

TO: Members of the Sherwood Planning Commission
Members of the Sherwood City Council

FR: Susan Claus

RE: items to add to the record for Sherwood Cannery PUD 09-01, sub 09-02

DT: 15 December 2009

PA 09-05

Enclosed please find a print out of the 2005 Cannery Development Strategy dated July 19, 2005, excerpted pages regarding the:

- 1) Review: Goals Vision and Concepts,
- 2) Marketing Themes,
- 3) Program,
- 4) Streets and Blocks,
- 5) Development Parcels,
- 6) Building Plan and
- 7) Rendering

These were the original concepts introduced as part of the Sherwood Cannery redevelopment process.

Next, please find a copy of the Request For Proposals document issued July 15, 2007 that was used as the base document that generated Capstone's original response and concept for the Cannery Redevelopment and infill project. It references the 2005 Cannery Development Strategy document above which was meant to "serve as a guide and roadmap for the redevelopment of the cannery site." (See Development Objectives).

The 6.06 acres were being offered for \$3,700,000 (\$14 /sq ft) in shovel ready condition with "no known environmental deficiencies." (See Environmental Remediation.) We were at the time and still are in process of trying to determine the scope and extent of the Cannery's environmental issues through the Brownfield DEQ/EPA process. In the Utilities Infrastructure section of the RFP it states, "The site currently has electrical, sewer, water, gas and communications service. The developer WILL EXTEND THESE UTILITIES FROM THE PROPERTY LINE ONTO THE SITE." SDCs for the project were estimated at \$2 to \$2.5 million. The city agreed to demolish and remove the existing improvements and deliver the site in shovel ready condition. The developer was supposed to complete the construction of the project. The City and/or urban Renewal Agency were not going to be putting in the public improvements and infrastructure.

Capstone was chosen to be the developer for the project. Enclosed please find a newspaper article date December 1, 2007 that summarizes the Capstone mixed use concept for the Cannery project that combined brick buildings, a public plaza with retail stores and offices, and townhouses above the retail.

WHAT HAPPENED? SOMEONE NEEDS TO EXPLAIN HOW WE ARE NOW BEING PRESENTED WITH 101 multi-family apartments in two buildings clustered along Willamette and Highland streets. The retail/commercial pads look like a small strip mall—the marriage between residential and commercial has been abandoned—all we are left with multiple uses—not mixed uses. Our vision has been radically altered. Only a few residents have been “legally” notified (100 ft abutting the project) of the specific changes. This current proposal does not comport with our town’s vision for this project. We also need to be mindful of the impending development in the Langer PUD and how it will impact the traffic and livability for the district.

PLEASE REVIEW THESE MATERIALS AND RECOMMEND TO THE CITY COUNCIL that the application goes back for revisions based on “mixed-uses” rather than multiple uses that have not been harmonized for the district. The original vision for medium density has also be altered—please recommend that the number of residential units be lowered to the medium density standards. Please also ask for a district parking plan so we can resolve that fundamental problem in the district and not increase the parking deficiencies.

We are poised to LOSE several millions of dollars in the district because the staff and applicant are asking the Urban Renewal district to pay for the roads and public improvements, pay the developer as a general contractor to oversee the work, and give the developer density increases up to 101 apartment units and reduced buy in rates on the Retail commercial pads that will be completed at the expense of the Urban Renewal district. They also want fundamental approvals before significant details are presented and approved by the citizens.

We have a young planning staff, none of whom live in Sherwood—four of the five planners are new in the field with little experience outside of Sherwood except for internships and schooling. This project is too important to let the planning and urban renewal staff “learn on the job as they go.” By a simple review of the application and submitted materials, it is obvious we as citizens in this Home Rule town need to exercise our duties and responsibilities as Home Rule citizens and become informed and involved. I am not disparaging the staff or the city manager—rather I am pleading for all of us to be part of the solution and help ensure the long term health of Historic Old Town Sherwood.

Additionally, monies that were supposedly to be reserved for our Performing Arts Center will be eaten up by this proposal if passed. We will Not have enough money for our Performing Arts center. We also have significant environmental hazard exposure in the cannery land itself and quite likely in the Machine Works building itself.

PLEASE SAY NO to this PROPOSAL. We need financial and land use clarity before a PUD can be considered for our Urban Renewal district and Historic Old Town. We also need to get the established neighborhoods around this infill / redevelopment project properly notified and armed with as many facts as possible on any Cannery Square land use proposals.

Thank you for listening.

Sincerely,


Susan Claus

22211 SW Pacific Highway, Sherwood, Oregon 97140

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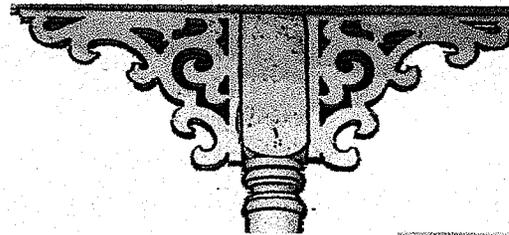
Review: Goals

- Stimulate investment in Old Town
- Prompt results
- Unique, high quality place
- Positive return on investment
- Benefit entire community



Review: Vision and Concepts

- “Northwest Mayberry”
- A community, not just a “project”
- A live/work neighborhood
- Walk to coffee
- Walkways, plazas, open space



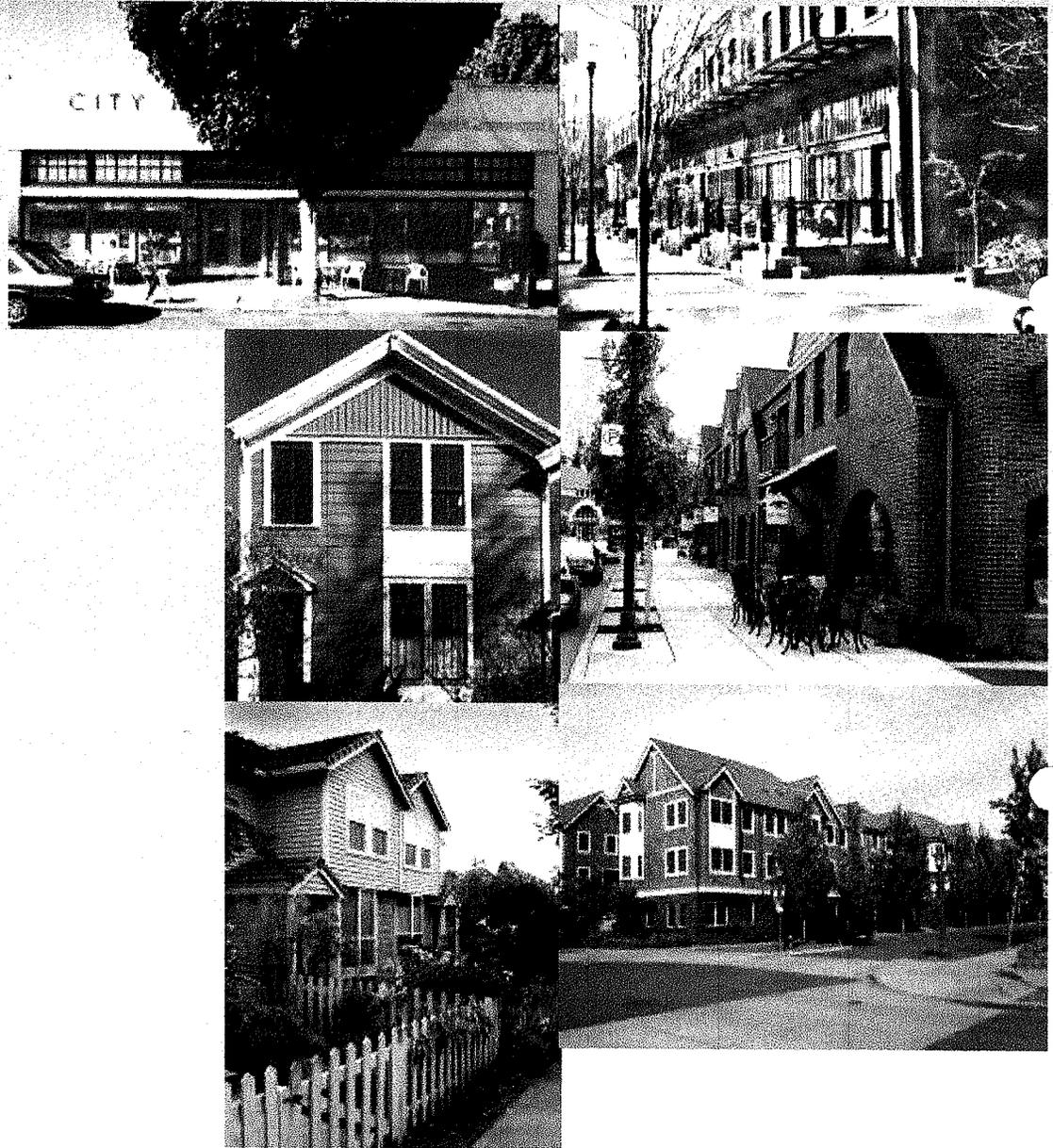
Marketing Themes

- Community
- Authenticity
- Convenience and connection
- Security

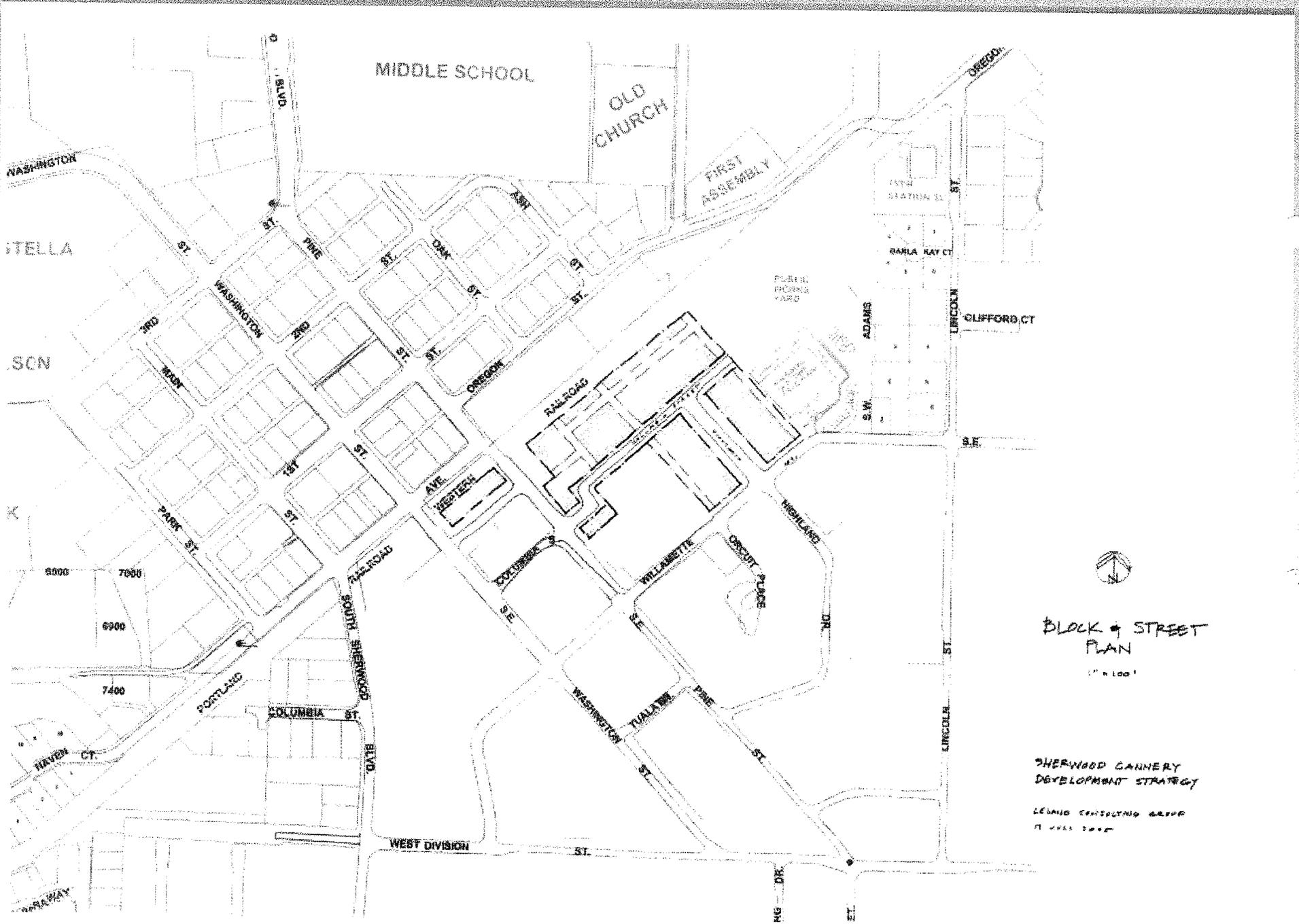


Program

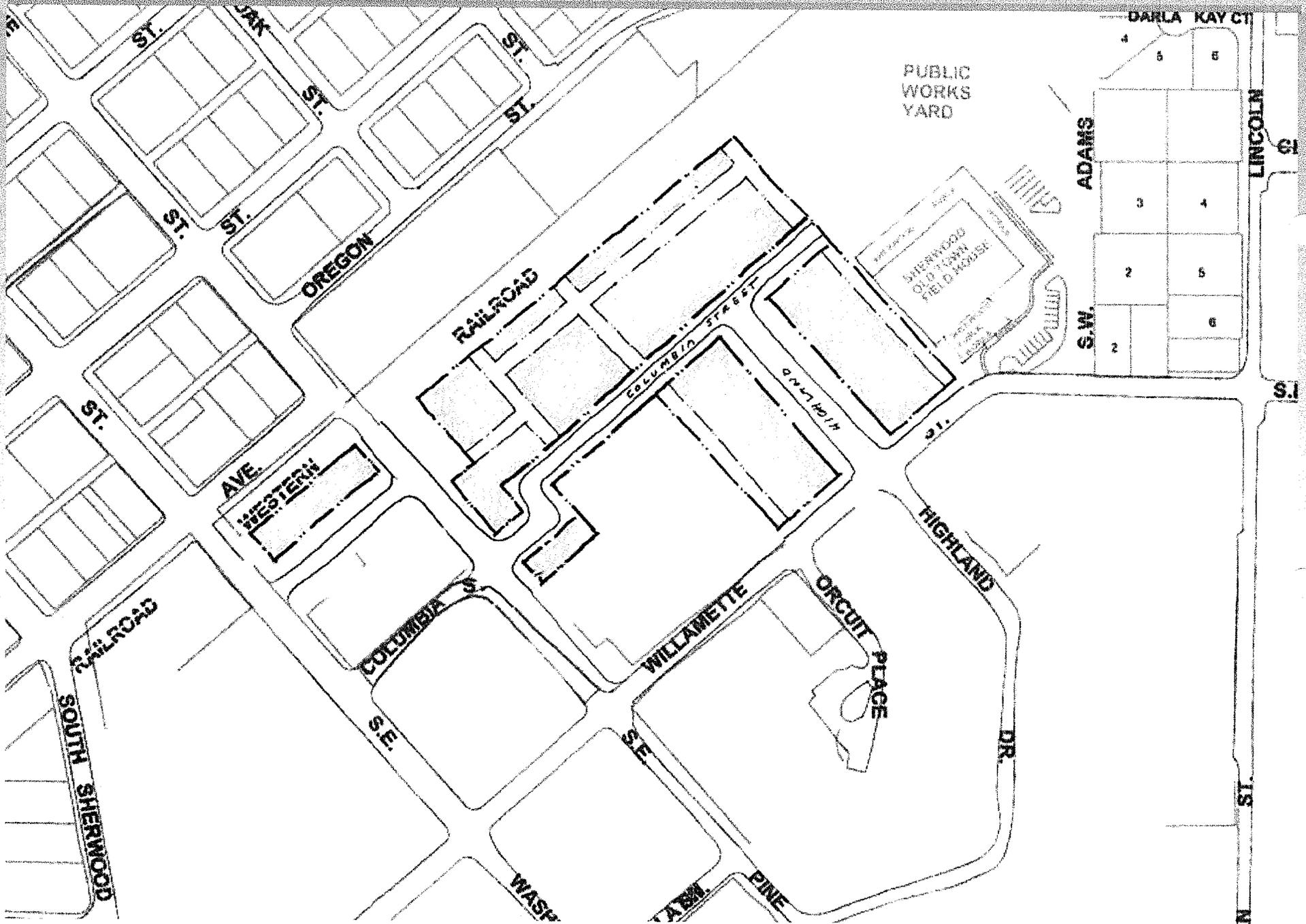
- Storefronts
- Live-work row houses
- Cottages
- Townhouses & Condominiums



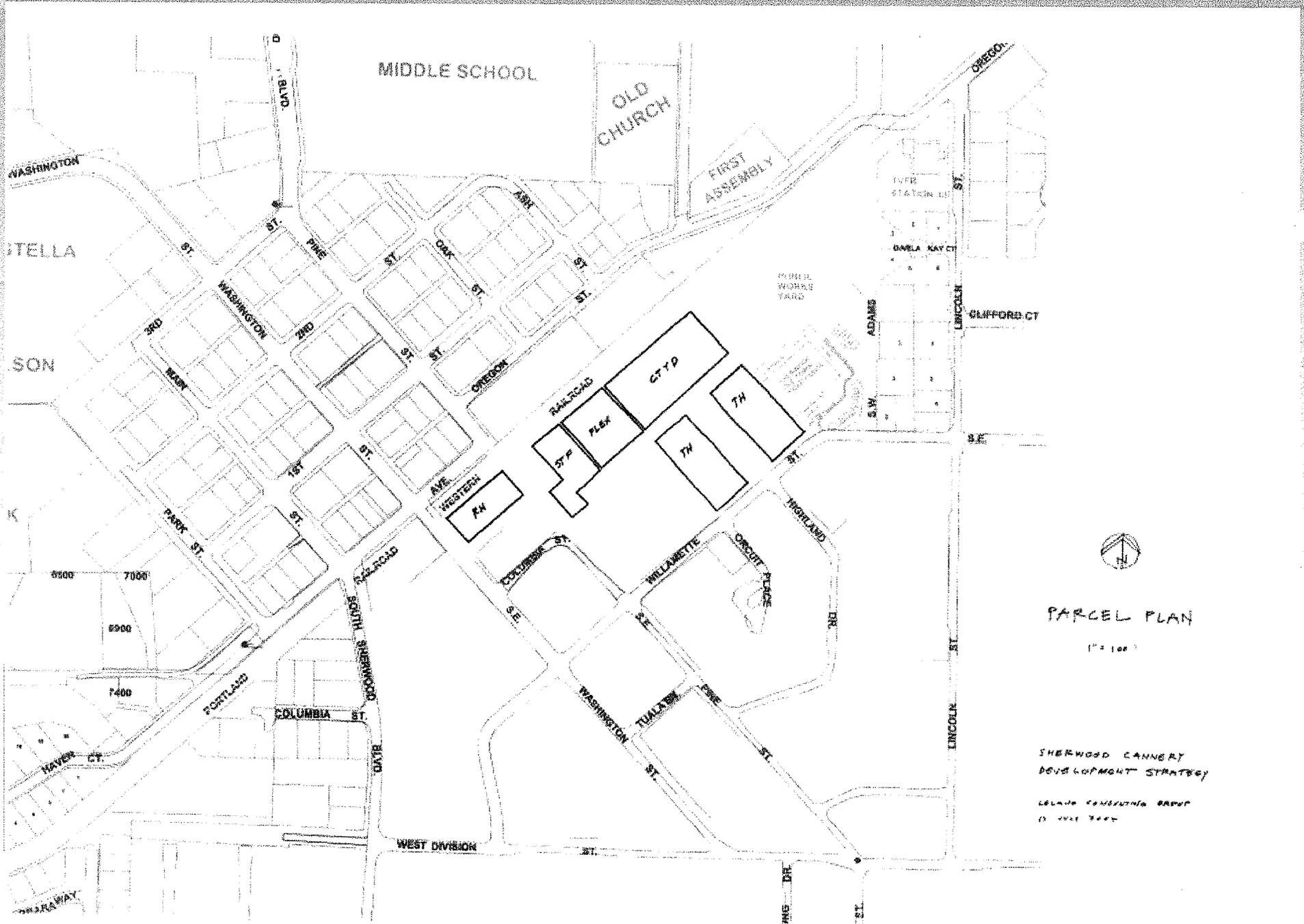
Streets and Blocks



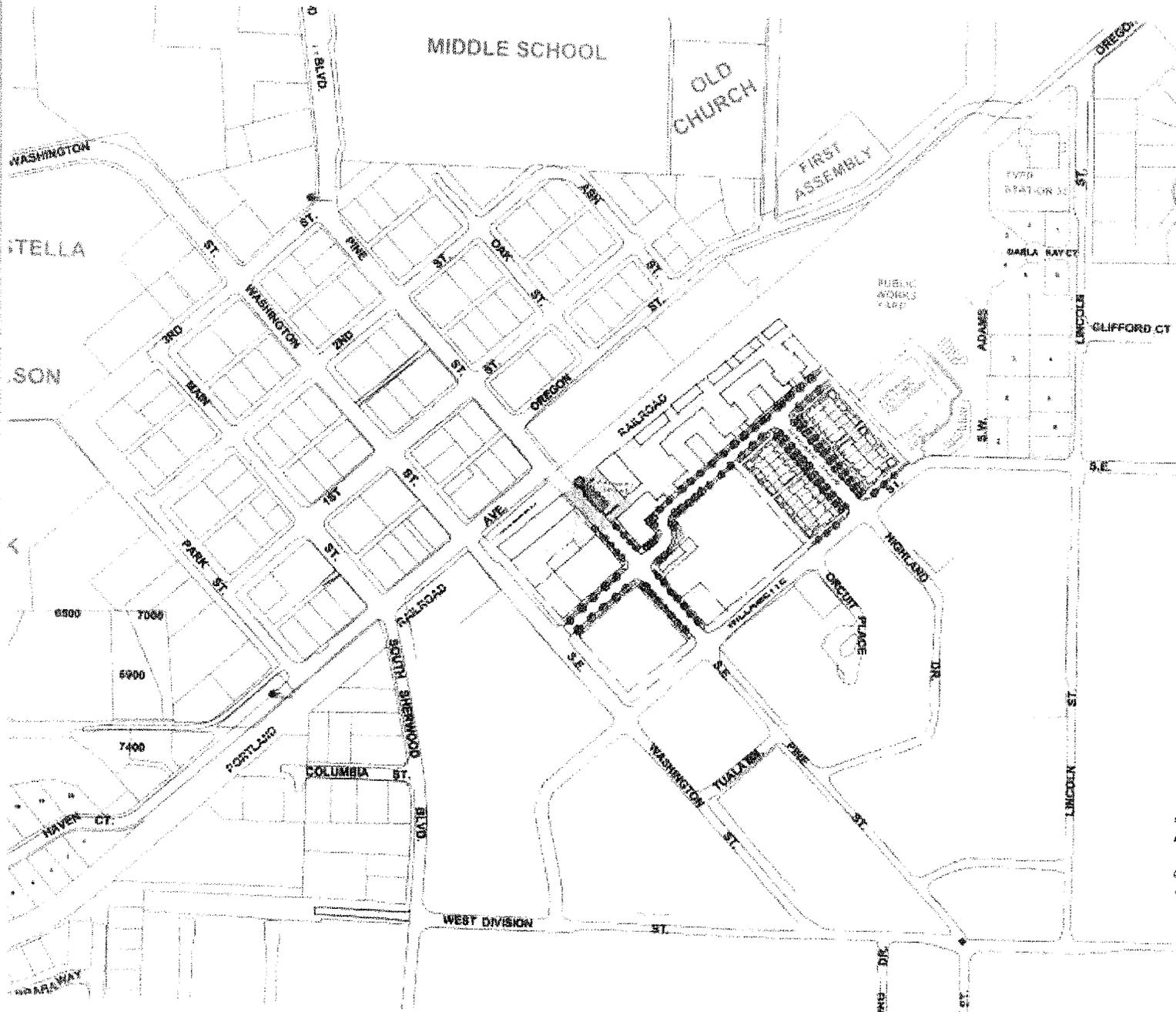
Streets and Blocks



Development Parcels



Building Plan

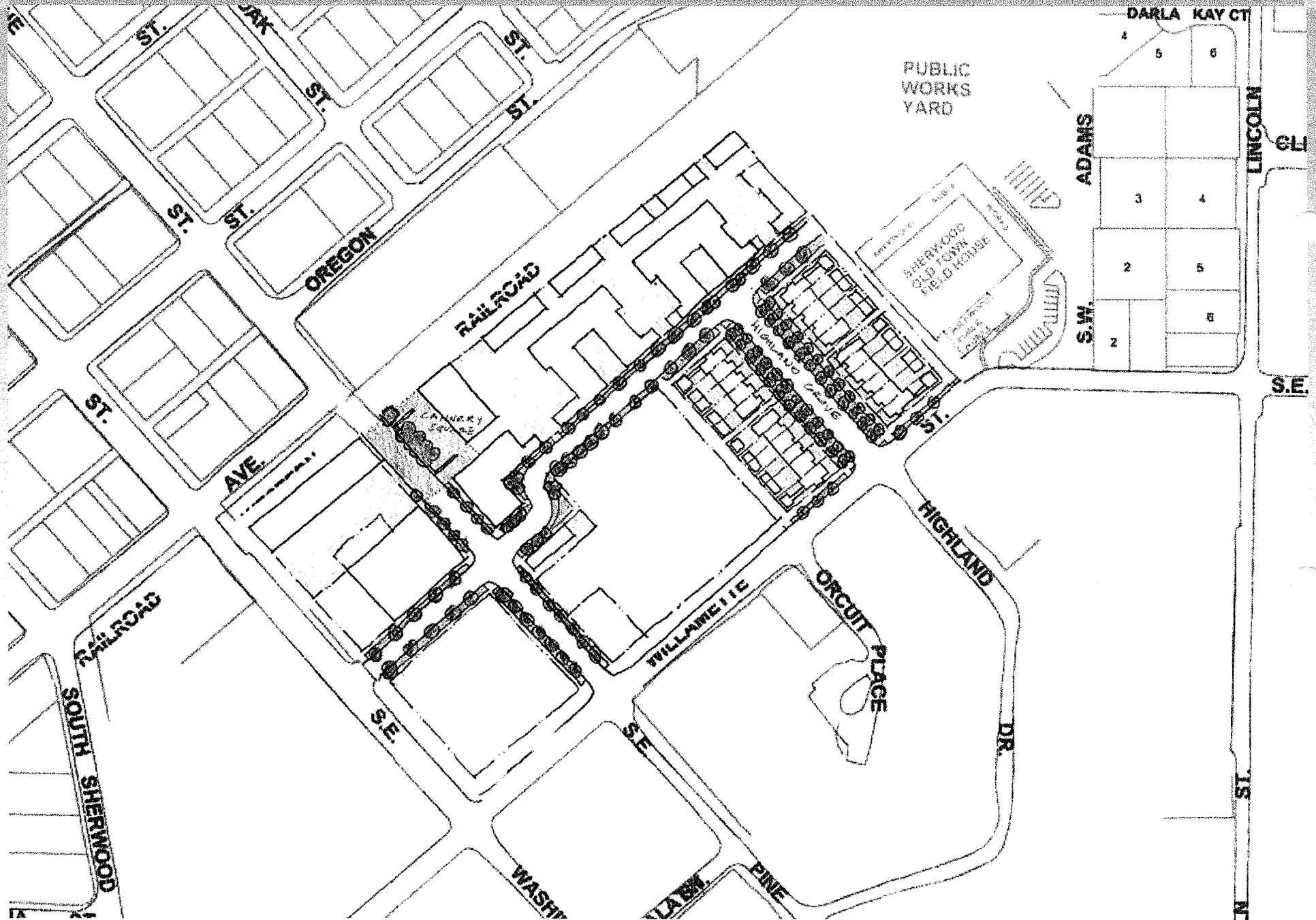


PARKS & BUILDINGS
PLAN
1" = 100'

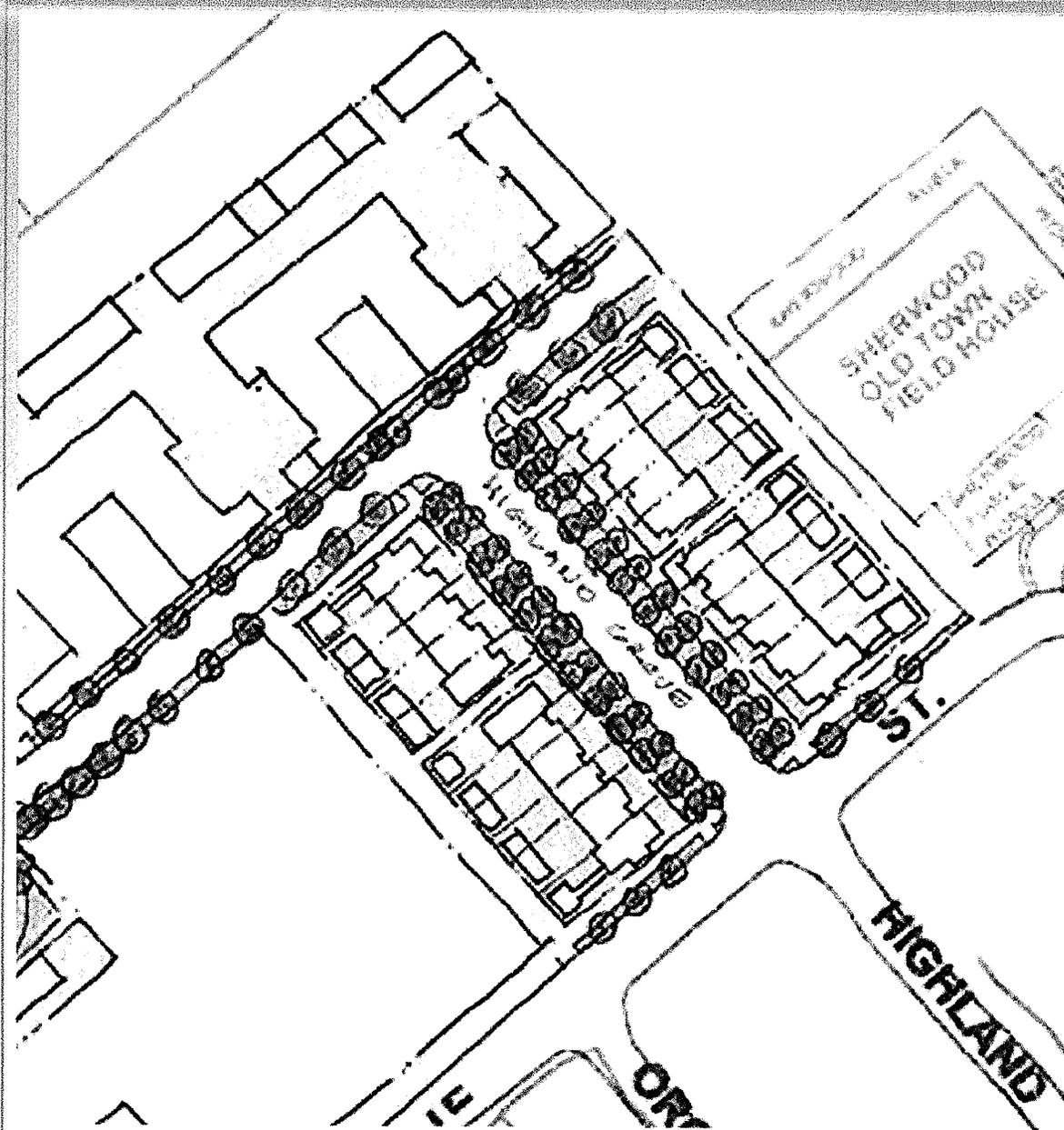
SHERBORN CANNERY
DEVELOPMENT STRATEGY

CLARK ENGINEERING GROUP
A URS COMPANY

Building Plan

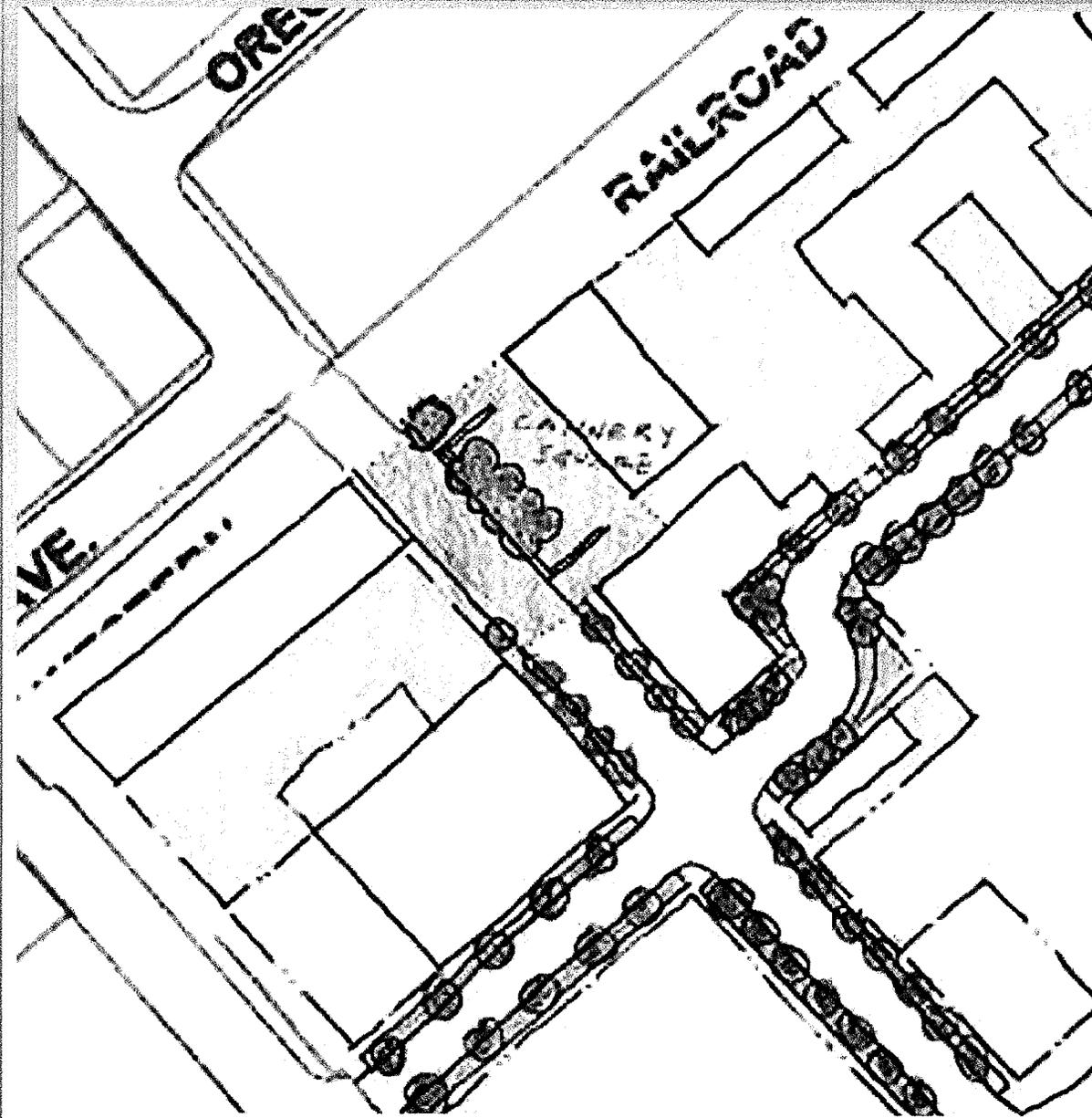


Building Plan



- Extend the street grid
- Double tree-lined street on Highland
- Densest housing against tracks
- Anticipate adjacent development

Building Plan



- Small Cannery Square
- “Cap” the retail
- Pedestrian and vehicular connections
- Extend Columbia St. and grid
- Employment uses around square

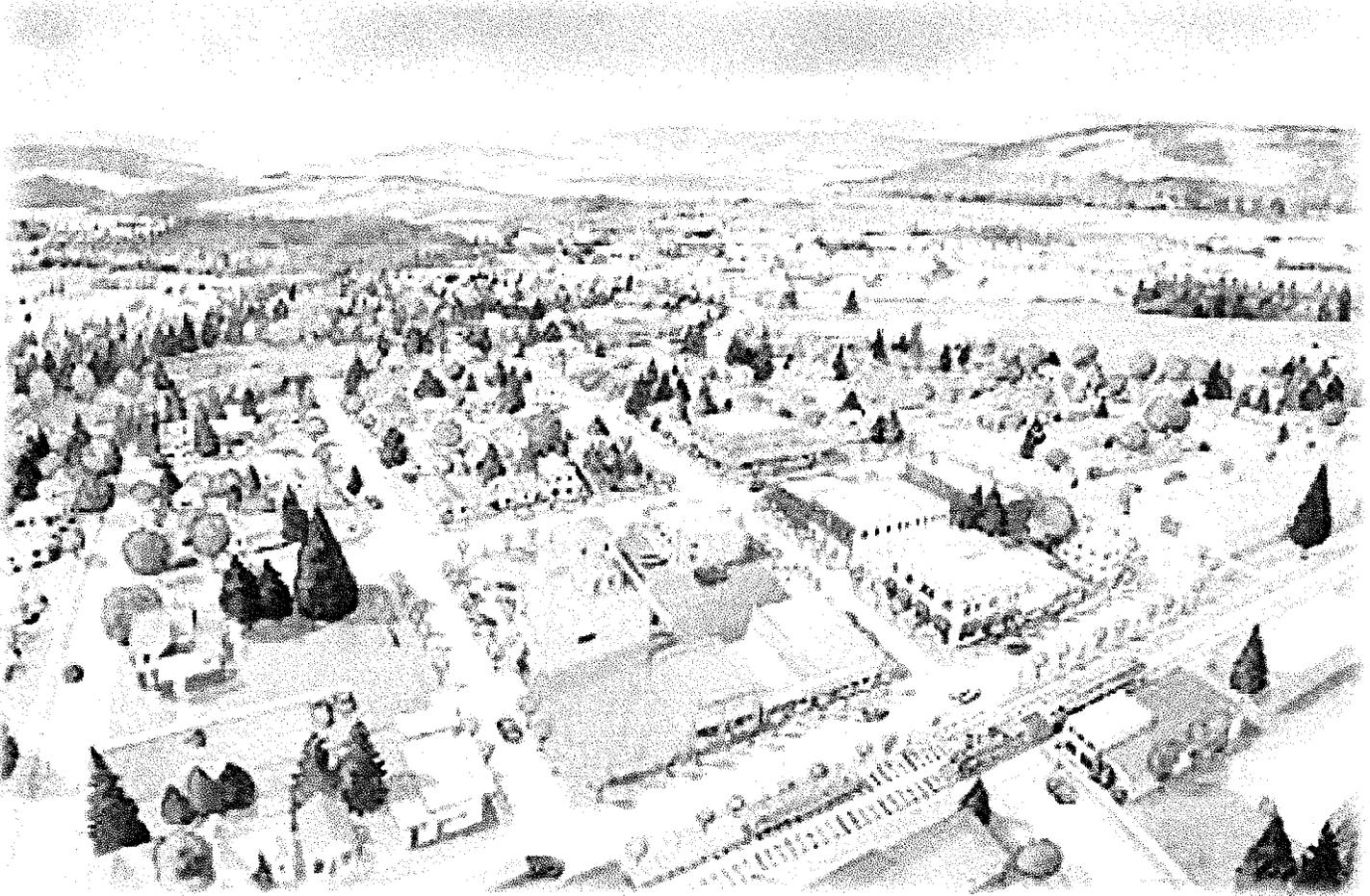
Conceptual Rendering



VIEW of CANNERY SQUARE

B. DENNIS '75





Request for Proposals

City of Sherwood Redevelopment of the Old Cannery Site

Issue Date: July 5, 2007

Exclusive Representation

GVA Kidder Mathews

One SW Columbia Street, Suite 950

Portland, OR 97258

503.221.9900



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- 9. Submission Instructions**

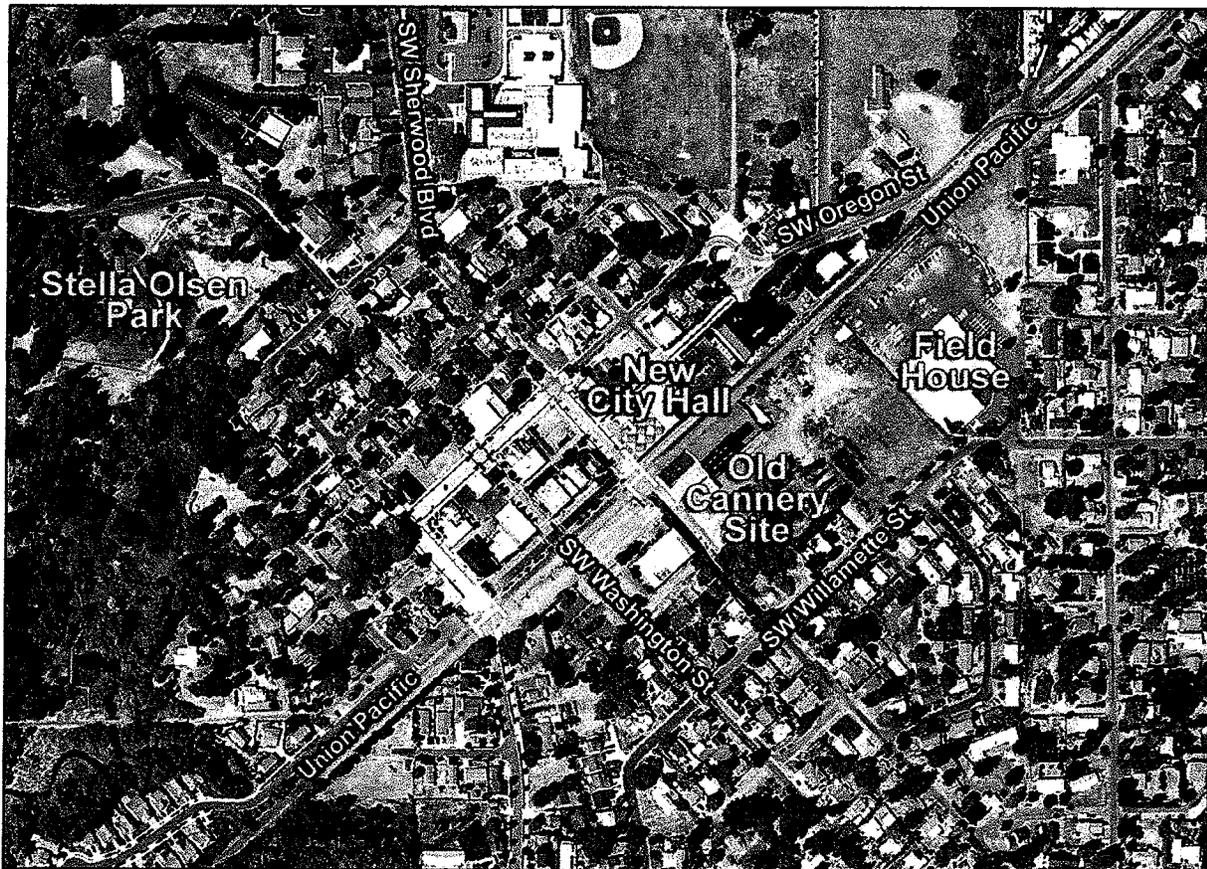
1. The Opportunity

Three Parcels in Downtown Historic Sherwood, Oregon

Appraised at \$3.7 Million - \$14 per square foot

MAJOR REDEVELOPMENT OF SUBURBAN DOWNTOWN SHERWOOD

This redevelopment will consist of three parcels in historic Old Town Sherwood totaling 6.06 acres (263,974 SF) and known as the Old Cannery Site. The parcels are zoned either High-Density Residential or Retail Commercial and the Redevelopment Program targets a mixed-use scheme of residential uses comprising 50%-70% of the property and commercial-retail uses comprising the balance of the site.



THE OFFERING

The material contained in this Offering Memorandum is confidential, furnished solely for the purpose of considering the purchase of the real property described herein, and is not to be used for any other purposes or made available to any other person without the express written consent of GVA Kidder Mathews.

Interested buyers should be aware that Seller, City of Sherwood, owner of the real property known as the Old Cannery Site, is selling the property in its "AS IS" condition with all faults, without representations or warranties of any kind or nature. Prior to and/or after contracting to purchase, as appropriate, Buyer will be given a reasonable opportunity to inspect and investigate the Property and all improvements thereon, either independently or through agents of Buyer's choosing. In addition to the first sentence of this paragraph, but without limiting the generality thereof, Buyer shall not be entitled to and should not rely on Seller or its affiliates or its agents as to (i) the quality, nature, adequacy, and physical condition of the Property, including, but not limited to, any structural elements, foundation, appurtenances, access, landscaping, and the electrical, HVAC, plumbing, sewage, and utility systems; (ii) the quality, nature adequacy, and physical condition of soils, ground water, and geology; (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Property; (iv) the development potential of the Property, its habitability, merchantability, or fitness, suitability, or adequacy of the Property for any particular purpose; (v) the zoning or the legal status of the Property; (vi) the Property's or its operation's compliance with applicable codes, laws, regulations, statutes, ordinances, covenants, conditions, and restrictions of any governmental, quasi-governmental entity, or any other person or entity; (vii) the quality of any labor and materials furnished at or to the Property; (viii) the compliance of the Property with any environmental protection, pollution, or land use laws, rules, regulations orders or requirements, including, but not limited to, those pertaining to the handling, generating, storing, or disposing of any hazardous materials, or the Americans with Disabilities Act; and (ix) except as expressly provided otherwise in an executed contract of sale, the condition of title and the nature, status, and extent of any right-of-way, lease, right of retention, possession, lien, encumbrance, license, reservation, covenant, condition, restriction, and any other matter affecting the title. Although the Seller may have performed work, or contracted for work performed by third parties in connection with the Property, Seller and its agents shall not be responsible to Buyer or any successor on account of any errors or omissions or construction defects of such predecessors and/or third parties.

Seller reserves the right to withdraw the Property being marketed at any time, without notice, to reject all offers and to accept any offer without regard to the relative price and terms of any other offer. Any offer to Seller must be (i) presented in the form of a non-binding Letter of Intent, (ii) incorporated in a formal written contract of purchase and sale to be prepared by Seller and executed by both parties, and (iii) approved by Seller before the transaction becomes binding on either party.

Neither the Prospective Buyer nor Seller shall be bound until execution of the contract of purchase and sale, which contract shall supersede prior discussions and writings and shall constitute the sole agreement of the parties. Prospective Buyer shall be responsible for their costs and expenses of investigating the Property and all other expenses, professional or otherwise, incurred by them, including brokerage fees to Buyer's agents.

DEVELOPMENT OBJECTIVES

GVA Kidder Mathews has been retained by the City of Sherwood ("Owner") to exclusively market the Old Cannery Site, Sherwood, Oregon. The site is approximately 6.06 acres and sits in the heart of Old Historic Downtown Sherwood, located on Highway 99 between Tigard and Newberg.

Sherwood's Old Town Historic District is a 10-square-block area which houses the City Hall and has seen a significant amount of redevelopment in recent years, including the construction of a new City Hall and Library facility, and the construction of significant streetscape improvements by the City of Sherwood.

The redevelopment concept as envisioned by the City of Sherwood and the Cannery Development Advisory Committee (CDAC) contemplates a medium-density mixed-use project for both residential and retail-commercial uses. Ideally, the residential uses would consist of a combination of condominiums, townhouses, and single-family dwellings, while retail-commercial would be comprised of commercial buildings and storefront lofts. Most retail activity would be expected to take place on the first floor with perhaps office space or housing above.

The goals of the redevelopment project include the stimulation of new investment and development in Old Town, north of the railroad tracks, which border the site. A "small-town" feel and complimenting the existing Old Town is the goal of the project which should have a unified architectural character and should encompass the grid pattern established in Old Town and adjacent neighborhoods. The ultimate character of the development should be that of a unique, high-quality place which capitalizes on the major investment the City has made in new streets, sidewalks, and street lighting north of the railroad tracks. A small open area, plaza or town square suitable to a community gathering place will need to be included in the redevelopment scheme.

The City's redevelopment concept was derived from a July 2005 consultant document, "Sherwood Cannery Development Strategy". The document is available on www.sherwoodcannery.com as an attachment, and is meant to serve as a guide and roadmap for the redevelopment of the Cannery site. While it suggests percentages for the relative mix of residential and retail-commercial uses, the City of Sherwood will be flexible in allowing the ultimate developer to implement its desired strategy. Further, the schematic diagrams showing the composition and building types on the respective development parcels are to be treated as guidelines only.

Similarly, the Redevelopment Strategy reflects the requirements of the Old Town Overlay District (OT), contained in Chapter 9 of the Sherwood Zoning and Development Code. The OT zoning-district is intended to establish objectives and define a set of development standards to guide physical development in historic downtown Sherwood. The OT overlay is intended to provide development flexibility with respect to uses, site sizes, setbacks, heights, and site design elements. Land use applications must demonstrate substantial conformance with the Overlay District standards.

The ultimate overlaying goal is a successful, high-quality project which maximizes the Cannery project's "small-town" feel, compliments the existing Old Town, and can be successfully implemented by a capable developer with a proven track record.

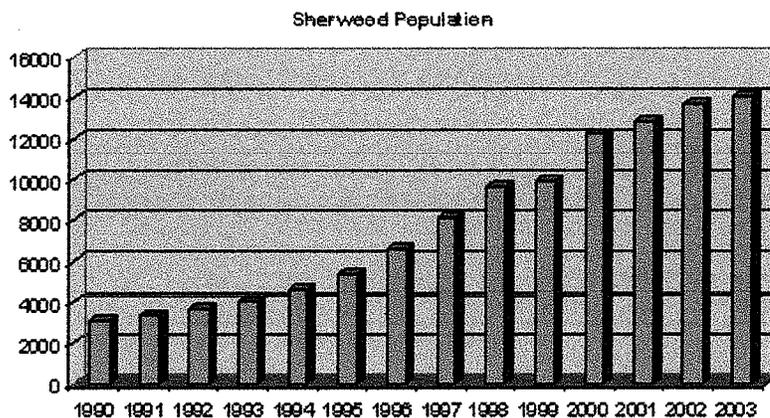
A complete copy of the Sherwood Cannery Development Strategy can be downloaded from the "Opportunity" Section of www.sherwoodcannery.com.

2. Introduction

BACKGROUND AND HISTORICAL HIGHLIGHTS – SHERWOOD, OREGON

Prior to western settlers arriving in 1853, the Tualatin Indians inhabited the area which is now known as Sherwood, Oregon. In 1885, JC Smock gave a right-of-way on his property to the Portland and Willamette Valley railroad. He and his wife, Mary Ellen Sebastian platted the town in 1889, the same year rail service began. Tradition has it that no one, not even the town's founders liked the name "Smock Ville," and so a public meeting was held to rename the town. A prominent businessman, suggested the name Sherwood, which is the town in Michigan that he was from, which is itself named after the legendary Sherwood Forest of England.

The main industry in the 1890's was a brick yard supplying building materials to Portland. Most of Sherwood's commercial buildings were built at this time, including the nine-block area known as Old Town. The brickyard closed in 1895, and a year later, a terrible fire razed most of the business district. The economy diversified to include a fruit and vegetable cannery and a tannery, which supported Sherwood until 1971. Today the main industry is manufacturing. In 1911, Sherwood's city limits were one square mile, and a population of 350. Today, Sherwood's population is in excess of 15,000 and the city limits have expanded to four and a half square miles.



Sherwood continues to remain one of the fastest-growing towns in Oregon, but such growth has not diminished the small-town atmosphere of historic Old Town, which is evident in annual community gatherings such as the popular Robin Hood Festival, Cruisin Sherwood Classic Car Show, Music on the Green, The Arts Festival, the Onion Festival, Run for the Roses and Missoula Children's Theatre. In addition, Sherwood boasts excellent active recreational facilities that play host to state and regional high school and youths sports championship events.

Sherwood is also home to the Tualatin River National Wildlife Refuge, one of only a handful of urban national wildlife refuges in the country. The Tualatin River National Wildlife Refuge has received Sunset Magazine's 2007 Environmental Award for being a piece of "preserved paradise". The refuge was included on a list of 10 winners Sunset honored in Alaska, Arizona, California, Hawaii, Montana, New Mexico and Utah. The awards are detailed in the magazine's March 2007 edition. The 1,358-acre refuge, just off Oregon 99W, about 15 miles southwest of Portland, was opened to the public last June, offering a network of walking trails through varying habitats, as

well as a wildlife photography blind and a pier for handicapped fisherman. An interpretive center remains under construction. The U.S. Fish & Wildlife Service has approved plans to expand the refuge to more than 3,000 acres.

While Old Town boasts antique shops and tea houses, it is only minutes away from new commercial development concentrated at Highway 99W and Tualatin-Sherwood Road and rolling hills and farmland have combined with high-end residential development to provide a bucolic setting south of Old Town. The Cannery site is adjacent to rail lines that could be used in the future for commuter rail from the Portland Airport to Yamhill County. Sherwood will also serve as the "end of the line" for the Washington County winery tour as part of the Washington County tourism plan.

Sherwood's location approximately 12 miles southwest of downtown Portland in southeast Washington County offers residents a suburban community with a rural feel.

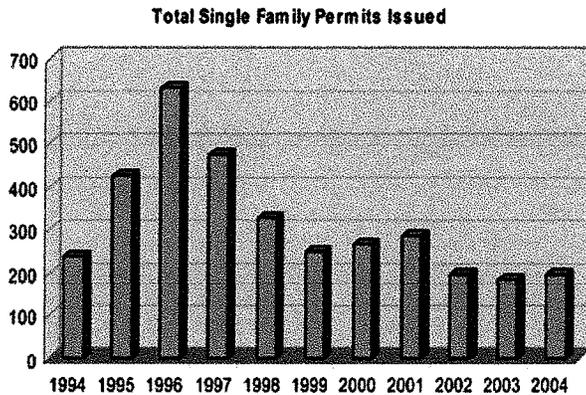
Schools within the Sherwood School District are acknowledged as among the best in metropolitan Portland, and Sherwood academic Target Scores exceed State of Oregon Student Benchmarks in all categories. Sherwood High School's dropout rate of 1% is an academic statistic that distinguishes it from virtually every other large high school in Oregon, and extracurricular participation by students exceeds 75%.

During a period when Oregon's public school districts have faced challenging funding issues, Sherwood residents have shown their commitment to educational funding. With the recent passage of a \$98 million capital construction bond measure, the district is assured of the ability to maintain existing facilities and add new school facilities as necessary.

Sherwood's small-town ambiance, suburban yet rural character, and superior schools are reflected in an average median household income of \$70,549, compared to a \$52,122 median income for Washington County. Further, the median sale price of residential housing in Sherwood is \$342,184, compared to a median price of \$253,940 for Washington County.

STRONG LOCAL ECONOMY

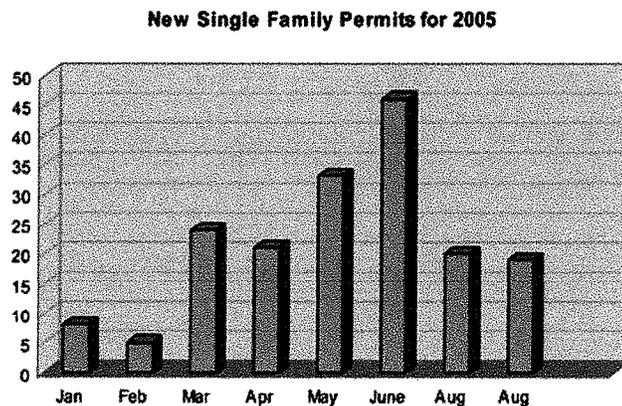
Oregon's unemployment steadily decreased from 2003 through 2005 and stands at 5.57% though the state continues to underperform the nation, which saw an unemployment decrease to 4.7%. Economic forecasters are predicting that the region will create more jobs and see another one million residents added to its population base. Part of the growth is attributed to the excellent quality of life, access to recreational opportunities, moderate climate, and a good public school system.



LACK OF AVAILABLE RESIDENTIAL LAND

With the creation of the Urban Growth Boundary in the 1970s, suburban sprawl has been contained and measured growth has allowed cities such as Sherwood to provide new housing stock and an excellent school system. Development has been thoughtful and reflective of city council decisions aimed at consistent design standards, contained commercial development, and affordable as well as upscale residential neighborhood developments.

However, the supply of developable residential and commercial land has diminished over the past five years, and the challenge of bringing additional land into the Urban Growth Boundary is becoming difficult. These conditions are in large measure responsible for the increase in median housing prices in metropolitan Portland, and the availability of an infill residential-commercial parcel as typified by the Cannery site is a unique opportunity.



3. Executive Summary

THE DEVELOPMENT SITE

An approximate 6.06 acre site owned by the City of Sherwood within the Old Historic Downtown Redevelopment Area, a 10 square block area which has experienced significant revitalization in recent years, including the construction of a new City Hall and Library, and the construction of extensive streetscape improvements.

DEVELOPMENT CONCEPT

Commercial and residential with a pedestrian-oriented, medium-density neighborhood that is compatible with, and ideally supportive of, the Sherwood concept development plan. Important development objectives include attracting sensitive design elements compatible with the historic flavor of the Downtown area. The Development Concept and suggested mix of uses are provided as an attachment to this offering.

PURCHASE

The site is available for sale only to a single buyer. It is not priced but has been the subject of an MAI appraisal in January 2007 which valued the site at \$3,700,000.

SELECTION PROCESS

A two step request for proposal selection process (see Section 7).

SUBMITTALS DUE

September 4, 2007 at 4:00 PM. Submittals may be mailed to the address below or delivered in person to the Bid Desk at the City of Sherwood, City Hall, 22560 SW Pine Street, Sherwood, Oregon 97140.

CITY OF SHERWOOD REPRESENTATIVES

For further information, contact via letter, fax or e-mail.

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pattersonj@ci.sherwood.or.us

4. The Site

DESCRIPTION OF SITE

Subject site is located on a city block which is divided by a wetland area. The site is an L-shaped site with frontage along both SW Willamette and SW Pine streets. The site is effectively level at street grade and is served by all public utilities.

LAND AREA

Three parcels consisting of 263,974 square feet (6.06 acres) Gross Site Area. The subject area is summarized in the following table:

<u>Parcel#</u>	<u>Size (Acres)</u>	<u>Size (SF)</u>
R0555599	5.46	237,838
R0555615	0.51	22,216
R0556017	0.09	3,920
	6.06 Acres	263,974 SF

EXISTING BUILDINGS/USE SUMMARY

The City of Sherwood will demolish and remove the existing improvements. The site will be delivered in shovel ready condition.

EXISTING ZONING

Retail Commercial (4.46 acres); High-Density Residential (1.60 acres) The site is the Old Town overlay, the city's most flexible zoning designation that allows for great latitude in redevelopment of the site.

TRANSPORTATION

The site has excellent arterial and freeway access. Arterial access is provided by Oregon Street and Washington Street to Hwy 99, and Oregon Street connects to Tualatin Sherwood Highway to the East, and thereafter to Interstate 5 at the Tualatin interchange.

UTILITIES INFRASTRUCTURE

The site currently has electrical, sewer, water, gas and communications service. The developer will extend these utilities from the property line onto the site. The estimated charges allocable to Systems Development Fees for the project are \$2.0-\$2.5 million.

ENVIRONMENTAL REMEDIATION

The City expects to complete characterization of the site's environmental condition prior to execution of the sale with the developer. Existing environmental assessments have not identified any extraordinary environmental issues. The property will be conveyed by the City ready to develop with no known environmental deficiencies.

UTILITIES

Public Water: Tualatin Valley
Sanitary Sewer: Clean Water Services
Electricity: Portland General Electric
Natural Gas: Northwest Natural

FLOOD PLAIN/WETLAND

FEMA/FIRM Map number 4102730001A – Map Date: 01/06/1952
locates the subject in Zone C, outside the 100-year flood plain.

SOILS

A geotechnical investigation has not been performed.

5. DEVELOPER RESPONSIBILITIES

DEVELOPER'S RESPONSIBILITIES

The Developer will plan and construct a development project on the Cannery site consistent with the objectives described herein. All "due diligence" and development activities shall be undertaken solely at the cost of the Developer. The Developer will assume the following principal responsibilities related to development:

- Obtain entitlements for the development of the property. Following selection the developer will then meet with City of Sherwood Planning personnel for a pre-application conference at no cost to applicant. Following the pre-application conference, the Developer will proceed with the Type IV development agreement application. The Developer will have sole financial responsibility for the entitlement process, including any additional environmental review and/or permitting that may be required. The City will support the Developer during these processes.
- Secure financing for the proposed project.
- Complete construction of the proposed project.

CITY'S RESPONSIBILITIES

The City will assume the following principal responsibilities:

- Cooperate, and assist where needed, in obtaining key entitlements and regulatory approvals.
- Complete investigation and remediation or other appropriate management of any known environmental contamination, consistent with applicable Oregon Department of Environmental Quality regulations, in coordination with the Developer's site planning activities. The City will lead any interactions and negotiations with regulatory agencies that are required to establish a contamination management approach that is consistent with the site development process.
- Complete demolition of the Cannery buildings and other limited site clearance.
- Prompt review and processing of the Type IV development agreement application.
- Certify compliance with SEPA.
- Prompt review and processing of all development permits.

6. Terms & Conditions

GENERAL TERMS

This RFP is neither a contract nor a commitment of any kind by the City, and does not commit the City to begin exclusive negotiations nor to pay any cost incurred in the submission of a response. The submission of a response to this RFP constitutes an invitation to negotiate with the City. The City, at its sole discretion, reserves the right to accept or reject, in whole or in any part, responses to this RFP, to request new responses, reissue the RFP, or not to proceed with this project or any part thereof.

All submitted responses will become the property of the City and will become public documents. Upon receipt by the City, the responses submitted including any and all attachments to the response and any interim reports and investigations prepared by the development team shall become the property of the City. The City shall have the right to copy, reproduce, or otherwise dispose of each response received. The City shall be free to use as its own, without payment of any kind or liability, therefore, any idea, scheme, technique, suggestion, layout, or plan received during the RFP process.

Failure to provide any of the requested data within the specified submission period may cause the City, at its sole discretion, to reject the submitted response or require the data to be promptly submitted.

The qualifications of each member of the development team are important criteria in the selection process. The selected Developer will not be allowed to substitute any members of the development team without prior approval by the City. The City, at its sole discretion, reserves the right to accept or reject proposed changes to the development team.

All facts and opinions stated within this RFP and in all supporting documents and data, including but not limited to statistical and economic data and projections, are based on available information from a variety of sources. No representation or warranty is made with respect to this information. The developer will be responsible for conducting all feasibility analyses required to undertake the development.

In the interest of a fair and equitable selection process, the City retains sole responsibility to determine the timing, arrangement and method of proposal presentations throughout the selection process. Developers and members of their team are cautioned not to undertake any activities or actions to promote or advertise their qualifications or proposal except in the course of City-sponsored presentations.

REAL ESTATE REPRESENTATIVE

GVA Kidder Mathews, or designee, is the designated City representative for this RFP ("City Representative") and is being compensated by the City of Sherwood. No real estate fees or any other commissions of any type will be paid to respondents for this RFP or their agents or representatives. All contacts and communications regarding this RFP should be submitted in writing only by mail, fax or e-mail. The deadline for receipt of questions is 4:00 PM August 30, 2007. Questions received after this date and time will not be considered. Only questions answered by the City in writing will be binding. Oral and other interpretations,

clarifications or submittal instructions will be without legal effect. Interpretations, clarifications or supplemental instructions will be issued by addenda and will be provided in writing to all developers who have indicated an interest in the project by virtue of having downloaded the RFP from the City's web site or received it from the City's Bid Desk or from the representatives listed below:

Submit questions to:	Tony Reser or Colleen Colleary
Mailing address:	GVA Kidder Mathews One SW Columbia Street, Suite 950 Portland, OR 97258
Phone Number:	(503) 221-9900
Fax number:	(503) 221-2277
E-mail:	treser@gvakm.com colleenc@gvakm.com

REJECTION OF RESPONSES

The City reserves the right to accept or reject any or all responses in their entirety or in part, and to waive informalities and minor irregularities. During the evaluation process, if the City determines that a particular requirement may be modified or waived, then the requirement(s) will be modified or waived for all respondents and all responses will be re-evaluated in light of the change.

WITHDRAWAL OF RESPONSES

Submitted responses may be withdrawn prior to the deadline for submission of responses. After opening of the responses by the City and prior to the time the selected developer is notified, respondents may withdraw their response. Financial capacity is addressed below.

PUBLIC DISCLOSURE

As a public agency, the City is subject to the Oregon State Public Disclosure Act. As such, the City may be required to disclose information provided in respondent's response. The City will promptly notify respondent of any requests for public disclosure of respondent's documents. Respondent shall be responsible for and bear the costs of taking legal action in an attempt to prevent disclosure of such documents. In no event shall the City be liable to respondent for disclosure of respondent's documents the City deems disclosable under Public Disclosure Act.

7. Selection Process & Criteria

SELECTION PROCESS

An evaluation panel consisting of City staff and consultants will review all responses for their relative strengths and weaknesses based on the submission requirements and will follow a two-step process.

1. First Step

Initial responses to this RFP will be evaluated and a short list of two to three development teams will be selected.

2. Second Step

Selected developers will be asked to submit detailed proposals that include, but are not limited to, site plan, phasing schedule (if applicable), a financial pro-forma, purchase price and proof of financial capacity.

SELECTION SCHEDULE

<u>ITEM</u>	<u>DATE</u>
RFP Available	July 11, 2007
RFP Response Due	September 4, 2007
Short-listed Recommendations Determined and RFP made to Short Listed Firms	September 18, 2007
Proposals Due from Short-Listed Firms	September 28, 2007
Developer Selection Recommendation to City Council and Public Hearing	October 9, 2007
Exclusive Negotiating Period Begins	October 12, 2007

SELECTION CRITERIA

The City intends to select a development team to enter into exclusive negotiations based on the information contained in the responses to this RFP, an investigation of the team's past projects and performance, interviews with the development teams, and other pertinent factors. The following criteria are among those that the City will use to evaluate the submissions:

1. Developer Experience and Qualifications

Score: 40%

- A demonstrated track record in securing appropriate entitlements and completing development of high quality compatible projects of comparable size, land use type and level of investment.
- Experience in successfully collaborating with public sector partners.
- Economic success of past projects.
- Architectural and urban design quality of past projects.

- Timeliness of performance.
- Qualifications of members of the development team.

2. Preliminary Development Concept

(See Section 8. Submission Requirements, Preliminary Development Concept)

Score: 40%

- Responsiveness of the preliminary development concept to the City's development objectives, including indications of financial feasibility.
- The preliminary development concept should demonstrate a thoughtful and realistic understanding of the potential market and the existing site context, as well as a thorough understanding of the development process. A clear understanding of the market forces leading to a successful development strategy is also critical to the selection process.

3. Financial Capacity

Score: 20%

- Capitalization of the development entity and ability to fund at least \$10 million of development costs.
- Availability of sufficient predevelopment equity for project success.

8. Submission Requirements

COVER LETTER/EXECUTIVE SUMMARY

Each response must contain a cover letter highlighting how the respondent meets the requirements of this RFP. This summary should be written to allow the evaluation panel to quickly ascertain the highlights of the response.

DEVELOPER IDENTIFICATION

1. Identify the lead development entity's name, street address, mailing address, phone number, fax number, and e-mail address. Specify the legal form of the organization (e.g., corporation, partnership, joint venture, other). Specify the date the organization was established.
2. Identify the principal point of contact with the City, who will be authorized to represent the developer in negotiations and make legally binding commitments for the entity. Describe the limitations of the negotiator's authority.
3. List all officers, partners, or owners of the development entity by name, title, and distribution (percentage) of ownership.
4. Identify development partners and any other members of the development team, including planning, design and financial consultants. Identify the specific role and responsibilities of each member of the team. Provide relevant experience for each, a description and photographs of relevant previous projects, and their role in the cited projects. This section cannot exceed 20 pages for all members of the team combined.
5. Provide an organization chart including the key personnel of development team. Include resumes of key personnel in the addendum.

RELEVANT DEVELOPMENT TEAM EXPERIENCE

List and describe the development entity's experience in developing comparable projects. In total, this section is limited to a maximum of 20 pages, including photographs. For each project, provide the following:

- Project description, including date of initiation and completion, location, size of development, concept, price points, land uses and cost.
- The precise role that the entity and principals of the entity who are assigned to the City's project played in the project's development.
- Financial structure of the project, including amount and source of equity and debt financing.
- Key performance dates, including the property acquisition date, the date construction started, and the date completed.
- Evidence of market and economic success.

- Describe the development entity's philosophy regarding long-term holding of its assets. If a management firm is to be employed to manage the project, submit sufficient data on its experience to enable determination of its ability to manage this development.
- Description of the extent to which there was close collaboration with public sector partners.
- Experience in dealing with site contamination issues, including testing, characterization, and remediation of soil and groundwater contamination.
- Experience in dealing with surface water and storm water management during both construction and operation of the project.
- Application of sustainable development policies and/or "green building" principles and practices.
- Experience in creating community consensus and successful public outreach.
- For each project or relevant experience, provide a name and phone number of a contact person familiar with your project.

PRELIMINARY DEVELOPMENT CONCEPT

The respondent should provide a brief narrative description and graphic depiction of the preliminary development concept on which the final site development plan would be based that is consistent with the intent expressed in this RFP and allows the City to understand the respondent's overall vision for and analysis of the project. It is understood that this description would be representative of the type of development proposed by the developer for the site. This description should include preliminary indications of the nature and type of development planned, including land use, building type and configuration; relationship to surrounding uses; approach to access to the site; approach to parking; development phasing; approach to financing development components; and a generalized indication of the types of tenants envisioned for the project. An indication of the design quality of the development should be made, perhaps through reference to other town center or similar developments.

FINANCIAL CAPACITY

The City requests evidence that the development entity has the financial capacity to carry out the proposed project. The City recognizes the sensitive nature of the financial information requested in this RFP. Such information may, therefore, be submitted under separate cover and labeled "Confidential." Only two copies are required. This information will be used solely by the City for purposes of evaluation and will be kept confidential to the fullest extent allowed by law.

1. For the development entity or, in the case of a company formed specifically for this project, for each of its guarantors, provide the following information:
 - Audited financial statements for the most recent calendar or fiscal year.
 - Letters from the developer's lenders and other financial partners attesting to the developer's capacity to undertake this project.
2. Provide evidence from established financial source(s) of the ability to provide the necessary debt and equity for the project, and identify the expected range of financing needed for this project. Indicate other recent projects where a similar level of investment was made, and provide appropriate references.

3. Identify the source, nature and amount of predevelopment equity available to the developer to fund a project of this nature. Identify the process to secure equity for predevelopment costs, and any limitations on the availability of these funds that may impact the development of this project.
4. Is the development entity or any named individual in the proposed project involved in any litigation or other disputes that could result in a financial settlement having a materially adverse effect on the ability to execute this project? If yes, please explain.
5. Has the development entity or any named individual in the proposed project ever filed for bankruptcy or had projects that have been foreclosed? If yes, please list the dates and circumstances.

Due to the often confidential nature of the financial information, the respondent may submit its response to this section in a separate sealed envelope, marked "Confidential Developer Proposal". The sealed envelope will be opened and reviewed by the financial evaluation committee.

DEPOSIT/GUARANTEE

A good faith deposit of \$100,000, is required in the form of a cashier's check, money order, surety bid bond, or letter of credit payable to the City of Sherwood. If applicable, the deposit will be placed in an interest bearing earnest money deposit account accruing interest to the respondent.

RESPONDENT'S CERTIFICATION

A completed certification in form attached as Appendix A.

9. Submission Instructions

INSTRUCTIONS

1. Deadline

Each development entity responding to this RFP is required to submit copies of its response by September 4, 2007 at 4:00 PM to the Bid Desk at the City of Sherwood

Late submittals will not be considered. Fax or e-mail submittals are not acceptable.

2. Delivery

Responses should be directed to:

Jim Patterson
Assistant City Manager
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140
(503) 625-5522 phone
(503) 625-5524 fax

Responses may be mailed to the address above or delivered in person or by messenger to the Bid Desk at the City of Sherwood.

3. Page Limit

All responses are limited to a maximum of 50 pages, including the limits identified in Section 8, Submission Requirements. A page is defined as a single piece of paper. The "tab" pages are not included in the 50-page limit, nor are any addenda sections. Addenda sections may not, however, exceed ten (10) pages.

APPENDIX A RESPONDENT'S CERTIFICATION

By submitting a response, respondent understands, agrees and warrants that:

Respondent has carefully read and fully understands the information provided in this RFP, including, but not limited to, Section 8. Submission Requirements

Respondent has the capability to successfully undertake and complete the responsibilities and obligations of the response being submitted.

All information in the response is true and correct.

The City has the right to negotiate fees and other items it deems appropriate for the benefit of the City and the general public.

The City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Respondent, and Respondent hereby grants the City permission to make said inquiries and to provide any and all requested documentation in a timely manner.

Dated this ___ day of _____, 2007.

(Respondent)

By: _____

Title: _____

(TO BE ACCEPTED, ALL RESPONDENTS MUST SIGN THIS CERTIFICATION)



Developer has new vision for the Old Cannery - Capstone Partners envisions a mixed-use concept that mingles brick buildings and a public plaza with retail stores, offices and housing.

By Kelly Moyer- Sherwood Gazette – December 1, 2007



The property city leaders call “the most important development in Sherwood,” has attracted the attention of a Pacific Northwest firm schooled in mixed-use development.

Capstone Partners, the real estate developers behind projects like North Portland’s new Vanport development and the \$7 million Cornell Corners in Hillsboro, has answered Sherwood’s request for proposals on the Old Cannery site.

The developer proposes redeveloping the site, which sits in the heart of Sherwood’s historic Old Town, into a medley of retail shops, townhomes and offices – something Sherwood’s leaders say is in line with what the citizens have envisioned for the Old Cannery.

“This (proposal) is really exciting because this is exactly what the people told us they wanted to see on the Old Cannery site,” said Jim Patterson, Sherwood’s assistant city manager.

The city’s brokers received several offers on the property after the city’s RFP (request for proposals) went out this summer, but many of those offers called for a residential-only site. Simply building houses or town homes on the site is not something the city would have considered, Patterson said.

“People have said the do not want to see just residential there,” Patterson said. “Anything that was not mixed-use was not considered.”

But Patterson said the proposal from Capstone Partners is “totally in line with the city’s concept plan.”

The city-owned, six-acre, parcel, runs parallel to the railroad tracks in Old Town, was appraised at \$3.7 million last January, and is considered to be one of the most crucial, undeveloped parcels in Sherwood.

City officials have invested a lot of time and effort in this project, from going to the community to find out what Sherwood residents hoped to see on the site, to actually getting the site ready for development.

Capstone Partners, LLC, was one of a handful of developers interested in the property, Patterson says, and seems to have come up with a redevelopment idea the city can accept.

"We want to come up with a plan that the city thinks is viable," said Chris Nelson, of Capstone Partners. "It's refreshing that the city is being very proactive with this site. We know they're interested in having a legacy project done in downtown, that they don't want an ordinary project or a one-dimensional project and our interest is in coming up with a solution."

Capstone Partners have met four times with city officials and Nelson said his firm is focused on creating a win-win situation for the developers, the city and the residents of Sherwood.

"The more we learn about this project the more we like," Nelson said. "We really want to better understand the vision the city has for this project and come up with something that adds to (Sherwood's) charming downtown.

City managers will bring proposals to the city council in January for a series of public hearings.

Although Capstone hasn't made a concrete offer yet, Patterson called the firm's proposal "promising."

"These people have done a really good job" Patterson said of the development firm and of Ankrom Moisan Associated Architects, the architectural group working with Capstone on this project and one of the architectural visionaries of Portland's Pearl District.

"One of the things they've proposed is building a public plaza where Railroad and Pine meet, where people could gather," Patterson said. "That was one of the things that people have said that they wanted at that site – a place to gather, and maybe somewhere to place the annual (Christmas) tree."

City officials have also expressed interest in having a developer consider incorporating a cultural arts center at the Old Cannery site, but Patterson said the need for that will depend on the results of the city's cultural arts needs assessment, which recently polled residents on their cultural arts needs.

At this stage, all of the discussions are very preliminary. Several things have to happen before the site actually gets developed. The city needs to come to a financial agreement with a developer, the city council needs to hold public hearings on the matter and the developer needs to come up with a concrete redevelopment plan.

"It's still very preliminary at this point," Patterson said. "The city has expressed interest in the developer buying the entire (10-block) site at once, but would be open to a phased development approach."

Patterson said he's "extremely excited" about some of the concepts that have come in so far, and that Capstone in particular has "captured the vision for the site" that is "consistent with where the city would like to go in the redevelopment of the site."

For more information about this project, visit the Old Cannery informational Web site at www.sherwoodcannery.com.