



Home of the Tualatin River National Wildlife Refuge

CITY COUNCIL MEETING PACKET

FOR

Tuesday, June 16, 2015

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

5:00 pm Executive Session

(ORS 192.660(2)(a) and ORS 192.660(7), Employment of Public Officers)

6:00 pm Council Work Session

7:00 pm City Council Regular Meeting

URA Board of Directors Meeting

(following the regular City Council meeting)



Home of the Tualatin River National Wildlife Refuge

5:00 PM EXECUTIVE SESSION

- A. Employment of Public Officers

6:00 PM WORK SESSION

- A. Economic Development Efforts & Future Direction

REGULAR CITY COUNCIL MEETING

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. APPROVAL OF AGENDA

5. CONSENT AGENDA

- A. Approval of June 2, 2015 City Council Meeting Minutes
- B. Resolution 2015-049 Certifying May 2015 Election Results
- C. Resolution 2015-050 Certifying the provision of certain municipal services in order to qualify the City to receive State revenues

6. PRESENTATIONS

- A. Swearing In of new Elected Official

7. NEW BUSINESS

- A. Resolution 2015-051 Accepting the Tonquin Employment Area Market Analysis, Business Recruitment Strategy and Implementation Plan (Julia Hajduk, Community Development Director)
- B. Resolution 2015-052 Transferring Budget Expenditure Appropriations Between Categories For Budget Year 2014-15 (Julie Blums, Finance Director)
- C. Resolution 2015-053 Adopting the Capital Improvement Project Plan for Fiscal Year 2015-16 (Julie Blums, Finance Director)

8. PUBLIC HEARINGS

- A. Resolution 2015-054 Updating the City Of Sherwood Water System Development Charges Methodology (Julie Blums, Finance Director)

AGENDA

**SHERWOOD CITY COUNCIL
June 16, 2015**

**5:00 pm Executive Session
(ORS 192.660(2)(a) and ORS 192.660(7))**

6:00 pm Council Work Session

7:00 pm City Council Meeting

**URA Board of Directors Meeting
(to follow Council Meeting)**

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

- B. Resolution 2015-055 Adopting a Schedule of Fees as authorized by the City Zoning and Community Development Code, establishing fees for miscellaneous City services and establishing an effective date** (Julie Blums, Finance Director)

- C. Resolution 2015-056 Declaring the City of Sherwood's election to receive State revenues** (Julie Blums, Finance Director)

- D. Resolution 2015-057 Adopting the FY2015-16 budget of the City of Sherwood, making appropriations, imposing and categorizing taxes, and authorizing the City Manager to take such action necessary to carry out the adopted budget** (Julie Blums, Finance Director)

9. CITIZEN COMMENTS

10. CITY MANAGER AND DEPARTMENT REPORT

11. COUNCIL ANNOUNCEMENTS

12. ADJOURN TO URA BOARD OF DIRECTORS MEETING

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, by the Friday prior to a Council meeting. Council agendas are also posted at the Sherwood Library/City Hall, the YMCA, the Senior Center, and the Sherwood Post Office. Council meeting materials are available at the Sherwood Public Library. **To Schedule a Presentation before Council:** If you would like to schedule a presentation before 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 Sylvia Murphy, 503-625-4246 or murphys@sherwoodoregon.gov



SHERWOOD CITY COUNCIL MEETING MINUTES
22560 SW Pine St., Sherwood, Or
June 2, 2015

EXECUTIVE SESSION

1. **CALL TO ORDER:** Mayor Krisanna Clark called the meeting to order at 5:32 pm.
2. **COUNCIL PRESENT:** Mayor Clark, Council President Sally Robinson, Councilors Linda Henderson and Jennifer Kuiper. Councilors Beth Cooke and Jennifer Harris arrived at 5:38 pm and Councilor Dan King arrived at 6:05 pm.
3. **STAFF PRESENT:** City Manager Joseph Gall, Assistant City Manager Tom Pessemier, HR Analyst Sherryl Childers and City Recorder Sylvia Murphy.
4. **TOPICS:**
 - A. Employment of Public Officers, ORS 192.660(2)(a) and ORS 192.660(7).

5. ADJOURN

Mayor Clark adjourned the Executive Session at 6:15 pm and convened to a work session.

WORK SESSION

1. **CALL TO ORDER:** Mayor Clark called the meeting to order at 6:20 pm.
2. **COUNCIL PRESENT:** Mayor Clark, Council President Sally Robinson, Councilors Linda Henderson, Dan King, Jennifer Harris, Jennifer Kuiper and Beth Cooke.
3. **STAFF PRESENT:** City Manager Joseph Gall, Community Development Director Julia Hajduk, Assistant City Manager Tom Pessemier, Planning Manager Brad Kilby, Associate Planner Connie Randall, Police Chief Jeff Groth, Administrative Assistant Colleen Resch and City Recorder Sylvia Murphy.
4. **TOPICS:**
 - A. **Housing Needs Analysis & Sherwood West Update**

Planning Manager Brad Kilby reviewed a power point presentation of draft findings of a housing needs analysis (see record, Exhibit A). He explained this is a draft as staff will have to readdress it when we go

through the comprehensive plan and start addressing the Goal 10 requirements. He said the needs analysis looks at trends that have occurred in Sherwood, market patterns, types of housing demanded by people in the market, availability of land and it then tries to forecast what the land needs are. He said this needs analysis looks at 2015 to 2035. He said between 2000-2014 Sherwood developed 75% single family detached housing, 8% single family attached and 18% multi-family. He referred to the presentation and the years of largest growth in multifamily being 2006, 2009 and 2014. He said this coincided with Woodhaven, Creek View Condominiums, Hunter's Ridge and in 2014 the Cannery Row Apartments. He said overall, we have achieved a density of 7.8 dwelling units per acre. He said within all zones we are at about 8.2 dwelling units per acre. He said between 2004-2014 we saw a 30% increase in home values and Sherwood housing costs were high in comparison to other cities in the region. He said we were at about \$130 per square foot in 2004 and \$170 in 2014. He said within the City we have about 74% home ownership and in comparison to Washington County, they have about 54% and Oregon has about 62%. He said 38% of our residents are cost-burdened. He said this means they spend more than 30% of their annual income on housing. He said within the Portland-Metro region we are still lower and the percentage in Oregon is about 40%. He said we would like to see this number go down.

Community Development Director Julia Hajduk said staff would be providing a copy of the housing analysis to the Council.

Brad added that of the cost-burdened home ownership, 35% of our owners are cost burdened and 44% of renters are cost-burdened. He said rental rates in Sherwood are lower than regional average and at about \$1.13 per square foot.

Brad said between 2000-2013 we grew at 3.4% annually and said Metro projects we would grow at about 7%, but this is based on our land supply. He said between 1990-2013, we grew at about a rate of 8.1%. He said Sherwood has a lot of baby boomers and millennials and these two groups are expected to grow over time. He said within Sherwood we attracted younger people and more people with children. He said in Sherwood 47% of households have children, in comparison to Washington County which is 33% and the Portland region is 29%. He said our largest group is the millennial generation.

Discussion followed regarding the families with children and when they grow, will the children be staying in Sherwood. Brad added that this is one area to think about and how we make Sherwood affordable and attractive to that group as well as allowing people to age in place with the older groups.

Brad spoke of diversity and said the Latino population grew slower in Sherwood and this needs to be considered as there is growth nationally and in Washington County. He said we will have an increase in demand for more affordable housing that are low-moderate income households. He said for younger growing families, we have to provide housing options for them. He said last year Metro did a housing survey to find out what people wanted to live in and predominately people choose single-family detached housing. He said many of the millennials preferred to live in the City, and if they could not have detached housing, they were okay with other types of housing. Brad said the housing doesn't have to look like traditional apartments as there is a wide range of housing we can look at. He said we need to make sure that after our comprehensive plan we will be putting development regulations in place and we need to think about what we want that multi-family housing to look like. He said we can put design standards in place and look at different types of code that will help us define what we would like to see here.

Brad referred to available land and said between the Bookman area and the City, today Sherwood has 175 acres of buildable land, this is land that is available to build, and not necessarily land that is on the market. He said within the City we have 96 acres (blue area on Buildable Land Map) and the area in Brookman is 79 acres. He said our forecast for new housing is 1343 new dwellings over that 20 year period (2015-2035). He said our vacant land capacity can only handle 1281 and this is considering that we grow at a rate of .7% as Metro has forecasted. He said historically over the past 13 years we have grown at 3.4% which is in line with what the Portland-Metro area is experiencing and Washington County is at about 3.5%. He said we can accommodate within the City (dark blue area on map) about 750 units and the other stuff would have to be accommodated within Brookman. He said that means Brookman is necessary to meet the forecast needs. He said we have a limited land supply for moderate and higher density multi-family housing. He said we are providing the opportunity for people to build a variety of housing types, which Goal 10 requires us to do, and we are also achieving more than 6 dwelling units per acre which is also a Goal 10 requirement. He said we are meeting the state minimums for housing. Brad said the other component to that is Metro is required to maintain a 20 year land supply.

Brad said forecasted growth in Metro's forecast is .7% per year and our historical growth is 3.4%. He said we asked our consultants to look at what if we grew between 2-4%. He said within the City limits we would achieve (if people are willing to sell), if we grew we would grow, between 2-5 years, and we would have met our maximum density.

Julia Hajduk added that the buildable land inventory is based on certain assumptions, lot size, lot, building value, acreage and this doesn't necessarily mean we have captured everything. She gave the example of the Old Town Estates and said this wasn't on our buildable land inventory and they ended up purchasing several lots, demolishing the homes and creating additional density. She said this tells her if we don't grow out, we will have more pressure internally. Brad said within the City limits and Brookman we have about 4-10 years of growth capacity.

Brad reminded the Council the importance of thinking about this and said when Brookman was brought into the Urban Growth Boundary (UGB) in 2002, we still do not have it annexed into the City and it's still not available for development. He said once it is annexed it will be developable. He said if we think of Sherwood West we are looking at, if Metro defers their decision to expand the UGB and the Council decides to add land in the Sherwood West area, Metro is going to say we have to put together a refinement plan for that area, which could take 1-2 years. He said and then it has to be annexed into the City and then it's developed. He said 4-10 years is going to go by fast. He said he is stating this because there will be a lot of pressure applied locally and noted the City already has three people looking to rezone from commercial to residential because residential is developing and selling. He said the pressure will be coming from landowners and constituents. He stated regionally there is conversation with Metro, the Home Builders Association and Farmers Associations that are competing for land and talking about how we are going to do that. He said they are asking to include more land because the housing preference survey indicated the desire for more single-family detached, whereas the Metro Urban Growth reports said no, you can accommodate more land within the existing UGB by growing up. Brad said if we don't grow up, we grow out.

Brad addressed the presentations and other things to consider; can we sustain growth and does growth pay for itself. Council discussion followed.

5. ADJOURN

Mayor Clark adjourned the work session at 6:55 pm and convened to a regular Council meeting.

REGULAR SESSION

1. **CALL TO ORDER:** Mayor Clark called the meeting to order at 7:02 pm.
2. **COUNCIL PRESENT:** Mayor Krisanna Clark, Council President Sally Robinson, Councilors Linda Henderson, Dan King, Jennifer Harris, Jennifer Kuiper and Beth Cooke.
3. **STAFF PRESENT:** City Manager Joseph Gall, Assistant City Manager Tom Pessemier, Police Chief Jeff Groth, Community Development Director Julia Hajduk, Administrative Assistant Colleen Resch, and City Recorder Sylvia Murphy.

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

4. APPROVAL OF AGENDA:

MOTION: FROM COUNCIL PRESIDENT ROBINSON TO APPROVE THE AGENDA, SECONDED BY COUNCILOR KUIPER, MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR.

Mayor Clark addressed the next item on the agenda. Council President Robinson stated she pointed out typographical errors to the City Recorder.

5. CONSENT AGENDA:

- A. Approval of April 28, 2015 City Council Meeting Minutes
- B. Approval of May 5, 2015 City Council Meeting Minutes
- C. Resolution 2015-048 Authorizing the City Manager to execute a construction contract for the Columbia Street Regional Stormwater Facility Phase 2 Project

MOTION: FROM COUNCIL PRESIDENT ROBINSON TO APPROVE THE CONSENT AGENDA WITH THE SCRIVENER ERRORS CORRECTED, SECONDED BY COUNCILOR HARRIS. MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR.

Mayor Clark addressed the next item on the agenda.

6. PRESENTATIONS:

A. Recognition of “If I Were Mayor, I Would” Local Contest Winner

Mayor Clark announced that Savannah Cedillo was the winner of the “If I Were Mayor, I Would” contest and asked her to come forward and explain her poster. Savannah explained her efforts in creating the poster. Mayor Clark thanked her for entering the contest and presented her with a Certificate of Achievement.

B. Eagle Scout Recognitions

Mayor Clark congratulated Parker J. Christensen for earning his Eagle Scout Award. Mayor Clark asked Parker to explain his Eagle Scout project. Parker stated he built a garden shed for Middleton Elementary School and described what the project entailed. Mayor Clark thanked him for his service and contributions and presented him with a Certificate of Achievement.

Mayor Clark recognized and congratulated Kevin Ramos and Tucker Lindgren for obtaining the rank of Eagle Scout. Neither scout was present and Mayor Clark indicated the certificates would be mailed.

C. Recognition of 2015 Robin Hood Festival Maid Marian Court Members

Mayor Clark welcomed Kristine Mulkey the 2015 Robin Hood Festival Maid Marian Court Chaperone and welcomed the Junior and Senior Court members. Ms. Mulkey came forward and read a brief biography for each member of the court. The City Council presented the court members with a Certificate of Recognition. Senior Court members; Maid Marian Madeleine LeCorre, Elizabeth Hartman, Miranda Boljat, Hallie Tasker, and Jessica Mulkey. Junior Court members; Kiley Stone, Sophie Fletcher, Adalia Henderson, and Chloe Harty.

D. Tri-met presentation on SW Service Enhancement Plan

Tri-Met Planner Tom Mills approached with Council and presented the revised SW Service Enhancement Plan (see Record, Exhibit B). Mr. Mills discussed the process Tri-Met used which included data collection through community outreach and conversations with City staff. He reminded the Council that he presented the Draft Vision for the Southwest Service Enhancement Plan (SWSEP) last fall which was then circulated for public feedback. He stated this document is the revised draft vision based on the feedback they received.

He noted there are two major recommendations for Sherwood. He said the first is a recommendation for a new bus line between Sherwood and Tualatin via Tualatin Sherwood Road. He stated this will provide a connection to the WES. He said this recommendation is included in the Tri-Met budget for FY 2016 and will begin in June 2016. He said this will allow time to work with Tualatin, Sherwood and the County on bus stops particularly along Tualatin Sherwood Road to make sure they are not blocking traffic and the siting is safe. He noted this is a first investment for service on Tualatin Sherwood Road and they budgeted for week days only and only during the commute hours. He said ultimately the recommendation calls for that bus line to go up to Bridgeport Village and up 72nd Avenue and into the Tigard Transit Center. He said the second recommendation is an extension of bus service through downtown Sherwood and west along Sunset Blvd. He said there were concerns about 40 foot buses on Sunset Blvd. He said Tri-Met is proposing an alternative called Community/Jobs Connector Service which develops shuttle services that are more flexible than large buses.

Mayor Clark said she has advocated for better Tri-Met services in Sherwood and for a way to get the citizens to WES. She said Tri-Met has listened and she supports the Community/Jobs Connector Service and referred to the needs of the senior population. She thanked Tri-Met for listening and being flexible in servicing Sherwood.

Councilor Kuiper asked for clarification on the proposed Community/Job Connector Service. Mr. Mills said it is a circulator route and the frequency of service will depend. He referred to the senior population and said the shuttles can deviate from the route to assist those with accessibility issues.

Councilor Kuiper asked how many pullouts will there be on Tualatin Sherwood Road. Mr. Mills said that currently pullouts are not available on Tualatin Sherwood Road and discussed the options they are considering, such as using the right hand turn lanes. He said with the widening project on Tualatin Sherwood Road Tri-Met will work with the County to develop safe locations to stop.

Council President Robinson commented on the congestion on Tualatin Sherwood Road and asked Tri-Met to be mindful not to add to the congestion.

7. CITIZEN COMMENTS:

Tim Voorhies, Sherwood resident approached the Council and referred to an email blast he receives from the City with meeting materials. He said he receives the emails on Friday evening and that does not allow enough time to review the meeting materials and suggested providing citizens with the materials 7 days prior to a meeting which is when the Council receives the materials. He commented on the proposed backyard chicken regulations and stated with the setbacks and requirements it is designed to fail. He said the staff is designing the rules so nobody will want a chicken coop. He commented on the Sunset Blvd. paving project and asked if the City is wasting money repaving when the sidewalks are buckling from the tree roots and said the City may have to remove all the trees and replant new trees.

Mayor Clark asked for clarification regarding the email blast. City Manager Gall said he would coordinate with the IT staff to send out the emails as soon as the packet information is available.

Councilor Kuiper addressed Mr. Voorhies concerns about Sunset repaving.

Mayor Clark asked the City Manager to have Public Works Director Sheldon provide an answer to Mr. Voorhies question. Mr. Gall said he would follow up and include the Council in the response.

Councilor Harris said she agrees with Mr. Voorhies concerns about the backyard chicken regulations and stated the Planning Commission will discuss this issue on Tuesday, June 23 and encouraged him to attend and participate in the process.

Gene Stewart, Sherwood property owner came forward and said Meals on Wheels is reviewing their service areas in Washington County. He referred to the contract the Senior Center has with Meals on Wheels and said they can terminate the contract in 30 days. He suggested the City plan ahead in case that happens. He said any further expansions to the Senior Center will require the installation of a sprinkler system. He stated there is a need for a work session to discussion the planning and direction of the Senior Center.

Mayor Clark addressed the next item on the agenda.

8. CITY MANAGER REPORT:

None.

9. COUNCIL ANNOUNCEMENTS:

Mayor Clark said she wanted to open a Council discussion on recreation in Sherwood and the need for a recreation plan. She said Assistant City Manager Tom Pessemier has been working on a plan. She stated in 2008 the City Council goals included developing a recreation plan. She noted the City still does not have a plan and suggested the Council direct staff to formulate a plan. She said the City needs to formulate a plan with options in place. She suggested directing staff to move forward with drafting a recreation plan with options.

Councilor Kuiper suggested having a work session first to discuss the cost and benefits of all recreation facilities in Sherwood and stated the need to understand our resources.

Councilor Harris agreed that a work session would be helpful.

Mayor Clark said that is correct and the goal is for staff to develop a plan by September 1, 2015.

Councilor Harris stated again, a work session during that time would be helpful.

Councilor Kuiper repeated that the Council needs to know the current status of the City's resources.

Mayor Clark said we need clarity and a forecasting plan regarding recreation.

Councilor Cooke agreed with the need for a plan and said currently recreation is disjointed and difficult to access. She said we need to use our resources to the best of our ability.

Mr. Pessemier clarified that the Council would like research on the facilities, recreation opportunities, programs and options.

City Manager Gall said this is a timely discussion that is also occurring in our neighboring communities. He agreed that recreation is disjointed in Sherwood and this is an area that staff can focus on.

Councilor Harris reported the Library's Summer Reading Program is underway for all age groups. She commented on the free Cultural Passes at all the Washington County Libraries. She reported that the Cultural Arts Commission has vacancies and is currently discussing their future role. She announced that Missoula Children's Theatre will return to Sherwood this summer. She said the next gallery showing opens June 9 for student art. She reported that the Center for the Arts Manager Maggie Chapin is pursuing grants for a removable stage and a piano. She noted the Sherwood Center for the Arts now has a website and a Facebook page. She said the Cultural Arts Commission has started the Gala planning which is scheduled for October 2015.

Council President Robinson said in addition to the three budget meetings, she attended the Sherwood West Citizen Advisory Committee meeting on May 21 and the next meeting is Thursday, June 4 at 6:30 pm at the Police Department. She said she attended a special Memorial Day service event at Pleasant View Cemetery, which was started by an Eagle Scout in Wilsonville. She said she attended the TVF&R award ceremony and the Sherwood Community Fair at the Fire Department. She announced the Altered

Arts Festival is Saturday, June 6 at Veteran's Park. She encouraged everyone to visit the Bark for Your Park website and vote for Sherwood twice a day.

Councilor Kuiper announced that Sherwood will be one of three cities to have a mini-float in the Portland Grand Floral Parade on Saturday, June 6. She said Michelle Babcock with Community Development and the public works staff have been helping construct and decorate the float.

Mayor Clark thanked Council Kuiper for taking the lead and said this is an opportunity to highlight the new Sherwood Center for the Arts.

Councilor Kuiper said the Friends for the Refuge have camps this summer and the information is on their website. She said if the budget is approved as is, the Parks Board will begin constructing the Dog Park in July 2015 and Woodhaven Park Phase 2 in spring 2016.

Councilor Cooke recommended the Friends of the Refuge camps. She said the Sherwood Middle School 6th graders are attending Outdoor School this week.

Councilor Henderson reported that the Police Advisory Board met on May 21 and recapped the meeting and the work of the committee members. She said the committee is currently talking with the community about the perceptions of the Police Department. She commented on the need for a Strategic Plan for City organizations.

City Manager Gall said the proposed budget includes funding for a Strategic Plan.

Councilor Henderson said the Senior Center Steering Committee is planning a Beer Festival fundraiser. She announced the Alter Arts Festival is this weekend and currently has 38 vendors. She said Cruisin' is Saturday, June 13.

Councilor Harris said the Library Levy has been approved for the November election. City Manager Gall said there will be a presentation to the Council on the Library levy and the Public Safety levy on July 7.

Mayor Clark said she received a ticket from Congresswoman Suzanne Bonamici to attend an event at Nike and hear President Obama speak on the trade protection agreement. She said it was an honor to meet him and shake his hand. She said on May 9 there was a Cash Mob at Creative Sister. She reported that she attended an invitation only Tri-Met preview of the Orange line on May 15. She attended Alter Wiener's speech on May 16 regarding the Holocaust. She said she attended the One Tree for All event on May 28 at the Jackson Bottom Wetland Preserve in Hillsboro. She stated this program has planted over 2 million trees and spoke of various plantings in the Sherwood community. She announced she will be walking with the Mayors in the Grand Floral Parade on June 6. She encouraged people to attend the Altered Arts Festival on June 6.

10. ADJOURN:

Mayor Clark adjourned the meeting at 8:32 pm.

Submitted by:

Sylvia Murphy, MMC, City Recorder

Krisanna Clark, Mayor

TO: Sherwood City Council

FROM: Sylvia Murphy, MMC, City Recorder
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-049 Approving the City Recorder's Canvassing of election returns of the May 19, 2015 Washington County election and directing the City Recorder to enter the results into the record

ISSUE:

Should the City Council approve the official May 19, 2015 election results as provided by the Washington County Elections Division?

BACKGROUND:

The City held an election in May 2015 to consider filling a City Council position due to the November 2014 election and sitting of Councilor Clark to the Mayor's position. The Council temporarily filled the position through an appointment process as outlined in the Municipal Code and City Charter. Per Section 32 of the City Charter an election would be held if 13 months or more remain in the office term.

The May 19, 2015 ballot contained three candidates for voter consideration to fill the remainder of the unexpired term. The term for this particular position ends in early January 2017 upon the oath and swearing-in of the successful candidate selected in the general election in November 2016.

Via this resolution, the City Recorder/City Elections Official is seeking City Council approval of Exhibit A, the Abstract of Votes from the May 19, 2015 Washington County election. Upon approval of the election results, the City Recorder will take all necessary steps to enter the election results into the record.

FINANCIAL IMPACTS:

There are no financial impacts of the adoption of the resolution; however, the City will incur shared costs associated with the May 19, 2015 election. Costs were not available at the time of drafting the staff report.

RECOMMENDATION:

Staff respectfully recommends City Council approval of Resolution 2015-049 approving the City Recorder's Canvassing of the returns of the May 19, 2015 Washington County election and directing the City Recorder to enter the results into the record.



RESOLUTION 2015-049

**APPROVING THE CITY RECORDER'S CANVASSING OF THE RETURNS OF THE
MAY 19, 2015 WASHINGTON COUNTY ELECTION AND DIRECTING THE
CITY RECORDER TO ENTER THE RESULTS INTO THE RECORD**

WHEREAS, the Washington County Elections Manager has duly and regularly certified the results of the election held in the City of Sherwood on May 19, 2015; and

WHEREAS, the City Elections Officer consistent with the duties imposed on that office will canvass the votes and enter the results into the record following approval by the City Council; and

WHEREAS, the certified election results are attached as Exhibit A to this resolution, and the City Council deems it appropriate to accept the official results and to direct the City Recorder to take all required actions relative thereto.

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

Section 1. The City Council hereby accepts and approves the official results of the May 19, 2015 election as shown in Exhibit A to this Resolution.

Section 2. The City Recorder is hereby directed to enter a copy of this Resolution in the record of the proceedings of this Council and to canvass the votes.

Section 3. This Resolution is and shall be effective from and after its adoption by the City Council.

Duly passed by the City Council on this 16th day of June, 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder



WASHINGTON COUNTY OREGON

City of Sherwood

JUN - 9 2015

Recorder's Office

June 4, 2015

City Recorder
City of Sherwood
22560 SW Pine St
Sherwood OR 97140

Enclosed you will find a copy of the Abstract of Votes for City of Sherwood relating to the Election held on May 19, 2015.

Sincerely,

Mickie Kawai
Elections Manager

MK/tk

NUMBERED KEY CANVASS

Washington County, Oregon
 Special District Election
 May 19, 2015

Official

RUN DATE:06/04/15 11:15 AM

REPORT-EL52 PAGE 0007

City of Sherwood Councilor
 Unexpired Term

VOTES PERCENT

VOTES PERCENT

Vote for 1

- 01 = Ivonne Gebhardt
- 02 = Alan H Pearson
- 03 = Renee E Brouse

198 9.02 04 = WRITE-IN
 989 45.08 05 = OVER VOTES
 1,002 45.67 06 = UNDER VOTES

5 .23
 2
 9

	01	02	03	04	05	06
0424 424	91	430	446	3	0	7
0435 435	82	388	375	1	2	1
0457 457	25	171	181	1	0	1



NUMBERED KEY CANVASS

Washington County, Oregon
 Special District Election
 May 19, 2015

Official

RUN DATE:06/04/15 11:15 AM

REPORT:EL52

PAGE 0001

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	290,376		03 = VOTER TURNOUT - TOTAL	48,043	16.55
02 = BALLOTS CAST - TOTAL	48,043				
	01	02	03		
0301 301	1663	432	25.98		
0302 302	2148	295	13.73		
0303 303	951	159	16.72		
0304 304	2804	400	14.27		
0305 305	894	189	21.14		
0306 306	605	93	15.37		
0307 307	1691	373	22.06		
0308 308	170	40	23.53		
0309 309	4477	817	18.25		
0310 310	1600	306	19.13		
0311 311	649	81	12.48		
0312 312	749	185	24.70		
0313 313	6	0	.00		
0314 314	299	58	19.40		
0315 315	933	205	21.97		
0316 316	748	129	17.25		
0317 317	942	223	23.67		
0318 318	2505	472	18.84		
0319 319	1126	135	11.99		
0320 320	2718	361	13.28		
0321 321	300	40	13.33		
0322 322	361	62	17.17		
0323 323	3076	370	12.03		
0324 324	448	74	16.52		
0325 325	3	1	33.33		
0326 326	1758	406	23.09		
0327 327	3530	535	15.16		
0328 328	1294	277	21.41		
0329 329	3592	573	15.95		
0330 330	1251	198	15.83		
0331 331	2254	250	11.09		
0332 332	2011	475	23.62		
0333 333	3530	323	9.15		
0334 334	148	27	18.24		
0335 335	4393	1031	23.47		
0336 336	2770	527	19.03		
0337 337	4002	681	17.02		
0338 338	4584	1119	24.41		
0339 339	2580	313	12.13		
0340 340	3245	548	16.89		
0341 341	316	56	17.72		
0342 342	66	19	28.79		
0343 343	4370	845	19.34		
0344 344	4113	717	17.43		
0345 345	27	6	22.22		
0346 346	278	73	26.26		
0347 347	60	13	21.67		
0348 348	27	6	22.22		
0349 349	2570	316	12.30		
0350 350	3073	527	17.15		
0351 351	2540	248	9.76		
0352 352	881	85	9.65		
0353 353	1992	345	17.32		
0354 354	3832	622	16.23		
0355 355	3071	450	14.65		
0356 356	1805	200	11.08		

NUMBERED KEY CANVASS

Washington County, Oregon
 Special District Election
 May 19, 2015

Official

RUN DATE:06/04/15 11:15 AM

REPORT-EL52

PAGE 0002

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	290,376		03 = VOTER TURNOUT - TOTAL		16.55
02 = BALLOTS CAST - TOTAL	48,043				
(CONTINUED FROM PREVIOUS PAGE)					
	01	02	03		
0357 357	1556	238	15.30		
0358 358	2080	348	16.73		
0359 359	2252	280	12.43		
0360 360	2839	343	12.08		
0361 361	1672	170	10.17		
0362 362	3580	760	21.23		
0363 363	3368	656	19.48		
0364 364	4343	787	18.12		
0365 365	2907	608	20.92		
0366 366	2027	255	12.58		
0367 367	3729	551	14.78		
0368 368	3794	520	13.71		
0369 369	1835	310	16.89		
0370 370	2193	342	15.60		
0371 371	2257	479	21.22		
0372 372	1734	393	22.66		
0373 373	300	61	20.33		
0374 374	13	4	30.77		
0375 375	265	45	16.98		
0376 376	1924	331	17.20		
0377 377	2305	505	21.91		
0378 378	1709	251	14.69		
0379 379	3481	522	15.00		
0380 380	2273	467	20.55		
0381 381	749	89	11.88		
0382 382	3147	486	15.44		
0383 383	1406	271	19.27		
0384 384	2331	513	22.01		
0385 385	3038	617	20.31		
0386 386	2793	609	21.80		
0387 387	1048	109	10.40		
0388 388	250	27	10.80		
0389 389	2354	306	13.00		
0390 390	3753	740	19.72		
0391 391	323	23	7.12		
0392 392	192	23	11.98		
0393 393	648	126	19.44		
0394 394	245	26	10.61		
0395 395	2498	392	15.69		
0396 396	837	162	19.35		
0397 397	2414	296	12.26		
0398 398	830	137	16.51		
0399 399	2221	341	15.35		
0400 400	2944	421	14.30		
0401 401	1698	317	18.67		
0402 402	1022	154	15.07		
0403 403	3748	519	13.85		
0404 404	2637	361	13.69		
0405 405	4515	746	16.52		
0406 406	3176	420	13.22		
0407 407	1659	374	22.54		
0408 408	4305	917	21.30		
0409 409	2725	349	12.81		
0410 410	2933	326	11.11		
0411 411	2706	285	10.53		
0412 412	1837	251	13.66		
0413 413	964	91	9.44		

NUMBERED KEY CANVASS

Washington County, Oregon
Special District Election
May 19, 2015

Official

RUN DATE: 06/04/15 11:15 AM

REPORT-EL52

PAGE 0003

01 = REGISTERED VOTERS - TOTAL	TOTAL	PERCENT	03 = VOTER TURNOUT - TOTAL	TOTAL	PERCENT
02 = BALLOTS CAST - TOTAL	290,376				16.55
	48,043				

(CONTINUED FROM PREVIOUS PAGE)

	01	02	03
0414 414	590	96	16.27
0415 415	482	149	30.91
0416 416	1711	258	15.08
0417 417	1233	159	12.90
0418 418	1973	331	16.78
0419 419	1691	559	33.06
0420 420	3245	430	13.25
0421 421	285	31	10.88
0422 422	26	6	23.08
0423 423	3023	352	11.64
0424 424	4125	977	23.68
0425 425	1011	135	13.35
0426 426	307	44	14.33
0427 427	29	2	6.90
0428 428	1412	160	11.33
0429 429	1862	218	11.71
0430 430	1919	403	21.00
0431 431	1294	185	14.30
0432 432	302	24	7.95
0433 433	2154	257	11.93
0434 434	3626	497	13.71
0435 435	3802	849	22.33
0436 436	2112	259	12.26
0437 437	52	11	21.15
0438 438	242	28	11.57
0439 439	187	36	19.25
0440 440	1474	174	11.80
0441 441	63	2	3.17
0442 442	803	103	12.83
0443 443	23	3	13.04
0444 444	1351	189	13.99
0445 445	691	85	12.30
0446 446	3697	619	16.74
0447 447	2096	401	19.13
0448 448	425	43	10.12
0449 449	96	8	8.33
0450 450	73	7	9.59
0451 451	780	78	10.00
0452 452	2134	198	9.28
0453 453	47	4	8.51
0454 454	833	79	9.48
0455 455	100	15	15.00
0456 456	29	2	6.90
0457 457	2260	379	16.77
0458 458	2646	644	24.34
0459 459	2820	569	20.18
0460 460	2374	200	8.42
0461 461	2655	424	15.97



I, **Richard W. Hobernick**, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, do hereby certify this to be a true and correct copy of the original.

Date: June 4, 2015

By: M. Kawai
Manager

TO: Sherwood City Council

FROM: Julie Blums, Finance Director
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-050, Certifying the Provision of Certain Municipal Services in Order to Qualify the City to Receive State Revenues

Issue:

Should the City certify to the State of Oregon that the City of Sherwood provides sufficient services to be eligible to receive state revenues?

Background:

The State of Oregon distributes a portion of Cigarette, Liquor taxes and Highway Apportionment Fees to eligible municipalities. One of the requirements of state law under ORS 221.760 is that our city provides four or more of the following municipal services to be eligible to receive these revenues:

- Police protection
- Fire protection
- Street construction, maintenance and lighting
- Sanitary sewers
- Storm sewers
- Planning, zoning and subdivision control
- One or more utility services

The City of Sherwood does meet this requirement and this resolution provides the required certification to the State of Oregon.

Financial Impacts:

The allocation of this revenue is based on population. In Sherwood's case, this amounts to \$311,000 in FY16 General Fund revenue and \$1,070,000 in FY16 Street Fund revenue.

Recommendation:

Staff respectfully requests City Council adoption of Resolution 2015-050 certifying the provision of certain municipal services in order to qualify the City to receive State revenues.



RESOLUTION 2015-050

CERTIFYING THE PROVISION OF CERTAIN MUNICIPAL SERVICES IN ORDER TO QUALIFY THE CITY TO RECEIVE STATE REVENUES

WHEREAS, Oregon Revised Statute 221.760, provides for Oregon municipalities to receive state revenues from cigarette and liquor taxes and highway apportionment fees if they certify that they meet eligibility requirements; and

WHEREAS, the City Council recognizes the desirability of assisting the state officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760.

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

Section 1: It is hereby certified that the City of Sherwood provides the following municipal services:

- Police Protection
- Street Construction, Maintenance, and Lighting
- Sanitary Sewer
- Storm Sewers
- Planning, Zoning, and Subdivision Control
- Water Utility

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

Duly passed by the City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

Agenda Item: New Business

TO: Sherwood City Council

FROM: Julia Hajduk, Community Development Director
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-051, accepting the Tonquin Employment Area Market Analysis, Business Recruitment Strategy and Implementation Plan

Issue:

Shall the Council accept the work performed by the consultant firm Mackenzie related to the Tonquin Employment Area; specifically the market analysis, business recruitment strategy and implementation plan?

Background:

The City of Sherwood and Washington County received funds from Metro to develop an implementation plan for the Tonquin Employment Area (TEA). The purpose of the plan was to evaluate the original TEA concept plan, as well as plans that had been developed subsequent to that plan and current market conditions, to determine what the obstacles were for development in accordance with the TEA vision. The intent was to develop a tool box of recommendations to help remove identified obstacles. In addition to the identification of obstacles and possible ways to address, the scope included the development of a marketing strategy and business recruitment plan that could be used by the City to help direct future actions and future funding requests.

Acceptance of the work completed does not commit the City to any future action but provides clear direction on possible actions to take that will help remove obstacles to development in the TEA. The City will need to have additional discussion about which recommendations to actively pursue.

Financial Impacts:

Acceptance of the Market Analysis, Business Recruitment Strategy and Implementation Plan does not result in any fiscal impact. As the City proceeds with implementing recommendations within the plan, there will be staff time and potentially additional fiscal impacts; however that will be known and discussed as those actions are being considered.

Recommendation:

Staff respectfully requests City Council adoption of Resolution 2015-051, accepting the Tonquin Employment Area Market Analysis, Business Recruitment Strategy and Implementation Plan.



RESOLUTION 2015-051

ACCEPTING THE TONQUIN EMPLOYMENT AREA MARKET ANALYSIS, BUSINESS RECRUITMENT STRATEGY AND IMPLEMENTATION PLAN

WHEREAS, Metro awarded Washington County and the City of Sherwood grant funds to complete an implementation plan for the Tonquin Employment Area (TEA) as well as a market analysis and business recruitment strategy; and

WHEREAS, the consultant team, Mackenzie, in coordination with the project partners including Sherwood, Washington County, and the City of Tualatin has completed extensive review of existing documents and conditions, conducted field investigations and reached out to property owners within the area; and

WHEREAS, after additional meetings with County and City staff, the Sherwood City Council, Sherwood Planning Commission and property owners in the area, the consultant team has prepared an implementation plan along with recommendations that could potentially be considered to remove real or perceived barriers to development; and

WHEREAS, the consultant team has also prepared a market analysis and business recruitment strategy which will serve as a roadmap for future actions that could be taken by the City to help encourage development in the TEA, and

WHEREAS, the City Council intends to have additional discussion and consider actions that can be taken to help remove real and perceived barriers to development within the TEA.

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

Section 1. The Sherwood City Council hereby accepts the contents in the “Tonquin Employment Area Market Analysis, Business Recruitment Strategy and Implementation Plan,” attached as Exhibit 1, as a reference and tool kit of actions that could be considered by the Council to remove barriers to development and encourage development in the TEA

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

Duly passed by the City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder



Tonquin Employment Area (TEA)

Market Analysis, Business Recruitment Strategy, and Implementation Plan

Prepared June 5, 2015

Consultant Team



MACKENZIE.

PROJECT PARTNERS

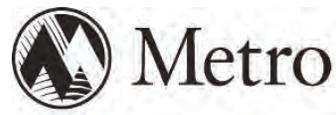


TABLE OF CONTENTS

1.	INTRODUCTION.....	1
	Study Area Context	1
	Prior Planning Efforts	8
	Study Methodology.....	8
2.	ECONOMIC OPPORTUNITIES ANALYSIS SUMMARY AND MARKET TRENDS ANALYSIS	9
	Economic Opportunity Analysis Summary	9
	Vision Statement.....	9
	Strengths, Weaknesses, and Opportunities	9
	Targeted Industries	10
	Employment Land Demand and Supply.....	10
	Tonquin Employment Area Concept Plan Summary.....	11
	Market Trends Evaluation	11
	Industry Employment Growth.....	12
	Industry Specialization	13
	Industrial Market Trends.....	13
3.	EVALUATION OF LAND USE, TRANSPORTATION NETWORK, AND INFRASTRUCTURE SYSTEMS17	
	Land Use Review	17
	Existing Conditions	17
	Employment Industrial Zone.....	21
	Transportation Review	21
	Tualatin-Sherwood Road.....	21
	124th Avenue	21
	Blake Street.....	21
	Tonquin Road	22
	Oregon Street.....	22
	Local Street Connections.....	22
	Transit Service	22
	Access spacing standards	22
	Infrastructure Review.....	22
	Water Infrastructure	22
	Sewer Infrastructure.....	23
	Storm Infrastructure.....	23
	Energy and Communications Infrastructure	23
4.	RECOMMENDATIONS FOR ACHIEVING INDUSTRIAL DEVELOPMENT.....	25
	Targeted Uses	25
	Recommendations to Overcome Barriers to Development	25
	Natural Resource Constraints	25

Utility Corridors	27
Annexation.....	28
Roadway Volumes, Access, and Public Transit	28
Lot Size and Parcelization.....	29
Branding and Marketing	30
Transportation and Infrastructure Construction.....	31
Additional Policy Questions	31
5. IMPLEMENTATION PLAN.....	32
Refined Roadway Alignments.....	32
Phased Development.....	34
Development Nodes.....	34
Development Phases and Associated Infrastructure and Transportation Project Costs	35
Key Projects.....	48
Transportation.....	48
Water	48
Sewer	48
Storm	48
Financing Tools	49
System Development Charges (SDCs)	49
Urban Renewal/Tax Increment Financing (TIF).....	50
Local Improvement District (LID).....	50
Enterprise Zone	51
Washington County Major Streets Transportation Improvement Program (MSTIP).....	51
Metro Regional Transportation Plan (RTP/MTIP).....	51
Metro Regional Economic Opportunity Funds	51
Special Public Works Fund (SPWF).....	51
Immediate Opportunity Fund (IOF)	51
Governor’s Strategic Reserve Fund (SRF).....	52
Regional Infrastructure Supporting our Economy.....	52
Business Oregon Opportunity Funds.....	52
Recommended Actions to Refine Financing Strategies	52
Promote Projects Widely.....	52
Organize Property Owners	52
Sponsor Designation of Subareas as Regionally Significant Industrial Sites	53
Conduct an Urban Renewal Feasibility Study	53
6. MARKETING STRATEGY AND PROSPECTUS.....	54
Targeted Marketing Strategy	54
The “Go to Market” Strategy	54
Branding the Vision	55
Development of Targeted Marketing Materials	56

Identifying a Team of Champions	56
Developing a Presentation Template	57
Pursuing Opportunities for Outreach to Target Industry Sectors	57
7. CONCLUSION AND SUMMARY OF RECOMMENDED ACTIONS	59
Summary of Recommended Actions	59

List of Tables

Table 1: Pipeline of Industrial Space in Tualatin-Sherwood Road Corridor	16
Table 2: Wetland Mitigation Costs and Permitting Timeframes	26
Table 3: Gross and Net Developable Area per Development Node	34
Table 4: Transportation Costs per Development Node and Phase.....	38
Table 5: Water Infrastructure Costs per Development Node and Phase	39
Table 6: Sewer Infrastructure Costs per Development Node and Phase	41
Table 7: Storm Infrastructure Costs per Development Node and Phase.....	45
Table 8: Summary of Project Costs per Development Node and Phase.....	47
Table 9: Project Costs per Developable Acre and Phase.....	48
Table 10: Estimate of Stormwater SDCs per Development Node	49
Table 11: Estimate of Transportation SDCs per Development Node	50
Table 12: Key Industries and Selected Trade Groups by Target Industry Sector	58

List of Figures

Figure 1: Washington County Reference Map	3
Figure 2: Tonquin Employment Area and Sherwood City Limits.....	4
Figure 3: Tonquin Employment Area Aerial Photograph	5
Figure 4: Tonquin Employment Area, SW Concept Plan Area, and Sherwood and Tualatin City Limits.....	6
Figure 5: Sherwood Tonquin Employment Area and SW Tualatin Concept Plan Aerial Photograph	7
Figure 6: Tualatin-Sherwood Corridor Analysis Area	12
Figure 7: Industry Employment Shift, 2010 to 2013	13
Figure 8: Vacancy and Rent Trend, Portland Metro Area (2011 – 2014).....	14
Figure 9: New Deliveries vs. Net Absorption, Portland Metro Area (2011 – 2014).....	14
Figure 10: Market Trends, Warehouse and Distribution Space, I-5 South Submarket (2012 – 2014)	15
Figure 11: Market Trends, Manufacturing Space, I-5 South Submarket (2012 – 2014).....	15
Figure 12: Market Trends, Flex Space, I-5 South Submarket (2012 – 2014)	16
Figure 13: Year-End Vacancy Rates, All Industrial Space (2011 – 2014).....	16
Figure 14: Sherwood Tonquin Employment Area and SW Tualatin Concept Plan Slopes	18
Figure 15: Sherwood Tonquin Employment Area and SW Tualatin Concept Plan Metro Title 13 Resources (Nature in Neighborhoods).....	19
Figure 16: Sherwood Tonquin Employment Area and SW Tualatin Concept Plan Wetlands	20
Figure 17: Conceptual Road Layout.....	33
Figure 18: Implementation Plan	36
Figure 19: Approximate Development Timeframes per Phase.....	37
Figure 20: Water Plan	40

Figure 21: Sewer Plan.....42
Figure 22: Storm Plan.....46

Appendices

1. List of References
2. Industry and Market Trends Analysis; Johnson Economics, April 20, 2015
3. Natural Resources Memorandum; Pacific Habitat Services, May 1, 2015
4. Wetland Mitigation Bank Service Area Maps
5. Implementation Plan Phased Infrastructure Analysis
6. Preliminary Infrastructure Financial Tools for the Sherwood Tonquin Employment Area; Johnson Economics, May 26, 2015
7. Tonquin Employment Area Marketing Prospectus

1. INTRODUCTION

The Washington County, Oregon, *Industrial Site Readiness Assessment and Implementation Planning* project (the “Washington County project”) evaluates multiple employment sites throughout the county to determine their readiness for development. In Task 4 of the Washington County project, Mackenzie, Johnson Economics, and Pacific Habitat Services expanded on this effort to develop a Market Analysis and Business Recruitment Strategy for Sherwood’s Tonquin Employment Area (TEA) and the Southwest Tualatin Concept Plan (SWCP) area, abutting study areas within a common market.

The Tonquin Employment Area and Southwest Tualatin Concept Plan area have both been identified by Metro as sites for industrial development and have been the subject of concept planning efforts adopted by the Sherwood and Tualatin City Councils in 2010. However, as several years have elapsed since that time with no discernible development, the Cities wish to expand upon the concept plans with a critical eye toward addressing obstacles that may stand in the way of development.

This effort builds on the concept plans adopted by the Cities for the TEA and SWCP by assessing market conditions, evaluating the suitability of the target industries, identifying transportation and infrastructure needs, recommending a phasing strategy, and outlining actions to effectively market the area to potential businesses. Specific recommendations comprising an implementation plan have also been prepared for the TEA.

A number of factors affect an area’s suitability for development, including transportation and utility capacity, the quality of the land supply, regulatory context, and even developers’ awareness of the area’s characteristics. The intent of this study is to supplement past planning efforts by assessing current market conditions and the feasibility of developing the TEA with the types of industries envisioned by the City of Sherwood, coupled with recommendations for actions that could increase the viability of development.

Separate reports have been prepared for both Sherwood and Tualatin due to different funding availability and scopes of work, but each report includes some discussion of both the TEA and the SWCP area. This report documents the Task 4 results for Sherwood’s Tonquin Employment Area, and includes the following elements:

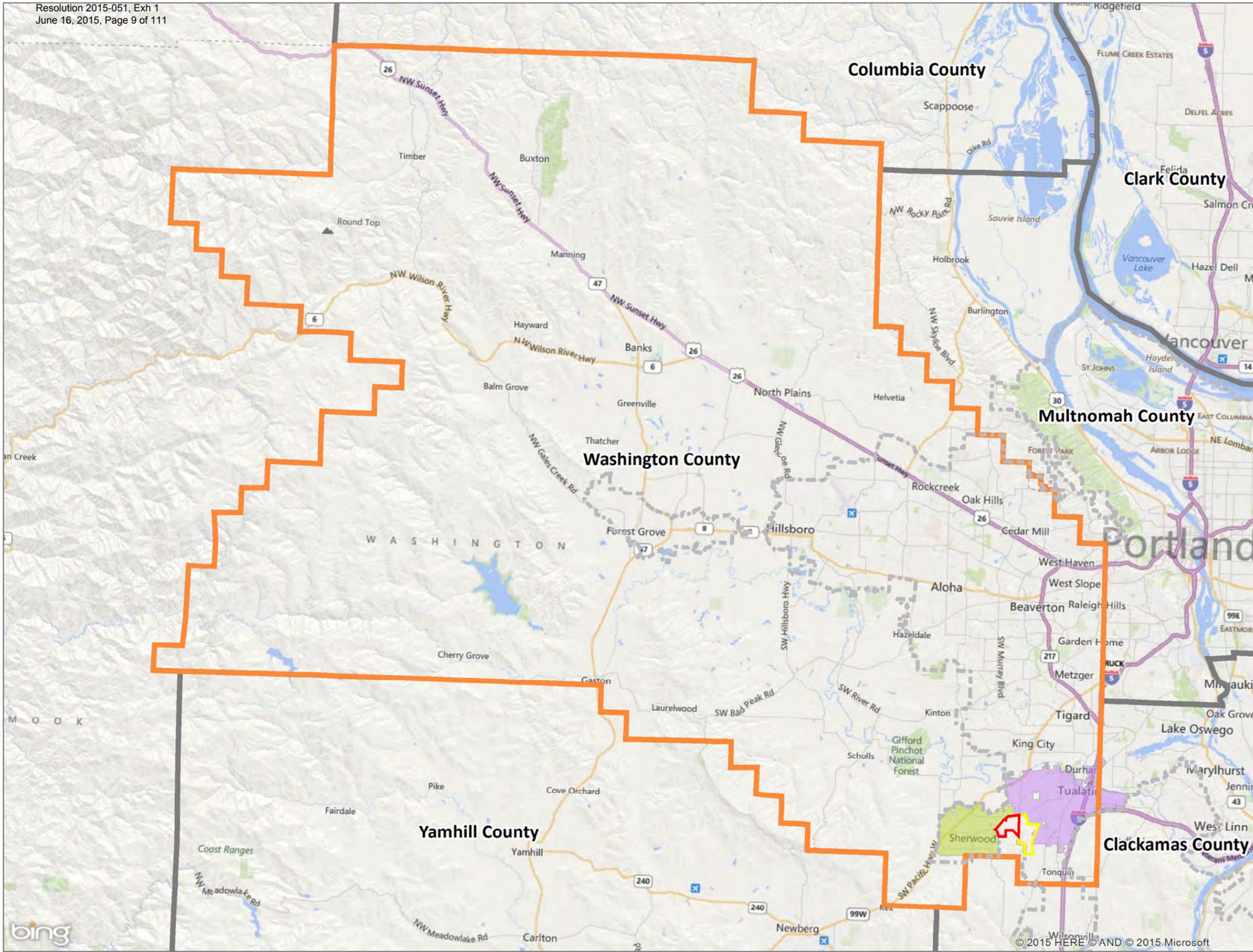
- Background information on the study area, including past planning efforts;
- Study methodology;
- Analysis of economic conditions;
- Land use, transportation, and infrastructure assessment;
- Recommendations for achieving industrial development;
- An implementation plan;
- A marketing strategy and prospectus; and
- A summary of recommended actions.

Study Area Context

The Tonquin Employment Area has an area of approximately 300 acres and is located in southern Washington County within the Portland Metro Urban Growth Boundary (UGB), immediately east of Sherwood City Limits along SW Oregon Street and SW Tonquin Road. The following diagrams provide more information on the location and condition of the TEA:

- Figure 1 indicates the TEA’s location within Washington County and the Metro UGB.

- Figure 2 illustrates the TEA's location abutting Sherwood City Limits.
- Figure 3 is an aerial photograph illustrating that the TEA is currently largely undeveloped.
- Figure 4 indicates the proximity of the TEA, Tualatin City Limits, and the 438-acre Southwest Tualatin Concept Plan area.
- Figure 5 is an aerial photograph of existing conditions in both the TEA and the Southwest Tualatin Concept Plan area.



WASHINGTON COUNTY REFERENCE MAP

Washington County, OR

FIGURE 1

- LEGEND**
- Tonquin Employment Area
 - SW Concept Plan Area
 - Washington County
 - County Boundaries
 - Urban Growth Boundary (UGB)
- City Limits**
- City of Sherwood
 - City of Tualatin



SOURCE DATA: Metro RUS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 6/5/2015 Map Created By: ALD
File: TEA_SWCP_WashCountyLimits Project No: 2130069.04



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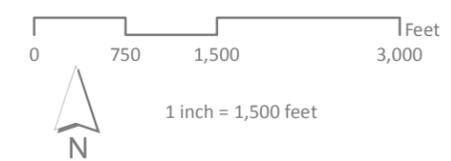
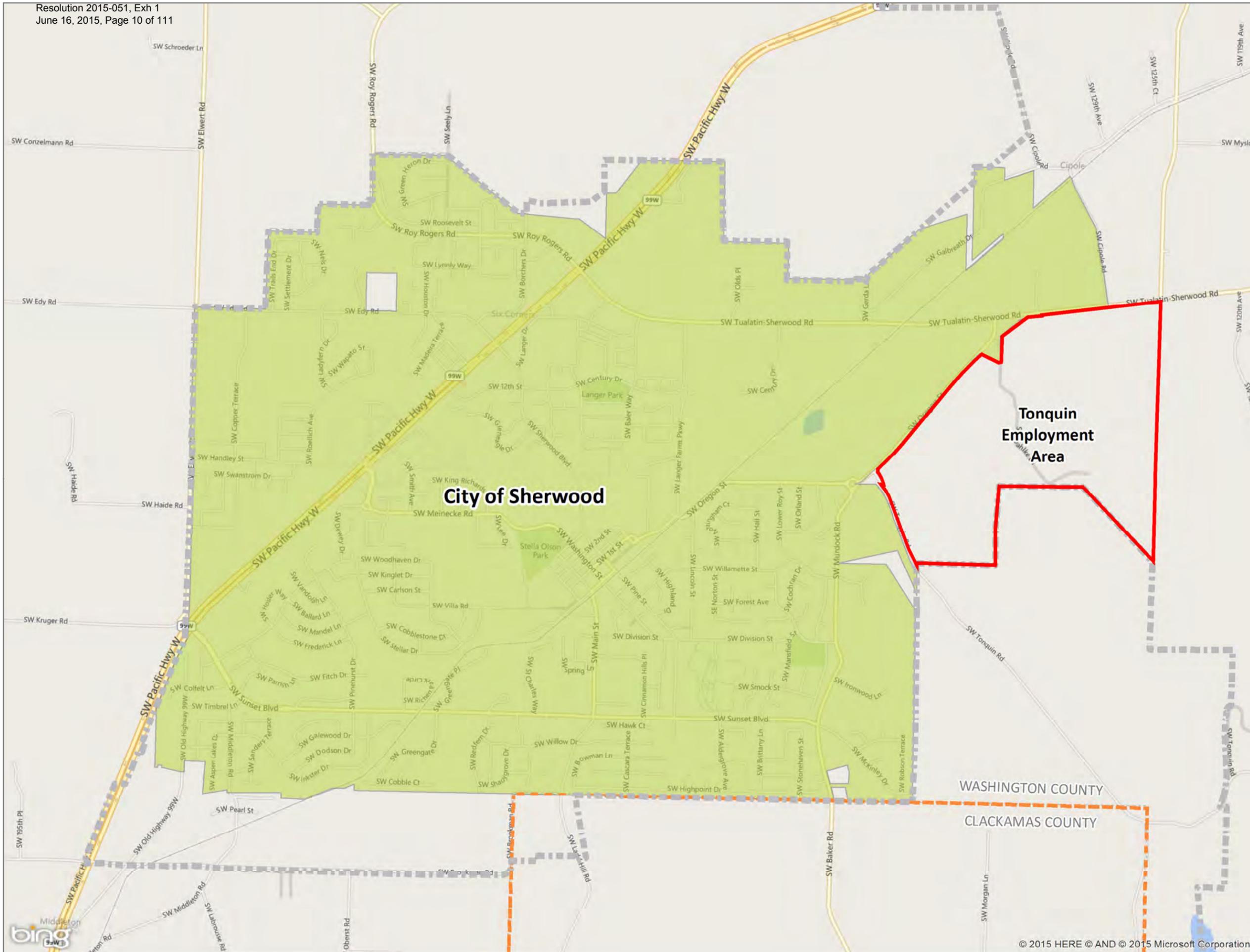
TONQUIN EMPLOYMENT AREA AND SHERWOOD CITY LIMITS

Sherwood, OR

FIGURE 2

LEGEND

-  Tonquin Employment Area
-  Sherwood City Limits
-  County Boundary
-  Urban Growth Boundary (UGB)



SOURCE DATA: Metro RUS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

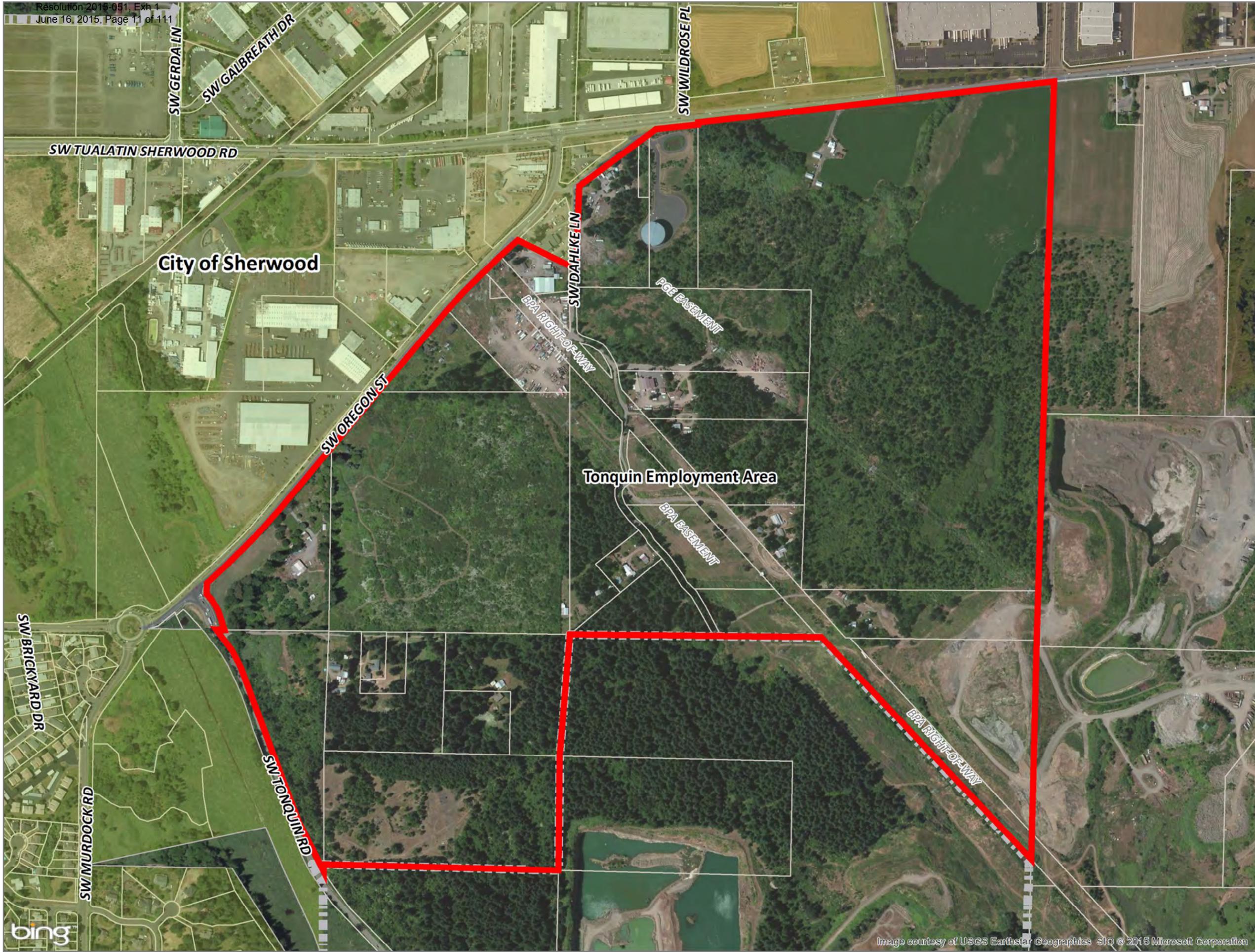
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File: TEA_SherwoodCityLimits Project No: 2130069.04



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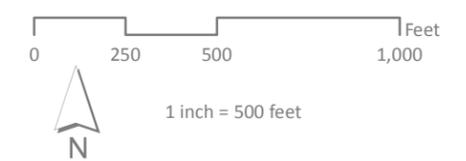
TONQUIN EMPLOYMENT AREA AERIAL PHOTOGRAPH

Sherwood, OR

FIGURE 3

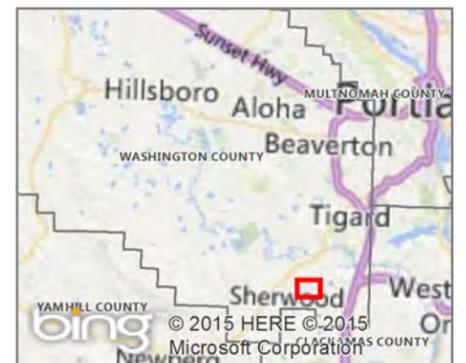
LEGEND

-  Tonquin Employment Area
-  Tax Lots
-  Sherwood City Limits
-  Urban Growth Boundary (UGB)



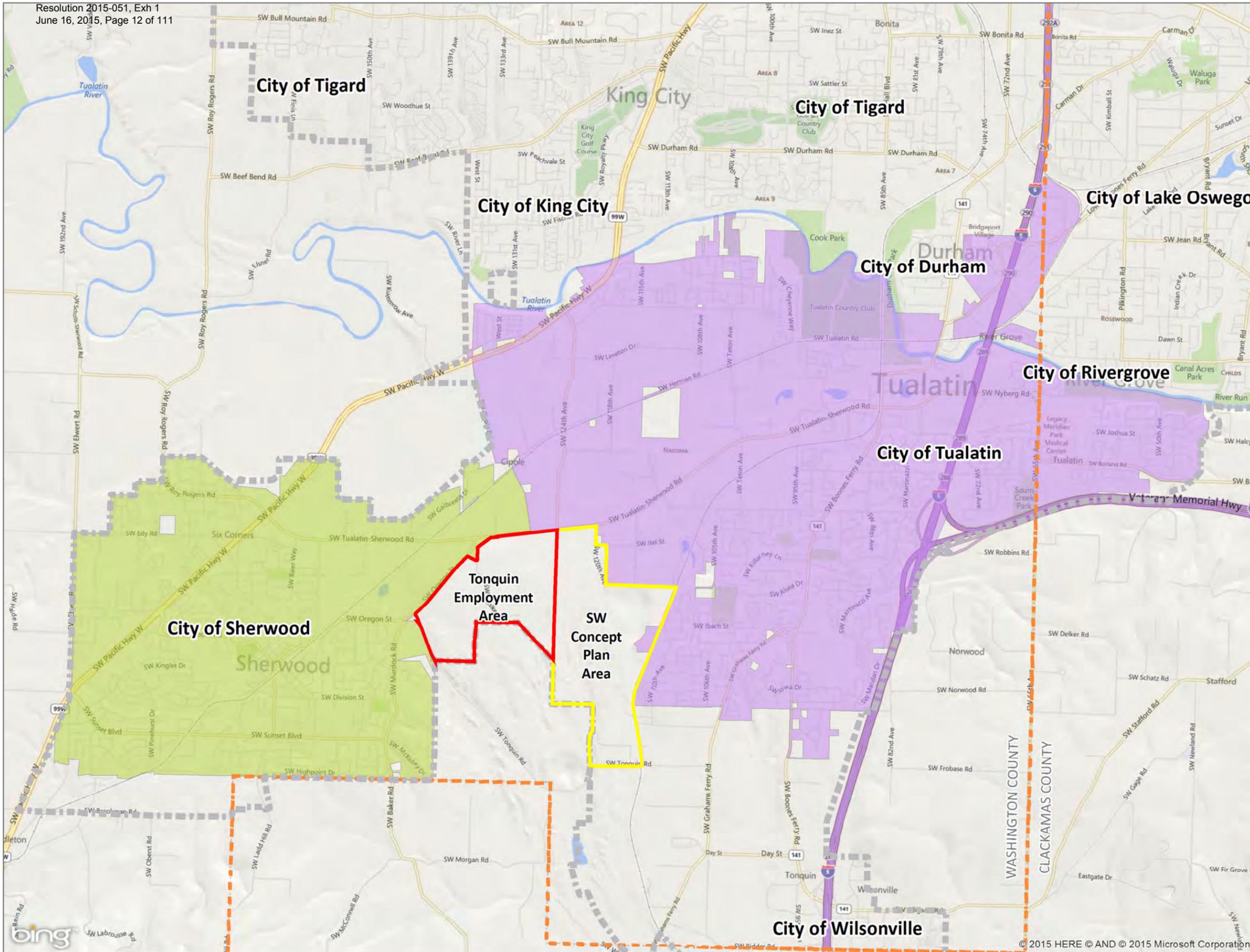
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 GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 6/5/2015 Map Created By: ALD
 File: TEA_Sherwood_aerial Project No: 2130069.04



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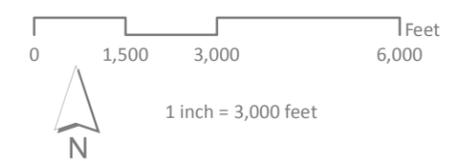
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TONQUIN EMPLOYMENT AREA, SW CONCEPT PLAN AREA, AND SHERWOOD AND TUALATIN CITY LIMITS

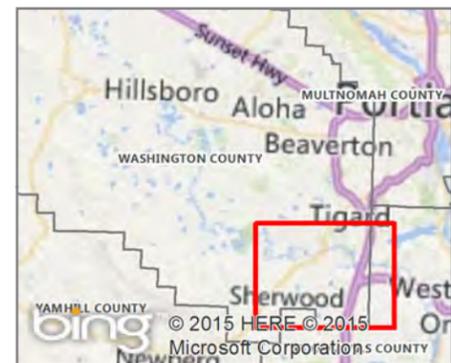
Washington County, OR
FIGURE 4

- LEGEND**
- Tonquin Employment Area
 - SW Concept Plan Area
 - County Boundary
 - Urban Growth Boundary (UGB)
 - City Limits**
 - City of Sherwood
 - City of Tualatin



SOURCE DATA: Metro RUS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 6/4/2015
Map Created by: ALD
File: TEA_SWCP_Sherwood_TualatinCityLimits
Project No: 2130069.04



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SHERWOOD TONQUIN EMPLOYMENT AREA AND SW TUALATIN CONCEPT PLAN AERIAL PHOTOGRAPH

Washington County, OR

FIGURE 5

LEGEND

- Tonquin Employment Area
- SW Concept Plan Area
- Tax Lots
- County Boundary
- Urban Growth Boundary (UGB)
- City Limits**
- City of Sherwood
- City of Tualatin

0 500 1,000 2,000 Feet



1 inch = 1,000 feet

SOURCE DATA: Metro RLS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

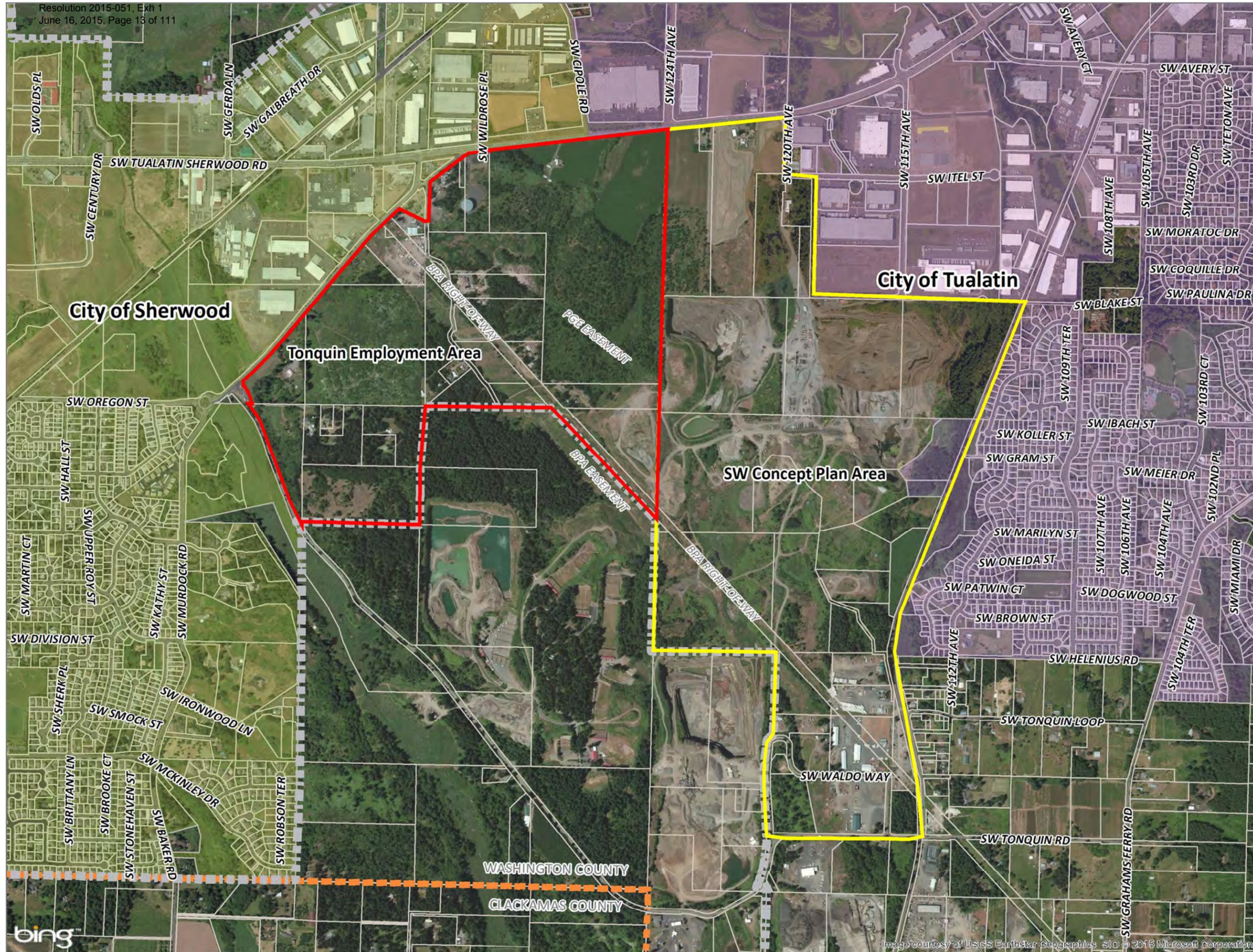
Date: 6/4/2015 Map Created By: ALD
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The TEA's location within the UGB allows property owners to apply to annex into City Limits, a process that requires a public hearing and City Council approval.¹

Prior Planning Efforts

The area now known as the TEA was previously designated for rural uses by Metro and Washington County. In 2002 and 2004, Metro expanded the urban growth boundary to include the TEA (which at that time was identified as "Area 48") and the Southwest Tualatin Concept Plan area, both of which were designated for industrial development. Metro regulations required each City to plan for how the study areas would transition from rural uses to urban uses. The City of Sherwood prepared an Existing Conditions Report in 2009 to describe the TEA and then evaluated multiple concept plans for the area. In 2010, the City Council approved a Preferred Concept Plan, which among other aspects, preserves a site of at least 50 acres per Metro requirements while also yielding a 30-acre parcel.

Study Methodology

The project approach started with a review of existing reports for the City of Sherwood (e.g., utility master plans) and those specific to the Tonquin Employment Area. The full list of reference documents reviewed for this study is located in Appendix 1. To ensure that the consultant team used the most current information available, the team coordinated with City staff and evaluated current market conditions to identify items that had changed since the publication dates of the background documents. This analysis was supplemented by the roadway and site layouts performed during Tasks 2 and 3 of the Washington County project, which included a 40-acre site in the TEA plus a 46-acre site and a 79-acre site within the SWCP area.

The consultant team assessed the economic factors, land use regulations, and infrastructure and transportation requirements of the target industries selected by the City for development in the TEA. These requirements were then compared to existing conditions in order to identify any barriers that would stand in the way of development. Finally, an implementation plan was developed to outline measures that could overcome the identified barriers, including development of a marketing prospectus for the TEA. The Planning Commission, City Council, and property owners were provided opportunities to provide input on the process in May and June 2015.

¹ Sherwood annexations also require approval by voters within the City. In this instance, the electorate already voted in favor of annexation of the Tonquin Employment Area, which serves to streamline future annexation applications.

2. ECONOMIC OPPORTUNITIES ANALYSIS SUMMARY AND MARKET TRENDS ANALYSIS

The purpose of this chapter is to summarize Sherwood's adopted Economic Development Strategy and identify market trends that affect development within the study area. This chapter draws on the Johnson Economics memorandum included as Appendix 2.

Economic Opportunity Analysis Summary

The 2007 City of Sherwood Economic Development Strategy serves as the City's economic opportunities analysis (EOA) required by Statewide Planning Goal 9 and Oregon Administrative Rules. This document outlines the City's economic development vision, goals, and objectives; describes existing conditions; analyzes growth trends and employment land use demand and supply for the EOA; analyzes fiscal impacts over a 20-year planning horizon; describes economic development issues facing the City; and identifies an action plan.

The 2007 EOA identified 437 local businesses with roughly 4,315 employees and noted that the City's population was growing at a 4.8% annual rate at that time.

Vision Statement

The EOA outlines the following vision statement for Sherwood:

The City of Sherwood will drive economic development and support businesses that provide jobs for our residents by building on our assets and developing the necessary infrastructure to retain existing businesses and support new businesses. Economic development also will be supported by maintaining our livability and character as a clean, healthy, and vibrant suburban community where one can work, play, live, shop and do business.

Strengths, Weaknesses, and Opportunities

The following characteristics were identified as potential factors impacting economic growth prospects in the 2007 EOA:

- The majority of Sherwood's workforce commutes outside the urban area for employment. Adequate land to support local job creation is needed.
- Adequate infrastructure, specifically sewer service, has curtailed economic growth.
- "Bedroom" communities such as Sherwood often have trouble holding down taxes while providing quality services.
- Industrial development in Sherwood is dominated by durable goods manufacturing. Sherwood sees an opportunity to attract alternative industry types to diversify the industrial base.
- Expanding land and housing costs are restrictive to low and moderate income households.
- Robust industrial growth in neighboring communities such as Tualatin and Wilsonville has the potential to spill into and impact Sherwood's economy.
- Sherwood's reputation as a small community with excellent quality of life, good schools, and good labor market access has made it an ideal location for a variety of manufacturing operations.
- Tualatin-Sherwood Road congestion and distance from Interstate 5 limits Sherwood's marketability to large scale manufacturing and distribution users.

- Sherwood does not have any known natural gas or telecommunications constraints. Investments to improve water and sewer services are planned or made. Among all these factors, the transportation constraints were thought to have the greatest impact on the types of industries that would look to invest, expand, or locate in Sherwood.

Targeted Industries

The following industries and/or industry clusters utilizing industrial land were identified in the 2007 EOA as being representative of strategic economic opportunities:

- Metal Manufacturing
- Machinery Manufacturing
- Furniture Manufacturing
- Construction
- Specialty Contractors
- Paper Manufacturing
- Plastic or Rubber Manufacturing
- Wood Manufacturing
- Heavy Construction
- Wholesale Trade of Electronics

These industries' sectors were considered when identifying the following target industry types:

- Small to mid-size light manufacturing shops can thrive in small communities such as Sherwood. The small size of such businesses (5-50 employees) means that transportation impacts (and needs) are relatively small. Likewise, with fewer jobs, a business is more likely to find skilled labor within the community (as opposed to finding a labor shortage). Finally, smaller manufacturers are likely to emerge from entrepreneurs who are attracted by Sherwood's quality of life. Light manufacturers could include furniture makers, metal fabricators, and specialty building materials.
- Specialty contractors and construction firms that serve the southern Portland-Vancouver PMSA. These operations may require on-site materials warehousing, light assembly, and wholesale distribution of a variety of construction products and equipment. Given the need for both full and seasonal (part time) employment, the impacts on transportation systems are not as extensive as with other industrial operations.
- Creative services such as engineering, legal services, publishing, management consulting, and accounting are generally high-paying jobs that tend to locate close to residential customers. With the establishment of a new Class A office center, Sherwood could position itself as a sub- regional location for business and professional services.

Based on the characteristics of these business types, the EOA determined that small business parks with flex space, and large master planned research and development campuses with 0.5- to 20-acre sites were the most important industrial sites to accommodate economic growth. The TEA was specifically referenced as a site to accommodate such a use.

Employment Land Demand and Supply

The EOA quantified the demand for and supply of employment land for the City. Under the Medium Growth Scenario, Sherwood was expected to have a 20-year mid-range employment forecast of 3,009 new industrial space-utilizing employees (an annual increase of 8.6% through 2025), which was expected to translate to a demand for 221 net (276 gross) industrial acres

over the planning period. By comparison, the vacant land analysis identified 202 vacant and 101 potentially redevelopable industrial acres in Sherwood's land supply. Consequently, the analysis found that additional vacant industrial land would be needed in the urban growth boundary to accommodate demand under the medium growth forecast.

Tonquin Employment Area Concept Plan Summary

The 2010 Tonquin Employment Area Concept Plan describes the existing conditions within the TEA; outlines the preferred concept plan selected by the City; describes economic, transportation, and utility conditions and needed upgrades; describes potential infrastructure costs and funding tools; and details implementation policies and zoning code provisions specific to the TEA.

Building on the 2007 EOA, the 2010 Concept Plan identified preferred industry targets for the TEA:

1. Industrial campuses and other industrial sites on large and medium-sized parcels that can accommodate a variety of industrial companies and related businesses in:
 - A. Clean Technology–Renewable Energy, Energy Efficiency, Sustainable Environmental Products.
 - B. Technology & Advanced Manufacturing–Manufacturing/Metals, High Technology, BioTechnology and Bio-pharmaceuticals.
 - C. Outdoor Gear and Activewear–Sports Apparel, Recreation Products
2. Flex Building Space with small and medium-sized industrial campuses and business parks to accommodate research and development companies, incubator/emerging technology businesses, related materials and equipment suppliers, and/or spin-off companies and other businesses that derive from, or are extensions of, larger campus users and developments.

The Concept Plan estimated 20-year employment growth for the TEA based on assumed build-out of 235 buildable acres across commercial and industrial uses. The analysis forecasted capacity of 2,290 in the first 20-years with a full build-out capacity of 3,520 jobs.

Market Trends Evaluation

To determine market trends that affect the TEA, the consultant team evaluated industrial trends in the local economy, focusing on the geographic area roughly centered on Tualatin-Sherwood Road between Highway 99W and Boones Ferry Road (see Figure 6).



Figure 6: Tualatin-Sherwood Corridor Analysis Area

In previous economic development studies, Tualatin and Sherwood had slight variances in their identified target industries, which generally reflect different periods of evaluation since they were not a coordinated effort between the two jurisdictions. The current analysis does reflect a coordinated effort that considers the same target industries for both Tualatin and Sherwood, specifically as it relates to the TEA and the SWCP, since in most cases economic systems do not function around jurisdictional lines.²

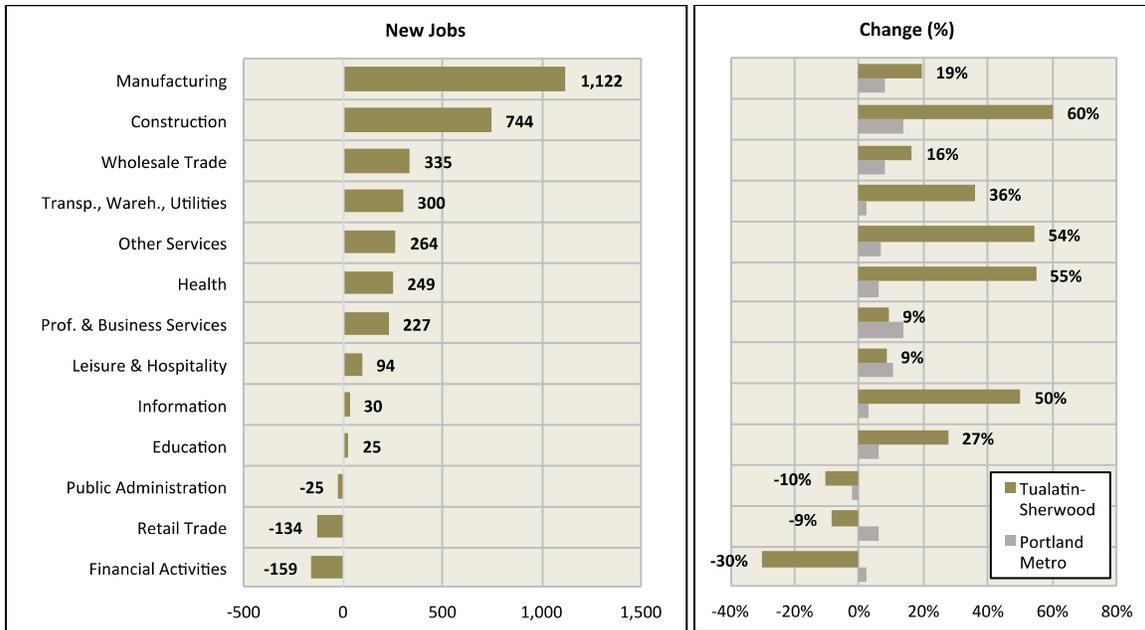
The 2014 *Industry Cluster Analysis in the City of Tualatin* prepared by Johnson Economics identified Advanced Manufacturing; Wood, Paper, Printing, and Related; and Food Processing and Distribution as target industries for Tualatin. Building on these three core clusters, for this project Johnson Economics conducted an additional employment and industry specialization analysis for the economic conditions specific to the Tualatin-Sherwood Road corridor. This analysis provides insight into the industrial ecosystem likely to influence the TEA and the SWCP.

Industry Employment Growth

According to the Quarterly Census of Employment and Wages published by the U.S. Bureau of Labor Statistics, the Tualatin-Sherwood Road corridor (see Figure 6) added 3,030 jobs between 2010 and 2013. This represents an increase of 18%, which translates to an average annual growth rate of 5.6%. In comparison, the equivalent growth rate over the same period was 2.1% in the Portland Metro Area and 1.5% in the nation as a whole. The strongest growth took place in 2013, when employment within the Tualatin-Sherwood Road corridor expanded by nearly 10%.

The manufacturing industry contributed more than one-third of the job growth over the 2010-2013 period, with a gain of more than 1,100 jobs. Construction added nearly 750 jobs over the period, which represented an expansion of 60% relative to its 2010 employment level. Strong job growth was also seen in the wholesale industry and in transportation, warehousing, and utilities, both of which contribute significantly to demand for industrial space.

² With the exception of instances of extreme differences in taxes, fees, policy, zoning, etc.



SOURCE: Quarterly Census of Employment and Wages (U.S. Bureau of Labor Statistics)
Figure 7: Industry Employment Shift, 2010 to 2013

Industry Specialization

The most common analytical tool to evaluate economic specialization is a location quotient analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. For example, a Location Quotient of 1.50 for widget manufacturing would indicate that the share of employment in widget manufacturing locally was 50% higher than the national average. Generally, 1.50 is a common threshold indicating a relatively high specialization. Among the industries with the highest rates of specialization in the Tualatin-Sherwood Road corridor, 12 are manufacturing industries and an additional five are in wholesale/distribution related activities. Considering the top 20 most specialized industries in the Study Area, Location Quotient analysis confirms that reliance on Advanced Manufacturing; Wood, Paper, Printing, and Related Manufacturing; and Food Processing and Distribution as targeted economic opportunities is appropriate for both Cities.

Industrial Market Trends

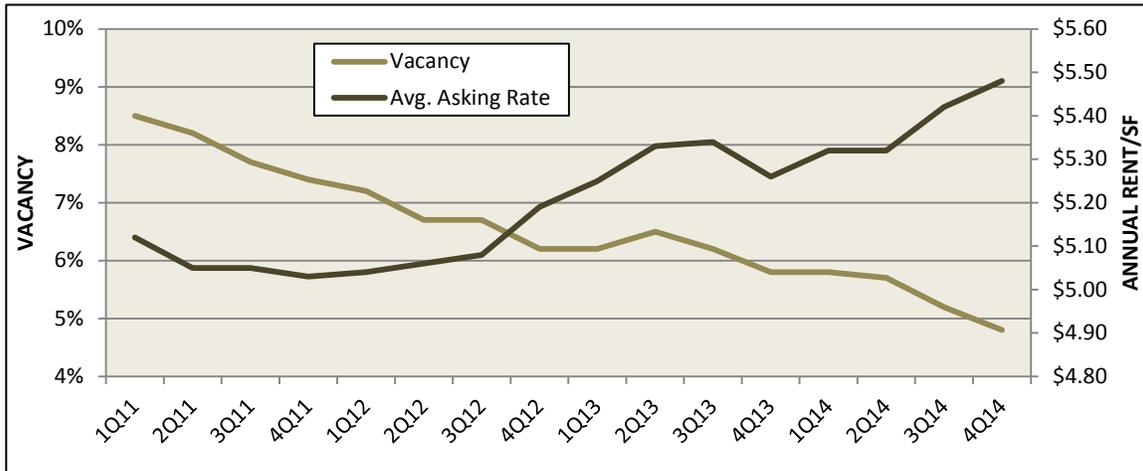
The following analysis reflects recent industrial market trends that will be influencing the character of industrial development over the next business cycle. This analysis includes an overview of conditions in the broader Portland Metropolitan area as well as the I-5 South submarket, which includes the Tualatin-Sherwood Road corridor.

Portland Metro Area

Portland Metro’s industrial real estate market has seen significant improvement over the past four years as the local economy has recovered. This is true for warehouses, manufacturing facilities, and flex buildings alike. The flex segment has benefited from growth in the high-tech cluster, as local firms like Intel are expanding, and out-of-area firms like Salesforce.com have moved in. Manufacturing and distribution center space has benefitted from increasing consumption as well as from the region’s growing output.

With little new construction in recent years, the absorption of industrial space has driven vacancy rates down and rents up. At the end of the fourth quarter 2014, the overall vacancy rate

for industrial space was 4.8%, and the year-over-year rent growth was 4.2%, according to Kidder Mathews.

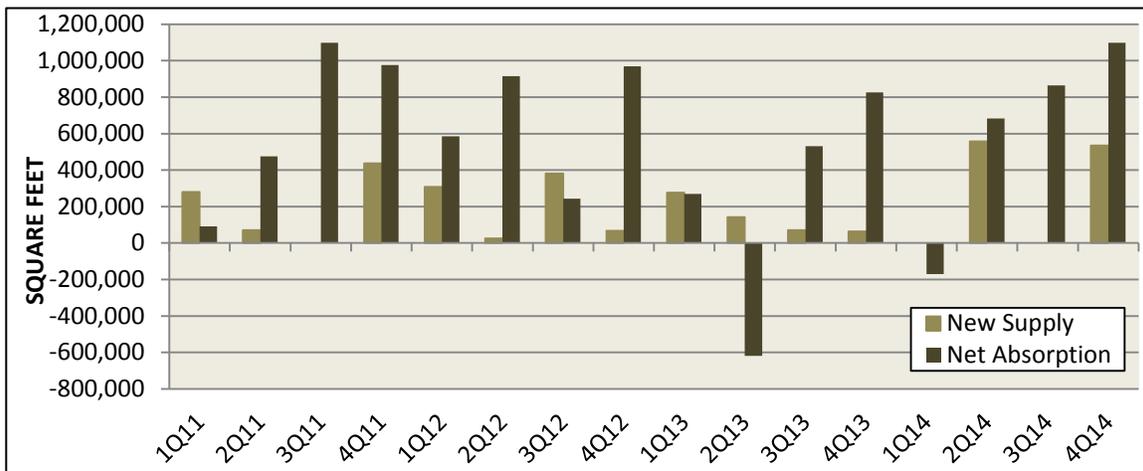


* Blended, NNN, asking rate.

SOURCE: Kidder Mathews, Johnson Economics

Figure 8: Vacancy and Rent Trend, Portland Metro Area (2011 – 2014)

Roughly 1.1 million square feet of new industrial space was completed in the Portland Metro Area in 2014. This represents a doubling since 2013. However, it is far less than net absorption (net change in occupied space) during the year, which totaled 2.5 million square feet. Though limited new construction was helpful in bringing down excessive vacancy rates in the early part of the recovery, it now likely puts a drag on absorption. At the moment, 1.4 million square feet of space is under construction.



SOURCE: Kidder Mathews, Johnson Economics

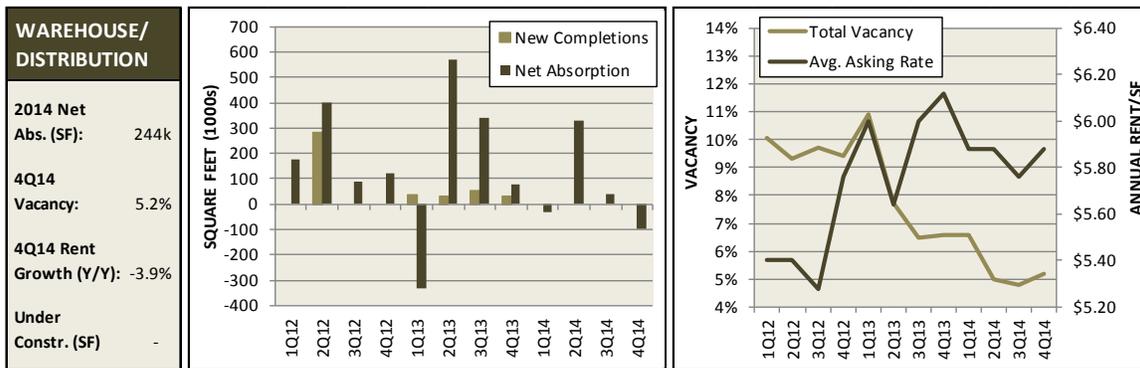
Figure 9: New Deliveries vs. Net Absorption, Portland Metro Area (2011 – 2014)

I-5 South

The I-5 South submarket includes Tualatin and Sherwood as well as Tigard and Wilsonville. Trends in this submarket have largely tracked regional trends over the past three years. Over this period, the overall industrial vacancy rate has fallen from 9% to 5%, and the average annual asking rent has risen from \$5.64 to \$6.96 per square foot.

Warehouse/Distribution Centers

Warehouses and distribution centers account for two-thirds of the I-5 South industrial market. This segment has seen net absorption of 1.7 million square feet over the past three years, and almost no new construction. The vacancy rate has dropped from around 10% to 5% over this period, while average annual asking rents have increased from \$5.40 to \$5.88. The decline in asking rents (-4%) over the past year does not appear to reflect softening market conditions, judging from the continued decline in vacancy. Asking rates reflect available inventory, and in times of low vacancy and no new construction, the least desirable properties are often the ones to remain unleased. As these properties account for an increasing share of vacant space, they can reduce the average asking rate, although achievable rent levels are generally rising.

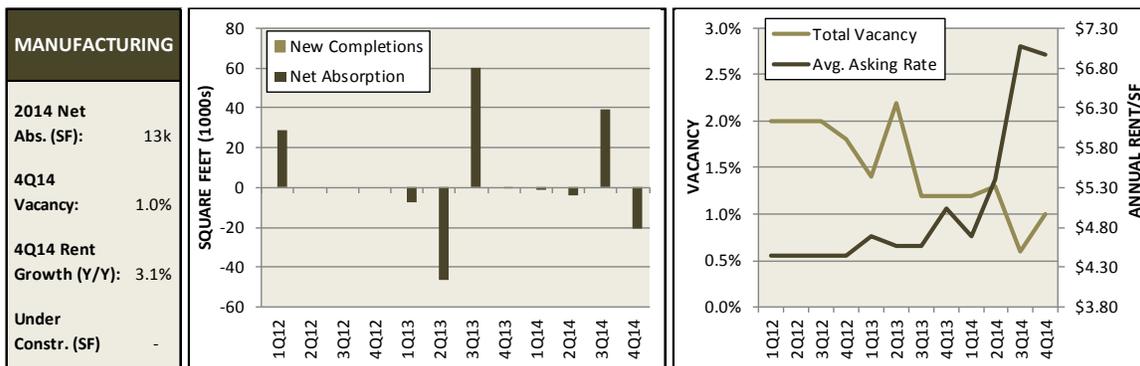


SOURCE: JLL, Johnson Economics

Figure 10: Market Trends, Warehouse and Distribution Space, I-5 South Submarket (2012 – 2014)

Manufacturing Space

Manufacturing facilities account for around 20% of the I-5 South submarket. Roughly 50,000 square feet of manufacturing space has been absorbed on a net basis over the past three years, bringing an already low vacancy rate down from 2% to 1%. In comparison, the metro-wide vacancy rate for manufacturing space is 4.3%. The average annual asking rate for available space jumped from \$5.04 to \$6.96 over the past year. There is no manufacturing space currently under construction in this submarket.



SOURCE: JLL, Johnson Economics

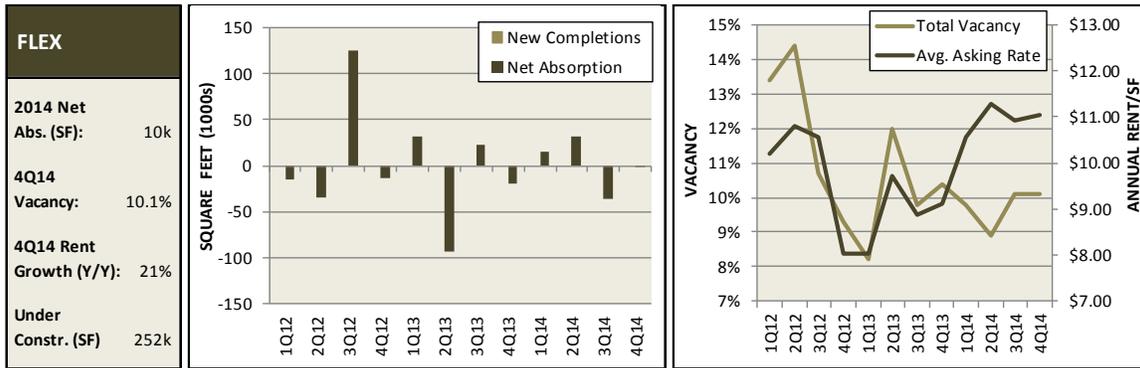
Figure 11: Market Trends, Manufacturing Space, I-5 South Submarket (2012 – 2014)

Flex Space

Flex space is currently a minor part of the I-5 South submarket, currently accounting for around 10% of total industrial space. However, it is the most rapidly expanding segment, with 250,000

square feet currently under construction. This represents an 8% expansion of the current flex inventory. Nearly all of this will be located in Tualatin, and most of it will be delivered in 2015.

Absorption of flex space in I-5 South has been mixed over the past three years, with net absorption of only 16,000 square feet. However, some space was taken off the market over this period, which contributed to a decline in vacancy from around 13% in early 2012 to around 10% in late 2014. Average asking rents have increased from \$10.20 to \$11.04 over this period.

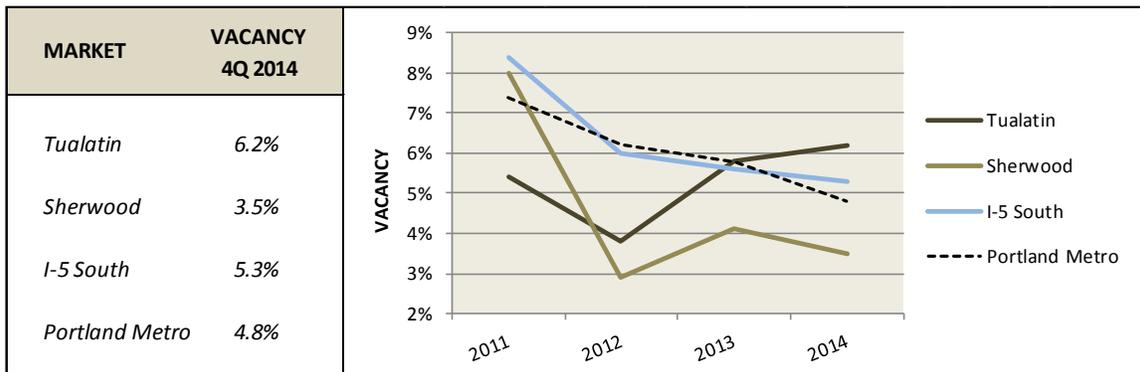


SOURCE: JLL, Johnson Economics

Figure 12: Market Trends, Flex Space, I-5 South Submarket (2012 – 2014)

Tualatin-Sherwood Road Corridor

There is limited market data specific to Tualatin and Sherwood, but Kidder Mathews publishes year-end vacancy rates for these geographies. According to this data, the overall industrial vacancy rate in Tualatin is 6.2%, which is somewhat higher than in the remainder of the I-5 South submarket and the wider Metro Area. In Sherwood, however, the vacancy rate is considerably lower, at 3.5%, after falling steeply in 2012.



SOURCE: Kidder Mathews, Johnson Economics

Figure 13: Year-End Vacancy Rates, All Industrial Space (2011 – 2014)

There are three projects with eight buildings and more than 500,000 square feet of industrial space currently under construction in the Tualatin-Sherwood submarket. All are located in Tualatin. All eight buildings are scheduled for delivery in 2015, as indicated in Table 1.

Table 1: Pipeline of Industrial Space in Tualatin-Sherwood Road Corridor

Project Name	Address	Buildings	Total SF.	Type	Status	Est. Delivery	Developer
Koch Corporate Center	SW 115th & Itel Street	6, 7	100,000	Flex	U.C.	1Q 2015	PacTrust
Southwest Industrial Park	19585 SW 118th Ave	A, B, C, D	301,709	Flex	U.C.	3Q 2015	Trammell Crow Company
Hedges Creek Business Park	112th Ave & Tual.-Sherw. Rd	A, B	116,850	Flex	U.C.	2Q-3Q 2015	Martin Development

SOURCE: Listing brokers, developers, Johnson Economics

3. EVALUATION OF LAND USE, TRANSPORTATION NETWORK, AND INFRASTRUCTURE SYSTEMS

The consultant team reviewed the existing published development codes, utility master plans, concept plans, and similar studies for the Tonquin Employment Area and Southwest Tualatin Concept Plan area. The findings of our land use, transportation network, and infrastructure review are presented in this chapter.

Land Use Review

This section discusses existing land use conditions and the zoning regulations that would apply following annexation of properties within the TEA.

Existing Conditions

As noted in Chapter 1, the TEA consists of approximately 300 acres east of Sherwood city limits within the urban growth boundary. The area is largely undeveloped, with the exception of a few residences and businesses plus the City of Tualatin water reservoir and agricultural land near Tualatin-Sherwood Road. Multiple electrical transmission corridors cross the TEA in a northwest-southeast orientation, including a Portland General Electric (PGE) easement, a Bonneville Power Administration (BPA) easement, and a BPA right-of-way. Additionally, a Kinder Morgan petroleum pipeline passes through a portion of the site in a southeasterly direction from Oregon Street (roughly parallel to the BPA right-of-way).

As illustrated in Figure 14, slopes vary throughout the TEA from under seven percent to areas in excess of twenty-five percent. The study area contains both upland habitat and wetland habitat as illustrated in the diagram of Metro Title 13 “Nature in Neighborhoods” resources (Figure 15). Appendix 3, which describes natural resources in detail, notes that the TEA is primarily comprised of parcels that are at least partially forested or else have been cut over fairly recently, are currently in agricultural production, or are relatively developed. There are multiple vegetation communities in the TEA, the most prominent of which are Upland Mixed Evergreen-Deciduous Forest, Upland Shrub Thicket, Wetland (Forested), Wetland (Scrub-Shrub), Wetland (Emergent), Wetland (Open Water), and Developed/Disturbed. Figure 16 illustrates the wetlands identified by Pacific Habitat Services based on February and March 2015 site assessments.

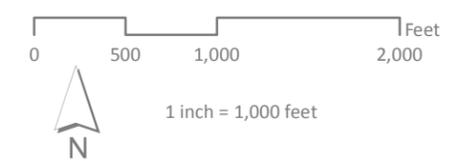
Several of the features noted above hamper the ability to create development areas amenable to certain industrial employment types. Slopes in excess of seven percent increase the grading requirements (and associated cost) necessary to create the large, flat, rectilinear sites desired for large-format industrial buildings. The electrical transmission corridors, petroleum pipeline, and wetlands locations constrain several properties within the TEA, while the habitat areas could restrict development locations and add local, state, and federal permitting requirements that would extend the timeline before development could occur.

SHERWOOD TONQUIN EMPLOYMENT AREA AND SW TUALATIN CONCEPT PLAN SLOPES

Washington County, OR

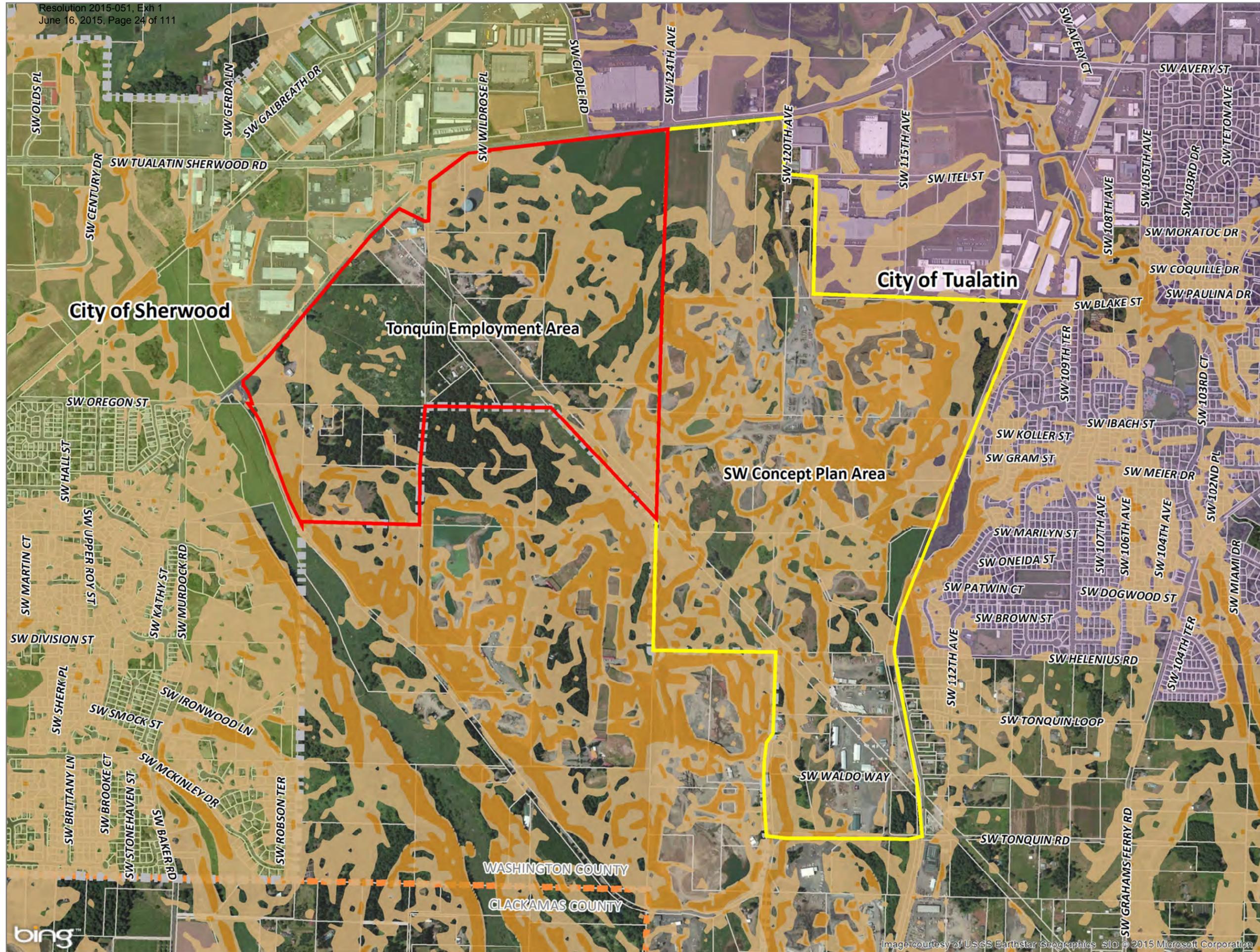
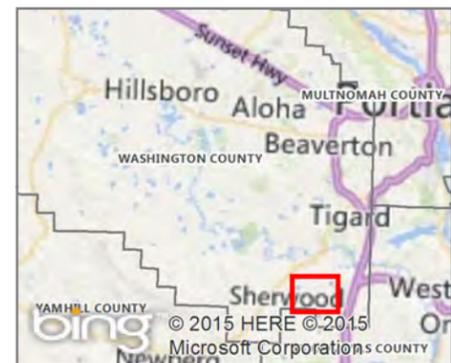
FIGURE 14

- LEGEND**
- Tonquin Employment Area
 - SW Concept Plan Area
 - Slopes 7-25%
 - Slopes >25%
 - Tax Lots
 - County Boundary
 - Urban Growth Boundary (UGB)
- City Limits**
- City of Sherwood
 - City of Tualatin



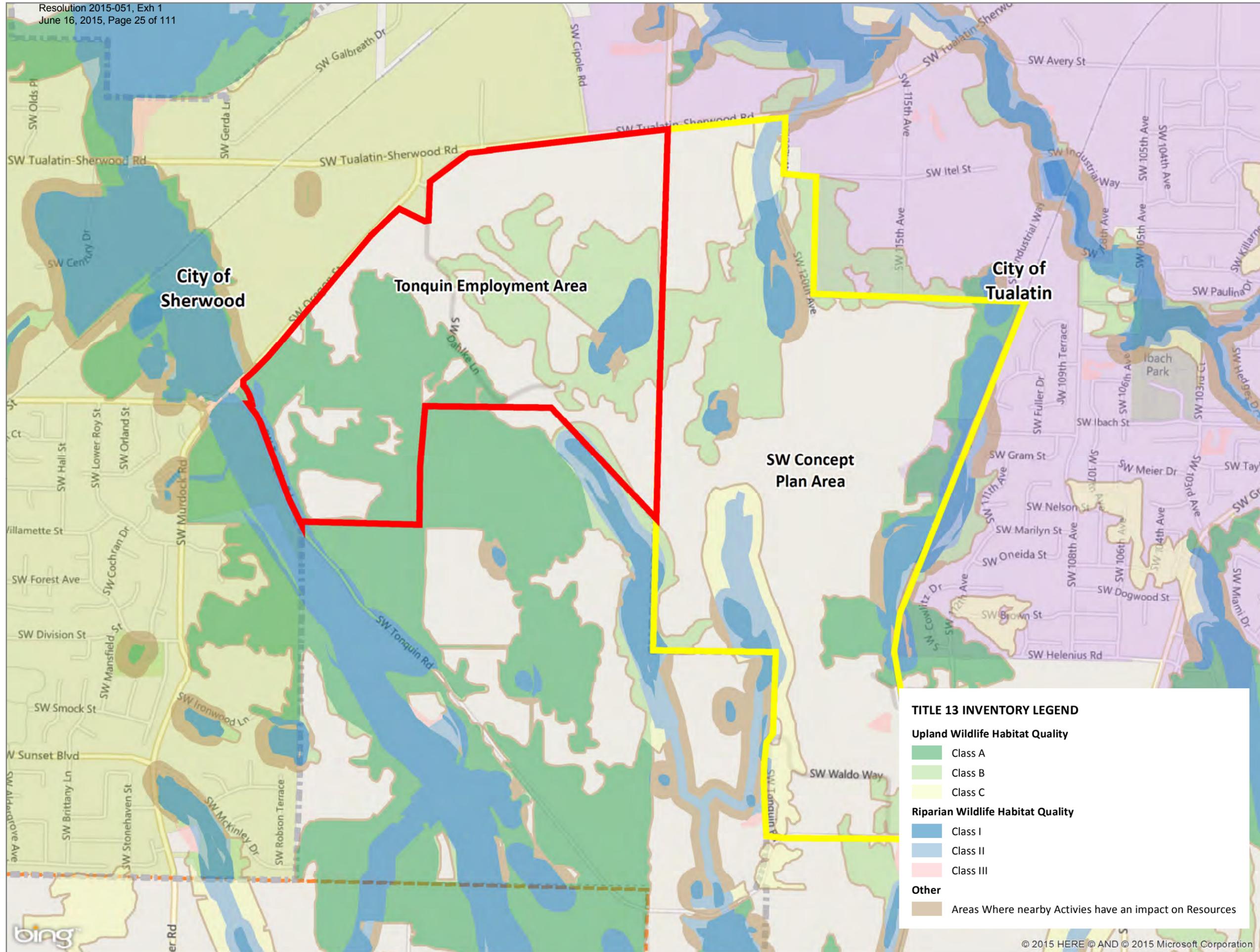
SOURCE DATA: Metro RUS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 6/4/2015
Map Created By: ALD
Project No: 2130069.04



**SHERWOOD TONQUIN
EMPLOYMENT AREA
AND SW TUALATIN
CONCEPT PLAN
METRO TITLE 13
RESOURCES (NATURE
IN NEIGHBORHOODS)**

**Washington County, OR
FIGURE 15**

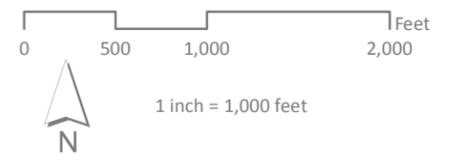


LEGEND

- Tonquin Employment Area
- SW Concept Plan Area
- County Boundary
- Urban Growth Boundary (UGB)

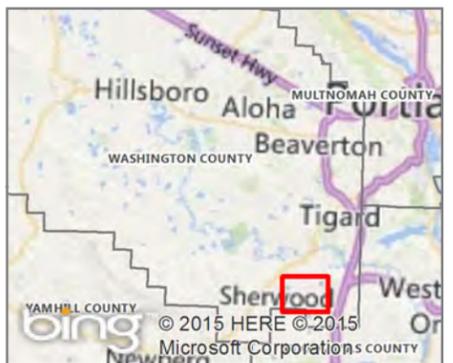
City Limits

- City of Sherwood
- City of Tualatin



SOURCE DATA: Metro RUS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 6/4/2015 Map Created By: ALD
File: TEA_SWCP_Goal5Resources Project No: 2130069.04



TITLE 13 INVENTORY LEGEND

Upland Wildlife Habitat Quality

- Class A
- Class B
- Class C

Riparian Wildlife Habitat Quality

- Class I
- Class II
- Class III

Other

- Areas Where nearby Activities have an impact on Resources

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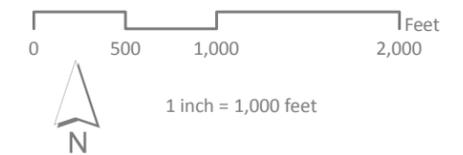
SHERWOOD TONQUIN EMPLOYMENT AREA AND SW TUALATIN CONCEPT PLAN WETLANDS

Washington County, OR

FIGURE 16

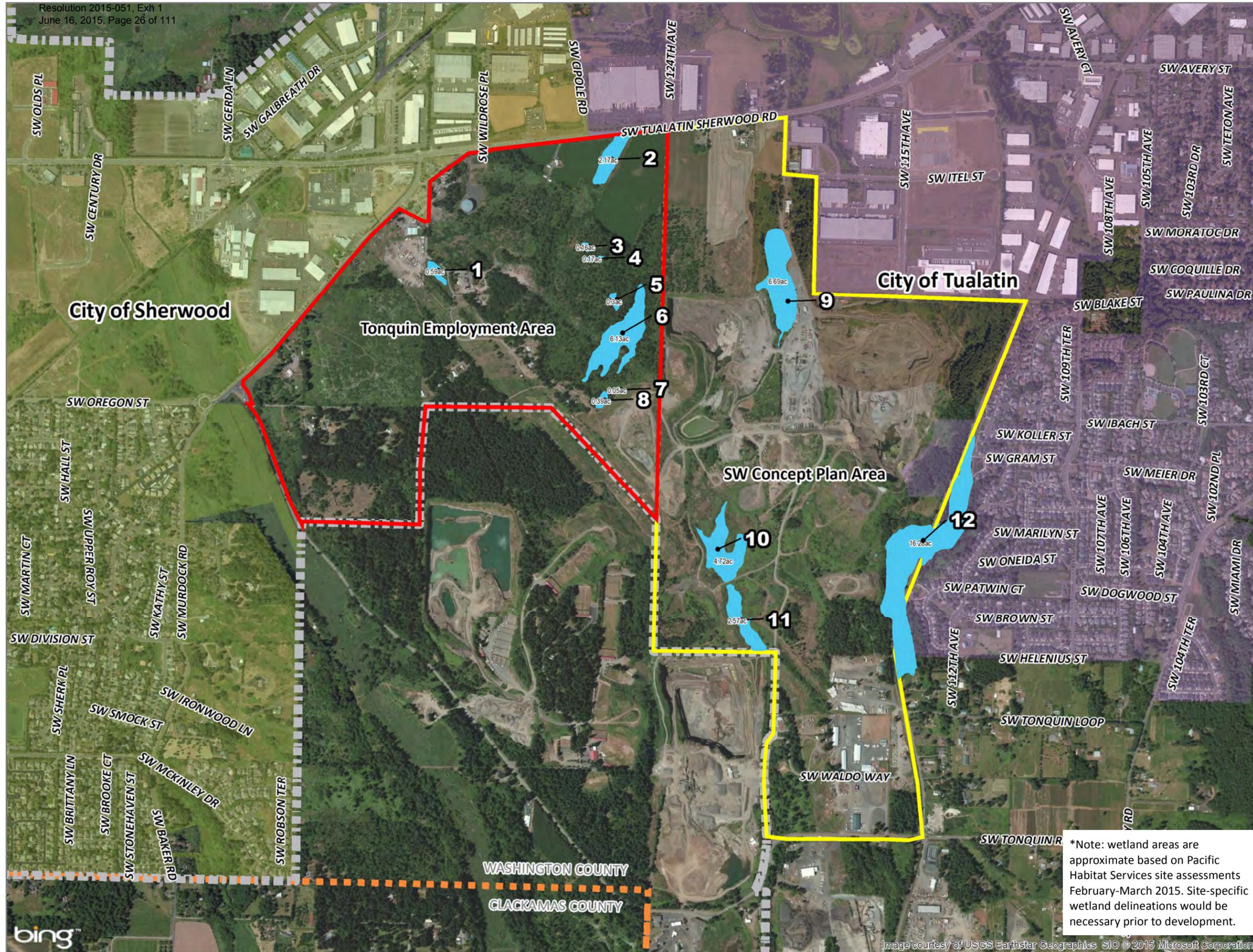
LEGEND

-  *Wetlands
- 1** Wetlands ID number
-  Tonquin Employment Area
-  SW Concept Plan Area
-  County Boundary
-  Urban Growth Boundary (UGB)
- City Limits**
-  City of Sherwood
-  City of Tualatin



SOURCE DATA: Metro RUS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 6/5/2015 Map Created By: GF
TEA_SWCP_Sherwood_Tualatin_aerial-Wetlands Project No: 2130069.04



*Note: wetland areas are approximate based on Pacific Habitat Services site assessments February-March 2015. Site-specific wetland delineations would be necessary prior to development.

Employment Industrial Zone

Following adoption of the 2010 Preferred Concept Plan, the site was designated Employment Industrial (EI) in the Comprehensive Plan and a new EI zone was incorporated into the Development Code. Properties within the TEA that annex into the City would be zoned EI. The EI zone was created specifically for the Tonquin Employment Area to ensure that properties develop in a manner consistent with applicable Metro regulations for designated Industrial Areas and with the vision outlined in the Concept Plan.

The EI zone is intended to complement the City's EOA by targeting preferred industry sectors including Clean Technology, Technology and Advanced Manufacturing, and Outdoor Gear and Active Wear. The permitted uses within the EI zone are more restrictive than the uses allowed in the City's Light Industrial or General Industrial zones. Furthermore, to provide sufficient space for the target industries, the EI zone requires new sites to have a minimum area of three acres (with minor exceptions for selected commercial uses and existing lots of record), while the one site over 50 acres has restrictions limiting the ability to subdivide into smaller parcels. Retail and professional services that cater to daily customers are restricted in size, and commercial development must be located near Blake Road rather than near Oregon Street or 124th Avenue.

Transportation Review

The consultant team reviewed documentation of the existing transportation conditions as well as proposed improvements. This section discusses the transportation network that serves the Tonquin Employment Area.

Tualatin-Sherwood Road

This County Arterial is currently three lanes wide adjacent to the site. Widening is anticipated to a five-lane section in the near future, but no funds are currently identified. We have assumed no driveway access will be allowed for development in the TEA except opposite the Cipole Road signalized intersection, as all development areas would have access to lower classification roadways.

124th Avenue

The alignment has been determined for the extension south of Tualatin-Sherwood Road to Grahams Ferry Road. Construction will begin in summer 2015 on a core road for this County Arterial. No driveway access will be allowed per agreement with the Cities.

Blake Street

This road, which is identified as a need in the 2010 TEA Concept Plan, would serve as an east-west collector through the area, providing an alternate to Tualatin-Sherwood Road between 124th Avenue and Oregon Street in Sherwood (see Figure 17). Based on recent review of the area, it is now recommended the roadway alignment be altered to avoid wetland areas. Through the TEA, the alignment would head southwest from 124th Avenue on the west side of the wetland and cross the power line easements perpendicularly. From that point, the road would turn 90 degrees along the west side of the power line easements to a roundabout intersection with Oregon Street. At the 90 degree bend, future extensions to the south and west could be accommodated.

Tonquin Road

This two-lane County arterial does not have bike lanes or sidewalks, and is not currently planned for improvements as it is primarily outside the city limits. No access is proposed to Tonquin Road for the TEA as it is located at the bottom of a steep slope.

Oregon Street

This roadway is classified as a three-lane arterial and is built to its planned width. Sidewalks do not exist for most of the south frontage and will need to be provided with development.

Local Street Connections

City of Sherwood TSP Figure 18 identifies future extension of Cipole Road south of Tualatin-Sherwood Road into the TEA. Based on this update, we are assuming an internal drive will be located here instead.

Transit Service

Tri-Met serves downtown Sherwood with routes 12 and 94. TriMet's Southwest Service Enhancement Plan is anticipated to provide service along Tualatin-Sherwood Road and 124th Avenue.

Access spacing standards

The following spacing standards generally apply to new driveway and roadway access points:

- Local streets – 10 feet from the point of curvature or 25 feet if no radius exists
- Neighborhood routes – 50 feet
- Collectors – 100 feet
- Arterials – 600 feet

Additional access restrictions apply to Tualatin-Sherwood Road (which would prohibit new driveways except opposite Cipole Road) and 124th Avenue (which would prohibit all driveways and only allow access at Blake Road).

Infrastructure Review

The consultant team reviewed documentation of the existing infrastructure conditions, as well as proposed improvements for water distribution, sewer collection and treatment, and storm drainage systems. In addition to location and sizes of the proposed improvements, the team reviewed the assumptions used to determine the presented utility sizing and alignments, such as expected development density, industrial utility profiles, and utility system corridor alignments.

Water Infrastructure

Municipal water service for the Tonquin Employment Area is expected to be provided by City of Sherwood. Existing service is provided to the western and northern boundaries of the TEA, and expansion to the area is described in the Water System Master Plan.

The TEA will be developed as part of the 380-foot Pressure Zone, which comprises most of the City's water service area. This zone is served by two reservoirs with existing capacity of 6.0

million gallons (MG). The 2015 Master Plan identifies the 380-foot Pressure Zone reservoirs will experience a 0.61-MG deficit at full build-out of the plan service area. However, since the 380-foot zone covers such a large area of the city including significant growth areas, it is not clear that the expected storage deficit will be due to the TEA growth. As noted in the Master Plan, the expected deficiency is far enough out on the development timeline that the need for storage expansion should be considered as part of future planning analysis.

Water supply to the City is provided from groundwater wells and the Willamette River Water Treatment Plant. The City's wells are currently used for emergency redundancy only and can provide approximately 2.6 million gallons per day (MGD). The City currently owns a 5-MGD share in the plant, and the Master Plan recommends purchase of an additional 5-MGD share of future expansion of the plant to accommodate full build-out. The master plan projects TEA development to contribute 0.34-MGD demand to the system, so it is unlikely that development of the TEA will trigger the need for additional supply capacity. However, this projection does not appear to include process water uses. Adding high-demand industrial users in the TEA could potentially exceed the currently available supply surplus of 1.1 MGD.

The distribution system in the TEA is proposed to be extended from existing 10" and 12" lines serving the eastern edge of the 380-foot Pressure Zone. This water main size is expected to be sufficient for most industrial uses; however, high-demand users could require higher peak flows and larger mains than are currently expected.

Sewer Infrastructure

Municipal sewer service for the Tonquin Employment Area is expected to be provided by City of Sherwood. The City has recently upgraded the Rock Creek Interceptor located northwest of the TEA, which is expected to handle flows from the northern portion of the TEA development.

Downstream of the City's pipe system, Clean Water Services has identified capacity issues for the Onion Flat Trunk west of the TEA. However, City staff has said that more recent modeling efforts indicate this line capacity is sufficient for planned build-out conditions.

Proposed sewer infrastructure through the TEA is expected to consist of 12" to 15" lines. A ridge generally runs northwest-southeast along the BPA right-of-way through the TEA, which divides the area into two sewer basins. Development north of the ridge is expected to drain to Tualatin-Sherwood Road and the Rock Creek Interceptor, while development to the south will drain to Oregon Street to the Onion Flat Trunk.

Storm Infrastructure

Storm drainage within the TEA is expected to be managed through regional treatment facilities. Three facilities are proposed within the drainage basins across the TEA. Facilities will be designed according to CWS standards for water quality treatment and flow control. Low-impact development approaches are encouraged for new development to minimize the size of regional facilities.

Energy and Communications Infrastructure

Energy utilities serving the study area include Portland General Electric (PGE) and Northwest Natural Gas. PGE staff has indicated that the area has sufficient capacity for the anticipated development; likewise, Northwest Natural is prepared to provide natural gas to serve the demand. Private communications providers in the area include CenturyLink, Verizon, and Comcast, while the City of Sherwood operates a fiber optic municipal broadband network that

provides high-speed internet service throughout the City and could be expanded to serve both the TEA and the SWCP area.

4. RECOMMENDATIONS FOR ACHIEVING INDUSTRIAL DEVELOPMENT

The purpose of this chapter is to identify barriers that may affect the City's ability to attract the industry types targeted by the Cities of Sherwood and Tualatin for the TEA and the SWCP area. In addition, this chapter provides recommendations for specific actions that could reduce or remove the identified barriers and policy questions for further consideration.

Targeted Uses

As identified in Chapter 2, market analysis confirms that reliance on Advanced Manufacturing; Wood, Paper, Printing, and Related Manufacturing; and Food Processing and Distribution as targeted economic opportunities is appropriate for both Cities. These uses fit well within the recent (2014) *Industry Cluster Analysis in the City of Tualatin* prepared by Johnson Economics and overlap with the preferred industry targets identified in the 2010 TEA Concept Plan (namely, Clean Technology, Technology & Advanced Manufacturing, Outdoor Gear and Activewear; and a variety of possible uses within flex building space).

Based on the market analysis prepared for this report, the two Cities do not need alter their target industry types for the TEA and the SWCP area. Over the past several years, employment growth has been strong in the Tualatin-Sherwood Road Corridor for manufacturing, construction, wholesale trade, and transportation, warehousing, and utilities. Economic opportunities continue to exist for small- to mid-size manufacturing, specialty contractors, creative services, and flex space users.

Recommendations to Overcome Barriers to Development

The TEA and SWCP area are Metro-designated industrial areas added to the urban growth boundary between 2002 and 2004 which were the subject of concept planning efforts adopted by the Sherwood and Tualatin City Councils in 2010. This section itemizes conditions that may serve as barriers to development within the Tonquin Employment Area and provides recommendations for how to address the barriers.

Natural Resource Constraints

As noted in the land use review in Chapter 3, portions of the TEA contain slopes in excess of seven percent (see Figure 14), with small areas in excess of twenty-five percent. The TEA contains numerous upland and wetland habitat areas identified by Metro (see Figure 15). Field investigations performed as part of this project refined the wetlands locations (illustrated in Figure 16) but did not result in survey-grade determinations of the wetlands boundaries. Habitat conditions restrict development locations and add local, state, and federal permitting requirements that extend development timelines and increase costs.

Pacific Habitat Services (PHS) documented the current conditions within the TEA, highlighting the location and characteristics of potentially regulated water resources within the study area in February/March 2015. Broad vegetation communities and wetlands encountered in the TEA are described in Chapter 4. Within the Sherwood portion, large areas of intact forest and scrubland are interspersed with recently logged and/or actively farmed parcels. Landscaped rural residential lots and small scale industrial activities are also present. The PHS report includes a partial species list for the Sherwood and Tualatin study areas (see Appendix 3).

Table 2 outlines the mitigation costs and permitting timeframe associated with mitigation of the wetlands illustrated in Figure 16. These costs and permitting timelines increase the level of uncertainty of developing the affected sites.

Table 2: Wetland Mitigation Costs and Permitting Timeframes

SUMMARY RESULTS FOR WETLANDS							
Jurisdiction	Wetland ID Number	Wetland Size (in acres)	On-site wetland mitigation cost per acre ¹	Total on-site wetland mitigation cost ¹	Off-site wetland mitigation cost per acre ²	Total off-site wetland mitigation cost ²	Permitting timeline (months)
Sherwood	1	0.59	\$ 65,000	\$ 38,350	\$ 155,000	\$ 91,450	9 months ³
	2	2.17	\$ 65,000	\$ 141,050	\$ 155,000	\$ 336,350	9 months ³
	3	0.16	\$ 65,000	\$ 10,400	\$ 155,000	\$ 24,800	2 months ⁴
	4	0.17	\$ 65,000	\$ 11,050	\$ 155,000	\$ 26,350	2 months ⁴
	5	0.3	\$ 65,000	\$ 19,500	\$ 155,000	\$ 46,500	2 months ⁴
	6	6.13	\$ 65,000	\$ 398,450	\$ 155,000	\$ 950,150	9 months ³
	7	0.05	\$ 65,000	\$ 3,250	\$ 155,000	\$ 7,750	2 months ⁴
	8	0.39	\$ 65,000	\$ 25,350	\$ 155,000	\$ 60,450	2 months ⁴
Tualatin	9	6.69	\$ 65,000	\$ 434,850	\$ 155,000	\$ 1,036,950	9 months ³
	10	4.72	\$ 65,000	\$ 306,800	\$ 155,000	\$ 731,600	9 months ³
	11	2.57	\$ 65,000	\$ 167,050	\$ 155,000	\$ 398,350	9 months ³
	12	16.28	\$ 65,000	\$1,058,200	\$ 155,000	\$ 2,523,400	9 months ³

Notes:

1. On-site mitigation cost per acre excludes ongoing monitoring, maintenance, and irrigation, and assumes that the developer already owns the property.
2. Wetland mitigation costs were estimated by multiplying estimated wetland impact area by the current private sector rate for wetland mitigation bank credits serving the area. Tualatin Valley Environmental Bank and Butler Wetland Bank both identify tiered rates that start at \$175,000 per acre-credit and are reduced as the purchase quantity increases to a low of approximately \$155,000 per acre-credit. Mud Slough Bank reports a rate of \$2/sq. ft. These 3 mitigation banks serve Sherwood and/or Tualatin.
3. 9 months total (Oregon Department of State Lands: 120 days from delineation, U.S. Army Corps of Engineers: 120 days –270+ days).
4. Development impacting 0.5 acres or less may qualify for USACE Nationwide Permit #39; 60 day permitting timelines.

Wetland mitigation costs range considerably depending on whether the mitigation is performed on-site or off-site, as well as the overall area to be mitigated. The off-site costs were estimated by multiplying the estimated wetland impact area by the current private sector rate for wetland mitigation bank credits serving the area. Tualatin Valley Environmental Bank and Butler Wetland Bank both identify tiered rates that start at \$175,000 per acre-credit and are reduced as the purchase quantity increases to a low of approximately \$155,000 per acre-credit, while the Mud Slough Bank reports a rate of \$2 per square foot. These three mitigation banks serve Sherwood and/or Tualatin (see service area maps in Appendix 4).

Although several acres of wetlands have been identified by PHS, it appears that not all wetlands are likely to be impacted by future development and roads (see Figure 16). Considering future development patterns and lot coverage, wetlands 2-4 are anticipated to be impacted by development and wetlands 5, 6, 9, and 10 are anticipated to be impacted by roads.

- Road impacts to the wetlands. Several of the proposed refined road alignments clip a few fingers of several wetlands. It is assumed that these areas can either be mitigated

on or off site in conjunction with development. Therefore, the Corps of Engineers and the Department of State Lands will want some justification as to why the road needs to be aligned in the selected location, should the proposed refined road alignments move forward. The agencies will first require avoidance and only if the avoidance is unobtainable, then the selected alignment must minimize wetland impacts with appropriate justification for the impact.

- SW 124th Avenue wetland impact. The alignment for SW 124th Avenue in the Implementation Plan diagrams matches Washington County's selected alignment. It appears a portion of the road impacts a large wetland area and all wetland impacts can be mitigated off-site at one of the mitigation banks that are in this area. However, it is unclear whether the County's wetlands permitting encompasses only the core road construction or whether it also includes the future roadway widening. Clean Water Services may require mitigations for vegetated corridor impacts.
- Regional storm ponds. A regional stormwater approach is proposed for the area with some regional treatment/detention facilities located adjacent to or extending into wetland areas. Conversations with Clean Water Services are recommended to discuss the proposed approach and potential impacts.

The remaining potential wetland impacts will highly vary with the specific use, building layout, and steep slope considerations on the impacted property, however, it is reasonable to expect impacts to the wetlands listed above.

Recommendations:

- Perform conceptual site layouts for sloped portions of the TEA to determine optimal finished ground elevations to minimize site grading requirements while creating building pads appropriate for industrial development.
- Perform a more detailed assessment of upland and wetland habitat conditions within the TEA to refine Metro's inventory (including expanding the Sherwood Local Wetland Inventory to include the TEA).
- Continue dialog with Clean Water Services to determine the extent to which their sensitive areas and vegetated corridors may affect development capacity of individual properties.
- Factor wetlands into road alignment and site layout decisions to minimize impacts to the extent possible. Where avoidance is not practicable, wetland mitigation is a possible option to allow development.

Utility Corridors

The TEA is crossed by multiple utility corridors, including a Portland General Electric (PGE) easement, a Bonneville Power Administration (BPA) easement, a BPA right-of-way, and a Kinder Morgan petroleum pipeline. Each of these facilities has a northwest-southeast orientation. The separation requirement from these utilities to any buildings reduces the developable portion of affected sites. Furthermore, existing utility master plans written at different times do not utilize coordinated alignments for future infrastructure, leading to some sites with multiple utility corridors that constrict potential building locations.

Recommendations:

- Factor power line and pipeline encumbrances into the site, roadway, and infrastructure layouts for affected sites since there is no practical way to relocate the existing facilities.
- Lay out roadways and other infrastructure parallel to or perpendicular to the electrical lines and pipeline to preserve developable area.
- Locate public sewer, water, and storm infrastructure within roadways as much as possible to maximize developable area.

Annexation

Currently the entire TEA is located outside Sherwood city limits. In order to receive urban services and be governed by Sherwood development regulations rather than those of Washington County, properties must first annex to the City, which requires a public hearing and City Council approval (but no public vote since the electorate already voted in favor of annexation of the Tonquin Employment Area). However, some property owners appear hesitant to initiate annexation proceedings due to unfamiliarity with the application process, unwillingness to pay the application fee and consultant costs for a discretionary approval process, disinterest in developing, or concerns about increased property tax rates. Properties outside City Limits will be less attractive to developers since annexation is a discretionary decision with a long lead time. Accelerating annexation of TEA parcels would make the properties more likely to be considered by industrial site selectors.

Recommendations:

- Facilitate annexation and development discussions with property owners to explain the annexation process, timeline, and costs. Highlight the advantages of annexation such as increased property value, the opportunity to connect to City services, and the ability to develop.
- Hold policy discussions on whether to provide annexation assistance to TEA property owners (such as waiving fees or engaging a surveyor to write legal descriptions of the annexation area), whether to provide incentives such as property tax abatement for a specific period of time, and to clarify whether there is a minimum area or parcel mix for individual annexation applications.

Roadway Volumes, Access, and Public Transit

Transportation analysis within the 2010 TEA Concept Plan indicated that Tualatin-Sherwood Road operated within Washington County's mobility standards at that time, and would continue to do so in the year 2030 even with the development of the TEA. However, Tualatin-Sherwood Road is perceived as being congested during weekday afternoons and evenings, and there is currently no transit service, all of which may serve as a deterrent to employers considering locating in the area.

Recommendations:

- Construct an east-west collector street roughly paralleling Tualatin-Sherwood Road to provide internal access to the development area (illustrated as Blake Street in Figure 17).

- Limit access points on Tualatin-Sherwood Road to those at Oregon Street, Cipole Road, and 124th Avenue and widen abutting roadways in advance of or in conjunction with development.
- Coordinate with TriMet to provide service along Oregon Street and through the developed portions of the TEA (TriMet's Southwest Service Enhancement Plan will add service along Tualatin-Sherwood Road and 124th Avenue).
- Engage in marketing efforts that highlight the advantages of locating within the Tualatin-Sherwood industrial and manufacturing cluster to counter any negative perceptions of traffic conditions.

Lot Size and Parcelization

Development of industrial uses requires relatively large sites that may comprise multiple properties. The Tonquin Employment area includes approximately 300 acres in 28 separate lots. Ownership of land in the area is held by 21 property owners.³

Currently, both plan areas in Sherwood and Tualatin are designated as industrial lands by Title 4 of Metro's Urban Growth Management Functional Plan. Title 4 requires that land divisions into lots less than 50 acres be limited in areas designated for industrial uses.

In addition to the Metro designations to protect the plan area from conversion to non-industrial use and to protect large parcels, both communities have also adopted development code provisions to implement comprehensive plan policies limiting the uses and land divisions in these planning areas. Sherwood's Employment Industrial Zone requires new industrial sites to have a minimum area of three acres (with minor exceptions for selected commercial uses and existing lots of record), while the site over 50 acres has restrictions limiting the ability to subdivide into smaller parcels.

Washington County has zoned the TEA properties Future Development 20 Acre (FD20), protecting the areas from land division smaller than 20 acre parcels and limiting new uses on these future development lands.

With these protections in place, it is unlikely that land divisions would be allowed if they resulted in parcel sizes smaller than 20 acres prior to annexation. Without a regional funding source to purchase properties as they come on the market, the question about how to aggregate some of the parcels into larger tracts is a more difficult question. There are some solutions that could be utilized. For instance, Multnomah County is exploring a policy that would require aggregation of parcels under common ownership as a condition of development approval. A possible variation of this policy could be utilized in the TEA and applied as a condition of annexation for properties under common ownership.

A more common tool used in areas with multiple small parcels and multiple owners is a collective agreement among property owners. These collective agreements would most likely be initiated by property owners wishing to sell their properties for development, but could be facilitated by the Cities through public information and outreach.

³ Property ownership is counted as a distinct owner name for the each of the parcels. In some cases, a company or person may own property under different corporate names and the actual number of owners may be less than is listed here.

Urban renewal agencies can be effective mechanisms to stimulate development because they can purchase multiple properties from different owners and aggregate parcels to create larger development sites from smaller lots. We recommend that the City explore creation of an urban renewal district (or a combined district encompassing areas from both Sherwood and Tualatin) as a means to aggregate property while at the same time providing a means to fund infrastructure and transportation improvements.

Recommendations:

- Continue to implement measures to preserve large lots and explore options to aggregate parcels as purchase opportunities arise.
- Consider a policy that would require aggregation of parcels under common ownership as a condition of annexation.
- Encourage property owners in the same Development Node (illustrated in Chapter 5) to set up collective agreements regarding the sale and development of their properties.
- Explore creation of an urban renewal district (or a combined district encompassing areas from both Sherwood and Tualatin) as a means to aggregate property and fund infrastructure and transportation improvements.

Branding and Marketing

The TEA and SWCP area are under the jurisdiction of two different Cities, each of which has different resources available to promote development. The individual names for each City's planning area may send the message to potential employers that the Cities have different objectives or are competing with each other. In recognition of the shared market, Sherwood and Tualatin are collaborating in this project and in other efforts to attract employers. Jointly-led branding and marketing efforts using a common name would help to better define the area for employers and developers (full discussion of the recommended branding and marketing approach is found in Chapter 6).

Recommendation:

- Establish a Memorandum of Understanding or Intergovernmental Agreement with the City of Tualatin to perform cooperative marketing efforts.

Transportation and Infrastructure Construction

As illustrated in the 2010 TEA Concept Plan and 2010 SWCP, development of the study area is contingent upon construction of a significant roadway and infrastructure network. The high costs and long timeframes to construct the improvements creates uncertainty which acts as a deterrent to development. Completion of transportation and utility infrastructure projects to bring urban services to sites will help make both the TEA and SWCP competitive with other industrial areas which already have services in place. In Chapter 5, we have proposed discrete Development Nodes in Sherwood and Tualatin that are likely to develop around the same time. For each Node, we have estimated the costs of associated projects so that they can be constructed and financed in manageable pieces (see Chapter 5 and Appendix 5).

Recommendations:

- Identify and construct key projects to open up the development potential of the area (see the proposed list of projects in Chapter 5).
- Facilitate build-out of the TEA in an incremental or phased manner, whereby development on one portion opens up the possibility of development on a neighboring portion.
- Ensure that the projects associated with each phase are included in the applicable capital improvement plans in the correct sequence to ensure needed infrastructure is in place at the appropriate time.
- Pursue a wide variety of financing options such as urban renewal districts, local improvement districts, system development charges (SDCs), grant funding, and public-private partnerships (see Chapter 5).

Additional Policy Questions

In addition to the recommendations outlined above pertaining to specific barriers, there are also a number of policy questions that the two Cities should consider:

- Whether industrial design standards are beneficial (by ensuring quality building and site appearance) or counterproductive (by deterring potential employers);
- The levels and types of financial incentives (e.g., Enterprise Zone tax abatement or development fee waivers) that the jurisdictions may consider providing to potential employers; or
- Special development review processes for the TEA and SWCP (e.g., fast-track land use application review if certain criteria are met).

Investigation of these questions is beyond the scope of this project, but these and other policy issues would be valuable to examine as Sherwood and Tualatin implement measures to spur development.

5. IMPLEMENTATION PLAN

This chapter describes the proposed refinements to the conceptual road layout and summarizes the anticipated transportation and infrastructure costs associated with build-out of multiple Development Nodes comprising several phases throughout the TEA and the SWCP area. Key projects and financing tool options are outlined as well.

Refined Roadway Alignments

Prior concept planning efforts for the TEA and the SWCP identified the need for construction of SW 124th Avenue (portions of which are scheduled to begin shortly) and an east-west collector street that would roughly parallel Tualatin-Sherwood Road. This project builds upon that notion by maintaining the primary roadway corridors, but refines the alignment of the east-west connector route (Blake Road) to minimize impacts to wetlands and to cross the electrical transmission corridors as perpendicular as possible to avoid the tower locations (see Figure 17). As a result of these refinements, the proposed roadway is offset at 120th Avenue to avoid wetlands rather than maintaining a continuous alignment from the west end of the TEA at Oregon Street in Sherwood to the east end at 115th Avenue in Tualatin. Note that the proposed refinements to the street network are essentially concept-plan level alignments that have not been fully engineered; additional refinement would take place in conjunction with future development plans and generation of roadway construction plans. Consistent with the TEA Concept Plan, the roadway alignment still preserves the two largest development parcels by ensuring that the street does not interfere with preservation of large lots.

Phased Development

Due to the large size of the study area, it is highly unlikely that the entire area would develop at one time. As a result, development is anticipated to occur in phases.

Development Nodes

The TEA Concept Plan divided the TEA into two general areas, one north and one south of the east-west collector street, the thought process being that the northern portion would develop first and the southern portion would develop second (note that the southern portion was further divided into three subareas). The Implementation Plan recommended in this report builds on this approach by dividing the TEA and the SWCP into 17 Development Nodes, with Nodes A through F for Sherwood and nodes G through Q for Tualatin. The Development Node boundaries were selected based on roadway alignments, property line locations, and separation of the largest parcel into two portions based on the likely sequence of development from north to south within that parcel. Given that the final roadway alignment will be established with future development, the Node boundaries are not precise and are subject to change as development occurs in the future, which would alter the location of utility corridors as well. Furthermore, the boundaries are not meant to denote any regulatory requirements affecting site development.

There are a few constrained areas generally not suitable for the type of industrial development envisioned by the City of Sherwood for the TEA. These areas have been excluded from the Development Nodes and identified as areas requiring further policy discussion. These areas include the City of Tualatin’s water reservoir parcel (since the property is already committed to utility usage) and property on Oregon Street between Blake Road and Dahlke Lane (due to the multiple power line encumbrances and limited remaining site area). It may be possible to utilize some of this land for non-industrial purposes such as open space, but full determination of potential future uses is beyond the scope of this project.

For each development node, Mackenzie computed the net developable area by subtracting roadway and utility corridors, wetland areas, areas with significant natural slopes, electrical transmission corridors, and the Kinder Morgan petroleum pipeline.

Table 3 indicates the gross area and net developable area for each node within the TEA. Overall, of the 285 acres in Development Nodes A through F, around 70% (199 acres) is classified as developable.

Table 3: Gross and Net Developable Area per Development Node

GROSS AND NET DEVELOPABLE AREA PER DEVELOPMENT NODE			
Development Node ID	Gross Acreage	Net Developable Acreage	Developable Percentage
A	37	24	66%
B	20	18	91%
C	52	48	94%
D	74	45	60%
E	47	40	85%
F	56	24	43%
Total*	285	199	70%

** Note: The total area of the TEA is approximately 300 acres. Development Nodes A through F exclude the constrained areas requiring further discussion and policy guidance illustrated in the Implementation Plan map.*

Based on the net developable acreage in Table 3, using an assumed Floor Area Ratio (FAR) of 0.30, the TEA has capacity for nearly 2.6 million square feet of developable industrial space.

Development Phases and Associated Infrastructure and Transportation Project Costs

The 17 Development Nodes identified in the TEA and the SWCP were further classified into Phases 1 through 3 for Sherwood and Phases 1 through 4 for Tualatin depending on the likely sequence of development throughout the study area (see Figure 18). Each Node would construct its associated transportation network and utility infrastructure to serve the Node itself while providing sufficient capacity for future Nodes. Phase 1 is anticipated to develop first due to the proximity of Development Nodes C and E in Sherwood and Node G in Tualatin to existing transportation and utility infrastructure in Tualatin-Sherwood Road and Oregon Street. Development in subsequent phases is anticipated to expand outward from Phase 1 by making use of the transportation and utility infrastructure constructed in previous phases.

Appendix 5 details the transportation and infrastructure projects for each Development Node throughout the TEA and SWCP, together with their associated costs. The projects specific to the Tonquin Employment Area are listed in Table 4 through Table 9.

The phase assignments are meant to indicate the expected sequence of development rather than imposing any regulatory requirements; this allows the possibility for specific Development Nodes or properties within the Nodes to develop sooner or later than projected depending on site-specific conditions. Each phase would take several years to fully develop. While there is likely to be some overlap between phases, to a large extent the phases would be sequential since subsequent phases rely on infrastructure constructed in prior phases. As shown in Figure 19, the consultant team estimates that Phase 1 may take up to 14 years to build out; Phase 2 may take up to eight years to build out; and Phase 3 may take up to four years to build out. These estimates were based on assumptions that the Sherwood properties would capture a graduated scale of projected growth at 20% to 30% over the first ten years and 45% to 55% over the subsequent 15 years. Market absorption is assumed to speed up in the back half of the forecast as land is assumed to be increasingly scarce in Tualatin.

Nodes/Phase	Year																												
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25				
PHASE 1 (C, E)	█																												
PHASE 2 (9A, D)															█	█	█	█	█	█	█								
PHASE 3 (B, F)																						█	█	█	█				

SOURCE: Johnson Economics

Figure 19: Approximate Development Timeframes per Phase

Transportation Project Costs

To estimate transportation project costs, Mackenzie assigned each transportation improvement to the earliest phased project for which it is needed (to avoid double-counting costs for improvements in the area). Costs are included when off-site right-of-way is needed for a transportation improvement, even if development of a later phase would also have required the improvement. Lump sum costs are provided for items such as traffic signals, culverts, and roundabouts.

Table 4 lists the transportation projects and associated costs per Development Node within the Tonquin Employment Area. The Phase 1 costs are \$5.35 million; the Phase 2 costs are \$4.79 million, and the Phase 3 costs are \$3.97 million, for a grand total of \$14.11 million.

Table 4: Transportation Costs per Development Node and Phase

Node ID	Transportation Project	Project Cost
Phase 1		
C	Frontage improvements along Oregon Street	\$176,000
	3-lane full street improvements along Blake Road	\$680,000
	3-lane half street improvements along Blake Road	\$963,200
	3-lane half street improvements along Tonquin Court	\$476,000
	ROW from adjacent parcels	\$86,140
	Roundabout at Blake/Oregon St intersection	\$750,000
Node C subtotal		\$3,131,340
E	5-lane half street improvements along SW Tualatin-Sherwood Road	\$1,386,000
	5-lane half street improvements along SW 124th Avenue	\$833,000
Node E subtotal		\$2,219,000
<i>Phase 1 total</i>		<i>\$5,350,340</i>
Phase 2		
A	Frontage improvements along Oregon Street	\$154,000
	3-lane half street improvements along Tonquin Court	\$1,534,400
Node A subtotal		\$1,688,400
D	5-lane half street improvements along SW 124th Avenue	\$343,000
	3-lane half street improvements along Blake Road	\$2,044,000
	3-lane half street improvements along SW Dahlke Lane	\$711,200
Node D subtotal		\$3,098,200
<i>Phase 2 total</i>		<i>\$4,786,600</i>
Phase 3		
B	3-lane half street improvements along Tonquin Court	\$1,890,000
Node B subtotal		\$1,890,000
F	3-lane half street improvements along Blake Road	\$1,288,000
	3-lane half street improvements along Blake Road	\$140,000
	5-lane half street improvements along SW 124th Avenue	\$651,000
Node F subtotal		\$2,079,000
<i>Phase 3 total</i>		<i>\$3,969,000</i>
Grand total		\$14,105,940

Water Project Costs

To estimate water project costs, Mackenzie assigned each water improvement to the earliest phased project for which it is needed (to avoid double-counting costs for improvements in the area). In general, development phasing is assumed to progress outward from existing service boundaries and in conjunction with the transportation network. Costs assume standard construction techniques for the water system, based on linear foot estimates for the piping improvements. Lump sum costs are provided for large projects such as reservoirs.

Table 5 lists the water infrastructure projects and associated costs per Development Node within the Tonquin Employment Area. The Phase 1 costs are \$0.87 million; the Phase 2 costs are \$2.11 million, and the Phase 3 costs are \$2.41 million, for a grand total of \$5.39 million. An illustration of the Water Plan is included in Figure 20.

Table 5: Water Infrastructure Costs per Development Node and Phase

Node ID	Water Project	Project Cost
Phase 1		
C	Construct 12" water line from Oregon Street to end of Blake Road	\$396,000
	Construct 10" water line from Blake Road to southwest corner of plan area	\$229,500
Node C subtotal		\$625,500
E	Construct 12" water line from Cipole Road to the node south boundary	\$243,000
Node E subtotal		\$243,000
<i>Phase 1 total</i>		<i>\$868,500</i>
Phase 2		
A	Construct 10" water line within Tonquin Court along the node north frontage	\$360,000
	Upgrade Willamette River Water Treatment Plant (WRWTP) capacity to 15 MGD (costs split between Nodes A & D)	\$500,000
Node A subtotal		\$860,000
D	Construct 10" water line from Dahlke Lane to 124th Avenue along the node north boundary	\$472,500
	Construct 12" water line within 124th Avenue along the node east frontage	\$81,000
	Construct 10" water line through the site	\$195,000
	Upgrade WRWTP capacity to 15 MGD (costs split between Nodes A & D)	\$500,000
Node D subtotal		\$1,248,500
<i>Phase 2 total</i>		<i>\$2,108,500</i>
Phase 3		
B	Construct 10" water line from Tonquin Court to the node north frontage	\$105,000
	Expand WRWTP treatment and expand Sherwood share (costs split between Nodes B & F)	\$950,000
Node B subtotal		\$1,055,000
F	Construct 12" water line within Blake Road along the node north frontage	\$405,000
	Expand WRWTP treatment and expand Sherwood share (costs split between Nodes B & F)	\$950,000
Node F subtotal		\$1,355,000
<i>Phase 3 total</i>		<i>\$2,410,000</i>
Grand total		\$5,387,000

SHERWOOD TONQUIN EMPLOYMENT AREA AND SW TUALATIN WATER PLAN

Washington County, OR

FIGURE 20

LEGEND:

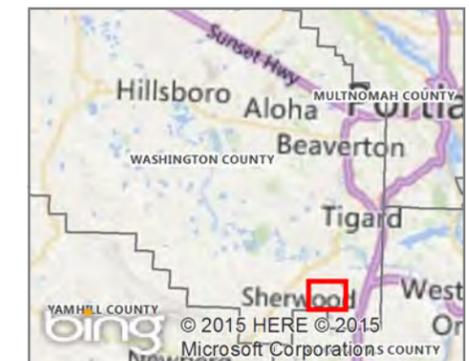
- SHERWOOD-TUALATIN
JOINT PLAN
AREA BOUNDARY
- PHASE 1
- PHASE 2
- PHASE 3
- PHASE 4
- CONSTRAINED AREAS
REQUIRING FURTHER
DISCUSSION AND
POLICY GUIDANCE
- PROPOSED REFINED
ROAD ALIGNMENTS
- WETLANDS AND
50 FOOT BUFFER
- EXISTING WATER LINE
- CURRENTLY ADOPTED
WATER LINE
- PROPOSED WATER LINE
- DEVELOPMENT NODE
- STORAGE RESERVOIR

0 400 800 1,600 Feet

1 inch = 800 feet

SOURCE DATA: Metro RLIS Lite Base Data, Nov 2014
GEOGRAPHIC PROJECTION: NAD 83 HARN, Oregon North Lambert Conformal Conic

Date: 6/4/2015 Map Created By: GF
File: TEA_SWCP_WaterPlan Project No: 2130069.04



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Sewer Project Costs

To estimate sewer project costs, Mackenzie assigned each sewer improvement to the earliest phased project for which it is needed. In general, development phasing is assumed to progress outward from existing service boundaries. Costs assume standard construction techniques for the sewer system, based on linear foot estimates for the piping improvements. Lump sum costs are provided for large projects such as pump stations.

Table 6 lists the sewer infrastructure projects and associated costs per Development Node within the Tonquin Employment Area. The Phase 1 costs are \$0.98 million, the Phase 2 costs are \$0.70 million, and the Phase 3 costs are zero (since required infrastructure would have been constructed in prior phases), for a grand total of \$1.67 million. An illustration of the Sewer Plan is included in Figure 21.

Table 6: Sewer Infrastructure Costs per Development Node and Phase

Node ID	Sewer Project	Project Cost
Phase 1		
C	Construct 15" sewer line from Oregon Street to end of Blake Road	\$550,000
	Construct 10" sewer line within Tonquin Court along the node frontage	\$162,000
Node C subtotal		\$712,000
E	Construct 12" sewer line through the node to the southern boundary	\$264,000
Node E subtotal		\$264,000
Phase 1 total		\$976,000
Phase 2		
A	Construct 10" sewer in Tonquin Court along node north frontage	\$270,000
Node A subtotal		\$270,000
D	Construct 15" sewer line in Blake Road along node south frontage	\$425,000
Node D subtotal		\$425,000
Phase 2 total		\$695,000
Phase 3		
B	N/A	\$0
Node B subtotal		\$0
F	N/A	\$0
Node F subtotal		\$0
Phase 3 total		\$0
Grand total		\$1,671,000

SHERWOOD TONQUIN EMPLOYMENT AREA AND SW TUALATIN SEWER PLAN

Washington County, OR

FIGURE 21

LEGEND:

- SHERWOOD-TUALATIN
JOINT PLAN
AREA BOUNDARY
- PHASE 1
- PHASE 2
- PHASE 3
- PHASE 4
- CONSTRAINED AREAS
REQUIRING FURTHER
DISCUSSION AND
POLICY GUIDANCE
- PROPOSED REFINED
ROAD ALIGNMENTS
- WETLANDS AND
50 FOOT BUFFER
- EXISTING SEWER LINE
- CURRENTLY ADOPTED
SEWER LINE
- PROPOSED SEWER LINE
- PROPOSED SEWER
FORCE MAIN
- DEVELOPMENT NODE
- PUMP STATION

0 400 800 1,600 Feet



1 inch = 800 feet

SOURCE DATA:
Metro RLIS Lite Base Data,
Nov 2014

GEOGRAPHIC PROJECTION:
NAD 83 HARN, Oregon North
Lambert Conformal Conic

Date: 6/4/2015 Map Created By: GF
File: TEA_SWCP_SewerPlan Project No: 2130069.04



SW TONQUIN RD.

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Storm Project Costs

To estimate storm drainage project costs, Mackenzie assigned each storm improvement to the earliest phased project for which it is needed (to avoid double-counting costs for improvements in the area). In general, development phasing is assumed to progress outward from existing service boundaries and in conjunction with the transportation network. Costs assume standard construction techniques for the storm system, based on linear foot estimates for the piping improvements. Lump sum costs are provided for large projects such as treatment facilities. Treatment facilities have been sized based on current Clean Water Services water quality and detention requirements.

To manage stormwater effectively, we propose locating storm facilities along existing drainage ways to achieve channel improvements while meeting runoff treatment goals. Additionally, we propose utilizing regional facilities to consolidate stormwater treatment areas to a few high-quality improvements rather than relying on individual property owner facilities.

Table 7 lists the storm infrastructure projects and associated costs per Development Node within the Tonquin Employment Area. The Phase 1 costs are \$1.03 million, the Phase 2 costs are \$0.44 million, and the Phase 3 costs are \$0.43 million, for a grand total of \$1.90 million. An illustration of the Storm Plan is included in Figure 22.

Table 7: Storm Infrastructure Costs per Development Node and Phase

Node ID	Storm Project	Project Cost
<i>Phase 1</i>		
C	Construct 18" storm line from node south to Tonquin Road (through Nodes B and C)	\$280,000
	Construct 2.25-acre regional treatment facility	\$337,500
Node C subtotal		\$617,500
E	Construct 18" storm line through site	\$260,000
	Construct 1.0-acre regional treatment facility	\$150,000
Node E subtotal		\$410,000
<i>Phase 1 total</i>		<i>\$1,027,500</i>
<i>Phase 2</i>		
A	N/A	\$0
Node A subtotal		\$0
D	Construct 18" storm line within Blake Road along node southwest frontage	\$290,000
	Construct 1.0-acre regional treatment facility	\$150,000
Node D subtotal		\$440,000
<i>Phase 2 total</i>		<i>\$440,000</i>
<i>Phase 3</i>		
B	N/A	\$0
Node B subtotal		\$0
F	Construct 18" storm line within Blake Road along node northwest and southwest frontages	\$320,000
	Construct 0.75-acre treatment facility adjacent to wetlands	\$112,500
Node F subtotal		\$432,500
<i>Phase 3 total</i>		<i>\$432,500</i>
Grand total		\$1,900,000

SHERWOOD TONQUIN EMPLOYMENT AREA AND SW TUALATIN STORM PLAN

Washington County, OR

FIGURE 22

LEGEND:

- SHERWOOD-TUALATIN JOINT PLAN AREA BOUNDARY
- PHASE 1
- PHASE 2
- PHASE 3
- PHASE 4
- CONSTRAINED AREAS REQUIRING FURTHER DISCUSSION AND POLICY GUIDANCE
- PROPOSED REFINED ROAD ALIGNMENTS
- WETLANDS AND 50 FOOT BUFFER
- EXISTING STORM LINE
- CURRENTLY ADOPTED STORM LINE
- PROPOSED STORM LINE
- DEVELOPMENT NODE
- REGIONAL STORM TREATMENT FACILITY

0 400 800 1,600 Feet



1 inch = 800 feet

SOURCE DATA:
Metro RLIS Lite Base Data,
Nov 2014

GEOGRAPHIC PROJECTION:
NAD 83 HARN, Oregon North
Lambert Conformal Conic

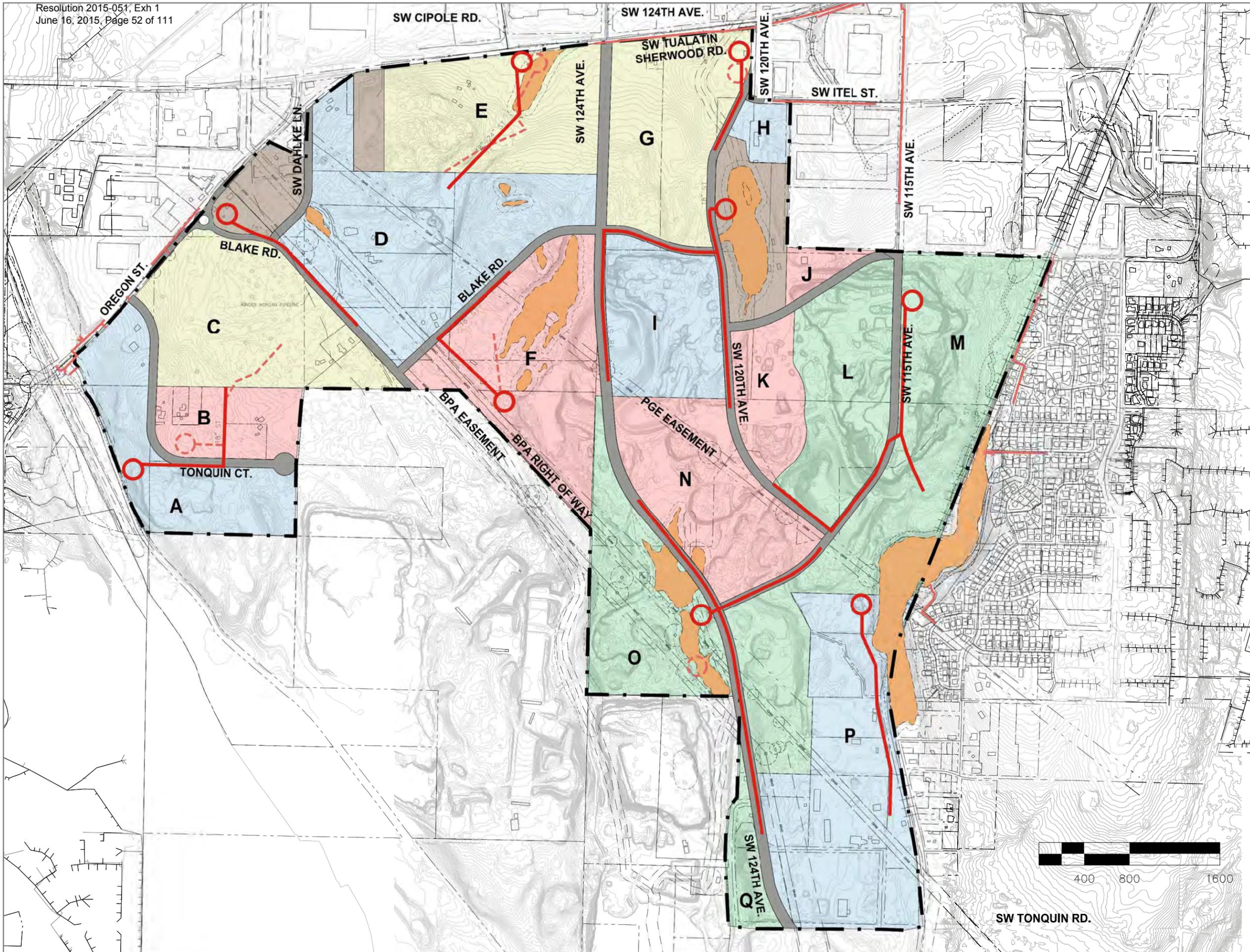
Date: 6/4/2015 Map Created By: GF
File: TEA_SWCP_StormPlan Project No: 2130069.04



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Summary of Project Costs

Table 8 summarizes the transportation, water, sewer, and storm project costs identified in Table 4 through Table 7. The combined cost for Phase 1 is \$8.22 million; the combined cost for Phase 2 is \$8.03 million, and the combined cost for Phase 3 is \$6.81 million, for a total cost of \$23.06 million for all phases.

Table 8: Summary of Project Costs per Development Node and Phase

Node ID	Transportation	Water	Sewer	Storm	Total
Phase 1					
C	\$3,131,340	\$625,500	\$712,000	\$617,500	\$5,086,340
E	\$2,219,000	\$243,000	\$264,000	\$410,000	\$3,136,000
<i>Phase 1 total</i>	<i>\$5,350,340</i>	<i>\$868,500</i>	<i>\$976,000</i>	<i>\$1,027,500</i>	<i>\$8,222,340</i>
Phase 2					
A	\$1,688,400	\$860,000	\$270,000	\$0	\$2,818,400
D	\$3,098,200	\$1,248,500	\$425,000	\$440,000	\$5,211,700
<i>Phase 2 total</i>	<i>\$4,786,600</i>	<i>\$2,108,500</i>	<i>\$695,000</i>	<i>\$440,000</i>	<i>\$8,030,100</i>
Phase 3					
B	\$1,890,000	\$1,055,000	\$0	\$0	\$2,945,000
F	\$2,079,000	\$1,355,000	\$0	\$432,500	\$3,866,500
<i>Phase 3 total</i>	<i>\$3,969,000</i>	<i>\$2,410,000</i>	<i>\$0</i>	<i>\$432,500</i>	<i>\$6,811,500</i>
Grand total	\$14,105,940	\$5,387,000	\$1,671,000	\$1,900,000	\$23,063,940

Table 9 compares the total project costs from Table 8 with the net developable area identified in Table 3 to compute the cost per net developable acre. Within the TEA, the project cost per developable acre increases from \$93,000 in Phase 1 to \$116,000 in Phase 2 to \$164,000 in Phase 3. The average cost across the entire Tonquin Employment Area is \$116,000 per developable acre.

Table 9: Project Costs per Developable Acre and Phase

Node ID	Total Project Costs	Developable Area (acres)	Project Cost per Developable Acre
Phase 1			
C	\$5,086,340	48	\$105,000
E	\$3,136,000	40	\$79,000
<i>Phase 1 total</i>	<i>\$8,222,340</i>	<i>88</i>	<i>\$93,000</i>
Phase 2			
A	\$2,818,400	24	\$116,000
D	\$5,211,700	45	\$117,000
<i>Phase 2 total</i>	<i>\$8,030,100</i>	<i>69</i>	<i>\$116,000</i>
Phase 3			
B	\$2,945,000	18	\$165,000
F	\$3,866,500	24	\$162,000
<i>Phase 3 total</i>	<i>\$6,811,500</i>	<i>42</i>	<i>\$164,000</i>
Grand total	\$23,063,940	199	\$116,000

Key Projects

As referenced in Chapter 4, completion of key transportation and infrastructure projects would help “unlock” growth and facilitate build-out of the area. Following is a list of key transportation, water, sewer, and storm projects for the TEA and SWCP, some of which span multiple Development Nodes and phases:

Transportation

- Completion of SW 124th Avenue (including possible future connection to I-5)
- Widening Tualatin-Sherwood Road to a five-lane section
- Construction of Blake Road between Oregon Street and 120th Avenue

Water

- Expansion of Sherwood supply share of Willamette River Water Treatment Plant (WRWTP)
- Blake Road water line extension
- 16" extension from Tualatin reservoirs to 124th Avenue
- Tualatin reservoirs R2/R3 (will likely support Basalt Creek development as well)

Sewer

- Blake Road sewer main
- 120th Avenue sewer main

Storm

- Regional facilities: Tonquin Road, Orr property, and wetland area near Iteel Street
- Storm lines in Blake Road and 120th Avenue

Financing Tools

The discussion below highlights several different financing tools that can be used to fund construction of infrastructure projects within the TEA.

System Development Charges (SDCs)

SDCs are fees assessed on new development or for changes to higher uses. SDCs are collected to mitigate a project's impact on public infrastructure and facilities. This analysis considers potential revenue sources for water, sewer, and stormwater, and transportation.

Water SDC

Development within the TEA will generate on-going water SDC revenues as development occurs. In Sherwood, the water SDC ranges from \$6,725 for a ¾" meter to \$605,382 for an 8" line. This analysis does not make an assumption of the number of meters development would require in the TEA. However, as major industrial uses are assumed, the infrastructure analysis does assume water demand at the upper end of the meter size range.

Sanitary Sewer SDC

Sewer SDCs are levied on industrial development based on estimates of usage at the time of development. Connection fees for industrial development vary by estimated usage, which was not estimated as a component of this analysis. The Sherwood reimbursement charge is currently \$0.094 with the improvement charge at \$0.27. Clean Water Services regional connection charge is \$4,900 per dwelling unit equivalent.

Stormwater SDC

Stormwater SDCs are levied by Sherwood and Clean Water Services on new development for water quantity, quality, and regional stormwater drainage. Stormwater SDCs are based on area of impervious surface of development. Based on the development build-out estimates in our analysis, stormwater SDCs would total as much as \$1.6 million at today's SDC rates, as shown in Table 10.

Table 10: Estimate of Stormwater SDCs per Development Node

Development Node	Net-Developable Acres	Impervious Area (Sq. Ft.) ¹	Stormwater SDC			
			Quantity	Quality	Drainage	TOTAL
A	24.38	849,594	\$88,499	\$72,409	\$39,081	\$199,989
B	17.8	620,294	\$64,614	\$52,866	\$28,534	\$146,014
C	48.48	1,689,431	\$175,982	\$143,986	\$77,714	\$397,682
D	44.73	1,558,751	\$162,370	\$132,848	\$71,703	\$366,921
E	39.5	1,376,496	\$143,385	\$117,315	\$63,319	\$324,019
F	23.84	830,776	\$86,539	\$70,805	\$38,216	\$195,560
TOTAL:	198.73	6,925,343	\$721,390	\$590,228	\$318,566	\$1,630,184

¹ Assumes 80% of net developable area

SOURCE: City of Sherwood, Johnson Economics

Transportation SDC

New development in Sherwood is subject to transportation SDCs at the local and county level. The Washington County Transportation Development Tax (TDT) is assessed on new development across a range of development forms. The TDT is collected at the county level and

distributed to Cities for capital improvements designed to accommodate growth. The Sherwood transportation SDC is similarly assessed on new development based on square footage of development as a proxy for trip generation. Based on the development build-out estimates in this analysis, TDT revenues would range from \$8.2 to \$14.9 million with Sherwood transportation SDCs ranging from \$1.8 to \$3.3 million, depending on the character of development in the district, as shown in Table 11.

Table 11: Estimate of Transportation SDCs per Development Node

Development Node	Net-Developable Acres	Development Capacity (Sq. Ft.) ¹	TDT Revenue		Sherwood Trans. SDC		Transportation SDC Rate (per 1,000 sf)		
			Low	High	Low	High	Use	TDT	Sherwood
A	24.38	318,598	\$1,008,681	\$1,833,849	\$223,656	\$410,354	Manufacturing	\$3,166	\$702
B	17.8	232,610	\$736,445	\$1,338,905	\$163,293	\$299,602	Light Industrial	\$5,756	\$1,288
C	48.48	633,537	\$2,005,777	\$3,646,637	\$444,743	\$815,995	Warehouse	\$4,064	\$926
D	44.73	584,532	\$1,850,627	\$3,364,564	\$410,341	\$752,877			
E	39.5	516,186	\$1,634,245	\$2,971,167	\$362,363	\$664,848			
F	23.84	311,541	\$986,339	\$1,793,231	\$218,702	\$401,265			
TOTAL:	198.73	2,597,004	\$8,222,114	\$14,948,353	\$1,823,097	\$3,344,941			

¹ Assumes average Floor Area Ratio (FAR) of 0.30

SOURCE: City of Sherwood, Johnson Economics

Dilemma of Development Readiness

By practice, SDCs are periodically reviewed, revised, and calibrated by use level, with the intention that SDC revenue completely offsets infrastructure costs. While this is not always the case, it is clear that SDC revenue in the TEA is expected to go a long way towards meeting the costs associated with improving infrastructure. However, the limitation of the SDC system when new infrastructure is required is that revenue is a product of development, but raw unimproved land is not marketable. This “chicken or egg” condition is challenging for many jurisdictions that are looking for funding strategies to frontload investments to make employment areas more marketable. What follows is a list of funding mechanisms at various levels of government and enterprise that can be leveraged to facilitate infrastructure financing.

Urban Renewal/Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is a funding tool by which public projects are financed by debt borrowed against future property tax revenues within a geographic area defined by an Urban Renewal District. Property tax assessments are “frozen” in the base year that the district is established, bonds are sold to finance pre-determined public projects, and repayment of the bonds is derived out of incremental increased value created above and beyond the base year assessment. TIF is becoming an increasingly popular funding mechanism for industrial areas as infrastructure investments are directly tied to a development outcome.

Local Improvement District (LID)

A Local Improvement District (LID) is a commonly used tool to enhance shared infrastructure or amenities of a specific area. The tool has the local jurisdiction issuing tax-exempt bonds to finance projects within the district, which are repaid by a special assessment on the property owners in the district. The tool is particularly useful where property owners directly benefit from project investments, and are more easily implemented when a small number of property owners can be organized. Given the small number of property owners in the TEA, the number of infrastructure projects that could affect multiple properties, and the fact that infrastructure improvements are likely to improve site property marketability and achievable pricing, an LID is a sound candidate for consideration in the TEA.

Enterprise Zone

While not a funding mechanism, Enterprise Zones are tax abatement programs designed to enhance the marketability of a particular area or site. In an Enterprise Zone, property tax assessments are generally abated for the first three to five years of investment. The benefits to the user or developer of this tool could offset additional costs to make sites in the TEA more marketable.

Washington County Major Streets Transportation Improvement Program (MSTIP)

MSTIP uses property tax revenue to fund large-scale transportation improvement projects. Through 2018, MSTIP will have funded 130 projects totaling over \$730 million in investment. The Washington County Board of County Commissioners prioritizes projects on five-year funding cycles. This tool is currently being used to fund the 124th Avenue extension along the eastern edge of the TEA. In late 2015, Washington County will begin planning the MSTIP “3e” funding round to cover 2019 through 2023, and Tualatin-Sherwood Road widening has already been discussed as a possible project for the next round of funding.

Metro Regional Transportation Plan (RTP/MTIP)

The Metro Regional Transportation Plan, recently updated in 2014, represents the coordinated regional goals, policies, system concept plans, and funding strategies for regional transportation improvements. The plan organizes how to spend \$20 to \$22 billion in local, regional, state, and federal funding over the next 25 years to improve the safety, reliability, and economic vitality of the regional transportation network. The Metropolitan Transportation Improvement Program (MTIP) schedules the distribution of all federal and some state transportation funds in the region over a four-year period. Eligibility for MTIP results from designation on the RTP financially constrained project list. MTIP funds are administered by ODOT, TriMet, SMART, and Metro. A significant share of ODOT, TriMet, and SMART funding is commonly slated for particular project categories that are not widely applicable to employment areas. However, funds issued by Metro have more discretion and flexibility.

Metro Regional Economic Opportunity Funds

The Metro regional transportation flexible fund allocates funding to projects identified in the RTP every two years. Project and program applications are nominated by jurisdictions and/or transit agencies.

Special Public Works Fund (SPWF)

SPWF is administered through the Oregon Infrastructure Finance Authority. It provides loans for municipally-owned infrastructure that supports economic development. Loans can be used for planning, design, construction, and ROW acquisition. Some grant funds of up to \$500,000 are also administered to for projects that create traded sector jobs. Loans generally range from \$100,000 to \$10 million, with terms generally limited to the lesser of 25 years or the life of the project. Loans can be repaid from a variety of sources, including taxes, special assessments, user fees, tax increment financing in an urban renewal district, etc.

Immediate Opportunity Fund (IOF)

The Oregon IOF is a special program administered by ODOT. It was created in order to quickly process and fund transportation improvements that create or retain jobs. The program works in collaboration with Business Oregon to serve as a quick response incentive for projects with immediate economic development upside. The IOF has three levels of funding for projects:

- Type A: Specific economic development projects that affirm job retention and job creation opportunities
- Type B: Revitalization of business or industrial centers to support economic development
- Type C: Preparation of Oregon Certified Ready Industrial Sites (pending adoption of new standard, this level would also extend to Regionally Significant Industrial Sites RSIS)

Project maximums are set at \$1 million for Type A projects, \$250,000 for Type B, and \$500,000 for Type C. Grants are typically awarded to proposals offering a 50% or greater match from other local public or private sources.

Governor's Strategic Reserve Fund (SRF)

The Governor's Strategic Reserve Fund provides cash incentives in the form of a forgivable loan to businesses closing on siting decisions. This discretionary fund could be offered to firms for equipment, buy-down on land, training, or other agreed-upon expenses. The fund has been used in the past to pay for critical infrastructure improvements specific to a candidate user.

Regional Infrastructure Supporting our Economy

Regional Infrastructure Supporting our Economy (RISE) is a regional effort, currently headed by Metro and the Port of Portland, to make and facilitate investments in the Portland metropolitan region and partner with stakeholders to develop a system that optimizes the region's ability to deliver infrastructure projects. Public infrastructure projects and public-private partnership projects are both eligible for RISE investment, though implementation details have not yet been finalized by Metro and the Port.

Business Oregon Opportunity Funds

It remains unclear when/if the Business Oregon Opportunity Fund passed by the 2013 legislature will be funded. This program would reimburse local governments 50% of the costs for investments that improve the readiness of industrial sites. Reimbursement would occur upon the location of a traded sector firm on the candidate site.

Recommended Actions to Refine Financing Strategies

The following recommendations represent further actions the City could take to continue to refine infrastructure funding strategies in the TEA.

Promote Projects Widely

The City should continue to identify unfunded transportation projects with candidacy for external state and regional transportation funding. Be proactive in applying for federal, state, and regional grant funding.

Organize Property Owners

Organizing property owners to work collaboratively with the City to market and improve their sites is critically important in moving readiness of TEA sites forward. With fewer than 20 property owners, a local improvement district for shared infrastructure projects should be explored.

Sponsor Designation of Subareas as Regionally Significant Industrial Sites

Business Oregon is currently refining its program prioritization for industrial sites. The new Regionally Significant Industrial Site (RSIS) program will work collaboratively with the more marketing focused Industrial Site Certification Program. Industrial sites designated as RSIS sites will receive prioritized funding from state programs, including SPWF and IOF. The program will require landowner collaboration with a public sponsor. The City of Sherwood should strategically partner with key landowners to apply for RSIS candidacy.

Conduct an Urban Renewal Feasibility Study

It is assumed that, over time, property taxes and fees paid by new private development in the TEA should cover most of the public infrastructure investment costs. However, many typical infrastructure funding tools - for instance, system development charges and capital improvement programming - will not be timely enough for the upfront costs associated with developing a new employment area. Infrastructure funding is needed as part of preparing the area for development readiness and business recruitment. Our experience with the region's targeted industries/employers suggests they are not likely to commit to developing in an area like the TEA until the City can assure them the necessary infrastructure can be built in coordination with tight development schedules. In recent years, Urban Renewal has become an increasingly utilized tool for bridging this financial gap. The feasibility of Industrial Urban Renewal Areas of this type is currently being studied in North Hillsboro and Wilsonville's Coffee Creek Industrial Area.

6. MARKETING STRATEGY AND PROSPECTUS

This chapter provides recommendations for developing a marketing strategy for the combined Tonquin Employment Area and the Southwest Tualatin Concept Plan area. A marketing prospectus for the TEA is included in Appendix 7.

Targeted Marketing Strategy

Marketing a regional plan should be a strategic and targeted outreach. In addition to the business recruitment and visioning efforts by both Cities for the TEA and SWCP area, there are numerous other groups within the region and statewide with a common goal of connecting end users with available lands. The real estate brokerage community is most commonly tasked with marketing property to end users and plays an important role in the region's success by actively marketing specific properties to developers and businesses. On a broader scale, economic development agencies market a community's unique attributes in an effort to recruit new industries to a region, retain existing businesses in the community, and promote expansion of existing businesses. The economic development efforts balance out the site-specific efforts of real estate brokers by providing more community- or regionally-scaled marketing efforts.

Based on the work done by the two Cities, the communities have established a vision for economic development in the TEA and SWCP area. The next step should be to engage economic development partners in the region to move the vision into a recruitment strategy. Some key partners that provide economic development and recruitment in the region are:

- Sherwood Chamber of Commerce, Community Affairs Committee
- Tualatin Chamber of Commerce, Business Advocacy Council
- The Westside Economic Alliance
- Greater Portland Inc.
- Business Oregon

These partners (and others) can provide different levels of support in marketing the TEA and SWCP area and should be included in the initial development of the marketing strategy.

In addition to these economic development partners, there is also a need to identify less formal opportunities for marketing. In many cases, local land development companies and their supporting companies can be a valuable resource in business recruitment through their connections with end users and businesses.

The most effective marketing avenue is directly to targeted industries through personal connections. These connections can be formed through industry trade shows, introductions from existing business contacts in the communities, and introductions through economic development partners.

Based on the market potential of the TEA and SWCP area and the needed public improvements, it is too early to commence specific marketing efforts for the area. Rather, the cities should implement a "Go to Market" strategy. The most notable need is to develop a defined identity (a "brand") that can be marketed.

The "Go to Market" Strategy

The marketing for the Sherwood Tonquin Employment Area and Southwest Tualatin Concept Plan area should feature two distinct and separate phases. The first phase should encompass activities that generally raise awareness about the value proposition of the area as a whole and

improve the Cities' abilities to develop information about targeted marketing prospects. Given that significant transportation and infrastructure improvements are required for development within the TEA, we recommend that the Cities focus on near-term activities before investing in direct marketing and outreach. These activities could include:

- Branding.
- Developing relationships with regional partners to leverage regional recruitment and information development resources and to maintain consistent outward facing/third party exposure. Examples include Business Oregon, Greater Portland Inc., the brokerage community, and other intermediaries.
- Encouraging strategic property owners to apply to the Oregon Site Certification Program/RSIS program.
- Developing a consistent site prospectus for each site and distribute through third-party resource such as Oregon Prospector or CoStar (see example in Appendix 7).
- Developing targeted industry profiles for each economic opportunity segment (similar to Tualatin's 2014 Economic Development Strategic Plan).
- Establishing the groundwork for monitoring and gathering information about specific targeted industries. Examples include tracking industry trends, monitoring major investment decisions/announcements, and maintaining regular interaction with industry leaders in the community.

The second phase should encompass activities that are more direct marketing and promotion activities. These activities would most likely include:

- Attendance at specific and targeted trade shows.
- Participation in regionally coordinated site selector events when applicable.
- Consideration of funding professional support for site selection consulting services.
- Direct promotion of the area through contact with specific companies.

Branding the Vision

To unify efforts among all regional economic development partners, the first priority is to establish a shared identity for the TEA and the SWCP area. Currently both communities have developed independent concept plans to define the community vision. The research from this project has revealed that although the area includes properties in the urban growth boundaries for two different cities, for business development efforts, both the TEA and SWCP are part of one common market. We recommend that the two Cities work collaboratively to highlight the opportunities for industrial development in their shared market. Developing an intergovernmental agreement or memorandum of understanding would enumerate the ways both Cities can work together while defining ways where each City would continue to work independently.

By developing a shared brand for the Tonquin Employment Area and the Southwest Tualatin Concept Plan area, the Cities can help shape the perceptions of potential employers and also provide the public an identifiable concept to support when evaluating potential bond measures or other financing tools. Members of the public seek out and support meaningful brands that demonstrate care for the community, that do not cause harm to the earth, and that benefit the future of their community.

This is the time to establish the brand umbrella so that the marketing strategies are deliberate and targeted and also use public resources wisely and allow for leveraging resources of community economic development partners.

To properly brand, we recommend that the Cities start with developing words that describe the unique attributes of the area, and then proceed through the following steps before developing graphics:

- Arrive at consensus on a brief purpose statement.
- Agree on core values/vision (e.g., enhancing the community through development that results in jobs for residents).
- Determine the mission and measureable goals for milestones to monitor progress and successes in achieving the mission.
- Name the subarea with a unique and identifiable name that allows quick identification of this area and is easily recognizable.

Once the brand has been established, then it is timely to develop specific marketing materials because they will build on an established framework and a consistent strategy.

Development of Targeted Marketing Materials

Once the brand has been defined, the next step is to promote the brand to spread knowledge about the area and begin to build awareness. One of the items increasingly important in our electronic age is to develop a web presence for the brand. Many site selectors and real estate professionals use web research as an initial screen for site attributes and availability. This web presence can be enhanced by including web addresses on community partners' web pages, and through links from other economic development and business recruitment agencies. Business Oregon's Prospector website would be a great resource for listing sites in the subarea. This web site is a resource for site selectors and industry professionals seeking information on available sites.

To amplify the effectiveness of listing on the Oregon Prospector website, participation in the Business Oregon Site Certification Program would also increase exposure for key development sites in the subarea. We would recommend applying for certification for sites following annexation and determination of a definite timeframe to construct improvements. Business Oregon's Site Certification Program is a nationally respected designation for sites ready for construction in six months or less. The ability to demonstrate a development timeline that is market responsive is a key attribute to site selectors and industry professionals.

Development of printed materials for distribution to targeted industries is also a key part of marketing and building brand awareness. The marketing prospectus produced with this project (see Appendix 7) is an example of the type of printed materials that we recommend producing. Materials should highlight the key attributes of the subarea with emphasis on elements that are of particular interest to target industries. A marketing prospectus sheet should be developed for each of the target industries for use in personal meetings and distribution at trade shows.

Identifying a Team of Champions

We recommend identifying a small team of local business and civic leaders to make personal connections with companies in the target industries. Establishing a team of individuals to champion the outreach efforts allows for personal communication directly to executives and industry professionals, and allows for ease in identifying key contacts for economic development partners. Corporate executives state that one deciding factor in their site selection process can be the local welcome and expressed desire to have them be a part of the community. Direct connections with target industry representatives and decision makers is the most efficient and effective marketing strategy. The team of individuals selected to promote the TEA and SWCP

area should meet regularly to discuss leads and should also receive training from members of the team responsible for developing the branded identity.

Developing a Presentation Template

Establish key messages and standardize terminology in an adaptable slide show presentation that can be used by the champions. The presentation template would include talking points appropriate for a broad audience and would use the standardized terminology to describe the area and site elements. Using industry standard terms as much as possible to describe attributes of the site would convey the strongest meaning to the target audience. The presentation should be adaptable to a variety of groups and audiences.

This presentation should be used at regional economic development presentations. Some example groups in the region that would be excellent audiences for this presentation would be NAIOP (the Commercial Real Estate Development Association), SIOR (the Society of Industrial and Office Realtors), Greater Portland Inc., the State of Oregon Regional Solutions Team, OEDA (the Oregon Economic Development Association), and other opportunities and regional economic development conferences.

Pursuing Opportunities for Outreach to Target Industry Sectors

The identified trade sector targets include Advanced Manufacturing; Wood, Paper, Printing, and Related; and Food Processing and Distribution. The Industrial Asset Management Council is a member organization of industrial real estate professionals covering Distribution, Manufacturing, and Health and Science industry groups. Many industrial site developers and site selectors support this organization. This organization generally covers all of the target industry sectors and would provide opportunities for networking at forums and conferences.

Additionally, site selectors can provide insight into trade groups and opportunities for recruitment and expansion. Some of the key site selectors in these industry sectors include the following:

- CBRE
- DTZ/Cushman & Wakefield
- Foote Consulting Group
- Global Location Strategies
- Ginovus
- JLL
- Knight Frank Newmark
- KPMG
- New Landmark Group
- Site Selection Group
- Wadley Donovan Gutshaw Consulting

An industry group for site selectors is the Site Selectors Guild. This industry group of site selection professionals would also be a great resource for initiating personal contact with site selectors representing all of the target industries.

As an important part of the marketing strategy, these site selector and corporate real estate advisors should be included in personal contact and in targeted mailings for the industry-specific marketing materials. The initial listing of site selectors above and the site selectors' industry groups will provide the highest level of interaction with a diverse coverage of industry types.

Outreach should also include industry-specific trade groups and personal contact with existing key industry leaders in the region.

Table 12 below lists selected trade groups for key industries within the industry sectors targeted for the TEA and SWCP area.

Table 12: Key Industries and Selected Trade Groups by Target Industry Sector

KEY INDUSTRIES AND SELECTED TRADE GROUPS BY TARGET INDUSTRY SECTOR		
Industry Sector	Key Industries	Selected Trade Groups
Advanced Manufacturing	<ul style="list-style-type: none"> • Clean Room Components • Electromedical Devices • Fabricated Metals • Industrial Equipment • Metal, Machinery, & Electronic Apparatus and Equipment Wholesalers • Microelectronic components • Semiconductor Machinery 	<ul style="list-style-type: none"> • Farm Equipment Manufacturers Association • International Electronics Manufacturing Initiative • Microelectronic Packaging and Test Engineering Council • Pacific Northwest Steel Fabricators Association • Semiconductor Equipment & Materials International • Surface Mount Technology Association • Technology Association of Oregon
Wood, Paper, Printing & Related	<ul style="list-style-type: none"> • Commercial Printing • Commercial Screen Printing • Furniture Manufacturing • Lumber & Construction Material Wholesalers • Other Building Materials Manufacturing • Paper Products Manufacturing • Window & Door Manufacturing & Wholesale 	<ul style="list-style-type: none"> • Northwest Pulp and Paper Association • Oregon Forest Industries Council • Pacific Printing Industries • Window & Door Manufactures Association
Food Processing & Distribution	<ul style="list-style-type: none"> • Commercial Baking • Commercial Brewing • Dairy Product (except Dried or Canned) Merchant Wholesalers • Dairy Product Manufacturing • General Line Grocery Merchant Wholesalers • Packaged Frozen Food Merchant Wholesalers 	<ul style="list-style-type: none"> • Agri-Business Council of Oregon • The Food Alliance • Food Innovation Center • Food Processing Suppliers Association • Grocery Manufacturers Association • National Grocers Association • National Poultry and Food Distributors Association • Northwest Food Processors Association • Northwest Grocery Association • Oregon Brewers Guild • Oregon Manufacturing Extension Partnership

7. CONCLUSION AND SUMMARY OF RECOMMENDED ACTIONS

This Market Analysis, Business Recruitment Strategy, and Implementation Plan has been prepared to assist the Cities of Sherwood and Tualatin with a collaborative evaluation of their respective economic strategies for the Tonquin Employment Area and the Southwest Tualatin Concept Plan area. The assessment in Chapter 2 reveals that the target industries envisioned by the Cities are appropriate for the local economy. Chapter 3 evaluates the Sherwood land use conditions, transportation network, and infrastructure to create a baseline for Chapter 4's recommendations regarding overcoming development barriers. The implementation plan in Chapter 5 outlines the anticipated Development Nodes and phasing, estimates construction costs by Node, itemizes key projects, and lists various financing tools that could be utilized by the Cities to fund transportation and infrastructure construction. Finally, Chapter 6 confirms that the two Cities should continue to collaborate and provides a framework for branding and marketing the area.

Summary of Recommended Actions

This section reiterates the recommended actions identified through this analysis to encourage development within the TEA.

- Perform conceptual site layouts for sloped portions of the TEA to determine optimal finished ground elevations.
- Refine the Metro inventory of upland and wetland habitat conditions.
- Continue dialog with Clean Water Services regarding the effect of sensitive areas and vegetated corridors.
- Factor wetlands into road alignment and site layout decisions. Mitigate wetlands as needed.
- Consider power line and pipeline locations for site, roadway, and infrastructure layouts.
- Lay out roadways and infrastructure to maximize developable area.
- Facilitate annexation and development discussions with property owners.
- Hold policy discussions on annexation assistance, incentives, and minimum area or parcel mix for annexation.
- Construct an east-west collector street.
- Limit access points on Tualatin-Sherwood Road.
- Widen roadways in advance of or in conjunction with development.
- Coordinate with TriMet to provide transit service to the TEA.
- Preserve large lots and explore options to aggregate parcels.
- Consider parcel aggregation policies as conditions of annexation.
- Encourage property owners to collaborate on the sale and development of their properties.
- Explore creation of an urban renewal district.
- Establish an agreement with the City of Tualatin to perform cooperative marketing efforts.

- Identify and construct key transportation and infrastructure projects.
- Ensure that capital improvement plans sequence projects to facilitate phased build-out.
- Pursue a wide variety of financing options.
- Evaluate policy considerations including industrial design standards, financial incentives, and special development review processes.
- Promote projects widely.
- Organize property owners.
- Sponsor designation of subareas as regionally significant industrial sites.
- Conduct an urban renewal feasibility study.
- Implement the Targeted Marketing Strategy outlined in Chapter 6:
 - Perform branding activities
 - Develop marketing materials
 - Identify key individuals to champion outreach efforts
 - Develop a standard presentation template
 - Pursue outreach to target industry sectors

APPENDIX 1

LIST OF REFERENCES



Washington County Employment Lands

Task 4: Tualatin-Sherwood Market Analysis and Business Recruitment Strategy

Reference Documents

City of Sherwood

1. City of Sherwood Economic Development Strategy; Cogan Owens Cogan & Otak, 2007
2. Tonquin Employment Area Concept Plan: Preferred Concept Plan Report; City of Sherwood, October 2010
3. Area 48 Concept Plan: Existing Conditions Report; City of Sherwood, May 2009
4. City of Sherwood Sanitary System Master Plan; Murray, Smith, and Associates; July 2007
5. City of Sherwood Stormwater Master Plan; Murray, Smith, and Associates, June 2007
6. City of Sherwood Water System Master Plan; Murray, Smith, and Associates; August 2005
7. City of Sherwood Water System Master Plan Update; Murray, Smith, and Associates; February 2015 Draft
8. Clean Water Services Sanitary Sewer Master Plan Update, West Yost Associates, March 2009
9. City of Sherwood Transportation System Plan; City of Sherwood, June 2014
10. City of Sherwood System Development Charges: Stormwater & Sanitary Systems; FCS Group, March 2008
11. City of Sherwood Transportation System Development Charges Methodology Report and Rate Study; Don Ganer & Associates, October 2006
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13. City of Sherwood Capital Improvement Project Master Plan List, March 2015
14. City of Sherwood Zoning and Community Development Code, March 2015

City of Tualatin

1. Industry Cluster Analysis in the City of Tualatin; Johnson Economics, January 14, 2014
2. Economic Development Strategic Plan; City of Tualatin, 2014 Update
3. City of Tualatin Sewer Master Plan; CH2MHill, December 2002
4. City of Tualatin Water Master Plan; Murray, Smith, and Associates; July 2013
5. Clean Water Services Sanitary Sewer Master Plan Update; West Yost Associates, March 2009
6. Southwest Tualatin Concept Plan 2010 Update; City of Tualatin, October 2010
7. Southwest Tualatin Concept Plan Conceptual Development Plan; Group Mackenzie, May 2012
8. Tualatin Transportation System Plan Update; CH2M HILL, DKS, Angelo Planning Group, & JLA Public Involvement, February 2014
9. 124th Avenue Extension Tualatin Sherwood Rd. to Grahams Ferry Road; Washington County & David Evans and Associates, September 2014
10. City of Tualatin Development Code, March 2015

APPENDIX 2

INDUSTRY AND MARKET TRENDS ANALYSIS

Johnson Economics
April 20, 2015





MEMORANDUM

DATE: April 20, 2015

TO: Todd Johnson, Gabriela Frask
MACKENZIE

FROM: Chris Blakney
JOHNSON ECONOMICS

SUBJECT: Industry and Market Trends Analysis in Support of Concept Planning in the Sherwood Tonquin Employment Area (TEA) and Tualatin Southwest Concept Area

INTRODUCTION

JOHNSON ECONOMICS and MACKENZIE were retained by Washington County to conduct concept planning and marketing plans in the Sherwood Tonquin Employment Area (TEA) and Tualatin Southwest Concept Plan Area (collectively referred to here as “The Study Area”). The project is a collaboration between Washington County, the City of Tualatin, and the City of Sherwood. Both Tualatin and Sherwood have properties in The Study Area. JOHNSON ECONOMICS’ role in this project is to provide market input through planning process to ensure that planning efforts are responsive to market conditions.

LITERATURE REVIEW

The first task in our analysis is to conduct a literature review of existing economic development and planning materials relating to both the local economy and the Study Area sites. This section is inherently backward looking and is supplemented by an analysis of existing market and economic conditions later in this report.

The Sherwood Economy

The City of Sherwood has a small but robust economy. The 2007 Sherwood Economic Opportunities Analysis (EOA) identified 437 local businesses with roughly 4,315 employees. Major local employers identified included:

- Sherwood School District
- Allied Systems
- Target
- YMCA
- Home Depot

At the time of the analysis, the city’s population was growing at a 4.8% annual rate. Future economic and population growth, however, will be influenced by the economic strategy of the community, directed by its economic development vision statement:

The City of Sherwood will drive economic development and support businesses that provide jobs for our residents by building on our assets and developing the necessary infrastructure



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

Strengths, Weaknesses, Opportunities

The following characteristics were identified as potential factors impacting economic growth prospects in the 2007 EOA.

- The majority of Sherwood's workforce commutes outside the urban area for employment. Adequate land to support local job creation is needed.
- Adequate infrastructure, specifically sewer service has curtailed economic growth.
- Bedroom communities such as Sherwood often have trouble holding down taxes while providing quality services.
- Industrial development in Sherwood is dominated by durable goods manufacturing. Sherwood sees an opportunity to attract alternative industry types to diversify the industrial base.
- Expanding land and housing costs are restrictive to low and moderate income households
- Robust industrial growth in neighboring communities such as Tualatin and Wilsonville have the potential to spill into and impact Sherwood's economy.
- Sherwood has a reputation as a small community with excellent quality of life, good schools and good labor market access has made it an ideal location for a variety of manufacturing operations.
- Tualatin-Sherwood Road congestion and distance from Interstate-5 limits Sherwood's marketability to large scale manufacturing and distribution users.
- Sherwood does not have any known natural gas or telecommunications constraints. Investments to improve water and sewer services are planned or made.

Among all these factors, the transportation constraints were thought to have the greatest impact on the types of industries that would look to invest, expand, or locate in Sherwood.

Targeted Industries

The following industries and/or industry clusters were identified in the 2007 EOA as being representative of strategic economic opportunities. For the purpose of this analysis, we focus only on those who utilize industrial land.

- Metal Manufacturing
- Machinery Manufacturing
- Furniture Manufacturing
- Construction
- Specialty Contractors
- Paper Manufacturing
- Plastic or Rubber Manufacturing
- Wood Manufacturing
- Heavy Construction
- Wholesale Trade of Electronics

These industries sectors were considered when identifying the following target industry types:



Small to mid-size light manufacturing shops can thrive in small communities such as Sherwood. The small size of such businesses (5-50 employees) means that transportation impacts (and needs) are relatively small. Likewise, with fewer jobs, a business is more likely to find skilled labor within the community (as opposed to finding a labor shortage). Finally, smaller manufacturers are likely to emerge from entrepreneurs who are attracted by Sherwood's quality of life. Light manufacturers could include furniture makers, metal fabricators, and specialty building materials.

Specialty contractors and construction firms that serve the southern Portland–Vancouver PMSA. These operations may require on-site materials warehousing, light assembly, and wholesale distribution of a variety of construction products and equipment. Given the need for both full and seasonal (part time) employment, the impacts on transportation systems are not as extensive as with other industrial operations.

Creative services such as engineering, legal services, publishing, management consulting and accounting are generally high-paying jobs that tend to locate close to residential customers. With the establishment of a new Class A office center, Sherwood could position itself as a sub- regional location for business and professional services.

Based on the characteristics of these business types, the EOA determined that small business parks with flex space, and large master planned research and development campuses with .05 to 20 acre sites were the most important industrial sites to accommodate economic growth. The TEA was specifically referenced as a site to accommodate such a use.

Employment and Land Demand (Medium Growth Scenario)

- Sherwood has a 20-year mid-range employment forecast of 3,009 new industrial space-utilizing employees. This represents an annual increase of 8.6% through the 2025 forecast period.
- Sherwood's land need forecast utilizes an employment efficiency ratio of 800 square feet per employee and a 0.25 F.A.R. to forecast land need. This process found the need for 221 net (276 gross) industrial acres over the planning period.

Identified Employment Land Supply

- Sherwood's vacant land analysis identified 202 vacant and 101 potentially redevelopable industrial acres in its current land supply.
- The analysis found that additional vacant industrial land would need to be added to the UGB to accommodate demand under the medium growth forecast.

The Tualatin Economy

At this time, the City of Tualatin does not have an Economic Opportunities Analysis. The primary materials informing Tualatin's economic development strategy are its 2014 Industry Cluster Analysis and its 2014 Economic Development Strategic Plan. As such, information relating to Tualatin is less comprehensive, but more timely.

The City of Tualatin has a population of 26,716 residents and had roughly 24,000 private sector jobs as of 2012. Since the trough of the recession (2010-2012) Tualatin added 2,000 employees to the local economy, an 8.9% increase over two years (since this report was released 2013 data is now available, in 2013 Tualatin added an additional 1,879 jobs). Future growth will be influenced by the economic strategy of the community, directed by its economic development vision statement:



Continue a leadership role as one of the premier economic activity centers in the greater Portland metropolitan region. Focus on growing family wage jobs in targeted business clusters while encouraging high standards and excellence in urban design.

Tualatin's Economic Recovery

Through 2012 the majority of Tualatin's industry sectors were on the road to recovery from the Great Recession. Construction, Professional & Business, Education & Health, and Other Services had employment levels all exceeding pre-recession highs. Manufacturing, Wholesale, and Retail were all near previous peaks, while the Financial Services Sector was the only industry trailing considerably.

Targeted Industries

Tualatin's industry cluster analysis identified five key clusters in the local economy. Taken together firms operating within the ecosystem of these clusters accounted for 57% of all employment. Tualatin's five target clusters included:

- Wood, Paper, Printing, and related activities
- Food Processing and Distribution
- Advanced Manufacturing and Related
- Corporate & Professional Services
- Health Care & Medical Related

The first three of these clusters are heavy users of industrial land. Some additional detail on these clusters:

Advanced Manufacturing:

Firms in this cluster account for roughly 22% of the Tualatin economy. Major activities in the cluster include the manufacture of electronic equipment and components, machinery, and fabricated metals. Additional functions include the whole and distribution networks of manufactured components as well as construction and maintenance of critical equipment and facilities. Representative companies include Lab Research, Precision Wire, Kershaw, and Leviton.

Wood, Paper, Printing, and Related:

Firms in this cluster account for roughly 6% of the Tualatin economy. The cluster has a strong specialization in the manufacturing and sale of construction materials and furniture, specifically windows, doors, and kitchen materials. The cluster includes a niche commercial printing industry as well. Representative companies include Milgard, Columbia Corrugated Box, and Cascade Windows.

Food Processing and Distribution:

Firms in this cluster account for roughly 4% of the Tualatin economy. The cluster is dominated by wholesaling and processing activities with some additional direct food manufacturing. The wholesaling nature of the cluster would suggest that the cluster is anchored by Tualatin's advantages in wholesaling workforce and infrastructure as well as a competitive location proximate to Willamette Valley agriculture. Representative companies include Pacific Foods, Frito-Lay, and Transcold Distribution.



Available Land

According to the Economic Development Strategy Plan, the City of Tualatin has roughly 51 acres of commercial land and 787 acres of industrial land that is either vacant and available for development or redevelopable.

Strategy

Tualatin has a two part strategy for economic development. First, the community intends to focus on business retention, expansion, and recruitment. This entails specifically targeting key industries through marketing, incentives, and outreach. As importantly, the City will focus on assisting with site readiness to bring industrial and commercial properties to market. Second, the City is committed to improving the business climate and regional collaborating with neighboring communities and local/regional stakeholders.

Study Area Specific Characteristics

Over the last five years, The Study Area has had considerable resources allocated to concept planning and studying characteristics of the areas to improve its marketability and to identify strategies to overcome specific site constraints. This review also considered economic factors identified in the Tonquin Employment Area Concept Plan (2010), the Southwest Tualatin Concept Plan (2010), and the Tualatin Southwest Concept Development Plan (2012).

Potential Uses

- The Tualatin Southwest Concept Development Plan identified a likely development opportunity as a manufacturing business park with two to 20 acre sites with 20,000 to 400,000 square foot building footprints. Due the area's RSIA designation, this plan also included compliance with a 50 and 100-acre non-divisible parcel. The vision for this plan included a mix of light industrial and high-tech uses in a corporate campus setting.
- These development assumptions were also reflected in the Southwest Tualatin Concept Plan.
- The Sherwood Tonquin Employment Area Concept Plan took assumptions of use a step further in the TEA subarea, identifying preferred industry targets for the TEA:
 - 1) Large and medium-sized parcels for industrial campuses and other industrial sites that can accommodate a variety of industrial companies and related businesses in:
 - a. Clean Technology—Renewable Energy, Energy Efficiency, Sustainable Environmental Products.
 - b. Technology, & Advanced Manufacturing—Manufacturing/Metals, High Technology, Bio-Technology and Bio-pharmaceuticals.
 - c. Outdoor Gear and Activewear—Sports Apparel, Recreation Products
 - 2) Flex Building Space with small and medium-sized industrial campuses and business parks to accommodate research and development companies, incubator/emerging technology businesses, related materials and equipment suppliers, and or spin-off companies and other businesses that derive from, or are extensions of, larger campus users and developments.

Employment Forecast

- The Sherwood Tonquin Employment Area Concept Plan further estimated 20-year employment growth for the TEA. This included the build-out of 235 buildable acres across commercial and industrial uses. The analysis forecasted capacity of 2,290 in the first 20-years with a full build-out capacity of 3,520 jobs.



Market Context

- The Tualatin Tonquin Concept Development Plan was informed by a series of market conditions derived from interviews with industrial brokers. Key findings included:
 - A preference for companies to own properties with a market for buildings in the 10,000 to 120,000 square foot range.
 - Congestion and Interstate proximity is a limiting factor for the Tualatin Concept Plan Subarea.
 - The area is not particularly well suited for Flex development.
 - The market for a campus type development in the subarea appears low.

INDUSTRY IMPACTS IN THE CURRENT ECONOMY

For this analysis, Johnson Economics evaluated industrial trends in the local economy. In previous economic development studies, Tualatin and Sherwood have slight variances in their identified target industries. This generally reflects different periods of evaluation and by extension the condition that they were not a coordinated effort. This analysis does reflect a coordinated effort that considers the same target industries for both Tualatin and Sherwood, specifically as it relates to the study area. This makes logical sense given that the in most cases economic systems do not function around jurisdictional lines¹.

As noted above, Tualatin conducted a detailed industry cluster analysis in 2014 (reflecting 2012 data for the entire Tualatin Economy), identifying three primary industrial land utilizing industry clusters:

- Advanced Manufacturing
- Wood, Paper, Printing, and Related
- Food Processing and Distribution

Building on these three core clusters, Johnson Economics conducted an additional employment and industry specialization analysis for the economic conditions specific to the Tualatin-Sherwood corridor. This analysis provides insight into the industrial ecosystem likely to influence the Study Area.

Tualatin-Sherwood Corridor Analysis Area



¹ With the exception of instances of extreme differences in taxes, fees, policy, zoning, etc.

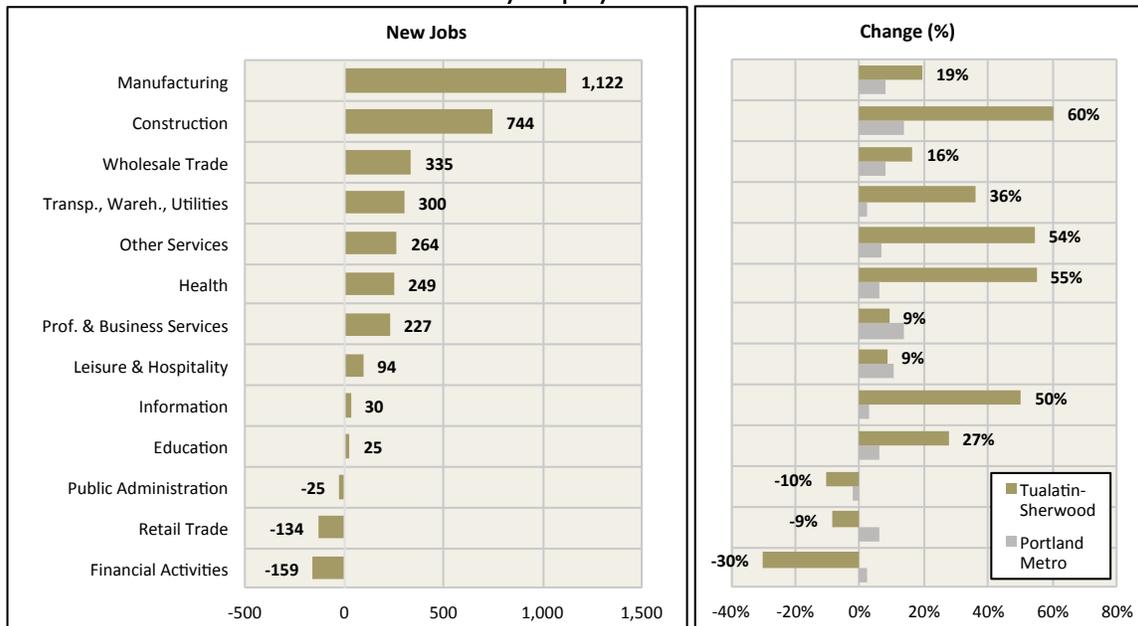


Industry Employment Growth

According to the Quarterly Census of Employment and Wages, the Study Area added 3,030 jobs between 2010 and 2013. This represents an increase of 18%, which translates to an average annual growth rate of 5.6%. In comparison, the equivalent growth rate in the Portland Metro Area was 2.1% over the same period, and 1.5% in the nation as a whole. The strongest growth took place in 2013, when employment within the Study Area expanded by nearly 10%.

The manufacturing industry contributed more than one-third of the job growth over the 2010-2013 period, with a gain of more than 1,100 jobs. Construction added nearly 750 jobs over the period, which represented an expansion of 60% relative to its 2010 employment level. Strong job growth was also seen in the wholesale industry and in transportation, warehousing, and utilities, both of which contribute significantly to demand for industrial space.

Industry Employment Shift



Industry Specialization

The most common analytical tool to evaluate economic specialization is a location quotient analysis. This metric compares the concentration of employment in an industry at the local level to a larger geography. For example, a Location Quotient of 1.50 for widget manufacturing would indicate that the share of employment in widget manufacturing locally was 50% higher than the national average. Generally, 1.50 is a common threshold indicating a relatively high specialization. Among the industries with the highest rates of specialization in the Study Area, 12 are manufacturing industries and an additional five are in wholesale/distribution related activities. Considering the top 20 most specialized industries in Study Area, we can confirm from the current data that reliance on Advanced Manufacturing, Wood, Paper, Printing, and Related Manufacturing, Food Processing, and Distribution as targeted economic opportunities for the Study Area is appropriate.



Industry Specialization

INDUSTRY	L.Q.	
Machinery Manufacturing	12.14	
Furniture and Related Product Manufacturing	5.95	
Electrical Equipment, Appliance, and Component Manufacturing	5.90	
Couriers and Messengers	5.28	
Fabricated Metal Product Manufacturing	4.87	= Manufacturing
Plastics and Rubber Products Manufacturing	3.23	
Computer and Electronic Product Manufacturing	3.04	
Merchant Wholesalers, Durable Goods	2.87	= Distribution/ Wholesale
Textile Product Mills	2.77	
Paper Manufacturing	2.73	
Nonmetallic Mineral Product Manufacturing	2.71	= Construction/ Other
Heavy and Civil Engineering Construction	2.40	
Repair and Maintenance	2.33	
Specialty Trade Contractors	2.17	
Food Manufacturing	2.06	
Merchant Wholesalers, Nondurable Goods	1.93	
Wood Product Manufacturing	1.80	
Support Activities for Transportation	1.60	
Printing and Related Support Activities	1.58	
Wholesale Electronic Markets and Agents and Brokers	1.45	

Industrial Market Trends

The following analysis reflects recent industrial market trends that will be influencing the character of industrial development over the next business cycle. This analysis includes an overview of conditions in the broader Portland Metropolitan area as well as the I-5 South submarket, which includes the Tualatin-Sherwood Corridor.

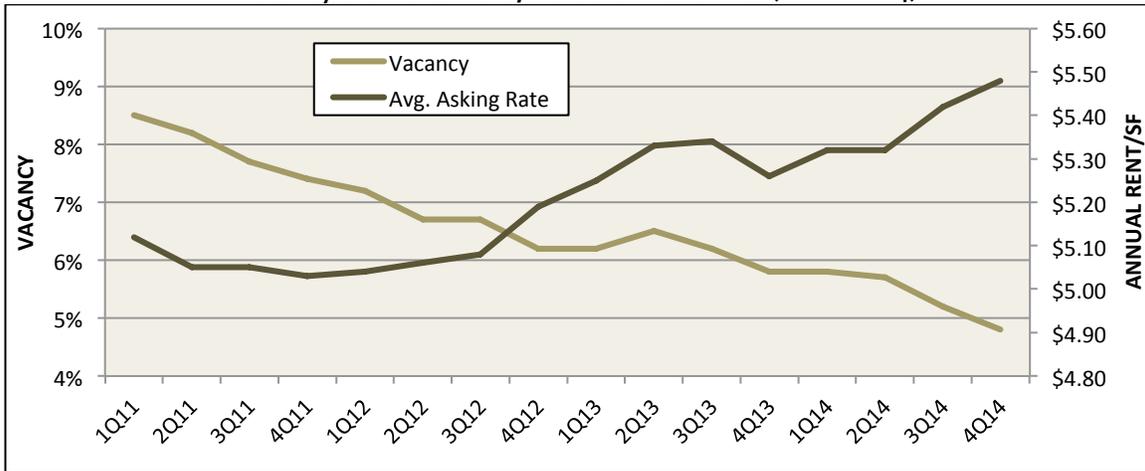
Portland Metro Area

Portland Metro's industrial real estate market has seen significant improvement over the past four years, as the local economy has recovered. This is true for warehouses, manufacturing facilities, and flex buildings alike. The flex segment has benefited from growth in the high-tech cluster, as local firms like Intel are expanding and out-of-area firms like Salesforce.com have moved in. Manufacturing and distribution center space has benefitted from increasing consumption as well as from the region's growing output.

With little new construction in recent years, the absorption of industrial space has driven vacancy rates down and rents up. At the end of 4Q 2014, the overall vacancy rate for industrial space was 4.8%, and the year-over-year rent growth was 4.2%, according to Kidder Mathews.



Vacancy and Rent Trend, Portland Metro Area (2011 – 2014)

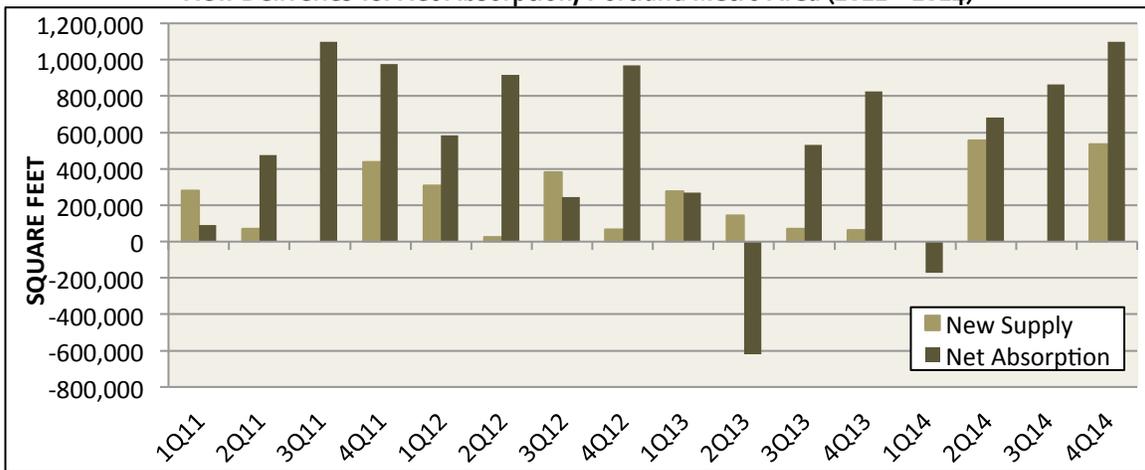


* Blended, NNN, asking rate.

SOURCE: Kidder Mathews, JOHNSON ECONOMICS

Roughly 1.1 million square feet of new industrial space was completed in the Portland Metro Area in 2014. This represents a doubling since 2013. However, it is far less than net absorption (net change in occupied space) during the year, which totaled 2.5 million square feet. Though limited new construction was helpful in bringing down excessive vacancy rates in the early part of the recovery, it now likely puts a drag on absorption. At the moment, 1.4 million square feet of space is under construction.

New Deliveries vs. Net Absorption, Portland Metro Area (2011 – 2014)



SOURCE: Kidder Mathews, JOHNSON ECONOMICS

I-5 South

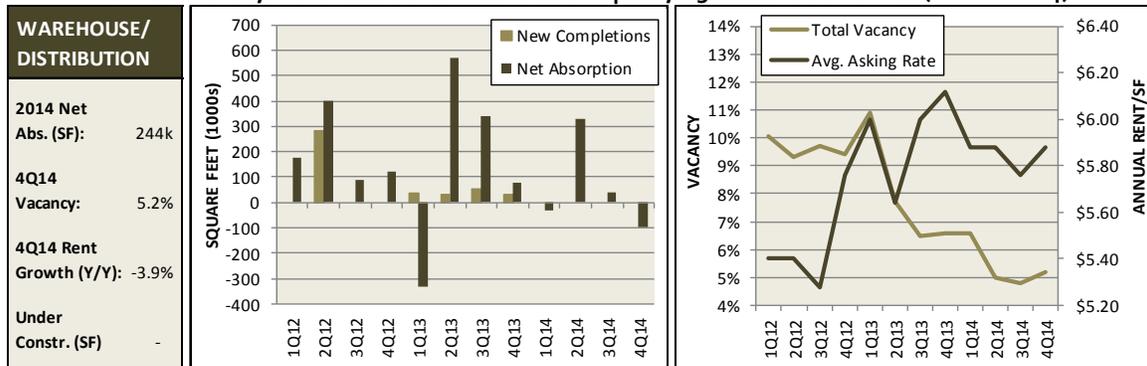
The I-5 South submarket includes Tualatin and Sherwood as well as Tigard and Wilsonville. Trends in this submarket have largely tracked regional trends over the past three years. Over this period, the overall industrial vacancy rate has fallen from 9% to 5%, and the average annual asking rent has risen from \$5.64 to \$6.96 per square foot.



Warehouse/Distribution Centers

Warehouses and distribution centers account for two-thirds of the I-5 South industrial market. This segment has seen net absorption of 1.7 million square feet over the past three years, and almost no new construction. The vacancy rate has dropped from around 10% to 5% over this period, while average annual asking rents have increased from \$5.40 to \$5.88. The decline in asking rents (-4%) over the past year does not appear to reflect softening market conditions, judging from the continued decline in vacancy. Asking rates reflect available inventory, and in times of low vacancy and no new construction, the least desirable properties are often the ones to remain unleased. As these properties account for an increasing share of vacant space, they can reduce the average asking rate although achievable rent levels are generally rising.

Market Trends, Warehouse and Distribution Space, I-5 South Submarket (2012 – 2014)

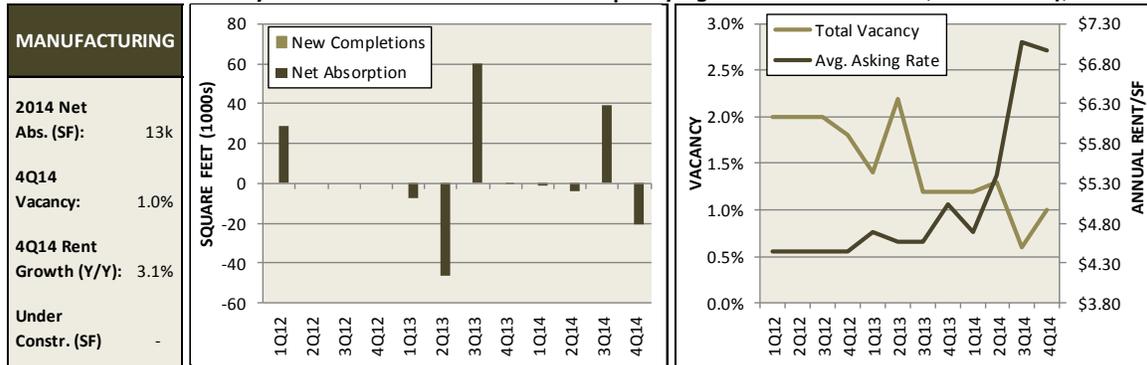


SOURCE: JLL, JOHNSON ECONOMICS

Manufacturing Space

Manufacturing facilities account for around 20% of the I-5 South submarket. Roughly 50,000 square feet of manufacturing space has been absorbed on a net basis over the past three years, bringing an already low vacancy rate down from 2% to 1%. In comparison, the metro-wide vacancy rate for manufacturing space is 4.3%. The average annual asking rate for available space jumped from \$5.04 to \$6.96 over the past year. There is no manufacturing space currently under construction in this submarket.

Market Trends, Warehouse and Distribution Space, I-5 South Submarket (2012 – 2014)



SOURCE: JLL, JOHNSON ECONOMICS

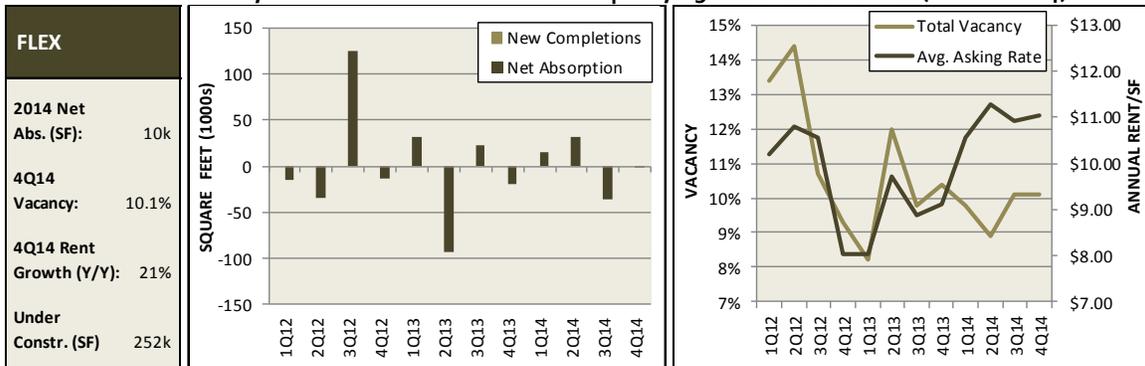


Flex Space

Flex space is currently a minor part of the I-5 South submarket, currently accounting for around 10% of total industrial space. However, it is the most rapidly expanding segment, with 250,000 square feet currently under construction. This represents an 8% expansion of the current flex inventory. Nearly all of this will be located in Tualatin, and most of it will be delivered in 2015.

Absorption of flex space in I-5 South has been mixed over the past three years, with net absorption of only 16,000 square feet. However, some space was taken off the market over this period, which contributed to a decline in vacancy from around 13% in early 2012 to around 10% in late 2014. Average asking rents have increased from \$10.20 to \$11.04 over this period.

Market Trends, Warehouse and Distribution Space, I-5 South Submarket (2012 – 2014)



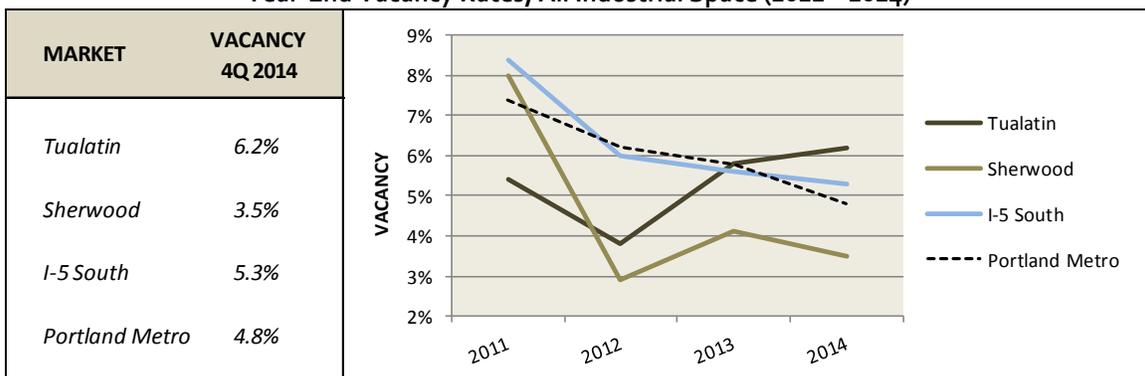
SOURCE: JLL, JOHNSON ECONOMICS

Tualatin-Sherwood

Vacancy

We have limited market data specific to Tualatin and Sherwood, but Kidder Mathews publishes year-end vacancy rates for these geographies. According to this data, the overall industrial vacancy rate in Tualatin is 6.2%, which is somewhat higher than in the remainder of the I-5 South submarket and the wider Metro Area. In Sherwood, however, the vacancy rate is considerable lower, at 3.5%, after falling steeply in 2012.

Year-End Vacancy Rates, All Industrial Space (2011 – 2014)



SOURCE: Kidder Mathews, JOHNSON ECONOMICS



Pipeline

There are three projects with eight buildings and more than 500,000 square feet of industrial space currently under construction in the Tualatin-Sherwood submarket. All are located in Tualatin. All eight buildings are scheduled for delivery in 2015.

Pipeline of Industrial Space in Tualatin-Sherwood

Project Name	Address	Buildings	Total SF.	Type	Status	Est. Delivery	Developer
Koch Corporate Center	SW 115th & Itel Street	6, 7	100,000	Flex	U.C.	1Q 2015	PacTrust
Southwest Industrial Park	19585 SW 118th Ave	A, B, C, D	301,709	Flex	U.C.	3Q 2015	Trammell Crow Company
Hedges Creek Business Park	112th Ave & Tual.-Sherw. Rd	A, B	116,850	Flex	U.C.	2Q-3Q 2015	Martin Development

SOURCE: Listing brokers, developers, JOHNSON ECONOMICS

APPENDIX 3 NATURAL RESOURCES MEMORANDUM

Pacific Habitat Services
May 1, 2015





PACIFIC HABITAT SERVICES, INC.
9450 SW Commerce Circle, Suite 180
Wilsonville, Oregon 97070
Oregon General Contractor: CCB# 94379

Telephone number: (503) 570-0800 Fax number: (503) 570-0855

MEMORANDUM

Date: May 1, 2015

To: Brian Varricchione, PE;
Todd Johnson
Mackenzie, Inc.

From: Fred Small/ John van Staveren

Re: Natural Resources within the Tonquin Employment Area (City of Sherwood) and SW Concept Plan Area (City of Tualatin)
(PHS #5560)

This memorandum describes current conditions within the Tonquin Employment Area and SW Concept Plan Area, highlighting the location and characteristics of potentially regulated water resources within the study area. Also discussed, is whether any of these resources are likely to be considered significant under Statewide Planning Goal 5, and whether they will be regulated by federal, state, and/or local agencies.

CURRENT CONDITIONS

PHS conducted reconnaissance-level site assessments on February 23 and March 12, 2015, to determine the approximate location and quality of water resources within the Tonquin study area and SW Concept Plan Area. While the US Army Corps of Engineers' 1987 *Wetland Delineation Manual* and the more recent *Western Mountains, Valleys and Coast Region* regional supplement provide the guidelines and methodology for delineating the regulatory boundaries of wetlands and other waters, this study only utilized those guidelines to roughly define the wetland boundaries.

Broad vegetation communities encountered in both the Tualatin and Sherwood study areas are described below, followed by a discussion of wetlands within each study area.

Vegetation Communities

Vegetation communities within the larger study area have formed in response to the unique, relatively rocky terrain of the ‘Tonquin Scablands,’ as well as to widely varying degrees of human disturbance over time. Hard rock quarrying operations are prevalent within the Tualatin portion, contributing to the highly patchy and variable plant cover. Within the Sherwood portion, by contrast, larger areas of intact forest and scrubland are interspersed with recently logged and/or actively farmed parcels. Landscaped rural residential lots and small scale industrial activities are also present in the Sherwood portion. The most prominent communities are described below. Appendix A includes a partial species list for the Sherwood and Tualatin study areas, based on the PHS site visits on February 23 and March 12, 2015.

Upland Mixed Evergreen-Deciduous Forest

Intact forest patches are typically comprised of a relatively young to mature overstory comprised primarily of Douglas fir, with bigleaf maple, Oregon white oak, and madrone also present. The understory is mostly dense and includes such species as poison oak, tall Oregon grape, oceanspray, snowberry, hazelnut, and serviceberry. More recently disturbed edges are more likely to be dominated by invasive shrubs (e.g. Himalayan blackberry and Scots’ broom).

Upland Shrub Thicket

Shrubby areas have typically been subject to more recent disturbance than areas that retain tree cover. A few parcels have been logged recently, while other disturbed areas include the margins of active quarry pits, as well as the BPA power line rights-of-way. The most common thicket-forming species in these areas include saplings of the more common trees mentioned above, along with Himalayan blackberry, poison oak, and Scots’ broom.

Wetland (Forested)

Forested wetlands are typically characterized by a dominant tree such as Oregon ash, along with a hydrophytic understory; however, within the study area just one location was observed with a tree overstory large enough to signify forested wetland. The broad swale and channel extending northward through the Orr property to Tualatin-Sherwood Road met this description.

Wetland (Scrub-Shrub)

Wet depressions or swales within the study area often support thickets of hydrophytic shrubs that are typically dominated by willows, hardhack spirea, and rose, among others. Occasionally scattered within these thickets are tree species such as black cottonwood and Oregon ash.

Wetland (Emergent)

Meadows, pastures, and other open areas may support hydrophytic (moisture-loving) herbaceous species when subject to prolonged seasonal saturation or shallow inundation. These areas often indicate relatively recent disturbance, and may eventually be colonized by woody species if left undisturbed for enough time. Typical emergent species (i.e. rooted hydrophytes that generally extend above the greatest depth of ponding) include reed canarygrass, meadow foxtail, slough sedge, soft rush, American speedwell, knotweeds, and cattail,

Wetland (Open Water)

Open water areas primarily include ponds that have sufficient depth to exclude rooted woody to emergent vegetation. When present, vegetation is typically limited to floating or submerged aquatic vegetation, such as yellow pond lily, floating or curly pondweed, and white water-buttercup.

Developed/ Disturbed

This category includes virtually any developed or highly disturbed land within the study area not otherwise described above. These lands include previously cleared parcels that are currently subject to quarrying, farming, residential landscaping, or similar ground disturbing activities. In some locations these lands are now occupied by structures, access roads, or driveways, or else are maintained in an open condition (mowed lawn or pasture, scattered landscape plantings, etc.). Typically, any vegetation cover is highly patchy and is dominated by introduced, often weedy species or by nursery plantings.

A. Tualatin SW Concept Plan Area Wetlands: Tigard Sand and Gravel/ Oregon Asphaltic Paving (TSG/ OAP) parcels

The Tualatin SW Concept Plan Area is predominantly comprised of active quarrying operations, foremost being the Tigard Sand and Gravel (TSG) operation. Due to onerous mine safety requirements, PHS was provided a driving tour of the operation, in order to determine the locations of any relatively undisturbed land currently subject to wetland hydrologic conditions. Due to the active and continuing nature of the operation, it was apparent during the drive-through that wetland conditions could readily form in recently excavated or otherwise disturbed areas, simply from creating a new depression or by the diversion of stormwater runoff away from actively mined areas.

Wetlands

Since the entire mining area is currently regulated by Oregon's Department of Geology and Mineral Industries' (DOGAMI), as opposed to the state and federal wetland regulators (Department of State Lands and US Army Corps of Engineers), some areas of the site currently meeting wetland criteria may not exist in a few years. Wetland conditions may also be created elsewhere by quarrying activities during that time. The nature of the mining operation is that many feet of overburden (soil, vegetation, poor quality rock) may be removed to access the desired quality and quantity of rock, and the presence of wetlands in quarried areas is thus a transient condition at best.

A single wetland within the operation appears to be of relatively natural contours and in an area unlikely to be further modified:

- Tax Lot 25134B000700: Broad depression in SW corner of study area, partly beneath BPA lines. This depression extends both north and south of an access road beneath the power lines; shallow ponded water and a near monoculture of reed canarygrass were observed to extend in both directions from the road crossing. While soils have not been sampled here, it is anticipated that hydric soils are present.

Ponds within the TSG/OAP operation that appear to be either natural ('kolk' features) or to be older, revegetated excavated depressions that are unlikely to be further modified include:

- Tax Lot 25127C000400: North-South oriented pond along SW 120th entrance road into TSG operation. This pond was apparently excavated prior to the current operators, possibly as early as the 1950s. Currently, clear water is pumped into the pond during summer to maintain its height and the pond lily cover; otherwise the pond apparently dries out by early summer.
- Tax Lot 25127DC02700: North-South oriented pond located in northeast corner of study area, east of the primary deep pit near the TSG office and along the railroad easement. This pond may be a kolk pond scoured by Bretz floodwaters; it is also outside of any future mining activities.
- Tax Lot 25134AC00100: North-South oriented pond located along the central eastern boundary of study area, also along the railroad easement. This pond may also be a kolk pond scoured by Bretz floodwaters, and has been isolated from the mining operation.

Since the above features are least likely to be subject to future mining activities as permitted under the DOGAMI rules in effect, each should be considered potentially jurisdictional under state and federal wetland laws once the prevailing land uses are modified.

B. Sherwood Tonquin Employment Area Wetlands: Orr Family Farm and Oregon Asphaltic Paving parcels; BPA easement

The Sherwood Tonquin Employment Area is primarily comprised of parcels that are at least partially forested or else have been cutover fairly recently; are currently in agricultural production; or are relatively developed (i.e. junkyards, rural residential/landscaped, etc.). Quarrying activities are located mostly outside of the Sherwood study area.

Parcels subject to the above land uses lacked water resources as a rule. However, at least one parcel contained clear aerial indicators of wetland, but access to those features was not possible due to the heavily vegetated terrain. As such, PHS attempted to utilize existing surveyors' trails or other openings to assess these areas to the extent possible. LIDAR imagery was also used to estimate the limits of each wetland feature, with ground verification augmenting the LIDAR data in a few instances. The following discussion summarizes our findings for each affected parcel;

- Tax Lot 2S128D000100 (Orr Family Farm parcel): A large wetland with extensive ponding is located within the predominantly forested to scrub-shrub south half of the Orr parcel. Due to a dense tangle of poison oak, Himalayan blackberry, and other woody species, access into this depression area is currently impossible without the aid of heavy brush cutting equipment; however, an existing surveyor's trail along the parcel's eastern property line allowed access southward to within 50 feet of a lobe of this wetland. As such, it was verifiable and some typical vegetation could be noted, including Oregon ash, willows, hardhack spirea, and soft rush. However, since better access was not possible, it is likely that the wetlands may be more extensive than depicted on our mapping.

A second water feature was also documented within the Orr property, which was much more accessible than the larger wetland described above. A broad seasonal swale that contains smaller incised channels extends northward from a hillside seep zone several hundred feet south of Tualatin-Sherwood Road. Although the seep zone could not be accessed due to the dense vegetation, LIDAR imagery indicates an abrupt escarpment without apparent channeling above, indicating a fairly confined zone where surface water originates. These flows support a stand of Oregon ash along the swale, along with a variety of shrubs and herbaceous species that include willows, spirea, ninebark, blackberries, reed canarygrass, soft rush, and creeping buttercup. The seasonally charged surface flows are culverted beneath Tualatin-Sherwood Road, ultimately feeding to Hedges Creek.

Three additional features within the Orr property have been included as potential wetlands, despite our lack of reasonable access. These small irregular depressions are indicated fairly clearly by LIDAR data, and are in a similar geomorphic position as the larger wetland described initially. Due to heavy vegetation growth, aerial imagery provides little indication of the nature of these features.

- Tax Lot 2S128D000900 (Oregon Asphaltic Paving): This small, relatively shallow depression is inundated seasonally, although its unlikely to exceed a foot or so in depth even during high runoff events. A small overflow channel issues from its southern end onto a dirt access road without evidence of channeling, so it is unlikely that overflows occur with any regularity. This depression is primarily dominated by emergents, including meadow foxtail.
- Tax Lot 2S128D000100 (BPA alignment near Rivera parcel): A relatively small wetland area is located adjacent to Dahlke Road within the BPA alignment. Dominant plants included willows, Douglas spirea, roses, slough sedge, and soft rush. Although no ponding was visible from the few vantage points, these hydrophytic plants strongly indicate the presence of hydric soils and wetland hydrology.

REGULATED WATER RESOURCES (Federal/ State/ Local Entities)

The criteria for determining federal and state jurisdiction of water resources may potentially be met by each of the wetlands described within the study area, and thus be subject to Section 404 of the federal Clean Water Act (administered by Corps of Engineers [Corps]), and to the State of Oregon's Removal Fill Law (administered by Oregon Department of State Lands [DSL]). These regulations may restrict or modify any proposed impacts to wetlands, and mitigation may be required for those impacts.

Determining the boundaries of state and/or federally regulated wetlands within the study area will require more extensive soils and vegetation sampling by a wetland specialist than has been conducted to date, and on a parcel by parcel basis. Note that once a wetland delineation has been conducted and the boundaries approved by DSL, those findings are only valid for a period of 5 years.

Natural Resources within the Tonquin Employment Area, Cities of Sherwood and Tualatin, Oregon

May 1, 2015

Page -6-

Ponded quarry pits and conveyance channels within the Tigard Sand and Gravel parcels that have been created by and are still subject to quarrying activities are currently regulated by DOGAMI. However, if land uses change and the mining activities cease, then the Clean Water Act, Section 404 and the state Removal Fill law will likely supersede the DOGAMI rules.

Significant Natural Resources (Goal 5)

Local Wetland Inventories (LWI) required to address Statewide Land Use Planning Goal 5 have been conducted for both the Cities of Tualatin and Sherwood. However, nearly the entire study area was not included in the inventories since it is outside both cities' limits.

As such, future site planning by the Cities will require that onsite water resources be assessed for Goal 5 significance using the Oregon Freshwater Assessment Method (OFWAM) methodology. If a resource is determined to be significant, it would then be subject to certain protective measures, which may include restrictions on development and/or protective buffers.

Without actually applying the OFWAM methodology to the mapped wetlands, it is likely that all of the larger wetlands will meet the significance criteria adopted by both cities. However, there are a few smaller potential wetlands that may not meet these criteria.

Significant Natural Resources (Washington County development code Section 422)

If the study area were to remain outside the city limits of both Sherwood and Tualatin, then the County's development standards within significant natural resources (Section 422) would remain in effect. The Section 422 mapping indicates significant natural resource (SNR) overlays within just the Sherwood Tonquin Employment Area (none are indicated within the Tualatin SW Concept Plan Area).

The SNR overlays shown within the Sherwood study area include;

- Water Areas and Wetlands and Fish and Wildlife Habitat
- Significant Natural Areas
- Resource Overlap

These mapped Section 422 overlays are restricted to the Orr Family Farm parcel (Tax Lot 2S128D000100), which includes a large wetland subject to seasonal ponding, a forested wetland swale, extensive upland forested areas, and agricultural lands. Any development proposed within potentially protected features will be subject to the requirements of this code section.

Please note, however, that once a parcel has been subject to a Goal 5 analysis and water features have been adopted into the local jurisdiction's Goal 5 mapping, then the County's Section 422 requirements are no longer applicable. Also, in the event that city boundaries are extended through annexation to include the study parcels, then Goal 5 updates to each city's LWI will be required. Once adopted, the individual cities' development codes will supersede any conditions required by the County's Section 422 ordinance.

Natural Resources within the Tonquin Employment Area, Cities of Sherwood and Tualatin, Oregon

May 1, 2015

Page -7-

SUMMARY

As outlined in the sections above, development within the Tonquin Employment Area and the SW Concept Plan Area will be subject to several distinct jurisdictions, each with its own regulations to address. The table below summarizes potential regulators, their authority, and a current contact for more information.

Agency	Authority	Contact
US Army Corps of Engineers	Section 404 (Clean Water Act)	Michael Ledouceur (503) 808-4337
Oregon Department of State Lands	Removal-Fill Law	Anita Huffman (503) 986-5250
Oregon Department of Environmental Quality	Section 401 (CWA); NPDES	Amy Simpson (503)229-5051
Washington County	Section 422	Wayne Hayson (503) 846-8761
Clean Water Services of Washington County	Regulated buffers	Amber Wierck (503) 681-3653
City of Sherwood	Municipal Code	Julia Hajduk (503) 625-4204
City of Tualatin	Municipal Code	Ben Bryant (503) 691-3049

If any questions arise regarding this discussion, please don't hesitate to call.

APPENDIX A CURRENT VEGETATION LIST

The table below provides a partial species list for the Sherwood and Tualatin study areas, based on the PHS site visits on February 23 and March 12, 2015. **[Please note that this list should not be considered comprehensive, as it is based on limited ground inspections at a relatively early stage in the growing season].** Whether the species is native, non-native, or particularly noxious is also noted.

Species Name	Common Name	Native/ Introduced?*
Trees		
<i>Acer macrophyllum</i>	Bigleaf maple	N
<i>Arbutus menziesii</i>	Pacific madrone	N
<i>Betula pendula</i>	European white birch	I
<i>Fraxinus latifolia</i>	Oregon ash	N
<i>Malus domestica</i>	Domestic apple	I
<i>Populus balsamifera ssp. trichocarpa</i>	Black cottonwood	N
<i>Prunus avium</i>	Sweet cherry	I
<i>Pseudotsuga menziesii</i>	Douglas fir	N
<i>Quercus garryana</i>	Oregon white oak	N
<i>Salix scouleriana</i>	Scoulers willow	N
Shrubs/ Woody Vines		
<i>Amelanchier alnifolia</i>	Saskatoon serviceberry	I
<i>Berberis [=Mahonia] aquifolium</i>	Tall Oregon grape	N
<i>Corylus cornuta</i>	hazelnut	N/I
<i>Cornus alba</i>	Red-osier dogwood	N
<i>Cornus nuttallii</i>	Pacific dogwood	N
<i>Crataegus douglasii</i>	Black hawthorne	N
<i>Crataegus monogyna</i>	One-seed hawthorn	I
<i>Cytisus scoparius</i>	Scots' broom	I*
<i>Hedera helix</i>	English ivy	I*
<i>Holodiscus discolor</i>	Oceanspray	N
<i>Ilex aquifolium</i>	English holly	I
<i>Ligustrum vulgare</i>	European privet	I
<i>Lonicera ciliosa</i>	Orange honeysuckle	N
<i>Lonicera hispidula</i>	Hairy honeysuckle	N
<i>Physocarpus capitatus</i>	Pacific ninebark	N
<i>Prunus emarginata</i>	Bitter cherry	N
<i>Rhamnus purshiana</i>	cascara	N
<i>Rosa canina</i>	Dog rose	I
<i>Rubus armeniacus</i>	Himalayan blackberry	I*
<i>Rubus leucodermis</i>	White stem raspberry	N
<i>Rubus ursinus</i>	California dewberry	N
<i>Salix spp.</i>	Willows	N
<i>Sambucus racemosa</i>	Red elderberry	N
<i>Spiraea douglasii</i>	Hardhack spirea	N
<i>Symphoricarpos albus</i>	Common snowberry	N
<i>Toxicodendron diversilobum</i>	Poison ivy	N
Herbs		
<i>Agrostis spp.</i>	Bentgrass	I
<i>Alopecurus pratensis</i>	Meadow foxtail	I
<i>Anthoxanthum odoratum</i>	Sweet vernalgrass	I

Species Name	Common Name	Native/ Introduced?*
<i>Bromus vulgaris</i>	Columbia brome	N
<i>Cardamine nuttallii</i>	Nuttall's toothwort	N
<i>Cardamine oligosperma</i>	Little western bittercress	N
<i>Carex obnupta</i>	Slough sedge	N
<i>Cichorium intybus</i>	Chicory	I
<i>Cirsium spp. (C. arvense, C. vulgare)</i>	Canada and bull thistles	I*
<i>Claytonia perfoliata</i>	Miner's lettuce	N
<i>Cynosurus echinatus</i>	Hedgehog dogtail	I
<i>Daucus carota</i>	Queen Anne's lace	I
<i>Dactylus glomerata</i>	Orchardgrass	I
<i>Digitalis purpurea</i>	Foxglove	I
<i>Dipsacus fullonum</i>	teasel	I
<i>Elymus glaucus</i>	Blue wildrye	N
<i>Equisetum arvense</i>	Field horsetail	N
<i>Fragaria vesca</i>	Woodland strawberry	N
<i>Galium aperine</i>	Bedstraw	I
<i>Geranium lucidum</i>	Shiny geranium	I
<i>Geranium molle</i>	Dovefoot geranium	I
<i>Holcus lanatus</i>	Common velvetgrass	I
<i>Hypericum perforatum</i>	St. John's wort	I
<i>Hypochaeris radicata</i>	Hairy catsear	I
<i>Jacobaea vulgaris</i>	Tansy ragwort	I*
<i>Juncus effusus</i>	Soft rush	N
<i>Juncus patens</i>	Spreading rush	N
<i>Leucanthemum vulgare</i>	Oxeye daisy	I
<i>Lupinus sp.</i>	Lupine	N
<i>Luzula sp.</i>	woodrush	N
<i>Nuphar polysepalum</i>	Yellow pond lily	N
<i>Parentucellia viscosa</i>	Yellow parentucellia	I
<i>Phalaris arundinacea</i>	Reed canarygrass	I*
<i>Polypodium glycorrhiza</i>	Licorice fern	N
<i>Polystichum munitum</i>	Swordfern	N
<i>Prunella vulgaris</i>	Self heal	N/I
<i>Ranunculus repens</i>	Creeping buttercup	I
<i>Rumex sp.</i>	dock	N/I
<i>Sanicula crassicaulis</i>	Pacific sanicle	N
<i>Solidago canadensis</i>	Canada goldenrod	N
<i>Stachys cooleyae</i>	Cooley's hedgenettle	N
<i>Taraxacum officinale</i>	Dandelion	I
<i>Trifolium repens</i>	White clover	I
<i>Torilus arvensis</i>	Spreading hedge-parsley	I
<i>Typha latifolia</i>	cattail	N
<i>Verbascum blattaria</i>	Moth mullein	I
<i>Verbascum thaspus</i>	Mullein	I

*These non-native species tend to be especially noxious and/or invasive in disturbed habitats, warranting control efforts whenever possible.

APPENDIX 4

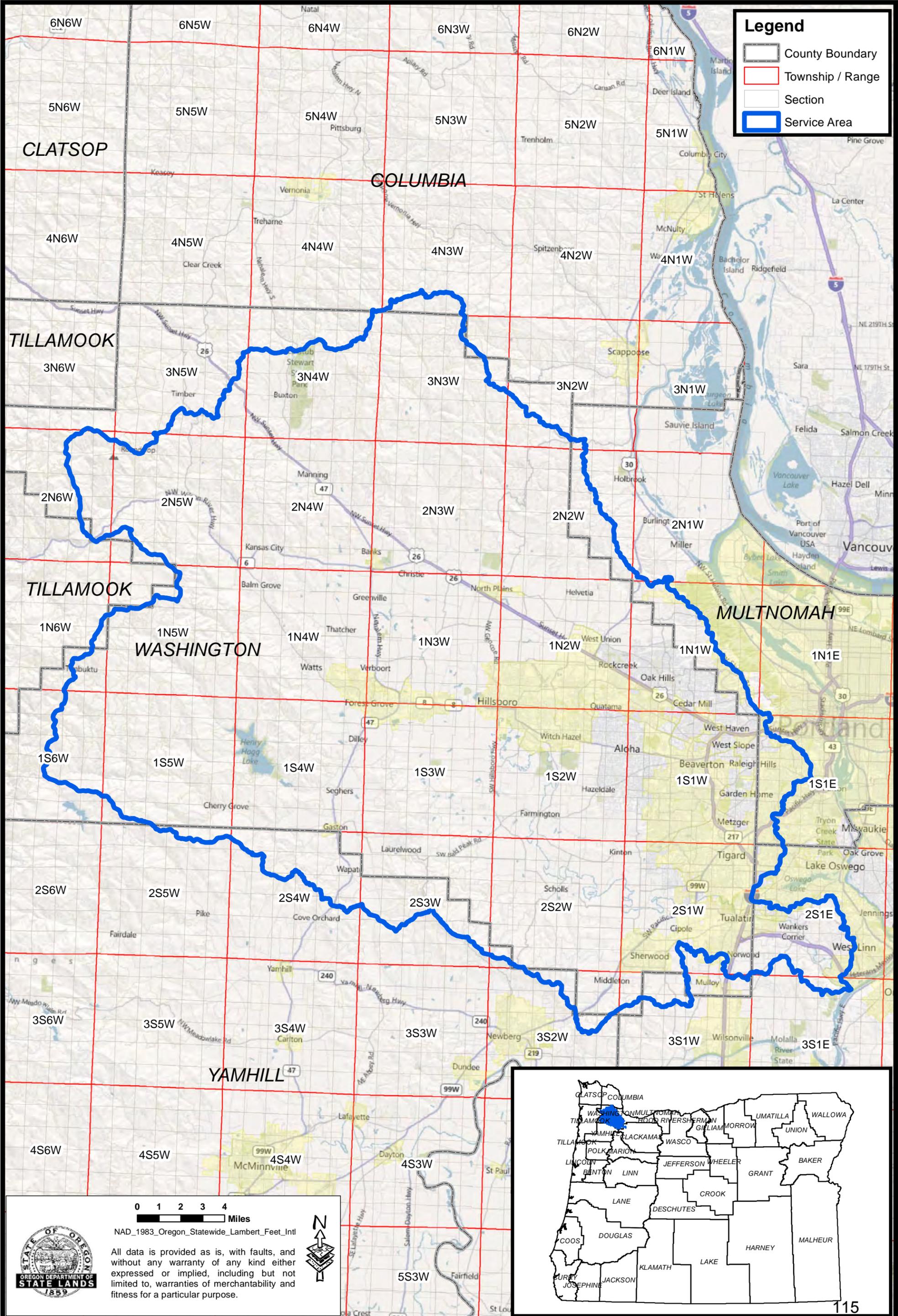
WETLAND MITIGATION BANK SERVICE AREA MAPS



W & M Butler Mitigation Bank

Mitigation Bank Service Area

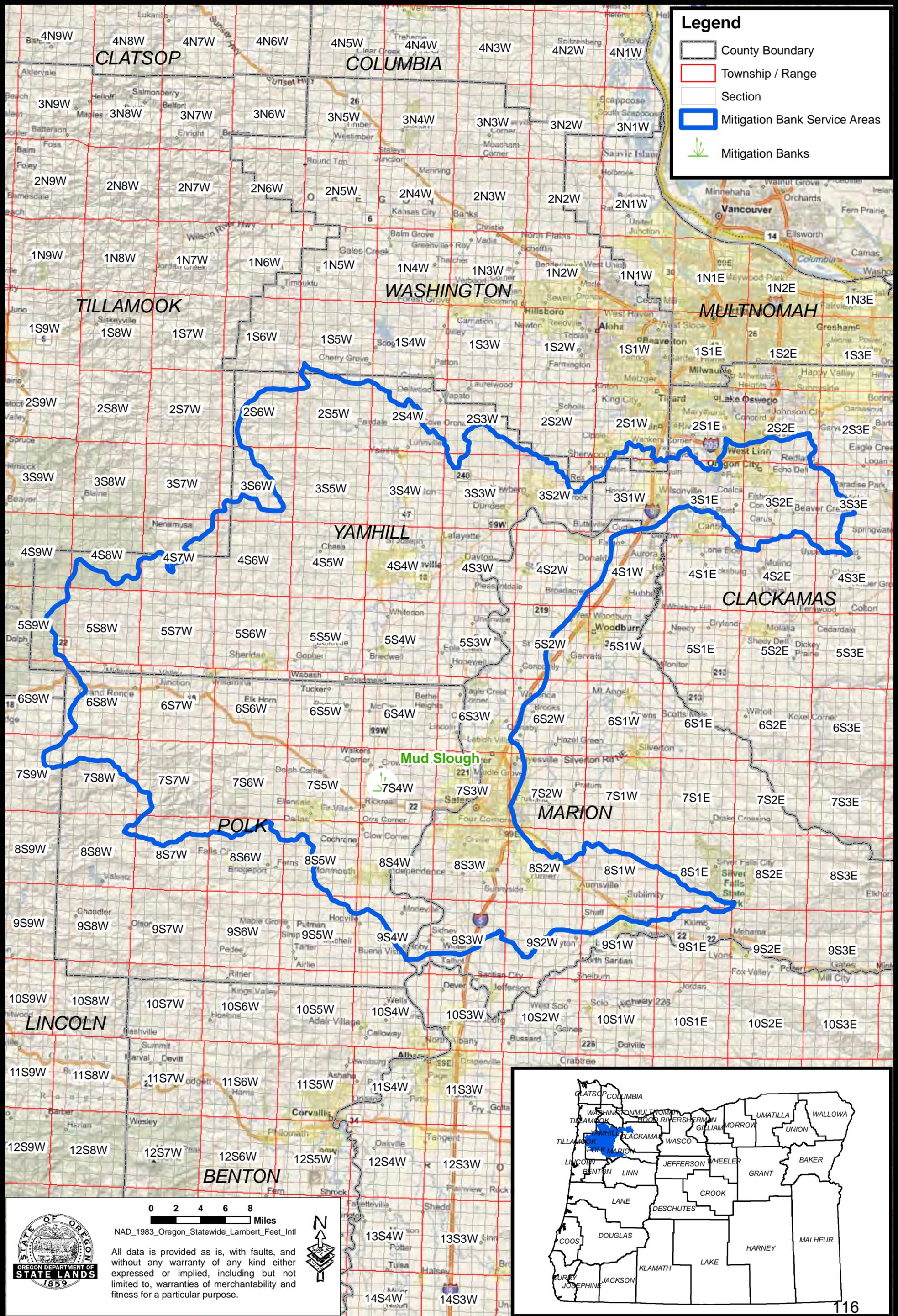
*Service area is limited to < 1000 ft. elevation.



Mud Slough

Mitigation Bank Service Area

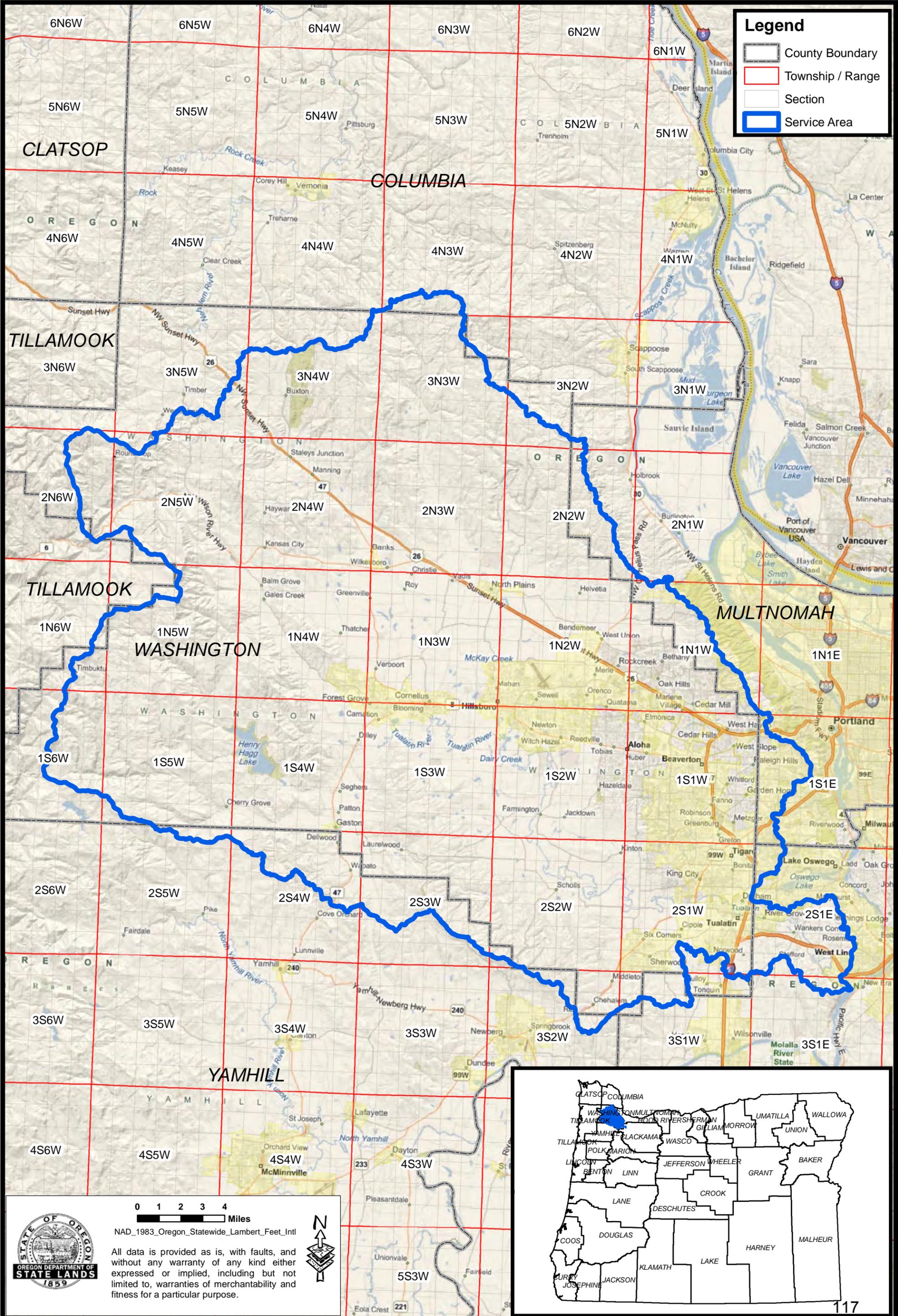
**Service area may have elevation limits.*



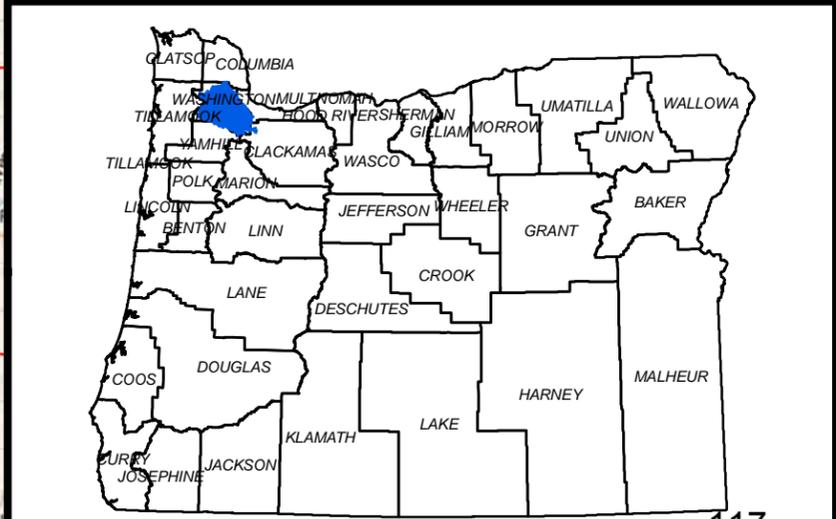
Tualatin Environmental Bank

Mitigation Bank Service Area

*Service area is limited to < 1000 ft. elevation.



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Miles
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All data is provided as is, with faults, and without any warranty of any kind either expressed or implied, including but not limited to, warranties of merchantability and fitness for a particular purpose.



APPENDIX 5

IMPLEMENTATION PLAN

PHASED INFRASTRUCTURE

ANALYSIS



Washington County, Oregon Industrial Site Readiness Assessment and Implementation Planning project
 Task 4: Sherwood & Tualatin Market Analysis and Business Recruitment Strategy

Implementation Plan Phased Infrastructure Analysis
 Tonquin Employment Area (Sherwood) & SW Tualatin Concept Plan Area

Phase	Node ID	Node Gross Acreage	Node Net Developable Acreage	Jurisdiction	Transportation	Project Cost	Water	Project Cost	Sewer	Project Cost	Storm	Project Cost	Notes
1	C	51.66	48.48	Sherwood	Frontage improvements along Oregon Street	\$ 176,000	Construct 12" water line from Oregon Street to end of Blake Road	\$ 396,000	Construct 15" sewer line from Oregon Street to end of Blake Road	\$ 550,000	Construct 18" storm line from node south to Tonquin Road (through Nodes B and C)	\$ 280,000	
					3-lane full street improvements along Blake Road	\$ 680,000	Construct 10" water line from Blake Road to southwest corner of plan area	\$ 229,500	Construct 10" sewer line within Tonquin Ct along the node frontage	\$ 162,000	Construct 2.25-acre regional treatment facility	\$ 337,500	
					3-lane half street improvements along Blake Road	\$ 963,200							
					3-lane half street improvements along Tonquin Court	\$ 476,000							
					ROW from adjacent parcels	\$ 86,140							
					Roundabout at Blake/Oregon St intersection	\$ 750,000							
	Node C Total	51.66	48.48	Sherwood		\$ 3,131,340		\$ 625,500		\$ 712,000		\$ 617,500	
	E	46.68	39.5	Sherwood	5-lane half street improvements along SW Tualatin Sherwood Road	\$ 1,386,000	Construct 12" water line from Cipole Rd to the node south boundary	\$ 243,000	Construct 12" sewer line through the node to the southern boundary	\$ 264,000	Construct 18" storm line through site	\$ 260,000	
					5-lane half street improvements along SW 124th Avenue	\$ 833,000				Construct 1.0-acre regional treatment facility	\$ 150,000		
	Node E Total	46.68	39.5	Sherwood		\$ 2,219,000		\$ 243,000		\$ 264,000		\$ 410,000	
	G	45.82	40.52	Tualatin	5-lane half street improvements along SW Tualatin Sherwood Road	\$ 903,000	Construct 16" water line within 124th Ave along the node west frontage	\$ 408,000	Construct 18" sewer line in 120th Ave along the node east frontage	\$ 560,000	Construct 18" storm line within 120th Ave along node east frontage	\$ 170,000	
					5-lane half street improvements along SW 124th Avenue	\$ 1,302,000	Construct 12" water line within 120th Ave along the node east frontage	\$ 360,000		Construct 1.0-acre regional treatment facility	\$ 150,000		
					3-lane full street improvements along Blake Road	\$ 725,000	Construct 12" water line within Blake Rd along the node south frontage	\$ 180,000					
					3-lane half street improvements along Blake Road	\$ 168,000							
					120th Avenue Culvert	\$ 125,000							
3-lane half street improvements along SW 120th Avenue					\$ 464,800								
3-lane full street improvements along SW 120th Avenue					\$ 1,180,000								
ROW from adjacent parcels					\$ 5,440								
Node G Total	45.82	40.52	Tualatin		\$ 4,873,240		\$ 948,000		\$ 560,000		\$ 320,000		
Phase 1 Total	144.2	128.5			\$ 10,223,580		\$ 1,816,500		\$ 1,536,000		\$ 1,347,500		

Washington County, Oregon Industrial Site Readiness Assessment and Implementation Planning project
Task 4: Sherwood & Tualatin Market Analysis and Business Recruitment Strategy

Implementation Plan Phased Infrastructure Analysis
Tonquin Employment Area (Sherwood) & SW Tualatin Concept Plan Area

Phase	Node ID	Node Gross Acreage	Node Net Developable Acreage	Jurisdiction	Transportation	Project Cost	Water	Project Cost	Sewer	Project Cost	Storm	Project Cost	Notes	
2	A	37.18	24.38	Sherwood	Frontage improvements along Oregon Street	\$ 154,000	Construct 10" water line within Tonquin Ct along the node north frontage	\$ 360,000	Construct 10" sewer in Tonquin Ct along node north frontage	\$ 270,000	--			
					3-lane half street improvements along Tonquin Court	\$ 1,534,400	Upgrade Willamette River Water Treatment Plant (WRWTP) capacity to 15 MGD (costs split between Nodes A & D)	\$ 500,000						
	Node A Total	37.18	24.38	Sherwood		\$ 1,688,400		\$ 860,000		\$ 270,000		\$ -		
	D	74.32	44.73	Sherwood	5-lane half street improvements along SW 124th Avenue	\$ 343,000	Construct 10" water line from Dahlke Ln to 124th Ave along the node north boundary	\$ 472,500	Construct 15" sewer line in Blake Rd along node south frontage	\$ 425,000	Construct 18" storm line within Blake Road along node southwest frontage	\$ 290,000		
					3-lane half street improvements along Blake Road	\$ 2,044,000	Construct 12" water line within 124th Ave along the node east frontage	\$ 81,000		Construct 1.0-acre regional treatment facility	\$ 150,000			
					3-lane half street improvements along SW Dahlke Lane	\$ 711,200	Construct 10" water line through the site	\$ 195,000						
							Upgrade WRWTP capacity to 15 MGD (costs split between Nodes A & D)	\$ 500,000						
	Node D Total	74.32	44.73	Sherwood		\$ 3,098,200		\$ 1,248,500		\$ 425,000		\$ 440,000		
	H	6.1	5.35	Tualatin	3-lane full street improvements along Itel Street	\$ 225,000	--		--					
					3-lane half street improvements along SW 120th Avenue	\$ 252,000								
	Node H Total	6.1	5.35	Tualatin		\$ 477,000		\$ -		\$ -		\$ -		
	I	34.28	29.81	Tualatin	3-lane half street improvements along Blake Road	\$ 604,800	Construct 16" water line within 124th Ave along the node west frontage	\$ 348,000	Construct 18" sewer line in 120th Ave along node east frontage	\$ 182,000	Construct 18" storm line in 124th Ave	\$ 270,000		
					5-lane half street improvements along SW 124th Avenue	\$ 910,000	Construct 12" water line within 120th Ave along the node east frontage	\$ 225,000		Construct 18" storm line in 120th Ave	\$ 220,000			
					Traffic signal at Blake/124th Ave	\$ 250,000				Construct 1.0-acre regional treatment facility adjacent to wetlands	\$ 150,000			
					3-lane full street improvements along SW 120th Avenue	\$ 660,000								
					3-lane half street improvements along SW 120th Avenue	\$ 358,400								
	Node I Total	34.28	29.81	Tualatin		\$ 2,783,200		\$ 573,000		\$ 182,000		\$ 640,000		
	P	69.89	52.48	Tualatin	5-lane half street improvements along SW 124th Avenue	\$ 1,008,000	Construct 4.4-MGD reservoirs R-2 and R-3	\$ 6,867,000	Construct 9,600-LF 15" gravity line within Tonquin Rd to Onion Flat Trunk Line	\$ 2,400,000	Construct 18" storm line on site along node east frontage	\$ 370,000		
					3-lane half street improvements along Tonquin Road	\$ 700,000	Construct 16" water line from R-2 / R-3 reservoirs to 124th Ave	\$ 984,000	Construct 3,200-LF 12" gravity line along node west frontage	\$ 704,000	Construct 1.25-acre treatment facility adjacent to wetlands near northeast corner	\$ 187,500		
							Construct 16" water line within 124th Ave along node west frontage	\$ 324,000						
		Construct 12" water line through the site to 124th Ave	\$ 180,000											
Node P Total	69.89	52.48	Tualatin		\$ 1,708,000		\$ 8,355,000		\$ 3,104,000		\$ 557,500			
Phase 2 Total	151.9	104.3			\$ 9,754,800		\$ 11,036,500		\$ 3,981,000		\$ 1,637,500			

Washington County, Oregon Industrial Site Readiness Assessment and Implementation Planning project
Task 4: Sherwood & Tualatin Market Analysis and Business Recruitment Strategy

Implementation Plan Phased Infrastructure Analysis
Tonquin Employment Area (Sherwood) & SW Tualatin Concept Plan Area

Phase	Node ID	Node Gross Acreage	Node Net Developable Acreage	Jurisdiction	Transportation	Project Cost	Water	Project Cost	Sewer	Project Cost	Storm	Project Cost	Notes	
3	B	19.51	17.8	Sherwood	3-lane half street improvements along Tonquin Court	\$ 1,890,000	Construct 10" water line from Tonquin Ct to the node north frontage	\$ 105,000	--	--				
							Expand WRWTP treatment and expand Sherwood share (costs split between Nodes B & F)	\$ 950,000					Water: Cost for WRWTP attributed to TEA development is taken as 20% of total City cost to reflect impacts of growth across the city. Costs are split between Nodes B & F.	
	Node B Total	19.51	17.8	Sherwood		\$ 1,890,000		\$ 1,055,000		\$ -	\$ -			
	F	55.66	23.84	Sherwood	3-lane half street improvements along Blake Road	\$ 1,288,000	Construct 12" water line within Blake Road along the node north frontage	\$ 405,000	--			Construct 18" storm line within Blake Road along node northwest and southwest frontages	\$ 320,000	
					3-lane half street improvements along Blake Road	\$ 140,000	Expand WRWTP treatment and expand Sherwood share (costs split between Nodes B & F)	\$ 950,000			Construct 0.75-acre treatment facility adjacent to wetlands	\$ 112,500	Water: Cost for WRWTP attributed to TEA development is taken as 20% of total City cost to reflect impacts of growth across the city. Costs are split between Nodes B & F.	
					5-lane half street improvements along SW 124th Avenue	\$ 651,000								
	Node F Total	55.66	23.84	Sherwood		\$ 2,079,000		\$ 1,355,000		\$ -	\$ 432,500			
	J	5.36	4.5	Tualatin	3-lane half street improvements Blake Road	\$ 722,400	Construct 12" water line within Blake Road along the node south frontage	\$ 216,000		Construct 10" sewer line in Blake Rd along node south frontage	\$ 180,000	--		
	Node J Total	5.36	4.5	Tualatin		\$ 722,400		\$ 216,000		\$ 180,000	\$ -			
	K	18.52	16.71	Tualatin	3-lane full street improvements along Blake Road	\$ 324,800	Construct 12" water line within Blake Road along the node north frontage	\$ 99,000		Construct 18" sewer line in 120th Ave along node west frontage	\$ 154,000	--		
					3-lane half street improvements along SW 120th Avenue	\$ 834,400	Construct 12" water line within 120th Ave along the node west frontage	\$ 153,000						
	Node K Total	18.52	16.71	Tualatin		\$ 1,159,200		\$ 252,000		\$ 154,000	\$ -			
	N	46.6	34.07	Tualatin	3-lane half street improvements along SW 120th Avenue	\$ 890,400	Construct 16" water line within 124th Ave along node west frontage	\$ 528,000		Construct 15" sewer line in 120th Ave along node east frontage	\$ 237,500		Construct 18" storm line in 124th Ave along node west frontage	\$ 240,000
					5-lane half street improvements along SW 124th Avenue	\$ 1,505,000	Construct 16" water line within 115th Ave along node south frontage	\$ 288,000		Construct 15" sewer line in 115th Ave and 124th Ave to lift station #1	\$ 625,000		Construct 18" storm line in 120th Ave along node south frontage	\$ 150,000
3-lane half street improvements along SW 115th Avenue					\$ 672,000	Construct 12" water line within 120th Ave along the node east frontage	\$ 135,000		Construct lift station #1 - 1.7 MGD	\$ 2,700,000		Construct 2.0-acre treatment facility adjacent to wetlands west of 124th Ave	\$ 300,000	
traffic signal at 124th/115th					\$ 250,000	Construct 16" water line from A-2 reservoir to 124th along Node E south boundary	\$ 600,000		Construct 15" forcemain in 120th Ave along node east and south frontages	\$ 1,200,000				
Node N Total	46.6	34.07	Tualatin		\$ 3,317,400		\$ 1,551,000		\$ 4,762,500	\$ 690,000				
Phase 3 Total	145.7	96.9			\$ 9,168,000		\$ 4,429,000		\$ 5,096,500	\$ 1,122,500				

Washington County, Oregon Industrial Site Readiness Assessment and Implementation Planning project
 Task 4: Sherwood & Tualatin Market Analysis and Business Recruitment Strategy

Implementation Plan Phased Infrastructure Analysis
 Tonquin Employment Area (Sherwood) & SW Tualatin Concept Plan Area

Phase	Node ID	Node Gross Acreage	Node Net Developable Acreage	Jurisdiction	Transportation	Project Cost	Water	Project Cost	Sewer	Project Cost	Storm	Project Cost	Notes
4	L	40.59	36.94	Tualatin	3-lane half street improvements along Blake Road	\$ 571,200	Construct 16" water line within 115th Ave along node east frontage	\$ 636,000	Construct 15" sewer line in 115th Ave along node east frontage (duplicate with M)	\$ 475,000	Construct 18" storm line within 115th Ave along node east frontage	\$ 440,000	
					3-lane half street improvements along 115th Avenue	\$ 1,461,600			Construct 18" storm line within 120th Ave along node south frontage	\$ 130,000			
					3-lane half street improvements along SW 120th Avenue	\$ 380,800			Construct 1.5-acre treatment facility within existing quarry area	\$ 225,000			
	Node L Total	40.59	36.94	Tualatin		\$ 2,413,600		\$ 636,000		\$ 475,000		\$ 795,000	
	M	93.06	73.9	Tualatin	5-lane half street improvements along SW 124th Avenue	\$ 1,029,000	Construct 12" water line within Blake Rd along node north frontage	\$ 243,000	Construct 15" sewer line in 115th Ave along node east frontage (duplicate with L)		Construct 15" storm line on site from southeast corner to 115th Ave	\$ 96,250	
					3-lane half street improvements along SW 115th Avenue	\$ 2,128,000	Construct 16" water line within 124th Ave along node west frontage	\$ 180,000		Construct 18" storm line within 124th Ave along southwest frontage	\$ 400,000		
							Construct 16" water line through the node from west boundary to lbach St	\$ 528,000					
	Node M Total	93.06	73.9	Tualatin		\$ 3,157,000		\$ 951,000		\$ -		\$ 496,250	
	O	43.22	12.81	Tualatin	5-lane half street improvements along SW 124th Avenue	\$ 2,058,000	--	--	--	--	--	--	--
Node O Total	43.22	12.81	Tualatin		\$ 2,058,000		\$ -		\$ -		\$ -		
Q	10.89	8.91	Tualatin	5-lane half street improvements along SW 124th Avenue	\$ 1,288,000	--	--	--	--	--	--	--	
				Frontage improvements along SW Tonquin Road	\$ 350,000								
Node Q Total	10.89	8.91	Tualatin		\$ 1,638,000		\$ -		\$ -		\$ -		
Phase 4 Total	187.8	132.6			\$ 9,266,600		\$ 1,587,000		\$ 475,000		\$ 1,291,250		
Total	629.5	462.3			\$ 38,412,980		\$ 18,869,000		\$ 11,088,500		\$ 5,398,750		

APPENDIX 6 PRELIMINARY INFRASTRUCTURE FINANCIAL TOOLS FOR THE SHERWOOD TONQUIN EMPLOYMENT AREA

Johnson Economics
May 26, 2015





MEMORANDUM

DATE: May 26, 2015

TO: Todd Johnson
MACKENZIE

FROM: Chris Blakney
JOHNSON ECONOMICS

SUBJECT: Preliminary Infrastructure Financial Tools for the Sherwood Tonquin Employment Area

INTRODUCTION

JOHNSON ECONOMICS and MACKENZIE are collectively working with the City of Sherwood to develop concept level planning and strategies for removing economic and physical barriers to development in the Tonquin Employment Area (TEA). The purpose of this technical memo is to identify a range of funding mechanisms to address infrastructure investments needed in the study area.

As an element of this planning process, Mackenzie has developed concept level estimates of required infrastructure improvements necessary to facilitate development across six development nodes in the TEA¹. Taken together these development areas represent nearly 200 net-developable acres with the capacity for nearly 2.6 million square feet of developable industrial space. Total infrastructure cost to serve the area is roughly \$23 million, or \$116,057 per net-developable acre.

Development Node	Net-Developable Acres	Development Capacity (Sq. Ft.) ¹	Infrastructure Costs				Total/acre
			Transportation	Water	Sewer	Stormwater	
A	24.38	318,598	\$1,688,400	\$860,000	\$270,000	\$0	\$115,603
B	17.8	232,610	\$1,890,000	\$1,055,000	\$0	\$0	\$165,449
C	48.48	633,537	\$3,131,340	\$625,500	\$712,000	\$617,500	\$104,916
D	44.73	584,532	\$3,098,200	\$1,248,500	\$425,000	\$440,000	\$116,515
E	39.5	516,186	\$2,219,000	\$243,000	\$264,000	\$410,000	\$79,392
F	23.84	311,541	\$2,079,000	\$1,355,000	\$0	\$432,500	\$162,185
TOTAL:	198.73	2,597,004	\$14,105,940	\$5,387,000	\$1,671,000	\$1,900,000	\$116,057

¹ Assumes average Floor Area Ratio (FAR) of 0.30

SYSTEM DEVELOPMENT CHARGES (SDC's)

SDC's are fees assessed on new development or for changes to higher uses. SDC's are collected to mitigate a project's impact on public infrastructure and facilities. To the extent possible, this analysis considers potential revenue sources for water, sewer, and stormwater, and transportation.

Water SDC:

Development within the TEA subareas will generate on-going water SDC revenues as development occurs. In Sherwood the water SDC ranges from \$6,725 for a ¾" meter to \$605,382 for an 8" line. This analysis does not make an assumption of the number of meters development would require in the TEA. However, as major industrial uses are assumed, the infrastructure analysis does assume water demand at the upper end of the meter size range.

¹ See Mackenzie Implementation Plan diagram for a map of proposed Development Nodes and phasing.



Sanitary Sewer SDC:

Sewer SDC's are levied on industrial development based on estimates of usage at the time of development. Connection fees for industrial development vary by estimated usage, which was not estimated as a component of this analysis. The Sherwood reimbursement charge is currently \$0.094 with the improvement charge at \$0.27. Clean Water Services regional connection charge is \$4,900 per dwelling unit equivalent.

Stormwater SDC:

Stormwater SDC's are levied by Sherwood and Clean Water Services on new development for water quantity, quality, and regional stormwater drainage. Stormwater SDC's are based on area of impervious surface of development. Based on the development build-out estimates in our analysis, stormwater SDC's would total as much as \$611,000 at today's SDC rates.

Development Node	Net-Developable Acres	Development Capacity (Sq. Ft.) ¹	Stormwater SDC			
			Quantity	Quality	Drainage	TOTAL
A	24.38	318,598	\$65,993	\$53,995	\$29,143	\$149,131
B	17.8	232,610	\$53,769	\$43,993	\$23,745	\$121,507
C	48.48	633,537	\$33,187	\$27,153	\$14,656	\$74,996
D	44.73	584,532	\$60,889	\$49,818	\$26,888	\$137,595
E	39.5	516,186	\$24,230	\$19,825	\$10,700	\$54,755
F	23.84	311,541	\$32,452	\$26,552	\$14,331	\$73,335
TOTAL:	198.73	2,597,004	\$270,521	\$221,336	\$119,462	\$611,319

¹ Assumes average Floor Area Ratio (FAR) of 0.30

Transportation SDC's

New development in Sherwood is subject to transportation SDC's at the local and county level. The Washington County Transportation Development Tax (TDT) is assessed on new development across a range of development forms. The TDT is collected at the county level and distributed to cities for capital improvements designed to accommodate growth. The Sherwood transportation SDC is similarly assessed on new development based on square footage of development as a proxy for trip generation. Based on the development build-out estimates in this analysis, TDT revenues would range from \$8.2 to \$14.9 million with Sherwood transportation SDC's ranging from \$1.8 to \$3.3 million, depending on the character of development in the district.

Development Node	Net-Dev Acres	Development Capacity (Sq. Ft.) ¹	TDT Revenue		Sherwood Trans. SDC		Transportation SDC Rate (per 1,000 sf)		
			Low	High	Low	High	Use	TDT	Sherwood
A	24.38	318,598	\$1,008,681	\$1,833,849	\$223,656	\$410,354	Manufacturing	\$3,166	\$702
B	17.8	232,610	\$736,445	\$1,338,905	\$163,293	\$299,602	Light Industrial	\$5,756	\$1,288
C	48.48	633,537	\$2,005,777	\$3,646,637	\$444,743	\$815,995	Warehouse	\$4,064	\$926
D	44.73	584,532	\$1,850,627	\$3,364,564	\$410,341	\$752,877			
E	39.5	516,186	\$1,634,245	\$2,971,167	\$362,363	\$664,848			
F	23.84	311,541	\$986,339	\$1,793,231	\$218,702	\$401,265			
TOTAL:	198.73	2,597,004	\$8,222,114	\$14,948,353	\$1,823,097	\$3,344,941			

¹ Assumes average Floor Area Ratio (FAR) of 0.30

DILEMMA OF DEVELOPMENT READINESS

By practice, SDC's are periodically reviewed, revised, and calibrated by use level, with the intention that SDC revenue completely offsets infrastructure costs. While this is not always the case, it is clear that SDC revenue in the TEA is expected to go a long way towards meeting the costs associated improving infrastructure. However, the limitation of the SDC system when new infrastructure is required is that revenue is a product of development, but raw unimproved land is not marketable. This chicken or the egg condition is challenging for many jurisdictions that are looking for funding strategies to frontload



investments to make employment areas more marketable. What follows is a list of funding mechanisms at various levels of government and enterprise that can be leveraged to facilitate infrastructure financing.

FINANCIAL TOOLS FOR INFRASTRUCTURE

Urban Renewal/Tax Increment Financing (TIF)

TIF is a funding tool by which public projects are financed by debt borrowed against future property tax revenues within a geographic area defined by an Urban Renewal District. Property tax assessments are “frozen” in the base year that the district is established, bonds are sold to finance pre-determined public projects, and repayment of the bonds is derived out of incremental increased value created above and beyond the base year assessment. TIF is becoming increasingly popular funding mechanism for industrial areas as infrastructure investments are directly tied to a development outcome.

Local Improvement District (LID)

A Local Improvement District is a commonly used tool to enhance shared infrastructure or amenities of a specific area. The tool has the local jurisdiction issuing tax-exempt bonds to finance projects within the district, which are repaid by a special assessment on the property owners in the district. The tool is particularly useful where property owners directly benefit from project investments, and are more easily implemented when a small number of property owners can be organized. Given the small number of property owners in the TEA, the number of infrastructure projects that could affect multiple properties, and the fact that infrastructure improvements are likely to improve site property marketability and achievable pricing, an LID is a sound candidate for consideration in the TEA.

Enterprise Zone

While not a funding mechanism, enterprise zones are tax abatement programs designed to enhance the marketability of a particular area or site. In an Enterprise Zone, property tax assessments are generally abated for the first three to five years of investment. The benefits to the user or developer of this tool could offset additional costs to make sites in the TEA more marketable.

Washington County Major Streets Transportation Improvement Program (MSTIP)

MSTIP uses property tax revenue to fund large-scale transportation improvement projects. Through 2018 MSTIP will have funded 130 projects totaling over \$730 million in investment. The Washington County Board of County Commissioners prioritizes projects on five-year funding cycles. This tool is currently being used to fund the 124th Avenue extension along the eastern edge of the TEA. In late 2015 Washington County will begin planning the MSTIP 3e funding round to cover 2019 through 2023.

Metro Regional Transportation Plan (RTP/MTIP)

The Metro Regional Transportation Plan, recently updated in 2014, represents the coordinated regional goals, policies, system concept plans, and funding strategies for regional transportation improvements. The plan organizes how to spend \$20 to \$22 billion in local, regional, state, and federal funding over the next 25 years to improve the safety, reliability, and economic vitality of the regional transportation network. The Metropolitan Transportation Improvement Program (MTIP) schedules the distribution of all federal and some state transportation funds in the region over a four-year period. Eligibility for MTIP results from designation on the RTP financially constrained project list. MTIP funds are administered by ODOT, TriMet, SMART, and Metro. A significant share of ODOT, TriMet, and SMART funding is commonly slated for particular project categories that are not widely applicable to employment areas. However, funds issued by Metro have more discretion and flexibility.



Metro Regional Economic Opportunity Funds

The Metro regional transportation flexible fund allocates funding to projects identified in the RTP every two years. Project and program applications are nominated by jurisdictions and/or transit agencies.

Special Public Works Fund (SPWF)

SPWF is administered through the Oregon Infrastructure Finance Authority. It provides loans for municipally-owned infrastructure that supports economic development. Loans can be used for planning, design, construction and ROW acquisition. Some grant funds of up to \$500,000 are also administered to for projects that create traded sector jobs. Loans generally range from \$100,000 to \$10 million, with terms generally limited to the lesser of 25 years or the life of the project.

Immediate Opportunity Fund (IOF)

The Oregon IOF is a special program administered by ODOT. It was created in order to quickly process and fund transportation improvements that create or retain jobs. The program works in collaboration with Business Oregon to serve as a quick response incentive for projects with immediate economic development upside. The IOF has three levels of funding for projects.

Type A: Specific economic development projects that affirm job retention and job creation opportunities

Type B: Revitalization of business or industrial centers to support economic development

Type C: Preparation of Oregon Certified Ready Industrial Sites (pending adoption of new standard, this level would also extend to Regionally Significant Industrial Sites RSIS)

Project maximums are set at \$1 million for Type A projects, \$250,000 for Type B, and \$500,000 for Type C. Grants are typically awarded to proposals offering a 50% or greater match from other local public or private sources.

Governor's Strategic Reserve Fund (SRF)

The Governor's Strategic Reserve Fund provides cash incentives in the form of a forgivable loan to businesses closing on siting decisions. This discretionary fund could be offered to firms for equipment, buy-down on land, training, or other agreed upon expenses. The fund has historical precedent as used to pay for critical infrastructure improvements specific to a candidate user.

Regional Infrastructure Enterprise

A regional effort, currently headed by Metro and the Port of Portland, to make and facilitate investments in the Portland metropolitan region and partner with stakeholders to develop a system that optimizes the region's ability to deliver infrastructure projects.

Business Oregon Opportunity Funds

It remains unclear when/if the Business Oregon Opportunity Fund passed by the 2013 legislature will be funded. This program would reimburse local governments 50% of the costs for investments that improve the readiness of industrial sites. Reimbursement would occur upon the location of a traded sector firm on the candidate site.

RECOMMENDED ACTIONS/STRATEGIES

The following recommendations represent further study/actions the City could take to continue to refine infrastructure funding strategies in the TEA.



Project Promotion

The City should continue to identify unfunded transportation projects with candidacy for exogenous state and regional transportation funding. Be proactive in applying for federal, state, and regional grant funding.

Property Owner Organization

Organizing property owners to work collaboratively with the City to market and improve their sites is critically important in moving readiness of TEA sites forward. With fewer than 20 property owners, a local improvement district for shared infrastructure projects should be explored.

Sponsor Designation of Subareas as Regionally Significant Industrial Sites

Business Oregon is currently refining its program prioritization for industrial sites. The new Regionally Significant Industrial Site (RSIS) program will work collaboratively with the more marketing focused Industrial Site Certification Program. Industrial sites designated as RSIS sites will receive prioritized funding from state programs, including SPWF and IOF. The program will require landowner collaboration with a public sponsor. The City of Sherwood should strategically partner with key landowners to apply for RSIS candidacy.

Conduct an Urban Renewal Feasibility Study

It is assumed that, over time, property taxes and fees paid by new private development in the TEA should cover most of the public infrastructure investment costs. However, many typical infrastructure funding tools - for instance, system development charges and capital improvement programming - will not be timely enough for the upfront costs associated with developing a new employment area. Infrastructure funding is needed as part of preparing the area for development readiness and business recruitment. Our experience with the region's targeted industries/employers suggests they are not likely to commit to developing in an area like the TEA until the City can assure them the necessary infrastructure can be built in coordination with tight development schedules. In recent years, Urban Renewal has become an increasingly utilized tool for bridging this financial gap. The feasibility of Industrial Urban Renewal Areas of this type is currently being studied in North Hillsboro and Wilsonville's Coffee Creek Industrial Area.

APPENDIX 7

TONQUIN EMPLOYMENT AREA MARKETING PROSPECTUS





Tonquin Employment Area Marketing Prospectus

Property Snapshot

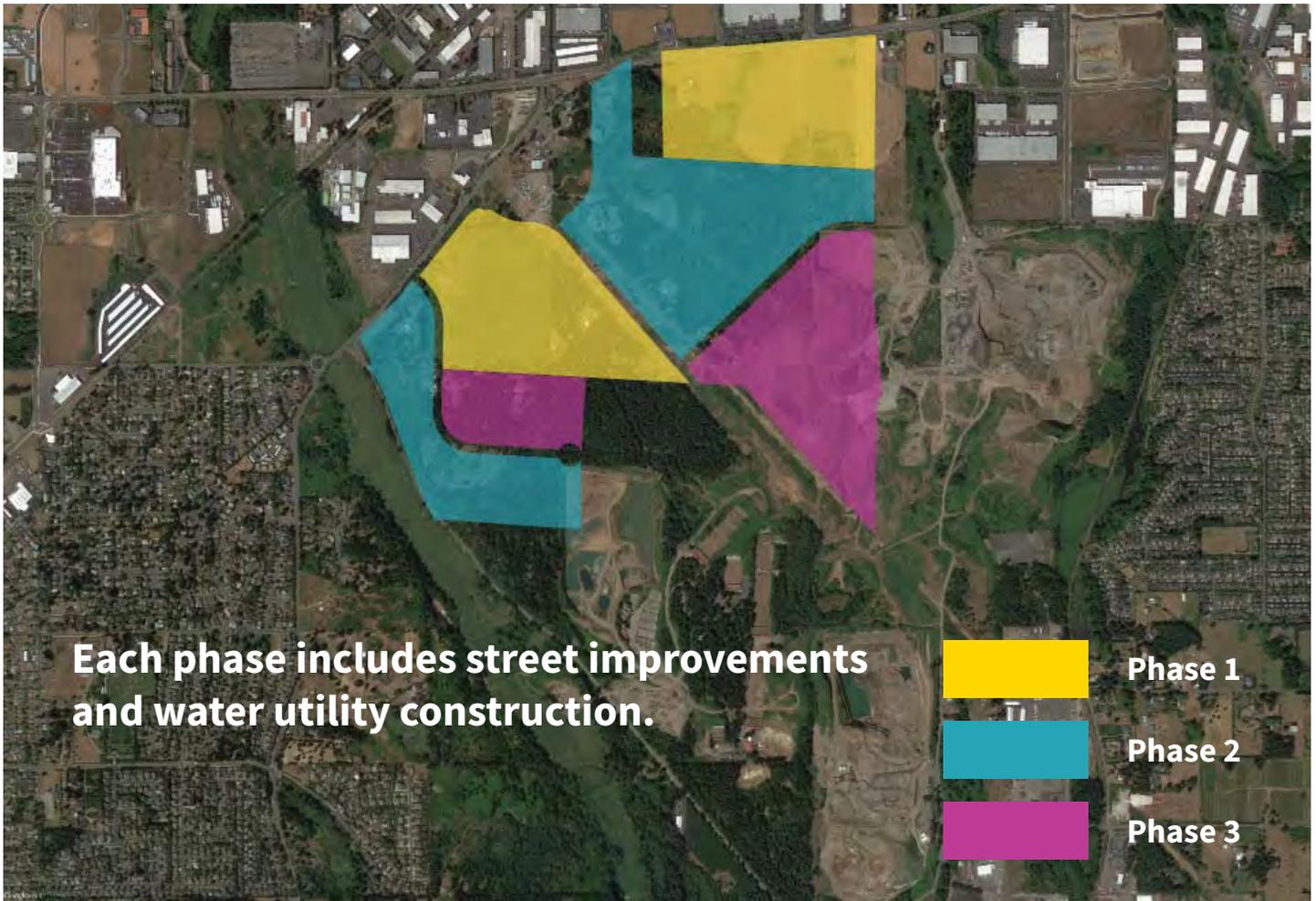
Size: 300 acres
Future Zoning: Employment Industrial (EI)
Utilities: Municipal water and sewer, electric power and natural gas available; fiber optic municipal broadband network available
Owner: Multiple owners

Metro’s modern industrial hub

The Tonquin Employment Area (TEA) in Sherwood, Oregon, is identified by Oregon Metro as a regionally significant industrial location. The 300-acre TEA features multiple potential employment sites to be developed, and the area is in proximity to desirable amenities such as the Tualatin-Sherwood Road multimodal transit corridor and the cities of Sherwood and Tualatin, with a total population of over 45,000 residents, as well as the entire Portland metropolitan area, with a population of over 2 million.

In 2010, the City of Sherwood produced a TEA concept plan, which the city is currently expanding. The City envisions that the TEA will be developed for uses in clean technology, advanced manufacturing, outdoor gear and activewear, and a variety of possible uses within flex building spaces.

Development Phases



Building out strategically

Because of the size of the TEA, it is unlikely that the entire area would be developed at once; rather, development is more likely to occur in phases. Specifically, development is expected to occur from north to south, as indicated in the above diagram of Phases 1, 2, and 3.

The phase area boundaries were determined from roadway alignments, property line locations, and parcelization. Considering that the final roadway alignments and utility corridors will be established through future development, the phase areas are conceptual and non-regulatory.

It is estimated that, within the TEA, the Phase 1

areas may take up to 14 years to build out, Phase 2 may take up to 8 years to build out, and Phase 3 may take up to 3 years to build out (note that phases may overlap). Transportation and utility projects and the associated costs have also been estimated for the different phases.

Additionally, it has been estimated that the TEA properties would capture a graduated scale of projected growth at 20% to 30% over the first ten years and 45% to 55% over the subsequent 15 years.

Economic Analysis

Growth and innovation



- The Tualatin-Sherwood Road corridor added over 3,000 jobs to the local economy between 2010 and 2013, representing an increase of 18% and an annual growth rate of 5.6%.
- Manufacturing contributed to over one-third of the job growth during the 2010–2013 period, with a gain of more than 1,000 jobs.
- In the region’s industrial real estate market, flex spaces have benefited from growth in the high-tech clusters, as local firms such as Intel have expanded and non-local firms such as Salesforce have relocated to the area. Manufacturing and distribution spaces have also benefited as consumption has increased and the region’s export market has grown.
- In the Portland metropolitan area, vacancy rates have dropped as rental rates have risen in recent years. At the end of the fourth quarter of 2014, the overall vacancy rate for industrial space was 4.8%, and year-over-year rent growth was 4.2% (Source: Kidder Matthews).
- In the I-5 South submarket, which includes the cities of Sherwood, Tualatin, Tigard, and Wilsonville, the overall vacancy rate has fallen from 9% to 5%, and the average annual asking rent has risen from \$5.64 to \$6.96 per square foot.
- Along the Tualatin-Sherwood Road corridor, the vacancy rate is considerably lower than the I-5 South submarket, after falling steeply since 2012 to 3.5%.
- The City of Sherwood has a population of nearly 17,000 residents. With an eye toward modern industrial development, Sherwood also aspires to retain its charm and friendliness.

Source for images: City of Sherwood

Development Considerations

Balancing needs

Though the TEA is largely undeveloped, multiple electrical transmission corridors cross the area, and a petroleum pipeline passes through a portion of the sites.

Slopes in the TEA vary from less than 7% to more than 25%. The TEA also contains both upland habitat and wetland habitat, though it primarily comprises forested or agricultural land.

The above mentioned features could affect the feasibility of development for some industrial uses. Slopes greater than 7% can be cost-prohibitive, considering the grading necessary to create the larger, more level, rectilinear sites needed for industrial-scale buildings. Additionally, the electrical transmission corridors, petroleum pipeline, and wetland habitats across the sites constrain several properties within the TEA; the habitat areas could also restrict development locations and, by entailing additional local, state, and federal permitting requirements, extend the timeline for development to occur.

Despite the aforementioned constraints, the City of Sherwood has been visionary in designing the TEA to be responsive to the appropriate market for modern industrial uses. In many ways primed for development, the TEA is positioned to become the next hub for innovative high-tech, advanced manufacturing, and other production clusters in the Oregon Metro region and the Northwest.



TO: Sherwood City Council

FROM: Julie Blums, Finance Director
Through: Joseph Gall, City Manager

**SUBJECT: Resolution 2015-052, Transferring Budget Expenditure
Appropriations between Categories for Budget Year 2014-15**

Issue:

Should the City Council approve a budget transfer for the General, Water Operations, Street Operations, General Construction, and Telecommunications Funds?

Background:

General Fund

- The Administration and Community Development Divisions of the General Fund incurred additional legal expenses related primarily to a law suit from a local developer.

Water Operations Fund

- The cost of water purchases through the plant in Wilsonville are higher than estimated.

Street Operations Fund

- The costs for the Lincoln Street paving project were originally budgeted under materials and services when in actuality this is a capital improvement and should be budgeted as capital outlay.

General Construction Fund

- The cost for the furniture at the Center for the Arts were budgeted under capital outlay, however due to the actual costs of each item being under \$5,000 they should be classified as materials and services.

Telecommunications Fund

- Lease of additional space at the Pittock facility due to customer needs, and installation of our own fiber tie cable.

It is important to note that this resolution does not increase expenditure authorization in these funds; it only transfers spending authorization from one category to another.

Recommendations:

Staff respectfully recommends City Council approval of Resolution 2015-052, transferring budget expenditure appropriations between categories for budget year 2014-15.



RESOLUTION 2015-052

TRANSFERRING BUDGET EXPENDITURE APPROPRIATIONS BETWEEN CATEGORIES FOR BUDGET YEAR 2014-15

WHEREAS, pursuant to ORS 294.463, Oregon Municipalities can transfer appropriation between existing categories within the same fund during the budget year; and

WHEREAS, the following events have occurred during the course of this budget year:

General Fund

- Administration and Community Development Divisions: Additional appropriation is needed for legal expenses.

Water Operations

- The cost of water purchases are higher than estimated.

Street Operations Fund

- Transferring the budget authority for the Lincoln Street paving project from materials and services to capital outlay

General Construction Fund

- Transferring the budget authority for furniture at the Arts Center from capital outlay to materials and services

Telecommunications Fund

- Lease of additional space at the Pittock facility due to customer needs, and installation of our own fiber tie cable.

WHEREAS, said changes will not alter the total appropriations in the altered funds;

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

Section 1. Appropriations for the 2014-15 budget year are increased/(decreased) in the following amounts:

General Fund	Current	Amount of Change	Revised
Administration	2,643,302	70,000	2,713,302
Community Development	1,382,749	25,000	1,407,749
Community Services	<u>1,563,238</u>	<u>(95,000)</u>	<u>1,468,238</u>
Revised Total Requirements	\$5,589,289	\$ -	\$5,589,289

Water Operations	Current	Amount of Change	Revised
Materials and Services	2,715,660	185,000	2,900,660
Contingency	403,722	(185,000)	218,722
Revised Total Requirements	\$3,119,382	\$ -	\$3,119,382

Street Operations Fund	Current	Amount of Change	Revised
Materials & Services	1,800,542	(257,000)	1,543,542
Capital Outlay	<u>40,000</u>	<u>257,000</u>	<u>297,000</u>
Revised Total Requirements	\$2,924,788	\$ -	\$2,924,788

General Construction Fund	Current	Amount of Change	Revised
Personal Services	62,753	(17,000)	45,753
Materials & Services	162,951	17,000	179,951
Revised Total Requirements	\$225,704	\$ -	\$225,704

Telecommunications Fund	Current	Amount of Change	Revised
Personal Services	59,925	(25,000)	34,925
Materials & Services	171,232	60,000	231,232
Capital Outlay	40,000	(30,000)	10,000
Contingency	23,088	(5,000)	18,088
Revised Total Requirements	\$294,245	\$ -	\$294,245

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

Duly passed by the Sherwood City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

TO: Sherwood City Council

FROM: Julie Blums, Finance Director
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-053 Adopting the Capital Improvement Plan for FY 2015-16

Issue:

Should the City Council adopt the Capital Improvement Plan (CIP) for FY2015-16?

Background:

Many funding sources require a Capital Improvement Plan (CIP) to be adopted before funds can be spent. Having a CIP is a precursor to the expenditure of System Development Charges and revenue from sources outside the City of Sherwood. This staff report presents the FY2015-16 CIP Plan and the adopting resolution.

This CIP Plan is only that: a plan. It is not a commitment nor does it obligate funds. It is a vision of projects that combines input from City Council, advisory committees and staff into one document. Annual revision is required to adjust the plan to changing priorities and circumstances.

City staff has completely overhauled the CIP document that has been provided to City Council as compared to previous years. While it is much more comprehensive and detailed, our intent is to continue to improve this important planning document to maintain and expand our capital facilities and infrastructure.

All of the projects planned for the next five years and their proposed timing are as follows.

City of Sherwood Five Year Capital Improvement Plan (FY15 Through FY19)						
Transportation	Estimated Cost	14/15	15/16	16/17	17/18	18/19
TSP Implementation Plan and SDC Rate Analysis	125,000	125,000				
Krueger Elwert-Hwy 99W Intersection	4,500,000	-	150,000	350,000	-	4,000,000
Oregon St/Tonquin Rd	8,000,000	-	-	500,000	7,000,000	500,000
Pine Street Phase 2	1,850,000	-	-	-	-	1,850,000
	\$ 14,475,000	\$ 125,000	\$ 150,000	\$ 850,000	\$ 7,000,000	\$ 6,350,000
Storm						
Columbia Street Regional Water Quality Facility Const	750,000	575,000	-	-	-	-
Storm System Master Plan Update	125,000	125,000	-	-	-	-
Oregon St Regional Stormwater Facility	500,000	-	150,000	350,000		
Area 48 Coffee Lake Creek Stormwater Facility	500,000	-	-	125,000	375,000	-
Area 48 Hedges Creek Stormwater Facility	1,050,000	-	-	-	250,000	800,000
	\$ 2,925,000	\$ 700,000	\$ 150,000	\$ 475,000	\$ 625,000	\$ 800,000
Sanitary						
Tonquin Employment Area Sanitary Upgrade (TEASU)	1,385,370	250,000	-	-	-	-
Sanitary Master Plan Update	150,000	125,000	-	-	-	-
Tonquin Employment Area (TEASU) Ext. Phs 1	744,560	-	175,000	569,560	-	-
Tonquin Employment Area (TEASU) Ext. Phs 2	683,497	-	-	175,000	508,497	-
SW Sunset Blvd Rehab	168,800	-	-	168,800	-	-
Old Town Laterals Rehab	40,000	-	-	-	40,000	-
SW Orcutt Place Rehab	155,743	-	-	-	-	155,743
SW Highland Dr Rehab	249,859	-	-	-	-	249,859
SW Gleneagle Dr. Rehab	49,813	-	-	-	-	49,813
SW Washington Dr Rehab	52,750	-	-	-	-	52,750
SW Schamburg Dr to Division Rehab	388,298	-	-	-	-	388,298
	\$ 4,068,690	\$ 375,000	\$ 175,000	\$ 913,360	\$ 548,497	\$ 896,463
Water						
	Estimated Cost					
Surge & Clear Well	1,000,000	-	1,000,000			
Highway 99W Crossing	350,000	-	350,000	-	-	-
Reservoir 535	2,330,000	-	80,000	500,000	200,000	-
Treatment Plant Expansion	3,500,000	-	-	-	1,500,000	-
Langer Subdivision	57,000	-	-	-	57,000	-
Purchase 15 mgd from TVWD	3,000,000	-	-	-	-	1,500,000
	\$ 10,237,000	\$ -	\$ 1,430,000	\$ 500,000	\$ 1,757,000	\$ 1,500,000
General Construction						
Cedar Creek Trail - Design & Construction	865,000	200,000	-	-	-	-
Woodhaven Improvements Design	125,000	75,000	-	-	-	-
Parks Master Plan and SDC Update	100,000	100,000	-	-	-	-
	\$ 1,090,000	\$ 375,000	\$ -	\$ -	\$ -	\$ -
URA						
Sherwood Community Center	7,026,933	4,000,000	-	-	-	-
	\$ 7,026,933	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -

Recommendation:

Staff respectfully recommends City Council approval of Resolution 2015-053 adopting the Capital Improvement Plan for FY2015-16.



RESOLUTION 2015-053

**ADOPTING THE CAPITAL IMPROVEMENT PROJECT PLAN
FOR FISCAL YEAR 2015-16**

WHEREAS, the City of Sherwood Financial Policy IV-4 states that the City shall adopt a five-year Capital Improvement Project Plan annually; and

WHEREAS, the attached summary of the FY16 Capital Improvement Project Plan represents capital improvement planning based on the current circumstances and priorities of the City; and

WHEREAS, this Capital Improvement Project Plan was the basis for projects included in the FY16 approved budget.

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

Section 1. That it hereby adopts the FY2015-16 Capital Improvement Projects Plan attached hereto as Exhibit A.

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

Duly passed by the Sherwood City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

TO: Sherwood City Council

FROM: Julie Blums, Finance Director
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-054, Updating the City of Sherwood Water System Development Charges Methodology

Issue:

Shall the City Council adopt an resolution updating the Water System Development Charges Methodology?

Background:

Murray Smith and Associates was hired to perform an analysis of the City of Sherwood's water system, document water system upgrades, estimate future water requirements, identify deficiencies, update the City's capital improvement program (CIP), and evaluate the City's existing water rates and system development charges (SDCs).

A work session was held on April 21, 2015 with the City Council to review the proposed Water SDC Methodology.

Financial Impacts:

The updated proposed Water SDC Methodology will reduce the total water SDC's by approximately 20%. This reduction is due to a decrease in SDC eligible projects in the newly adopted Water System Master Plan.

Recommendation:

Staff respectfully recommends approval by the City Council of Resolution 2015-054 updating the Water System Development Charge Methodology.



RESOLUTION 2015-054

**UPDATING THE CITY OF SHERWOOD WATER SYSTEM DEVELOPMENT CHARGES
METHODOLOGY**

WHEREAS, City of Sherwood Ordinance 1991-927 and Resolution 91-498 provides that the City may amend or adopt a new Water System Development Charge (SDC) Methodology Report by resolution; and

WHEREAS, the last Water System Development Charges and Methodology update was completed in 2005; and

WHEREAS, on May 5, 2015, the City of Sherwood adopted an updated Water System Master Plan (Ordinance 2015-004); and

WHEREAS, the Methodology Report includes updated SDC rates which reflect currently identified needs;

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

Section 1. The City of Sherwood City Council hereby adopts the Water System Development Charges Methodology Report.

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

Duly passed by the City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

Methodology Report

Water System Development Charges

Prepared For
City of Sherwood

April 14, 2015



SECTION 1

Introduction

Oregon legislation establishes guidelines for the calculation of system development charges (SDCs). Within these guidelines, local governments have latitude in selecting technical approaches and establishing policies related to the development and administration of SDCs. A discussion of this legislation follows, along with the methodology for calculating updated water SDCs for the City of Sherwood (the City) based on the recently completed Water System Master Plan Update (Murray Smith & Associates, 2015).

SDC Legislation in Oregon

In the 1989 Oregon state legislative session, a bill was passed that created a uniform framework for the imposition of SDCs statewide. This legislation (Oregon Revised Statute [ORS] 223.297-223.314), which became effective on July 1, 1991, (with subsequent amendments), authorizes local governments to assess SDCs for the following types of capital improvements:

- Drainage and flood control
- Water supply, treatment, and distribution
- Wastewater collection, transmission, treatment, and disposal
- Transportation
- Parks and recreation

The legislation provides guidelines on the calculation and modification of SDCs, accounting requirements to track SDC revenues, and the adoption of administrative review procedures.

SDC Structure

SDCs can be developed around two concepts: (1) a reimbursement fee, and (2) an improvement fee, or a combination of the two. The **reimbursement fee** is based on the costs of capital improvements *already constructed or under construction*. The legislation requires the reimbursement fee to be established or modified by an ordinance or resolution setting forth the methodology used to calculate the charge. This methodology must consider the cost of existing facilities, prior contributions by existing users, gifts or grants from federal or state government or private persons, the value of unused capacity available for future system users, rate-making principles employed to finance the capital improvements, and other relevant factors. The objective of the methodology must be that future system users contribute no more than an equitable share of the capital costs of *existing* facilities. Reimbursement fee revenues are restricted only to capital expenditures for the specific system with which they are assessed, including debt service.

The methodology for establishing or modifying an **improvement fee** must be specified in an ordinance or resolution that demonstrates consideration of the *projected costs of capital improvements identified in an adopted plan and list*, that are needed to increase capacity in the system to meet the demands of new development. Revenues generated through improvement fees are dedicated to capacity-increasing capital improvements or the repayment of

debt on such improvements. An increase in capacity is established if an improvement increases the level of service provided by existing facilities or provides new facilities.

In many systems, growth needs will be met through a combination of existing available capacity and future capacity-enhancing improvements. Therefore, the law provides for a **combined fee** (reimbursement plus improvement component). However, when such a fee is developed, the methodology must demonstrate that the charge is not based on providing the same system capacity.

Credits

The legislation requires that a credit be provided against the improvement fee for the construction of "qualified public improvements." Qualified public improvements are improvements that are required as a condition of development approval, identified in the system's capital improvement program, and either (1) not located on or contiguous to the property being developed, or (2) located in whole or in part, on or contiguous to, property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

Update and Review

The methodology for establishing or modifying improvement or reimbursement fees shall be available for public inspection. The local government must maintain a list of persons who have made a written request for notification prior to the adoption or amendment of such fees. The legislation includes provisions regarding notification of hearings and filing for reviews. The notification requirements for changes to the fees that represent a modification to the methodology are 90-day written notice prior to first public hearing, with the SDC methodology available for review 60 days prior to public hearing.

Other Provisions

Other provisions of the legislation require:

- Preparation of a capital improvement program (CIP) or comparable plan (prior to the establishment of a SDC), that includes a list of the improvements that the jurisdiction intends to fund with improvement fee revenues and the estimated timing, cost, and eligible portion of each improvement.
- Deposit of SDC revenues into dedicated accounts and annual accounting of revenues and expenditures, including a list of the amount spent on each project funded, in whole or in part, by SDC revenues.
- Creation of an administrative appeals procedure, in accordance with the legislation, whereby a citizen or other interested party may challenge an expenditure of SDC revenues.

The provisions of the legislation are invalidated if they are construed to impair the local government's bond obligations or the ability of the local government to issue new bonds or other financing.

SECTION 2

Water SDC Methodology

Overview

The general methodology used to calculate water SDCs begins with an analysis of system planning and design criteria to determine growth’s capacity needs, and how they will be met through existing system available capacity and capacity expansion. Then, the capacity to serve growth is valued to determine the “cost basis” for the SDCs, which is then divided by the total growth capacity units to determine the system wide unit costs of capacity. The final step is to determine the SDC schedule, which identifies how different developments will be charged, based on their estimated capacity requirements.

Determine Capacity Needs

Table 1 shows the planning assumptions for the water system contained in Water System Master Plan Update (Master Plan). The primary relevant design criteria for the water system is Maximum Day Demand (MDD), which is the highest daily recorded rate of water production in a year. MDD is the primary factor in evaluating capacity for source, transmission and treatment facilities.

Table 1 shows the existing maximum day demand (MDD) for the system and the projected total and growth requirements at various years and build-out. As shown in **Table 1**, the current MDD is about 3.9 mgd. Through development saturation, the City’s water demand is projected to increase by an additional 5.1 mgd to 9 mgd total. Future growth is projected to represent about 56 percent of future MDD.

Table 1
 City of Sherwood SDC Analysis
 Water System Capacity Analysis

Time Period	MDD Total	MDD Growth
Current (mgd)¹	3.9	
Future Projections (mgd)¹		
2024	4.8	0.9
2034	6.0	2.1
Saturation	9.0	5.1
Equivalent Meters ²	7,074	
Use per Equiv Meter (gallons)	556	

¹ From Water System Master Plan Update (Table 2-7)

² From City of Sherwood billing records

MDD = Max Day Demand

Table 1 also shows the estimated water use per equivalent unit, where the units are based on equivalent meters. Equivalent meters represent the number of meters in the system, stated in terms of the relative hydraulic capacity of each meter size to that of the smallest meter (a 5/8-inch meter). The water system currently has about 5,700 meters; applying a hydraulic capacity equivalent to each meter size results in a total of 7,074 equivalent meters. Dividing the current MDD of 3.93 by the current equivalent meters yields a MDD per equivalent meter of 556 gallons.

Develop Cost Basis

The capacity needed to serve new development will be met through a combination of existing available system capacity and additional capacity added by planned system improvements. The reimbursement fee is intended to recover the costs associated with the growth-related (or available) capacity in the existing system; the improvement fee is based on the costs of capacity-increasing future improvements needed to meet the demands of growth. The value of capacity needed to serve growth in aggregate within the planning period is referred to as the “cost basis”. **Table 2** shows the City’s capital project list – including existing projects (or work in process) and future planned improvements.

Reimbursement Fee Cost Basis

Table 2 includes the list of existing system facilities that were considered for the SDC analysis. These facilities include existing wells, the City’s portion of the Willamette River Water Treatment Plant (WRWTP), storage reservoirs (and associated pumping facilities) in zones 380 and 455, and major transmission lines. For these existing facilities, the growth portion of costs is determined by future development’s share of the current facility capacity, as follows:

- **Wells:** The City’s existing wells are used solely for emergency supply purposes. Based on system planning criteria, the existing wells do not have excess capacity for growth.
- **Willamette River Water Treatment Plant:** The City currently owns 5 mgd of the WRWTP. Current development capacity requirements are 3.93 mgd (from Table 1); therefore, 1.07 mgd (21 percent) is available to serve future growth.
- **Storage Reservoirs and Pumping:** The Master Plan found existing storage capacity to be adequate to meet the needs of existing and future development through build-out. Existing storage facility costs are allocated to growth based on equivalent dwelling units, as estimated from the Master Plan. As shown in Table 2, the growth allocation equals 53 percent (zone 380) and 70 percent (zone 455).
- **Transmission:** The City constructed transmission pipes to deliver water from the WRWTP to the City’s system. A portion of the piping is sized for 40 mgd, while other segments have a 20-26 mgd capacity. The portion of the capacity that will serve demand beyond the projected Urban Growth Boundary (UGB) is excluded from the analysis. The City may be reimbursed for this oversizing capacity cost by future regional water supply partner(s).

Component	Capacity		Capacity Need		Cost Allocation		Updated Study Cost				SDCr Cost	SDCi Cost
	Units	Value	Current	Future	Current	Future	Included cost	Excluded Costs ¹	Total Costs	Improvement Year		
Supply	mgd											
Wells (3,5 &6)					100%	0%	\$854,072		\$854,072	Completed	\$0	
Wells 3 Hydrants					100%	0%	\$25,000		\$25,000	2014/15		\$0
Well 4					100%	0%	\$25,000		\$25,000	2014/15		\$0
Water Treatment Plant (WTP)		5	3.93	1.07	79%	21%	\$7,584,047		\$7,584,047	Completed	\$1,622,986	
WTP Upgrades		5	3.93	1.07	79%	21.4%	\$1,000,000		\$1,000,000	2019/2024		\$214,000
WTP intake capacity purchase		5	0	5	0%	100%	\$2,000,000		\$2,000,000	2019/2024		\$2,000,000
WTP Plant Expansion		5	0	5	0%	100%	\$7,700,000		\$7,700,000	2019/2024		\$7,700,000
Storage			EDUs									
380 Ft zone (Sunset #1)			6,857	7,591	47%	53%	\$651,274		\$651,274	Completed	\$342,180	
455 Ft zone (Kruger)			816	1,943	30%	70%	3,159,543		\$3,159,543	Completed	\$2,225,079	
380 Zone Reservoir (Sunset #2)			6,857	7,591	47%	53%	\$10,009,076		\$10,009,076	Completed	\$5,258,783	
Pumping												
Wyndham (455)			816	1,943	30%	70%	693,653		\$693,653	Completed	\$488,499	
		gpm	gpm									
Ladd Hill (535 PRV)		1,600	0	1,600	0%	100%	\$477,000		\$477,000	2019		\$477,000
Kruger (630 zone)		2,400	0	2,400	0%	100%	\$2,547,000		\$2,547,000	Saturation		\$2,547,000
Edy Road (455 Booster)		1,600	0	1,600	0%	100%	\$1,505,000		\$1,505,000	Saturation		\$1,505,000
Transmission	Total		mgd									
Finished Water Transmission - Pipe	40	10	3.93	6.07	39%	61%	\$6,566,214	\$5,159,169	\$11,725,383	Completed	\$3,985,692	
Finished Water Transmission - Pipe	26	10	3.93	6.07	39%	61%	\$1,962,076	\$1,962,076	\$3,924,152	Completed	\$1,190,980	
Finished Water Transmission - Pipe	20	10	3.93	6.07	39%	61%	\$826,113	\$826,113	\$1,652,225	Completed	\$501,450	
380 Zone Reservoir Line	40	10			47%	53%	\$503,328	\$395,472	\$898,800	Completed	\$264,449	
Segment 3	20	10	3.93	6.07	39%	61%	\$908,295	\$908,295	\$1,816,590	Completed	\$551,335	
Tualatin/Sherwood 24"						0%	\$0		\$9,579,882	Completed	\$0	
Distribution												
Immediate					100%	0%	\$171,000		\$171,000	2014/15		\$0
5-Year					0%	100%	\$1,974,000		\$1,974,000	2019		\$1,974,000
10-Year					0%	100%	\$5,575,000		\$5,575,000	2024		\$5,575,000
20-Year					0%	100%	\$3,295,000		\$3,295,000	2034		\$3,295,000
Beyond 20 Years					0%	100%	\$7,183,000		\$7,183,000	Saturation		\$7,183,000
Distribution Replacement Program		9	3.93	5.07	44%	56%	\$1,000,000		\$1,000,000	2034		\$563,333
SCADA System		6	3.93	2.07	66%	35%	\$75,000		\$75,000	2019		\$25,875
PRVs					0%	100%	\$600,000		\$600,000	Saturation		\$600,000
Water Management & Conservation Plan		6	3.93	2.07	66%	35%	\$300,000		\$300,000	2018/2034		\$103,500
Vulnerability Assessment		6	3.93	2.07	66%	34.5%	\$120,000		\$120,000	2024/2034		\$41,400
Resiliency Plan		6	3.93	2.07	66%	35%	\$300,000		\$300,000	2024/2034		\$103,500
Total							\$69,589,691	\$9,251,124	\$88,420,697		\$16,431,434	\$33,907,608

¹ Excludes costs above minimum pipe size required for retail customers

The included transmission cost¹ is allocated between current development and future growth based on the projected share of future 10 mgd capacity (39 percent existing and 61 percent growth). The cost basis excludes the \$9.6 million 24" Tualatin/Sherwood line that is currently not planned for use within the City's system.

The total cost of existing facility capacity allocated to growth is almost \$16.4 million, as shown in **Table 2**.

Improvement Fee Cost Basis

Planned future capacity-increasing improvements are also shown in Table 2. System capacity may be expanded through the upgrade of existing facilities or the construction of new facilities. The basis for future growth allocations include:

- **WRWTP and Future Water Purchases:** The City's current share of WRWTP capacity (5 mgd) is sufficient to meet the needs of existing development; therefore the costs of future intake capacity purchase and WRWTP expansion (additional 5 mgd) are allocated entirely to future growth. Performance-related upgrades at the WRWTP are allocated between existing and future development in proportion to the use of the existing 5 mgd City-owned capacity.
- **Pumping:** The Water System Master Plan Update recommendeds three additional pump stations to meet future demands. The improvements are needed entirely for future growth.
- **Distribution:** Immediate distribution improvements address existing fire flow capacity deficiencies, and are therefore, not included in the SDC cost basis. Improvements in future years are needed to extend the system for future development, and are thefore 100 percent SDC eligible. The distribution replacement program is allocated between existing and future development based on share of future MDD. Distribution system costs are excluded from the reimbursement fee cost basis discussed previously. However, future development will benefit from existing system distribution system, so a portion of the future replacement costs are included in the improvement fee cost basis.
- **SCADA system improvements and planning** costs have been identified only through 2034; therefore, the growth allocation is pro-rated to the 2034 future demand (6 mgd total; which growth represents 2.1 mgd, or about 35 percent).

Table 2 indicates that the total costs of the growth-related capital improvements over the planning period are \$33.9 million.

SDC Schedule

The reimbursement and improvement unit costs of capacity are determined by dividing the reimbursement and improvement fee cost bases, by the growth-related capacity defined in

¹ The included cost is equal to the estimated cost of a 36" transmission line; the minimum pipe size required to serve customers within the UGB.

Table 1. The unit costs are stated in terms of dollars (\$) per gallon of water demand. **Table 3** shows these calculations.

Table 3
 City of Sherwood SDC Analysis
Water System SDC Unit Costs

	Total	Reimbursement	Improvement
Growth Cost	\$50,339,042	\$16,431,434	\$33,907,608
Growth Requirements (gallons)		5,070,000	5,070,000
Unit Cost (\$/gallon)		\$3.24	\$6.69
Demand per EDU (gallons)		556	556
SDC per EDU	\$5,516	\$1,801	\$3,715
Compliance Costs	\$75.53		
Total SDC per EDU	\$5,592		

As indicated in **Table 3**, the cost bases are divided by the 5.1 mgd projected future system capacity, and the resulting unit cost (\$/gallon) for reimbursement and improvement are \$3.24 and \$6.69, respectively.

SDC fees are then calculated by multiplying the unit cost of capacity by the capacity requirements of an equivalent meter (or EDU). As indicated in Table 1, the MDD for an EDU is 556 mgd. The resulting SDC per EDU for reimbursement and improvement is \$1,801 and \$3,715, respectively, and the combined SDC is \$5,516.

Compliance Costs

Local governments are entitled to include in the SDCs, a charge to recover costs associated with complying with the SDC statutes. Compliance costs include costs related to developing the SDC methodology and project list (i.e., a portion of facility planning costs), and annual accounting and administrative costs. **Table 4** shows the calculation of the compliance charge per EDU, which is estimated to be \$75.53.

Table 4
 City of Sherwood
Estimated Water SDC Compliance Costs

Item	Cost	SDC %	Frequency (Years)	Annual
SDC Study ¹	\$7,500	100%	5	\$1,500
Master Plan ²	\$150,000	56%	10	\$8,450
Staff Accounting	\$403	100%	1	\$403
Financial Management	\$2,772	100%	1	\$2,772
Engineering	\$1,142	100%	1	\$1,142
Accounting	\$448	100%	1	\$448
Total Compliance Costs				\$14,716
Estimated Annual EDUs				195
Cost per EDU				\$75.53

¹Includes both outside consulting fees and internal staff costs

²Based on growth's share of future MDD

Revised Fee Schedule

The total SDC (including compliance charge) for a 5/8" meter is \$5,592. As with the current SDCs, the revised SDCs are based on the estimated capacity requirements of each development type relative to a typical dwelling unit (with a 5/8"). The current and revised SDC schedule is show in **Table 5**.

Table 5
 City of Sherwood SDC Analysis
 SDC Schedule

Meter Size	EDU	SDCi	SDCr	Compliance	Total SDC	Current
5/8"	1	\$3,715	\$1,801	\$76	\$5,592	\$6,726
3/4"	1.5	\$5,573	\$2,701	\$113	\$8,387	\$10,089
1"	2.5	\$9,289	\$4,501	\$189	\$13,979	\$16,817
1.5"	5	\$18,577	\$9,003	\$378	\$27,958	\$33,634
2"	8	\$29,724	\$14,404	\$604	\$44,732	\$53,812
3"	17.5	\$65,021	\$31,509	\$1,322	\$97,852	\$117,714
4"	30	\$111,465	\$54,015	\$2,266	\$167,746	\$201,794
6"	62.5	\$232,218	\$112,532	\$4,721	\$349,471	\$420,405
8"	90	\$334,395	\$162,046	\$6,798	\$503,238	\$605,383

TO: Sherwood City Council

FROM: Julie Blums, Finance Director
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-055 Adopting of Fee Schedule Effective July 1, 2015

Issue:

Should the City of Sherwood adopt a new fee schedule, effective July 1, 2015?

Background:

Each year, the City of Sherwood annually reviews all fees and provides updates, if necessary. Below are the proposed changes to the fee schedule, effective July 1, 2015.

Section 2 Library

- **Non-Resident Card** - A 10% increase, set by Washington County, to match the average household tax contribution toward public library services.
- **USB Drive and Headphones** – The Library has USB drives and headphones available for sale to patrons who wish to purchase them for use on the public computers.

Section 3 Police

- **Record/Background Checks** - This is a new fee, intended to capture a portion of the staff time/costs incurred to complete record/background checks. Previously these were done for free, but we have seen an increase in the number of requests and it is now impacting staff. Examples of these are records checks for military service, employment and domestic processes such as adoptions.

Section 5 Parks & Recreation

- **Center for the Arts Patio Use** – This is a new fee for use of the outdoor space at the Center, to be charged when furniture is set up in patio area.
- **Training for Outside AV Tech** – This fee is being removed due to the requirement that a Sherwood Center for the Arts tech be present at all large events to protect and ensure proper use of city owned assets.
- **Cannery Square Plaza** – This section of fees is being deleted because the City has never charged the fees and a full review of the fee methodology for Cannery Square and other city facilities such as the Police Community Room needs to be completed.

Section 6 Utility Rates

- **Water rates** – A 4% increase in both the base and consumption water rates is recommended based on the updated Water Master Plan and Rate Study.
- **Water Irrigation** – The consumption rate is being changed to match the residential rate.
- **Sanitary and Storm rates** - are increasing 3% and 7.4% respectively due to a rate increase from Clean Water Services. Staff is not proposing any increase to the City of Sherwood surcharge rates.

Section 7 System Development Charges (SDCs)

- **Water SDC's** – A 20.3% decrease in water SDC's is recommended based on the updated Water Master Plan and SDC Methodology.

- **Sewer SDC's** - Clean Water Services is increasing the Sewer SDC 4.08%.

Section 9 Planning Charges for Services

- **Medical Marijuana Facility** – At the time the legislation was passed, there was no discussion of fees. Absent a formal fee study, the fact that the application is a Type II review with notice, and the low likelihood that we will need to review more than a couple of these applications, it was decided that we would charge the “other” land use fee category plus the Type II publication and notification fee.

Summary of Fee Schedule Changes for FY15-16			
Section	Name of Fee	Current Rate	Proposed Rate
Section 2: Library			
A) <i>General Fees</i>	5. Non-resident card	\$100 annually	\$110 annually
	10. USB Drive		\$6.00
	11. Headphones		\$2.00
Section 3: Police			
D) <i>Misc. Fees</i>	Records/Background Checks		\$15 per request
Section 5: Parks & Recreation			
J) <i>Center for the Arts</i>	Equipment – Patio Use (Charged when furniture and/or accessories are used outside)		\$125
	Training for Outside AV Tech	\$40/hr	Delete the fee
F) <i>Cannery Square</i>	All fees in this section		Delete the fees
Section 6: Utility Charges for Service			
A & B) <i>Water Rates</i>	Increase all base and consumption rates 4%		4% increase
	Irrigation Consumption Rate	Based on meter size	\$0.83 per 100 gallons
E) <i>Activation and Deactivation</i>	Water Service off and on for non-payment/Non-Compliance - After hours or weekends, an additional	\$50	\$100
G) <i>Other Charges</i>	Damage to AMI Radio		\$75
	Damage to AMI Register		\$75
	Damage to AMI Antenna		\$25
O) <i>Sanitary Rates</i>	Sherwood sewer utility user base rate per EDU	\$4.89	\$5.02
	Sherwood sewer utility usage rate per CCF	\$0.28	\$0.29
P) <i>Storm Rates</i>	Sherwood storm water rate per ESU	\$12.58	\$12.95
Section 7: SDC's			
A) <i>Water SDC's</i>	5/8-3/4"	\$6,726	\$5,592
	3/4"		\$8,387
	1"	\$16,817	\$13,979
	1-1/2"	\$33,634	\$27,958
	2"	\$53,812	\$44,732
	3"	\$117,714	\$97,852
	4"	\$201,794	\$167,746
	6"	\$420,405	\$349,471
	8"	\$605,383	\$503,238
B) <i>Sewer SDC's</i>	CWS Regional Sewer Connection Charge	\$4,900	\$5,100
Section 9: Planning			
E) <i>Other Fees</i>	Medical Marijuana Facility		\$276, plus notification fee

Recommendation: Staff respectfully recommends City Council approval of Resolution 2015-055 adopting the Fee Schedule, effective July 1, 2015.



RESOLUTION 2015-055

ADOPTING A SCHEDULE OF FEES AS AUTHORIZED BY THE CITY ZONING AND COMMUNITY DEVELOPMENT CODE, ESTABLISHING FEES FOR MISCELLANEOUS CITY SERVICES AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Sherwood Municipal Code authorizes certain administrative fees and charges to be established by Resolution of the City Council; and

WHEREAS, the City performs and offers certain services, the cost of which are most reasonably borne by the recipient, as opposed to paying for said services from general City funds; and

WHEREAS the City Manager has developed a set of administrative fees and charges for the Council and City to use when assessing general fees for permits, applications, and services, and recovering general costs of performing actions requiring oversight and administration by City staff; and

WHEREAS, the City Council believes it is most appropriate and fiscally responsible that fees and charges for all services be set by the City Council, and at a level whereby reasonable costs are recovered; and

WHEREAS, the City has met the requirement for providing an opportunity for public comment prior to the adoption of this fee resolution as required by ORS 294.160.

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

Section 1. Adoption: The City of Sherwood Rates and Fees Schedule, attached hereto as Exhibit A, is hereby approved and adopted, and supersedes all prior development fee and charges schedules and miscellaneous fee schedules.

Section 2. Effective Date: This Resolution shall become effective July 1, 2015.

Duly passed by the City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder



Home of the Tualatin River National Wildlife Refuge

The City of Sherwood, Oregon Master Fees and Charges

Exhibit A

Resolution: 2015-055

Adopted: 6/16/15

Effective: 7/1/15

Also available online at
www.sherwoodoregon.gov

TABLE OF CONTENTS

SECTION 1: GENERAL CHARGES FOR SERVICE	4
A) STAFF RATES:	4
B) BUSINESS LICENSE:	4
C) LIQUOR LICENSE:.....	4
D) FRANCHISE FEES, PRIVILEGE TAXES, AND OTHER ASSOCIATED FEES	4
E) PUBLIC RECORD FEES:	5
SECTION 2: LIBRARY FINES AND FEES.....	6
A) GENERAL FEES:	6
SECTION 3: POLICE FINES AND FEES.....	7
(A) POLICE REPORTS:	7
(B) VEHICLE IMPOUND:	7
(C) PARKING VIOLATION FEES:.....	7
(D) MISCELLANEOUS POLICE FEES:.....	7
SECTION 4: MUNICIPAL COURT FINES AND FEES.....	8
A) COURT FEES:	8
B) DOG FEES:	8
SECTION 5: PARKS & RECREATION CHARGES FOR SERVICES	9
A) PLAYER FEES:.....	9
B) ATHLETIC FIELD USER CHARGES:	9
C) ROBIN HOOD THEATER SIGN:	9
D) PICNIC SHELTER:	9
E) AMPHITHEATER RENTAL:	10
F) FIELD HOUSE FEES:.....	10
G) SPECIAL EVENT PERMIT	10
H) FILM PERMIT	10
I) SHERWOOD CENTER FOR THE ARTS FEES.....	10
SECTION 6: UTILITY CHARGES FOR SERVICE	12
A) RESIDENTIAL AND MULTI-FAMILY RATES:.....	12
B) COMMERCIAL RATES:.....	12
C) FIRE PROTECTION SERVICE:	13
D) HYDRANT RENTALS:.....	13
E) ACCOUNT ACTIVATION AND DE-ACTIVATION:	13
F) ADDITIONAL CHARGES, IF NECESSARY, TO ENFORCE:	14
G) OTHER ADDITIONAL CHARGES:	14
H) TESTING WATER METERS AT CUSTOMER/OWNER'S REQUEST:	14
I) BACKFLOW PREVENTION DEVICE TEST FEE:	14
J) WATER SERVICE/METER INSTALLATION SERVICES:.....	14
K) UN-AUTHORIZED WATER HOOK UP:	14
L) RE-INSPECTION FEES (SANITARY, STREET, STORM AND WATER):.....	15
M) USAGE OF METER KEY.....	15
N) WATER USE RESTRICTION – PENALTIES.....	15
O) SANITARY RATES:	15
P) STORM RATES:	15
Q) STREET FEES:.....	15
R) SIDEWALK REPAIR ASSISTANCE PROGRAM:.....	15
SECTION 7: SYSTEM DEVELOPMENT CHARGES.....	16
A) WATER SDC:	16
B) SEWER SDC:	16
C) STORM SDC:.....	16
D) PARKS SDC:.....	16

TABLE OF CONTENTS

E)	STREET SDC:.....	16
SECTION 8: ENGINEERING CHARGES FOR SERVICE		19
A)	PUBLIC IMPROVEMENT; SUBDIVISION PLAN REVIEWS AND INSPECTIONS:	19
B)	NO PUBLIC IMPROVEMENT; SUBDIVISION PLAN REVIEWS AND INSPECTIONS:	19
C)	MISCELLANEOUS FEES:.....	19
D)	VACATIONS (PUBLIC RIGHT-OF-WAY AND EASEMENTS):	19
SECTION 9: PLANNING CHARGES FOR SERVICE		20
A)	ANNEXATIONS:	20
B)	APPEALS:.....	20
C)	CONDITIONAL USE PERMIT:.....	20
D)	LAND DIVISIONS/ADJUSTMENTS:.....	20
E)	OTHER FEES:	20
F)	TREES:	21
G)	PLANNED UNIT DEVELOPMENT (PUD):.....	21
H)	REFUNDS:.....	21
I)	SIGNAGE:.....	21
J)	SITE PLAN REVIEW:.....	21
K)	TEMPORARY USES:	21
L)	TIME EXTENSION TO APPROVAL:	21
M)	VARIANCE:.....	21
SECTION 10: BUILDING CHARGES FOR SERVICE		22
A)	BUILDING PERMITS.....	22
B)	PLAN REVIEW FEES – BUILDING PERMIT	22
C)	PHASED PERMIT - PLAN REVIEW (WHEN APPROVED BY THE BUILDING OFFICIAL)	22
D)	DEFERRED SUBMITTALS (WHEN APPROVED BY THE BUILDING OFFICIAL).....	23
E)	MECHANICAL PERMITS - RESIDENTIAL	23
F)	MECHANICAL PERMITS – COMMERCIAL, INDUSTRIAL, AND MULTI-FAMILY	24
G)	PLUMBING PERMITS – NEW ONE AND TWO FAMILY DWELLINGS	24
H)	PLUMBING PERMITS – ONE AND TWO FAMILY AND MANUFACTURED DWELLING FOR ADDITIONS, ALTERATIONS AND REPAIRS	24
I)	PLUMBING PERMITS – COMMERCIAL, INDUSTRIAL, AND MULTI-FAMILY	24
J)	RESIDENTIAL FIRE SPRINKLER SYSTEM FEES.....	24
K)	ELECTRICAL PERMITS – ISSUED AND INSPECTED BY WASHINGTON COUNTY (503) 846-3470.....	25
L)	PRESCRIPTIVE SOLAR PHOTOVOLTAIC SYSTEM INSTALLATION – STRUCTURAL ONLY	25
M)	DEMOLITION PERMITS.....	25
N)	MEDICAL GAS PERMITS – COMMERCIAL	25
O)	GRADING AND EROSION CONTROL FEES (PRIVATE PROPERTY ONLY)	25
P)	OTHER INSPECTIONS AND FEES (BUILDING, MECHANICAL, PLUMBING, GRADING AND EROSION)	26
Q)	REFUNDS (BUILDING PERMIT, MECHANICAL, PLUMBING, GRADING/EROSION)	26
R)	CERTIFICATE OF OCCUPANCY (AS DETERMINED BY THE BUILDING OFFICIAL).....	26
S)	CHANGE OF USE/OCCUPANCY CERTIFICATE APPLICATION FEE (AS DETERMINED BY THE BUILDING OFFICIAL)	26
APPENDIX A: FEES CHARGED ON BEHALF OF OTHER AGENCIES.....		27
A)	CLEAN WATER SERVICES FEES.....	27
B)	STATE OF OREGON – DEPARTMENT OF CONSUMER AND BUSINESS SERVICES	27
C)	SHERWOOD SCHOOL DISTRICT	27
D)	METRO.....	27

SECTION 1: GENERAL

SECTION 1: GENERAL CHARGES FOR SERVICE

A) Staff Rates:

The following fees shall be charged for the services of City Staff.

1. For individuals listed on the salary schedule.
 - 200% of the hourly rate for the position at step 1.

B) Business License:

Persons conducting business with the City of Sherwood and who are subject to being licensed under the provisions of sections 5.04 shall pay a business license fee.

1. Business - Inside Sherwood \$75 plus \$6 per employee working more than 20 hours per week.
2. Business - Outside Sherwood \$107.50 plus \$6 per employee working more than 20 hrs per week.
3. Temporary license Fee is the same as a regular business license.
4. Late fee for renewals \$5 per month or portion of a month late.
5. Violation of provision Up to \$250 per violation.

C) Liquor License:

The Oregon Liquor Control Commission (OLCC) solicits the city's recommendation on applications for new, renewed, or changed liquor licenses. (ORS 471.164- 471.168)

- | | |
|--|-------|
| 1. Original application | \$100 |
| 2. Temporary license | \$100 |
| 3. Change in ownership, location, or privilege | \$75 |
| 4. Renewal of license | \$35 |

D) Franchise Fees, Privilege Taxes, and Other Associated Fees

D.1. Franchise Fees (as set by franchise agreements):

- | | |
|---|--|
| 1.) <u>Cable and Broadband Services</u>
Frontier
5% of gross revenue
Ordinance No. 2007-008 Exp. 8/21/15 | 2.) <u>Natural Gas</u>
Northwest Natural Gas
5% of gross revenue collected
Ordinance No. 2006-016 Exp. 11/16/16 |
| 3.) <u>Cable and Broadband Services</u>
Comcast
5% of gross revenue
Resolution No. 2000-857 Exp. 1/31/16 | 4.) <u>Garbage/Solid Waste</u>
Pride Disposal
5% of gross revenue
Ordinance No. 98-1049 Exp. 11/1/19 |

D.2. Privilege Taxes and Associated Fees:

Privilege tax payments shall be reduced by any franchise fee payments received by the City, but in no case will be less than \$0.00.

- | | |
|--|------|
| 1) License application fee | \$50 |
| 2) <u>Telecommunications Utilities (as defined in ORS 759.005)</u>
Privilege tax: 7% of gross revenues as defined in ORS 221.515. | |

SECTION 1: GENERAL

- 3) Utility Operators Privilege Tax(as defined in SMC 12.16.050) Not Listed Above
Privilege tax: 5% of gross revenues.

E) Public Record Fees:

- | | | | |
|------|--|-------|----------------------|
| 1.) | Copies of Finance documents | | |
| | • Budget | \$40 | per copy |
| | • Comprehensive Annual Financial Report (CAFR) | \$25 | per copy |
| 2.) | Copies of planning documents | | |
| | • Comprehensive plan | \$25 | per copy |
| | • Local wetland inventory | \$25 | per copy |
| | • Master plans | \$25 | per copy |
| 3.) | Copies of Maps | | |
| | • 8 ½ x 11 black and white | \$3 | per copy |
| | • 8 ½ x 11 color | \$5 | per copy |
| | • 11 x 17 black and white | \$6 | per copy |
| | • Small size color 11 x17 | \$10 | per copy |
| | • Quarter section aerial | \$125 | per copy |
| | • Full size color up to 36 x 48 | \$25 | per copy |
| 4.) | General Service Copies | | |
| | • Copying | \$.15 | per single side |
| | • Copying | \$.25 | per double side |
| | • 24 x 36 large format plotter | \$4 | per sheet |
| 5.) | Audio and video tape copies | | |
| | <i>(City Council meeting tapes can be viewed onsite at no charge – contact City Recorder’s office)</i> | | |
| | • Audio | \$25 | each |
| | • Video | \$25 | each |
| | • Data disk | \$25 | each |
| 6.) | Document Research | | |
| | • Billed in 15 minute increments (see Section 1A) | | |
| | • Plus the cost of copying | | |
| 7.) | Faxing | \$2 | plus \$1 per page |
| 8.) | Lien search fee | \$10 | per lot |
| 9.) | NSF check charges | \$25 | per occurrence |
| 10.) | Notary fee | \$10 | per signature |
| 11.) | Fees charged for the services of the City Attorney’s Office of the City. | | |
| | • Outside consultant fees | | Actual cost plus 10% |
| | • Legal counsel fees | | Actual cost plus 10% |
| | • Miscellaneous fees | | Actual cost plus 10% |

SECTION 2: LIBRARY

SECTION 2: LIBRARY FINES AND FEES

A) General Fees:

1.	Damaged/lost material	based on extent/\$5 processing fee
2.	Overdue DVD/Blu-ray	\$1.00 per day
3.	All other materials	\$0.15 per day
4.	Lost cultural pass	varies
5.	Non-resident card	\$110.00 annually
6.	Overdue cultural pass	\$10.00 daily
7.	Internet printing	\$0.10 per page
8.	Replacement library card	\$1.00 per card
9.	General copies on the public copier	\$0.10 per page
10.	USB Drive	\$6.00
11.	Headphones	\$2.00

SECTION 3: POLICE

SECTION 3: POLICE FINES AND FEES

(A) Police Reports:

- | | |
|---------------------|-----------------|
| 1. Copies of report | \$20 per report |
| 2. Audio recordings | \$25 per disc |

(B) Vehicle Impound:

Whereas, state law and Sherwood municipal codes, as defined in SMC 8.04.060, that authorizes police officers to impound an abandoned vehicle or a vehicle that is disabled, discarded, or hazardously located.

- | | |
|----------------------------------|-------------------|
| 1. Police impounded vehicle fees | \$125 per vehicle |
|----------------------------------|-------------------|

(C) Parking Violation Fees:

- | | |
|--|------|
| 1. No parking (anytime) zone | \$20 |
| 2. Obstructing streets or sidewalks | \$20 |
| 3. Double parking | \$20 |
| 4. Blocking driveway | \$20 |
| 5. Parking in bus zone | \$20 |
| 6. Parking in loading zone | \$20 |
| 7. Parking on wrong side of street | \$20 |
| 8. Parking along yellow curb or in crosswalk | \$20 |
| 9. Parking over space line | \$20 |
| 10. Parking over time limit | \$20 |

(D) Miscellaneous Police Fees:

- | | |
|--|----------------------------|
| 1. Copies of photographs (12 exposure) | \$15 plus processing costs |
| 2. Copies of digital photographs/photo files | \$25 per disc |
| 3. Fingerprinting | \$25 per card |
| 4. Records/Background checks | \$15 per request |

SECTION 4: MUNICIPAL COURT

SECTION 4: MUNICIPAL COURT FINES AND FEES

A) Court Fees:

1.	Failure to appear – arraignments	\$50
2.	Failure to appear – trials	\$150
3.	Failure to comply	\$20
4.	Turned over to collection agency (<i>Not to exceed \$250</i>)	25% of the amount owed
5.	Set-up fee for citation time payment plan (<i>Not to exceed \$250</i>)	25% of the amount owed
6.	Vehicle compliance program – administrative fee	\$35
7.	License reinstatement fee	\$50
8.	Seatbelt Diversion Program	\$40
9.	Traffic School Diversion Programs	
	• Class A	\$285
	• Class B	\$155
	• Class C	\$80
	• Class D	\$45
10.	Suspension fee	\$70
11.	Fireworks Diversion Program	
	• Firework Diversion Fee	\$100

B) Dog Fees:

1.	Animal noise disturbance	\$250
2.	Animal waste on public or another's private property	\$250

SECTION 5: PARKS & RECREATION

SECTION 5: PARKS & RECREATION CHARGES FOR SERVICES

A) Player Fees:	<u>Resident</u>	<u>Non-Resident</u>
• Sherwood youth	\$15	\$20
• Adult leagues	\$15	\$20

All fees are per player and per season

Youth fees include SFPA, SJBO, SBO, SYSC, SVB, SYLC, SYTC, and SYFA

B) Athletic Field User Charges:

<u>Natural Turf</u>	<u>Non-Peak (8am -3pm)</u>	<u>Peak (3pm – dark)</u>
• Group reservations-Non profit	\$25/hour	\$45/hour
• Group reservations-For profit	\$35/hour	\$55/hour
• Private reservations-resident	\$15/hour	\$20/hour
• Private reservations-non-resident	\$20/hour	\$25/hour
• Light Fee	\$25/hour	\$25/hour
<u>Artificial Turf</u>	<u>Non-Peak (8am -3pm)</u>	<u>Peak (3pm – dark)</u>
• Commercial/for profit-Resident	\$65/hour	\$85/hour
• Commercial/for profit-Non-resident	\$75/hour	\$100/hour
• Non-profit-Resident	\$40/hour	\$65/hour
• Non-profit-Non-Resident	\$45/hour	\$65/hour
• Private reservation-Resident	\$50/hour	\$65/hour
• Private reservation-Non-Resident	\$65/hour	\$80/hour
• Light Fee	\$25/hour	\$25/hour
<u>High School Stadium/Turf</u>	<u>Resident</u>	<u>Non Resident</u>
• Practice time - youth	\$20/hour	<u>\$40/hour</u>
• Practice time - all others	\$50/hour	<u>\$75/hour</u>
• Games – youth	\$25/game	\$50/game
• Games - all others	\$60/game	\$80/game
• Light fee	\$25/hour	\$25/hour
• Open/close facility	\$30/hour (1 hr. min)	\$30/hour (1 hr. min)
<u>Snyder Park Tennis Court</u> – Camp/Tournament	\$25/hour	\$35/hour

Tournament fee

• Resident	Covered under per player/per season league fee
• Non-resident	\$80/Hour
• Sherwood youth league	Covered under per player/per season league fee
• Sherwood adult league	Covered under per player/per season league fee
• Light Fee	\$25/hour

Gym Fees

	<u>Resident</u>	<u>Non Resident</u>
• Drop in gym programs	\$3/per person	\$6/per person
• Commercial – for profit	\$60/hour	\$80/hour
• Non-profit groups	\$30/hour	\$50/hour
• Private reservations	\$40/hour	\$60/hour
• Opening/Closing of Facility	\$30/Hour (1 hr Min)	\$30/Hour (1 hr Min)

C) Robin Hood Theater Sign:	\$15/per day (\$60 Minimum)
------------------------------------	-----------------------------

D) Picnic Shelter:	<u>Resident</u>	<u>Non Resident</u>
• Rentals	\$45/4 hour or \$90 day	\$65/4hour or \$135/day

SECTION 5: PARKS & RECREATION

E) Amphitheater Rental: \$75/4hour or \$150/day \$100/4hour or \$200/day
When reserving the Amphitheater you must also reserve the picnic shelter

F) Field House Fees:

Team Fees

- Adult team \$450 plus a \$50 late fee if not paid by the due date
- Youth team \$450 plus a \$25 late fee if not paid by the due date

Player Cards

- Adult player cards \$10
- Youth player cards \$7

Rental Fees

- Day time fees (7 a.m. – 3 p.m.) \$35/hour
- Evening fees (3 p.m. – midnight) \$75/hour

Open Play Fees

- Pre-school play fees \$3/per child
- 10 play punch card \$25
- Adult open play fees \$4/per person

Birthday Parties

\$110

Party Room Rental

\$25/hour

Concessions and Merchandise

Varies

G) Special Event Permit

- | | <u>Resident</u> | <u>Non Resident</u> |
|------------------|-----------------|---------------------|
| • Non-Profit Fee | \$75 | \$125 |
| • For-Profit Fee | \$150 | \$200 |

H) Film Permit

- Small productions (no street closures, staging, city services, or park closures) \$250 per day
- Large production (requires street closure, city services, staging, etc.) \$1,000 per day

I) Sherwood Center for the Arts Fees

Performance/Production Rentals

These rates are for a public presentation of a production which is theatrical, musical and/or artistic in nature.

Base Rates:	Resident	Non-Resident	Non-Resident
	Non-Prof	Resident	Resident
• Performance	\$95/hr	\$105/hr	\$110/hr

Performance hours are one half hour before "house open" and one half hour after "final curtain"

Performance rentals include use of Main Hall, dressing room and lobby

- | | | | | |
|---|---------|---------|---------|---------|
| • Rehearsal & Prep | \$55/hr | \$60/hr | \$58/hr | \$63/hr |
| • Rehearsal & Prep - during business hours | \$40/hr | \$45/hr | \$43/hr | \$48/hr |

Rehearsal & Prep hours are any hours that the facility is being used outside of performance hours

- **Additional Facility Monitor** \$15/hr
- **AV Technician** \$30/hr
- **Theatre seating** (retractable theater seats with floor seats up to 393 capacity) \$100 / production
This fee will be charged one time for a production
- **Classroom(s)** as additional dressing room space \$20/day
Charged per usage day for performance and dress rehearsal
- **Tech Usage** (lights and sound) - Charged per usage day for performance and dress rehearsal \$100/day

SECTION 5: PARKS & RECREATION

Facility Rentals

Base Rates - Rooms	Resident Non-Prof	Non-Res Non Prof	Resident	Non- Resident
• Main Hall	\$95/hr	\$115/hr	\$165/hr	\$195/hr
• Main Hall - during business hours, < 50 people	\$80/hr	\$100/hr	\$150/hr	\$180/hr
Main Hall rentals include use of dressing room & lobby and requires a 2 hour minimum rental				
• Classroom	\$30/hr	\$35/hr	\$40/hr	\$45/hr
• Classroom - during business hours	\$15/hr	\$20/hr	\$25/hr	\$30/hr
Classroom rentals include use of classroom furniture, whiteboard and require a 2 hour minimum rental				
• Lobby	\$50/hr	\$55/hr	\$65/hr	\$75/hr
• Lobby - during business hours	\$35/hr	\$40/hr	\$50/hr	\$60/hr
Lobby rentals require a minimum 2 hour rental				

Equipment - fees are one-time charges based on usage as listed

• Chairs	\$.50 ea.
• Tables	\$3 ea.
• Theater seating - (retractable seats with floor seats up to 393 capacity)	\$100
• Kitchen	\$50
• Patio – (charged when furniture and/or accessories are used outside)	\$125
• Basic AV - (Main Hall only -Sound & Lights controlled from floor, mic and podium)	\$40
• Advanced Tech - (Main Hall only - Live musicians, additional mics, light refocus/hang) Requires an AV Technician for the event	\$120
• Projector	\$30

Staff Charges

• Facility Monitor	\$15/hr
• AV Technician	\$30/hr

Events may require additional Facility Monitors as determined by Manager.

A fully refundable deposit in the amount of \$200 will be required for rentals and must be submitted to secure the facility rental. For rentals under \$200 in total fees, a deposit of \$50 must be submitted to secure the facility rental. For rentals under \$50 in total fees, full payment must be submitted to secure the facility rental.

Classes, Activities and Events

- Fees for Events and Activities presented by the City of Sherwood will be designed to cover expenses associated with programs. Factors included in the base rate are: staff wages, facility operations, supplies & materials, advertising, and administration.
- Contracted program and class fees will cover total expenses. Instructors are paid a negotiated sum based on a percentage of the program fee.
- For programs and classes presented by the City of Sherwood, non-residents may be charged up to 1.5 times the base rate.

SECTION 6: UTILITY CHARGES FOR SERVICE

SECTION 6: UTILITY CHARGES FOR SERVICE

Water Utility Rates

RESIDENTIAL, MULTI-FAMILY, AND COMMERCIAL WATER SERVICE

A residential customer is defined as a customer whose meter service serves only one-single family dwelling unit. All dwelling units served by individual meters shall be charged the residential rate for service. For example, the residential rate shall apply where separate water meters provide service to each side of the duplex.

Multi-family customers are defined as customers whose meter services more than one dwelling unit. For the purposes of this rate resolution, dwelling unit shall be defined as any place of human habitation designed for occupancy based upon separate leases, rental agreements, or other written instruments.

Commercial customers are defined as customers whose meter is for any use other than residential and Multi-family. Some examples of commercial uses include, but are not limited to: schools, hospitals, restaurants, and service stations.

A) Residential and Multi-Family Rates:

Customer Class/ Meter Size	Base Charge (\$/Month)	Consumption Rate (\$/100 gallons)	
		First 21,000	Over 21,000
5/8 - 3/4"	\$19.49	\$0.54	\$0.83
1"	\$24.10	\$0.54	\$0.83
1-1/2"	\$42.83	\$0.54	\$0.83
2"	\$62.28	\$0.54	\$0.83
3"	\$125.31	\$0.54	\$0.83
4"	\$214.11	\$0.54	\$0.83
6"	\$444.48	\$0.54	\$0.83
8"	\$822.73	\$0.54	\$0.83
10"	\$1,188.09	\$0.54	\$0.83

B) Commercial Rates:

Customer Class/ Meter Size	Base Charge (\$/Month)	Consumption Rate (\$/100 gallons)	
		First 21,000	Over 21,000
5/8 - 3/4"	\$20.15	\$0.60	\$0.60
1"	\$24.91	\$0.60	\$0.60
1-1/2"	\$44.28	\$0.60	\$0.60
2"	\$64.38	\$0.60	\$0.60
3"	\$129.54	\$0.60	\$0.60
4"	\$221.32	\$0.60	\$0.60
6"	\$459.44	\$0.60	\$0.60
8"	\$850.41	\$0.60	\$0.60
10"	\$1228.07	\$0.60	\$0.60
Irrigation	Base Charge from above	\$0.83	\$0.83

SECTION 6: UTILITY CHARGES FOR SERVICE

C) Fire Protection Service:

The following fees shall be charged for all applicable connections for automatic sprinklers, and fire hydrants service for private fire protection:

Customer Class/Meter Size	Base Charge
• 4" and under	\$31.89
• 6"	\$53.28
• 8"	\$75.66
• 10"	\$104.08
• Water service connection in ROW	Actual time and materials

D) Hydrant Rentals:

Fire hydrant permits - mandatory for fire hydrant use

• Three month permit (plus water usage at current rate)	\$55
• Six month permit (plus water usage at current rate)	\$80
• Twelve month permit (plus water usage at current rate)	\$130
• Penalty for unauthorized hydrant use	\$500
• Penalty for using non-approved (un-inspected tank)	\$950
• Failure to report water usage (per day for period not reported)	\$15
• Hydrant meter - refundable deposit	\$745
• Hydrant meter – daily rental (plus water usage at current rate)	\$20
• Hydrant meter read – monthly reads	\$50
• Hydrant meter setup – Initial setup of meter on hydrant	\$50
• Flow testing of fire hydrants	\$160

E) Account Activation and De-Activation:

Water Service on or off water at customer's request

• Deposit for application of service (Prior Collection Customers)	\$100
• New account fee	\$15
• First call – during office hours, Monday-Friday, except snowbird turnoffs	No Charge
• Activation after office hours and weekends	\$60
• Leaks or emergencies beyond customer control anytime	No Charge
• Second call	\$30
• Non-leak or emergency turn offs after office hours or weekends	\$50
• All snowbird/vacant turn offs	\$25

Water Service off and on for non-payment/Non-Compliance

• Turn on water during office hours, Monday through Friday	\$60
• After hours or weekends, an additional	\$100
• Meter tampering and/or using water without authority	\$60
• Broken promise turn off	\$60
• Door hangers	\$10.00 per door hanger

SECTION 6: UTILITY CHARGES FOR SERVICE

F) Additional Charges, If Necessary, To Enforce:

- Removal of meter \$80
- Reinstallation of meter No Charge
- Installation or removal of locking device-first occurrence \$50
- Installation or removal of locking device-second occurrence \$75
- Installation or removal of locking device-third occurrence \$150 and meter pulled
- Repair of breakage/damage to locking mechanism (curb stops, etc) parts and labor
- Service off water at main or reinstating service parts and labor

G) Other Additional Charges:

- Decreasing or increasing size of meter parts and labor
- Removal of meter during construction \$150
- Loss of meter (replacement cost) \$230-710
- Initial test fee per assembly – Sherwood will perform the initial test of all commercial premises assemblies, dedicated irrigation service assemblies and fire line services assemblies. All subsequent tests are the responsibility of the owner, to be done annually be a State Certified Backflow Tester of their choice. \$100
- Backflow assembly test/repair (Contract services) parts and labor
- Damage or Repair to Water Utility actual time and material
- Damage to AMI Radio \$75
- Damage to AMI Register \$75
- Damage to AMI Antenna \$25

H) Testing water meters at customer/owner's request:

- Testing on premises (5/8" x 3/4", 3/4", 1") \$80
- Removal of meter for testing (5/8" x 3/4", 1") \$250
- Testing of meters larger than 1" parts and labor

I) Backflow Prevention Device Test Fee:

- Initial test fee per assembly – Sherwood will perform the initial test of all commercial premises assemblies, dedicated irrigation service assemblies and fire line services assemblies. All subsequent tests are the responsibility of the owner, to be done annually by a State Certified Backflow Tester of their choice. (Service on and off for non-compliance of annual testing and reporting, see Section E.) \$100

J) Water Service/Meter Installation Services:

Meter Size	Drop-In Service	Dig-In Service
5/8" – 3/4"	\$360	\$2,095
1"	\$730	\$2,465
1.5"	\$1,830	\$4,280
2"	\$3,050	\$5,500
3"	\$6,100	n/a
4"	\$7,930	n/a

- Drop-In Service An existing condition where developers of a residential subdivision or commercial complex has installed water service to each serviceable and buildable lot in accordance with City specifications.
- Dig-In Service Condition where the City or its contractor must physically tap into a mainline to extend water service to the property. Meter installation over 2" will be installed at a time and materials rate by city staff or city authorized contractors.

K) Un-Authorized Water Hook up:

- Un-authorized water hook up \$150 (Plus water use charges billed at current rate)

SECTION 6: UTILITY CHARGES FOR SERVICE

L) **Re-Inspection Fees (Sanitary, Street, Storm and Water):**

- First re-inspection \$50/each
 - Re-inspection fee after the first \$100/each
 - All subsequent re-inspection fees \$150/each
- *Sanitary Sewer Interceptor Program – FOG*

M) **Usage of Meter Key**

- Deposit refundable with key return \$25

N) **Water Use Restriction – Penalties**

- First notice of violation \$100
- Second notice of violation \$300
- Third notice of violation \$500

O) **Sanitary Rates:**

The monthly sewer utility user charge for property within the City and served by Clean Water Services (CWS) of Washington County shall be established by CWS and adopted annually.

See appendix A for fees collected on behalf of CWS

- Sherwood sewer utility user base rate per EDU \$5.02
- Sherwood sewer utility usage rate per CCF \$0.29
- Damage or Repair to Sewer Utility actual time and material
- Illegal Discharge to Sewer Utility actual time and material

P) **Storm Rates:**

The monthly storm utility user charge for property within the City and served by Clean Water Services (CWS) of Washington County shall be established by CWS and adopted annually.

See appendix A for fees collected on behalf of CWS

- Sherwood storm water utility user rate per ESU \$12.95
- Damage or Repair to Storm Utility actual time and material

Q) **Street Fees:**

	Street Maintenance	Street Light	Sidewalk Repair	Safe/New Sidewalks
• Single family residential - Monthly per Account	\$2.00	\$2.32	\$0.52	\$0.69
• Multi Family - Monthly per EDU	\$2.00	\$2.32	\$0.52	\$0.69
• Non – residential/Commercial - Monthly per ESU	\$2.00	\$0.67	\$0.16	

R) **Sidewalk Repair Assistance Program:**

The homeowner shall be responsible for:

- 1.) Shaves (50% of total cost of the contractor's invoice)
- 2.) Full Panel Replacements (50% of the total cost of the work to be performed)

Work may include any or all of the following: contractor's cost to remove and replace the panel(s); arborists initial report of findings; tree removal; street tree permit fee.

Payment arrangements will be made available to homeowners and must be paid within 12 months of the date of the first bill. Homeowner's failure to pay their portion of the costs may result in a lien being placed on their property and all costs associated.

SECTION 7: SYSTEM DEVELOPMENT CHARGES

SECTION 7: SYSTEM DEVELOPMENT CHARGES

A) Water SDC:

Meter Size	Reimbursement Charge	Improvement Charge	Administrative Charge Per Meter
5/8-3/4"	\$1,801	\$3,715	\$76
3/4"	\$2,701	\$5,573	\$113
1"	\$4,501	\$9,289	\$189
1-1/2"	\$9,003	\$18,577	\$378
2"	\$14,404	\$29,724	\$604
3"	\$31,509	\$65,021	\$1,322
4"	\$54,015	\$111,465	\$2,266
6"	\$112,532	\$232,218	\$4,721
8"	\$162,046	\$334,395	\$6,798

Exception: There is no System Development Charge (reimbursement of improvement fee) to upgrade from 5/8" – 3/4" to a 3/4" or 1" when the sole purpose is a residential fire sprinkler system.

- Fire flow sprinkler buildings only \$3,200.50

B) Sewer SDC:

Use Type	Reimbursement	Improvement	Flow Count
Single family residence	\$0.094	\$0.27	535 gallons
Two family residence (duplex)	\$0.094	\$0.27	535 gallons
Manufactured home/ single lot	\$0.094	\$0.27	535 gallons
Manufactured home parks	\$0.094	\$0.27	based on Engineer estimate
Multi-family residential	\$0.094	\$0.27	based on Engineer estimate
Commercial	\$0.094	\$0.27	based on Engineer estimate
Industrial	\$0.094	\$0.27	based on Engineer estimate
Institutional uses	\$0.094	\$0.27	based on Engineer estimate
Regional connection charge (SDC set by CWS)			\$203.12 (Per dwelling unit or EDU)

See appendix A for SDC's collected on behalf of CWS

C) Storm SDC:

Storm	Regional Storm Drainage Improvement Charge
A.) Water quantity per ESU (SDC set by CWS)	\$275
B) Water quality per ESU (SDC set by CWS)	\$225
One equivalent service unit (ESU) equals 2,640 square feet.	
• City storm drainage: per area of impervious surface	\$0.046per square foot

D) Parks SDC:

Parks and Recreation	Administration	Improvement	Total Fee
Single family dwelling	\$716.18	\$6,952.60	\$7,668.78 per dwelling unit
Multi-family dwelling	\$537.96	\$5,216.94	\$5,754.90 per dwelling unit
Manufactured home	\$967.10	\$7,446.29	\$8,413.39 per dwelling unit
Non – residential	\$6.64	\$73.06	\$79.70 per employee
Filing fee to challenge expenditures of Parks SDC's (Refundable if challenge is successful)			\$50

E) Street SDC:

Washington County Transportation Development Tax (TDT)

Reference Washington County for fees - <http://www.co.washington.or.us/>

SECTION 7: SYSTEM DEVELOPMENT CHARGES

City of Sherwood Street SDC:

The following charges are calculated by multiplying trip generation by the following.

Residential Transportation SDC	Code	Fee	Type
Single family – detached	210	\$1,506	dwelling unit
Apartment	220	\$1,173	dwelling unit
Residential condominium/townhouse	230	\$955	dwelling unit
Manufactured house (In park)	240	\$836	dwelling unit
Assisted living	254	\$491	bed
Continuing care retirement	255	\$397	unit
Recreation home	260	\$515	dwelling unit
Recreational Transportation SDC			
City park	411	\$390	acre
County park	412	\$662	acre
Campground/RV park	416	\$1,561	camp site
Marina	420	\$1,087	berth
Golf course	430	\$13,605	hole
Golf driving range	430	\$3,339	tee
Multipurpose recreation/arcade	435	\$9,742	thousand square ft gross floor area
Bowling alley	437	\$12,688	lane
Movie theater w/o matinee	443	\$65	screen
Movie Theater with Matinee	444	\$59,312	screen
Multiplex movie theater (10+ screens)	445	\$38,322	screen
Casino/video poker/lottery	473	\$37,652	thousand square ft gross floor area
Amusement/theme park	480	\$20,236	acre
Soccer complex	488	\$19,053	field
Racquet/tennis club	492	\$10,337	court
Health fitness club	492	\$8,796	thousand square ft gross floor area
Recreation/community center	495	\$8,710	thousand square ft gross floor area
Institutional/Medical Transportation SDC			
Military base	501	\$452	employee
Elementary school (Public)	520	\$95	student
Middle/Junior high School (Public)	522	\$114	student
High School (Public)	530	\$298	student
Private School (K – 12)	536	\$483	Student
Junior/Community College	540	\$178	employee
University/College	550	\$387	student
Church	560	\$1,416	thousand square ft gross floor area
Day care center/preschool	565	\$0.00	student
Library	590	\$4,150	thousand square ft gross floor area
Hospital	610	\$3,480	bed
Nursing home	620	\$595	bed
Clinic	630	\$8,826	thousand square ft gross floor area
Commercial/Services SDC			
Hotel/Motel	310	\$2,923	Room
Building materials/lumber	812	\$4,749	thousand square ft gross floor area
Free standing discount Superstore w/groceries	813	\$6,391	thousand square ft gross floor area
Specialty retail center	814	\$5,833	thousand square ft gross floor area
Free standing discount center w/o groceries	815	\$9,098	thousand square ft gross floor area
Hardware/paint stores	816	\$7,555	thousand square ft gross floor area
Nursery/garden center	817	\$4,652	thousand square ft gross floor area
Shopping center	820	\$3,907	thousand square ft gross leasable area

SECTION 7: SYSTEM DEVELOPMENT CHARGES

Commercial/Services SDC (continued)	Code	Fee	Type
Factory outlet	823	\$2,986	thousand square ft gross floor area
New car sales	841	\$3,854	thousand square ft gross floor area
Automobile parts sales	843	\$7,302	thousand square ft gross floor area
Tire superstore	849	\$2,283	thousand square ft gross floor area
Supermarket	850	\$12,765	thousand square ft gross floor area
Convenience market (24hr)	851	\$31,936	thousand square ft gross floor area
Convenience market w/fuel Pump	853	\$19,338	vehicle fueling position
Wholesale market	860	\$76	thousand square ft gross floor area
Discount club	861	\$7,157	thousand square ft gross floor area
Home improvement superstore	862	\$2,487	thousand square ft gross floor area
Electronics superstore	863	\$5,291	thousand square ft gross floor area
Office supply superstore	867	\$4,176	thousand square ft gross floor area
Pharmacy/drugstore w/o drive thru window	880	\$9,014	thousand square ft gross floor area
Pharmacy/drugstore with drive thru window	881	\$9,655	thousand square ft gross floor area
Furniture store	860	\$441	thousand square ft gross floor area
Video rental store	896	\$35,284	thousand square ft gross floor area
Bank/savings – walk in	911	\$28,442	thousand square ft gross floor area
Bank/savings – drive in	912	\$28,628	thousand square ft gross floor area
Quality restaurant (not a chain)	931	\$11,537	thousand square ft gross floor area
High turnover-sit down restaurant (chain/standalone)	932	\$7,295	thousand square ft gross floor area
Fast food restaurant (no drive- thru)	933	\$48,465	thousand square ft gross floor area
Fast food restaurant (with drive-thru)	934	\$32,613	thousand square ft gross floor area
Drinking place/bar	936	\$5,020	thousand square ft gross floor area
Quick lubrication vehicle Shop	941	\$4,361	service stall
Automobile care center	942	\$4,375	thousand square ft gross leasable area
Gasoline/service station (no market/car wash)	944	\$8,765	vehicle fueling position
Gasoline/service station (with convenience market)	945	\$5,578	vehicle fueling position
Gasoline/service station (with market and car wash)	946	\$5,044	vehicle fueling position
Office SDC			
General office building	710	\$2,250	thousand square ft gross floor area
Corporate headquarters building	714	\$1,633	thousand square ft gross floor area
Single tenant office building	715	\$2,730	thousand square ft gross floor area
Medical/dental office building	720	\$7,114	thousand square ft gross floor area
Government office building	730	\$13,141	thousand square ft gross floor area
State Motor Vehicles Department	731	\$48,833	thousand square ft gross floor area
US Post Office	732	\$17,467	thousand square ft gross floor area
Office park	750	\$2,375	thousand square ft gross floor area
Research and development center	760	\$1,778	thousand square ft gross floor area
Business park	770	\$2,472	thousand square ft gross floor area
Port/Industrial			
Truck terminals	30	\$1,819	thousand square ft gross floor area
Park and ride lot with bus service	90	\$551	parking space
Light rail transit station w/parking	93	\$313	parking space
General light industrial	110	\$1,288	thousand square ft gross floor area
General heavy industrial	120	\$277	thousand square ft gross floor area
Industrial park	130	\$1,285	thousand square ft gross floor area
Manufacturing	140	\$702	thousand square ft gross floor area
Warehouse	150	\$926	thousand square ft gross floor area
Mini-warehouse	151	\$449	thousand square ft gross floor area
Utilities	170	\$1,010	thousand square ft gross floor area

SECTION 8: ENGINEERING CHARGES FOR SERVICE

SECTION 8: ENGINEERING CHARGES FOR SERVICE

A) Public Improvement; Subdivision Plan Reviews and Inspections:

Plan Review – 4% of Construction Costs (\$500 due at submittal with the balance, if any, payable at the time the Compliance Agreement is signed) Includes review of the following:

Water	Street	Grading
Sewer	Storm	Erosion Control

Inspections – 5% of Construction Costs (payable at the time the Compliance Agreement is signed) Includes inspection of the following for which permits were obtained:

Water	Street	Grading
Sewer	Storm	Erosion Control

B) No Public Improvement; Subdivision Plan Reviews and Inspections:

- Plan Review Fee Time and Materials
- Inspection Fee Time and Materials
- Television Line Service Time and Materials

C) Miscellaneous Fees:

1. Addressing Fee
 - Single - five (5) digit address \$65/lot
 - 0 to 10 - Suite Numbers \$25 per suite
 - 11 to 20 -Suite Numbers \$15 per suite
 - 21 and up Suite Numbers \$10 per suite
2. Plans and Specifications for capital projects varies with project
3. Traffic and street signs (Includes post, sign, hardware, and labor to install) \$250/per sign
4. Street Trees \$200/per tree
5. Pre-submittal Consultation (consultation of projects prior to the submittal of a land use application, requiring more than 2 hours of staff time or on-call consultant services) Deposit of \$500
(Applicant pays 100% of actual expenses including staff time, if an application is submitted these fees will be credited against the plan review fees)
6. In-Lieu of Fee – Fiber Optic Conduit Installation \$20 linear foot
7. Right of Way Permit
 - Performance bond on projects greater than or equal to \$5,000 125% of estimated costs
 - Maintenance bond - \$1000 or 50% of project estimate, whichever is greater.
(A single bond may be provided for multiple projects of the same person provided the bond exceeds the aggregate project total)
 - Administration fee \$150 per permit
 - Inspection fee \$150 or 4% of project estimate, whichever is greater
8. Design and construction standards \$50 on paper
9. Design and construction standards \$25 per CD
10. As-Built Requests \$25 per subdivision
11. As-Built Requests electronic media \$25 per CD

D) Vacations (Public right-of-way and easements):

- Deposit plus staff time (See Section 1) \$4,000
(Applicant pays 100% of actual expenses including staff time)

SECTION 9: PLANNING CHARGES FOR SERVICE

SECTION 9: PLANNING CHARGES FOR SERVICE

A) Annexations:

- Deposit (Applicant pays 100% of actual expenses including staff time) \$7,500
Any balance owing is due within 30 days from the final annexation invoice date.

B) Appeals:

- Type I or II actions (ORS 227.175) 10 (b) \$250
- Type III or IV actions 50% of original fee(s)

C) Conditional Use Permit:

- Conditional use permit without concurrent type III or IV application \$4,145
- Conditional use permit with concurrent type III or IV application \$2,072

D) Land Divisions/Adjustments:

- Lot line adjustment \$743
- Minor land partition \$2,488
- Expedited minor partition \$550
- Final plat processing (minor land partition) \$550
- Subdivision \$6,222 plus \$20 per lot
- Expedited subdivision *(Added to the cost of the subdivision application)* \$2,205
- Final plat processing (Subdivision) \$1,102

E) Other Fees:

- Consultant as needed actual costs
- Community Development Code Plan Check *(payable at time of building permit submittal)*
 - 1) Residential permits \$105
 - 2) ADUs Accessory Dwelling Units \$105
 - 3) Commercial, Industrial, Multi-Family Permits \$661
(Final Site Plan Review fee, if a final site plan review is not required this fee is not charged)
- Design review team consultations/recommendations staff time (see section 1)
- Detailed site analysis letter \$150
- Interpretive decisions by the Director \$330
- Medical Marijuana Facility \$276, plus notification fee
- Non-conforming use modification \$1,000
- Modification to application in review \$500

(If modified after the application is deemed complete and the modification is needed to adequately review the app.)

- Other land use action
 - 1) Administrative \$276
 - 2) Hearing required and/or use of Hearings Officer \$2,425
- Planning Re-inspection fee \$60 each after 1st
- Postponement/continuance hearings \$300

(If applicant request is after notice has been published and/or staff report prepared)

- Pre-application conference \$400
- Publication/distribution of Notice Type 2 \$284
- Publication/distribution of Notice Type 3 & 4 \$466
- Home Occupation Review of initial application (Class A) \$50
- Home Occupation Review of renewal application (Class A) \$25
- Zone verification letter \$50

SECTION 9: PLANNING CHARGES FOR SERVICE

F) Trees:

- Tree mitigation inspection \$60 each after 1st
- Street Tree Removal Permit \$25 - 1st tree, \$10 each additional tree
- Removal of more than 6 trees or 10% on private property \$107

G) Planned Unit Development (PUD):

- Planned Unit Development (PUD) Preliminary \$2,205
 - Planned Unit Development (PUD) - Final See Site Plan Review Fee
- (Plus appropriate application fees (i.e. subdivisions, site plan, town-homes, etc.)*

H) Refunds:

- 75% refund if application is withdrawn prior to 30 day completeness
- 50% refund if withdrawn prior to public notice
- 25% refund if withdrawn prior to staff report

I) Signage:

- Permanent signs on private property - *(First 32 sq. ft. plus \$1 each additional sq. ft. of sign face)* \$150
(Excludes Home Occupation Signage)
- Banner signs – Consecutive one month period \$150
- Temporary portable sign violation
 - 1) First offense No fine; collected and marked
 - 2) Second offense \$50 per sign
 - 3) Third offense \$100 per sign

J) Site Plan Review:

- Type III and IV - *(Additional \$100 for every 10,000 sq. ft. or portion thereof over the first 15,000 sq. ft.)(Including Town-Homes, excluding projects in Old Town)* \$6,222
- Final site plan review (Type III and IV) (Due at the time of Building Permit Submittal) \$661
- Fast track site plan review (Type II) \$2,025
- Minor modification to approved Site Plan \$276
- Major modification to approved Site Plan, Type II \$1,010
- Major modification to approved Site Plan, Type III or IV \$2,425
- Old Town overlay review \$250 added to application

(All uses excluding Single-Family detached dwellings) (Application fee for Old Town projects is the application fee based on size of the project plus the Old Town Overlay review fee.)

K) Temporary Uses:

- Administrative \$335

L) Time Extension to Approval:

- No hearing required \$150

M) Variance:

- Adjustment - *(Per lot and per standard to be varied)* \$50
- Class A Variance - *(Per lot and per standard to be varied)* \$4,145
- Class B Variance - *(Per lot and per standard to be varied)* \$1,102

N) Zone Amendments:

- Text amendment \$5,330
- Map amendment \$5,330

SECTION 10: BUILDING CHARGES FOR SERVICE

SECTION 10: BUILDING CHARGES FOR SERVICE

A) Building Permits

Values are determined by the applicants total estimated value of the work which includes labor and materials, and/or are based on the most current Building Valuation Data, without state-specific modifiers, as published by the International Code Council and in compliance with OAR 918-050-0100 to 918-050-0110. Final building permit valuation shall be set by the Building Official.

1. Single Family and Two-Family Dwelling

Total Valuation Amount

1 - 500	\$60 minimum fee
501 – 2,000	\$60 for the first \$500 (Plus \$1 for each additional \$100 or fraction thereof, up to and including \$2,000)
2,001 – 25,000	\$75 for the first \$2,000 (Plus \$8 for each additional \$1,000 or fraction thereof, up to and including \$25,000)
25,001 – 50,000	\$259 for the first \$25,000 (Plus \$6.25 for each additional \$1,000 or fraction thereof, up to and including \$50,000)
50,001 – 100,000	\$415.25 for the first \$50,000 (Plus \$4 for each additional \$1,000 or fraction thereof, up to and including \$100,000)
100,001 and up	\$615.25 for the first \$100,000 (plus \$3.50 for each additional \$1,000 or fraction thereof over \$100,00)

See appendix A for additional fees collected on behalf of the Sherwood School District, State of Oregon, and Metro.

2. Manufactured Dwelling Installation Permits

Includes prescriptive foundation system, plumbing and crossover connections, 30 lineal feet of sanitary sewer, storm and water lines.

- Manufactured home set up and installation fee \$322.66
- Plan Review \$90/hour (Minimum Charge = 1/2/hour Residential Rate per Section 10.(F)
- Site Plan Review

See appendix A for additional fees collected on behalf of the Sherwood School District, State of Oregon, and Metro.

3. Commercial, Industrial and Multi-Family

Total Valuation Amount

1 - 500	\$60 minimum fee
501 – 2,000	\$60 for the first \$500 (\$1.50 for each additional \$100 or fraction thereof up to and including \$2,000)
2,001 – 25,000	\$82.50 for the first \$2,000 (\$8 for each additional \$1,000 or fraction thereof, up to and including \$25,000)
25,001 – 50,000	\$266.50 for the first \$25,000 (Plus \$6.75 for each additional \$1,000 or fraction thereof, up to and including \$50,000)
50,001 – 100,000	\$435.25 for the first \$50,000 (plus \$5 for each additional \$1,000 or fraction thereof, up to and including \$100,00)
100,001 and up	\$685.25 for the first \$100,000 (plus \$3.50 for each additional \$1,000 or fraction thereof over \$100,00)

See appendix A for additional fees collected on behalf of the Sherwood School District, State of Oregon, and Metro.

B) Plan Review Fees – Building Permit

- Plan review Fee 85% of building permit fee
- Fire and life safety plan review fee (when required) 40% of building permit fee

C) Phased Permit - Plan Review (When approved by the Building Official)

The Plan review fee for a phased project is based on a minimum phasing fee, plus 10% of the total project building permit fee, not to exceed \$1,500 for each phase pursuant to the authority of OAR 918-050-0160

- Commercial, Industrial, Multi-Family \$100 Minimum Fee
- Residential and Manufactured Dwellings \$50 Minimum Fee

SECTION 10: BUILDING CHARGES FOR SERVICE

D) Deferred Submittals (When approved by the Building Official)

The fee for processing deferred submittals and reviewing deferred plan submittals shall be an amount equal to 65% of the permit fee calculated according to OAR 918-050-0110(2) and (3) using the value of the particular deferred portion or portions of the project, with a set minimum fee. This fee is in addition to the project plan review fee based on the total project value.

- Commercial, Industrial, Multi-Family \$150 Minimum Fee
- Residential and Manufactured Dwellings \$75 Minimum Fees

E) Mechanical Permits - Residential

Mechanical permits for Single Family Dwelling, Two-Family dwellings and Manufactured Dwellings for new construction, additions, alterations and repairs. Fees are based on the number of appliances and related equipment with a set minimum fee.

Minimum Fee \$60

See appendix A for surcharge collected on behalf of the State.

1. Air Handling

- Air Handling Unit ≤ 10,000 CFMs \$14.63 includes ductwork
- Air Handling Unit >10,000 CFMs \$24.68 includes ductwork
- Air Conditioning Unit \$19.50 Site Plan Required

2. Boilers/Compressors

- ≤100,000 BTUs or 3 HP \$19.50 includes ductwork
- >100,000 (3HP) to ≤ 500,000 BTUs (15HP) \$35.75 includes ductwork
- >500,000 (15HP) to ≤ 1,000,000 BTUs (30HP) \$48.75 includes ductwork
- >1,000,000 BTUs (30HP) ≤ 1,750,000 BTUs (50HP) \$73.15 includes ductwork
- >1,750,000 BTUs or 50HP \$121.80 includes ductwork

3. Fire/Smoke Dampers/Duct Smoke Detectors \$14.65

4. Heat Pump \$19.50 Site plan required

5. Install/Replace Furnace/Burner includes ductwork and vents

- Furnace ≤ 100,000 BTUs \$19.50
- Furnace ≥ 100,000 BTUs \$35.75
- Install/Replace/Relocate Heaters (Suspended, Wall, or Floor mounted) \$19.50
- Vent for appliance other than furnace \$9.75 includes ductwork

6. Refrigeration Units (includes installation of controls)

- ≤ 100,000 BTUs or 3 HP \$19.50
- > 100,000 (3HP) to ≤ 500,000 BTUs (15HP) \$35.75
- > 500,000 (15HP) to ≤ 1,000,000 BTUs (30HP) \$48.75
- > 1,000,000 BTUs (30HP) ≤ 1,750,000 BTUs (50HP) \$73.15
- > 1,750,000 BTUs or 50HP \$121.80

7. Miscellaneous

- Appliance vent \$9.75 includes ductwork
- Dryer exhaust \$9.75 includes ductwork
- Exhaust fan with single duct \$9.75 includes ductwork
- Hoods \$14.65 includes ductwork
- Exhaust system apart from heating or air conditioning \$14.65 includes ductwork
- Fuel piping and distribution (up to four outlets) \$6.50
- Fuel piping and distribution (over four outlets) \$1.65 per outlet
- Insert, decorative fireplace or wood/pellet stoves \$19.50 includes vent
- Gas fired water heater \$19.50 includes ductwork and vent
- Install/relocate domestic type incinerator \$24.35
- Install/relocate commercial type incinerator \$97.50

SECTION 10: BUILDING CHARGES FOR SERVICE

F) Mechanical Permits – Commercial, Industrial, and Multi-Family

Based on the total value of mechanical materials, equipment, installation, overhead and profit.

- Plan review fee – Commercial 30% of Mechanical permit fee
- Mechanical Permit Fee Based on total valuation Amount
 - 0 - 500 \$60 minimum fee
 - 500.01 - 5,000 \$60 plus \$2.50 for each additional \$100 or fraction thereof between \$500.01 and \$5,000
 - 5,000.01 - 10,000 \$172.50 plus \$3 for each additional \$100 or fraction thereof, between \$5,000.01 and \$10,000
 - 10,000.01 - 100,000 \$322.50 plus \$8 for each additional \$1,000 or fraction thereof, between \$10,000.01 and \$100,000
 - 100,000.01 and up \$1,042.50 plus \$4 for each additional \$1,000 or fraction thereof over \$100,000

See appendix A for surcharge collected on behalf of the State.

G) Plumbing Permits – New one and Two Family Dwellings

Includes one kitchen, 100 feet of sanitary sewer, storm and water lines, standard plumbing fixtures and appurtenances, and are based on the number of bathrooms, from one to three on a graduated scale.

- One Bathroom \$255
- Two Bathrooms \$315
- Three Bathrooms \$375
- Additional Kitchen or Bathroom \$155 each
- Additional Fixture or Item \$15 each
- Additional 100 feet of each utility line \$27.50 each

H) Plumbing Permits – One and Two Family and Manufactured Dwelling for Additions, Alterations and Repairs

- Minimum Fee \$60
 - New and/or Additional fixture, item or appurtenance \$15 each
 - Alteration of fixture, item or appurtenance \$15 each
 - Manufactured Dwelling Utility Connection - Charged only when connections are not concurrent with new set-up and installation \$30 each
- | | <u>Water
Lines</u> | <u>Sanitary
Sewer Lines</u> | <u>Storm Sewer/
Footing Lines</u> |
|--|------------------------|---------------------------------|---------------------------------------|
| • For the first 100 feet or fraction thereof | \$50 | \$50 | \$50 |
| • For each additional 100 feet or fraction thereof | \$27.50 each | \$27.50 each | \$27.50 each |

I) Plumbing Permits – Commercial, Industrial, and Multi-Family

Based on the number of fixtures, appurtenances and piping with a set minimum fee.

- Plan Review Fee – Commercial 30% of plumbing permit fee (when required)
- Minimum fee \$60
- New and/or additional fixture, item \$15 each
- Alteration of fixture, item or appurtenance \$15 each

See appendix A for surcharge collected on behalf of the State.

- | | <u>Water Lines</u> | <u>Sanitary Sewer
Lines</u> | <u>Storm Sewer/
Footing Lines</u> |
|--|--------------------|---------------------------------|---------------------------------------|
| • For the first 100 feet or fraction thereof | \$50 | \$50 | \$50 |
| • For each additional 100 feet or fraction thereof | \$27.50 each | \$27.50 each | \$27.50 each |

J) Residential Fire Sprinkler System Fees

Total Square Footage (including Garage)

- | | |
|-------------------|----------------------------|
| 0 to 2000 | \$100 includes plan review |
| 2,001 to 3,600 | \$150 includes plan review |
| 3,601 to 7,200 | \$250 includes plan review |
| 7,201 and greater | \$300 includes plan review |

SECTION 10: BUILDING CHARGES FOR SERVICE

K) Electrical Permits – Issued and Inspected by Washington County (503) 846-3470

L) Prescriptive Solar Photovoltaic System Installation – Structural Only

*Electrical permits are also required through Washington County

Fees for installation of Solar Photovoltaic (PV) system installation that comply with the prescriptive path described in the Oregon Structural Specialty Code. \$122.79
 For Plans that do not meet the prescriptive path, typical structural fee calculations and processes will apply. Typical Structural Fees will apply

M) Demolition Permits

- Residential \$192.12
- Commercial \$282.12

N) Medical Gas Permits – Commercial

Based on the total value of installation costs and system equipment as applied to the following fee matrix.

- Plan Review Fee – Commercial 30% of Plumbing Permit Fee
- Plumbing Permit Fee Based on valuation

See appendix A for surcharge collected on behalf of the State.

0 - 500		\$100 minimum fee
500.01 - 5,000	\$100 plus \$2 for each additional \$100 or fraction thereof between \$500.01 and \$5,000	
5,000.01 - 10,000	\$190 plus \$3 for each additional \$100 or fraction thereof between \$5000.01 and \$10,000	
10,000.01 - 50,000	\$340 plus \$9.50 for each additional \$1,000 or fraction thereof between \$10,000.01 and \$50,000	
50,000.01 - 100,000	\$720 Plus \$11 for each additional \$1,000 or fraction thereof between \$50,000.01 and \$100,000	
100,000.01 and up	\$1,270 plus \$7 for each additional \$1,000 or fraction thereof over \$100,000	

O) Grading and Erosion Control Fees (Private Property Only)

Permits issued by the City of Sherwood. Grading is inspected by the Building Department and erosion control is inspected by Clean Water Services or the City of Sherwood.

Erosion Control Fees

Activities which require a grading and/or erosion control permit and are not included in a building permit. Permit is based upon the total acreage of the site.

- Erosion Control Plan Review Fee 65% of the erosion control inspection fee
- Erosion Control Inspection Fee Based on Total Area

0 to 1 Acre		\$200
1 Acre and up	\$200 (plus \$50 per acre or fraction thereof over 1 acre)	

For projects greater than or equal to 5 acres see appendix A for additional fees collected on behalf of CWS.

Grading Fees

Cubic Yards		
0 to 100		\$60 minimum fee
101 to 1,000	\$60 first 100 yards (plus \$11 for each additional 100 yards or fraction thereof)	
1,001 to 10,000	\$159 first 1,000 yard (plus \$15 for each additional 1,000 yards or fraction thereof)	
10,001 to 100,000	\$294 first 10,000 yards (plus \$75 for each additional 10,000 yards or fraction thereof)	
100,001 +	\$969 first 100,000 (plus \$36.50 for each additional 10,000 yards or fraction thereof)	
Grading plan review fee		85% of the grading permit fee

SECTION 10: BUILDING CHARGES FOR SERVICE

P) Other Inspections and Fees (Building, Mechanical, Plumbing, Grading and Erosion)

- Re-inspection fee (Minimum charge = 1 hour) \$90 per hour plus State surcharge
- Inspections outside normal business hours (when approved by the Building Official) \$90 per hour plus State surcharge (Minimum charge = 2 hours)
- Inspection for which no fee is specifically indicated \$70 per hour plus State surcharge (Minimum charge = ½ hour)
- Investigative fee for working without a permit \$70 per hour to enforce the code, \$70 minimum.
- Additional plan review required \$90 per hour or actual time (For changes, additions or revisions) (Minimum charge = ½ hour)
- Re-stamp of lost, stolen or damaged plans \$55 per plan set
- Application/Permit extensions \$50

(Renewal of an application or permit where an extension has been requested in writing, and approval granted by the Building Official, prior to the original expiration date, provided no changes have been made in the original plans and specifications for such work)

- Permit reinstatement fee 50% of amount required for a new permit or a percentage as determined by the Building Official based on the remaining inspections required.

(This fee is for reinstatement of a permit, where a reinstatement request has been made in writing, and approval granted by the Building Official, provided no changes have been made in the original plans and specifications for such work.)

Q) Refunds (Building Permit, Mechanical, Plumbing, Grading/Erosion)

- Permit refunds 75% of original permit Fee; Provided the permit is still valid
- Plan review refunds 75% of original plan review fee provided no plan review was started

R) Certificate of Occupancy *(As determined by the Building Official)*

- Temporary residential \$50 per request
- Temporary commercial \$300 maximum per request

S) Change of Use/Occupancy Certificate Application Fee *(As determined by the Building Official)*

- Similar use (Minor code review) \$60
- Dissimilar Use, or Change in Occupancy (Extensive Code Review) \$125 minimum fee (Includes 1 hour code review time, review time greater than 1 hour will be charged at the hourly rate of \$90)

APPENDIX A: FEES CHARGED ON BEHALF OF OTHER AGENCIES

APPENDIX A: FEES CHARGED ON BEHALF OF OTHER AGENCIES

Note: The fees in this section are set by other jurisdictions and the City has agreed to collect the fee on their behalf. The fees listed are provided as a courtesy and are based on the fee set at the time this fee schedule was adopted. Any changes to the fees imposed by the other jurisdictions may not be reflected in this section.

A) Clean Water Services Fees

1. Sewer Utility Charges

The monthly sewer utility user charge for property within the City and served by Clean Water Services (CWS) of Washington County shall be established by CWS and adopted annually.

- CWS regional sewer utility user base rate per EDU \$22.25
- CWS regional sewer utility usage rate per CCF \$1.48

2. Sewer SDC

- CWS regional connection charge \$4,896.88

3. Erosion Control Fees - For projects greater than or equal to 5 acres

- Clean Water Services 1200-C administration fee \$150 per application
- Clean Water Services 1200-C plan review fee \$350 per application

B) State of Oregon – Department of Consumer and Business Services

Fee charged on all building and mechanical permits; as well as commercial plumbing and medical gas permits.

1. **State Surcharge** 12% of Building Permit fee
2. **Manufactured Dwelling or Cabana Installation** \$30

C) Sherwood School District

Fee charged on all building permits.

1. **Residential CET** \$1.04 per square foot of dwelling
2. **Commercial CET** Non-residential \$0.52 per square foot maximum of \$25,925

D) METRO

Fee charged on building permits.

1. **METRO CET** 0.12% of the total value of the improvement when it exceeds \$100,000 valuation

TO: Sherwood City Council

FROM: Julie Blums, Finance Director
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-056, Declaring the City's Election to Receive State Revenues

Issue:

Should the City of Sherwood inform the State of Oregon that the City is eligible for and elects to receive state revenues?

Background:

The State of Oregon shares certain revenue with municipalities that choose to accept it. The only qualification to receive these funds is to hold public hearings on the use of the money. The City held one hearing on May 13, 2015 during the Budget Committee meeting and will hold the other required hearing at this City Council meeting.

Financial Impacts:

The FY16 General Fund budget includes a revenue line item of \$188,000 for this revenue source.

Recommendation:

Staff respectfully recommends City Council approval of Resolution 2015-056 declaring the City's election to receive state revenues.



RESOLUTION 2015-056

DECLARING THE CITY OF SHERWOOD'S ELECTION TO RECEIVE STATE REVENUES

WHEREAS, Oregon Revised Statute 221.770, provides for Oregon municipalities to receive state revenues should they elect to via resolution or ordinance; and

WHEREAS, said statute also requires the electing municipality to hold two public hearings on the municipality's use of the funds; and

WHEREAS, on May 13, 2015, a public hearing on the use of state revenues was held by the City of Sherwood Budget Committee and on June 16, 2015, a public hearing on the use of state revenues was held by the Sherwood City Council.

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

Section 1: Pursuant to ORS 221.770, to elect to receive state revenues for the Fiscal Year 2015-2016.

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

Duly passed by the City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

TO: Sherwood City Council

FROM: Julie Blums, Finance Director
Through: Joseph Gall, ICMA-CM, City Manager

SUBJECT: Resolution 2015-057, Adopting the FY2015-16 City of Sherwood Budget

Issue:

Shall the Sherwood City Council adopt the FY2015-16 City of Sherwood Budget as approved by the Sherwood Budget Committee?

Background:

On May 13, 2015, the Sherwood Budget Committee received the budget message and heard public comment. On May 27, 2015, the Budget Committee approved the proposed budget with one change, resulting in the Approved Budget for FY 2015-16. The change was to reduce the Street Capital Fund by \$900,000 due to a double counting of a project from FY14-15. Notice of the approved budget has been published in accordance with Oregon Local Budget Law. The final steps of the budget process are for City Council to hold a public hearing per ORS 294.453 and then adopt the FY2015-16 budget. The budget is available for review at the City Hall reception desk and in the Sherwood Public library. A copy of the budget can also be found on the City's website under the Finance Department section.

Recommendation:

Staff respectfully recommends approval by City Council of Resolution 2015-057 adopting the FY2015-16 City of Sherwood budget.



RESOLUTION 2015-057

ADOPTING THE FY2015-16 BUDGET OF THE CITY OF SHERWOOD, MAKING APPROPRIATIONS, IMPOSING AND CATEGORIZING TAXES, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTION NECESSARY TO CARRY OUT THE ADOPTED BUDGET

WHEREAS, the Sherwood Budget Committee has reviewed and acted on the proposed City budget; and

WHEREAS, the Sherwood Budget Committee approved and recommended a balanced budget to the City Council on May 27, 2015; and

WHEREAS, in accordance with State law, the Sherwood City Council has held a public hearing on the budget as approved and recommended by the Sherwood Budget Committee; and

WHEREAS, the Sherwood Budget Committee approved the budget to be presented to the City Council for adoption; and

WHEREAS, the City Council desires to adopt the approved budget and carry out the programs identified in the budget.

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

Section 1: Adoption of the FY2015-16 Budget. The City Council of the City of Sherwood, Oregon hereby adopts the budget for FY2015-16 in the sum of \$48,046,631, now on file at City Hall.

Section 2: Making Appropriations. The amounts for the fiscal year beginning July 1, 2015 and for the purposes shown below are hereby appropriated as follows:

	<u>General</u>	<u>General Construction</u>	<u>Debt Service</u>	<u>Street Operations</u>	<u>Street Capital</u>	<u>Water</u>	<u>Sanitary</u>	<u>Storm</u>	<u>Telecom</u>
Administration	2,708,670								
Comm. Development	1,539,441								
Public Safety	3,687,830								
Community Services	1,717,367								
PW Operations	2,286,981								
Operations Department				2,209,679		3,699,719	590,431	1,263,351	310,632
Capital Department		2,283,361			485,515	265,405	443,832	866,129	
Debt Service	136,714	47,537	899,219			1,839,667			180,774
Transfers Out	143,000			18,859	650,000	20,975	22,268	22,768	
Contingency	576,847			86,200		369,159	29,815	112,903	23,532
Reserved for Future Years	<u>2,114,586</u>	<u>483,512</u>		<u>551,260</u>	<u>3,702,607</u>	<u>7,082,180</u>	<u>3,021,329</u>	<u>1,494,279</u>	<u>58,298</u>
Total	14,911,436	2,814,410	899,219	2,865,998	4,838,122	13,277,105	4,107,675	3,759,430	573,236

Total Budget for FY15-16 \$48,046,631

Section 3: Imposing and Categorizing Taxes. The City Council of the City of Sherwood hereby imposes the taxes provided for in the adopted budget at the City’s permanent rate of \$3.2975 per thousand of assessed value for operations and in the amount of \$897,582 for bonded debt; and that these taxes are hereby imposed for tax year 2014-15 upon the assessed value of all taxable property within the district.

The City of Sherwood hereby categorizes the taxes as follows:

	<u>General Government</u>	<u>Excluded from Limitation</u>
General Fund	\$3.2975 per \$1,000	
Debt Service Fund		\$ 897,582

Section 4: Filing. The Budget Officer shall certify to the County Clerk and County Assessor of Washington County and the Oregon State Department of Revenue the tax levy made by this resolution and shall file with them a copy of the budget as finally adopted.

Section 5: This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 16th day of June 2015.

Krisanna Clark, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

Sherwood Field House Monthly Report May 2015

<u>May-15</u>	<u>May-15</u>		<u>YTD</u>		<u>May-14</u>
Usage		People		People	People
	<u>Count</u>	<u>Served*</u>	<u>Count</u>	<u>Served*</u>	<u>Served*</u>
Leagues	4	392	24	5504	350
Rentals	35	525	831	13868	1504
Other (Classes)					
[1] Day Use	11	99	90	695	21
Total Usage		1016		20067	1875
Income	<u>May-15</u>	<u>YTD</u>			
Rentals	\$2,500	\$51,809			
League fees (indoor)	\$4,920	\$72,734			
Card fees (indoor)	\$120	\$3,510			
Day Use	\$238	\$2,015			
Advertising					
Snacks	\$225	\$5,356			
Classes					
Total	\$8,003	\$135,424			
FY 13 14					
Income	<u>May-14</u>	<u>YTD</u>			
Rentals	\$5,770	\$45,591			
League fees (indoor)	\$3,725	\$78,206			
Card fees (indoor)	\$30	\$3,559			
Day Use	\$33	\$1,659			
Advertising		\$1,500			
Snacks	\$256	\$4,747			
Classes					
Total	\$9,814	\$135,262			

*Estimated number of people served based on all rentals have a different # of people. Along with each team will carry a different # of people on their roster.



Fields and Gyms

Youth Soccer held their competitive tryouts in May and already asking for field space.

Youth baseball: the tee-ball and minors played approximately 120 games on the LRMS football field and at Middleton and Archer Glen. These are the little guys the season is over.

Youth baseball also had two tournaments in May one on the 1st -3rd and one on the 29th – 30th. The first one had 58 games played with teams from McMinnville, Sandy, Scio and all over the Portland area. The tournament on the 29th had teams from Silverton, Salem and Canby and most of the Portland metro area, they held 57 games that weekend.

The rest of the month youth baseball held 58 league games at all the other levels at most all field in town.

Youth lacrosse held the Sherwood Shoot Out lacrosse tournament on May 2nd and 3rd. This had 46 games at Snyder and the High School. They had teams in town from all over the Portland Metro area and as far away as Bellevue Washington and Kings Way School in Washington. They also played 28 league games during the month at Snyder and the High School. They finished up on the 30th with a league tourney at the High School.

Youth softball held the "Fireballs 14A Invite on May 2nd and 3rd. They had 14 teams in town and played 34 games during the weekend the team that came the farthest was from Redmond. They also played 28 league games during the month.

Greater Portland Soccer District rented Snyder for four hours during the month.

YVBA (Youth Volley Ball) has finished up their spring season at LRMS for the year.

Sherwood Middle School Track has finished up while the Sherwood Youth Track Club will move over to the High School after Graduation.

Field House

We had some of our dasher boards repaired this month.

We also had our bathrooms repainted.

We are still running four adult leagues.

Things are slowing down, we will be going to Wednesday only pre-school play starting in June and will be open Sunday through Fridays.

Respectfully Submitted

Lance Gilgan

June 2, 2015