



ORDINANCE 2007-003

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN TO ADOPT AND IMPLEMENT AN ECONOMIC DEVELOPMENT STRATEGY

WHEREAS, The City, along with the Sherwood Urban Renewal Planning Advisory Committee (SURPAC) and with grant assistance from DLCD, hired a consultant team led by Cogan Owens Cogan, LLC to conduct a review of the existing economic development conditions and to develop an Economic Development Strategy (EDS) to expand job opportunities; and

WHEREAS, SURPAC, as the designated economic development advisory committee, held numerous meetings to gather public input and develop the economic development strategy; and

WHEREAS, the EDS "replaces" the original economic development portions from the 1991 Comprehensive Plan that complied with Goal 9 (Economic Development) of the statewide land use planning program and a plan amendment is necessary to accept the updated data provided in the EOA and to reflect the updated Goals, Policies and Objectives; and

WHEREAS, the new strategy must be implemented through the Comprehensive Plan (Part 2) to have the force of law for land use planning related decisions and to provide policy level guidance; and

WHEREAS it is understood that a more comprehensive update and review of the Comprehensive Plan will occur at a later date, but interim amendments are needed to ensure the Comprehensive Plan accurately reflects the economic conditions and needs of the community; and

WHEREAS, The proposal for a Plan Map Amendment (PA 06-06) to amend the Comprehensive Plan-Part 2, Chapter 3 and 4 and adopt a new Vacant and Redevelopable Employment Lands Map was subject to full and proper review and public hearings were held before the Planning Commission on November 14, 2006 and December 12, 2006; and

WHEREAS, the Planning Commission voted on December 12, 2006 to forward a recommendation of approval to the City Council based on the analysis and findings of the staff report contained in Exhibit A; and

WHEREAS, the City Council held a public hearing on January 16, 2007 and determined that the proposed changes to the Comprehensive Plan met applicable criteria.

NOW, THEREFORE, THE CITY OF SHERWOOD ORDAINS AS FOLLOWS:

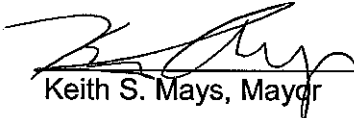
Section 1 - Approval.

- a. The City Council accepts the vision, goals and objectives (Exhibit A-1) and the Economic Opportunities Analysis (Exhibit A-2) as elements of the City's Economic Development Strategy.
- b. The City acknowledges the Action Plan (Exhibit A-3) as a guide to be used as a performance measure for SURPAC and staff to evaluate progress and ensure the long term economic success for the City.
- c. The City adopts the amendments as shown in Exhibit A-4 and Exhibit A-5 to implement the Economic Development Strategy and guide further policy discussions regarding economic development in the City. Approval of Exhibits A-4 and A-5 is based on the findings and conclusions in the staff report (Exhibit A) provided to the Planning Commission and forwarded to the Council with a recommendation of approval.
- d. The City also adopts the map identified as Exhibit A-2, Attachment 1 to be incorporated into Chapter 3 of the Comprehensive Plan, Part 2.

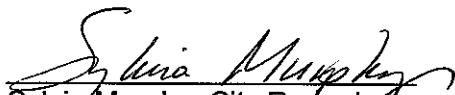
Section 2 - Manager Authorized. The Planning Department is hereby directed to take such action as may be necessary to document this amendment, including preparation of a certified amendment of the Official Comprehensive Plan in accordance with City ordinances and regulations.

Section 3 - Effective Date. This ordinance shall become effective the 30th day after its enactment by the City Council and approval by the Mayor.

Duly passed by the City Council this 16th day of January 2007.


Keith S. Mays, Mayor

ATTEST:


Sylvia Murphy, City Recorder

	<u>AYE</u>	<u>NAY</u>
Weislogel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Luman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
King	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Henderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Heironimus	<u>Absent</u>	<input type="checkbox"/>
Grant	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mays	<u>Absent</u>	<input type="checkbox"/>

**City of Sherwood
STAFF REPORT :**

November 7, 2006

File No: PA 06-06 – Economic Development Strategy

TO: Planning Commission
FROM: Kevin A. Cronin, AICP, Planning Supervisor

RE: PA 06-06 Economic Development Strategy initiated by the Planning Commission on October 24, 2006.

Signed: _____
Kevin A. Cronin, AICP

I. INTRODUCTION

This staff report and findings of fact is a compilation of a planning process for the creation of a new economic development strategy (EDS). This task appears on the 2006 Planning Commission Work Program related to a comprehensive long range planning effort. The EDS follows the new *Industrial & Other Employment Lands Analysis Guidebook* (2005) published by the Department of Land Conservation & Development (DLCD) to assist local governments in updating Goal 9 (Economic Development) and establish a coordinated strategy to expand employment opportunities. Sherwood is the first large city in Oregon to receive a grant and develop a proposal based on the new guidebook.

The EDS “replaces” the original economic development portions from the 1991 Comprehensive Plan that complied with Goal 9 of the statewide land use planning program. The new strategy must be implemented through the Comprehensive Plan (Part 2) to have the force of law for land use planning related decisions. Plan amendments are Type 5 applications (Section 3.201.01E) and require two public hearings, one before the Planning Commission with a recommendation to the City Council and a second before the City Council as the ultimate review authority.

The report is organized by the following sections:

- I. Introduction
- II. Background (Public Involvement & Proposal Overview)
- III. Affected Agency, Public Notice, and Public Comments
- IV. Type 5 – Legislative Plan Amendment Criteria & Findings of Fact
 - A. SZCDC – Section 4.203.01 Plan Text Amendment
 - B. Transportation Planning Rule (TPR) - OAR 660-012-0060
 - C. Statewide Land Use Planning Goals
 - D. SZCDC - Section 4.203.02 Plan Map Amendment
- V. Recommendation
- VI. Exhibits

II. BACKGROUND

A. Public Involvement

The City applied for and was awarded a technical assistance grant of \$35,000 from DLCD to conduct a review of the existing economic development conditions and to develop a plan to expand job opportunities. The City, along with the Sherwood Urban Renewal Planning Advisory Committee (SURPAC), hired a consultant team led by Cogan Owens Cogan, LLC in February 2006. Subsequently, SURPAC, as the designated economic development advisory committee, held numerous types of meetings to gather public input and develop the City's first economic development strategy based on the guidebook described above.

These meetings included: individual stakeholder interviews, regular SURPAC meetings open to the public, two public workshops, and a joint meeting with the Planning Commission. Throughout the planning process individual electronic notice was sent to an interested parties list. A project website was developed on the SURPAC homepage to provide a clearinghouse for all meeting materials. Copies of materials were also available for public use at City Hall. Monthly project updates were provided in the *Archer* portion of the *Sherwood Gazette* in addition to numerous newspaper articles that appeared in *The Oregonian* and the *Sherwood Gazette*. Although a separate technical advisory committee was not established for this process, staff and the consultants did request input from the following affected agencies:

- OECD
- DLCD
- Chamber of Commerce
- Sherwood School District
- Metro
- Regional Business Partners

SURPAC met periodically from January 2006 to October 2006 to review the consultant's findings and draft reports on the economic development strategy. Staff also conducted stakeholder interviews with four local businesses: Wellons, Steel Tek, Allied Systems, and Bilet Products. The following table is a summary of all the public meeting dates, types, and audiences conducted throughout the process to date:

Table 1: Economic Development Strategy Meetings

Date	Meeting Type	Audience
March 15, 2006	Public Meeting	SURPAC
April 19, 2006	Public Meeting	SURPAC
May 10, 2006	Workshop No. 1	General Public
June 21, 2006	Public Meeting	SURPAC
September 12, 2006	Chamber Breakfast	Chamber of Commerce
September 20, 2006	Workshop No. 2	General Public
October 18, 2006	Public Meeting	SURPAC

B. Proposal Overview

The Economic Development Strategy (EDS) addresses two components of a planned three part Economic Development Initiative. The first objective is to adopt the buildable land inventory and the current economic conditions and future opportunities report. Second, develop an action plan to implement the strategy. Third, establish an economic development program with staff to administer the strategy through an approved work program that is budgeted for fiscal year 2007-08. The work done to date includes the first two components. The plan amendment is necessary to implement the first component. As mentioned above, the 1991 Comprehensive Plan (Part 2) has sections that address economic development or “Goal 9” including “Chapter 3 – Growth Management” and “Chapter 4 – Land Use.” To this end, Chapter 3 includes the inventory for urbanization policies while Chapter 4 outlines the policy goals and objectives for economic development of employment lands.

The EDS is comprised of three elements: 1.) Goals, policies and objectives; 2.) the EOA; and 3.) the Action Plan. The anticipated results of the EDS are:

- (1) a unified vision and momentum to improve employment opportunities where none existed;
- (2) compliance with Goal 9 rules prior to the State mandated “periodic review” of the comprehensive plan beginning in 2008;
- (3) an educated response to Metro when employment land is being proposed as part of a UGB expansion to meet a 20 year supply for the region; and
- (4) future zone changes can be evaluated with current data. For example, a new zone change application to convert residential to employment land can be compared easily with the new inventory and medium growth scenario for future needs.

So, not only does the EDS set a policy direction for public sponsored economic development, it sets the table for future land use decisions. Again, to have the force or law, the plan must be referenced in the comprehensive plan by ordinance.

The primary purpose of this plan amendment is to address outdated policy maps for the existing buildable land inventory and update the goals, objectives, and implementation strategies. More specifically, the proposed plan amendment includes a new vision and amended plan policy goals and objectives (Exhibit 1), and an economic opportunities analysis (EOA) (Exhibit 2) with a new buildable lands inventory referred to as the “Vacant and Redevelopable Employment Lands” map. (NOTE: This map is an appendix to the EOA). This new map “replaces,” at least in policy terms, the existing “Vacant Industrial Land Map” and “Vacant Commercial Land Map” (Exhibit 6) in Chapter 4 of the Comprehensive Plan (Part 2)¹. At this time, staff does not recommend wholesale replacement of sections to Chapter 3 and Chapter 4, but a reference to the more updated information provided in the EOA and the vision and goals. In the meantime, staff has included Exhibit 4 & 5 to demonstrate the complexity of such an undertaking with two “track changes” versions.

¹ Comprehensive Plan (Part 2), 1991, May IV-1, p. 34, Map VI – 2, p. 36

It is understood that a more complete and detailed evaluation of the entire comprehensive plan will occur during “periodic review,” However the proposed amendments will ensure the EOA has the force of law and can be implemented. Although the new EDS will guide decision-making for the next twenty years, the existing 1991 policies are consistent with the new plan and staff has made findings below to demonstrate compliance.

As mentioned above, the full three part EDS includes an action plan (Exhibit 3) that will guide the administration of an economic development program. As this is a guide and not a policy, it does not need to be adopted as part of a land use action. It will be used as a performance measure and evaluated by SURPAC with staff to track progress. The Planning Commission has an *ex officio* member that can provide input and shape the action plan.

III. AFFECTED AGENCY, PUBLIC NOTICE, AND PUBLIC COMMENTS

The City of Sherwood sent electronic notice to affected agencies on October 10, 2006. To date no comments have been received. DLCDC was provided notice on September 28, 2006 that met the required 45-day notice. Type 5 applications do not require direct notice to property owners. However, e-notice was sent to an interested parties list on October 12 and November 6 that advertised the November 14, 2006 meeting. This list has been maintained throughout the process and includes business owners, property owners, and developers. Staff also worked directly with the Sherwood Chamber of Commerce to advertise the workshops, administer a web-based survey, and communicate to their membership about attendance at regular meetings. This was done through their e-mail database and mailed postcards. As of the date of this staff report, no written comments have been submitted from the public that have not already been factored into the strategy.

IV. REQUIRED FINDINGS FOR A TYPE 5 PLAN AMENDMENT

The required findings reference the applicable policies and maps described below to implement the Economic Development Strategy. The applicable criteria in the City of Sherwood Comprehensive Plan Part 2 & Part 3, Transportation Planning Rule (TPR), and Statewide Land Use Planning Goals are referenced with *italics*.

The City shall find that the following criteria are met by the proposed amendment:

A. Section 4.203.01 Text Amendment Review Criteria

“An amendment to the text of the Comprehensive Plan shall be based upon the need for such an amendment as identified by the Council or the Commission. Such an amendment shall be consistent with the intent of the Comprehensive Plan, and with all other provisions of the Plan and Code, and with any applicable State or City statutes and regulations.”

Comprehensive Plan (Part 2) Compliance: The City finds that the proposed policies comply with existing Comprehensive Plan (Part 2), Chapter 4 – Land Use Element, as follows:

- Chapter 4:*
- 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.*
- Policy 2* *The City will encourage economic growth that is consistent with the management and use of its environmental resources.*
- 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 (Page 30-31).*

Finding: The above policies are consistent with the proposed policies that are described in the EDS. The Vacant and Redevelopable Lands Map (i.e. Buildable Lands Inventory) illustrates areas slated for future development. These areas are primarily within city limits and do not account for Area 48 (Quarry Area) that was added to the UGB in December 2004. Area 48 will not be added until it is concept planned and serviceable. Goal 5 resources and a future boundary with the City of Tualatin will reduce a portion of the 435 gross acres in Area 48 for eventual development.

The new policy goals and objectives (Exhibit 1) are consistent with the above policies and reiterate the need to make investments in public facilities, workforce training and education, coordination with affected agencies, and executing economic development that either enhances or has no ill effects on the environment. The EOA updates all the hard data (buildable land, employers, payroll, business sectors, etc.) and the policy goals and objectives reiterate and refine the original goals. The action plan identifies various partners to implement the EDS and is consistent with Policy 1.

B. Transportation Planning Rule (TPR): The City finds that the proposal either does not apply or complies with applicable requirements of the state Transportation Planning Rule (OAR 660-12-0060) Plan and Land Use Regulation Amendments:

- (1) 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. This shall be accomplished by either:*
- (a) Limiting allowed land uses to be consistent with the planned function, capacity, and performance standards of the transportation facility;*

Finding: The City does not propose changes to the LOS policy, underlying land uses, zones, add land, or policies that would be detrimental to the transportation system. The strategy is to expand existing businesses before new land is zoned and serviced. However, the proposed strategy does recognize the need to make public investments in transportation especially the I-5/Highway 99W Connector and Tualatin-Sherwood Road before distribution and transportation dependent

businesses will locate and expand in Sherwood. The Transportation System Plan identifies both projects as essential to connectivity, adding capacity, and efficient movement of goods and services, which is a key element of any economic development strategy. The standard is met.

C. Statewide Land Use Planning Goals

Goal 1: Citizen Involvement

As mentioned previously, the City held various meetings that resulted in a recommendation from SURPAC to the Planning Commission, and eventually to the City Council. The Planning Commission is the designated Citizen Involvement Committee under Goal 1. The Commission provides advisory recommendations to the City Council for review and adoption. A summary of public involvement, including a list of public meetings, can be found under the “Background” section of this staff report.

Goal 2: Land Use Planning

The planning process weighed a number of economic development growth scenarios (low, medium, & high) that require varying degrees of land. The consensus was to use a medium growth scenario that utilizes existing land to expand business, grow small entrepreneurs, and then attract new employers as the City establishes a track record of success. No new land is proposed at this time. If during the periodic review and/or implementation of the goals and strategies, the zone for land is proposed to be changed, the proposal would need to comply with the applicable zone change criteria including Statewide Planning Goal 2.

Goal 3: Agriculture

This goal does not apply.

Goal 4: Forestry

This goal does not apply.

Goal 5: Natural Resources

While this goal is not directly applicable to the economic development strategy, the proposed EDS recognizes the benefits of the natural resources to the quality of life which in turn attracts an educated workforce to live and work in Sherwood.

Goal 6: Air and Water Quality

Sherwood is located in the Portland Metropolitan Air Quality Management Attainment Area. The proposal does not directly address air and water quality, but policies are in place that recognizes a healthy environment is a key component of any strategy.

Goal 7: Natural Hazards

This goal does not apply.

Goal 8: Recreation

While this goal is not directly applicable to the economic development strategy, a Parks Master Plan is proposed in accordance with Goal 8. Having a solid community in which to both live and work will help to attract business to a community.

Goal 9: Economic Development

The proposal addresses this very goal. This new economic development plan will replace the Goal 9 section of the Comprehensive Plan (Chapter 4, Section F, G and H) as shown in Exhibit 5. The new economic development strategy follows the new Goal 9 rules (OAR 660-009) that were adopted by LCDC in December 2005.

Goal 11: Public Facilities

The EDS identifies the need to invest in public facilities to spur job growth. It does not identify specific projects. The City is updating its Sanitary Sewer and Stormwater Master Plan to comply with Goal 11 and related rules. This will provide the appropriate opportunity to address policy connections between the EDS and future facility needs.

Goal 12: Transportation

The Transportation System Plan was adopted in March 2005 which identifies needed infrastructure projects related to transportation. Improvements to the transportation system will help to attract new business and spur expansion of existing businesses.

Goal 13: Energy Conservation

This goal does not apply directly.

Goal 14: Urbanization

This goal does not apply.

D. Section 4.203.02 Map Amendment Review Criteria

An amendment to the City Zoning Map may be granted, provided that the proposal satisfies all applicable requirements of the Comprehensive Plan and this Code, and that:

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

Finding: The request is to update the Comprehensive Plan with new policies and objectives. The new policy is based on a buildable land inventory, which is a map that illustrates the vacant and redevelopable lands remaining in Sherwood. The BLI is an appendix to the EOA (Exhibit 2) that documents existing conditions, employers, business sectors, payroll data, business climate, and regional issues. The proposal along with the action plan will help guide policy makers on future economic development as well as required concept plans for UGB additions (Area 48). Although the applicable criteria are specific to the Sherwood Zone and Plan Map, the Comprehensive Plan includes various policy maps that illustrate the overall goals, objectives, and strategies. Therefore the proposed plan amendment needs to and does comply with the first criterion. As discussed above under “C”, the proposed map is consistent with state policy as well. The Urban Growth Management Functional Plan is based on the 2040 Regional Growth Concept Map that illustrates design types. This proposal does not identify specific properties for zone changes, but does provide the background data if

the City or third party wants to propose one. Based on the above analysis and findings, the standard is met.

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.

Finding: Through the in depth development of the strategy, the need for economic development was clearly demonstrated. The proposed policies and map illustrate existing conditions and identify areas of general concern to spur job growth. The proposal does not suggest new zoning designations. The standard is met.

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.

Finding: Since the last update to the Comprehensive Plan was completed in 1991, the population of Sherwood has increased by 12,000 new residents, but job growth has not kept pace. Sherwood has 15,000 people, but only 4,315 employees and 437 businesses. This equates to about 30 jobs for every 100 residents. The medium growth scenario recommended by SURPAC, if implemented according to the strategy, will rebalance this ratio to 32 percent (9,622 jobs) in 2025². Clearly, the proposal is timely given the rapid level of population growth since 1991 when previous plans were developed and approved. The action plan outlines the strategies while the proposal documents the need. Therefore, the standard is met.

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.

Finding: Ostensibly, this criterion is intended for zone change applications for land inside the city limits instead of new master plans or UGB additions. Therefore, this standard does not apply.

V. RECOMMENDATION

Based on the above findings of fact, and the conclusions of law based on the applicable criteria, staff recommends the Planning Commission forward a recommendation for approval to the City Council of the plan amendment (PA 06-06), subject to any amendments, and the following conditions:

1. Prepare an ordinance for City Council review and a public hearing as required for a Type 5 – Legislative application.

² Economic Opportunities Analysis – October 3, 2006, p. 25

2. Replace all applicable plan maps and clearly mark with new adoption dates.
3. Upon Council approval send a “Notice of Adoption” to DLCD within five calendar days and a Notice of Decision to interested parties who requested such.

VI. EXHIBITS

In addition to all the reports, findings, and maps from the planning process, the applicable portions of the Economic Development Strategy includes the following exhibits:

- Exhibit 1: Vision, Goals, and Objectives dated November 7, 2006
- Exhibit 2: Economic Opportunities Analysis dated October 3, 2006
- Exhibit 3: Recommended Action Plan dated November 6, 2006
- Exhibit 4: Comprehensive Plan – Part 2 – Chapter 3 (track changes)
- Exhibit 5: Comprehensive Plan – Part 2 – Chapter 4 (track changes)
- Exhibit 6: Comprehensive Plan – Chapter 4; Vacant Industrial Land Map and Vacant Commercial Land Map dated December 1990



Home of the Tualatin River National Wildlife Refuge

Vision, Goals and Objectives

November 6, 2006

Vision Statement

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.

Goals and Objectives

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.

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.
- Objective: Promote Sherwood as the “Gateway to the Oregon wine country.”
- Objective: Address the lack of hotels or other bed and breakfast lodging within the city limits to increase Sherwood’s tourism potential.

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.

Goal: Develop a local workforce of residents whose skills are compatible with the needs of local businesses.

- Objective: Identify the workforce needs of local employers.
- Objective: Provide workforce training for Sherwood residents.

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Home of the Tualatin River National Wildlife Refuge

Economic Opportunities Analysis

October 3, 2006

Introduction

This Economic Opportunity Analysis (EOA) is intended to identify emerging economic opportunities within the Sherwood Urban Growth Boundary (UGB). This work includes a buildable lands inventory and an Economic Opportunities Analysis consistent with the rules and requirements of Oregon Land Use Planning Goal 9 (Economy), OAR 660-009-0015, and the “Industrial and Other Employment Lands Analysis Guidebook” (2005).¹

Topics and sections contained in this document include:

- Methodology
- Economic Growth Trends
- Population and Employment Trends
- Sherwood Land Demand
- Sherwood Land Supply
- Reconciliation of Land Demand and Supply
- Special Siting Requirements
- Summary and Next Steps

Community economic growth rarely occurs as a result of random events. To encourage economic growth, communities should regularly evaluate their resource strengths (physical and human) and assess potential economic market opportunities and then implement strategies aimed at aligning resources with markets to achieve economic growth objectives.

¹ Oregon Department of Land Conservation and Development, Goal 9 Industrial and Other Employment Lands Guidebook, by Cogan Owens Cogan and Otak, Inc., 2005.

As an example, communities rich in environmental resources can develop plans to leverage tourism spending and create local employment in value-added environmental goods and services, such as specialty construction contractors, nursery products, and environmental design services. Similarly, communities rich with labor resources can develop institutions and networks to educate and train people, and exchange creative ideas that support new and existing business expansion. Consequently, a highly skilled labor force can be attractive to high wage employers looking for a stable and qualified workforce.

A web-based survey was developed to assess the business climate in Sherwood. Postcards were mailed to the Sherwood Chamber of Commerce membership asking for their input to gauge economic conditions and solicit recommendations to improve the business climate. The results of this web-based survey, and direct interviews with five business stakeholders are incorporated into this EOA analysis, and will be used to develop the overall economic strategy.

Methodology

The method used to conduct this work complies with the Oregon Department of Land Conservation and Development's Industrial & Other Employment Lands Analysis Guidebook.² Additional guidance for completing Goal 9 findings is also provided in the Oregon Land Conservation and Development Commission's recently adopted Goal 9 administrative rule amendments.³

The steps used to complete this work are described below.

1. Review historical population and employment trends data.
2. Describe national, state, and local economic trends.
3. Review information from City regarding expansion plans by major employers.
4. Compile ES 202 wage and salary employment data for the City of Sherwood and conduct industry clusters analysis to ascertain emerging economic development characteristics.
5. Describe site requirements for industrial and commercial users that are likely to locate in the planning area.
6. Review inventory of buildable land and availability of public services.

² Oregon DLCD Industrial & Other Employment Lands Analysis Guidebook, prepared by Cogan Owens Cogan and Otak, December 2005.

³ Goal 9 Rule amendments were made to OAR Chapter 660, Division 9 by the Oregon Land Conservation and Development Commission in January 2006.

7. Prepare growth rate forecasts, under low, medium, and high development projections, depending upon economic strategies to address industry clusters.

Economic Growth Trends

International and National Overview

The economic fortunes of the greater Portland-Vancouver Metropolitan Region and the City of Sherwood are linked with economic expansion of the United States and the global marketplace. World-wide economic expansion (as measured by gross national product) is forecasted to increase at a rate of 3.5% over the next 10 years according to the International Monetary Fund. This long range forecast is lower than the 4.9% expansion in world wide growth that is expected to occur over the 2005-2006 period.

Economic growth within the United States is tracked by the Bureau of Labor Statistics (BLS), which also prepares 10-year growth forecasts. BLS economic forecasts are based on a general view of the national economy, labor force growth rates, unemployment assumptions, exports and imports, consumer spending, and other economic variables. Their job growth forecasts are made for 700 occupations and 250 industries and take into account changes in technology and employers' staffing patterns and business practices. According to the BLS, major trends for the U.S. economy include:

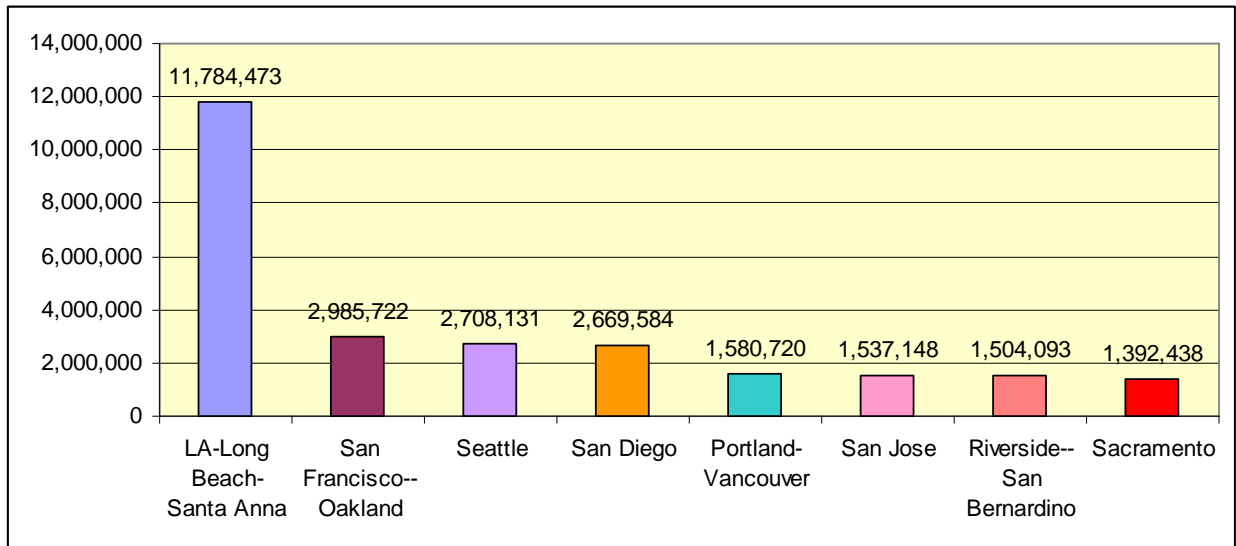
- Gross domestic product (GDP), which measures the output of goods and services in the economy, is projected to grow by an annual average rate of 3.4%.
- Public and private investment is expected to grow by 5.2% annually, more than 1 ½ times the rate of economic growth in the GDP.
- Employment over the next 10 years is expected to expand by about 1.5% annually, down from 1.7% over the past decade.
- The services and retail sectors are expected to account for over three quarters of all job growth. Most of this growth will be concentrated in health services, business services, educational services, and engineering and management services.
- Within the goods producing sector, construction and manufacturing are expected to add about 1.4 million jobs, which is 6.3% of the total job growth.
- The aging “baby boom” population (those born between 1946 and 1964) will lead to an increase in workforce over the age of 55. Socioeconomic and demographic factors are expected to favor greater labor force participation rates by women and minorities.

Regional and Local Development Overview

As a participant in the global and national market place, the Portland-Vancouver CMSA includes seven counties in Oregon and Washington that comprise the regional economy.⁴ Within the CMSA, the Metro Regional Government is responsible for land use planning, growth management, and to a lesser degree economic development within the Metro Planning Area, which consists of portions of Washington, Multnomah and Clackamas Counties. The Oregon Employment Department also has identified a subset of this region as Region 2 (Washington and Multnomah Counties) for 10-year employment growth forecasting.

The Portland-Vancouver CMSA is the largest economy situated between San Francisco and Seattle and ranks 5th in the Western United States in terms of population (**Figure 1**). The Portland-Vancouver Region had more than 1.58 million residents in year 2000. There are more than 946,000 workers in the Portland-Vancouver Region with a total payroll in excess of \$33 billion. Steady positive growth has been occurring within the greater Portland-Vancouver Region for more than a decade, with employment and payroll increases in each year except between 2000-2001, during the national recession.

Figure 1. Population within West Coast Urbanized Regions, 2000 Census



⁴ The MSA consists of Oregon Counties: Washington, Multnomah, Clackamas, Yamhill, Columbia; and Washington Counties: Clark and Skamania.

Much of the existing and planned development within the greater Portland-Vancouver Region is concentrated along the I-5 corridor. Business within the I-5 corridor has been holding steady or expanding in recent years. According to the Oregon Industrial & Business Parks Guide 2005, the I-5 corridor, which extends from Highway 217 to Wilsonville (and extends to the eastern limits of Sherwood) is expected to experience an upturn in the near future with increasing absorption and declining vacancies. Factors that are contributing to this growth include:

- Diverse mix of commercial and industrial land sizes and building types, including flex, distribution, office, manufacturing, and multi-tenant industrial properties.
- Relatively favorable access to I-5 and I-205.
- Accessibility to public facilities, regional labor force and market centers.
- Good schools and reputation for high quality of life.
- Relatively lower costs of doing business than in neighboring Multnomah County.

These factors combined with favorable private investment markets have led to several private real estate investments for various types of commercial, industrial, and institutional projects. Selected recent developments in the I-5 corridor submarket include:

- Opus Development completed Bridgeport Village, a retail “lifestyle center” with several national chain stores and a food store near I-5 at SW Boones Ferry Road.
- Wilsonville Distribution Center, located adjacent to the North Wilsonville I-5 interchange, was completed with 250,000 square feet of warehouse space.
- A new speculative office building at Meridian Business Park in Lake Oswego.
- La-Z-Boy Furniture warehouse/showroom in Tualatin.
- Laika Entertainment announced plans to build a 30-acre campus to house Phil Knight’s animation studio in Tualatin with a planned opening in 2008. The company plans to grow to 600 workers by that time. The site is located near SW 118th Street and Leveton Drive.

Sherwood’s location within the greater Portland-Vancouver Metro Region and rapid transformation from a small rural community to a suburban “edge city” continues to create economic development opportunities and challenges. Within the Sherwood area, there are major public and private developments underway. Public projects include federal, state, and local efforts, such as:

- Tualatin National Wildlife Refuge opened to the public on June 3, 2006 as an important natural resource center that hosts 30,000 migratory species of birds along the banks of the Tualatin River. The refuge included a \$4.6 million public investment and offers 1,300 acres of open space, environmental learning opportunities, and pathways.
- The Sherwood Urban Renewal District is completing a major downtown streetscape project.
- The City of Sherwood recently completed a new City Hall/Library building in downtown. The former city hall building was sold to a private investor, who is now leasing it to small businesses.

- The former City Engineering offices are being leased as incubator space for emerging small businesses in Sherwood.
- Planning and development of the Tonquin Road area (Area 48) and other future Metro UGB expansion areas, including 300 acres in Southwest Tualatin and over 150 acres in Wilsonville.
- The Oregon Department of Transportation is evaluating a new major arterial roadway connection between I-5 and Highway 99W. One possible corridor that is being considered is located just south of the existing Sherwood UGB.
- Retail development projects include a new Target store as part of a sub-regional shopping center.

There are important challenges to effective long-term planning in Sherwood that are now playing out in Oregon and the region.

One recent planning challenge is the impact of Ballot Measure 37, which was approved by Oregon voters in November 2004, and upheld by a higher court ruling in Spring 2006. This measure dictates that governments either pay compensation to property owners if zoning regulations reduce property values or allow waivers to be granted to exempt property owners from current zoning restrictions.

Hence, this measure would allow certain property owners to construct uses that were once allowed at the time before recent zoning measures were adopted. Measure 37 will likely result in increases in housing development in the area surrounding the Sherwood city limits. An increase in housing would induce demand for commercial retail, office and public facilities, including public schools in Sherwood.

Another challenging issue that may increase institutional land demand in Sherwood is the perceived lack of higher education institutions that can meet the hiring needs of larger employers. The perception is that in-migration of labor into the Portland Metro Region will continue to fill the perceived “gap” in providing a well educated work force. The Portland Metro Region could fill this void with the development of world class institutions, such as Oregon Health Science University (OHSU). New or expanded satellite campuses for higher education that offer both two and four-year college degree programs will be needed over the 20-year planning horizon.

Effective economic development strategies must also confront challenges regarding cost effective delivery of adequate project ready sites. At issue is the additional industrial land supply that was brought into the Portland Metro UGB in 2002 and 2004. While the majority of this land does not yet have adequate public roads, sewer, and water lines, the supply increase will likely create a short term industrial land surplus. Hence, Sherwood must carefully evaluate prospective land absorption and return on public investment before making major fiscal expenditures aimed at increasing its industrial land base.

Sherwood Business Survey Results

To better understand current local business perceptions regarding growth and related issues, the City of Sherwood and its consultant team conducted an online business outreach survey in May 2006. The survey, so far, has yielded 32 surveys from a variety of small service and retail/commercial operations. Supplemental information was also provided through five direct interviews with local employment managers to understand their unique perspectives.

While the surveys and interviews are not statistically valid, they do indicate potential “tell-tale” signs regarding economic and business perceptions. Some key findings from the survey and interviews include:

- The majority of businesses that participated in the survey (85%) are small, with less than 10 employees.
- A few very large employers (with more than 50 employees) also participated in the survey and interviews.
- Almost two-thirds of the survey participants are “long timers”, having been in Sherwood for more than five years.
- Over half of the business respondents indicated that they have plans to expand their operations.
- One half of the respondents indicated that they have no room to expand on their current site.
- One out of four survey respondents indicated that they would need to find a different location in order to grow.
- With regard to Sherwood as a place to do business, the vast majority (84%) rated Sherwood as “good” or “excellent”. No respondent indicated that the city was a “poor” place to do business.
- Sherwood’s primary strengths are perceived to be: location, growth potential, diverse/healthy local economic base, and access to markets/customers.
- Major weaknesses are perceived to be: high land costs/rents and traffic congestion. A lack of qualified labor (for manufacturing operations) was another weakness that was mentioned.

Sherwood’s Economic Strengths and Weaknesses

Sherwood’s physical, economic, demographic, and cultural characteristics set the framework within which businesses can establish themselves and grow. Depending on the industry, a certain characteristic can be both an opportunity and a constraint to job creation. An analysis of Sherwood’s context can help narrow down the list of target industries as well as identify where policies could be adjusted to help remove barriers to job creation.

Physical and Social Attributes

Location and Geography

Sherwood is located within the southern end of the greater Portland-Vancouver Region, in the upper Willamette Valley, approximately 5 miles west of I-5. Sherwood's terrain is relatively flat, with some moderate hills along the south side of the urban area. Its reputation as a small community with excellent quality of life, good schools and good labor market access has made it an ideal location for a variety of manufacturing operations. Emerging recreational industries, oriented towards wineries in the nearby Yamhill Valley, and adjacent outdoor recreation at the Tualatin River National Wildlife Refuge are now serving as amenities to Sherwood's residents and visitors.

Transportation

Sherwood is located along Highway 99 West, approximately 5 miles west from I-5. Rapid growth within the southern portion of the greater Portland-Vancouver Region has created transportation bottlenecks during peak travel periods along routes leading to/from I-5, such as Tualatin-Sherwood Road. Hence, the Oregon Department of Transportation is in the early stages of considering a new limited-access roadway connection between Highway 99 East and I-5, within a corridor south of the existing Sherwood city limits.

Manufacturing and distribution users usually seek out sites that have good truck transportation access to interstate freeways. Thus, Sherwood's distance from I-5 and existing traffic congestion make it an unlikely destination for large-scale industrial or distribution employers until a new east-west connection is established. Although Sherwood is located along the Portland & Western rail line this freight option is being used less often over trucking, which until recently was a cheaper option. A continuation and prolonged higher labor and fuel costs may rebalance the transportation market share. However, as noted earlier, Sherwood's community character and quality of life will likely make it a good candidate for sub-regional and local employers in addition to relatively good access to Portland and Hillsboro Airports, and Port of Portland and Vancouver distribution points.

Utilities

There are no known natural gas or telecommunications limitations within the City of Sherwood that would curtail long-term growth. A long term water source is being developed and sanitary sewer improvements are being made to the Durham Treatment Plant. If a long term water source is not secured then this would effectively postpone and potentially prohibit additional economic development in Sherwood. Existing public facility plans are now in the process of being updated, and the results may change these general findings.

Quality of Life

While difficult to measure, the quality of life of a community can be a significant economic development tool. Good schools, quality retail, an attractive downtown, and cultural and

recreational amenities make Sherwood a desirable place to live. There is also a correlation between the location of a business and the proximity to the owner's home. Therefore, by being an attractive community for business owners to live in, Sherwood can attract jobs from employers who want to set up their business close to home. In interviews, Sherwood stakeholders consistently noted that the quality of life and its "small town" feel were attractors to businesses and business owners.

Opportunities and Constraints Summary

The transportation constraints in Sherwood will likely have the greatest impact on the types of industries that will locate, expand and invest. Industries that have large amounts of truck traffic are not likely to locate in Sherwood and can be excluded from the target industry list. Similarly, the relative proximity of emerging "green field" industrial sites in Tualatin, Wilsonville and Hillsboro will likely have a relative competitive advantage to attracting industries that require large amounts of land and efficient transportation access. Local and sub-regional commercial, light industrial and institutional development activities appear to have the greatest development potential within Sherwood in both the near- and long-term.

Population and Employment Trends

Population and employment often drive the demand for new buildings, land development, and the need for public roads and other infrastructure, including schools and public facilities. Population growth and corresponding household formations lead to increases in consumer buying power, which in turn strengthens the local market for commercial retail development. Population growth also increases the local labor force, which feeds local employment expansion.

Table 1. Population Trends

	1990	2000	2005*	Annual % Change 1990-2000 (AAGR)	Annual % Change 2000-05 (AAGR)
Sherwood City	3,093	11,791	14,940	14.3%	4.8%
Washington County	311,554	445,342	489,785	3.6%	1.9%
Oregon	2,842,321	3,421,399	3,631,440	1.9%	1.2%
USA	248,709,873	281,421,906	296,410,404	1.2%	1.0%

Source: US Census for 1990 and 2000 and Portland State University for 2005.

**Center for Population Research, Portland State University, July 2005 estimate.*

As indicated in **Table 1**, the City of Sherwood has been increasing in population at a much faster rate than Washington County, Oregon, and the nation. Sherwood population is estimated at 14,940 as of July 2005. Growth in Sherwood has slowed somewhat since the decade of the 1990s, but still added about 630 people per year, which is a considerable amount for a city of 14,940 residents.

New residents moving into Sherwood have relatively high income levels, which is important factor for supporting new commercial retail development. As shown in **Table 2**, median household income levels in Sherwood reached \$62,518 during the 2000 Census, up 132% from the level reported a decade earlier. At the start of the 1990s, the average income level in Sherwood was significantly below Washington County, Oregon, and the nation. That statistic completely reversed by the year 2000, with Sherwood's income levels exceeding the county, state and nation!

Table 2. Income Trends, 1990 & 2000

	1990 Median Household Income	2000 Median Household Income	% Change 1990-2000
Sherwood	\$26,835	\$62,518	132%
Washington Co.	\$35,554	\$52,122	47%
Oregon	\$27,250	\$40,916	50%
USA	\$30,056	\$41,994	40%
	1990 Per Capita Income	2000 Per Capita Income	% Change 1990-2000
Sherwood	\$11,337	\$25,793	128%
Washington Co.	\$16,351	\$24,969	52%
Oregon	\$13,418	\$20,940	56%
USA	\$14,420	\$21,587	50%

Source: US Census for 1990 and 2000 reflects income earned in years 1989 and 1999.

Other interesting findings from the 2000 U.S. Census include:

- The median age of Sherwood's residents was 31.4 years, which is less than the County's median age of 34 years, but on par with the state and national median age.
- Educational attainment by local residents is higher in Sherwood than Washington County or the State of Oregon. Over 94% of the Sherwood population, over the age of 25, had earned a high school degree and nearly 36% had earned a college bachelor's degree or higher. State wide educational attainment was 85% for high school degrees, and 25% for bachelor's degrees.
- As to be expected in light of the rapid population growth, nearly 75% of Sherwood's population resided in a different house in 1995 than they did in year 2000.
- Sherwood residents have a very high labor force participation rate (over the age of 16 that is actively working or seeking work) of almost 80%. The unemployment rate among the City's labor force was only 2.6% in year 2000, which is much lower than both Washington County (3.3%) and the State of Oregon (4.2%).
- Residents in Sherwood primarily commute to work by driving alone (83%) or carpooling (7%), or use public transportation (4%).
- There is a relatively high level of people that work from their homes in Sherwood (5.2%) compared to Washington County (4.5%) or the State of Oregon (5.0%).
- Given the relatively high income levels in Sherwood, the poverty status is very low at 1.5% of local residents. The percent of families below the official poverty level was 4.9% in Washington County and 7.9% for the State of Oregon.

The expanding population and income base within Sherwood, and the relatively well educated populace, are appealing factors for retaining and attracting new commercial retail, office, light industrial and institutional (particularly public school facilities) and other economic development types over the foreseeable future.

Employment growth is attributed to existing local businesses that are expanding and in need of adding workers. Most new job growth is attributed to the expansion of existing businesses, which are estimated to account for 80% or more of total job growth.⁵ Business relocations and expansion of new facilities are other generators of employment growth.

According to the Oregon Employment Department, the number of workers within the Washington/Multnomah County Region totaled 650,200 non-agricultural workers in 2004. Future employment forecasts anticipate a 1.5% annual expansion of the regional job base to 755,100 workers by year 2014. Please refer to **Table 3**.

⁵ This finding is referenced in the Greater Portland-Vancouver Regional Industrial Land Study, Phase 3 Report, 2001 by Otak.

Table 3. Regional Employment Forecast for Washington/Multnomah Counties

Employment Sector	2004	2014	Change	Annual Percent Change (AAGR)
Professional & Business Services	91,000	117,900	26,900	2.6%
Educational & Health Services	78,800	95,400	16,600	1.9%
Leisure & Hospitality	59,200	70,100	10,900	1.7%
Construction	31,300	36,500	5,200	1.5%
Information	17,800	20,600	2,800	1.5%
Other Services	23,800	27,200	3,400	1.3%
Trade, Transportation and Utilities (TCU)	132,400	151,100	18,700	1.3%
Financial Activities	48,600	55,200	6,600	1.3%
Government	86,000	95,700	9,700	1.1%
Manufacturing	80,700	84,800	4,100	0.5%
Natural Resources & Mining	600	600	0	0.0%
Total Non-farm Payroll	650,200	755,100	104,900	1.5%

Source: State of Oregon Employment Department, at place of work "covered" employment.

The analysis utilized for this Economic Opportunities Analysis assumes there are three general classifications for employment land: industrial/other (includes construction, information, portion of TCU, manufacturing, government, and natural resources/mining); retail (includes portion of TCU);

and services (includes professional & business services, educational & health services, leisure & hospitality, other services, and financial activities). Variations in data sources prevent direct comparisons between tables.

The employment sectors that are expected to generate the most job growth over the next 10 years in the Washington/Multnomah 2-County Region are shown in **Figure 2** and include:

- Professional and Business Services (26,900 jobs)
- Trade, Transportation, and Utilities (18,700 jobs)
- Educational & Health Services (16,600 jobs)
- Leisure & Hospitality (10,900 jobs)
- Government (9,700 jobs)
- Financial Activities (6,600 jobs)

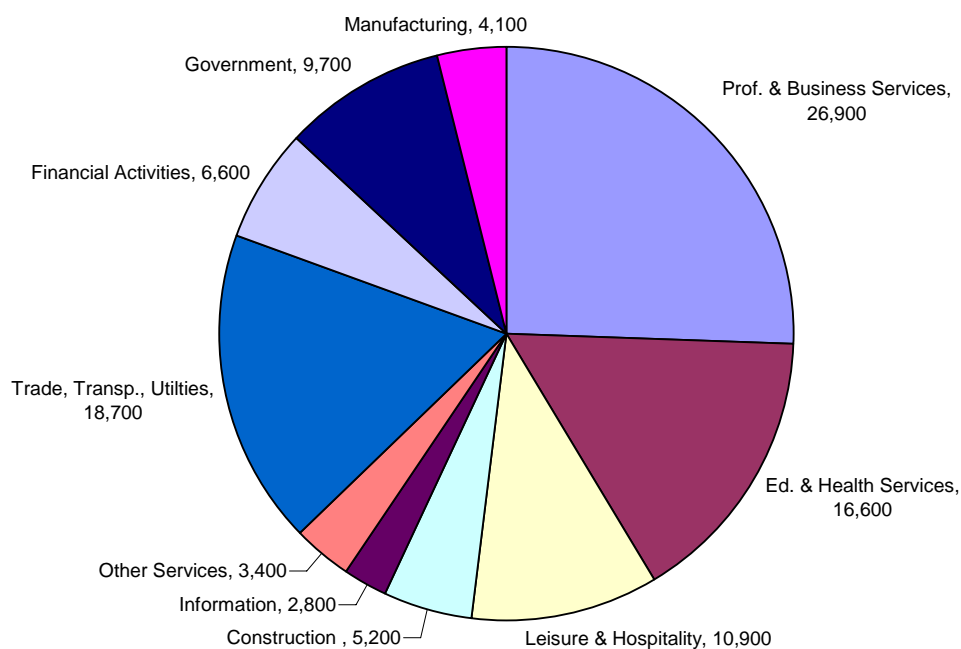


Figure 2. Projected Job Growth in Washington & Multnomah Counties: 2004-2014

According to the Oregon Employment Department, there were approximately 437 business establishments in the City of Sherwood with 4,315 workers covered by unemployment insurance in 2004. It should be noted that these estimates of employment often have a very high margin of error as the geography gets smaller. Hence, these data are considered to be a rough approximation of employment within the Sherwood vicinity. The data also likely exclude small home based businesses, which accounted for about 5.2% of the local labor force or 337 workers in year 2000.

The largest local employers in Sherwood are summarized in **Table 4**.

Table 4. Major Local Employers in City of Sherwood

Location	Product/Service	Employees*
Sherwood School District	Public School	383
Allied Systems	Cranes, Heavy Equipment	326
Target	Retail/Miscellaneous	220
YMCA	Family Fitness	150
Home Depot	Retail Home Improvement Center	123

* Includes total reported employment estimates.

Source: City of Sherwood Planning Department, 2006.

Industry Clusters Analysis

Otak prepared an employment clusters analysis for the City of Sherwood to identify existing and emerging industry market opportunities. It is a widely accepted theory among economic development professionals that “employment clusters” are the primary force driving local economic currents and business location decisions. Clusters of economic activity go well beyond mere concentrations of industry or employment types. They represent unique competitive market advantages with regard to employment, work force, creativity, entrepreneurship, business costs, and supporting natural resources.

The employment clusters analysis helped identify potential industry sector candidates for subsequent interviews. The process entailed:

1. Obtaining Employment Security (ES202) wage and salary employment data from the Oregon Employment Department for Washington County and the State of Oregon for the year of 2004.
2. Conducting a location-quotient (LQ) analysis to evaluate business and industrial clusters in the City relative to the State of Oregon.
3. Evaluating business clusters within the City of Sherwood with regard to the LQ, projected growth rates, economic size of each cluster, and average wage rates.
4. Classifying each business cluster with regard to one of four classifications, including:
 - I. Businesses with high LQ (propensity to locate in City) and higher than average projected growth rate compared to other locations in Oregon.

- II. Businesses with low LQ and high average growth rate (possible pent up demand or competitive market disadvantage relative to other locations).
- III. Businesses with high LQ but lower than average growth rate.
- IV. Businesses with low LQ and lower than average growth rate.

Otak identified potential target sectors based on the above mentioned LQ analysis and business sector evaluation, and indicated existing business contacts that fall into these target market categories. Target clusters are often used to develop specific economic development marketing materials, and to enhance local networking groups. Preferred target sectors are often located in Sector I (high LQ/high growth) or Sector II (low LQ/high growth). Local economic development experts also tend to focus on industry clusters that pay above average wage rates, which are identified in red fonts (**Figure 3**).

The employment cluster analysis summarized in Figure 3 identifies the business and industrial sectors within the City of Sherwood by their LQ, size and growth potential. Each sector has been analyzed by their North American Industrial Classification System (NAICS) code. This code is used by the federal government to classify types of businesses for tax accounting and economic research purposes. The data was derived from the OEA ES202 wage and salary employment statistics for the year ending in 2004.

The result is a clusters analysis that classifies sectors in four types of classifications:

Industry Sectors with High LQ/High Growth Potential (Sector I)

- Metal Manufacturing
- Machinery Manufacturing
- Furniture Manufacturing
- Building/Garden Supplies
- Administrative/Waste Management Services
- Administrative Services
- Construction
- Specialty Contractors
- Restaurants
- Food & Beverage Distribution
- Fuel Stations
- Amusement and Recreation

Industry Sectors with Low LQ/High Growth Potential (Sector II)

- Education
- Professional and Technical Services
- Social Organizations
- Nursing and Health Care

Industry Sectors with High LQ/Low Growth Potential (Sector III)

- Paper Manufacturing
- Plastic or Rubber Manufacturing
- Wood Manufacturing
- Heavy Construction
- Wholesale Trade of Electronics
- Real Estate
- Religious Organizations

Industry Sectors with Low LQ/Low Growth Potential (Sector IV)

- Auto Repair & Parts
- Insurance
- Personal Services
- General Merchandise
- Wholesale Trade
- Government

The other industry sectors in the City of Sherwood are currently smaller than the above mentioned sectors in terms of economic payroll and have not been evaluated with regard to their individual location quotient or growth potential.

Target Industries

Identifying the target industries that Sherwood should plan for over the next 20 years should reflect a combination of the community's stated visions and goals, its current mix of employment, and the economic strengths and weaknesses. From the issues described above, several industries emerge that Sherwood is well poised to see future growth in:

- ***Small to mid-size light manufacturing*** shops can thrive in small communities such as Sherwood. The small size of such businesses (5-50 employees) means that transportation impacts (and needs) are relatively small. Likewise, with fewer jobs, a business is more likely to find skilled labor within the community (as opposed to finding a labor shortage). Finally, smaller manufacturers are likely to emerge from entrepreneurs who are attracted by Sherwood’s quality of life. Light manufacturers could include furniture makers, metal fabricators, and specialty building materials.
- ***Specialty contractors and construction firms*** that serve the southern Portland–Vancouver PMSA. These operations may require on-site materials warehousing, light assembly, and wholesale distribution of a variety of construction products and equipment. Given the need for both full and seasonal (part time) employment, the impacts on transportation systems are not as extensive as with other industrial operations.
- ***Creative services*** such as engineering, legal services, publishing, management consulting and accounting are generally high-paying jobs that tend to locate close to residential customers. With the establishment of a new Class A office center, Sherwood could position itself as a sub-regional location for business and professional services.
- ***Amusement, recreation, sporting and lodging hospitality*** business establishments can enhance local quality of life, increase visitation spending, and provide a variety of employment opportunities. New locations for indoor and outdoor sporting events, recreational goods and services, and lodging accommodations should be considered along with a pro-active marketing campaign that “brands” the City as a recreational “gateway” location (access to Yamhill Valley wineries). In addition, a variety of indoor and outdoor sporting opportunities (such as soccer, tennis, football, biking, etc.) could be developed and marketed to local and sub-regional residents.
- ***Educational facilities***, including new sites for public and private primary and secondary educational establishments need to be identified to serve expanding local demand.
- ***Nursing and health care support services and facilities*** could be added to serve the expanding sub-regional population base. This includes new medial facilities, doctors’ offices, wellness clinics, and establishments that serve new and expanding medical centers in Tualatin and Newberg.

Site Requirements

Future industrial and commercial employment growth in Sherwood will likely require a variety of sites and locations, including:

- Small business parks with “flex” buildings
- Master planned research and development campuses with parcels ranging in size from 0.5 to 20 acres
- Professional office and/or mixed-use center, preferably in or near downtown
- Lodging site(s) preferably in or near downtown

- A variety of sites for educational facilities
- Sites for neighborhood and sub-regional shopping centers to serve a growing population base

Smaller industrial businesses typically locate in business parks or “flex” buildings, which can be utilized for a variety of uses ranging from light manufacturing, recreational businesses, specialty contractors, technical services, and even limited offices. Thus, the most important factor to preparing land for Sherwood’s future employers is to target not a specific industry, but the flexible land and buildings where a variety of employers could locate.

Sherwood’s existing industrial users are good examples of how flexibility can be gained on a large scale, where small, medium and large-sized parcels can be made available to users on a build-to-suit basis. Very small users and startup companies often do not have the capital or desire to build their own buildings and instead seek out existing leasable space. These flex buildings can include anywhere from two to ten or more individual businesses. This flexibility allows a tenant to perform a wide variety of activities and it allows the landlord the ability to subdivide a larger building into a range of spaces depending on tenant needs.

Typically, multi-tenant flex buildings could have anywhere from two to 20 tenants, depending on the amount of space that each tenant requires. Given the existing transportation constraints attributed to the Sherwood market area, short-term demand is likely to consist primarily of smaller users and sites. Most tenants have space needs of between 5,000 and 15,000 square feet⁶ of building floor area. Common characteristics of this building type include:

- Floor area ratio (FAR): 0.25 – 0.40.
- Employment density: approximately 10 employees per acre.
- Building size: one story, 60 to 100 feet deep, up to 200 feet long (6,000 to 20,000 square feet total).
- Site size: 0.5 to 10 acres.
- Parking: two to three spaces per 1,000 square feet.

Master planned research and development campuses in the United States are emerging as a preferred 21st Century location for major employers and their ancillary business and personal support services, especially when they include a variety of residential housing options, and lodging for extended stay visitors. Sherwood’s Area 48 could serve this purpose by providing a mix of small, medium, and large light industrial parcels, as well as a Class A office and mixed-use business/housing cluster.

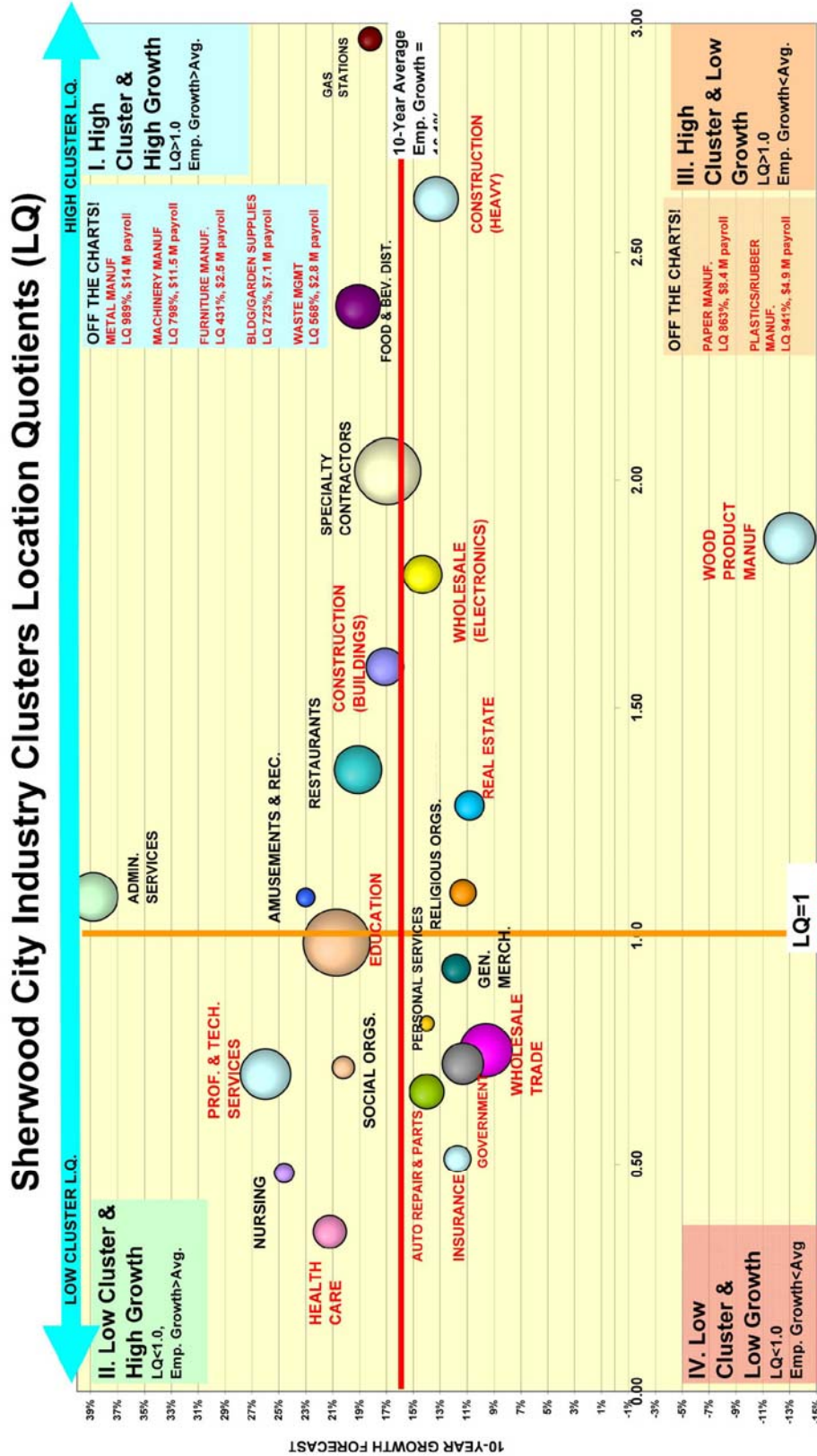
⁶ Source: *Guide to Classifying Industrial Property*, Urban Land Institute, 2003.

Sherwood's City-owned "Cannery Site" is being master planned for a mix of housing, office, retail, and service establishments. This setting and location appears optimal for a variety of business and technical operations and small boutique retailers.

The Sherwood School District is currently considering their future space needs based on student population growth projections. It is likely that a variety of school sites, ranging in size from 10 to 45 acres, will be identified throughout the Sherwood urban growth area.

Several locations for new neighborhood and sub-regional shopping centers will likely be needed as Sherwood's population base grows. Appropriate parcel sizes generally range in size from 2-5 acres for neighborhood centers to 5-10 acres for sub-regional shopping centers.

Figure 3. Sherwood City Industry Clusters Location Quotients (LQ)



Sherwood Land Demand

The job growth forecasts and target industry analysis described in the previous section translates into land demand forecasts. The analysis utilized for this study assumes there are three general classifications for employment land: industrial/other (includes demand for small business parks with “flex” buildings, portions of master planned employment campuses, portion of educational facility demand) retail (includes sites for neighborhood and sub-regional shopping facilities) and services (includes professional office and mixed-use centers, and portions of lodging sites).

Local and sub-regional job growth forecasts are prepared by Metro Data Resource Center for regional growth management and transportation/land use planning purposes. The latest Metro demographic and employment forecasts were prepared based on their *Metroscope* model in the winter of 2005. While this data has not yet been adopted by the Metro Council, it is considered suitable for comparison when conducting local economic development (Goal 9) assessments.

As indicated in **Table 5**, Metro’s preliminary employment growth forecasts for Sherwood assume an existing employment level of 3,992 jobs in 2005. Metro assumes the jobs are allocated to 2,346 industrial/other jobs, 932 retail jobs, and 714 service jobs. It should be noted that Metro’s job estimates are intended to include all jobs, including covered and non-covered (small home-based business) establishments.

After comparing the Metro job estimates (3,992 “total” workers) to estimates derived from the Oregon Employment Department (4,315 “covered” workers), we have determined the Metro job forecasts to be more appropriate existing estimate of jobs in the “low growth scenario.”

The estimated job counts derived from the Oregon Employment Department are deemed to be appropriate existing job estimates in the medium and high growth forecast scenarios.

Table 5. Employment Projections by Industry, Low Growth Scenario

Washington County Job Forecast

Employment Sector	2005	2025	Change	Annual Percent Change
Industrial/Other	34,252	96,396	62,144	10.9%
Commercial-Retail	10,117	15,228	5,111	4.2%
Commercial-Services	22,261	39,737	17,476	6.0%

Total Payroll	Non-farm	66,630	151,361	84,731	8.6%
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Source: Metro data resource center, Metroscope model, Winter 2005.

City of Sherwood Job Forecast (Low Growth Scenario)

Employment Sector	2005	2025	Change	Annual Percent Change
Industrial/Other	2,346	3,995	1,649	5.5%
Commercial-Retail	932	1,672	740	6.0%
Commercial-Services	714	1,255	541	5.8%
Total Payroll	3,992	6,922	2,930	5.7%

Source: Metro data resource center, Metroscope model, Winter 2005.

City of Sherwood Capture Rate of County (Low Growth Scenario)

Employment Sector	2005	2025	Change
Industrial/Other	6.8%	4.1%	2.7%
Commercial-Retail	9.2%	11.0%	14.5%
Commercial-Services	3.2%	3.2%	3.1%
Total Payroll	6.0%	4.6%	3.5%

Source: Metro data resource center, Metroscope model, Winter 2005.

Metro also identified 20-year land needs for the tri-county Metro region in their Urban Growth Report for commercial and industrial land uses. As shown in **Table 6**, almost all of the net new commercial land needs forecasted by Metro are expected to be in the small (less than 1 acre) lot size, as larger lots are subdivided for smaller commercial developments.

Metro forecasts a wider range in industrial land needs, with 81% of the land demand being in the small (less than one acre) parcel size, 13% in the 1-4 acre parcel size, 5% in the 5-9 acre size category, and 2% in the 10-25 acre size category. Metro also forecasts the need for nine large industrial parcels in the 50+ acre category.

Table 6. Portland Metro Region Land Needs, 2002-2022* (Tri-County Metro Region)

	Acres	Tax Lots	Number of Tax Lots by Size					
			<1 acre lots	1 to 4 acre lots	5 to 9 acre lots	10 to 25 acre lots	25-49 acre lots	50+ acre lots
Commercial Land								
All Parcels/Acres	-759	1,828	2,658	-659	-121	-41	-7	-2
<i>Distribution of New Land Need</i>		100%	100%	0%	0%	0%	0%	0%
Industrial Land								
All Parcels/Acres	5,293	3,095	2,503	389	144	57	-7	9
<i>Distribution of New Land Need</i>		100%	81%	13%	5%	2%	0%	0.3%

* Source: Metro 2002-2022 Urban Growth Report: An Employment Land Need Analysis, Dec. 2002.

Sherwood Employment Forecast

Future commercial development in the City of Sherwood would likely be driven by increasing household buying power and an emerging office sector attributed largely to the increase in demand for business professional services (see Table 3). Office development often follows housing expansion, after new local residents eventually search for employment options closer to home or decide to invest in start-up small business enterprises. The types of office tenants that are common in emerging small cities include: health-related, legal, professional, and business services like lawyers, accountants, and financial specialists.

Given Sherwood’s strong existing cluster of industrial establishments, Sherwood would likely compete within the region and the state for expansion and attraction of industrial development. However, transportation access and congestion issues, if allowed to worsen, could hamper some growth potential and even lead to industrial out migration of certain transportation-dependent

industries. The potential availability of land, access to well educated labor force, and relatively high quality of life in Sherwood, will help retain and attract certain manufacturing and industry sectors.

The real question is not “if” Sherwood can attract new industries, but “when” can these industries be attracted. Significant levels of industrial land and building projects are now entering the market in Tualatin (over 300 acres are planned for industrial expansion in Southwest Tualatin). Wilsonville is also in the advanced planning phases of adding over 150 acres of regionally significant industrial land, and Hillsboro recently added over 100 acres of regionally significant industrial land to its project ready vacant land inventory.⁷ These local industrial supply additions should not be overlooked. Sherwood would be wise to allow 5 years of industrial absorption to occur in Tualatin, Wilsonville and Hillsboro before investing millions of dollars in infrastructure on parcels oriented towards large users. This would allow concept planning of Area 48 to continue with infrastructure mechanisms and subsequent investments to follow adequate absorption in surrounding areas.

Once the short-term market supply/demand for industrial land begins to stabilize and questions regarding the location for the planned Hwy 99W/I-5 Connector are resolved, Sherwood would be in a much better position to actively market and develop a large amount of industrial land. Hence, Sherwood’s immediate industrial strategy should be geared towards retaining and expanding existing employers rather than embarking upon a major industrial development expansion. To achieve this outcome, Sherwood may want to explore the effectiveness of implementing an “economic gardening” program to help grow existing businesses by providing support services, such as demographic, marketing, and a project ready land inventory. However, it is still recommended that Sherwood also work to ensure that some shovel ready industrial sites are available for new employers and businesses that want to expand within Sherwood, particularly small and medium size establishments (requiring between 0.5 and 20 acres), and not focus on the large 20+ acre employers.

Long-term population and employment growth forecast assumptions for low, medium, and high growth scenarios in the City of Sherwood are summarized in **Table 7**. As mentioned previously, the Metro job growth forecasts are utilized and described as a “low growth scenario.” Next, Otak prepared a “high growth scenario” by assuming a strategic ratio of jobs to population is achieved by year 2025. The ratio of jobs to population under the “high growth scenario” is assumed to equal the Metro forecast for Washington County as a whole (0.39). The “medium growth scenario” is assumed to achieve a jobs-to-population ratio that is the midpoint between the “low growth scenario” and the “high growth scenario.”

The resulting employment forecasts for the City of Sherwood range from a low of 6,922 in 2025 to the medium forecast of 9,662 jobs, and a high forecast of 11,704 jobs. These forecasts of total employment are assumed to include all jobs resulting from “baseline” growth, but may not

⁷ “Regionally significant industrial land” is a land use designation determined by Metro and the City of Wilsonville that limits the type of development to primarily “light industrial” employment classifications.

necessarily reflect any additional job growth attributed to strategic growth from special siting or recruitment of specific industrial and other employment land users.

The forecasted annual average growth rate ranges from 2.8% for the low growth scenario, to 4.1% for the medium growth scenario, to 5.1% for the high growth scenario. Hence, the total amount of net new jobs is expected to range from 2,930 jobs in the low growth scenario, to 5,347 jobs in the medium growth scenario, to 7,389 jobs in the high growth scenario.

Table 7. Population and Employment Forecast Assumptions, 2005-2025

Population ^{1/}	2005	2025	Change	Forecasted Average Annual Growth Rate
Washington County	489,785	669,000	179,215	1.6%
City of Sherwood				
Low	14,410	28,450	14,040	3.5%
Medium	14,410	30,193	15,783	3.8%
High	14,410	32,187	17,777	4.1%
Employment ^{2/}				
Washington County	189,925	259,341	69,416	1.6%
City of Sherwood				
Low	3,992	6,922	2,930	2.8%
Medium	4,315	9,662	5,347	4.1%
High	4,315	11,704	7,389	5.1%
Ratio of Jobs to Population				
Washington County	0.39	0.39		
City of Sherwood				

Low	0.28	0.24		
Medium	0.30	0.32		
High	0.30	0.39		

Notes:

1/ 2005 population estimates by Portland State University; 2025 forecast for Washington County based on Metroscope model assumptions for households and Oregon Office of Economic Analysis population factors. City of Sherwood forecasts reflect assumptions from Water System Master Plan (low); TSP (medium) and Planning Office (high).

2/ 2005 employment estimates by Metro, winter 2005 Metroscope model assumptions (not officially adopted). Employment forecasts for County and City reflect Metroscope model (low growth scenario). Medium growth forecast reflects .32 jobs/pop ratio, and high growth forecast reflects .39 jobs/pop ratio (equal to county forecast) and medium population growth forecast.

Compiled by Otak, Inc.

Otak prepared more detailed job growth forecasts for the medium and high growth scenarios. The medium growth scenario forecasts are summarized in **Table 8**, and the high growth forecasts are summarized in **Table 9**.

Table 8. Employment Forecast for City of Sherwood, Medium Growth Scenario

Employment Sector	2005	2025	Change	Annual Average Growth Rate
Industrial/Other	2,346	5,355	3,009	8.6%
Commercial-Retail	932	2,282	1,350	9.4%
Commercial-Services	714	1,701	987	9.1%
Total Non-farm Jobs	3,992	9,339	5,347	8.9%

Job Distribution

Employment Sector	2005	2025	Change
Industrial/Other	58.8%	57.3%	56.3%
Commercial-Retail	23.3%	24.4%	25.3%
Commercial-Services	17.9%	18.2%	18.5%
Total Non-farm Jobs	100.0%	100.0%	100.0%

City of Sherwood Capture Rate of County

Employment Sector	2005	2025	Change
Industrial/Other	6.8%	5.6%	4.8%
Commercial-Retail	9.2%	15.0%	26.4%
Commercial-Services	3.2%	4.3%	5.6%
Total Non-farm Jobs	6.0%	6.2%	6.3%

Source: derived from Medium growth forecast, using Metro's 2025 projected job distribution for Sherwood. Compiled by Otak, Inc.

The medium growth forecast assumes the City's share of Washington County's employment base increases from 6.0% currently to 6.2% by the year 2025. This scenario assumes 1,350 retail jobs, 987 service jobs, and 3,009 industrial/other jobs are added by year 2025.

The high growth forecast assumes the City's share of Washington County's employment base increases from 6.0% currently to 7.5% by year 2025. This scenario assumes 1,552 retail jobs, 2,439 service jobs, and 3,399 industrial/other jobs are added by year 2025.

Table 9. Employment Forecast for City of Sherwood (Jobs)

High Growth Forecast

Employment Sector	2005	2025	Change	Annual Average Percent Change
Industrial/Other	2,346	5,745	3,399	9.4%
Commercial-Retail	932	2,484	1,552	10.3%
Commercial-Services	714	3,153	2,439	16.0%
Total	3,992	11,381	7,389	11.0%

Job Distribution Forecast

Employment Sector	2005	2025	Change
Industrial/Other	58.8%	50.5%	46.0%
Commercial-Retail	23.3%	21.8%	21.0%
Commercial-Services	17.9%	27.7%	33.0%
Total	100.0%	100.0%	100.0%

City of Sherwood Capture Rate of County

Employment Sector	2005	2025	Change
Industrial/Other	6.8%	6.0%	5.5%
Commercial-Retail	9.2%	16.3%	30.4%
Commercial-Services	3.2%	7.9%	14.0%
Total	6.0%	7.5%	8.7%

Source: derived from High growth forecast, using local 2025 projected job distribution for Sherwood. Compiled by Otak, Inc.

The amount of vacant land required to accommodate the employment growth takes into account job density and “refill and redevelopment” assumptions. Metro’s “refill and “redevelopment” assumptions are intended to measure the amount of jobs that are accommodated through the optimal utilization of existing buildings and sites. Studies by Metro indicate there is a positive refill rate of nearly 50% for commercial-retail uses. That means that about half of retail job growth is expected to occur within existing retail buildings and underutilized sites. Refill rates for commercial-service/office are expected to be about half that of retail, or 25% of all jobs.

Metro found that industrial land users are unlike commercial users and possess a negative refill rate.⁸ This implies the demand for industrial sites will likely exceed the growth in industrial employment. It should be noted that Metro’s past industrial refill rate assumptions have ranged from positive 35% to negative 45%, and there is little evidence to support or substantiate Metro’s most recent negative refill rate conclusion. Hence, this EOA is based on the assumption of a 0% average refill rate in Sherwood. The 0% industrial refill assumption for Sherwood actually assumes there to be wide variation in industrial refill rates in Sherwood over time (e.g., it assumes that one-fourth of the existing employers relocate and one-fourth expand on site). The corresponding findings from the refill rate assumptions assume that between 505 and 688 new jobs in Sherwood are accommodated through refill and redevelopment (**Table 10**).

Total job growth in Sherwood is expected to range from 2,930 jobs to 7,389 jobs over the next 20 years, as indicated in **Table 10**. After accounting for refill and redevelopment potential, the expected amount of jobs likely to locate onto vacant lands within the Sherwood UGB ranges from 2,425 jobs in the low growth forecast to 4,659 jobs in the medium growth forecast, to 6,802 jobs in the high growth forecast. The next step in the methodology assumed an average amount of floor area per job, and a development density floor area ratio that varied by development type and growth forecast.

Additional land area will be required for public roads, utilities, easements, and other types of public open space (such as parks or pathways). This analysis assumes 25% of total gross buildable land area is allotted to public facilities, including collector and arterial road right-of-ways, parks and utilities.⁹ This adjustment, shown in **Table 11**, results in a long-term gross buildable land demand that ranges from 138 acres in the low growth forecast, to 316 acres, in the medium growth forecast, to 521 acres in the high growth forecast.

A competitive economic strategy should attempt to make strategic sites available to existing and new prospects in the short-term (within the next 1-3 years). Strategic industrial and other non-retail employment land areas should also be protected from retail encroachment and preserved for long-

⁸ According to Metro’s 2002-2022 Urban Growth Report: An Employment Land Need Analysis, a negative 45% industrial refill rate was assumed. The rate is denominated by the number of projected industrial employment. Hence, the negative refill rate is a measure indicating that the projected industrial site demand will exceed job growth forecasts.

⁹ The Metro Urban Growth Report Addendum, 1998 assumed a 27% factor to account for public facilities on vacant industrial parcels, and a 15% factor for refill/redevelopment parcels.

term development. A preliminary recommendation is to target 25% of the long term land needs for short-term sites with a “project ready” land inventory. This inventory could be used as a starting point to investigate the likelihood of certification, (i.e. marketing program) offered by the Oregon Economic & Community Development Department.

Table 11 indicates that the short-term land supply should range from 35 acres in the low growth forecast, to 79 acres in the medium growth forecast, to 131 acres in the high growth forecast. In addition, the City should consider working with the Oregon Economic and Community Development Department to obtain “industrial certification” on at least 10% of the remaining industrial land (39+ acres) to meet short-term land requirements.¹⁰ Most of the short-term supply should be oriented towards industrial and related strategic employers, which are often the most difficult sites to protect from retail and residential encroachment.

Table 10. Long-term 20-Year Net Land Needs, Sherwood UGB (acres)

Employment Growth Forecast (Jobs) 1/	Low	Medium	High
Industrial/Other	1,649	3,009	3,399
Commercial-Retail	740	1,350	1,552
Commercial-Services	541	987	2,439
Total Non-farm Jobs	2,930	5,347	7,389
Refill Assumption 2/			
Industrial/Other	0%	0%	0%
Commercial-Retail	50%	40%	30%
Commercial-Services	25%	15%	5%
Jobs Allotted to Refill/Redevelopment			
Industrial/Other	0	0	0
Commercial-Retail	370	540	466
Commercial-Services	135	148	122

¹⁰ To understand more about Oregon’s Industrial Site Certification Program, please visit www.econ.state.or.us

Total Non-farm Jobs	505	688	587
Jobs Allotted to Vacant Lands			
Industrial/Other	1,649	3,009	3,399
Commercial-Retail	370	810	1,086
Commercial-Services	406	839	2,317
Total Non-farm Jobs	2,425	4,659	6,802
Vacant Land Needs Factors (SF Per Job) ^{3/}			
Industrial/Other	750	800	850
Commercial-Retail	350	400	450
Commercial-Services	300	350	400
Vacant Land Needs Factors (Floor Area Ratio) ^{3/}			
Industrial/Other	0.29	0.25	0.2
Commercial-Retail	0.44	0.4	0.35
Commercial-Services	0.6	0.5	0.4
Vacant Land Needs (Net acres)			
Industrial/Other	98	221	332
Commercial-Retail	7	19	32
Commercial-Services	5	13	53
Total	109	253	417

1/ derived from Table 9.

2/ Metro Data Resource Center, Metroscope model, Spring 2005.

3/ factors for Low Growth Scenario derived from Metroscope Model, other scenario factors are assumed by Otak, Inc. based on findings reported in the Regional Industrial Land Study for the Portland-Vancouver PMSA, Phase III report, December 2002.

Table 11. 20-Year Employment Land Demand Forecast, Sherwood UGB

Vacant Land Demand (net acres) 1/	Low	Medium	High
Industrial/Other	98	221	332
Commercial-Retail	7	19	32
Commercial-Services	5	13	53
Total	109	253	417
Long-Term Vacant Land Demand (gross buildable acres) 2/			
Industrial/Other	123	276	415
Commercial-Retail	9	24	40
Commercial-Services	6	16	66
Total	138	316	521
Short-Term Vacant Land Demand (gross buildable acres) 3/			
Industrial/Other	31	69	104
Commercial-Retail	2	6	10
Commercial-Services	2	4	17
Total	35	79	131

1/ derived from Table 10.

2/ assumes 25% of total land area is allotted to public streets and utility easements.

3/ assumes 25% of long-term demand can be accommodated by the short-term land supply.

Sherwood's Existing Land Supply

According to recent findings summarized in **Table 12** and illustrated in the *Vacant and Redevelopable Employment Lands* map attached as an exhibit to the end of this analysis, there are 724 acres within 219 commercial and industrial-zoned tax lots inside the existing Sherwood city limits, as of May 2006¹¹. City Geographic Information Systems (GIS) data indicate that the majority of the existing employment land supply is developed (332 acres and 175 lots). The remaining employment land area is comprised of 216 acres of vacant land, 64 acres of constrained land, and 177 acres of redevelopable land area.

When aggregated by zoning type, the existing vacant land supply inside the Sherwood UGB contains approximately 202 acres of industrial land, and 13 acres of commercial land area, as indicated in **Table 12**.

The methodologies for determining vacant, constrained, developed and redevelopable land designations are described in **Table 13**.

Table 12. Existing Employment Land Supply, Sherwood City Limits

Zone	Total Acres	Total Developed Acres	Total Constrained Acres	Total Vacant Acres	Total Redevelopable Acres
General Commercial	72.5	37.4	1.4	4.4	30.8
Retail Commercial	84.7	43.6	0	4.3	36.9
Office Commercial	17.4	9.7	1.9	4.7	3.0
Neighborhood Commercial	1.0	0	0	0	1.0
Office Retail	0	0	0	0	0
General Industrial	276.8	153.6	10.8	48.7	74.5
Light Industrial	271.8	87.8	50.1	153.6	30.4
Subtotal Commercial Land	175.7	90.6	3.3	13.4	71.6

¹¹ Land inventory does not account for new UGB expansion areas added in 2002 and 2004.

Subtotal Industrial Land	548.6	241.4	60.9	202.3	104.9
Total	724.2	332.0	64.2	215.7	177.0

Source: City of Sherwood Planning Department, May 2006. Excludes areas outside existing city limits including Areas 48 and 54-55.

Table 13. Sherwood’s Land Supply Definitions

Vacant Land:	Property that is classified by Metro's RLIS data as “VAC” and no building permits have been issued for the property in the past year
Constrained Land:	Property that is encumbered by wetlands per Metro’s RLIS local wetlands inventory or floodplain inventory or is owned by the City of Sherwood and predominantly covered by local wetland inventory and/or floodplain
Developed Land:	Property that has a land use classification other than vacant and has a building value that is greater than or equal to the land value
Redevelopable Land:	Property that has a land use classification other than vacant but has a building value that is less than the land value

Tables 14 and 15 provide a more detailed analysis of the existing land supply in Sherwood by parcel size. The results indicate there are 23 vacant industrial tax lots and 17 vacant commercial tax lots inside the existing city limits. The distribution of vacant tax lots by size is shown in Figure 4.

Table 14. Existing Land Supply in Sherwood City Limits by Lot Size

		Tax Lots by Size in Acres					
		Less than 1 Acre	1 to 4 Acre	5 to 9 Acre	10 to 19 Acre	20 to 49 Acre	50+ Acre
Developed Land**	Lots	Lots	Lots	Lots	Lots	Lots	Lots
Retail Commercial	77	64	8	3	2	0	0
General Commercial	19	6	6	4	2	1	0
Neighborhood Commercial	2	2	0	0	0	0	0
Office Retail	0	0	0	0	0	0	0
Office Commercial	5	3	1	1	0	0	0
Light Industrial	24	5	10	4	3	2	0
General Industrial	52	2	29	11	6	2	1
Total	179	82	54	23	13	5	1
		Less than 1 Acre	1 to 4 Acre	5 to 9 Acre	10 to 19 Acre	20 to 49 Acre	50+ Acre
Vacant Land	Lots	Lots	Lots	Lots	Lots	Lots	Lots
Retail Commercial	6	3	3	0	0	0	0
General Commercial	9	6	2	1	0	0	0
Neighborhood Commercial	0	0	0	0	0	0	0
Office Retail	0	0	0	0	0	0	0
Office Commercial	2	1	1	0	0	0	0
Light Industrial	12	2	5	2	1	0	2
General Industrial	11	3	6	2	0	0	0

Total	40	15	17	5	1	0	2
		Less than 1 Acre	1 to 4 Acre	5 to 9 Acre	10 to 19 Acre	20 to 49 Acre	50+ Acre
Total Employment Land	Lots	Lots	Lots	Lots	Lots	Lots	Lots
Retail Commercial	83	67	11	3	2	0	0
General Commercial	28	12	8	5	2	1	0
Neighborhood Commercial	2	2	0	0	0	0	0
Office Retail	0	0	0	0	0	0	0
Office Commercial	7	4	2	1	0	0	0
Light Industrial	36	7	15	6	4	2	2
General Industrial	63	5	35	13	6	2	1
Total	219	97	71	28	14	5	3

Source: City of Sherwood Planning Department

Table 15. Summary of Existing Tax Lots in Sherwood City Limits

Tax Lots by Size in Acres							
		Less than 1 Acre	1 to 4 Acre	5 to 9 Acre	10 to 19 Acre	20 to 49 Acre	50+ Acre
Industrial	Lots	Lots	Lots	Lots	Lots	Lots	Lots
Developed	76	7	39	15	9	4	1
Vacant	23	5	11	4	1	0	2
Total	99	12	50	19	10	4	3

Commercial

Developed	103	75	15	8	4	1	0
Vacant	17	10	6	1	0	0	0
Total	120	85	21	9	4	1	0

Source: City of Sherwood Planning Department

Figure 4.

Vacant Industrial Tax Lots

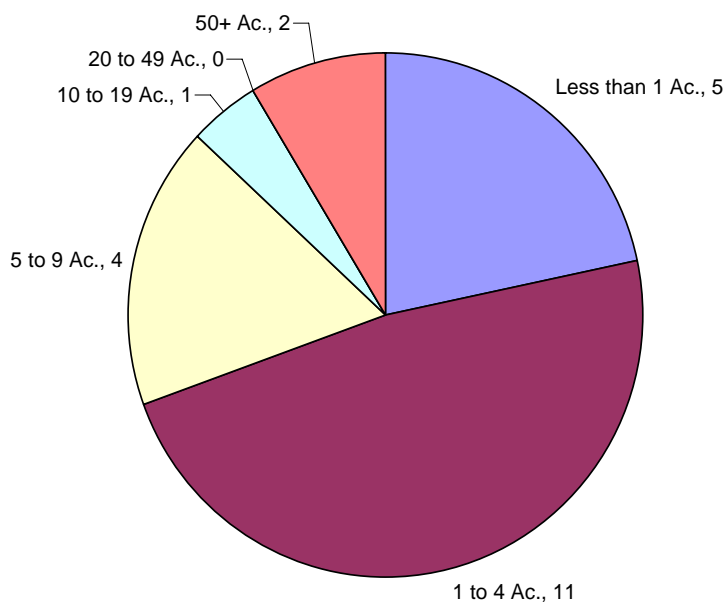
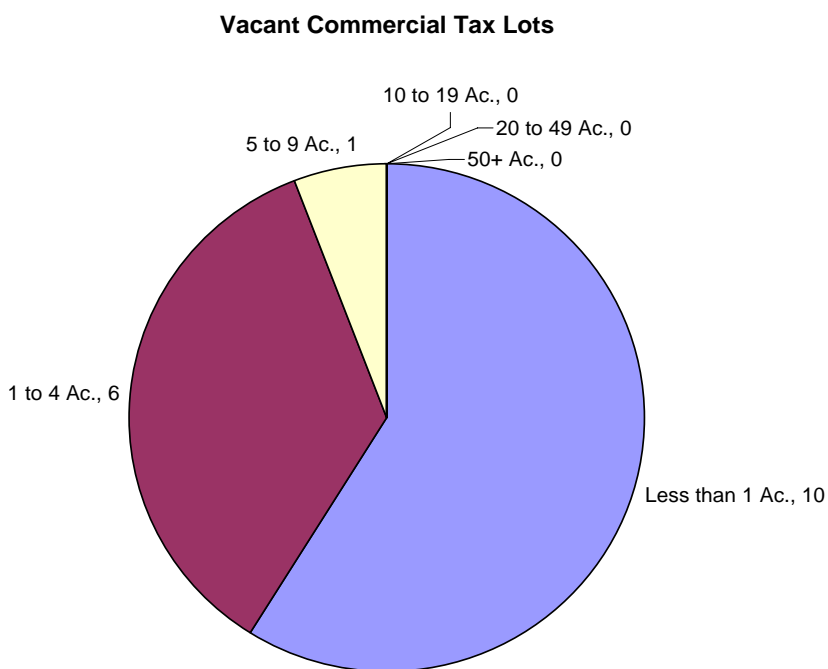


Figure 4. (continued)



Notwithstanding economic development factors such as development fees, adequacy of labor force, and market access, attracting and retaining jobs can be enhanced by having an adequate supply of buildable land inventory and/or vacant buildings. The City of Sherwood has determined that there are several “project ready” (defined as being able to accommodate development within a period of 1 year or less) industrial development parcels inside the existing City limits. As indicated in **Tables 16 and 17**, there are also many parcels that can be developed within the short term (1-5 years) if adequate public roads, sewer and water facilities are provided.

In addition to the vacant industrial land that is project ready, there are also three project ready redevelopment parcels totaling 60 acres in size. Hence, there is an abundant project ready and short term industrial supply within the City of Sherwood today.

The City of Sherwood has also determined that there are several project ready vacant commercial tax lots as well as major commercial redevelopment opportunities within the existing City limits (which are not reflected in Tables 16 and 17).

Table 16. Existing Industrial Tax Lots in Sherwood City Limits by Development Readiness

Zone	Tax Lot ID	Owner/Property	Parcel Size (Acres)	Project Ready	Short Term (1-5 yrs)	Vacant or Redevelopable
LI	2S129A000700	SHERWOOD COMMERCIAL	7.89	x		Redevelopable
LI	2S129A000690	SHERWOOD COMMERCIAL	7.88	x		Vacant
LI	2S129D000100	OREGON WASHINGTON LUMBER CO	52.12	x		Redevelopable
LI	2S129D000300	LANGER FAMILY LLC	57.74	x		Vacant
LI	2S129D000900	PACIFIC III LLC	1.50	x		Vacant
LI	2S129D001100	SHERWOOD OAKS CARE FACILITY LLC	2.76	x		Vacant
LI	2S129D001000	PACIFIC III LLC	0.56	x		Vacant
GI	2S128B000700	OREGON STREET PARTNERS	1.90	x		Vacant
GI	2S128C000102	OREGON-WASHINGTON LUMBER CO	3.18	x		Redevelopable
GI	2S128B000500	OREGON STREET PARTNERS	2.49	x		Vacant
LI	2S129B001900	PORTLAND GENERAL	11.07		x	Vacant
GI	2S128B000600	GALBREATH LLC	6.59		x	Vacant
GI	2S128BA00100	GALBREATH JOSEPH A AND	9.84		x	Vacant
GI	2S128BA00101	SHERWOODHQ LLC	0.48		x	Vacant
GI	2S128BC01200	TRESKE ERNA L REV LIV TRUST &	1.99		x	Redevelopable
GI	2S128BC00700	WINSLOW RON D & THERESA E	2.02		x	Vacant

Source: City of Sherwood Planning Department

Table 17. Summary of Existing Vacant Industrial Tax Lots in Sherwood City Limits by Development Readiness

Tax Lots by Size in Acres	Project Ready*	Short Term (1-5 yrs)	Long-Term (6+ yrs)
Less than 1 Ac.	1	1	3
1 to 4 Ac.	4	1	6
5 to 9 Ac.	1	2	1
10 to 19 Ac.		1	0
20 to 49 Ac.			0
50+ Ac.	1		1
Total Tax Lots	7	5	11
Total Acres	74.8	30.0	97.5

* Project ready: assumes development can occur within 1 year.

Source: City of Sherwood Planning Department

Reconciliation of Land Demand and Supply

This section summarizes the findings presented in earlier sections regarding long-term (20-year) and short-term (less than year) land demand, and compares this need to the existing vacant land supply. Since refill and redevelopment adjustments were made to the employment forecasts, this section focuses on vacant land needs for the Sherwood UGB.

Commercial Land Needs

The demand analysis summarized earlier in this EOA indicates that the long-term vacant commercial land demand in Sherwood is expected to range from 15 acres in the low growth forecast, to 40 acres under the medium growth forecast, and up to 106 acres under the high-growth forecast (please refer to **Table 18A**).

With an existing vacant commercial land supply of approximately 13 acres, the long-term demand for vacant commercial land area can almost be met under the low growth scenario, but additional commercial zoned land would be required under the medium and high growth scenarios. In most instances the market will adjust to development pressure by subdividing larger parcels into smaller ones, but cannot always be counted on to aggregate tax lots to create large contiguous development opportunities. In Sherwood's case there appears to be an abundance of medium and large parcels that can be subdivided over time to meet development requirements—which could delay the need for a UGB expansion under the medium growth forecast.

Table 18A indicates that with either the medium or high-growth scenarios, additional commercial land should be added to the Sherwood UGB to accommodate future commercial retail and service land needs. The amount of required commercial land area ranges from 27 acres in the medium growth scenario to 93 acres in the high growth scenario. Preliminary recommended parcel (tax lot) configurations are summarized in **Table 18B**.

The demand analysis summarized earlier in this EOA indicates that the short-term vacant commercial land demand in Sherwood is expected to range from 4 acres in the low growth forecast, to 10 acres under the medium growth forecast, and up to 27 acres under the high-growth forecast. In light of the fact that there are several project ready and short term commercial tax lots within the existing city limits, the City should focus on commercial infill and redevelopment as a short term strategy, and plan for integrated commercial development within future master-planned employment and neighborhood districts, including Areas 48, 54-55, and 59.

Table 18A. Commercial 20-Year Land Demand Forecast

Sherwood Urban Growth Boundary

	Low Growth Forecast (acres)	Medium Growth Forecast (acres)	High Growth Forecast (acres)
Demand for Vacant Land (acres)	15	40	106
Less Supply of Vacant Land (acres)	13	13	13
Equals Net Land Need (demand less demand)*	2	27	93

Table 18B Commercial 20-Year Parcel Demand Forecast (tax lots)

Sherwood Urban Growth Boundary

Medium Growth Forecast, Parcel Distribution (tax lots)	Existing Supply of Vacant Tax Lots	Forecast of Demand (Tax Lots)	Forecast of Net Land Need (Tax Lots)
Less Than 1 acre	5	7	2
1 to 4 acres	11	1	(10)
5 to 9 acres	4	2	(2)
10 to 19 acres	0	1	1
20-49 acres	1	1	0
50+ acres	2	0	(2)
Total	23	12	(11)
High Growth Forecast, Parcel Distribution (tax lots)	Existing Supply of Vacant Tax Lots	Forecast of Demand (Tax Lots)	Forecast of Net Land Need (Tax Lots)

Less Than 1 acre	5	32	27
1 to 4 acres	11	9	(2)
5 to 9 acres	4	4	0
10 to 19 acres	0	3	3
20-49 acres	1	1	0
50+ acres	2	0	(2)
Total	23	42	28

* gross buildable acres. Note, numbers in parentheses denote a land supply surplus.

Source: Otak, based upon findings included in demand and supply analysis.

Industrial Land Needs

The demand analysis summarized in **Table 19A** indicates that the long-term vacant industrial land demand in Sherwood is expected to range from 123 acres in the low growth forecast, to 276 acres under the medium growth forecast, and up to 415 acres under the high-growth forecast.

The existing 202 acres of vacant industrial/other employment land supply within the city limits is expected to meet the needs of long-term industrial land demand under the low growth scenario. However, additional vacant industrial land would need to be added to the Sherwood UGB to accommodate future industrial land needs for both the medium and high growth forecasts. The amount of additional required industrial land area ranges from 74 buildable acres in the medium growth scenario to 213 buildable acres in the high growth scenario. Preliminary recommended parcel (tax lot) configurations are summarized in **Table 19B**.

The demand analysis summarized earlier in this EOA indicates that short-term industrial land demand in Sherwood is expected to range from 31 acres in the low growth forecast, to 69 acres under the medium growth forecast, and up to 104 acres under the high-growth forecast. In light of the fact that there are several project ready and short term commercial tax lots within the existing city limits, the City should focus on retaining and expanding existing employers and developing existing vacant industrial areas as a short term strategy.

Long term strategies should include planning for new industrial sites (with integrated commercial and residential development) within future master-planned employment districts in Area 48.

Table 19A Industrial 20-Year Land Demand Forecast

Sherwood Urban Growth Boundary

	Low Growth Forecast (acres)	Medium Growth Forecast (acres)	High Growth Forecast (acres)
Demand for Vacant Land	123	276	415
Less Supply of Vacant Land	202	202	202
Equals Net Land Need (acres)	(79)	74	213

Table 19B Industrial 20-Year Parcel Demand Forecast (tax lots)

Sherwood Urban Growth Boundary

Medium Growth Forecast, Parcel Distribution	Existing Vacant Supply (Tax Lots)	Forecast of Demand (Tax Lots)	Forecast of Net Land Need (Tax Lots)
Less Than 1 acre	5	12	7
1 to 4 acres	11	10	(1)
5 to 9 acres	4	9	5
10 to 19 acres	1	10	9
20-49 acres	0	0	0
50+ acres	2	1	(1)
Total (lots)	23	42	19
High Growth Forecast, Parcel Distribution	Existing Vacant Supply (Tax Lots)	Forecast of Demand (Tax Lots)	Forecast of Net Land Need (Tax Lots)
Less Than 1 acre	5	50	45

1 to 4 acres	11	26	15
5 to 9 acres	4	12	8
10 to 19 acres	1	8	7
20-49 acres	0	1	(1)
50+ acres	2	2	0
Total (lots)	23	99	76

* Gross buildable acres, net of environmental constraints and collector/arterial roads. Note: numbers in parentheses indicate a supply surplus.

Source: Otak, based upon findings included in demand and supply analysis.

Special Siting Requirements

In addition to the baseline job and land demand forecasts summarized above, it is also likely that additional jobs could be added to the Sherwood UGB if unique sites are made available to prospective tenants. In accordance with the recently adopted Goal 9 land use rule (adopted by LCDC and put into effect January 2006), jurisdictions may plan for the designation of lands for industrial and other employment uses that require special siting characteristics (OAR 660-009-0020 (8)). This special site ruling is a characteristic of Oregon land use planning Goal 9 and can apply to users that require “large acreage sites, special site configurations, direct access to transportation facilities, prime industrial lands, and sensitivity to adjacent land uses...”

At this time it is assumed that the baseline employment demand forecasts described previously take into account the land needs likely to be generated by existing and future employers within the Sherwood UGB. Unless policymakers identify specific user groups with special needs in a new economic development strategy, no special siting allocation is needed other than what is anticipated for public schools.

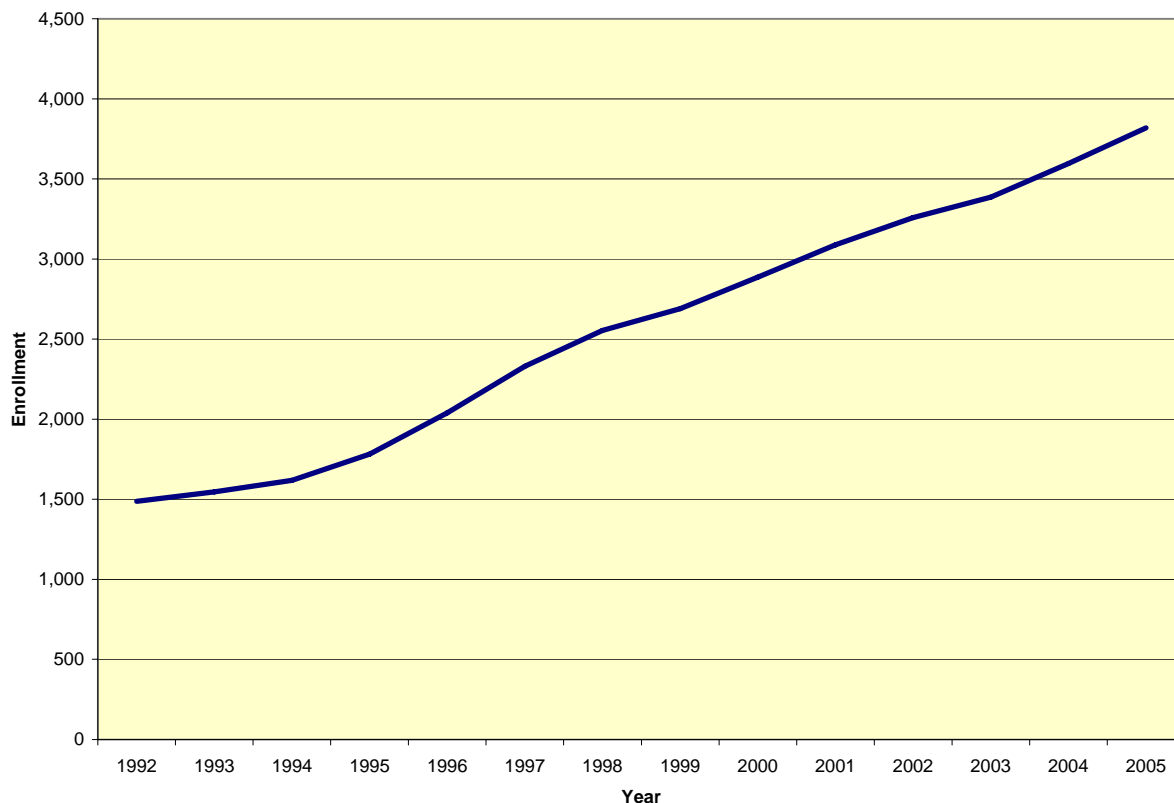
As indicated in **Figure 5**, the Sherwood School District 88J continues to increase rapidly in K-12 student enrollment. Sherwood is the fastest growing school district in the State of Oregon, with average annual enrollment increasing by 7.5% annually between 1996 and 2005.

Prior to 1995, Hopkins was Sherwood’s sole elementary school. In 1995, Archer Glen Elementary was added. Middleton Elementary became Sherwood’s third primary school in 2000. Additions were also made to the Sherwood Middle School and the Sherwood High School in 2001.

Future population growth is expected to continue at a high rate, and Oregon’s recently passed Measure 37 could result in even more development in outlying areas within the district boundary—exacerbating the already meteoric school district enrollment.

Long-term projections for school enrollment at the Sherwood School District indicate the need to add at least 2 new elementary schools, 1-2 new middle schools, and a new high school over the next 20 years. Area 59, an 85-acre neighborhood in the concept planning stage, is already slated for one new elementary school and one new middle school, leaving the need for one additional elementary school, one additional middle school, and one new high school over the next 20 years. Using national guidelines that were previously developed for suburban districts, these three public schools would likely require one 10-acre elementary school site, one 20-acre middle school site, and one 45-acre high school site to accommodate future growth requirements. This would require at least 75 acres of additional UGB expansion to accommodate special siting requirements for Sherwood schools. A lower or higher amount will depend on curriculum, after school, and recreation needs in the community.

Figure 5. Sherwood School District Enrollment Trends



If the school district adopts a more urban or “smart growth” format for new facilities that requires less land, an additional 35-40 acres will be needed. Most suburban school districts have not applied this neighborhood-oriented approach to building new facilities. The school district and the City will need to consult new guidelines developed by the Council on Educational Facilities Planners International (CEFPI)¹² and the Oregon School Siting Handbook (2005) to coordinate this policy choice prior to identifying the future land needs for public schools.

The City of Sherwood does not have any immediate needs for additional administrative and public safety facilities since a new police, library, and city hall were built between 2003 and 2005. However, a new public works yard, with about 10-20 acres, is the only additional public facility that needs to be considered as part of a UGB expansion within the 20 year planning period.

¹² *Schools for Successful Communities: An Element of Smart Growth* cooperatively developed. U.S. EPA and CEFPI: www.cefpi.org

Conclusions and Recommendations

This Economic Opportunities Analysis identifies economic development opportunities regarding future commercial, industrial, and other employment land need within the Sherwood UGB. Findings contained in the memorandum have been presented to the public, and reviewed by SURPAC on September 20, 2006.

On September 20, 2006 SURPAC endorsed a preferred growth strategy that is consistent with the *medium growth forecast*. The following recommendations will be forwarded to the Planning Commission and City Council to amend the Comprehensive Plan and adopt a new economic development strategy to guide public policy and fiscal decisions.

Specific economic development goals, objectives, and strategies are included in the Action Plan. Key **short-term economic development strategy recommendations** include:

- working with existing businesses to help them expand, as appropriate, on site in Sherwood;
- the City continue to invest in the downtown area by redeveloping the Cannery site, enhancing public parking, and enhancing amenities (such as parks and wireless internet access); and
- a proactive marketing strategy aimed at further defining, enhancing, and attracting existing high-growth industry clusters is recommended. This includes industries such as:
 - Small to mid-size light manufacturing establishments
 - Specialty contractors and construction firms
 - Creative service individuals and establishments
 - Amusement, recreation, sporting and lodging services
 - Educational facilities
 - Nursing and health care support services

Key findings from the employment land needs analysis are summarized below.

Overall Demographic and Economic Conditions

- Sherwood has been growing at a very fast pace, and is expected to continue to do so over the 20-year planning horizon. New households moving into Sherwood will require additional commercial-retail and commercial-service and light industrial development.
- Sherwood currently had an estimated 14,940 residents in 2005, up from only 3,093 residents in 1990. The rapid growth rate in Sherwood has begun to flatten a bit in recent years, but still averages 4.8 percent annually.
- Existing employment levels for Sherwood are estimated to range from 3,992 to 4,315 jobs within the city, depending upon the source of data.

- Compared to Washington County as a whole, Sherwood is “housing rich and jobs poor” with jobs-to-population ratio of only 0.30 compared to close to 0.40 for Washington County.
- The medium growth forecast would allow for the jobs-population ratio to rise over time from 0.30 today to 0.32 jobs per capita (by year 2025).
- City of Sherwood economic development and land use policies can influence the future level of employment growth, and the jobs-population balance that is achieved over time. Future employment job growth in Sherwood is projected to be 5,347 jobs with the medium growth forecast.
- Not all job growth would require new development. Based on findings contained in Metro’s Urban Growth Report, Otak expects local infill, redevelopment, and home-based employment to accommodate none of the industrial jobs, 5-15% of all commercial-service jobs, and 30-40% of all commercial-retail jobs. This equates to up to a forecast level of up to 688 jobs being accommodated through infill, redevelopment, and home-based employment.
- The City of Sherwood should attempt to accommodate 4,659 new jobs on vacant land, and 688 jobs on redevelopment land and home based businesses under the medium growth scenario.

Land Supply Findings

- Sherwood’s existing land supply (within city limits) includes approximately 202 acres of vacant unconstrained industrial land and 13 acres of commercial land area. Within this vacant land supply, there are 7 “project ready” parcels totally 74.8 acres, and 5 “short term” parcels totally 30 acres—more than enough to accommodate 5-year land demand.
- The City of Sherwood has determined that there are over 176 acres of redevelopable land inside the existing city limits, which should be more than adequate to accommodate the 20-year demand for refill and redevelopment job growth.

Land Demand Findings

- The projected vacant land demand over the next 20-years under the medium growth scenario is 316 gross buildable acres. This includes 40 acres for commercial (retail/office) development, and 276 acres for industrial/other employment uses.
- The special siting for new public facilities is expected to require an additional range of 35-75 acres of UGB expansion to locate one new elementary school, one new middle school, and one new high school, and 10-20 acres for a new public works yard.

Sherwood UGB Expansion Findings

- The additional UGB land required under the medium growth scenario is 27 acres for new commercial development, and 74 acres for new industrial development. These land needs are expressed as gross buildable acres, and exclude land that is constrained by environmental factors including wetlands, floodplains, and steep slopes.

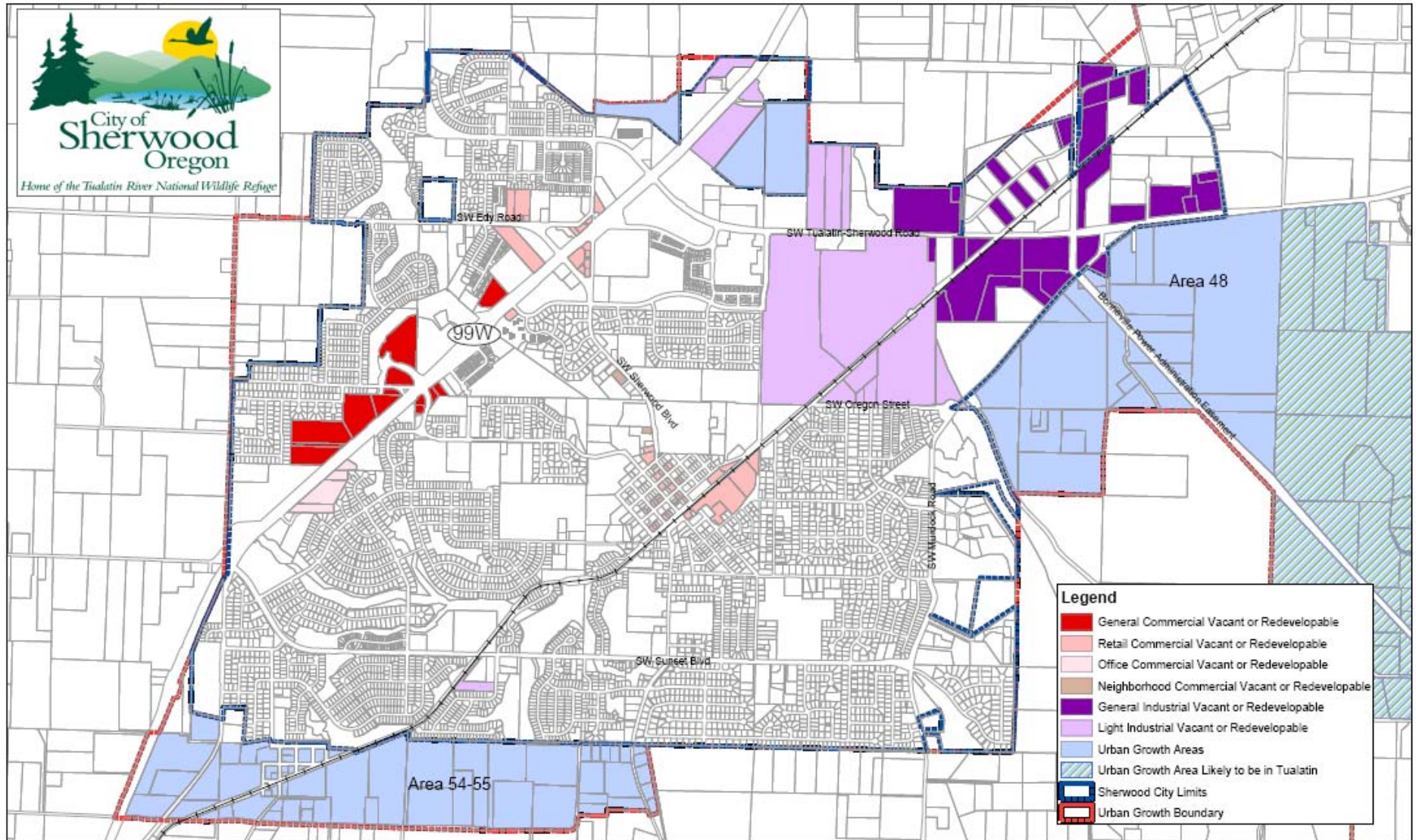
- The total additional UGB land area required to address “baseline” and “special siting” land demand is 146 acres in the medium growth forecast. These land needs forecasts exclude land that is constrained by environmental factors including wetlands, floodplains, and steep slopes. Much of this development could likely be accommodated within planning Area 54-55 and Area 48.

Attachments:

1. Vacant and Redevelopable Employment Lands, Sherwood, Oregon map, June, 2006.

DRAFT

Vacant and Redevelopable Employment Lands Sherwood, OR



Map Created 05.08.06
 Source: Metro RLIS Lite 2005 and City of Sherwood Shapefiles
 Sherwood Economic Development Strategy 2006





Home of the Tualatin River National Wildlife Refuge

RECOMMENDED ACTION PLAN

November 6, 2006

Vision Statement

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.

Goals, Objectives and Actions

Goal 1: 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	TIMELINE			LEAD	SUPPORT	RESOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10 -20 years)			
1.1	Capture existing workers in Sherwood who now work elsewhere.						
Action(s)	1. Designate a full-time local business recruitment and retention specialist to guide implementation of the economic development strategy.	✓			City	OED, OECDD	Staff
	2. Develop a strategic agreement with the Sherwood School District, Portland Community College, the	✓	✓	✓	City	Higher-Ed, Sherwood	Staff



	OBJECTIVE	TIMELINE			LEAD	SUPPORT	RESOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10 -20 years)			
	Oregon Graduate Institute and other higher education partners to develop a well-trained workforce that is aligned with the needs of businesses. Identify actions to accomplish this objective (e.g., identification of a satellite training facility).					School District	
	3. Continue provision of incubator space for Sherwood-area entrepreneurs.	✓	✓		City	Chamber	Annual costs
	4. Pursue “economic gardening” or entrepreneur facilitation to spur new small businesses and networking among existing businesses.	✓	✓		City	Chamber, RBP, OECDD	Staff
1.2	Provide locations and support for local jobs for local residents.						
Action(s)	1. Maintain existing employment land supply. Do not rezone employment land with out making available replacement employment land..	✓	✓	✓			
	2. Dedicate resources to making Area 48 development-ready (i.e. TIF, LID, or other finance mechanism).	✓			City		
	3. Work with the Chamber of Commerce, including their economic growth committee, state agencies, and other stakeholders to conduct outreach to existing businesses to help them expand in Sherwood. Organize a proactive network of business clusters including: light manufacturing, specialty contractors, creative service professionals, home-based businesses, amusement/recreation/lodging, educational facilities, and health care.	✓	✓		City	Chamber	Staff

	OBJECTIVE	TIMELINE			LEAD	SUPPORT	RESOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10 -20 years)			
1.3	Support and build upon manufacturing and other industries likely to produce family-wage jobs.						
Action(s)	1. Review Sherwood’s development fees as compared to other communities to ensure competitiveness, and align the fee structure according to targeted business expansion, recruitment, and fiscal objectives.	✓			City/ SURPAC	Development community	Staff, SURPAC
	2. Initiate annexation and development strategy for Area 48 and Area 54-55 as market conditions warrant.		✓		City/ County	WACO, Metro	CET Grants
	3. Review and refine permit process and set performance goals for quick turnaround for identified shovel ready sites.	✓			City	ERT: DSL OECDD, DEQ, CWS	Staff

Goal 2: Support tourism as an economic engine of Sherwood.

	OBJECTIVES	TIMELINE			LEAD	SUPPORT	RESOURCE NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
2.1	Develop a marketing strategy including promotion of the cultural arts and historical attractions as tourism generators.						
	1. Develop a coordinated marketing strategy, including identification of resources needed.	✓			City	Chamber, , WACO Tourism Board, NW Viticulture Center, Willamette	Staff

	OBJECTIVES	TIMELINE			LEAD	SUPPORT	RESOURCE NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
						Valley Visitors Assn., OR Tourism Commission	
Action(s)	2. Update marketing strategies periodically. Participate in regional marketing coalitions, such as recreation and winery groups.		✓	✓	City, Chamber, WACO Tourism Board	NW Viticulture Center, Willamette Valley Visitors Assn., OR Tourism Commission	
2.2	Continue to promote sporting events (i.e., Sports Town USA) as a tourism engine for Sherwood.						
Action(s)	1. Develop coordinated strategy with youth sports associations, school district, and Parks Board.	✓			Chamber	Sports organizations, Parks Board	Staff, media/print costs
	2. Implement strategy.		✓	✓	Chamber	Sports organizations, Parks Board	Staff, media/print costs
2.3	Leverage the presence of the Tualatin River National Wildlife Refuge, and its anticipated 50 to 60 visitors per day, to increase tourism in Sherwood.						
Action(s)	Identify funding source to implement a Wayfinding Master Plan	✓			Chamber, City	TRNWR, State Parks & Recreation	Staff, media/print costs
2.4	Promote Sherwood as the “Gateway to the Oregon wine country” (cultural tourism).						
Action(s)	1. Develop a marketing strategy to promote Sherwood area wineries and tourism events, including as a destination	✓			Chamber	City, Realtors,	Staff, media/print

	OBJECTIVES	TIMELINE			LEAD	SUPPORT	RESOURCE NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
	gateway to the Yamhill wine country. Set annual targets for advertising, public outreach and communications.					Wineries,	costs
2.5	Address the lack of hotels or other bed and breakfast lodging within the city limits to increase Sherwood’s tourism potential.						
Action(s)	1. Identify candidate sites; work with possible developers.	✓			City	Development Community	Staff

Goal 3: Develop the infrastructure and services necessary to support economic development.

	OBJECTIVE	TIMELINE			LEAD	SUPPORT	REOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
3.1	Identify and protect strategic industrial and other employment sites.						
Action(s)	1. Create and maintain a list or database of vacant and buildable industrial and commercial sites by lot size and owner contact. Consider creating a series of site profiles and coordinate with the Regional Business Partners and OECDD certification program. Make information available on the city’s website or state website - www.oregonprospector.com . For example, to focus redevelopment and related investments, create a “top ten” list of sites to target in the short term.	✓			City	ERT: OECDD	Staff
	2. Identify constraints and barriers to development to properties on the “top ten” list. Create an	✓			City	Property	Staff

	OBJECTIVE	TIMELINE			LEAD	SUPPORT	REOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
	annual work program to respond to those issues accordingly, including annual budgets for capital improvements and assigned staffing to implement the work program.					Owners/Realtors Development Community	
3.2	Prioritize infrastructure improvement projects according to their anticipated economic benefit.						
Action(s)	1. Review capital facility plans to ensure planned investments match target areas.	✓	✓		City/SURPAC Budget Committee		Staff
3.3	Calculate the employment land mix necessary to help the city be self-sustaining in terms of the provision of adequate utilities and services.						
Action(s)	1. Adopt and integrate the vision, goals, and objectives, economic opportunities analysis, and any other economic development strategy recommendations, including preference for the medium employment growth scenario.	✓			City/ SURPAC/ Planning Commission	Chamber	Staff
	2. Identify school sites and preferences for future K-12 public schools in Sherwood through school facility plan. Update inventory accordingly.	✓	✓	✓	School District	City	
	3. Prepare and adopt concept plans for Area 48 and Areas 54-55 in cooperation with Tualatin and Washington County, ODOT, Metro, affected property owners and citizens. It is expected that Area 48 would primarily consist of industrial, office and ancillary retail uses. Area 54-55 is expected to primarily consist of housing, mixed use (neighborhood commercial), and educational facilities. Ensure that the concept plans for these	✓			City	Metro, Washington County, City of Tualatin	Staff, grants

	OBJECTIVE	TIMELINE			LEAD	SUPPORT	REOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
	areas provide at least 27 acres for new commercial development, 74 acres for new industrial development, 10 acres for a new public works yard, and 35 acres for one new elementary school, one new middle school, and one new high school. The identified acreages are consistent with those in the medium growth scenario.						
	4. Update public facility plans for water, sewer, stormwater, and parks before and/or after completion of concept plans for Area 48 and Areas 54-55.		✓		City		Staff
3.4	Encourage the growth of a variety of restaurants and retail establishments that would cater to business people.						
Action(s)	1. Determine City’s participation in the redevelopment of the Cannery site. If the City becomes the master developer, solicit developers through requests for proposals or qualifications as a public/private partnership for redevelopment. Create a viable pro forma based on soft and hard costs and net operating income to identify the level or share of public investments needed to make the project financially successful for the City and developer.	✓			City/SURPAC	Development Community	Staff
3.5	Improve transportation access to support tourism and other economic development strategies.						
Action(s)	1. Participate actively in the location strategy for the I-5/Hwy 99 Connector, representing Sherwood’s interest in the location and relation to economic development objectives.	✓	✓		City	County, ODOT, Metro, Chamber	Staff

	OBJECTIVE	TIMELINE			LEAD	SUPPORT	REOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
	2. Continue to implement the Transportation System Plan with the objective of creating a multi-modal transportation network in Sherwood, with connections to regional bicycle facilities.	✓	✓		City	WACO, ODOT Metro	Staff

Goal 4: Develop a local workforce of residents whose skills are compatible with the needs of local businesses.

	OBJECTIVE	TIMELINE			LEAD	SUPPORT	REOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10-20 years)			
4.1	Identify the workforce needs of local employers.						
Action(s)	1. Schedule a focus group to discuss target area clusters and supportive strategies; collaborate with the Chamber of Commerce.	✓			City	Chamber, Oregon Employment Department	Staff
4.2	Provide workforce training for Sherwood residents.						
Action(s)	Develop a smart growth model for future development of new schools (See also G3.3.A2). As part of this process, identify viable school sites based on principles and preferences in the model for future K-12 public schools. Expand educational training and advancement for high school students, and create workforce training linkages for local businesses with higher education providers, such as George Fox University and Portland Community College.		✓		City	Sherwood School District, Portland State University, Portland Community College, George Fox University and/or others	Staff

Acronyms

ODE	Oregon Department of Employment
CWS	Clean Water Services
DEQ	Department of Environmental Quality
DSL	Division of State Lands
ERT	Governor’s Economic Revitalization Team
ODOT	Oregon Department of Transportation
OECD	Oregon Economic and Community Development Department
RBP	Regional Business Partners
TRNWR	Tualatin River National Wildlife Refuge
WACO	Washington County

GROWTH MANAGEMENT

Exhibit A-4

A. INTRODUCTION

The 1980's were projected to mark the beginning of a period of strong growth pressure in the Sherwood Urban Area. The ultimate level, rate and direction of growth can, to a large extent, depend on the growth management policies and objectives of City and the region. This Section of the Plan contains the assumptions, goals, needs and policies which together express how the City intends to manage expected growth. However, for a variety of reasons, primarily the overall Oregon recession during most of the 1980's, the projected growth for Sherwood did not occur. During the 1989-90 Plan update process population projections and general growth assumptions were re-evaluated and scaled back. The UGB remained unchanged, however the planning period which it represents ~~has been~~was extended from 2000 to 2010. In ~~2005~~-2006 the City developed an Economic development Strategy that included updated forecast for employment needs within the 2025 **planning horizon**. Where appropriate, the forecasts are updated to reflect the most current information.

This Section summarizes the results and recommendations of the 1989-90 Comprehensive Plan CAC as reviewed and revised by the Planning Commission and City Council. This Plan element designates land within specific urban growth boundaries to meet the needs of a projected 2010 population; provides for the orderly economic extension of urban services; and specifies policy for the conversion of rural, agricultural and urbanizable land to urban uses. The overall purpose of this Section is to establish policy for the management of the City's growth consistent with LCDC Goal 14.

Until 1985, this Plan was a complementary plan, that is, it applied within the City limits. The Washington County Comprehensive Plan continued to apply to land within the Sherwood Planning Area, but outside of the City limits. The Washington County/Sherwood Urban Planning Area Agreement (UPAA) developed in order to meet interjurisdictional coordination requirements of LCDC Goal 1, details the on-going relationship between the City and County in developing, implementing and revising their respective Comprehensive Plans for the Sherwood Planning Area. This agreement has been updated biennially, the most recent in 1988. Amendments to the agreement have been incorporated into this section. The most significant change in the UPAA between the County and the City occurred in 1985 when Sherwood opted to gain "active plan status" versus complimentary status of the urban area outside the city limits but inside the UGB. This means that the City is responsible for comprehensive planning within the urban planning area and regulates development activities to the greatest extent possible. The City is identified as the appropriate provider of local water, sanitary sewer, storm sewer and transportation facilities within the urban planning area. The agreement now states that the county shall not approve land divisions within the unincorporated portions of the urban planning area which would create lots less than 10 acres in size.

During the 1989-90 Plan update the city adopted an additional provision to be incorporated into the Urban Planning Area Agreement. Since the Sherwood Comprehensive Plan

employs a one-map system wherein the Comprehensive Plan Map fulfills a dual role by serving as both Plan Map and Zone Map, the map establishes land use designations or zones for unincorporated portions of the Urban Planning Area. Therefore, to simplify the process, the agreement provides that with adequate notice to the affected property owners, upon annexation of any property within the urban planning area to the City, the land use designation specified by the Sherwood Comprehensive Plan and Zone Map is automatically applied to the property on the effective date of the annexation (as authorized by ORS 215.130(2)a and after adequate notice to the property owner).

B. POLICY GOALS AND OBJECTIVES

1. POLICY GOAL

To adopt and implement a growth management policy which will accommodate growth consistent with growth limits, desired population densities, land carrying capacity, environmental quality and livability.

2. POLICY OBJECTIVES

- a. Focus growth into areas contiguous to existing development rather than "leap frogging" over developable property.
- b. Encourage development within the present city limits, especially on large passed-over parcels that are available.
- c. Encourage annexation inside the UGB where services area available.
- d. When designating urban growth areas, consider lands with poorer agricultural soils before prime agricultural lands.
- e. Achieve the maximum preservation of natural features.
- f. Provide proper access and traffic circulation to all new development.
- g. Establish policies for the orderly extension of community services and public facilities to areas where new growth is to be encouraged, consistent with the ability of the community to provide necessary services. New public facilities should be available in conjunction with urbanization in order to meet future needs. The City, Washington County, and special service districts should cooperate in the development of a capital improvements program in areas of mutual concern. Lands within the urban growth boundary shall be available for urban development concurrent with the provision of the key urban facilities and services.
- h. Provide for phased and orderly transition from rural to suburban or urban uses.

C. GROWTH ASSUMPTIONS

The growth assumptions developed and selected for Sherwood during the previous Plan preparation were high. At that time, the Plan projected 4,600 people in the urban area by 1985 and 10,600 people by 2000. This arose from a projected 7% to 12% annual increase anticipated by connection of the Sherwood sewer system to the Durham Sewage Treatment Plant. The growth did not occur however. By 1988 Sherwood's population was 2,990 inside the City limits.

1. To provide a regionally consistent population projection methodology and the accurate allocation of people, in 1988 Washington County and the Metropolitan Service District prepared revised population projections for Sherwood and other metro jurisdictions. These projections are the revised growth assumptions utilized in the Plan update process projecting to the year 2005 and are detailed as in the following. The population projections made in the original acknowledged plan remain as the high estimate.
2. The goal for the residential/nonresidential land use ratio should be 60/40 at full development.
3. Major public services, especially water and sewer, will be available to the buildable residential land within the Planning Area.
4. Twenty five percent of the buildable residential land in the Planning Area will be needed for public facilities and services.
5. Average overall residential density at full development will be over 6 units per gross acre.

**TABLE III-1
POPULATION PROJECTIONS**

YEAR	CITY LIMITS	1988	1980
		REGIONAL PROJECTION UGB	PLAN PROJECTION UGB
1980	2,400	2,924	2,385
1985			4,600
1987	2,910		
1990	3,125	3,537	
2000			10,600

2005 4,010 5,355

**TABLE III-2
HOUSING UNITS IN THE UGB**

YEAR	SINGLE FAMILY		MULTI-FAMILY		TOTAL
1980	848	(83.5%)	168	(16.5%)	1,016
1985	944	(82.9%)	195	(17.1%)	1,138
1987	979	(82.8%)	204	(17.2%)	1,183
1990	1,090	(82.9%)	224	(17.1%)	1,315
2005	1,663	(84.1%)	316	(15.9%)	1,979

**TABLE III-3
EMPLOYMENT IN THE UGB (2005)**

Employment Forecast for City of Sherwood, Medium Growth Scenario

<u>Employment Sector</u>	<u>2005</u>	<u>2025</u>	<u>Change</u>	<u>Annual Average Growth Rate</u>
<u>Industrial/Other</u>	<u>2,346</u>	<u>5,355</u>	<u>3,009</u>	<u>8.6%</u>
<u>Commercial-Retail</u>	<u>932</u>	<u>2,282</u>	<u>1,350</u>	<u>9.4%</u>
<u>Commercial-Services</u>	<u>714</u>	<u>1,701</u>	<u>987</u>	<u>9.1%</u>
<u>Total Non-farm Jobs</u>	<u>3,992</u>	<u>9,339</u>	<u>5,347</u>	<u>8.9%</u>

Job Distribution

<u>Employment Sector</u>	<u>2005</u>	<u>2025</u>	<u>Change</u>
<u>Industrial/Other</u>	<u>58.8%</u>	<u>57.3%</u>	<u>56.3%</u>
<u>Commercial-Retail</u>	<u>23.3%</u>	<u>24.4%</u>	<u>25.3%</u>
<u>Commercial-Services</u>	<u>17.9%</u>	<u>18.2%</u>	<u>18.5%</u>
<u>Total Non-farm Jobs</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

City of Sherwood Capture Rate of County

<u>Employment Sector</u>	<u>2005</u>	<u>2025</u>	<u>Change</u>
<u>Industrial/Other</u>	<u>6.8%</u>	<u>5.6%</u>	<u>4.8%</u>
<u>Commercial-Retail</u>	<u>9.2%</u>	<u>15.0%</u>	<u>26.4%</u>
<u>Commercial-Services</u>	<u>3.2%</u>	<u>4.3%</u>	<u>5.6%</u>
<u>Total Non-farm Jobs</u>	<u>6.0%</u>	<u>6.2%</u>	<u>6.3%</u>

Source: derived from Medium growth forecast, using Metro's 2025 projected job distribution for Sherwood. Compiled by Otak, Inc.

~~This data is a result of Washington County and METRO regional growth projections, neither of~~

~~which exactly coincide with the City's actual limits or the UGB. But as a planning tool this data is the most accurate available.~~

YEAR	RETAIL		OTHER		TOTAL
1987	204	(18.4%)	927	(81.6%)	1,141
1990	370	(25.2%)	1,096	(74.8%)	1,466
2005	1,021	(32.2%)	2,149	(67.8%)	3,170

D. FUTURE LAND NEEDS

Based on the selected set of growth assumptions and general space standards developed for each major category of land use, the following future land needs were determined. The land needs analysis is summarized in Chapter 4.

1. RESIDENTIAL LAND

Based on the above regional growth projections, there will be an additional 1,818 new people added to the Sherwood UGB between 1990 and 2005. At 2.5 people per household, there will be a need for 727 new households. At an average density of 6 dwelling units per acre with an additional 25% for roads and services, Sherwood will need an additional 121 acres of vacant residential to meet the projected population. The original population projection increases the needed residential acreage to 692 acres. There is adequate vacant land for both the regional and original population forecasts.

2. ~~EMPLOYMENT COMMERCIAL AND INDUSTRIAL~~ LAND

To provide sufficient developable land in Sherwood to meet employment land demand and City objectives, a total of 237 acres would be needed.

<u>Employment Growth Forecast</u>	<u>Medium Growth Scenario</u>
<u>Industrial/Other</u>	<u>3,009</u>
<u>Commercial-Retail</u>	<u>1,350</u>
<u>Commercial-Services</u>	<u>987</u>
<u>Total Non-farm Jobs</u>	<u>5,347</u>
<u>Refill (Redevelopment and Infill) Assumptions</u>	-
<u>Industrial/Other</u>	<u>0%</u>
<u>Commercial-Retail</u>	<u>40%</u>
<u>Commercial-Services</u>	<u>15%</u>
<u>Jobs Allotted to Refill/Redevelopment</u>	-
<u>Industrial/Other</u>	<u>0</u>
<u>Commercial-Retail</u>	<u>540</u>
<u>Commercial-Services</u>	<u>148</u>
<u>Total Non-farm Jobs</u>	<u>688</u>
<u>Jobs Allotted to Vacant Lands</u>	-

<u>Industrial/Other</u>	<u>3,009</u>
<u>Commercial-Retail</u>	<u>810</u>
<u>Commercial-Services</u>	<u>839</u>
<u>Total Non-farm Jobs</u>	<u>4,659</u>
<u>Vacant Land Needs Factors (SF Per Job)</u>	-
<u>Industrial/Other</u>	<u>800</u>
<u>Commercial-Retail</u>	<u>400</u>
<u>Commercial-Services</u>	<u>350</u>
<u>Vacant Land Needs Factors (Floor Area Ratio)</u>	-
<u>Industrial/Other</u>	<u>0.25</u>
<u>Commercial-Retail</u>	<u>0.4</u>
<u>Commercial-Services</u>	<u>0.5</u>
<u>Vacant Land Needs (Net acres)</u>	-
<u>Industrial/Other</u>	<u>221</u>
<u>Commercial-Retail</u>	<u>19</u>
<u>Commercial-Services</u>	<u>13</u>
<u>Total</u>	<u>253</u>

To meet an estimated increase of 413 jobs in the Sherwood urban area by 2005, there are 138 vacant commercial acres and 365 vacant industrial acres.

3. ~~IMPACT OF GROWTH ON SHERWOOD LAND NEEDS~~

~~Update. As is apparent from the figures above, and the following tables, there is significantly more land available in the Sherwood UGB than needed by the estimated low regional population of 5,355 by 2005. The vacant residential inventory can actually accommodate up to an estimated 15,000 residents. The Sherwood citizenry believe such a population will eventually be achieved in the urban area due to the continued and projected growth pressures in Portland's west suburbs, the 1991 widening of Tualatin Sherwood Road, the potential for the Western Bypass linking I-5 to Hwy 26 within the Sherwood UGB, and the very significant increase in residential development activity within the City since late 1989.~~

E. BUIDABLE LAND

A survey of vacant land in the Planning Area which is capable of accommodating new development was conducted by the City in 1978 and again in 1989. Table III-1 depicts the methodology used and results of the survey. The primary constraint to development in the Planning Area is the Rock Creek and Cedar Creek flood plains. A total of 1,652 acres of buildable land existed in the Planning Area in 1989. This figure represents approximately 69% of total Planning Area acreage.

In comparing buildable land with future land needs, it is evident that buildable land in the Planning Area will be adequate to the year 2010. Table III-2 compares overall land needs to buildable land and population capacities.

With the development of the 2006 Economic Development Strategy, an updated Vacant and Redevelopable **Employment Lands** map was developed for employment purposes. This map is depicted as Figure 1 ~~For employment purposes, insert buildable land/constraints map.~~

F. GROWTH MANAGEMENT POLICY

The following policies and strategies are established for the management of urban growth in the Planning Area.

1. GROWTH AREAS

Consistent with regional and state policy which calls for establishment of a growth policy, the City has determined future land requirements for growth to the year 2017 consistent with Metro 2040 growth concept plan. The City further has established a need for policies and standards defining areas to meet these short range and long range requirements. City plan and zoning designations will be determined consistent with the Metro 2040 Growth Concept Design Types illustrated on the 2040 map, unless the 2040 map designation is inappropriate in which case the City will propose that Metro change their map consistent with City policy.

One growth boundary is used in the Plan. The Urban Growth Boundary (UGB), also referred to as the Urban Planning Area, defines urban land needs to the year 2010.

a. URBAN GROWTH AREA BOUNDARY POLICIES

The Sherwood Urban Growth Boundary (UGB) is defined as the area west of Cipole Road included within the regionally adopted Portland Urban Growth Boundary (UGB).

Policy 1 - The City will periodically review and propose to Metro appropriate revisions to the Urban Growth Boundary (UGB) in conformance with the Metro 2040 Growth Concept Plan and the need to accommodate urban growth to the year 2017.

Policy 2 - Changes in the Urban Growth Boundary may be proposed by the City, County, special districts, and individuals in conformance with City, County and Metro procedures for amendment of their respective Comprehensive Plans.

Policy 3 - The City will review and comment on all proposals before Metro to establish or to revise the Sherwood Urban Growth Boundary for conformance with the Sherwood Comprehensive Plan. Specifically, the City review will consider if the proposal addresses the following criteria:

- 1) Demonstrated need to accommodate urban population growth requirements to the year 2017 consistent with the Metro Urban Growth Management Plan and DLCD goals;

- 2) Need for housing, employment opportunities, and livability;
- 3) Orderly and economic provision of public facilities and services;
- 4) Maximum efficiency of land uses within and on the fringe of the existing urban area;
- 5) Environmental, energy, economic and social consequences;
- 6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority; and,
- 7) Compatibility of the proposed urban uses with nearby agricultural activities.

b. CITY LIMITS POLICIES

Policy 4 - The City will periodically review and propose appropriate revisions to the City limits in conformance with City policies and procedures and consistent with the need to accommodate urban growth. Urban growth needs shall be determined based on the assumptions contained in Section C of this chapter.

Policy 5 - Changes in the City limits may be proposed by the City, County, special districts or individuals in conformance with City policies and procedures for the review of annexation requests and County procedures for amendment of its comprehensive plan.

Policy 6 - The City will coordinate with Washington County policies and procedures governing the conversion of urbanizable land to urban land. Such policies shall be included in the Washington County-Sherwood Urban Planning Area Agreement (UPAA). Specifically, the City will consider whether proposals to annex to the City include lands which meet one or more of the following criteria:

- 1) Land contiguous to the City limits needed to extend facilities or services to areas within the City limits.
- 2) Lands where urban services are available or are programmed for the immediate future.
- 3) Conservation of a needed amount of open space.
- 4) Land where existing man-made conditions indicate a pre-existing commitment to urban development.

Policy 7 - All new development must have access to adequate urban public sewer and water service.

- Policy 8 - No new lots outside the City and inside the UGB shall be created that contain less than ten acres. Development of existing lots of record and newly created lots of 10 or more acres shall be limited to single family dwellings, agricultural activities; accessory uses which are directly related to the primary residential or agricultural use and necessary public and semipublic uses.
- Policy 9 - Urban sanitary sewer and water service shall not be extended beyond the City limits or UGB with the following exceptions:
- 1) Where an immediate demonstrable threat to the public health exists, as a direct result of the lack of the service in question.
 - 2) Where urban services are required by a public facility which by the nature of its service, the size and location of its service area or by virtue of special siting requirements cannot be met by sites within the City limits or UGB.
- Policy 10 - New private septic tanks and water wells shall be allowed outside the City limits and inside the UGB only for permitted uses on existing lots of records and new lots of ten (10) or more acres in size.

c. MAPPING OF URBAN GROWTH BOUNDARY

The Urban Growth Area Boundary is depicted on the Plan and Zone Map in Chapter 4. The definition of the growth area is based on the detailed analysis in Section III Background Data and Analysis and the assumptions in Section C of this chapter. Changes in the boundaries must meet criteria contained in Policies 3 and 4 above. In the location of growth boundary lines, the following considerations shall be used:

- 1) Creeks with narrow flood plains, due to their barrier effect and definability.
- 2) The edge of a wide flood plain, due to their limiting effect on urban land use. This criteria may be unsuitable if the flood plain is in agricultural use.
- 3) Railroad tracks, due to their barrier effect, especially where road or highway crossings are involved.
- 4) Power lines, due to definability.
- 5) Roads, due to definability and barrier effect but unsuitable with respect to service provision.
- 6) Rear property lines, due to definability and service provision but having limited barrier effect.

- 7) Specified setbacks from roadways or other established public facility or service locations which would best utilize a service district.

2. URBAN SERVICE EXTENSION OUTSIDE OF GROWTH BOUNDARY AREAS
(except as stated in policy 7 above):

Policy 11 - The City shall not initiate or take any action and shall oppose any action by others which would extend or encourage the extension of urban sewer, water or storm drainage services outside of the regionally adopted Urban Growth Boundary.

Policy 12 - Urban Service plans adopted by the City shall be designed to serve areas within the regionally adopted Urban Growth Boundary only. Service line locations and sizing shall be limited to those which are necessary to serve areas within the Urban Growth Boundary.

TABLE III-4

**1990
BUILDABLE RESIDENTIAL LAND INVENTORY
SHERWOOD URBAN GROWTH BOUNDARY**

<u>DESCRIPTION</u>	<u>TOTAL UGB ACREAGE</u>
A. TOTAL LAND AREA	2,391
B. DEVELOPED LAND	543
C. AVAILABLE LAND (A minus B)	1,848
D. LAND UNSUITABLE FOR DEVELOPMENT	205
E. GROSS BUILDABLE LAND (C minus D)	1,641
Residential	1,138
Commercial	138
Industrial	365
Public	0

TABLE III-5

**2006
BUILDABLE EMPLOYMENT LAND INVENTORY**

Employment Land Supply, Sherwood City Limits May 2006

Zone	Total Acres	Total Developed Acres	Total Constrained Acres	Total Vacant Acres	Total Redevelopable Acres
General Commercial	72.5	37.4	1.4	4.4	30.8
Retail Commercial	84.7	43.6	0	4.3	36.9
Office Commercial	17.4	9.7	1.9	4.7	3.0
Neighborhood Commercial	1.0	0	0	0	1.0
Office Retail	0	0	0	0	0
General Industrial	276.8	153.6	10.8	48.7	74.5
Light Industrial	271.8	87.8	50.1	153.6	30.4
Subtotal Commercial Land	175.7	90.6	3.3	13.4	71.6
Subtotal Industrial Land	548.6	241.4	60.9	202.3	104.9
Total	724.2	332.0	64.2	215.7	177.0

Source: City of Sherwood Planning Department, May 2006. Excludes areas outside existing city limits including Areas 48 and 54-55.

LAND USE

A. INTRODUCTION

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 which the community intends to see developed. The development of land use policy has been the result of a carefully defined planning process which has encouraged the involvement of all persons and agencies with an interest in the use of land within the Planning Area. Policy has been determined based on an analysis of current data and identified policy goals and objectives. Strategies for the implementation of selected policies were determined from an analysis of current data and identified policy goals and objectives. Strategies for the implementation of selected policies were determined from an evaluation of practical alternatives. The goals, policies and strategies contained in this Section are based on the material in Section III-IV of Part I, Background Data and Analysis. General findings relating to the current land use pattern are summarized in Section B of this chapter. More specific findings related to residential, commercial, industrial, public and semi-public land uses are summarized in Sections E through H of this chapter.

B. GENERAL FINDINGS

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 which is available and suitable for future urban growth. An analysis of current zoning was made to determine the relationship between land use as it has been planned and land use as it has actually developed. Finally, standards were developed and applied to make a determination of future space needs for each major category of land use. These studies will be periodically updated to provide the most reliable basis for plan policy:

1. EXISTING DEVELOPMENT PATTERN

- a. 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.
- b. 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.

- c. 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 22% (See Table IV-1).
- d. More recent development in the Six Corners area indicates the market "pull" of the Highway 99W corridor. Highway 99W may be expected to exert a similar influence on development in Sherwood that the railroad has exerted, especially after improvements to the Six Corners intersection and widening of Tualatin-Sherwood Road in 1991-92.

2. DEVELOPABLE LAND

- a. About 1641 buildable acres are available within the 1990 Urban Growth Boundary for development. The 2006 Economic Opportunities Analysis, a component of the Economic Development Strategy (EDS) identifies the employment land supply within the Sherwood City limits as of May 2006 as illustrated in Table IV-1 below. Per the table, there are 215.7 vacant acres of employment land and 177 redevelopable acres of employment land within the City limits..

TABLE IV-1
EMPLOYMENT LAND SUPPLY, SHERWOOD CITY LIMITS MAY 2006

Employment Land Supply, Sherwood City Limits May 2006

<u>Zone</u>	<u>Total Acres</u>	<u>Total Developed Acres</u>	<u>Total Constrained Acres</u>	<u>Total Vacant Acres</u>	<u>Total Redevelopable Acres</u>
<u>General Commercial</u>	<u>72.5</u>	<u>37.4</u>	<u>1.4</u>	<u>4.4</u>	<u>30.8</u>
<u>Retail Commercial</u>	<u>84.7</u>	<u>43.6</u>	<u>0</u>	<u>4.3</u>	<u>36.9</u>
<u>Office Commercial</u>	<u>17.4</u>	<u>9.7</u>	<u>1.9</u>	<u>4.7</u>	<u>3.0</u>
<u>Neighborhood Commercial</u>	<u>1.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<u>Office Retail</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>General Industrial</u>	<u>276.8</u>	<u>153.6</u>	<u>10.8</u>	<u>48.7</u>	<u>74.5</u>
<u>Light Industrial</u>	<u>271.8</u>	<u>87.8</u>	<u>50.1</u>	<u>153.6</u>	<u>30.4</u>
<u>Subtotal Commercial Land</u>	<u>175.7</u>	<u>90.6</u>	<u>3.3</u>	<u>13.4</u>	<u>71.6</u>
<u>Subtotal Industrial Land</u>	<u>548.6</u>	<u>241.4</u>	<u>60.9</u>	<u>202.3</u>	<u>104.9</u>
<u>Total</u>	<u>724.2</u>	<u>332.0</u>	<u>64.2</u>	<u>215.7</u>	<u>177.0</u>

Source: City of Sherwood Planning Department, May 2006. Excludes areas outside existing city limits including Areas 48 and 54-55.

- b. About 205 acres, or almost 9% of all land within the urban area, is nonbuildable due primarily to flood plains, creek bank slopes, and power line easements.
- c. Assuming a 60/40 residential nonresidential land use distribution in the urban

area at full development, approximately 1,158 vacant residential acres and 503 nonresidential acres would be available and suitable for development to the year 2010. These assumptions from the 1990 plan must be modified and augmented per the data from the **EDS** Economic Opportunities Analysis and Table IV-1, above.

- d. The most significant amounts of buildable land are located in the north-central portion of the urban area south of Highway 99W, and in the southwest portion of the Planning Area between the present City limits and Old Highway 99W. (See Section III Background Data and Analysis for detailed analysis of buildable land and population holding capacities by Planning Subarea.)

3. EXISTING ZONING

- a. Over half of the acreage within the UGB is zoned for low density residential use. In addition, there is a significant amount of low density use.
- b. Nearly 70% of all land within the UGB is zoned for residential use in areas with medium and high density zoning. The 1990 Plan update rezoned existing, established single family areas near downtown from high density to low density residential.
- c. Table IV-2 illustrates the extent of currently developed lands in the Sherwood UGB.

TABLE IV-12
1990 SHERWOOD UGB RESIDENTIAL¹ LAND USE
& BUILDABLE LAND INVENTORY

Land Use/Zone	Total Acres	Built Acres	Unbuildable Acres	Buildable Acres	% of Total Buildable
Very Low Density Residential (VLDR)	123	7	3	113	7
Low Density Residential (LDR)	865	163	70	630	40
Medium Density Residential Low (MDRL)	249	67	31	151	10.5
Medium Density Residential High (MDRH)	233	41	20	172	9
High Density Residential (HDR)	91	9	10	72	4
Office Commercial (OC)	19	2	0	19	0
Retail Commercial (RC)	94	33	0	61	4
General Commercial (GC)	64	4	2	58	3
Light Industrial (LI)	216	22	21	173	11
General Industrial (GI)	305	65	48	192	11.5
Institutional Public (IP)	130	130	0	0	0
TOTAL	23911691	543417	205134	16411138	10070.5

TABLE IV-32
1989 LAND USAGE ACCORDING TO ZONING DENSITY
SHERWOOD UGB

Land Use Category	Use	Zoned	% Developed
Residential			
Very Low Density	8	123	6
Low Density	163	865	18
Medium Density	67	249	27
High Density	50	324	15
Commercial			
General	4	64	6
Retail	33	94	35
Office	2	19	10
Industrial			

¹ The Economic Opportunities Analysis, incorporated herein and adopted by reference provides up dated inventories for Employment lands within the City limits.

General	65	305	21
Light	24	216	10
Institutional/Public	130	130	100
TOTAL ACRES	531	2387	

—.

NO CHANGES TO “C” (STATEWIDE HOUSING TRENDS), “D” (POLICY GOALS) OR “E “ (RESIDENTIAL LAND USE) ARE PROPOSED

F. ECONOMIC DEVELOPMENT

1. INTRODUCTION

In 2006, the Sherwood Urban Renewal Policy Advisory Committee (SURPAC) led an update to the City's Economic Opportunities Analysis, a part of a greater Economic Development Strategy (EDS). During this process, a vision for economic development in Sherwood was developed:

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.

SURPAC and the City recognized that a strong and diversified local economy is important both for a community's identity and its tax base. Sherwood is a thriving ~~currently a~~ "bedroom" community largely due to its close proximity to the City of Portland job market. ~~However, there is a desire to improve the economic base of the community.~~ The comprehensive land use plan represents a tool the City has to provide opportunities for a variety of economic activities. The Economic Development Strategy and the Economic Opportunities Analysis, adopted as part of the Comprehensive Plan, contains the following information: To create these opportunities there has to be a clear understanding of the following factors.

- The economic trends at the national, state and local level.
- The site requirements of business and industry.
- The availability of industrial and commercial land.
- The community's economic development potential.
- The ability to provide industrial and commercial areas with public facilities.
- The amount of land needed to fulfill the economic objectives of the City.
- Short, medium and long term growth objectives with an emphasis on short-term developable land.

- A fiscal analysis.
- An action plan to implement the strategy.

2. ECONOMIC OPPORTUNITIES ANALYSIS

The Economic Opportunities Analysis (EOA) includes the following four elements: a review of national, state, and local trends; a discussion of the types of sites that will be needed by industrial and commercial uses; an inventory of the industrial and commercial lands; and, an assessment of the City's economic development potential. It was adopted by the City and is contained under separate cover, but incorporated by reference into this section.

~~3. FINDINGS~~

~~a. National Trends~~

~~The national economy has been in a state of change over the past 15 years. The structure of the economy is moving away from what has been coined the "mass economy." This "mass economy" is characterized by industries which are either resource-based and/or energy-based and which also require a large blue collar work force. The Oregon Economic Development Department Growth Industries Survey found that only 21% of those firms surveyed say access to raw materials is critical to their operation. Auto production is a classic "mass economy" industry. Now the "mass economy" is losing ground to the "information economy." This emerging economy is dominated by the generation, processing, and storage of information. Because of the improvements in telecommunications, the transmission of information is very inexpensive so that the different components of the production process do not need to be located all in one place. This makes the informational industries more "foot loose" than traditional manufacturing industries.~~

~~The four major components of an informational firm's production process and their locational requirements are identified below.~~

- ~~1) Research: This activity generally will locate near major technical universities.~~
- ~~2) Fabrication: This activity requires a skilled work force and tends to locate near large pools of skilled labor as traditional manufacturing industries have done in the past.~~
- ~~3) Assembly: This activity requires low cost labor and tends to locate away from high wage areas.~~

4) Administration: This activity has moved in two directions at the same time, first toward decentralization into suburban locations and centralization into large metropolitan areas.

Another national trend is the growth of the service economy. Services are rising in importance as a source of employment. In 1984 service sector businesses represented 57.3% of the national employment.

TABLE IV-5

SERVICE ECONOMY AS A PERCENTAGE OF NATIONAL EMPLOYMENT

Type of Employment	% of Total
Distribution Services	22.5%
Producer Services	12.6%
Social Services	12.3%
Personal Services.....	9.9%
Non Service Employment.....	42.7%
Total of US Employment	100.0%

(Source: OEDD State and National Trends Report)

Service businesses can be broken down into four categories:

1. Distributive Services such as transportation, wholesale and retail. These services have declined slightly in their proportion of the national employment over the past 25 years.
2. Producer Services such as finance, real estate and business services. These services have been the most rapidly growing type over the past 25 years.
3. Social Services such as medical, educational and non-profit organizations. These services have experienced some growth over the past 25 years.
4. Personal Services such as eating and drinking establishments, auto repair and entertainment services. These services have shown a slight amount of growth over the past 25 years.

The US economy and the economies of most other major democratic countries are similarly experiencing this major shift from an industrial base to one preoccupied with the production of services. More than half of the employed Americans hold service jobs. If government is included, the proportion of jumps to nearly 70% employed in the services sector. This is not a temporary displacement of our once proud manufacturing industries. It is a permanent shift in an advanced global economy. With worldwide industrial production and heavy manufacturing approaching a saturation point, and the increasing use of mechanical robotics in such divergent industries as lumber production and automobile

~~production, thousands of laid-off workers in the United States probably will never be offered their jobs back.~~

~~A second crucial change is the existence of a global economy that has crystallized in the last 10 years. The movement to a services economy is complemented by a striking trend toward international market competition. Our country's economy has, in the past, shifted from local to regional markets, and then from regional to national markets. We are now in a major transition from a national to an international market. Nearly 80 percent of all new manufacturing jobs were linked to exports. The result is that Oregon policy makers must now look beyond their local boundaries and view their local and regional economies in relation to an international economy.~~

~~The importance of small businesses in generating new jobs also must be recognized and is the third factor to be considered. Analysis by such prestigious research groups as MIT, the Urban Institute, and the Brookings Institution found that most new jobs were created by small firms with less than 20 employees. Their findings indicate that small business enterprises have a particularly significant impact on job generation in depressed or declining areas and can slow, or reverse, the decline of weakening regional economies. They discussed that "smokestack chasing," attempts at attracting large industrial firms, generally has little impact today in creating new employment opportunities.~~

~~Encouraged by billions of dollars in federal grants and loans, however, most cities and counties have focused on this industrial attraction strategy, seeking large manufacturing firms to relocate into one's jurisdiction. Now, not only are the federal dollars gone, but few local governments have the capacity to assist local, small businesses, having trained their economic development specialists in various forms of smokestack chasing.~~

Local Factors Influencing Economic Development

~~There are four general approaches to stimulating job creation:~~

- ~~● Formation of new business enterprises.~~
- ~~● Expansion of existing enterprises.~~
- ~~● Retention of existing enterprises.~~
- ~~● Attraction of recruitment of out-of-state enterprises.~~

~~The local factors for each approach are different (Gregerman, 1984). There are nine internal factors that are important for business attraction:~~

- ~~● Local labor market.~~
- ~~● Access to customer and supplier markets.~~
- ~~● Availability of development sites.~~
- ~~● Transportation service and networks.~~
- ~~● Education and training opportunities.~~
- ~~● Quality of life.~~
- ~~● Business climate.~~

- ~~Capital availability.~~
- ~~Taxes and regulations.~~

~~Many consider these to be the major factors influencing the location decisions of major corporations. Many of these factors are also important for business expansion within a community. However, the factors affecting investment in new indigenous enterprises are very different:~~

- ~~Supportive fiscal, regulatory, and political climate.~~
- ~~Supportive business community, including a pool of successful entrepreneurs.~~
- ~~Skilled local labor force.~~
- ~~Strong network of technical and professional services.~~
- ~~Education and training opportunities.~~
- ~~Major corporation and government research and development centers.~~
- ~~Access to capital: venture capital and commercial banks experienced in lending to nontraditional firms.~~

Summary

~~It must be emphasized that the shift in successful economic development is away from attracting outside industries and to promoting entrepreneurial climates and fostering the formation and expansion of local, and indigenous enterprises. Unfortunately, most cities and counties may continue to focus on conventional industrial attraction strategies that are now outdated.~~

~~It is not surprising that few cities have fully explored ways to stimulate and nurture small business development. This unfortunate dependence on the federal government has left state and local government managers to fend for themselves in an uncertain arena of international markets and small business development.~~

~~The emergence of a post industrial world economy and the withdrawal of direct federal grants require the invention of more effective strategies for generating new jobs in Oregon. Small business firms with the potential for competing in foreign markets are likely to generate new jobs than larger, more mature industries.~~

~~b. State Trends~~

~~The State of Oregon's economy experienced rapid growth through the period of 1972-79. The sectors with the strongest job growth included services, retail trade, government, and manufacturing. Oregon's manufacturing firms experienced employment growth in wood products, primary metals, fabricated metals, machinery, electrical equipment, transportation equipment, instruments, and non-durable manufacturing.~~

~~The Oregon economy went into a major decline in 1980. The sectors which exhibited significant declines included construction, manufacturing, distribution,~~

government, wood products, transportation equipment, and fabricated metals. In the same period there was growth in electrical equipment, health services, semi-conductors and computer manufacturing.

Looking to the future, there are several available state wide employment forecasts which can be used to consider Sherwood's economic future. Two from the Oregon Employment Division and the Bonneville Power Administration are shown in the following table:

TABLE IV-6

STATE-WIDE EMPLOYMENT FORECASTS			
Employment Sector	OED 1985-1990	BPA 1985-1990	BPA 1990-2005
Construction/Mining	5.5%	1.4%	1.7%
Manufacturing:			
-Lumber/Wood Products	-0.1%	-0.4%	0.0%
-Transportation Equipment	5.9%	1.6%	1.1%
-Food Products	0.0%	1.2%	1.1%
-Electronics	4.1%	2.1%	1.9%
-Other Manufacturing	2.5%	0.4%	0.2%
Total Manufacturing	1.9%	0.7%	0.8%
Transportation/Communications/ Public Utilities	2.0%	0.3%	0.4%
Trade	2.3%	2.7%	2.7%
Finance/Insurance Real Estate	3.9%	3.5%	2.6%
Services	3.0%	3.5%	2.3%
Government	0.4%	2.3%	2.3%
Total Non-Agricultural Employment	2.5%	2.3%	2.1%
Total Employment (including Agriculture)	2.4%	N/A	N/A

(Sources: Oregon Employment Division & Bonneville Power Administration)

The BPA forecast indicates modest growth through the remainder of this decade followed by lower growth after 1990 through 2005. Electronics and transportation equipment are anticipated to experience the strongest growth of all manufacturing industries. Growth in manufacturing is expected to be below increases in other sectors of the economy.

The service sector, including retail trade, finance/insurance, real estate, and services, are anticipated to continue as the most rapidly expanding sources of new jobs.

c. Washington County Economy (Washington County Economic Development Plan March, 1989):

- ~~1) The historical development of Washington County's economy has been dominated by a reliance upon exports to other regions and heavy interdependence with the economic fortunes of the City of Portland.~~
- ~~2) Washington County's rate of economic growth in the past 20 years has exceeded national and Portland regionwide economic growth rates by large margins.~~
- ~~3) Washington County weathered the recession of the early 1980's relatively easier than did the national and Multnomah, Clackamas, and Clark Counties.~~
- ~~4) In a pattern similar to trends nationwide, service sector industries have comprised the fastest growing component of Washington County's economy over the past two decades.~~
- ~~5) Despite the growth of the county's service sector, the county lags behind Multnomah County in capturing large shares of new regional job growth in business and financial services.~~
- ~~6) In contrast to nationwide trends, expanding manufacturing employment has fueled much of the county's economic growth in the post 1970 period.~~
- ~~7) Washington County's manufacturing export base is concentrated in the production of electronic measuring instruments, semiconductors, and electrical components, and computing machinery.~~
- ~~8) In addition, Washington County has captured a large share of regional expansion in the wholesaling sector.~~

~~**d. Local Trends**~~

~~1) Employment Data~~

~~The following Table IV-8 describes the most detailed economic data available for Sherwood.~~

~~2) Existing Major Employers~~

~~Sherwood is home to a wide variety of industries and trades. The major private industrial firms located in the City and their employment figures are listed below in Table IV-7.~~

TABLE IV-7

**Sherwood's Major Employers
(1990)**

Firm	1989 Employees
Sherwood School District	175
Wellons (Wood Fired Furnaces & Boilers)	92
Allied Systems (Cranes & Hydraulic Equipment)	53
Bilet Products (Specialty Wood Pallets)	52
Frontier Leather (Leather Goods & Tanning)	42
Dependable Foundry Equipment (Foundry Equip/Metal Fabrication)	42
Therm-Tech (Heat Recovery Systems)	25
Natural Structures (Playground Equipment)	24
Goodrich Forest Products (Industrial Lumber & Plywood)	21
City of Sherwood	17
Product Manufacturing (Machine Shop)	16
Steel Tek Industries (Commercial Kitchen Equipment)	16
Evergreen Pacific Landscaping (Tree Service)	14
West Coast Auto Auction (Auto Storage & Auction)	10

**TABLE IV-8
Sherwood Income, Occupation & Employment Data**

1985 Household Income	City Limits		UGB Boundary		School District	
Less than \$10,000	1042	100.0%	1145	100.0%	3852	100.0%
\$10,000 to \$14,999	68	6.6%	75	6.6%	285	7.4%
\$15,000 to \$24,999	121	11.6%	133	11.6%	386	10.0%
\$25,000 to \$34,999	201	19.3%	221	19.3%	741	19.2%
\$35,000 to \$49,999	277	26.6%	304	26.6%	807	20.9%
\$50,000 or more	127	12.2%	140	12.2%	633	16.4%

Mean Household Income \$33,518 \$33,518 \$33,930

(Source: 1985 survey by Griggs-Anderson for Tri Met)

Occupation in 1980

Employed person 16 & Older	1252	100.0%	1384	100.0%	4478	100.0%
Executive & Managerial	116	9.2%	128	9.2%	669	14.9%
Professional Specialty	158	12.5%	175	12.6%	607	13.6%
Technical Support	34	2.7%	38	2.7%	110	2.5%
Sales	133	10.6%	147	10.6%	554	12.4%
Administrative Support	207	16.5%	229	16.5%	802	17.9%
Service: Private Household	2	0.2%	2	0.2%	20	0.4%
Service: Protective	10	0.8%	11	0.8%	74	1.7%
Service: Other	120	9.6%	132	9.6%	342	7.6%
Farming, Forestry & Fishing	92	7.3%	102	7.3%	96	2.1%
Precision Production & Craft	181	14.4%	200	14.4%	582	13.0%
Machine Operator	97	7.8%	108	7.8%	312	7.0%
Transport & Materials Moving	56	4.5%	62	4.5%	160	3.6%
Laborers	46	3.7%	51	3.7%	149	3.3%

(Source: Metro estimate using 1980 Census Data)

1987 Employment Total at Work 1106 100.0% 1141 100.0% 3551 100.0%

Manufacturing	190	17.2%	189	16.5%	1008	28.4%
Electrical Manufacturing	0	0.0%	0	0.0%	56	1.6%
Finance, Insurance & Real Estate	3	0.3%	3	0.2%	33	0.9%
Trans, Comm & Public Utilities	39	3.6%	39	3.4%	85	2.4%
Construction	45	4.0%	44	3.9%	197	5.5%
Services	27	2.4%	27	2.3%	192	5.4%
Retail	204	18.4%	246	21.6%	174	4.9%
Wholesale	72	6.5%	71	6.2%	415	11.7%
Government	163	14.7%	161	14.1%	498	14.0%
Self-Employed	354	31.2%	342	30.0%	819	23.1%
Agriculture	19	1.7%	19	1.6%	73	2.1%

(Source: On Oregon Employment Services Data Geo-coded by Metro)

Total	1366	100.0%	1466	100.0%	4571	100.0%
Retail	321	23.5%	370	25.2%	362	3.9%
All Other	1045	76.5%	1096	74.8%	4209	92.1%
TOTAL	2731	100.0%	3170	100.0%	9925	100.0%
Retail	936	34.3%	1021	32.2%	1350	13.6%
All Other	1795	65.7%	2149	67.8%	8575	86.4%

(Source: 1988 Metro Econometric Model using "Regional Forecast" document)

**TABLE IV-9
SHERWOOD UGB
VACANT INDUSTRIAL LAND INVENTORY (July 1991)**

Map #	Owner	Legal	Vacant Acres	Zone	Rail	Water W/I 1000 ft	Sewer W/I 1000 ft	Storm W/I 1000 ft	Major Road
1,2,3	Marshall, Taylor, Young	28A:501,502 503	33.0	GI	N	Y	Y	N	Y
4	Cole	28A:600	12.6	GI	Y	Y	Y	N	Y
5	Amer Broke	28A:601,603	8.7	GI	Y	Y	Y	N	Y
6	Cereghino	28A:1000	8.7	GI	Y	N	Y	N	Y
7	Galbreath	28B:100	11.9	GI	Y	Y	Y	N	Ease
8	Galbreath	28B:101,102	5.0	GI	N	N	N	N	N
9	Sentrol	28B:104	39.6	GI	Y	Y	Y	N	Y
10	Taylor	28B:300	6.1	GI	N	Y	Y	N	Y
11	Taylor	28B:400	4.2	GI	N	Y	Y	N	Y
13	Peterson	28B:402	1.5	GI	Y	Y	Y	N	Y
17	Taylor	28B:403	2.0	GI	Y	Y	Y	N	Y
14	Leichner	28C:101,103	5.6	GI	N	Y	Y	N	Y
15	Kettleberg	28C:102	0.9	GI	N	Y	Y	N	Y
16	Nelson	28C:200	19.0	GI	Y	Y	Y	N	Y
17	Lampley	28C:501	14.0	GI	N	Y	Y	N	Y
18	Congdon	29A:800	14.7	LI	N	Y	N	N	Y
	6-Corner Land	29B:100	3.8	LI	N	Y	N	N	Y
19	6-Corner Land	29B:101	4.0	LI	N	Y	N	N	Y
20	Kruger	29B:102	6.0	LI	N	Y	N	N	Y
21	PGE	29B:800	9.8	LI	N	Y	N	N	Y
22	Langer	29B:900	3.3	LI	N	Y	N	N	Y
23	Langer	29B:901	4.8	LI	N	Y	N	N	Y
24	Langer	29C:200	53.5	LI	N	Y	N	N	Y
25	OR/WA Lbr	29D:100	30	LI/CI	Y	Y	Y	N	Y
26	Grooman	29D:200	2.8	LI	N	N	Y	N	Y
28	Frontier Lthr	29D:600	11.0	LI/CI	Y	Y	Y	N	Y
29	Hitch/Steel	31D:507,509	3.0	LI	Y	Y	Y	N	Y
30	Capri	32BA:4000	0.5	LI	Y	Y	Y	N	Y
31	Reinhardt	32BD:100	3.3	LI	Y	Y	Y	Y	Y
32	Elton	32BD:400	1.2	LI	N	Y	Y	Y	Y
33	Waco	29A:200	—	LI	N	N	Y	N	Y
34	Waco	29A:300	—	LI	N	N	Y	N	Y
35	Balsiger	29A:500	—	LI	N	N	Y	N	Y
36	Steyart	29A:600,690	—	LI	N	N	Y	N	Y
37	Cereghino	29A:700	—	LI	N	N	Y	N	Y

Note: - Vacant acres include the deletion of flood plain and power line easements (easements est.)

**TABLE IV-10
SHERWOOD UGB
VACANT COMMERCIAL LAND INVENTORY (July 1991)**

Map #	Owner	Legal	Vacant Acres	Zone	Rail	Water W/I 1000 ft	Sewer W/I 1000 ft	Storm W/I 1000 ft	Major Road
1	6-Corner Land	29B:200	3.0	RC-GC	N	Y	N	N	Y
2	Borchers	29B:300	6.5	RC-GC	N	Y	N	N	Y
3	Edwards	29B:600	0.65	RC	N	Y	N	N	Y
4	Anderson	29B:700	7.46	RC-GC	N	Y	N	Y	Y
5	PGE	29B:801	11.0	RC-GC	N	Y	N	N	N
6	Cereghino	29C:100	4.5	RC	N	Y	Y	Y	N
7	Langer	29C:200	10.0	RC	N	Y	30%	Y	30%
8	Anderson	30A:800	3.0	RC	N	Y	N	Y	Y
9	Harvey	30A:1800	0.43	RC	N	Y	Y	N	Y
10	Harvey	30A:1900	0.76	RC	N	Y	Y	N	Y
11	Handley	30C:300	9.5	GC	N	Y	Y	N	Y
12	Adkins	30DD:8700	0.5	RC	N	Y	Y	Y	Y
13	Kline	30D:1600	0.8	RC	N	Y	N	Y	Y
14	Kline	30D:2000	0.3	RC	N	Y	N	Y	Y
15	Mercury	30D:701	10.8	GC	N	Y	Y	Y	Y
16	Smith	30D:802	1.0	GC	N	Y	Y	Y	Y
17	Pederson	30D:901	0.73	GC	N	Y	Y	N	Y
18	Weeks	30D:900	0.7	GC	N	Y	N	Y	Y
20	Oyler	30D:1400	4.5	RC	N	Y	N	Y	Y
21	Kline	30D:1500	0.97	RC	N	Y	N	Y	Y
22	Weeks	31A:900	2.5	GC	N	Y	N	Y	Y
23	Wear	31B:300	0.75	OC	N	N	N	Y	Y
24	Shannon	31B:800	5.8	GC	N	N	N	Y	Y
25	Williams	31B:901	0.4	GC	N	Y	Y	N	N
26	Schroetke	31B:1201	5.0	RC	N	N	N	N	Y
27	Claus	31B:900	3.0	GC	N	N	N	N	Y
28	Hathaway	31B:401	3.0	OC	N	N	N	N	Y
29		31B:400	1.0	OC	N	N	N	N	Y
30	Hosler	31B:500	5.0	OC	N	N	N	N	Y

*Area to be served by two separate drainage basins. 30% of the property currently has access to one of the drainage basins.

Note: Vacant acres include the deletion of floodplain and powerline easements (estimated).

~~3) Inventory of Vacant Industrial and Commercial Land~~

~~The previous Tables IV 9 and IV 10 illustrate the inventory of vacant industrial and commercial land in the Sherwood UGB. The vacant acreages are all buildable. Flood plain acreages and power line easements have already been generally estimated and subtracted from the acreage figure.~~

~~4) Assessment of Sherwood's Economic Development Potential~~

~~Sherwood and its market area has the potential to attract a wide variety of new primarily small to mid-sized commercial and industrial businesses. The community also supports expansion of existing employers as well as the self-employed and incubator businesses. With a strong community objective to become a more well-rounded self-supported community and not just a bedroom community to Portland, Sherwood intends to utilize the Comprehensive Plan as a tool to attract a broad range of businesses to the area. Ample serviced and vacant industrial and commercial land is available with excellent rail and transportation access. The community supports planned major transportation improvements that will link Sherwood to the regional freeway system which will significantly improve and dramatically change the economic potential of the area. U.S. Hwy. 99W's "Access Oregon" status, a state program emphasizing key transportation links in the state, coupled with a possible major intersection planned with the Western Bypass promotes a golden opportunity for Sherwood to attract yet manage growth in this potentially vital transportation corridor. Regular updating of the plan and the buildable land inventory is a City priority to insure responsiveness to changing market needs. Regular updates to the transportation, sewer, water and drainage improvement plans will provide the City with clear capital improvement priorities needed to help attract business.~~

~~All decisions concerning growth and development in the Sherwood Planning Area may be understood as decisions which affect the allocation of publicly controlled or regulated resources including land, environmental resources, public facilities and services, and public revenue. As such, these decisions are economic decisions requiring guidance from identifiable economic goals, policies and strategies. Taken together, the policies of the Plan relating to land use, growth management, environmental resources, transportation, and community facilities and services provide a statement of how the City intends to guide the allocation of scarce resources toward maintaining or improving the economic well being of Sherwood's people and to support the~~

economy of the county, region and state.

~~The two fold purpose of this section is to 1) express the economic development implications of the goals, policies, and strategies contained in Chapter 3 through 7 of the Community Development Plan, and 2) express the additional goals, policies and strategies which the City will use to guide economic development in the Planning area. Generally, this section seeks to relate comprehensive planning to economic development planning in a way which recognizes their close interdependence. Two basic assumptions have been recognized by the City in the development of the policies and strategies which follow. First, the City of Sherwood's economic development planning must be viewed in the context of economic conditions in the county, region and state of which it is a part. In order to effectively deal with identified problems at the local level, the City must understand the larger economic environment in which it must operate. Of particular importance is the City's economic and spatial relationship with the Portland Metropolitan area and Washington County. Second, in order to be effective, City economic development planning must involve the broad range of participants in the local economy and draw on available economic resources from the county, region, and state. The economic planning process must include the participation of business and civic groups, economic development agencies, environmental groups, service providers, government staff, elected representatives and lay citizens.~~

G. SUMMARY ECONOMIC ANALYSIS

1. PROBLEMS AND OPPORTUNITIES

The following economic problems and opportunities were identified by citizens, SURPAC, the Planning Commission and the City Council during the development of the 2006 EDS (2006) Comprehensive Planning Process. ~~They were again reviewed and modified in~~

Jobs/Housing Imbalance

Sherwood is "housing rich and jobs poor" compared with the rest of Washington County. The jobs-to-population ratio is only 0.30 in Sherwood, 0.10 less than Washington County. Sherwood had an estimated 14,940 residents in 2005, up from only 3,093 residents in 1990. The rapid growth rate in Sherwood has begun to flatten a bit in recent years, but still averages 4.8 percent annually. Existing employment levels for Sherwood are estimated to range from 3,992 to 4,315 jobs.

Adequate land is available to provide for expanded local job opportunities, but not all job growth would require new development. Local infill, redevelopment, and home-based employment are expected to accommodate none of the industrial jobs, 5-15% of all commercial-service jobs, and 30-40% of all commercial-retail jobs. This equates to up to 688 jobs being accommodated

through infill, redevelopment, and home-based employment.

Workforce Development

A lack of qualified labor (for manufacturing operations) was identified as a weakness in the 2006 Business Outreach Survey. The vast majority (85%) of Sherwood's labor force commutes outside of the urban area to work. The City should identify the workforce needs of local employers and train Sherwood residents to fill these positions.

Business Retention

The 2006 Business Outreach Survey found that over half of the business respondents indicated that they have plans to expand their operations. One half of the respondents stated that they have no room to expand on their current site, and one out of four said they would need to find a different location in order to grow.

The City should focus on retaining and expanding existing commercial and light industrial employers. Sherwood's manufacturing jobs provide family wages. A major issue will be working with existing businesses to help them expand, as appropriate, on site in Sherwood, including assistance with building rehabilitation or relocation to other sites within the city.

Business Recruitment

Sherwood is dominated by residential use. "Bedroom" communities often find it difficult to hold down taxes and at the same time provide quality services due to a lagging tax base and a lack of commercial and industrial expansion. Local and sub-regional commercial, light industrial and institutional development activities appear to have the greatest development potential within Sherwood in both the near- and long-term.

Commercial

Sherwood should explore commercial infill and redevelopment as a short-term strategy, and plan for integrated commercial development within future master-planned employment and neighborhood districts, including Areas 48, 54-55, and 59.

Industrial

Existing industrial development in Sherwood is dominated by durable good manufacturing. The city's employment base is heavy in manufacturing (27% of all employees), compared to the state (13%) and the remainder of Washington County (20%). An opportunity exists to attract several target industries identified by the state which will help diversify the local economy.

In the short-term, Sherwood should develop a proactive marketing strategy aimed at further defining, enhancing, and attracting existing high-growth industry clusters, including industries such as:

- Small to mid-size light manufacturing establishments
- Specialty contractors and construction firms
- Creative service individuals and establishments
- Amusement, recreation, sporting and lodging services
- Educational facilities
- Nursing and health care support services

Long term strategies should include planning for new industrial sites (with integrated commercial and residential development) within future master-planned employment districts in Area 48.

The city has a number of amenities to entice new businesses, such as accessibility to public facilities, I-5 and I-205, regional labor force and market centers, good schools, an attractive

downtown and cultural and recreational amenities. However, investments should be made to ensure that public infrastructure, such as public utilities and roads, meets the needs of potential employers.

Tourism

Tourism – cultural, sports, wilderness, wine country, hotels/bed and breakfast is a major opportunity for Sherwood. The issue is that the resources are not fully developed. A plan for maximizing Sherwood’s location and assets is not in place.

The focus on tourism should include:

- Sports Town USA Initiative: The City has taken several steps to position itself as a regional destination for youth and amateur sporting events, including spending \$90,000 in 2004 to install artificial turf fields at the Sherwood High School for football and other sports. Develop a business strategy that encourages sports clubs to use Sherwood’s recreational facilities for sports tournaments.
- Sherwood has identified itself as the “Gateway to Oregon Wine Country.” Continue to promote Sherwood area wineries.
- Tualatin National Wildlife Refuge opened to the public on June 3, 2006 as an important natural resource center that hosts 30,000 migratory species of birds along the banks of the Tualatin River. The refuge included a \$4.6 million public investment and offers 1,300 acres of open space, environmental learning opportunities, and pathways.
- Hotel/Motel Initiative. The city council has expressed interest in identifying a site and recruiting a tenant for a future hotel or motel within the city limits, which would support economic development and provide an additional source of tax revenue.

Downtown Revitalization

The city’s primary commercial areas are Old Town and the Six Corners area, located around the intersection of Pacific Highway (Highway 99W), Tualatin-Sherwood Road and Sherwood Boulevard. While Sherwood should experience a trend toward decentralization of many retail and service uses. An opportunity exists to comprehensively plan for expanded commercial growth near Six Corners while revitalizing the historic Old Town area. The Sherwood Urban Renewal District is completing a major downtown streetscape project. The City should continue to invest in the downtown area by redeveloping the Cannery site, enhancing public parking, and enhancing amenities (such as parks and wireless internet access).

the 1989-1990 Plan update.

- ~~_____ a. _____ Critical questions concerning the adequacy of groundwater to support economic growth to the year 2000 need to be answered and, if necessary, alternative sources of supply procured.~~
- ~~_____ b. _____ Environmental quality is a valued asset of the Planning Area. Expected economic growth must be consistent with the maximum protection of the area's environmental resources and residential areas.~~
- ~~_____ c. _____ The vast majority (85%) of Sherwood's labor force commutes outside of the urban area to work. Adequate land is available to provide for expanded local job~~

~~opportunities:~~

- ~~d. Declining revenues together with rising costs have severely curtailed needed public service development. Areas of special need include major streets, major sanitary and storm sewer lines, and school facilities.~~
- ~~e. Currently, there is little cooperation among state, regional, county and City governments in economic planning. Coordination in comprehensive planning mandated by LCDC provides an opportunity to share resources, data and expertise to benefit local communities.~~
- ~~f. Curtailment in growth due to the lack of adequate sewer service has been a mixed blessing for the City. The City has had the opportunity to plan for growth, but has felt the effects of a lack of economic activity.~~
- ~~g. Sherwood is dominated by residential use. "Bedroom" communities often find it difficult to hold down taxes and at the same time provide quality services due to a lagging tax base and a lack of commercial and industrial expansion.~~
- ~~h. Existing industrial development in Sherwood is dominated by durable good manufacturing. An opportunity exists to attract several target industries identified by the state which will help diversify the local economy.~~
- ~~i. Sherwood should experience a trend toward decentralization of many retail and service uses. An opportunity exists to comprehensively plan for expanded commercial growth near Six Corners while revitalizing the historic Old Town area.~~
- ~~j. During the later 1980's Sherwood developed detailed facilities plans for water, sewer, transportation, parks, and library improvements necessary to accommodate projected growth.~~
- ~~k. Land and housing costs have risen to the point where low and moderate income persons have difficulty in finding affordable housing.~~
- ~~l) Sharp industrial growth in the nearby cities of Tualatin and Wilsonville will create a demand for housing in the Sherwood area.~~

2. POLICY GOAL

The City will allocate land and monetary resources so as to encourage balanced economic growth consistent with Economic Development Strategy ~~the preservation of a quality living and working environment.~~

H. 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 cooperate with the Washington County OEDP Committee through the exchange of data and the development and implementation of a County Economic Development Plan.
- 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.

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 acquire and preserve the Cedar Creek and Rock Creek greenways and provide bikeway and pedestrian linkages between residential and non-residential areas.

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 develop and implement a 5-year capital improvements program and budgeting system for land acquisition and capital facilities development consistent with the Comprehensive Plan.
- 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.

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 work with the cities of Tualatin, Tigard, and Wilsonville, MSD, and Tri-Met to improve local access to the Planning Area via Highway 99W and I-5. See transit policies in Chapter 6.
- 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.

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 City will encourage the development of light industrial and office parks.
- The City will seek to attract industries that are labor and capital intensive.
- The City will seek to attract “target” industries which will expand industrial sectors inadequately represented in the urban area in order to diversify and stabilize the local economy.

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.

In addition to the policies and strategies developed by the Community with the 1990 Comprehensive Plan, the Economic Development Strategy (EDS) developed in 2006 includes the following policies and strategies (referred to as goals and objectives in the EDS).

Policy 1: 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.

- Strategy 1.1: Capture existing workers in Sherwood who now work elsewhere.
- Strategy 1.2: Provide locations and support for local jobs for local residents.
- Strategy 1.3: Support and build upon manufacturing and other industries likely to produce family-wage jobs.

Policy 2: Support tourism as an economic engine.

- Strategy 2.1: Promote the cultural arts and historical attractions as tourism generators.
- Strategy 2.2: Continue to promote sporting events (i.e., Sports Town USA) as a tourism engine for Sherwood.
- Strategy 2.3: Leverage the presence of the Tualatin River National Wildlife Refuge, and its anticipated 50 to 60 visitors per day, to increase tourism in Sherwood.
- Strategy 2.4: Promote Sherwood as the “Gateway to the Oregon wine country.”
- Strategy 2.5: Address the lack of hotels or other bed and breakfast lodging within the city limits to increase Sherwood’s tourism potential.

Policy 3: Develop the infrastructure and services necessary to support economic development in Sherwood.

- Strategy 3.1: Identify and protect strategic industrial and other employment sites.
- Strategy 3.2: Prioritize infrastructure improvement projects according to their anticipated economic benefit.
- Strategy 3.3: Calculate the employment land mix necessary to help the city be self-sustaining in terms of the provision of adequate utilities and services.
- Strategy 3.4: Encourage the growth of a variety of restaurants and retail establishments that would cater to business people.
- Strategy 3.5: Improve transportation access to support tourism and other economic development strategies.

Policy 4: Develop a local workforce of residents whose skills are compatible with the needs of local businesses.

Strategy 4.1: Identify the workforce needs of local employers.

Strategy 4.2: Provide workforce training for Sherwood residents.

NO CHANGES TO “I” (COMMERCIAL LAND USE), “J” (INDUSTRIAL LAND USE), “K” (INDUSTRIAL PLANNING DESIGNATIONS), “L” (INDUSTRIAL PLANNING DISTRICT OBJECTIVES), “M” (INSTITUTIONAL, PUBLIC AND SEMI-PUBLIC LAND USE), “N” (THE PLAN/ZONE MAP) AND “O” (COMMUNITY DESIGN) ARE PROPOSED WITH THIS AMENDMENT.