



Home of the Tualatin River National Wildlife Refuge

CITY COUNCIL MEETING PACKET

FOR

Tuesday, September 2, 2025

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

7:00 pm City Council Regular Meeting

This meeting will be live streamed at
<https://www.youtube.com/user/CityofSherwood>



Home of the Tualatin River National Wildlife Refuge

AGENDA

SHERWOOD CITY COUNCIL September 2, 2025

7:00 pm City Council Regular Session

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

**This meeting will be live streamed at
<https://www.youtube.com/user/CityofSherwood>**

7:00 PM CITY COUNCIL REGULAR SESSION

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. APPROVAL OF AGENDA**
- 5. CONSENT AGENDA**
 - A. Approval of August 5, 2025 City Council Meeting Minutes** (Sylvia Murphy, City Recorder)
 - B. Resolution 2025-062, Appointing David deBos to the Sherwood Police Advisory Board**
(Ty Hanlon, Police Chief)
- 6. CITIZEN COMMENTS**
- 7. PUBLIC HEARING**
 - A. Ordinance 2025-004, Amending the Sherwood Zoning and Community Development Code to Add Chapter 16.81 – Annexation Code and Amend Chapter 16.72 Procedures for Processing Development Permits (Second Hearing)** (Hugo Hamblin-Agosto, Associate Planner)
- 8. CITY MANAGER REPORT**
- 9. COUNCIL ANNOUNCEMENTS**
- 10. ADJOURN**

How to Provide Citizen Comments and Public Hearing Testimony: Citizen comments and public hearing testimony may be provided in person, in writing, or by telephone. Written comments must be submitted at least 24 hours in advance of the scheduled meeting start time by e-mail to Cityrecorder@Sherwoodoregon.gov and must clearly state either (1) that it is intended as a general Citizen Comment for this meeting or (2) if it is intended as testimony for a public hearing, the specific public hearing topic for which it is intended. To provide comment by phone during the live meeting, please e-mail or call the City Recorder at Cityrecorder@Sherwoodoregon.gov or 503-625-4246 at least 24 hours in advance of the meeting start time in order to receive the phone dial-in instructions. Per Council Rules Ch. 2 Section (V)(D)(5), Citizen Comments, "Speakers shall identify themselves by their names and by their city of residence." Anonymous comments will not be accepted into the meeting record.

How to Find out What's on the Council Schedule: City Council meeting materials and agenda are posted to the City web page at www.sherwoodoregon.gov, generally by the Thursday prior to a Council meeting. When possible, Council agendas are also posted at the Sherwood Library/City Hall and the Sherwood Post Office.

To Schedule a Presentation to the Council: If you would like to schedule a presentation to the City Council, please submit your name, phone number, the subject of your presentation and the date you wish to appear to the City Recorder, 503-625-4246 or Cityrecorder@Sherwoodoregon.gov

ADA Accommodations: If you require an ADA accommodation for this public meeting, please contact the City Recorder's Office at (503) 625-4246 or Cityrecorder@Sherwoodoregon.gov at least 48 hours in advance of the scheduled meeting time. Assisted Listening Devices available on site.



SHERWOOD CITY COUNCIL MEETING MINUTES
22560 SW Pine St., Sherwood, Or
August 5, 2025

REGULAR SESSION

1. **CALL TO ORDER:** Mayor Rosener called the meeting to order at 7:01 pm.
2. **COUNCIL PRESENT:** Mayor Tim Rosener, Council President Kim Young, Councilors Renee Brouse, Doug Scott, Dan Standke and Taylor Giles. Councilor Keith Mays was absent.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Craig Sheldon, Assistant City Manager Kristen Switzer, Police Chief Ty Hanlon, Interim Public Works Director Rich Sattler, IT Director Brad Crawford, Community Development Director Eric Rutledge, Planning Manager Sean Conrad, Planning Associate Hugo Hamblin, Land Use Attorney Carrie Richter (remote), and Deputy City Recorder Colleen Resch.

OTHERS PRESENT: Prachi Ranabhat with the Sherwood Youth Advisory Board.

4. **APPROVAL OF AGENDA:**

Mayor Rosener addressed approval of the agenda and asked for a motion.

MOTION: FROM COUNCIL PRESIDENT YOUNG TO ADOPT THE AGENDA. SECONDED BY COUNCILOR BROUSE. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR. COUNCILOR MAYS WAS ABSENT.

Mayor Rosener addressed the next agenda item and asked for a motion.

5. **CONSENT AGENDA:**

- A. **Approval of July 15, 2025 City Council Meeting Minutes**
- B. **Resolution 2025-061, Appointing Members to the Sherwood Youth Advisory Board**

MOTION: FROM COUNCILOR BROUSE TO ADOPT THE CONSENT AGENDA. SECONDED BY COUNCILOR SCOTT. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR. COUNCILOR MAYS WAS ABSENT.

Councilor Brouse introduced Prachi Ranabhat with the newly created Sherwood Youth Advisory Board. Prachi approached the Council and discussed why she applied for the Board.

Mayor Rosener addressed the next agenda item.

6. CITIZEN COMMENTS:

No comments were received. Mayor Rosener addressed the next agenda item, and the Deputy City Recorder read the public hearing statement.

7. PUBLIC HEARING:

A. Ordinance 2025-004, Amending the Sherwood Zoning and Community Development Code to Add Chapter 16.81 – Annexation Code and Amend Chapter 16.72 Procedures for Processing Development Permits

Mayor Rosener introduced Land Use Attorney Carrie Richter via zoom. Community Development Director Eric Rutledge and Planning Manager Sean Conrad recapped the staff report and thanked Associated Planner Hugo Hamblin-Agosto for his work. Mr. Conrad provided a PowerPoint presentation (see record, Exhibit A). He said this was a Type V legislative process and would require City Council approval. He discussed the public notice process and said public comments were received from three agencies and are addressed in the staff report. He said the proposed annexation standards further the Council goal to create annexation policies and processes to manage the growth goals as it related to infrastructure, school capacity, and long-term community needs. The annexation standards would apply to all land within Sherwood's Urban Growth Boundary (UGB) but outside city limits.

Mr. Rutledge stated the City does not have code language that governs annexations, and the Council and staff identified a need to clarify the approval criteria, submittal requirements, and procedures. He discussed the review procedures and said there were two types of annexation applications the City may receive and the first is quasi-judicial and the second is legislative and both would come before the City Council for final approval. He said the Planning Commission noted that typically Type IV and Type V annexations have a recommendation from the Planning Commission and stated that was not in the proposed code language. He stated that the Planning Commission offered to review the annexation applications prior to the City Council. He commented on the submittal requirements and said some clarifications were added. He discussed the approval criteria, which included adequate facilities in accordance with the master plan, dedication of parks, trails and open space, and said it was in the best interest of the City when evaluated against the City's Comprehensive Plan. Discussion followed regarding approval criteria and annexation agreements. He noted that annexation agreements were common throughout the State and the packet included an example from the City of Hillsboro. He said the annexation agreements go with the land and not the property owner and the agreement would outline the proposed development and the provision and timing of infrastructure. He stated the City Council is the final decision maker on annexation agreements.

Mr. Rutledge outlined the testimony and public comments that were received. He said Metro submitted a request on April 22, 2025, to the Planning Commission to continue the initial hearing to further coordinate and review the proposed text amendment. 1,000 Friends of Oregon and Housing Land Advocates & Fair Housing Council of Oregon provided testimony which expressed concern that elements of the proposed annexation code did not meet certain statewide planning goals (Goals 1, 2, 11, and 14). He said they have considered the testimony and worked with the Land Use Attorney and responded to the concerns. He stated the findings were included in the staff report. The Home Buildings Association of Greater Portland provided testimony dated August 5, 2025 (see record, Exhibit B) which expressed concern regarding clear and objective standards related to certain code provisions and submittal requirements, timing of site-specific

studies and proportionality including impact studies to maximum allowed land use intensity, and annexation timelines and final City Council action. He said staff will slightly revise the staff report and the Planning Commission recommendation to address those comments for the next City Council meeting packet and adoption. He noted that clear and objective standards did not need to be applied in this case. He commented on the annexation timelines and stated legally these applications did not require action and discussion followed. Councilor Scott asked if the applicant/developer could process an annexation application and start the planning process at the same time. Ms. Richter said if an applicant had an annexation application along with a subdivision the City could process them together, but the subdivision couldn't be approved until the annexation was approved. She said the City could approve the subdivision with the condition that stated the annexation had to be approved.

Mr. Rutledge said the Planning Commission forwarded a recommendation of approval to the City Council, subject to the findings and conditions outlined in the staff report dated July 15, 2025 with minor revisions to the code for clarification. He said the second hearing is scheduled for September 2.

Mayor Rosener asked for Council questions of staff.

Councilor Standke referred to the Planning Commission's offer to review the annexation applications before sending them to the City Council and he asked if that was feasible with the staff workload. Mr. Rutledge said yes. Mayor Rosener commented on the Planning Commission's knowledge and value they add to the process. Councilor Young agreed. Councilor Giles agreed but asked if the process could be expedited. Mr. Rutledge said this additional review may add about a month to six weeks to the approval. Councilor Giles said then the additional review made sense.

Mayor Rosener opened the public hearing. With no public testimony received Mayor Rosener closed the public hearing. Mayor Rosener asked for Council discussion.

Councilor Scott commented on the Home Building Associations concerns regarding "impact analyses, including transportation studies, based on assuming the maximum intensity land uses authorized by the zoning district" and said the reason we must do this is because the Governor and the State Legislature have greatly reduced and, in some cases, eliminated much of the local control of planning. He said the next step may be to remove citizen involvement and input from the planning process. He said that is why we must assume the largest possible impact on public infrastructure and require studies to that effect. He stated this was more than fair.

Councilor Giles said he spent the last couple of weeks meeting with builders and groups and said he wanted to avoid assuming the worst-case scenario and focus on developing partnerships. He said this was a subtle attitude change. He stated we want affordable housing in Sherwood, and we want it done right. He commented on developments in Bend and Redmond that were under \$300,000.

Councilor Scott clarified that it was not the adopted policy position of the City of Sherwood that we want affordable housing. Councilor Giles clarified that he wanted affordable housing in Sherwood.

Mayor Rosener commented on contracts, as an example, and said they always must assume the worst-case scenario and that is what the conversation was about. He stated that he viewed annexation agreements as a tool and they created a framework when working with developers.

Councilor Scott said this gives us an opportunity to collaborate earlier in the process so it's not combative in the planning process. He clarified that he was in support of housing available at a wide range of price points in Sherwood. He said the term affordable housing has a lot of different definitions. He noted we needed to have a policy conversation on affordable housing at some point.

Council President Young said the annexation agreements will help us get the outcome we want from the concept plan.

Councilor Brouse commented on seeing the worst-case scenario and said the vernacular we use was sometimes coining the developers as negative and that was not conducive to partnerships. She cautioned the Council to be mindful of the verbiage being used.

Councilor Scott said he was frustrated with Salem taking away the City's and the citizen's ability to have a part in the planning process. Discussion followed. Mayor Rosener stated that the second hearing on this ordinance would be held at the September 2 City Council meeting.

8. CITY MANAGER REPORT:

City Manager Craig Sheldon reported that the National Night Out was well attended and successful. Movies in the park started Friday night at 8:15 pm at Stella Olsen Park. He said staff applied for a \$500,000 grant with the Oregon Watershed Enhancement Board for the tannery restoration projects. He stated the total project cost was \$7 million. He noted the next City Council meeting was September 2. He commented on the pedestrian bridge which was planned to open on August 26 and said that it was tentative. He said the project was under budget and on time. He said the initial lighting on the bridge is next Wednesday between 8 pm and 2 am and that was also tentative, and the ribbon cutting was scheduled for September 27. Mayor Rosener commented on the phenomenal job.

9. COUNCIL ANNOUNCEMENTS:

Councilor Standke said Music on the Green had been well attended and thanked staff. He reported that he attended the Traffic Safety Board meeting.

Councilor Scott reported that he attended the Parks Board meeting and said there were discussions concerning Snyder Park and the water feature.

Councilor Brouse commented on the newly created Youth Advisory Board and said she was looking forward to working with them.

Councilor Giles reported that he attended the Planning Commission and the Housing Actions Work Group. He reported he was invited to the Taiwanese Association of Greater Portland, the Westside Economic Alliance fundraiser, and the Washington County Commissioners meeting.

Council President Young reported that she attended a swearing in at the Sherwood Police Department where they promoted two positions. She attended a Regional One Area Commission on Transportation meeting regarding traffic safety.

Mayor Rosener said tomorrow night Johnny Limbo and the Lugnuts would be at the Music on the Green. He

reported he would be attending the Oregon Mayor's Association conference in Baker in a couple of weeks. He noted the Party on the Plaza had a great turnout. He said he would be meeting with our lobbyist concerning the State Legislature special session and transportation issues.

10. ADJOURN

Mayor Rosener adjourned the regular session at 8:14 pm. The scheduled executive session was not held.

Attest:

Sylvia Murphy, MMC, City Recorder

Tim Rosener, Mayor

TO: Sherwood City Council

FROM: Ty Hanlon, Chief of Police
Through: Craig Sheldon, City Manager

SUBJECT: Resolution 2025-062, Appointing David deBos to the Sherwood Police Advisory Board

Issue:

Shall the City Council Appoint David deBos to the Sherwood Police Advisory Board?

Background:

Position #2 on the Police Advisory Board is currently vacant. Chair Richard Amicci, Council President Liaison Kim Young, and Staff Liaison Ty Hanlon recommended to Mayor Rosener that David deBos be appointed to the Board to fill position #2 for a term which expires in June 2027. The Mayor has recommended this appointment to the City Council. In accordance with City Council Rules of Procedure, all such appointments are subject to the approval of the City Council by resolution.

Note: Position numbers were established with the adoption of Resolution 2019-066 for the purpose of managing terms.

Financial Impacts:

There are no financial impacts as a result of approval of this resolution.

Recommendation:

Staff respectfully recommends City Council approval of Resolution 2025-062, Appointing David deBos to the Sherwood Police Advisory Board.



RESOLUTION 2025-062

APPOINTING DAVID DEBOS TO THE SHERWOOD POLICE ADVISORY BOARD

WHEREAS, a vacancy exists within Position 2 on the Sherwood Police Advisory Board; and

WHEREAS, the Police Advisory Board Chair, Council President and Police Chief considered David deBos's application and recommends to the Mayor that David deBos be appointed to fill the position; and

WHEREAS, the Mayor has recommended to the City Council that David deBos be appointed to fill the position; and

WHEREAS, in accordance with Council Rules of Procedure, all such appointments are subject to the approval of the City Council by resolution.

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

Section 1. The Sherwood City Council hereby appoints David deBos to Position 2 of the Sherwood Police Advisory Board for a term expiring at the end of June 2027.

Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 2nd day of September, 2025.

Tim Rosener, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

TO: Sherwood City Council

FROM: Hugo Agosto, Associate Planner

Through: Sean Conrad, Planning Manager, Eric Rutledge, Community Development Director,
Craig Sheldon, City Manager, and Ryan Adams, City Attorney

SUBJECT: **Ordinance 2025-004, Amending the Sherwood Zoning and Community Development Code to Add Chapter 16.81 - Annexation Code and Amending Chapter 16.72 Procedures for Processing Development Permits** (*Second Reading*)

Issue:

Shall the City Council adopt Ordinance 2025-004, amending the Sherwood Zoning and Community Development Code to add Chapter 16.81 – Annexation Code and amend Chapter 16.72 Procedures for Processing Development Permits?

Background: Annexation is the process by which land inside the Urban Growth Boundary (UGB) will be brought into Sherwood city limits. Currently annexations in Sherwood are governed by state law (ORS 222), Metro Code Chapter 3.09, and the growth management policies in the City’s 2040 Comprehensive Plan. The proposed text amendment would codify the Comprehensive Plan policies into the development code, providing additional guidance on submittal requirements, approval procedures, and approval criteria. State law and Metro code will continue to apply. The Sherwood City Council is the final decision maker on all annexations under the proposed code.

Policy Background - The Sherwood Comprehensive Plan requires that annexations occur “in an orderly and coordinated manner, and services are provided to support urban growth consistent with the 2040 Vision” (Policy 3.4). Criteria include that the property is contiguous to the existing City limits or separated from it only by public right of way and that an adequate level of urban services and infrastructure are available or can be extended in a cost effective and efficient manner to the area.

The Sherwood West Concept Plan, re-accepted by Sherwood City Council on March 5, 2024, identified the adoption and implementation of an annexation code for the orderly and efficient transition of land uses from rural to urban.

The Sherwood City Council (FY 2024-2025 & 2025-2026), as described within the adopted City Council Goals, identified the following deliverable:

- *1:2 Create annexation policies and processes to manage our growth goals as it relates to infrastructure, school capacity, and long-term community needs.*

Proposed Annexation Code: The proposed text amendment would codify the City’s existing annexation policies located in the Comprehensive Plan as part of Title 16 Zoning and Community Development Code. If approved, this code will apply to both future urban expansion (Sherwood West), and existing land within

the UGB including the Brookman Addition and Tonquin Employment Area. A copy of the draft code is included as Exhibit 1 to the ordinance.

Planning Commission Recommendation: The Sherwood Planning Commission held its first evidentiary public hearing on July 22, 2025, took public testimony, and considered the application (LU 2024-018 PA ‘Annexation Policies’). Opportunity for public testimony was provided, and one (1) member of the public providing neutral testimony.

With minor modifications to staff’s findings and the proposed amendments, the Planning Commission voted unanimously in favor of recommending approval of the proposed text amendments to the City Council.

First City Council Hearing:

One (1) public testimony was received on August 5, 2025, prior to the initial City Council Hearing, from the Home Builders Association (HBA). Concerns were raised regarding the proposal’s alignment with clear and objective standards, timing of site-specific studies and proportionality, and annexation timelines and final City Council action.

On August 5, 2025, City Council held its first public hearing on the proposed text amendment. Staff presented a verbal report, responded to questions from Council, and addressed the public testimony received, including comments submitted by the Home Builders Association.

At the agreement of council, the proposed amendments were modified to include Planning Commission review of both Type IV and Type V annexation requests.

Staff is recommending that Council open the second public hearing, take any public testimony that may be offered, and then close the hearing. Council may then act on the proposed text amendment.

Financial Impacts:

There is no immediate financial impact to the City, other than the cost of codification.

Attachment

1. Planning Commission Recommendation to Council, including Public Testimony
2. Example Annexation Agreement from the City of Hillsboro – Reed’s Crossing Annexation
3. Home Builders Association Memorandum, dated August 5, 2025.

**CITY OF SHERWOOD
JULY 22, 2025
PLANNING COMMISSION RECOMMENDATION TO CITY COUNCIL**



**ANNEXATION POLICIES
PLAN TEXT AMENDMENT
LU 2024-018 PA**

App. Submitted:	November 25, 2024
App. Complete:	November 25, 2024
Hearing Dates:	April 22, 2025 (cont'd) May 27, 2025 (cont'd) June 24, 2025 (cont'd) July 22, 2025

The City of Sherwood Planning Commission (Commission) held the initial evidentiary hearing on July 22, 2025. The Commission heard presentations from City staff (the applicant), followed by testimony from the public. One (1) member of the public came forward to provide neutral testimony, highlighting both the pros and cons associated with annexation agreements. One concern raised was the level of detail often required in such agreements. Specifically, in other jurisdictions, significant upfront effort is needed to scope a potential use or development, work that may ultimately be for a project that does not receive approval.

There was one outstanding matter that staff agreed to bring forward to the council during the next hearing. The Commission suggested that council may want to consider whether annexation applications, especially Type V, should come through the Commission, as there will be components of the annexation agreement that deal with land use development.

The Commission discussion began on proposed section 16.81.020 Annexation Agreements. Carrie Richter, land use attorney on behalf of the city, explained that the purpose of an annexation agreement is to address expensive infrastructure, and the allocation of shared commitments. Staff emphasized the practice and importance of providing prospective developers with all existing land use records including annexation agreements, so they can accurately assess their obligations and plan their projects accordingly. Staff clarified that in this way annexation agreements will be implemented similar to a condition of approval whereby a prospective buyer of a property would need to contact the city to learn about the agreement and any obligations of future owners. As an additional and optional step, annexation agreements can be recorded against the property which would show up on a title report.

The Commission inquired about the circumstances that would not require an annexation agreement and where this decision may occur in the sequence of events related to the City Council. Staff responded that exemptions would have to align with one of the waiver criteria under section §16.81.020.D.1.a-d – Annexation Agreement Waiver, and that an annexation application would still go in front of City Council where they would assess if the waiver was warranted. Commission asked if the annexation agreements limit the enforcement of future code amendments adopted by the city. Staff clarified that annexation agreements are unlikely to get into language specific to development code, and that concerns around design would be addressed through SZCDC and the master plan at project submittal.

The Commission shifted focus towards proposed section 16.81.010 Annexations and inquired about how developers would know what types of utilities and infrastructure would be required. Staff clarified that in addition to their studies, there will be adopted masterplans that will delineate infrastructure requirements at a high-level. Annexation agreements can also focus more site-specific needs and specific phasing requirements, based on the size and scope of the development. When the commission inquired about other items related to urban services, staff indicated that these would be addressed through compliance with the adopted Comprehensive Plan.

The Commission inquired about the funding component embedded into proposed section §16.81.010.F.7. Richter stated that having the financial component is important, because oftentimes the city does not know the actual cost associated with development, rather it's the developer who knows what these actual costs are. The intent of the proposed section is not geared towards having the applicant display immediate funds, but to identify the actual costs associated with their future development.

The Commission concurred with the above information and recommended the following change to section §16.81.010.F.7, as to further clarify the scope of information necessary for future mitigation:

The application demonstrates how impacts to existing City public facilities and services (i.e. sewer, water, stormwater, and transportation) from the development of the property will be mitigated, if necessary.

*Mitigation may include construction of on-site or off-site improvements or improvements to existing infrastructure to City standards and specifications. **The application must include a preliminary financial plan that demonstrates the feasibility and adequacy of the proposed mitigation measures.** The applicant must demonstrate adequate funding for the mitigation. If the financing requires City funds, the funding must be approved by the City Council prior to annexation.*

The Commission asked if the intent of the overall proposed amendment is to never allow “just land” to come into the city. Staff and Richter stated that the intent of the code and the agreements is provide flexibility. An applicant could come in with no idea of what they want to develop, but would have to agree to build the infrastructure to the maximum intensity since that is feasible after annexation occurs. Alternatively, the applicant could communicate their specific plans for future development, and the annexation agreement would identify the specific improvements necessary to serve the proposal. The proposed amendment allows an applicant to be anywhere on that spectrum.

The Commission revisited annexation agreements under proposed section §16.81.020. There was discussion around the proposed purpose statement language and whether the intent is either to increase awareness or to create reasonable certainty, as both may infer different objectives. The Commission recommended the following adjustment to the subsection:

- A. Purpose. The annexation agreement is intended to ensure **increase** awareness of the annexation process as well as reasonable certainty to for the property owner, the City, and the public. This process will ensure that the scope and timing of subsequent development of the property will occur in a manner that facilitates the timely and orderly construction of necessary infrastructure improvements. The agreement describes the intended use of the property following annexation, the process for development review, the parties’ commitments regarding the subsequent development, and the infrastructure anticipated to be necessary to support future or existing development.

Lastly, the Commission wanted additional clarification that the annexation agreements are signed between the applicant and the city manager but ultimately effectuated by the City Council. Staff indicated they would clarify this in the proposed text amendment, as presented below:

- 3. A preliminary annexation agreement expires one (1) year from the last date it is signed by the parties unless the City has received an annexation application for the property and deemed the application complete. An executed annexation agreement, signed by all parties and annexation to the City is finalized, is binding and shall never expire. An adopted Annexation Agreement may be modified pursuant to section 16.81.020.G.5 after annexation has occurred. **Any annexation agreement shall stipulate a delayed effectiveness date that is concurrent with the date on which the related annexation application approval is final. Where no annexation application is submitted or the annexation application is denied, the annexation agreement shall expire**

one (1) year from the last date it is signed by the parties (the owner and the city manager).

Commissioners provided other non-substantive edits to the staff report dated July 15, 2025. The vote was unanimous for recommendation of approval to Council.


Jean Simson, Planning Commission Chair

Date - 07/28/2025

Proposal: The City is proposing to amend the Sherwood Zoning and Community Development Code (SDC) by codifying annexation procedures and approval criteria.

The proposed amendment will facilitate efficient and orderly development opportunities when transferring jurisdiction of property within the Urban Growth Boundary from Washington County and Clackamas County to the City of Sherwood. They will also ensure that public facilities are or will be available to serve land annexed to the city.

Annexation agreements, a component of an annexation review request, are proposed as a tool to be considered by the City Council as part of an annexation application. Annexation agreements are intended to provide reasonable certainty to the property owner, the City, and the public that the scope and timing of development on the property will occur in a manner that facilitates the timely and orderly provision of public services and infrastructure improvements.

A. Applicant: This is a city-initiated text amendment

B. Location: Sherwood Urban Growth Boundary

C. Review Type: The proposed text amendment requires a Type V review, which involves public hearings before the Planning Commission and City Council, upon recommendation. The Planning Commission was originally scheduled to consider this matter on April 22, 2025; however, a continuance was approved to May 27, 2025, to allow for additional coordination between City staff, Metro, and other interested agencies. Two (2) subsequent continuances were approved at the May 27, 2025, and June 24, 2025, hearings, and therefore, rescheduled the initial evidentiary hearing to July 22, 2025. An initial staff report was released on April 15, with a report made available seven (7) days prior to the July 22, 2025, hearing date, pursuant to the public notice requirements detailed under SDC Section 16.72.040.

At the close of July 22, 2025 hearing, the Planning Commission will forward a recommendation to the City Council, who will consider the proposal and make the final decision to approve, modify, or deny the proposed amendment. The City Council public hearings are tentatively scheduled for August 5, 2025, and September 2, 2025. Any appeal of the City Council's final decision relating to this matter will be considered by the Oregon Land Use Board of Appeals (LUBA).

D. Public Notice and Hearing: Notice of the initial April 22, 2025, Planning Commission hearing was published in *The Times* on April 3 and April 17, 2025. Notice was also posted in five

conspicuous public locations within the city and on the website on March 26, 2025. Notice to the Oregon Department of Land Conservation and Development (DLCD) was submitted on March 17, 2025, and notice to agencies was sent via email on March 27, 2025. The Planning Commission granted continuances included identifying a date certain for further consideration and most recently until July 22, 2025. The mailed notice tentatively identified City Council hearing on July 26, 2025, and August 11, 2025 but it is anticipated that these dates will be adjusted. Any further continuances to a date certain shall be identified at the noticed public hearings.

E. Review Criteria: SDC Chapter 16.80, Plan Amendments. Comprehensive Plan Theme: Strategic and Collaborative Governance and Coordinated and Connected Infrastructure. Statewide Planning Goals: Goal 1- Citizen Involvement, Goal 2- Land Use Planning, Goal 10 – Housing, Goal 11- Public Facilities and Services, Goal 12- Transportation, and Goal 14- Urbanization.

F. Background: As new development pressures arise and additional land has been incorporated into the Urban Growth Boundary (UGB), it's important to align future annexations with the City's planning efforts, regional growth management goals, and planned infrastructure capacity. By adopting codified language around annexation, the proposed amendment is designed to ensure future city expansions occur in an orderly, sustainable, and fiscally responsible manner. This approach is also intended to facilitate interagency coordination, ensure compliance with state and regional policies, including those governing transportation, and provide predictability for both property owners and municipal decision-makers.

These annexation regulations will apply to all future boundary changes, extending beyond the recently accepted Sherwood West area UGB Expansion Area; there are lands on the south and east sides of the city that are within the urban growth boundary that have been planned for development but would need to be annexed allowing for the application of urban zoning before development can occur. If adopted, the annexation criteria would apply in those areas as well.

II. PUBLIC COMMENTS

Two (2) public comments were received as of the date of this report and is addressed below. Testimony will be accepted through the City Council hearings on the matter.

1. **1,000 Friends of Oregon** – dated April 21, 2025 (**Attachment D**). The testimony expresses concern that elements of the proposed annexation code do not meet certain statewide planning goals. Each planning goal raised and the specific concern is addressed below:

Goal 1 Citizen Involvement:

- Discretion of the City Manager or designee waiving the requirements to execute and submit an Annexation Agreement, with respect to public participation, within the proposed text amendment; and
- Requiring annexation to be within the City's "best interest," particularly with how it relates to the formation and execution of an Annexation Agreement.

Staff Response: The testimony raises concern that allowing the City Manager to waive annexation agreements in their sole discretion may violate Goal 1 related to public involvement because it removes any "meaningful opportunity for public participation in the annexation process". The testimony also raises concern about the approval criteria which states that the

annexation is required to be in the City's best interest, which may not necessarily align with the "goals of the public" as required by Goal 1.

Regarding the City Manager waiving the Annexation Agreement requirement, the proposed annexation will still be subject to the City's Type IV or V land use approval process which includes mailed public notice and a public hearing before the City Council. The City Manager's waiver of an Annexation Agreement is specific to the agreement alone, and not the entire quasi-judicial or legislative land use process governing annexations. In this regard the agreement is similar to a submittal requirement which can be waived by staff if the proposal does not require such a submittal. Public notice, written and verbal testimony, as well as appeal rights will still be available to the public if the annexation agreement is waived.

Additionally, to provide additional certainty to property owners and the public, the City has added criteria to the code to evaluate when the City Manager may waive the annexation agreement. The code now clarifies that the City Manager or designee may waive the annexation agreement if it can be determined that:

- The property is already served by utility and facilities infrastructure necessary to support the proposed use; or
- The property is already developed at minimum urban densities and does not require additional utility and facilities coordination; or
- The proposed development demands minimal changes to the service area or that are unlikely to generate substantial infrastructure requirements as defined under Division VI – Public Infrastructure; or
- The applicant can clearly demonstrate, through supporting documentation, that the proposal will meet all the City's service and infrastructure requirements without additional contractual commitments.

If the public feels that these criteria have not been, or cannot be satisfied, they can raise these concerns during the City Council's consideration of the annexation proposal.

Regarding the concern about annexations being in the City's "best interest", the proposed code has been revised to evaluate the City's best interest against the adopted Comprehensive Plan, Transportation System Plan, and other land use and utility master plans. This approach ties the City's best interest to the adopted goals and policies the City which are approved and implemented by the duly elected City Council.

Goal 2 Land Use Planning:

- Compliance with the guidelines under OAR 660-015-0000(2), Major Revisions and Minor Changes in the Plan and Implementation Measures, as it relates to the proposed text amendment.

Staff Response: The stated concern related to Goal 2 is that an annexation agreement is considered a Major Revision to the Comprehensive Plan requiring notice and the opportunity to comment. First, an annexation agreement is nothing more than a tool that will articulate how development will achieve the objectives set forth in the comprehensive plan. Such an agreement will not change the adopted comprehensive plan in any respect. Second, an annexation agreement, focusing on the timing and cost sharing obligations associated with certain infrastructure obligations, will implement the adopted plans and not alter them. Finally, allowing the City Manager sole discretion to waive the Annexation Agreement requirement because it is unnecessary is a question that can be raised as part of the Council review of the annexation request, which will include notice and the opportunity for comment. If the Council

finds that an agreement is necessary, it will be negotiated, either as part of the annexation review or as a condition of approval pursuant to Section 16.81.020(G)(5).

The second stated concern is that the best interests criterion might not take into account “regional, state and national needs” and therefore, be in violation of Goal 2. This argument misapprehends the scope of Goal 2 and local government annexation review. Goal 2 requires coordination in planning between various levels of government which is accomplished when the comprehensive plan is adopted and amended over time. The City’s adopted comprehensive plan has been acknowledged to be consistent with regional, state and, to the extent they exist, federally adopted plans. The annexation criteria require implementation of the City’s comprehensive plan, Metro Code and state law. See SDC 16.81.010(F)(1) and (2). Therefore, this consistency required by Goal 2 will be maintained through these criteria. To also take into consideration other public policies beyond those called out in various adopted plans is not a violation of Goal 2. Further, as noted above, the criterion related to the City’s best interest has been revised to evaluate the City’s best interest against the adopted Comprehensive Plan, Transportation System Plan, and other land use and utility master plans. These adopted plans are required to conform to regulations at the regional, state, and federal level.

Goal 11 Public Facilities and Services:

- Discretion of the City Manager or designee waiving the requirements to execute and submit an Annexation Agreement, with respect to public facilities and services, and ensuring that timely and orderly construction of necessary infrastructure improvements.

Staff Response: The testimony raises concern that the City Manager may waive the requirement for an annexation agreement, and that this may lead to inadequate infrastructure based on Goal 11 public facility planning requirements. As discussed above, the waiver of the annexation agreement itself does not waive any obligation to ensure the adequacy of necessary facilities and services necessary for development.

Specifically, under proposed SDC 16.81.010(F)(3), all proposed annexations shall demonstrate how the property is served or will be served by adequate public facilities and services at land use intensities authorized by the zoning district as designated in the City’s Official Plan and Zoning Map, in accordance with Division VI (Public Infrastructure) and the Engineering Design Manual. Furthermore, the applicant shall demonstrate how impacts to existing City public facilities and services (i.e. sewer, water, stormwater, and transportation) from the development of the property will be mitigated, if necessary. Goal 11 is satisfied.

Goal 14 Urbanization:

- Discretion of the City Manager or designee waiving the requirements to execute and submit an Annexation Agreement with respect to facilitating the transition of urbanizable land into the Urban Growth Boundary (UGB).

Staff Response: The testimony states that if the Annexation Agreement is waived, Goal 14 may not be met because there would no longer be an orderly and efficient transition from rural to urban land uses, which the goal requires. As clarified in this report, waiver of the Annexation Agreement does not mean that the annexation is automatically approved or that the approval criteria and any mitigation of impacts are not applied. The Annexation Agreement will only be waived under specific circumstances and findings of compliance with the Comprehensive Plan and Utility Master Plans will still be required, in addition to any applicable land use review.

2. Housing Land Advocates (HLA) & Fair Housing Council of Oregon (FHCO) (joint letter) – dated June 24, 2025 (**Attachment E**). The testimony expressed concern related to compliance with Statewide Planning Goal 10 Housing.

Goal 10 Housing:

- When a decision is made affecting the residential land supply, the City must refer to its Housing Needs Analysis (HNA) and Buildable Lands Inventory (BLI)

Staff Response: Adoption of the proposed annexation code does not constitute a change to the city's residential land supply. The code will be used to implement to the Comprehensive Plan, including the HNA and BLI to ensure future annexations and subsequent development provide the minimum required density on each development and through each phase of a development.

- Concern about the City's code related to Residential Design Checklist Review (Section 16.72.010(A)(1)).

Staff Response: The testimony appears to misunderstand the scope of the proposed text amendment. This section of the code was provided in the public notice materials because specific sections are being modified but those changes do not include the Residential Design Checklist review. This code section was adopted as part of the City's implementation of HB 2001 in 2001. As such, this portion of testimony is unrelated to the proposed text amendment at hand for annexation code.

- Concern about the recent Sherwood West approval and any outstanding appeals

Staff Response: The Sherwood West UGB expansion was approved by Metro Council on December 5, 2024. On April 18, 2025, the Director of the Department of Land Conservation and Development upheld Metro's decision. The decision has been further appealed to the Land Conservation and Development Commission and is scheduled for a hearing in the fall of this year. While this code would apply to the Sherwood West UGB area, it will also apply to all other land within the City's UGB. If Metro's decision is remanded or overturned in the future, the annexation policy will continue to apply in other portions of the City's UGB.

III. AGENCY COMMENTS

Notice was provided to affected agencies, including Metro, on March 27, 2025. Plan Amendment (PAPA) notice was provided to the Department of Land Conservation and Development (DLCD) on March 17, 2025. A full list of the agencies / staff receiving the routing email is included as **Attachment B**. One (1) agency comment was received as of the date of this report, requesting a continuance of the subject amendment initial evidentiary hearing date (April 22, 2025), and is included as **Attachment C**. Testimony will be accepted through the City Council hearings on the matter.

IV. REQUIRED FINDINGS FOR PLAN TEXT AMENDMENT

*Note – three asterisks (***) Indicates code has been omitted because it is not applicable.*

Chapter 16.80 - PLAN AMENDMENTS

16.80.030 - Review Criteria

A. Text Amendment

An amendment to the text of the Comprehensive Plan or the Zoning and Community Development Code must be based upon a need for such an amendment as identified by the Council or the Commission. Such an amendment must be consistent with the intent of the adopted Sherwood Comprehensive Plan, and with all other provisions of the Plan, the Transportation System Plan and this Code, and with any applicable State or City statutes and regulations, including this Section.

Community Need

In the absence of adopted an annexation code, the City of Sherwood relies on ORS Chapter 222, Metro Code Chapter 3.09, and the City of Sherwood Comprehensive Plan Policies which together establish the legal and procedural framework for boundary changes.

Sherwood City Council (FY 2024-2025 & 2025-2026) adopted the following deliverable:

1:2 Create annexation policies and processes to manage our growth goals as it relates to infrastructure, school capacity, and long-term community needs.

Additionally, during the Sherwood West concept planning, a future development code regulation update was necessary for the orderly and efficient transition of land uses from rural to urban, as to ensure services and infrastructure will support new development.

The proposed text amendment (annexation policy) addresses this identified community need, promoting orderly, sustainable growth by integrating future development with Sherwood's urban framework and supporting coordinated public infrastructure endeavors. This proposal addresses the community's need for a structured and codified approach to city boundary expansion by formalizing a comprehensive framework that addresses infrastructure readiness and requires any annexation to be consistent with long-range planning efforts. By fostering transparency in municipal decision-making and ensuring that the impacts of new developments are clearly understood by both elected officials and the public, the policy enhances public trust and enables proactive and coordinated growth that supports the well-being and strategic vision of Sherwood, as defined by the adopted Comprehensive Plan. The proposed annexation policy ensures that growth is thoughtfully sequenced, infrastructure is delivered efficiently, and public resources are not overextended.

Consistency with Comprehensive Plan

Within the adopted 2040 Comprehensive Plan, Strategic and Collaborative Governance and Coordinated and Connected Infrastructure, have specific objectives and policies that are applicable to the proposed annexation code as discussed below:

Strategic and Collaborative Governance:

Goal 1: Coordinate with adjacent jurisdictions, local service providers and regional and state governmental agencies to manage growth and development in Sherwood.

Policy 1.1: Maintain a Comprehensive Plan and associated implementation tools consistent with the Metro Urban Growth Management Functional Plan, Regional Framework Plan, and Regional Transportation Plan; the Oregon Statewide Planning Goals; and all other applicable state and federal regulations.

Policy 1.2: Ensure that land use and plan administration procedures are compatible with the goals and policies in the comprehensive Plan, consider relevant agreements with and

plans by other local jurisdictions, and comply with regional, state, and federal plans and regulations.

Policy 1.4: Establish and periodically update urban service, urban planning, and other formal intergovernmental agreements as needed to support urbanization, annexation, and urban service provision.

Staff Response: The proposed annexation code requires compliance with the City of Sherwood Comprehensive Plan, the Metro Urban Growth Management Functional Plan (UGMFP), and Oregon Statewide Planning Goals. Where applicable, findings are provided throughout this report addressing compliance with the applicable regional and state regulations. Additional details on conformance with the Comprehensive Plan and UGMFP are provided below.

Compliance with the City of Sherwood Comprehensive Plan

The proposed code implements Goal 3 of the Governance and Growth Management Chapter of the Comprehensive Plan. The goal states:

“Ensure that the rate, amount, type, location and cost of new development will preserve and enhance Sherwood’s quality of life so that it is accessible to all community members.”

Policy 3.4 of the Comprehensive Plan provides additional policy direction:

“Ensure annexation to the City occurs in an orderly and coordinated manner and services are provided to support urban growth consistent with the 2040 vision. Consider annexation proposals which meet the following criteria:

- *(a) The subject property must be located within the Metro Urban Growth Boundary.*
- *(b) The subject property must be contiguous to the existing City limits or separated from it only by a public right of way.*
- *(c) Right-of-way that is not within City limits may be annexed for road reconstruction or modification or for the placement of utilities.*
- *(d) The proposed use for the site complies with the Sherwood Comprehensive Plan and with the designation(s) thereon. If a re-designation of the plan map is requested after an annexation is finalized, the uses allowed under the proposed designation must comply with the Comprehensive Plan.*
- *(e) An adequate level of urban services and infrastructure are available or can be extended in a cost effective and efficient manner to the area.*
- *(f) The proposed annexation represents a logical direction for City expansion, promotes an orderly, reasonable and economically feasible expansion of the City boundaries and, in the judgment of the City, serves the present and future interests of the City*
- *(g) Improvements for needed infrastructure may be secured by a funding mechanism that will place the primary economic burden on the territory proposed for annexation and not on the City of Sherwood generally”*

The proposed annexation code provides additional detail in the form of review type and public notice procedures, submittal requirements, and approval criteria to implement Goal 3 and Policy 3.4 of the Comprehensive Plan, among other Goals and Policies discussed throughout this report.

Compliance with the Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan (UGMFP) (Metro Code 3.07) is the land-use policy framework for the Portland metropolitan area that must be implemented through the City's adopted comprehensive plan. While Metro Code Chapter 3.09 are the standards that directly apply to review of annexation applications, these findings explain why three critical provisions of the UGMFP Chapter 3.07 will be furthered through the implementation of the proposed amendment. The three provisions include the: minimum density requirements (Title 12 of Chapter 3.07), Accessory Dwelling Unit allowances (Title 1 of Chapter 3.07), and riparian and upland habitat protection (Title 13 of Chapter 3.07).

Minimum density requirements – Section 3.07.120 of the UGMFP requires cities to have a minimum dwelling unit density for all residential zones. The City's existing Comprehensive Plan achieves UGMFP compliance by designating minimum housing densities through zoning and the proposed amendments will not alter those obligations. Any future Comprehensive Planning, including that for Sherwood West, will be required to establish and implement minimum density standards. Future annexation approvals or conditions of the same that limit development to something less than the minimum density would be a violation of the adopted Comprehensive Plan and would not satisfy the annexation criteria. Regarding phased or partial development of a site, the proposed code clarifies that each phase of the development and the full build out of the site are required to meet the minimum density standards of the zone:

"If development is delayed due to infrastructure constraints, this code does not authorize development of a site below the minimum residential density established by the zone. Each phase of a development and the final build out of a site shall meet the minimum residential density of the zone."

This section will ensure that all phases of a project will achieve the minimum density established by the City's Comprehensive Plan, in conformance with the Metro UGMFP.

Accessory Dwelling Units – Section 3.07.120(g) of the UGMFP requires cities to authorize at least one Accessory Dwelling Unit for each detached single-family dwelling unit in each zone that authorizes detached single-family dwellings. Similar to minimum density standards, any future Comprehensive Planning or annexation approvals or conditions of the same that limit Accessory Dwelling Units in areas where Metro code requires them to be authorized, would be a violation of the adopted Comprehensive Plan, the proposed annexation criteria and the UGMFP. As annexation applications are processed as a Type IV or Type V decision, any potential future violations of the Comprehensive Plan may be raised during the public hearing process with City Council and appealed to LUBA.

Additionally, the proposed text amendment does not preclude other forms of infill development or other middle housing types, including accessory dwelling units (ADUs), which may be pursued by a property owner at any time, assuming compliance with applicable standards, such as Chapter 16.12 – Residential Land Use Districts, Chapter 16.52 – Accessory Dwelling Units, and applicable Master Plan.

Riparian and Upland Habitat – Title 13 of the UGMFP provides regulations for the protection of riparian and upland habitat. As part of Comprehensive Planning for Sherwood West, the city will

update its 13 Title maps in accordance with Metro code. These maps will be adopted as part of the Comprehensive Plan with implementing regulations in the development code. Any additional protection of or encroachment into Title 13 regulated habitat sought via an annexation must first go through the appropriate studies and approval processes with Metro and the State of Oregon.

Goal 2: Provide timely, efficient and fiscally responsible delivery of public facilities and services to balance the development of complete neighborhoods, employment areas, schools and public spaces.

Policy 2.1: Coordinate the extension of public facilities, utilities, and services and prioritization of capital expenditures with Washington county, other public agencies, and special districts.

Staff Response: The proposed Sherwood Annexation Policies ensure infrastructure and services are delivered in a timely, efficient, and fiscally responsible manner. Future annexations must demonstrate how properties will be serviced by essential minimum-required infrastructure, including water, sewer, stormwater, and transportation, and be made available in a timely and efficient manner as required under proposed SDC 16.81.010.F. Applicants must demonstrate how impacts to existing City public facilities and services from the annexed property, including any planned future development, will be mitigated, if necessary. Mitigation may include construction of on-site or off-site improvements or improvements to existing facilities. All required mitigation to existing facilities must demonstrate adequate funding; if financing requires city funds, the funding must be approved by the City Council prior to annexation, as defined under proposed SDC 16.81.010.F.7.

The process of planning and mitigating, when necessary, will assist in the tracking of capital expenditures, so new developments do not overburden the existing framework. The amendment mandates that annexation agreements outline the timing and sequence for infrastructure improvements, ensuring that public facility extensions are synchronized with actual development needs. This upfront evaluation ensures that growth is balanced with available services.

Regarding coordination with Washington County and other public service providers, all land within Sherwood's UGB are covered by an Urban Planning Area Agreement with Washington County. The agreement outlines responsibilities for Comprehensive Planning, as well as the provision of public utilities and services. Annexations will comply with applicable urban planning agreements and master plans with partner agencies.

Goal 3: Ensure that the rate, amount, type, location and cost of new development will preserve and enhance Sherwood's quality of life so that it is accessible to all community members.

Policy 3.3: Provide for compatible, phased and orderly transition from rural to suburban or urban uses, reflecting Sherwood's landform on adjacent land outside Sherwood city limits or the Metro urban Growth Boundary.

Policy 3.4: Ensure annexation to the City occurs in an orderly and coordinated manner, and services are provided to support urban growth consistent with the 2040 Vision. Consider annexation proposals which meet the following criteria:

- a) The subject property must be located within the Metro Urban Growth Boundary.
- b) The subject property must be contiguous to the existing City limits or separated from it only by a public right of way.
- c) Right-of-way that is not within City limits may be annexed for road reconstruction or modification or for the placement of utilities.
- d) The proposed use for the site complies with the Sherwood Comprehensive Plan and with the designation(s) thereon. If a re-designation of the plan map is requested after an annexation is finalized, the uses allowed under the proposed designation must comply with the Comprehensive Plan.
- e) An adequate level of urban services and infrastructure are available or can be extended in a cost-effective and efficient manner to the area.
- f) The proposed annexation represents a logical direction for City expansion, promotes an orderly, reasonable and economically feasible expansion of the City boundaries and, in the judgment of the City, serves the present and future interests of the City.
- g) Improvements for needed infrastructure may be secured by a funding mechanism that will place the primary economic burden on the territory proposed for annexation and not on the City of Sherwood generally.

Staff Response: The proposed amendment ensures new development enhances the community's quality of life through orderly, compatible, and cost-effective growth.

The proposed amendment requires annexed lands meet defined criteria (i.e. within the Metro Urban Growth Boundary and contiguous to existing City limits) resulting in a logical and compatible expansion of the city limits. As described under proposed section 16.81.010(A)(5), the proposed amendment is intended to

avoid the creation of irregular boundaries or annexations that create "island," "cherry stem" or "shoestring" annexations, where possible.

These siting standards avoid scattered, inefficient growth that could disrupt community cohesion through costly gaps in infrastructure availability and readiness.

The proposed policies require the annexation to be designed to provide a compatible and phased transition from rural to urban uses that's gradual and coordinated. This approach allows for the extension of infrastructure in a manner that is both efficient and responsive to growth.

Proposals must show that an adequate level of infrastructure is either available or can be extended within 24 months of annexation. This provision helps prevent situations where new development outpaces the provision of essential services like water, sewer, stormwater, and transportation. This collaboration minimizes the risk of service gaps and ensures that new neighborhoods are supported by robust, well-planned infrastructure and public services.

Goal 7: Encourage land use patterns that locate land use activities in close proximity, reduce or shorten vehicle trips and encourage energy conservation through sustainable site planning, landscaping and construction practices.

Policy 7.2: Build capacity for greater urban resilience and redundancy in infrastructure and essential public facilities.

Staff Response: The proposed amendment promotes sustainable, compact growth patterns and ensures that infrastructure is designed for resilience and limits redundancy.

Upon annexation, the property automatically adopts the predetermined zoning designation as defined by the Zone Map. This ensures that new development conforms to and complements existing and planned land use patterns. Furthermore, the proposed amendment supports the above goal and policy, by ensuring the necessary infrastructure and associated improvements are implemented accordingly and do not create barriers of service, thereby supporting compact urban forms. By synchronizing infrastructure improvements with future and phased development, the city can promote sustainable construction practices and site planning that reduce or shorten vehicle trips and encourage energy conservation.

The proposed amendment requires applicants and staff to collectively assess current infrastructure and service capabilities, while proactively preparing for future facilities and services. This process includes plans for infrastructure upgrades and improvements that can absorb the effects of new development. By planning for increased capacity, the City builds in a buffer against unexpected stresses on public facilities, thereby supporting the community's ability to withstand and recover from disruptions.

Coordinated and Connected Infrastructure:

Goal 1: Plan and implement a transportation system that is forward-looking, responsive and innovative to maximize capacity and ensure safety, efficiency and retention of Sherwood's livability and small-town character.

Policy 1.5: Manage the transportation network in a manner that ensures the plan is implemented in a timely fashion and is kept up to date with respect to local and regional priorities.

Goal 2: Create and enhance safe and viable transportation options for travel between destinations locally and regionally with particular attention to connecting the areas of Sherwood east and west of Highway 99W, Old Town, and the Tualatin National Wildlife Refuge.

Policy 2.1: Develop a transportation system that is consistent with the City's adopted comprehensive land use plan and with the adopted plans of state, local, and regional jurisdictions.

Policy 2.5: Ensure that efficient and effective freight transportation infrastructure is developed and maintained to support local and regional economic expansion and diversification consistent with city economic plans and policies.

Staff Response: The proposed annexation text amendment requires applicants to demonstrate consistency with the Transportation Planning Rule (TPR) and the adopted comprehensive plan or demonstrate that additional TPR analysis is not required.

Compliance with this standard ensures future annexations, and their impact on existing and future transportation facilities can be addressed in the event facilities are deemed insufficient; as land uses, traffic patterns, and infrastructure are not static in nature, it's important to review how transportation networks have changed or evolved since the adoption of the Comprehensive Plan. As a result, compliance with the above goal and policies ensures Sherwood's transportation system is designed to remain safe, efficient, and forward-looking.

Additionally, the proposed amendment supports multi-modal travel and timely integration by ensuring that planned improvements enhance connectivity across key local landmarks and destinations, such as Old Town, areas across Highway 99W, and the Tualatin National Wildlife Refuge. A transportation study often does more than simply show that an intersection is adequate to support a development; it can also help to inform the timing for specific road details that are otherwise not covered by the Comprehensive Plan such as crosswalk locations, multi-modal amenities perhaps near a community resource, and to inform a proportionate allocation of road improvement costs.

The proposed policy promotes long-term connectivity and ensures that travel options are safe and inclusive for both local and regional needs and incorporates needed infrastructure and mitigation planning to preserve and expand the city's freight corridors, as described above. By evaluating transportation capacity and impact, Sherwood is better able to maintain efficient and effective freight routes, which are essential for local and regional economic development goals and initiatives.

Overall, the requirements embedded in this amendment not only safeguard the current functionality of Sherwood's transportation system but also support sustainable growth. By deliberately ensuring transportation compliance and infrastructure readiness, including required mitigation, into the annexation process, the city ensures a balanced, forward-thinking network that supports both economic expansion and the future development of Sherwood.

Goal 4: Ensure reliable, safe, affordable and adequate public facilities to meet Sherwood's existing and future needs.

Policy 4.1: Ensure reliable, safe, affordable and adequate public facilities to meet Sherwood's existing and future needs.

Staff Response: As previously described, the proposed amendment requires public infrastructure to be planned in a way that ensures long-term reliability, safety, affordability, and adequacy. Future annexations shall demonstrate how infrastructure will serve future land uses and mitigate any impact on existing systems as provided in the comprehensive plan, protecting Sherwood's service, quality, and fiscal sustainability; applicants will either utilize existing documentation or produce additional analyses that rely on existing information frameworks that address existing condition and challenges.

Goal 5: Work with partner agencies to coordinate service delivery including but not limited to stormwater, water, electric, natural gas, broadband, and waste management.

Policy 5.1: Coordinate public facility planning and service provisioning with established urbanization policies as a means to achieve orderly growth and an appropriate mix of land uses.

Policy 5:4: Collaborate with governmental and private agencies engaged in climate change and energy conservation efforts and seek ways to expand its role and influence in achieving more efficient use of energy resources by:

- **Developing and implementing an Energy Conservation Plan.**
- **Ensuring responsive development code and standards that reflect emerging trends for addressing energy and climate change challenges and opportunities.**

Staff Response: The proposed annexation policies require applicants to demonstrate how key public services will be extended to newly annexed land. Infrastructure planning must be comprehensive, funded, and timed appropriately. This coordination of facilitates ensures logical growth and supports a balanced mix of land uses. The amendment creates a flexible structure that can incorporate future energy efficiency and climate action standards.

Applicable Statewide Planning Goals:

Goal 1 (Citizen Involvement)

Objective: To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Staff response: Staff utilized the public notice requirements of SDC Chapter 16.72 embedded within Title 16 –Zoning and Community Development Code to notify the public of the proposed text amendment legislative adoption process. The City’s public notice requirements comply with Goal 1. The Planning Commission and City Council will hold public hearings on this request prior to adoption. Public comments received will be addressed and included as part of the hearing records.

If approved, future annexations would be subject to a Type IV procedure for quasi-judicial applications or a Type V procedure for legislative applications, including public notice, public hearing, and final decision by the City Council. Pursuant to section 16.72.020 – *Public Notice and Hearing*, notices for all public hearings categorically under a Type IV & V land use action shall be:

- Published in a newspaper of general circulation available within the City and shall be published one additional time in the Sherwood Archer, Sherwood Gazette or similarly local publication, no less than 5 days prior to the initial scheduled hearing before the hearing authority.
- Posted by the City in no fewer than five (5) conspicuous locations within the City.
- Have signage posted on the subject property and include:
 - A general description of the land use action proposed, the project number and where additional information can be obtained.
 - Designed to be read by motorists passing by; the exact size and font style to be determined by the City.
 - Located on the property in a manner to be visible from the public street. For large sites or sites with multiple street frontages, more than one sign may be required.
- Written notice by regular mail to owners of record of all real property within one thousand (1,000) feet from the property subject to the land use action. Written notice shall also be sent to the Oregon Department of Transportation (ODOT), Metro, the applicable transit service provider and other affected or potentially affected agencies. If the subject property is located adjacent to or split by a railroad crossing ODOT Rail Division shall also be sent public notice.

Applicable criterion within proposed SDC section 16.81.010, also requires annexations to meet the applicable public notice requirements under Oregon Revised Statutes (ORS) 222 and Metro Code Chapter 3.09. Proposed annexations must demonstrate consistency Metro Code 3.09 in its submittal requirements [Section 16.81.010(C)(1)], aligning with Metro's procedural expectations for boundary changes and intergovernmental coordination, and will require staff to issue public notice at least thirty (30) days in advance of the first public hearing.

A component of the proposed text amendment includes adoption of annexation agreements, which is a tool often utilized by jurisdictions to further outline the terms and conditions under which land located outside the municipal boundaries will be incorporated into their municipality. The City Manager or designee may only waive the annexation agreement if it can be determined that:

- The property is already served by utility and facilities infrastructure necessary to support the proposed use; or
- The property is already developed at minimum urban densities and does not require additional utility and facilities coordination; or
- The proposed development demands minimal changes to the service area or that are unlikely to generate substantial infrastructure requirements as defined under Division VI – Public Infrastructure; or
- The applicant can clearly demonstrate, through supporting documentation, that the proposal will meet all the City's service and infrastructure requirements without additional contractual commitments.

The intent of the proposed criterion is to prevent burdensome or disproportionate requirements for property owners within the UGB who are seeking small annexations or annexations in areas that are well served by existing infrastructure and are unlikely to trigger substantial infrastructure improvements.

This waiver of the annexation agreement is one of the primary concerns of the testimony from 1,000 Friends of Oregon (Exhibit D). As noted in the direct responses to the testimony, the annexation is still subject to the City's Type IV or V land use approval process which includes mailed public notice and a public hearing before the City Council. The City Manager's waiver of an Annexation Agreement is specific to the agreement alone, and not the entire quasi-judicial or legislative land use process which results in a final decision by the City Council. Public notice, written and verbal testimony, as well as appeal rights will still be available to the public in cases where the annexation agreement is waived by the City Manager.

Goal 2 (Land Use Planning)

Objective: To establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual basis for such decisions and actions.

Staff response: The development of the proposed amendment has followed the City's established land use planning process and framework, which has included public meetings, public outreach through information on the city's website, and opportunities for public comment.

The proposed annexation policies support state and regional goals, as defined but not limited to Metro code 3.09 – Local Government Boundary Changes, an extension of ORS 268.347 to

268.354 and ORS 222 – Boundary Changes, Annexations (including Senate Bill 1573, which was added to ORS 222.111 to 222.180).

At the local level, the City has an adopted Comprehensive Plan that has been acknowledged by DLCD. The proposed annexation policies implement the Comprehensive Plan and provides procedural requirements and approval criteria for annexations. The Comprehensive Plan was built on a factual base as required by Goal 2.

The city received testimony from 1,000 Friends of Oregon (Exhibit D) expressing concern about Goal 2. The specific concern is that an annexation agreement is considered a Major Revision to the Comprehensive Plan and that allowing the City Manager sole discretion to waive the annexation agreement requirement without public involvement is a violation of Goal 2. As discussed under the Goal 1 staff response, the proposed annexation will still be subject to the City's Type IV or V land use approval process which includes mailed public notice and a public hearing before the City Council. The City Manager's waiver of an annexation agreement is specific to the agreement, and not the entire quasi-judicial or legislative land use process. While the City Manager may waive the requirement for an annexation agreement, the City Council makes the final determination on an annexation proposal through a public hearing process. Finally, the Annexation Agreement itself is only valid and binding once the City Council approves the larger annexation application pursuant to SDC Section 16.81.020(G)(5).

The second stated concern over Goal 2 is the annexation approval criteria's potential lack of conformance with regional, state, and federal agency plans. Specifically, the testimony states that the criterion requiring the annexation to be in the City's best interest does not ensure that the city will consider regional, state, and national needs. As noted above, the criterion related to the City's best interest has been revised to evaluate the City's best interest against the adopted Comprehensive Plan, Transportation System Plan, and other land use and utility master plans. These adopted plans are required to conform to regulations at the regional, state, and federal level including statewide planning goals and the UGMFP.

As presented, the proposed text amendment meets the intent of Goal 2, through the creation of regulatory and processes that support efficient land use policies and procedures.

Goal 3 (Agricultural Lands)

Goal 4 (Forest Lands)

Goal 5 (Natural Resources, Scenic and Historic Areas and Open Spaces)

Goal 6 (Air, Water and Land Resources Quality)

Goal 7 (Areas Subject to Natural Hazards)

Goal 8 (Recreational Needs)

Goal 9 (Economic Development)

Staff Response: The City's Comprehensive Plan complies with Goals 3 – 9 and will continue to be realized through the City's implementation of the Comprehensive Plan, including this code amendment. As discussed throughout this report, annexation applications are required to conform to the Comprehensive Plan, and therefore be consistent with these statewide planning goals.

Goal 10 (Housing)

Objective: To provide for the housing needs of citizens of the state.

Staff response: The City's Comprehensive Plan complies with Goal 10 and will continue to comply through the City's implementation of the plan, including this text amendment. Notably, the City has an adopted Housing Needs Analysis and related zoning that establishes minimum densities for each property in the city. This system ensures that the city carries a 20-year supply of housing to meet the needs of all present and future community members. The proposed amendment will reinforce adopted housing policies and production targets, through required compliance with existing plans and regulations.

Goal 11 (Public Facilities and Services)

Objective: To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Staff response: The proposed text amendment ensures the planning and development of public facilities and services in an orderly, efficient, and cost-effective manner. The proposed amendment establishes clear criteria requiring that annexed properties are, or will be, served by adequate public facilities, including sanitary sewer, stormwater, water, and transportation infrastructure, consistent with the City's adopted Utility Master Plan, Transportation System Plan, Parks and Trails Master Plan, and other applicable planning documents.

The testimony from 1,000 Friends of Oregon (Exhibit D) raises concern that the City Manager may waive the requirement for an annexation agreement, and that this may lead to inadequate infrastructure based on Goal 11 public facility planning requirements. As discussed above, the waiver of the Annexation Agreement itself does not waive the remainder of the code and requirement for studies, if necessary, to determine annexation impacts and any mitigation requirements which requires the determination of infrastructure adequacy.

Where mitigation is required, agreements shall detail how infrastructure improvements will be implemented and financed, ensuring that development does not outpace the City's capacity to provide services. Furthermore, proposed SDC Section 16.81.020 establishes the use of annexation agreements to ensure that the timing, scope, and funding of necessary infrastructure improvements are clearly defined and coordinated prior to annexation. These agreements require certification of service availability within 24 months, and demonstration that the proposed transportation facilities are equipped to support future development.

Ultimately, the proposed amendment provides a consistent and predictable process for ensuring the provision of public services and support the timely and orderly extension of infrastructure, in alignment with the intent of Goal 11.

Goal 12 (Transportation)

Objective: To provide and encourage a safe, convenient and economic transportation system.

Staff response: The proposed annexation policies are designed to ensure that any newly incorporated areas are integrated with the region's transportation network.

Applications are required to show that the annexation is consistent with the Transportation Planning Rule (TPR) or demonstrate that additional TPR analysis are not needed; this tied to the state administrative regulation (codified as OAR 660-012-0060) that guides how land use decisions should be reviewed for their potential impact on the transportation system. Its primary purpose is to ensure that any changes in land use or zone that might significantly affect existing, or planned transportation facilities are accompanied by an analysis of those impacts and, if necessary, by appropriate mitigation measures. The proposed text amendment ensures that

transportation considerations are fully integrated and addressed with the annexation process, particularly if conditions have changed over a period of time.

If additional transportation analysis is required, this shall be coordinated with the city, county (Washington & Clackamas), Oregon Department of Transportation (ODOT), Metro, and other impacted stakeholders, ensuring involvement and transparency. This collaborative approach helps align local annexation decisions with regional and state transportation priorities and goals.

If any proposed annexation is likely to impact surrounding transportation infrastructure, the proposed amendment requires an applicant to demonstrate how these impacts will be mitigated. The proposed amendment helps prevent growth patterns that could lead to traffic congestion and inefficient use of transportation resources. This information evidencing coordination is critical for maintaining safe and efficient travel within the community.

Importantly, a transportation study often does more than simply show that an intersection is adequate to support a development; it can also help to inform the timing for road details that are not covered by the Comprehensive Plan or Transportation System Plan such as mid-block crosswalk locations, multi-modal amenities perhaps near a community resource and to inform a proportionate allocation of road improvement costs.

These provisions help ensure any new development resulting from annexations is well-supported by a robust and sustainable transportation system, aligning with the objectives of Oregon Statewide Planning Goal 12.

Goal 13 (Energy Conservation)

Staff response: Statewide Planning Goal 13 does not specifically apply to the proposed annexation policies. There is no evidence to suggest that the adoption of the text amendment language will conflict with the above statewide planning goals. The proposal does not make any substantive changes to the Sherwood Comprehensive Plan or its' implementing ordinances that affect compliance with Goal 13.

Goal 14 (Urbanization)

Objective: To provide for an orderly and efficient transition from rural to urban land uses, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land and to provide for livable communities.

Staff response: The proposed amendment would affect all future annexations and would support the orderly and efficient use and transition of land within the designated Urban Growth Boundary (UGB). The proposed amendment is consistent with the City's Comprehensive Plan, which has been formally recognized by the state, and is further addressed in other sections within this report.

Goal 15 (Willamette River Greenway)

Goal 16 (Estuarine Resources)

Goal 17 (Coastal Shorelands)

Goal 18 (Beaches and Dunes)

Goal 19 (Ocean Resources)

Staff response: Statewide Planning Goals 15-19 do not specifically apply to the proposed annexation policies. There is no evidence to suggest that the adoption of the text amendment language will conflict with the above statewide planning goals. The proposal does not make any substantive changes to the Sherwood Comprehensive Plan or its' implementing ordinances that affect compliance with Goals 15-19 (if applicable).

V. RECOMMENDATION

Based upon review of the submittal information, review of the code, and public / agency comments, staff find the proposed Annexation Text Amendment' complies with the applicable criterion and policies of the Comprehensive Plan, as well as Metro and State policies.

Therefore, staff recommends approval of the application LU 2024-018 PA "Annexation Policies"

VI. ATTACHMENTS

- A. Proposed Code Text Amendment – Annexation Policies
- B. Public Notice & Agency Routing Correspondence, dated March 27, 2025
- C. Letter to Planning Commission from Metro, dated April 22, 2025
- D. Public Comment from 1,000 Friends of Oregon, dated April 21, 2025
- E. Public comment from Housing Land Advocates (HLA) & Fair Housing Council of Oregon (FHCO), dated June 24, 2025

Proposed Amendments to Title 16, ZONING AND COMMUNITY DEVELOPMENT CODE that includes a new chapter in Division IV Planning Procedures, Chapter 16.81 ANNEXATIONS and amendments to Division III Administrative Procedures, Chapter 16.72 PROCEDURES FOR PROCESSING DEVELOPMENT PERMITS.

Chapter 16.81 Annexations

16.81.010

A. Purpose: The procedures and standards in this chapter are established in order to:

1. Facilitate efficient and orderly development opportunities when transferring jurisdiction of property within the Urban Growth Boundary (UGB) from Washington County and Clackamas County to the City of Sherwood;
2. Comply with the requirements of Oregon Revised Statutes (ORS) 222 and Metro Code Chapter 3.09;
3. Ensure that public facilities are or will be available to serve land annexed to the City;
4. Establish a system for measuring and evaluating the physical, environmental, fiscal, and related social effects of proposed annexation; and
5. Avoid the creation of irregular boundaries or annexations that create “island,” “cherry stem” or “shoestring” annexations, where possible.

B. Application Type and Review Procedure: An annexation application is subject to a Type IV procedure for quasi-judicial applications or a Type V procedure for legislative applications, including public notice, public hearing, and final decision by the City Council. The applicable review procedure shall be determined by the City based on the size and scope of the request.

The following is the review procedure for all annexation applications.

1. Pre-Application conference;
2. Submission of completed application;
3. Staff recommendation of approval or denial;
4. Review by City Council; and
5. Approval or denial by City Council.

C. Submittal Requirements.

1. An annexation application must include the information set forth in Oregon Revised Statutes (ORS) 222 and Metro Code 3.09 and the applicable application deposits and fees based on the current City of Sherwood fee schedule.

2. Request for annexation shall include all information and requirements within the City's annexation checklist.

3. An owner-initiated annexation application shall include a preliminary annexation agreement consistent with Section 16.81.020 (Annexation Agreements), unless waived pursuant to Section 16.81.020(D).

4. Meet all applicable requirements in accordance with Section 16.70.030 (Application Requirements)

D. Zone Change Process Concurrent with Annexation Application

1. A property owner who seeks a zone, other than the zoning district shown on the Official Plan and Zoning Map, may apply for a Zone Change to an alternative zone. An owner-initiated change may be processed concurrently with the annexation application. The Zone Change application shall be processed under Chapter 16.72 (Procedures for Processing Development Permits) and Chapter 16.80 (Plan Amendments). Zoning Map Amendments must meet the requirements of Section 16.80.030 Review Criteria.

E. Zoning of Annexed Areas

1. All land within the City of Sherwood designated planning area, established under Metro's Urban Growth Boundary (UGB), have been classified with a zoning district as shown on the Official Plan and Zoning Map. Once annexation of the territory is approved, the zoning identified on the Zoning Map is directly applied to the territory without application of Chapter 16.80 (Plan Amendments).

2. As of the effective date of annexation, an existing use or the use of any existing structure may continue, but only where the use or structure:

- a. Has obtained county land use approval indicating compliance with county zoning regulations or
- b. Has been verified as a lawful non-conforming use or structure under county zoning regulations.

3. Any lot or parcel of land duly recorded with the Washington County or Clackamas County Recorder's Office prior to the effective date of this Ordinance, and that does not meet the minimum area, width, depth, or street frontage requirements of the applicable zoning district, shall be deemed a lot of record. Such lots may be used as building sites, provided that all other applicable zoning and development code regulations are met.

F. Approval Criteria. The City may approve an annexation application if the City determines that the following criteria are met:

1. Provisions set forth in Oregon Revised Statutes (ORS) 222 and Metro Code Chapter 3.09.

2. Applicable policies of the Sherwood Comprehensive Plan.

3. The application demonstrates how the property is served or will be served by adequate public facilities and services, assuming the maximum intensity land uses authorized by the zoning district, as designated in the City's Official Plan and Zoning Map, in accordance with Division VI (Public Infrastructure) and the Engineering Design Manual. Public facilities and services include sanitary sewer, storm water, domestic water, and transportation.

a. The application may also be required to demonstrate how the property will be served by adequate public facilities and services based on the proposed land uses and intensities, in addition to the maximum intensity.

4. Public facilities and services are provided in a manner consistent with the City's adopted Utility Master Plan, Comprehensive Plan, and Transportation Systems Plan. The application must demonstrate how the public facilities and services will be provided to the property in an orderly, efficient, and timely manner.

5. Proposed land uses are in accordance with applicable land use master plans.

6. Subject to any constitutional limitations, parks, trails, and open space are, or will be, provided in accordance with applicable Parks and Trails Master Plan, and any other applicable area plan or master plan and an agreement is executed to convey to the City any land, within the annexation area designated in the adopted Parks and Trails Master Plan.

7. The application demonstrates how impacts to existing City public facilities and services (i.e. sewer, water, stormwater, and transportation) from the development of the property will be mitigated, if necessary.

Mitigation may include construction of on-site or off-site improvements or improvements to existing infrastructure to City standards and specifications. The application must include a preliminary financial plan that demonstrates the feasibility and adequacy of the proposed mitigation measures. If the financing requires City funds, the funding must be approved by the City Council prior to annexation.

The City may rely on the standards and criteria of Title 16 – Sherwood Zoning and Community Development Code, Comprehensive Plan, Transportation System Plan, Parks and Trails Master Plan, Engineering Design Manual, and any applicable area plan or master plan to analyze an applicant's proposed mitigation of impacts.

In order to ensure adequate public facilities and services will exist to serve property annexed to the City, an applicant may be required to enter into an agreement with the City that governs the extent and timing of infrastructure improvements pursuant to Chapter 16. 81.020 Annexation Agreements.

8. The application demonstrates that the annexation and zoning is consistent with the Transportation Planning Rule (TPR) and adopted comprehensive plan, or the applicant can demonstrate that additional TPR analysis is not required.

9. The annexation is in the City's best interest after evaluating the proposal against the City's adopted Utility Master Plans, Comprehensive Plan including Land Use Master Plans, Transportation System Plan, Parks and Trails Master Plan, and any other applicable area plan or master plan.

G. Conditions of Approval. Approval of annexation may be conditioned by the City to meet the approval criteria above and conform to applicable policies and standards of adopted plans, including conditions to meet service boundary requirements of Metro and Clean Water Services (CWS). Where conditions are contemplated where housing is allowed, the conditions must be clear and objective.

H. Appeal of Decision. A final decision on an annexation application may be appealed to the Land Use Board of Appeals (LUBA).

I. Expiration of a Decision. A final decision on an annexation does not expire.

16.81.020 Annexation Agreements

A. Purpose. The annexation agreement is intended to increase awareness of the annexation process for the property owner, the City, and the public that the scope and timing of subsequent development of the property will occur in a manner that facilitates the timely and orderly construction of necessary infrastructure improvements. The agreement describes the intended use of the property following annexation, the process for development review, the parties' commitments regarding the subsequent development, and the infrastructure anticipated to be necessary to support future or existing development.

B. Applicability. Unless waived by the City, as described under 16.81.020.D, an annexation agreement consistent with this section shall be executed prior to and included with all annexation applications.

C. Contents. Unless otherwise agreed by the City, an annexation agreement shall include the following information and, at a minimum, address the following elements to the City's satisfaction:

1. A legal description of the property;

2. The current zoning within the County and future urban zoning as depicted on the Sherwood Zone Map;

3. The proposed zoning, if different than depicted on the adopted Zone Map;

4. The owner's intended urban use and development of the property in sufficient detail to allow the City to determine the public facility impacts and required infrastructure improvements necessary to support the intended use. Public facilities include sanitary sewer, storm water, domestic water, and transportation.

- a. The type, size, and density of the use, the timing of any anticipated phases, and an engineering assessment of the impact on urban services at full build-out and for each phase of a phased project.

5. Proposed land for parks and open space including a preliminary park amenity plan.

6. Certification of service availability. Certification that water, sanitary sewer, storm sewer and transportation services are available or can be available within 24 months to the proposed site;

7. A Transportation Study that is coordinated with the City and other impacted agencies, including Washington or Clackamas County and Oregon Department of Transportation (ODOT). Unless waived by the City, the Transportation Study shall include:

- a. An analysis of the existing transportation facilities that serve the property, including current and planned capacity of these facilities.

- b. A trip analysis to determine the scope and timing of planned improvements, as to evaluate the cumulative effects of the proposed annexation and subsequent development on the transportation system.

- c. The location, size, type, and timing of any phased development and occupancy, if proposed.

- d. Any transportation improvements that may be necessary to accommodate the development at initial occupancy, at each phase of a proposal, and at full buildout of the property.

- e. Committed and funded multi-modal transportation facilities expected to be available at initial occupancy, at each phase of a proposal, and at full buildout of the property.

D. Waiver.

1. The City Manager or designee may waive the requirement to execute and submit an annexation agreement if the City Manager or designee determines the agreement is not necessary and would not achieve the purposes described in Section 16.81.020(A). This determination may be made if one or more of the following apply:

- a. The property is already served by utility and facilities infrastructure necessary to support the proposed use; or
- b. The property is already developed at minimum urban densities and does not require additional utility and facilities coordination; or
- c. The proposed development demands minimal changes to the service area or that are unlikely to generate substantial infrastructure requirements as defined under Division VI – Public Infrastructure; or
- d. The applicant can clearly demonstrate, through supporting documentation, that the proposal will meet all the City’s service and infrastructure requirements without additional contractual commitments.

E. Owner Commitments. The annexation agreement shall provide for at least the following owner commitments:

1. To provide the needed infrastructure improvements or agree to delay development of the property, or portions of the property, such that it will not exceed the capacity of:

- a. Affected transportation facilities, as determined by the Transportation Study, including any improvements proposed and constructed as part of the development; and
- b. Other affected public facilities including facilities for sanitary sewer, storm water, domestic water, and transportation.

2. Authorize the City to condition any land use decision or entitlements consistent with the Transportation Study and other available public infrastructure capacity analysis, as determined by the City, to ensure that adequate public infrastructure is available to serve the proposed development.

3. If development is delayed due to infrastructure constraints, this code does not authorize development of a site below the minimum residential density established by the zone. Each phase of a development and the final build out of a site shall meet the minimum residential density of the zone.

F. City Commitments.

1. To apply the urban designated zoning depicted on the Zone Map and any applicable Master Plan or other defined area plan at the time of annexation.

G. General Provisions.

1. Where an annexation agreement will govern future development on lands where residential uses are allowed, any conditions or obligations set forth in the agreement shall be clear and objective and otherwise comply with state housing laws.

2. An annexation agreement shall include the parties' intended schedule of significant development-related events, including annexation, zone change, land division, development review, building permits, and occupancy.

3. Any annexation agreement shall stipulate a delayed effectiveness date that is concurrent with the date on which the related annexation application approval is final. Where no annexation application is pursued, the annexation agreement shall expire one (1) year from the last date it is signed by the parties (the owner and the city manager).

4. The provisions of an annexation agreement may be included in and made part of a subsequent land use decision.

5. An annexation agreement is not effective and binding on the parties until the annexation application receives final approval by the City Council and any rights to appeal are exhausted.

6. Any conditions of approval applied to the annexation agreement run with the land and are binding in regard to future property owners and developers.

16.72.010 Generally

A. Classifications

Except for Final Development Plans for Planned Unit Developments, which are reviewed per Section 16.40.030, all ministerial, administrative, and quasi-judicial development permit applications and legislative land use actions shall be classified as one of the following:

1. Residential Design Checklist Review

The Community Development Director, or designee, without public notice and without a public hearing, makes ministerial decisions through the Residential Design Checklist Review procedure. Ministerial decisions are those where City standards and criteria do not require the exercise of discretion (i.e., they are clear and objective standards).

The Community Development Director, or designee, reviews proposals for all residential housing types, except for multi-dwelling development that are subject to Section 16.90, requiring a clear and objective review using the Residential Design Checklist. The Residential Design Checklist is a preliminary review that is intended to ensure a project proposal meets the basic requirements of Chapter 16.14 before more detailed plans are prepared and before the City authorizes the Building Official to issue a building permit.

2. Type I

5. Type IV

The following quasi-judicial actions shall be subject to a Type IV review process:

- a. Site Plan review and/or "Fast Track" Site Plan review of new or existing structures in the Old Town Overlay District.
- b. All quasi-judicial actions not otherwise assigned to a Hearing Authority under this section.
- c. Site Plans — Greater than 40,000 square feet of floor area, parking or seating capacity.
- d. Site Plans subject to Section 16.90.020.D.6.f.
- e. Industrial Site Plans subject to Section 16.90.020.D.7.b.
- f. Subdivisions — over 50 lots.
- g. Class A Variance.
- h. Residential Design Review.

- i. Quasi-Judicial Annexation and related Modification of an Annexation Agreement.
6. Type V

The following legislative actions shall be subject to a Type V review process:

- a. Plan Map Amendments.
- b. Plan Text Amendments.
- c. Planned Unit Development — Preliminary Development Plan and Overlay District.
- d. Legislative Annexations

B. Hearing and Appeal Authority

- 1. The Hearing and Appeal Authorities shall be as follows:
 - a. The Residential Design Checklist review authority is the Community Development Director or their designee. The decision is final on the date it is signed by the Community Development Director. It is not a land use decision as defined by ORS 197.015, and therefore is not subject to local appeal or appeal to the state Land Use Board of Appeals (LUBA).
 - b. The Type I Hearing Authority is the Community Development Director and the Appeal Authority is the Planning Commission.
 - (1) The Community Development Director 's decision shall be made without public notice or public hearing. Notice of the decision shall be provided to the applicant.
 - (2) The applicant may appeal the Community Development Director's decision.

- e. The Type IV Hearing Authority is the Planning Commission, and the Appeal Authority is the City Council with the exception of Quasi-Judicial Annexations. Quasi-Judicial Annexations Hearing Authority is City Council.
 - (1) The Planning Commission shall hold a public hearing following public notice in accordance with Sections 16.72.020 through 16.72.080.
 - (2) Any person who testified before the Planning Commission at the public hearing or submitted written comments prior to the close of the record may appeal the Planning Commission's decision.

- f. The Type V Hearing Authority is the City Council, upon recommendation from the Planning Commission and the Appeal Authority is the Land Use Board of Appeals (LUBA). Legislative Annexations go directly to City Council and does not require a recommendation by the Planning Commission.

2. Except for annexation review, each quasi-judicial development permit application shall potentially be subject to two (2) levels of review, with the first review by a Hearing Authority and the second review, if an appeal is filed, by an Appeal Authority. The decision of the Hearing Authority shall be the City's final decision, unless an appeal is properly filed within fourteen (14) days after the date on which the Hearing Authority took final action. In the event of an appeal, the decision of the Appeal Authority shall be the City's final decision.
3. Except for annexation review,, each Type V legislative land use action shall be reviewed at a public hearing by the Planning Commission with a recommendation made to the City Council. The City Council shall conduct a public hearing and make the City's final decision.



NOTICE OF PUBLIC HEARINGS

**LU 2024-018 PA
ANNEXATION POLICIES**

**April 22, 2025 AT 7PM, Planning Commission
Tentative May 6, 2024 AT 7PM, City Council**

Public Notice is hereby given that the **City of Sherwood Planning Commission** is scheduled to hold a public hearing on the matter below on **Tuesday, April 22, 2025 at 7:00 PM. Tentative City Council Public Hearing is scheduled for Tuesday, May 6, 2025 at 7 PM.**

Proposal: The City is proposing to amend the Sherwood Zoning and Community Development Code by codifying Annexation Policies and requiring Annexation Agreements.

The proposed Annexation Policies amendments will facilitate efficient and orderly development opportunities when transferring jurisdiction of property within the Urban Growth Boundary from Washington County and Clackamas County to the City of Sherwood. They will also ensure that public facilities are or will be available to serve land annexed to the City.

Annexation Agreements are intended to ensure awareness of the annexation process as well as reasonable certainty to the property owner, the City, and the public that the scope and timing of subsequent development of the property will occur in a manner that facilitates the timely and orderly construction of necessary infrastructure improvements.

Case File No.: LU 2024-018 PA

Location: City-wide

Applicant:

City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140

Staff Contact: Hugo Agosto, Associate Planner, HamblinAgostoh@sherwoodoregon.gov
503-625-4271

Find out about the project on the City's website: The application materials are available on the website at

<https://legacysherwoodor.teammunicode.com/planning/project/lu-2024-018-pa-annexation-policies>

Application materials are also available for review at the city offices or can be copied for a reasonable cost at City Hall located at 22560 SW Pine Street. The City Planning Staff report on this matter will be available for review at least seven (7) days in advance of the hearing. If you have any questions, please call Hugo Agosto at (503)-625-4271.

The applicable code criteria include: The City must demonstrate that the Plan is consistent with applicable state, regional, and local policies, rules, and regulations to adopt the proposed Plan.

- Sherwood Zoning and Community Development Code: Chapter 16.80, Plan Amendments
- Comprehensive Plan Theme: Strategic and Collaborative Governance, Coordinated and Connected Infrastructure
- Statewide Planning Goals: Goal 1-Citizen Involvement, Goal 2-Land Use Planning, Goal 11- Public Facilities and Services, Goal 12- Transportation, and Goal 14- Urbanization

How to Provide Testimony: Public testimony may be provided in writing, in person, or by phone.

- In Writing: Provide testimony in writing, prior to the hearing, via email to HamblinAgostoh@sherwoodoregon.gov or regular mail to Planning Department, Sherwood City Hall, 22560 SW Pine St., Sherwood, OR 97140. Must be received at least 1 hour prior to the hearing.
- In Person: Provide testimony in-person during hearing at Sherwood City Hall (Community Room, 1st Floor), 22560 SW Pine St., Sherwood, OR 97140
- By Telephone: Provide testimony by telephone during the hearing via ZOOM. Contact Hugo Agosto at least 24-hours in advance of the scheduled hearing to obtain ZOOM access instructions at HamblinAgostoh@sherwoodoregon.gov or (503)-625-4271.

All testimony must clearly state that it is intended as testimony for a public hearing, the specific public hearing topic for which it is intended. Written testimony must be received at least 1 hour in advance of the scheduled meeting time.

Public testimony should be limited to the findings of fact in the Staff Report, the above criteria, or other City or State applicable land use standards. Only those persons who provide testimony may appeal the decision. Failure to raise an issue accompanied by statements or evidence sufficient to afford the decision-maker and the parties an opportunity to respond to the issue will preclude appeal, on said issue, to the Appeal Authority or State Land Use Board of Appeals (LUBA).

City of Sherwood Land Use Notice

Below is a list of projects under review that requires a public hearing. This information is current as of March 17, 2025. For the most current list of projects and status, as this is subject to change, contact the city or review the “Land Use Projects” link on the Planning page of the website:

Project Name/ Location	Description of Project and Applicable Code Criteria	Status / Staff Contact
LU 2024-018 PA ANNEXATION POLICIES Location: City-wide	The City is proposing to amend the Sherwood Zoning and Community Development Code by codifying Annexation Policies and requiring Annexation Agreements. The proposed Annexation Policies amendments will facilitate efficient and orderly development opportunities when transferring jurisdiction of property within the Urban Growth Boundary from Washington County and Clackamas County to the City of Sherwood. They will also ensure that public facilities are or will be available to serve land annexed to the city. Annexation Agreements are intended to ensure awareness of the annexation process as well as reasonable certainty to the property owner, the City, and the public that the scope and timing of subsequent development of the property will occur in a manner that facilitates the timely and orderly construction of necessary infrastructure improvements. <i>Final decision-maker: Sherwood City Council</i>	Planning Commission Public Hearing: April 22, 2025, at 7 pm Tentative City Council Public Hearing: May 6, 2025, at 7 pm Sherwood City Hall Community Room (1st Floor) 22560 SW Pine Street, Sherwood, OR Staff contact: Hugo Agosto, Associate Planner 503-625-4271
Code Criteria: Sherwood Zoning and Community Development Code Chapter 16.80, Plan Amendments. Comprehensive Plan Theme: Strategic and Collaborative Governance, Coordinated and Connected Infrastructure. Statewide Planning Goals: Goal 1- Citizen Involvement, Goal 2- Land Use Planning, Goal 11- Public Facilities and Services, Goal 12- Transportation, and Goal 14- Urbanization.		

Anyone may testify at any public hearing verbally or in writing. Written statements are encouraged and may be submitted to the Planning Department, City Hall, 22560 SW Pine Street, Sherwood, OR 97140. Failure to raise an issue accompanied by statements or evidence sufficient to afford the decision-maker and the parties an opportunity to respond to the issue will preclude appeal on said issue to the State Land Use Board of Appeals (LUBA). All hearings will be held in the Community Room of the City Hall at 22560 SW Pine Street.

Application materials are available for review or can be copied for a reasonable cost at City Hall, 22560 SW Pine Street. All application materials are available on the web site at <http://www.sherwoodoregon.gov/projects>. The City Planning staff reports on these matters will be available for review at least seven (7) days in advance of the hearing. If you have any questions, please call the Planning Department at (503) 925-2308.

Publications April 3, 2025 and April 17, 2025.

Hugo Hamblin-Agosto

From: DLCD Plan Amendments <plan.amendments@dlcd.oregon.gov>
Sent: Monday, March 17, 2025 4:19 PM
To: Hugo Hamblin-Agosto
Subject: Confirmation of PAPA Online submittal to DLCD

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you are expecting this email and/or know the content is safe.

Sherwood

Your notice of a proposed change to a comprehensive plan or land use regulation has been received by the Oregon Department of Land Conservation and Development.

Local File #: LU 2024-018 PA Annexation Policies (3.17.25)

DLCD File #: [001-25](#)

Proposal Received: 3/17/2025

First Evidentiary Hearing: 4/22/2025

Final Hearing Date: 5/6/2025

Submitted by: Huwego2340

If you have any questions about this notice, please reply or send an email to plan.amendments@dlcd.oregon.gov.

Hugo Hamblin-Agosto

From: Hugo Hamblin-Agosto
Sent: Thursday, March 27, 2025 2:21 PM
To: Ryan.Winfree@nwnatural.com; henry.english@pgn.com; Travis.Smallwood@pgn.com; Jose.Marquez@pgn.com; humphreysj@CleanWaterServices.org; Marvin Spiering; LUComments@cleanwaterservices.org; kmenroachmentspacific@kindermorgan.com; kTabscott@pridedisposal.com; raindrops2refuge@gmail.com; eva_kristofik@fws.gov; mwerner@pwrr.com; dxsmith@bpa.gov; jerosse@sherwood.k12.or.us; Gary Bennett; Jessica Tump; baldwinb@trimet.org; Trimet Review; landusenotifications@oregonmetro.gov; CCDRailCrossingLUR@odot.oregon.gov; Jill.M.HENDRICKSON@odot.state.or.us; ODOT_R1_DevRev@odot.state.or.us; anthony_mills@washingtoncountyor.gov; Naomi_Vogel@co.washington.or.us; lutdevtransportation@Washingtoncountyor.gov; Stephen Roberts; Theresa_Cherniak@co.washington.or.us; Bryan_Robb@co.washington.or.us; Arn, Jason S.; Brad Crawford; Richard Sattler; Jason Waters; Craig Christensen; Andrew Stirling; Colleen Resch; Katie Corgan; Ty Hanlon; Jon Carlson; hoon.choe@USPS.gov; mlrr.info@oregon.gov; Ian Crawford; Chris.Stevenson@dsl.oregon.gov; dkampfer@wm.com; developmentengineering@clackamas.us; zoninginfo@clackamas.us; Fritzie, Martha
Cc: Sean Conrad
Subject: [REQUEST FOR COMMENTS]_LU 2024-018 PA Annexation Policies
Attachments: Proposed Annexation Policy Amendments_3.17.25.pdf

Hello Staff & Agency Partners,

The City of Sherwood Planning Department is requesting agency comments for the following:

Proposal: *Proposed Amendments to Title 16 – Zoning and Community Development Code that includes a new chapter in Division IV Planning Procedures, Chapter 16.81-“Annexations” and amendments to Division III Administrative Procedures, Chapter 16.72 – “Procedures for Processing Development Permits.”*

See draft code language for more information. **Please provide final comments no later than 4/10/25.** If your agency will not be providing comments for the land use application, please indicate that ‘no comment’ will be provided. If you have any questions or concerns, please don’t hesitate to reach out for assistance.

Thanks in advance,



Hugo Agosto (He/Him/El)
Associate Planner
503-625-4271
Hamblin-Agostoh@SherwoodOregon.gov
www.sherwoodoregon.gov
22560 SW Pine Street, Sherwood, OR 97140

Sherwood Community Development Department is open Monday-Friday 8 am – 5 pm. Located on the second floor of City Hall.



600 NE Grand Ave.
Portland, OR 97232-2736
oregonmetro.gov

April 22, 2025

Planning Commission
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140

RE: Proposed Annexation Policy Amendments (LU 2024-018 PA)

Dear Planning Commission:

The city provided Metro with notice of the amendments proposed in LU 2024-018 PA via email on March 27, 26 days before the Planning Commission hearing scheduled for this evening. However, Subsection 3.07.820(a) of the Urban Growth Management Functional Plan (UGMFP) requires this notice to have been provided to Metro at least 35 days before the hearing.

We understand that there is consideration of postponing discussion of the amendments until a continued hearing on May 27. We would appreciate this postponement in order for Metro staff to have sufficient time to review this substantive proposal, to carefully consider the responses to questions from Metro that were provided by city staff on Friday of last week, and to offer comments to the Planning Commission, including regarding the proposal's consistency with requirements of the UGMFP.

We thank city staff for their hard work, their patience, and their willingness to be flexible, and we hope to offer suggestions that will be helpful to the Planning Commission.

Sincerely,

Glen Hamburg
Senior Regional Planner
Department of Planning, Development and Research

CC: Eryn Kehe, Urban Policy and Development Manager, Metro
Ted Reid, Principal Regional Planner, Metro
Roger Alfred, Senior Assistant Attorney, Metro

Eric Rutledge, Community Development Director, City of Sherwood
Sean Conrad, Planning Manager, City of Sherwood
Hugo Hamblin-Agosto, Associate Planner, City of Sherwood



1000 Friends of Oregon
 340 SE 6th Ave, Portland, OR 97214
www.friends.org
 503-497-1000

April 21, 2025

VIA email to planning@sherwoodoregon.gov

Commissioner Jean Simson
 Sherwood Planning Commission
 22560 SW Pine St
 Sherwood, OR 97140

Re: City of Sherwood's Proposed Annexation Policy Amendments, LU 2024-0018 PA.

Dear Chair Simson and Commissioners,

1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities, protect family farms, forests and natural areas, and provide transportation and housing choices. Thank you for the opportunity to comment.

The Proposed Annexation Amendments Fail to Comply with Statewide Planning Goals

Several sections of the proposed annexation amendments do not comply with Statewide Planning Goal 1 (Citizen Involvement).

The purpose of statewide planning Goal 1 is to develop a citizen involvement program that ensures the opportunity for the public to be involved in all phases of the planning process. OAR 660-015-0000(1). Several sections of the proposed annexation policies violate Goal 1's citizen involvement guidelines.

First, Section 16.81.020 D.1 provides that:

“The City Manager or designee may waive the requirement to execute and submit an annexation agreement if the City Manager or designee, **in its sole discretion**, determines the agreement is not necessary and would not achieve the purposes described in Section 16.81.020(A).”

Section 16.81.020(A) provides, in part, that the annexation agreement is intended to ensure awareness of the annexation process to the public. Allowing the annexation agreement to be waived at the sole discretion of the City Manager removes any meaningful opportunity for public participation in the annexation process, in violation of Goal 1. Goal 1's policies include the need



for effective two-way communications between citizens and elected and appointed officials. Waiving the annexation agreement process removes the assurances for effective two-way communication in annexation decision making. Additionally, Goal 1's guidelines related to citizen influence contain 6 phases of the planning process in which citizens should have the opportunity to be involved in: data collection, plan preparation, adoption process, implementation, evaluation, and revision. *See 660-015-0000(1)Guidelines (C)(1) – (6) for specific language.* In essence, these guidelines afford citizens the opportunity to participate in every step of the normal planning process; waiving the annexation agreement process and allowing one person to make determinations of whether this process is necessary takes away the public's opportunity to participate in the planning every step of the way.

Second, 16.81.010(F) provides that the City may approve an annexation application if the City determines that the following criteria are met:

6[...] The annexation is in the **City's best interest.**

Goal 1's citizen influence guidelines state that "the general public, through the local citizen involvement programs, should have the opportunity to participate in developing a body of sound information to *identify public goals*, develop policy guidelines, and evaluate alternative land conservation and development plans for the preparation of the comprehensive land-use plans." (emphasis added). Requiring the annexation to be in the City's best interest does not necessarily comply with allowing citizens the opportunity to determine and identify goals in the best interest of the public. Additionally, the broad language of the "City's best interest" affords significant deference to the City on what its best interests are, and makes it much harder for citizens to meaningfully participate in and oppose an annexation agreement proposal. Accordingly, the language in proposed amendment 16.81.010(F)(6) does not comply with Goal 1.

Several sections of the proposed annexation amendments do not comply with Statewide Planning Goal 2 (Land Use Planning).

The purpose of statewide planning Goal 2 is to establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions. The proposed waiver provision amendment mentioned above, 16.81.020.D.1, also violates Goal 2.

Goal 2's guidelines related to major revisions and minor changes in the plan and implementation measures provide that "[t]he citizens in the area and any affected governmental unit should be given an opportunity to review and comment prior to any changes in the plan and



implementation ordinances.” Goal 2 includes annexations as a type of measure that should be considered for carrying out plans. OAR 660-015-0000(2)(F)(1)(e). Further, Goal 2 defines major revisions as land use changes that have widespread and significant impact beyond the immediate area, including: “a qualitative change in the character of the land use itself”; and “spatial change[s] that affect[] large areas or many different ownerships.” Incorporating annexation amendments would constitute a change in the plan. Further, annexation involves bringing unincorporated land into city limits, often involving incorporating the land into city water and sewer systems and other services. Accordingly, an annexation agreement is considered a major revision. Affording the City Manager the sole discretion to waive any requirements to annexation agreements allows for the approval of a major revision without any land use process or public involvement requirements, therefore violating Goal 2.

Additionally, the approval criteria listed in proposed amendment 16.81.010(F)(6) also violates Goal 2. The City may approve an annexation application if the City determines that the annexation is in the City’s best interest. Goal 2’s guidelines on regional, state and federal plan conformance state that: “it is expected that regional, state and federal agency plans will conform to the comprehensive plans of cities and counties. Cities and counties are *expected to take into account the regional, state and national needs.*” (emphasis added) OAR 660-015-0000(2)(B). Including the approval criteria that the annexation is in the best interest of the City does not ensure that the City will consider regional, state and national needs, and would therefore not comply with Goal 2.

Several sections of the proposed annexation amendments do not comply with Statewide Planning Goal 11 (Public Facilities and Services).

The purpose of statewide planning Goal 11 is to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Several Goal 11 guidelines are relevant in this annexation amendment proposal, in particular Section 16.81.020(D)(1)’s waiver provision. First, Goal 11’s planning guidelines require plans providing for public facilities and service to be coordinated with plans for designation of urban boundaries, urbanizable land, rural uses and for the transition of rural to urban uses. Further, Goal 11 states that a public facility or service should not be provided in an urbanizable area unless there is a provision for the coordinated development of all the other urban facilities and services appropriate to that area. Goal 11’s implementation guidelines further provide that plans should provide for a detailed management program to assign respective



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implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.

Allowing the City manager or designee with the sole discretion to determine that an annexation agreement is not necessary to achieve the purposes of Section 16.81.020(A) is counterintuitive. Section 16.81.020(A), in part, provides that the annexation agreement is intended to ensure that the scope and timing of development of the property will occur in a manner that facilitates the timely and orderly construction of necessary infrastructure improvements. Further, the agreement is intended to describe, among other things, the infrastructure anticipated to be necessary to support development. Allowing the City manager to decide to forgo the annexation agreement prevents assurances that infrastructure improvements, including necessary public facilities and sanitation, will be appropriately facilitated in violation of Goal 11.

Several sections of the proposed annexation amendments do not comply with Statewide Planning Goal 14 (Urbanization).

The purpose of statewide planning Goal 14 is to provide for an *orderly and efficient transition* from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities. (emphasis added). OAR 660-015-0000(14). Goal 14 also refers to urbanizable land, providing that “[l]and within urban growth boundaries shall be considered available for urban development consistent with plans for the provision of urban facilities and services. Proposed section 16. 81.020(D)(1)’s waiver provision contradicts the orderly transition of urbanizable land into a city’s UGB. Further, land considered available for urban development must be consistent with plans of urban facilities and services. Waiving the need for an annexation agreement prevents the opportunity to analyse whether the land is consistent with plans of urban facilities and services, as discussed above in Goal 11. Accordingly, the amendment does not comply with Goal 14.

For the following reasons, the City’s proposed annexation amendments do not comply with the Statewide Planning Goals and should be updated accordingly to reflect compliance. Thank you for the opportunity to comment.

A handwritten signature in black ink, appearing to read "Eve Goldman".

Eve Goldman
Staff Attorney
1000 Friends of Oregon



June 24, 2025

Sherwood Planning Commission
c/o City Clerk and City Planner
22560 SW Pine Street
Sherwood, OR 97140

Re: Proposed Amendments to Title 16, ZONING AND COMMUNITY
DEVELOPMENT CODE that includes a new chapter in Division IV Planning
Procedures

Dear Commissioners:

This letter is submitted jointly by Housing Land Advocates (HLA) and the Fair Housing Council of Oregon (FHCO). Both HLA and FHCO are non-profit organizations that advocate for land use policies and practices that ensure an adequate and appropriate supply of affordable housing for all Oregonians. FHCO's interests relate to a jurisdiction's obligation to affirmatively further fair housing. Please include these comments in the record for the above-referenced proposed amendment.

As you know, all amendments to the City's Comprehensive Plan and Zoning map must comply with the Statewide Planning Goals. ORS 197.175(2)(a). The City must address all applicable statewide planning goals by way of findings or evidence in the record to show that every detail of those applicable goals is considered and addressed. As you are aware, the raise it or waive it standard does not apply to legislative decisions, and in addition to the goals, applicable statutes and administrative rules must also be met by the proposed ordinance. Note, that any residential design checklist being contemplated must also be "clear and objective," and if it does not turn out to be so in practice, it will be appealable under state law, as there is no exemption for LUBA review of a "land use decision," notwithstanding any attempt to immunize such a decision from LUBA review.

When a decision is made affecting the residential land supply, the City must refer to its Housing Needs Analysis (HNA) and Buildable Land Inventory (BLI) in order to show that an adequate number of needed housing units (both housing type and affordability level) will be supported by the residential land supply after enactment of the proposed change. Goal 10 findings are also required for code changes affecting residential development feasibility, such as parking standards and setbacks.

The staff report states that "The Community Development Director, or designee, reviews proposals for all residential housing types, except for multi-dwelling development that are subject to Section 16.90, requiring a clear and objective review using the Residential Design Checklist. The Residential Design Checklist is a preliminary review that is intended to ensure a project proposal meets the basic requirements of Chapter 16.14 before more detailed plans are prepared and before the City authorizes the Building Official to issue a building permit." However, this proposed finding is not a quantification and therefore its Goal 10 compliance is

not verified. Required Goal 10 findings must further demonstrate that the changes do not leave the City with less than adequate residential land supplies in the types, locations, and affordability ranges affected. See *Mulford v. Town of Lakeview*, 36 Or LUBA 715, 731 (1999) (rezoning residential land for industrial uses); *Gresham v. Fairview*, 3 Or LUBA 219 (same); see also, *Home Builders Assn. of Lane Cty. v. City of Eugene*, 41 Or LUBA 370, 422 (2002) (subjecting Goal 10 inventories to tree and waterway protection zones of indefinite quantities and locations). The findings do not show compliance with statewide planning Goal 10 and are not quantified in relation to housing needs. LU 2024-018 will almost certainly create a deficit which must be accounted for first in order to maintain Goal 10 compliance.

Finally, the City is aware that HLA has filed objections (among other parties) to the City's recent urban growth boundary (UGB) expansion and has raised concerns in relation to the City's failure to densify existing single-family residences. We question whether the City can adopt Goal 10 findings in this annexation code section given the underlying concerns that the City has a fundamentally flawed-expansion underway. Since the resolution of the UGB expansion will not occur until many months from now (or longer), the City has ample time to do the right thing here and make meaningful Goal 10 findings before amending the code provisions.

Last, at a minimum, the City should review HLA cases brought before LUBA, one most notably against Happy Valley, which required remand for Goal 11 review. Goal 11 has not been addressed at all in this file.

HLA and FHCO urge the Commission to defer adoption of LU 2024-018 until these issues can be rectified. Thank you for your consideration. Please provide written notice of your decision to, FHCO, c/o Shyle Ruder, at 1221 SW Yamhill Street, #305, Portland, OR 97205 and HLA, c/o Jennifer Bragar, at 121 SW Morrison Street, Suite 1850, Portland, OR 97204. Please feel free to email project coordinator Mathew Hogan at mathew.jamesFHCO@gmail.com

Thank you for your consideration.

John Miller



John Miller
Executive Director
Fair Housing Council of Oregon

Jennifer Bragar



Jennifer Bragar
President
Housing Land Advocates

cc: Kevin Young (kevin.young@state.or.us)

ANNEXATION AGREEMENT

This ANNEXATION AGREEMENT ("Agreement") is between the City of Hillsboro, an Oregon municipal corporation ("City"), and GLC- South Hillsboro LLC ("Owner" or "GLC"). This Agreement becomes effective when approved by the City and signed by authorized representatives of both Parties.

RECITALS

- A. GLC owns approximately 422 acres located in unincorporated Washington County (the "Property"), which Property is more particularly described in attached Exhibit A. The Property was added to the UGB by Metro Ordinance No. 11-1246B, adopted October 20, 2011 (the "UGB Order"), which order provides for the City of Hillsboro to annex and adopt land use regulations to allow for the development of the Property.
- B. The Oregon Legislature adopted House Bill 4078, effective April 1, 2014 (codified at Oregon Laws 2014 Chapter 92), which affirmed the UGB Order.
- C. In September 2012, the Hillsboro City Council approved the South Hillsboro Community Plan covering approximately 1,400 acres, including the Property. The plan established policies and guidelines for development within the planning area.
- D. Also in September 2012, the City and GLC entered into a Memorandum of Understanding ("MOU") that describes the parties' mutual expectations and commitments regarding the implementation of the South Hillsboro Community Plan and GLC's development of the Property. A copy of the MOU is attached as Exhibit B.
- E. Since the Property was added to the UGB in 2011, and for many years before that, the City, GLC and other interested stakeholders have been working together on planning for the development of the South Hillsboro Plan Area. As part of that planning process, GLC, in conjunction with the City, prepared a conceptual master plan for the development of the Property, to be known as "Reed's Crossing."
- F. On January 20, 2015, the Hillsboro City Council approved amendments to its Comprehensive Plan and Community Development Code (the "Regulatory Package"), which are intended to provide the land-use framework to implement the South Hillsboro Community Plan and establish the regulations that will control the development of Reed's Crossing, as well as other projects that owners/developers may propose in the plan area.
- G. The MOU between the City and GLC recognizes that the parties will enter into an annexation agreement, and provides that the terms of the annexation agreement "will derive from [the] basic Commitments" in the MOU, and that the terms of the annexation agreement "shall supersede any inconsistent Commitments set forth in this MOU."

- H. The Regulatory Package amended the Community Development Code ("CDC") to include a requirement that an annexation application must include an executed annexation agreement (CDC 12.80.010.C.2) that addresses the general requirements set forth in CDC 12.65.040.
- I. This Agreement is intended to provide the annexation agreement required under CDC 12.80.010.C and to address the provisions of both the MOU and CDC Section 12.65.040.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Consent to Annexation. Subject to the terms of this Agreement, Owner shall apply to annex the entire Property to the City, and the City agrees to review the annexation request in a timely manner. Prior to applying for annexation of the entire Property, Owner may apply to annex a portion of the Property as needed to facilitate construction of the improvements necessary to implement ODOT Rail Crossing Order RX 1695, issued February 3, 2014 (the "Rail Order").
2. Current and Proposed Zoning (CDC 12.65.040.C.2-4). The Property is currently designated by Washington County as FD-20 Future Development 20 Acre Minimum. Owner accepts the proposed City zoning designations for the Property shown on the City Zoning Concept Map, Figure 31-3, Section 31, of the Hillsboro Comprehensive Plan, which was adopted as part of the Regulatory Package. A copy of the City Zoning Concept Map is attached as Exhibit C.
3. Reed's Crossing Engineering Assessment (CDC 12.65.040.C.5). The Engineering Assessment attached as Exhibit D to this Agreement describes certain projected public facilities and infrastructure improvements for Reeds Crossing. Figures SS1-4, STM1-4 and WAT1-4 describe the current master plan for sanitary sewer, storm water and water service facilities.
4. Reed's Crossing Transportation Study (CDC 12.65.040.C.6). The Traffic Impact Analysis ("TIA") attached as Exhibit E to this Agreement describes the projected transportation impacts of Reeds Crossing. In addition to CDC 12.65.040.C.6, the TIA is intended to address the requirements of CDC 12.70.200 to 220 and 12.65.910. The Parties agree the commitments in this Agreement are predicated on the conclusions of the TIA. The Parties further recognize that subsequent land use applications and decisions may require additional transportation analysis and studies.
5. Gateway Improvements and Trip Capacity. As described in the TIA, , the "Gateway Improvements" consist of:

- (1) The improvements required by the Rail Order, which include:

- Construction of the new rail crossing and intersection improvements at TV Highway and Cornelius Pass Road, and related improvements along TV Highway;
- Extension of Cornelius Pass Road approximately 300 feet south of TV Highway;
- Closure of the rail crossing and the south section of the intersection of SW 229th Avenue and TV Highway; and,
- Closure of other off-site private rail crossings.

(2) The "Phase 1 On-Site Road Network," which includes:

- Construction of Cornelius Pass Road from 300 feet south of TV Highway to the intersection with Blanton and Alexander streets;
- Extension of Blanton and Alexander streets from SW 209th Avenue to SW 229th Avenue and related intersections and roadway improvements to 209th Avenue; and,
- Related infrastructure improvements for sewer, water, storm drainage and private utilities.

The Parties agree that construction of the Gateway Improvements shall be a condition of approval for the Reed's Crossing Planned Unit Development (PUD) described in Section 7.B below. In exchange for the imposition of that obligation, GLC shall be entitled to utilize for the development of Reed's Crossing as much of the road capacity created by the construction of the Gateway Improvements as may be necessary to accommodate the development-generated vehicle trips described in the TIA. In addition, other non-Gateway Improvements infrastructure required to mitigate development impacts, including but not limited to intersection specific improvements along the roadways comprising the Gateway Improvements, shall be conditioned upon review and approval of the appropriate phase of the PUD. Accordingly, the Parties agree that GLC is vested in sufficient capacity in the Gateway Improvements to accommodate the development-generated vehicle trips.

6. In-Process Traffic (CDC 12.01.500 and 12.70.220). GLC's vested capacity in the Gateway Improvements described in Section 5 above, shall be considered vested upon the City's approval of the annexation and zone change associated with this annexation agreement, for all phases of Reed's Crossing development, as described in the TIA, and shall be considered "in-process traffic" for all other annexation and development in South Hillsboro.
7. Development Approval Schedule (CDC 12.65.040.G.2). The target dates to begin construction of the Gateways Improvements are: November 2015 for the Rail Order improvements, and May 2016 for the Phase 1 Onsite Road Network improvements. The Parties' anticipated schedule of significant development-related events necessary to facilitate the target dates for start of construction and development includes the following events. While the Parties intend in good faith to achieve these target dates, they expressly acknowledge the dates are targets and not intended to be binding.
 - a. By October 2015, the Parties anticipate the City will approve annexation and City zoning for the entire Property.

- b. By October 2015, the City will approve the land-use actions necessary to allow for the development/construction of the Gateway Improvements. The Parties intend that the necessary land-use approvals will include an initial limited infrastructure-only PUD application including a large-lot subdivision (the "Infrastructure PUD"), and will not include any habitable buildings or structures.
- c. In the first quarter of 2016, GLC anticipates submitting an application for a master concept plan PUD approval for the entire Reed's Crossing project and detailed plans for the first phase of the project.

8. Owner Commitments (12.65.040.E):

- a. Owner agrees that development of the Property, or any phases thereof, will not exceed the capacity of affected transportation facilities, including any improvements proposed or conditioned as part of a development approval, and that the capacity of affected transportation facilities shall be determined based on the TIA and any subsequent transportation study that may be provided in conjunction with a development application. Owner further agrees that development of the Property will not exceed the capacity of any other affected public facilities, including facilities for water, sanitary sewer and storm water, including any improvements proposed or conditioned as part of a development approval.
- b. Pursuant to CDC 12.65.040.E.2, Owner agrees that any requests for credits against the Washington County Transportation Development Tax ("TDT") or City System Development Charges ("SDCs") to fund transportation in the South Hillsboro Plan Area will conform to any relevant provisions, assumptions or methodology of the Transportation Finance Plan the City may adopt. This provision may require the Owner to waive certain rights otherwise granted by the TDT Ordinance and City SDC Ordinance.
- c. Owner agrees that the City may limit or condition any land use decision or entitlements consistent with the TIA, any subsequent transportation impact analysis or other public infrastructure capacity analysis, as determined by the City, to ensure that adequate public infrastructure can be reasonably provided to serve the proposed development. This provision is not intended to supersede any provision of the City Code, except that where the City Code allows development in excess of available infrastructure, as determined by the City, the parties agree that the limitations of this section shall be given priority.
- d. Owner shall act in good faith and employ the resources as reasonably necessary to prepare and submit for City review those land-use applications in a timely manner so as to enable the City to review and approve the applications and take other actions necessary to meet the target dates for development and construction in Section 7 herein.

9. City Commitments (12.65.040.F):

- a. The City will act in good faith and employ the resources as reasonably necessary to review and approve land-use applications, and take other necessary actions, in a timely manner so as to meet the target dates for development and construction established in Section 7 of this Agreement.
- b. When it approves annexation of the Property, the City will designate zoning districts for the Property consistent with Exhibit C.
- c. The City will process the "infrastructure PUD" application concurrently with the review and approval of the annexation and zone-change applications. GLC may be required to waive any claims against the City should any third party object to the concurrent review and approval of the applications.

10. General Provisions (CDC 12.040.G):

- a. The City shall not approve any vertical development of the Property, or any vertical development of any other property within the South Hillsboro Plan Area, until the City approves a Financing Program for South Hillsboro as represented in the South Hillsboro Transportation Supplemental System Development Charge Methodology Report Appendix "C" and any implementing ordinances are adopted and become effective. "Vertical development" means any structure intended for human habitation, occupation, or commerce for which a certificate of occupancy is required, except as may be necessary for the construction of public facilities.
- b. The City shall not approve any vertical development of the Property until a PUD, including a complete concept plan, as provided for in CDC 12.80.120.K, has been approved for the Property. The infrastructure PUD described in Section 7 above does not satisfy the requirement of this Section 10b and its approval shall not allow any vertical development.
- c. The Parties acknowledge that the requirements of this Agreement will be implemented through related land use decisions, including conditions of approval, and financing decisions.
- d. Owner agrees to waive the right to remonstrate against the formation of a local improvement district, taxing district, reimbursement district or other financing mechanism based on ownership of the Property.

TERMS AND CONDITIONS

11. Severability. Should any provision of this Agreement be rendered invalid by a court of competent jurisdiction or arbitrator with authority to render a provision invalid, it is agreed that every other part of the Agreement shall remain in full force and effect.
12. Remedies.
- a. Any controversy arising under this Agreement that is not resolved by discussion between the Parties shall be submitted to mediation. The Parties shall mutually select the mediator, who shall be compensated equally by the Parties. The Parties shall seek a mediator with experience in land use, real estate or development. The mediation must conclude within 90 days of the date the mediator is retained.
 - b. In the event the Parties are not able to resolve the controversy in mediation, the Parties retain all available legal and equitable remedies to enforce this Agreement, including claims for damages. Any claim, suit or other action arising under the terms of this Agreement shall proceed under to the laws of the State of Oregon and shall be brought in Washington County Circuit Court. In any legal proceeding, each Party is responsible for its own fees and costs, including legal fees.
13. Entire Agreement. This Agreement constitutes the complete understanding among the Parties on the subject. No promises or agreements made subsequent to the execution of this Agreement by the Parties regarding the Joint Materials and Potential Litigation shall be binding unless reduced to writing and signed by the Parties.
14. Counterparts. This Agreement may be signed in one or more counterparts, and each counterpart shall be deemed to be an original instrument.
15. Termination.
- a. Pursuant to CDC 12.65.040.G, the Agreement expires 1 year from the date it is signed by the Parties unless the City has received an annexation application for the property and deemed the application complete.
 - b. This Agreement also may be terminated by mutual written consent of the Parties.
16. Amendment or Modification. Any amendment or modification to this Agreement must be in writing and signed by both Parties.

17. Assignment. The Parties agree that the rights, obligations and commitments described in this Agreement are intended to run with the land and are binding on the Parties heirs, successors and assigns.
18. The City shall record this Agreement in the property records for Washington County, Oregon.
19. Future Expenditures. Any obligation(s) under the terms of this Agreement imposed upon the City to expend monies in the future is expressly contingent upon the absolute discretionary ability of the City to appropriate or not appropriate monies for that obligation, subject to the City's budgetary processes.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

CITY OF HILLSBORO, OREGON,

By: 

Print Name: Michael Brown

Title: City Manager

Date: July 10, 2015

GLC-South Hillsboro, LLC.,

By: 

Print Name: Davis Wood

Title: Pres

Date: 7/15/15



August 5, 2025

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

Re: Letter of Comment - Sherwood UGB Annexation Requirements

Dear Mayor Rosenor, Council President Young, and Councilors,

The Home Building Association (HBA) of Greater Portland represents the residential construction industry and works closely with local governments to promote policies that support responsible growth and improved housing affordability. We appreciate the work of city staff engaging the development community in the drafting of Ordinance 2025-004 relating to annexation standards that you'll discuss this evening.

The HBA and our members have concerns with the proposed code that we believe should be addressed to ensure clarity for both the development community and city staff ahead of adoption:

1. **Clear and Objective Standards:** As drafted, the code does not detail requirements associated with a number of referenced documents including an annexation checklist and a preliminary financial plan. Additionally, the code is silent on criteria for what constitutes the city's "best interest," when a site has "adequate public facilities," and under what circumstances a waiver to annexation standards may be granted. Providing additional detail in these areas will grant certainty for the development community as they prepare to invest significant capital in Sherwood West over the course of decades.
2. **Timing of site-specific studies and proportionality:** The ordinance requires impact analyses, including transportation studies, based on "assuming the maximum intensity land uses authorized by the zoning district" while the proposed intensity "may be considered." This one size fits all method of analysis will likely inflate infrastructure needs (and future infrastructure development costs) as a result while failing to take into account the array of developments that may occur in the expansion area.
3. **Annexation timelines:** With certainty a top priority, the code does not detail a timeline for moving a complete application forward for ultimate review by City Council. Similarly, there is no automatic expiration for final recorded annexation agreements should an annexed property see development pause and need to reconsider the terms of the agreement.

Annexation of new land represents a significant opportunity and financial commitment for both the development community and the city. We urge the City Council to pause adoption of the code and allow for continued engagement between industry and staff to develop a code that provides necessary clarity and models the kind of partnership that will be essential to tackling Oregon's housing crisis.

Thank you for your time and your continued focus on the housing needs of current and future Sherwood residents.

Sincerely,

Ben Hemson
Director of Government Affairs
Home Building Association of Greater Portland
Benh@hbapdx.org

Cc:
Eric Rutledge, Community Development Director, City of Sherwood



ORDINANCE 2025-004

**AMENDING THE SHERWOOD ZONING AND COMMUNITY DEVELOPMENT CODE TO ADD
CHAPTER 16.81 - ANNEXATION CODE AND AMENDING CHAPTER 16.72 PROCEDURES FOR
PROCESSING DEVELOPMENT PERMITS**

WHEREAS, the Sherwood City Council intends to facilitate the efficient and orderly transition of lands from the rural to urban uses with the Urban Growth Boundary; and

WHEREAS, during the 2025-2026 fiscal year, the Sherwood City Council adopted council goal 1.2 stating the intent to “Create annexation policies and processes to manage our growth as it relates to infrastructure, school capacity, and long-term community needs”; and

WHEREAS, the City has annexation policies in the Comprehensive Plan but lacks codified procedures and approval criteria; and

WHEREAS, the proposed text amendment would codify annexation policies and procedures within Title 16 – Sherwood Zoning and Community Development Code; and

WHEREAS, the proposed annexation policy amendment is consistent with the adopted Sherwood Comprehensive Plan, Transportation Systems Plan and the Zoning and Community Development Code; and

WHEREAS, at its meeting on July 22, 2025, the Planning Commission conducted a public hearing, considered proposed annexation standards, and recommended that the City Council adopt the proposed amendments with minor revisions; and

WHEREAS, the City Council held the first public hearing on the proposed amendments on August 5, 2025, and a second hearing on September 2, 2025; and

WHEREAS, during the initial public hearing on August 5, 2025, City Council made one update to the proposed code language, requiring annexations to be reviewed by City Council only after a recommendation by the Planning Commission.

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

Section 1. After full and due consideration of the application, the Planning Commission recommendation, the record, and the evidence presented at the public hearings, the City Council accepts the findings of fact contained in the Planning Commission recommendation, which is included as Attachment 1 to the staff report for this Ordinance.

Section 2. The Sherwood Zoning and Community Development Code shall be amended to include Chapter 16.81 – Annexation Code, included as Exhibit 1 to this Ordinance.

Section 3. 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 on September 2, 2025.

Tim Rosener, Mayor

Date

Attest:

Sylvia Murphy, MMC, City Recorder

	<u>AYE</u>	<u>NAY</u>
Standke	_____	_____
Giles	_____	_____
Scott	_____	_____
Mays	_____	_____
Brouse	_____	_____
Young	_____	_____
Rosener	_____	_____

Proposed Amendments to Title 16, ZONING AND COMMUNITY DEVELOPMENT CODE that includes a new chapter in Division IV Planning Procedures, Chapter 16.81 ANNEXATIONS and amendments to Division III Administrative Procedures, Chapter 16.72 PROCEDURES FOR PROCESSING DEVELOPMENT PERMITS.

Chapter 16.81 Annexations

16.81.010

A. Purpose: The procedures and standards in this chapter are established in order to:

1. Facilitate efficient and orderly development opportunities when transferring jurisdiction of property within the Urban Growth Boundary (UGB) from Washington County and Clackamas County to the City of Sherwood;
2. Comply with the requirements of Oregon Revised Statutes (ORS) 222 and Metro Code Chapter 3.09;
3. Ensure that public facilities are or will be available to serve land annexed to the City;
4. Establish a system for measuring and evaluating the physical, environmental, fiscal, and related social effects of proposed annexation; and
5. Avoid the creation of irregular boundaries or annexations that create “island,” “cherry stem” or “shoestring” annexations, where possible.

B. Application Type and Review Procedure: An annexation application is subject to a Type IV procedure for quasi-judicial applications or a Type V procedure for legislative applications, including public notice, public hearing, a recommendation by Planning Commission, and final decision by the City Council. The applicable review procedure shall be determined by the City based on the size and scope of the request.

The following is the review procedure for all annexation applications.

1. Pre-Application conference;
2. Submission of completed application;
3. Staff recommendation of approval or denial;
4. Review and recommendation by Planning Commission;
5. Review by City Council; and
6. Approval or denial by City Council.

C. Submittal Requirements.

1. An annexation application must include the information set forth in Oregon Revised Statutes (ORS) 222 and Metro Code 3.09 and the applicable application deposits and fees based on the current City of Sherwood fee schedule.

2. Request for annexation shall include all information and requirements within the City's annexation checklist.

3. An owner-initiated annexation application shall include a preliminary annexation agreement consistent with Section 16.81.020 (Annexation Agreements), unless waived pursuant to Section 16.81.020(D).

4. Meet all applicable requirements in accordance with Section 16.70.030 (Application Requirements)

D. Zone Change Process Concurrent with Annexation Application

1. A property owner who seeks a zone, other than the zoning district shown on the Official Plan and Zoning Map, may apply for a Zone Change to an alternative zone. An owner-initiated change may be processed concurrently with the annexation application. The Zone Change application shall be processed under Chapter 16.72 (Procedures for Processing Development Permits) and Chapter 16.80 (Plan Amendments). Zoning Map Amendments must meet the requirements of Section 16.80.030 Review Criteria.

E. Zoning of Annexed Areas

1. All land within the City of Sherwood designated planning area, established under Metro's Urban Growth Boundary (UGB), have been classified with a zoning district as shown on the Official Plan and Zoning Map. Once annexation of the territory is approved, the zoning identified on the Zoning Map is directly applied to the territory without application of Chapter 16.80 (Plan Amendments).

2. As of the effective date of annexation, an existing use or the use of any existing structure may continue, but only where the use or structure:

- a. Has obtained county land use approval indicating compliance with county zoning regulations or
- b. Has been verified as a lawful non-conforming use or structure under county zoning regulations.

3. Any lot or parcel of land duly recorded with the Washington County or Clackamas County Recorder's Office prior to the effective date of this Ordinance, and that does not meet the minimum area, width, depth, or street frontage requirements of the applicable zoning district, shall be deemed a lot of record. Such lots may be used as building sites, provided that all other applicable zoning and development code regulations are met.

F. Approval Criteria. The City may approve an annexation application if the City determines that the following criteria are met:

1. Provisions set forth in Oregon Revised Statutes (ORS) 222 and Metro Code Chapter 3.09.

2. Applicable policies of the Sherwood Comprehensive Plan.

3. The application demonstrates how the property is served or will be served by adequate public facilities and services, assuming the maximum intensity land uses authorized by the zoning district, as designated in the City's Official Plan and Zoning Map, in accordance with Division VI (Public Infrastructure) and the Engineering Design Manual. Public facilities and services include sanitary sewer, storm water, domestic water, and transportation.

a. The application may also be required to demonstrate how the property will be served by adequate public facilities and services based on the proposed land uses and intensities, in addition to the maximum intensity.

4. Public facilities and services are provided in a manner consistent with the City's adopted Utility Master Plan, Comprehensive Plan, and Transportation Systems Plan. The application must demonstrate how the public facilities and services will be provided to the property in an orderly, efficient, and timely manner.

5. Proposed land uses are in accordance with applicable land use master plans.

6. Subject to any constitutional limitations, parks, trails, and open space are, or will be, provided in accordance with applicable Parks and Trails Master Plan, and any other applicable area plan or master plan and an agreement is executed to convey to the City any land, within the annexation area designated in the adopted Parks and Trails Master Plan.

7. The application demonstrates how impacts to existing City public facilities and services (i.e. sewer, water, stormwater, and transportation) from the development of the property will be mitigated, if necessary.

Mitigation may include construction of on-site or off-site improvements or improvements to existing infrastructure to City standards and specifications. The application must include a preliminary financial plan that demonstrates the feasibility and adequacy of the proposed mitigation measures. If the financing requires City funds, the funding must be approved by the City Council prior to annexation.

The City may rely on the standards and criteria of Title 16 – Sherwood Zoning and Community Development Code, Comprehensive Plan, Transportation System Plan, Parks

and Trails Master Plan, Engineering Design Manual, and any applicable area plan or master plan to analyze an applicant’s proposed mitigation of impacts.

In order to ensure adequate public facilities and services will exist to serve property annexed to the City, an applicant may be required to enter into an agreement with the City that governs the extent and timing of infrastructure improvements pursuant to Chapter 16. 81.020 Annexation Agreements.

8. The application demonstrates that the annexation and zoning is consistent with the Transportation Planning Rule (TPR) and adopted comprehensive plan, or the applicant can demonstrate that additional TPR analysis is not required.

9. The annexation is in the City’s best interest after evaluating the proposal against the City’s adopted Utility Master Plans, Comprehensive Plan including Land Use Master Plans, Transportation System Plan, Parks and Trails Master Plan, and any other applicable area plan or master plan.

G. Conditions of Approval. Approval of annexation may be conditioned by the City to meet the approval criteria above and conform to applicable policies and standards of adopted plans, including conditions to meet service boundary requirements of Metro and Clean Water Services (CWS). Where conditions are contemplated where housing is allowed, the conditions must be clear and objective.

H. Appeal of Decision. A final decision on an annexation application may be appealed to the Land Use Board of Appeals (LUBA).

I. Expiration of a Decision. A final decision on an annexation does not expire.

16.81.020 Annexation Agreements

A. Purpose. The annexation agreement is intended to increase awareness of the annexation process for the property owner, the City, and the public that the scope and timing of subsequent development of the property will occur in a manner that facilitates the timely and orderly construction of necessary infrastructure improvements. The agreement describes the intended use of the property following annexation, the process for development review, the parties’ commitments regarding the subsequent development, and the infrastructure anticipated to be necessary to support future or existing development.

B. Applicability. Unless waived by the City, as described under 16.81.020.D, an annexation agreement consistent with this section shall be executed prior to and included with all annexation applications.

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C. Contents. Unless otherwise agreed by the City, an annexation agreement shall include the following information and, at a minimum, address the following elements to the City's satisfaction:

1. A legal description of the property;
2. The current zoning within the County and future urban zoning as depicted on the Sherwood Zone Map;
3. The proposed zoning, if different than depicted on the adopted Zone Map;
4. The owner's intended urban use and development of the property in sufficient detail to allow the City to determine the public facility impacts and required infrastructure improvements necessary to support the intended use. Public facilities include sanitary sewer, storm water, domestic water, and transportation.
 - a. The type, size, and density of the use, the timing of any anticipated phases, and an engineering assessment of the impact on urban services at full build-out and for each phase of a phased project.
5. Proposed land for parks and open space including a preliminary park amenity plan.
6. Certification of service availability. Certification that water, sanitary sewer, storm sewer and transportation services are available or can be available within 24 months to the proposed site;
7. A Transportation Study that is coordinated with the City and other impacted agencies, including Washington or Clackamas County and Oregon Department of Transportation (ODOT). Unless waived by the City, the Transportation Study shall include:
 - a. An analysis of the existing transportation facilities that serve the property, including current and planned capacity of these facilities.
 - b. A trip analysis to determine the scope and timing of planned improvements, as to evaluate the cumulative effects of the proposed annexation and subsequent development on the transportation system.
 - c. The location, size, type, and timing of any phased development and occupancy, if proposed.
 - d. Any transportation improvements that may be necessary to accommodate the development at initial occupancy, at each phase of a proposal, and at full buildout of the property.

UNDERLINED = NEW TEXT

STRIKETHROUGH = TEXT TO BE DELETED

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e. Committed and funded multi-modal transportation facilities expected to be available at initial occupancy, at each phase of a proposal, and at full buildout of the property.

D. Waiver.

1. The City Manager or designee may waive the requirement to execute and submit an annexation agreement if the City Manager or designee determines the agreement is not necessary and would not achieve the purposes described in Section 16.81.020(A). This determination may be made if one or more of the following apply:

- a. The property is already served by utility and facilities infrastructure necessary to support the proposed use; or
- b. The property is already developed at minimum urban densities and does not require additional utility and facilities coordination; or
- c. The proposed development demands minimal changes to the service area or that are unlikely to generate substantial infrastructure requirements as defined under Division VI – Public Infrastructure; or
- d. The applicant can clearly demonstrate, through supporting documentation, that the proposal will meet all the City’s service and infrastructure requirements without additional contractual commitments.

E. Owner Commitments. The annexation agreement shall provide for at least the following owner commitments:

1. To provide the needed infrastructure improvements or agree to delay development of the property, or portions of the property, such that it will not exceed the capacity of:

- a. Affected transportation facilities, as determined by the Transportation Study, including any improvements proposed and constructed as part of the development; and
- b. Other affected public facilities including facilities for sanitary sewer, storm water, domestic water, and transportation.

2. Authorize the City to condition any land use decision or entitlements consistent with the Transportation Study and other available public infrastructure capacity analysis, as determined by the City, to ensure that adequate public infrastructure is available to serve the proposed development.

3. If development is delayed due to infrastructure constraints, this code does not authorize development of a site below the minimum residential density established

by the zone. Each phase of a development and the final build out of a site shall meet the minimum residential density of the zone.

F. City Commitments.

1. To apply the urban designated zoning depicted on the Zone Map and any applicable Master Plan or other defined area plan at the time of annexation.

G. General Provisions.

1. Where an annexation agreement will govern future development on lands where residential uses are allowed, any conditions or obligations set forth in the agreement shall be clear and objective and otherwise comply with state housing laws.

2. An annexation agreement shall include the parties' intended schedule of significant development-related events, including annexation, zone change, land division, development review, building permits, and occupancy.

3. Any annexation agreement shall stipulate a delayed effectiveness date that is concurrent with the date on which the related annexation application approval is final. Where no application is submitted or the annexation application is denied, the annexation agreement shall expire one (1) year from the last date it is signed by the parties (the owner and the city manager).

4. The provisions of an annexation agreement may be included in and made part of a subsequent land use decision.

5. An annexation agreement is not effective and binding on the parties until the annexation application receives final approval by the City Council and any rights to appeal are exhausted.

6. Any conditions of approval applied to the annexation agreement run with the land and are binding in regard to future property owners and developers.

16.72.010 Generally

A. Classifications

Except for Final Development Plans for Planned Unit Developments, which are reviewed per Section 16.40.030, all ministerial, administrative, and quasi-judicial development permit applications and legislative land use actions shall be classified as one of the following:

1. Residential Design Checklist Review

The Community Development Director, or designee, without public notice and without a public hearing, makes ministerial decisions through the Residential Design Checklist Review procedure. Ministerial decisions are those where City standards and criteria do not require the exercise of discretion (i.e., they are clear and objective standards).

The Community Development Director, or designee, reviews proposals for all residential housing types, except for multi-dwelling development that are subject to Section 16.90, requiring a clear and objective review using the Residential Design Checklist. The Residential Design Checklist is a preliminary review that is intended to ensure a project proposal meets the basic requirements of Chapter 16.14 before more detailed plans are prepared and before the City authorizes the Building Official to issue a building permit.

2. Type I

5. Type IV

The following quasi-judicial actions shall be subject to a Type IV review process:

- a. Site Plan review and/or "Fast Track" Site Plan review of new or existing structures in the Old Town Overlay District.
- b. All quasi-judicial actions not otherwise assigned to a Hearing Authority under this section.
- c. Site Plans — Greater than 40,000 square feet of floor area, parking or seating capacity.
- d. Site Plans subject to Section 16.90.020.D.6.f.
- e. Industrial Site Plans subject to Section 16.90.020.D.7.b.
- f. Subdivisions — over 50 lots.
- g. Class A Variance.
- h. Residential Design Review.
- i. Quasi-Judicial Annexations

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6. Type V

The following legislative actions shall be subject to a Type V review process:

- a. Plan Map Amendments.
- b. Plan Text Amendments.
- c. Planned Unit Development — Preliminary Development Plan and Overlay District.
- d. Legislative Annexations

B. Hearing and Appeal Authority

1. The Hearing and Appeal Authorities shall be as follows:

- a. The Residential Design Checklist review authority is the Community Development Director or their designee. The decision is final on the date it is signed by the Community Development Director. It is not a land use decision as defined by ORS 197.015, and therefore is not subject to local appeal or appeal to the state Land Use Board of Appeals (LUBA).
- b. The Type I Hearing Authority is the Community Development Director and the Appeal Authority is the Planning Commission.
 - (1) The Community Development Director's decision shall be made without public notice or public hearing. Notice of the decision shall be provided to the applicant.
 - (2) The applicant may appeal the Community Development Director's decision.

- e. The Type IV Hearing Authority is the Planning Commission, and the Appeal Authority is the City Council with the exception of Quasi-Judicial Annexations. Quasi-Judicial Annexations Hearing Authority is City Council upon recommendation by Planning Commission.
 - (1) The Planning Commission shall hold a public hearing following public notice in accordance with Sections 16.72.020 through 16.72.080.
 - (2) Any person who testified before the Planning Commission at the public hearing or submitted written comments prior to the close of the record may appeal the Planning Commission's decision.

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- f. The Type V Hearing Authority is the City Council, upon recommendation from the Planning Commission and the Appeal Authority is the Land Use Board of Appeals (LUBA).

2. Each quasi-judicial development permit application shall potentially be subject to two (2) levels of review, with the first review by a Hearing Authority and the second review, if an appeal is filed, by an Appeal Authority. The decision of the Hearing Authority shall be the City's final decision, unless an appeal is properly filed within fourteen (14) days after the date on which the Hearing Authority took final action. In the event of an appeal, the decision of the Appeal Authority shall be the City's final decision.
3. Each Type V legislative land use action shall be reviewed at a public hearing by the Planning Commission with a recommendation made to the City Council. The City Council shall conduct a public hearing and make the City's final decision.
