Sherwood Boulevard, south of Sherwood Boulevard and due northwest of the Sherwood Library. Assessor map locates the property within Township 2 South; Range 1 West; Section 29CC; Tax Lots 7700&7500.
- C. Parcel Size: Two tax lots; 0.83 acres. (A third tax lot, adjacent to Cedar Creek, will remain city-owned open space and is planned for a future multi-use path.)
- D. Existing Development/Conditions: The parcel located on Sherwood Boulevard is vacant and the flag lot has a single-family detached unit and garage built in 1956 with a driveway access to Sherwood Boulevard. The house is not listed on the Sherwood Cultural Resource Inventory. All remaining land is open space containing moderate slopes to the rear and includes trees, lawn areas and other landscaping. The Hite House (named after the former property owner) was approved and used by the city for a satellite office (CUP 00-05). It is currently

vacant. The topography slopes towards Cedar Creek. The applicant submitted an Existing Conditions Map dated December 3, 2004.

- E. Zoning: Medium Density Residential High (MDRH)
- F. Adjacent Zoning and Land Use: Land to the north and east is zoned HDR with multi-family housing. Another parcel, not part of the rezone request is located to the southwest and within the floodplain of Cedar Creek. To the south is IP and NC zoned land and is developed with a library and offices, respectively. Finally, Sherwood Boulevard borders the parcel along the northeast and Cedar Creek frames the southwest.
- G. Request: The applicant is requesting approval of a Rezone and Plan Map Amendment to change Tax Lots 7700 & 7500, from Medium Density Residential High (MDRH) to Office Commercial (OC). As of the date of this report, no other associated land use applications have been submitted.
- H. Criteria: Approval or denial of this application shall be based on Section 4.203.01 of the Sherwood Zoning and Community Development Code.

II. AGENCY COMMENTS

The City requested comments from affected agencies as it does with all land use applications. All original documents are contained in the planning file and are a part of the official record on this case. The following information briefly summarizes those comments:

- A. Lee Harrington, Senior Project Manager in the Engineering Department, reviewed the proposal and stated that water, sanitary sewer and drainage utilities are available adjacent or in close proximity to the site. The site fronts on a publicly owned street. A concern with internal access and circulation was expressed.
- B. The Oregon Department of Transportation (ODOT) did not comment. However, City staff suggested that the review would address OAR 660-012-060, Plan and Land Use Regulation Amendments.
- C. In a response from Terry Keyes, PE of Clean Water Services he stated no issue with the proposed zone change. However, any partitioning, subdividing, or development of the site will need to meet current Clean Water Services standards. The key standards that impact development of the site include:
 - 1. Sensitive area protection – I suspect the wooded slope area behind the Hite House will need to be left undeveloped.
 - 2. Stormwater treatment – Any development on the site will need to treat all runoff from the site.

3. Sanitary sewer – Commercial development of these lots will likely require a gravity connection to the sanitary sewer system. Since I believe the sewer in N. Sherwood Blvd. is too shallow to serve this site a new public sewer from the Cedar Creek trunk line may be required when the site is developed.
- D. Lydia Neill, Principal Planner with Metro requested findings to support Functional Plan requirements for meeting housing targets in an e-mail dated January 5, 2005.
- E. Rob Saxton, Superintendent of Sherwood School District, spoke with staff and did not have any comment on the proposal.

III. SECTION 4.203.02, REVIEW CRITERIA – MAP AMENDMENT

- A. *The proposed amendment is consistent with the goals and policies of the Comprehensive Plan.*

1. **Commercial Land Use - Policy 1**

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

Response:

The site is located adjacent to Sherwood Boulevard, designated as a minor arterial in the Transportation Plan. Sherwood Boulevard connects Old Town and Six Corners and provides convenient access between these two major destinations. In addition, a multi-use path is proposed along Cedar Creek adjacent to the subject properties on a tax lot owned by the City of Sherwood, which will provide additional access for pedestrians and bicyclists. Future development of the site under the proposed zoning would allow for mixed-use: commercial and residential uses in the neighborhood. BY allowing additional offices with existing office uses adjacent to the site help group the uses in a concentrated location, which also improves convenience.

2. **Commercial Land Use - Policy 2**

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

Response:

Offices generally operate from 8:00 AM to 5:00 PM, Monday through Friday. Office uses are quiet and do not generate a high amount of traffic volume and associated noise. Office buildings and associated landscaping at this location would help to muffle some of the traffic noise from Sherwood Boulevard. The compatible hours of operation and noise

reduction would provide a buffer between Sherwood Boulevard and the multi-family neighborhood to the north. It is important to note, however, that restaurants, taverns and lounges are a permitted use in the OC zone and would be less compatible with the adjoining neighborhood than office use, due to the extended hours of operation and frequent vehicle trips.

3. Commercial Planning Designation Objectives - Office Commercial (OC)

This designation is intended to provide for business and professional offices and related uses in locations where they can be closely accommodated with residential areas and adequate major streets. This designation is applicable in the following general areas:

- *Where access onto major streets can be safely provided and where there is adequate off-street parking.*
- *Where a full range of urban facilities and services are available or can be provided in conjunction with development.*
- *Where impacts on residential areas can be minimized.*

Response:

As stated earlier, the site has access onto Sherwood Boulevard via a driveway access. Internal circulation needs to be improved and can be adequately addressed if and when the Sherwood Library is sold and redeveloped. A connection between the subject property and the library parking area will improve emergency response and allow the new owners to make arrangements for shared off-street parking. Since both sites are owned by the City redevelopment is likely given the financial need to liquidate these assets to fund other city projects. Otherwise, access and off-street parking will be limited to the subject site. Generally, professional offices operate from 8:00 AM to 5:00 PM making offices a compatible neighbor to residential; however, restaurants are also permitted in the zone, and could create a conflict. No development is proposed with this rezone. Any future proposal would be required to meet the applicable zoning and development standards for setbacks, landscaping, and off-street parking. The proposed zone allows mixed-use, which can be a compatible arrangement for parking, noise, convenience, livability, and reduce vehicle trips. A multi-family residential area is located to the north, which could be impacted by a more intense commercial use. Buffering and landscaping along impact areas for any future development could alleviate those concerns.

In response to testimony provided at the December 7, 2005 hearing the applicant submitted a deed restriction limiting the types of uses on the subject properties. As a result, taverns and restaurants would not be permitted with this deed restriction.

- B. *There is an existing and demonstrable need for the particular uses and zoning proposed, taking into account the importance of such uses to the economy of the City, the existing market demand for any goods or services which such uses will provide, the presence or absence and location of other such uses or similar uses in the area, and the general public good.*

Response:

When evaluating the existing development along Sherwood Boulevard and Old Town, there is limited office space available and very little Class A office space. A majority of office space along Sherwood Boulevard and in downtown Sherwood is from converted occupancy (residential to commercial) when the zoning either changed from residential or zoning was implemented to encourage employment in the central business district. The economy of the City is largely dependent on real estate development and service sector industries, such as retail trade. Additional office space is needed to attract more professional (architects, medical office, etc.) users to Sherwood. Professional offices tend to require less service from the City and have minimal impacts to the adjoining properties. The demand for office use in Sherwood is difficult to ascertain since the trade area is limited to a small area and data is not readily available to staff to determine vacancy rates and lease terms. However, based on the inventory of Office Commercial (OC) in Sherwood, there is a demonstrated need. According to the most recent data regarding vacant and buildable lands, there is a total of 21 acres of existing Office Commercial-zoned land. Of the OC land, almost 78 percent is developed. There is a total of 252 acres of MDRH zoned land with 99 percent developed. The following table illustrates the amount of available OC and MDRH land:

Table 1: Buildable Land Inventory (acres)

Plan Designation and Zone	Built	Vacant	Total
Office Commercial (OC)	16.56*	4.73	21.3
Medium Density Residential High (MDRH)	247.52	4.48	252

Source: City of Sherwood, RLIS.

*Woodhaven Crossing, a mixed-use development approved in June 2004, is 8.97 acres of OC land that was accounted as built, but will primarily consist of attached condominium units.

Clearly, there is a need for additional OC land given the amount that is vacant. Consequently, the amount of MDRH land is also severely short. The proposed amount for the rezone is less than an acre, but would take out 7-11 units of land capacity for higher density dwellings. *The City needs to address the shortage of MDRH land.* Land that was recently brought into the urban growth boundary (UGB) i.e. Area 59, 54-55, is expected to be zoned for higher density residential to meet Metro's Outer Neighborhood designation (10 units/acre) and may offset this loss.

The subject area predominantly consists of senior citizens and students. This demographic uses medical services at a higher rate than other age groups.

Providing these services within walking distance achieves a City goal towards creating a multi-modal system through complimentary land use. Cedar Creek Assisted Living Center on Oregon Street, Providence Medical Office Building (SP 04-04), and Davida Kidney Center (Walgreens) all help achieve the city to become a self sufficient and reduce the need to travel to other cities (Newberg, Tualatin) for medical services. In addition to seniors, Hopkins Elementary and Sherwood Middle School students and faculty would benefit as well with more choices.

Furthermore, in response to an inquiry from the Planning Commission on December 7, 2004, a letter dated December 9, 2004 from Tony Reser of GVA Kidder Matthews, was submitted into the record on January 18, 2005. The letter addresses the market value of the property, within the context of Sherwood's demand for office space (outright permitted use in the proposed zone) as opposed to high density residential, which is still permitted above commercial space or through a planned unit development. The conclusion from this market analysis was the OC zone provides more flexibility.

- C. *The proposed amendment is timely, considering the pattern of development in the area, surrounding land uses, any changes which may have occurred in the neighborhood or community to warrant the proposed amendment, and the availability of utilities and services to serve all potential uses in the proposed zoning district.*

Response:

The existing development pattern along Sherwood Boulevard warrants the rezone. Medical offices, Sherwood Senior Center, and the Sherwood Library are all office commercial uses, but are located on neighborhood commercial (NC) and institutional public (IP) zoned land, respectively. Historically, this corridor had single-family residences, but over the last ten years the area has transitioned to office. Staff believes the increases in traffic on Sherwood Boulevard and the build out of school facilities across the street influenced the land use pattern. The proposal is following this pattern, but would still allow residential under certain conditions.

Metro requires that the City supply a specific amount of dwelling units within the Urban Growth Boundary in order for the City to take on its share of housing density within the regional urban area. Title 1 of the Functional Plan requires the City of Sherwood to adopt a minimum housing density. The City amended the Comprehensive Plan to require minimum densities in each of its zones. The majority of Sherwood's development has occurred since 1989. As a result of market forces, much of the High Density and Medium Density zoned land has developed as single family resulting in fewer housing units per acre than what was projected through the Comprehensive Plan. The development of multi-family land as single family has placed pressure on the remaining vacant or underutilized high and medium density lands available to develop at higher densities and provide the required dwelling units. The city has not evaluated the effectiveness

of the current code to determine the number of dwelling units built compared to the allowed capacity in the underlying zone. The planning department expects to perform a capacity analysis as part of periodic review. As part of this evaluation the city needs to determine the number of units built as part of PUDs on land zoned commercial that offsets the compromised capacity of higher density residential units.

Rezoning the subject site from residential to commercial reduces the amount of medium density residential land, making it difficult for the City to meet Metro's dwelling unit requirement. Essentially, the MDRH is built-out and occupied with subdivisions or manufactured home parks, which cannot be redeveloped to a higher intensity use. On the other hand, the existing OC is also built out at 78 percent. The overriding factor is the OC designation improves the market conditions for a mixed-use redevelopment, which would serve a need for both uses.

The subject property gradually slopes down towards Cedar Creek. Water, sewer and transportation access is available to the site from Sherwood Boulevard. A new gravity fed sanitary sewer connection to the main trunk line along Cedar Creek is likely given the higher and better use expected. Tri-Met provides bus service along Sherwood Boulevard as well, which serves daytime office employment uses.

In response to a Planning Commission inquiry regarding the practice of concomitant zone changes and development proposals, the applicant submitted two scenarios that address circulation patterns and connectivity of the subject property and the Library site. Each site plan illustrates a plausible circulation pattern for future redevelopment. To facilitate the orderly redevelopment of the property a reciprocal access agreement is deemed to the subject property.

- D. *Other lands in the City already zoned for the proposed uses are either unavailable or unsuitable for immediate development due to location, size or other factors.*

Response:

The existing area that is zoned Office Commercial is located along 99W, northeast of the YMCA. The applicant stated that the existing OC land is not ripe for development because access is lacking from 99W. Although these parcels and are not easily accessed by an arterial, all of them do have one access and have frontage to the highway. As previously stated, the existing Office Commercial is presently underutilized with single family and low-intensity retail development. One of the parcels will be developed with higher density units and some commercial. This site (Woodhaven Crossing) is contiguous to four OC parcels that could be acquired and developed together to make the site large enough for development. However, the more land acquisition involved in the real estate development process the more difficult a site is to redevelop. Furthermore, a the

proposed TSP requires a frontage road along 99W to service these properties, which adds additional capital (hard) costs to redevelopment.

Additionally, office space is not limited solely to the OC zoning district, professional services are permitted outright in the Retail Commercial (RC) and General Commercial (GC) zoning districts. However, the OC zoning district was established to limit the intensity of uses permitted in the zone, allow mixed-use, and thereby making the district compatible with residential use. Because residential uses and offices are permitted in the OC zone, and it's adjacent to existing residential uses, the proposed zone is suitable.

IV. OTHER REVIEW CRITERIA

A. Oregon Administrative Rule (OAR) 660-12-060 Plan and Land Use Regulation Amendments

Amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility shall assure that allowed land uses are consistent with the identified function, capacity, and performance standards (e.g. level of service, volume to capacity ratio, etc.) of the facility.

Response:

The subject site has access from Sherwood Boulevard. No new access points that directly access this street should occur. A development proposal has not been submitted with the rezone request. A potential trip generation projection was performed by staff using five scenarios: single-family development (allowed under the current zoning), general office building, medical office building, and a restaurant (allowed in the OC zone). The following table summarizes the trips generated from each type of potential development.

Table 2: Trip Generation of Allowed Uses in OC Zone

Land Use	Daily Trips
Scenario 1: Single-Family Homes (7 units x 10)	70
Scenario 2: Townhouse/Condominium (9 units X 7)	63
Scenario 3: General Office Building (5,000 GSF X 11)	55
Scenario 4: Medical Office Building (5,000 GSF X 9)	45
Scenario 5: Sit-Down Restaurant (5,000 GSF X 130)	650

Source: Institute of Transportation Engineers Trip Generation Manual, 5th Edition

As indicated in Table 2, the change in zoning will not be impacted by the change in the number of trips generated. The current functional classification of minor arterial will not require a change because of an increase in traffic volume or need for additional capacity. The current peak hour model volume for 2000 is 900 trips and the projected for 2020 is 750 because planned capital improvements will reduce the trips. The proposed TSP has designated Sherwood Boulevard an

arterial, which is focused on connectivity instead of traffic volume and capacity (v/c ratio). The Level of Service (LOS) at nearby intersections include: Third Street operating at a LOS "D" and Century Drive operating LOS "F". The proposed TSP has planned mitigation improvements to address the intersection at Century Drive with a signalized intersection or roundabout slated within the 20-year planning horizon. In order to comply with the TPR the effective date of the zone change will be pending on the adoption of a new TSP scheduled for March 2005. Standard is met.

V. DISCUSSION

The City of Sherwood has not thoroughly inventoried and evaluated its land needs, which would inform the decision-makers in a much more deliberate manner compared to spot rezoning that the City has experienced since at least the last periodic review. For example, if staff knew the number of actual versus allowed dwelling units per zone within the UGB, then rezoning would be a much easier process. Without current data, the evaluation process is less informed. The proposed rezone would reduce 7-11 potential dwelling units from the City's higher density land inventory. The City needs to address this shortage in a deliberate long range planning process to offset the loss.

When viewed within a smaller context office space would provide a better buffer between an arterial and the predominant office uses. The OC zone is not solely limited to general office use and allows restaurants and medical offices, which would have an impact on the neighborhood. Residential above commercial is more likely if it's located towards the back of the property away from the traffic and closer to Cedar Creek. Redevelopment of the property serves the public good because it provides a better tax base to serve Sherwood citizens. Redevelopment potential depends on the allowed uses of the property. The OC zone creates better conditions for redevelopment because it provides more options to a developer. Therefore, staff believes the proposed rezone meets the applicable criteria. Moreover, it is in the best interest of the City to encourage infill and redevelopment of existing lots that have easy access to public facilities, especially those located between Old Town and Six Corners.

Given the applicant has addressed concerns related to access management, circulation, marketability, and potential impacts of future uses, staff believes the standard are met, subject to conditions for mitigating planned transportation operation and capacity.

VI. RECOMMENDATION

Based on the staff review, findings of fact, and agency comments, staff recommends **APPROVAL** of PA 04-04, Hite House Property Plan Map Amendment, subject to the following conditions.

1. The effective date of the rezone shall be subject to the adoption of the Transportation System Plan (PA 04-03).

2. As part of the UGB concept planning process, evaluate areas to receive higher density dwellings to offset the loss of 7-11 dwelling units.
3. Amend the Comprehensive Plan and Zone Map and clearly mark with the implementing ordinance and effective date.
4. Provide a "Notice of Decision" to all those parties who provided testimony or requested such, and send a "Notice of Adoption" to DLCDC within five days of adoption by the City Council.
5. A deed restriction, as written in a memo from the City Attorney's office dated January 6, 2005, which includes a reciprocal access agreement and limits on the types of allowable uses, shall be recorded with Washington County and said copy of deed shall be submitted to the Planning Department prior to any development application being accepted for future redevelopment.

Attachments

- A. Letter of Request - Jim Patterson, City of Sherwood – November 22, 2004
- B. Applicant's Narrative – Dave Wechner, Wechner Consulting
- C. Existing Conditions Map - AKS Engineering & Forestry, LLC – December 3, 2004
- D. Vicinity Map – November 29, 2004
- E. Letter – Tony Reser of GVA Kidder Matthews – December 9, 2004
- F. Memorandum – City Attorney's Office – January 6, 2005
- G. Applicant's Follow Up Narrative – Dave Wechner, Wechner Consulting – January 7, 2005
- H. Conceptual Plan 1 and Conceptual Plan 2 – AKS Engineering & Forestry, LLC
- I. Memorandum – Addendum Staff Report – January 11, 2005