

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES**

Tuesday, May 1, 2012

22560 SW Pine Street, Sherwood, Oregon 97140

URA BOARD REGULAR MEETING

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 8:01 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Linda Henderson, Robyn Folsom, Bill Butterfield, Matt Langer and Krisanna Clark.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Pro Tem Tom Pessemier, Finance Director Craig Gibbons, Police Chief Jeff Groth, Public Works Director Craig Sheldon, City Engineer Bob Galati, Planning Manager Julia Hajduk, Assistant Planner Zoe Monahan, and Administrative Assistant Kirsten Allen. City Attorney Chris Crean.

Chair Mays addressed the Consent Agenda and asked for a motion

4. **CONSENT:**
 - A. **Approval of April 3, 2012 URA Board of Directors Meeting Minutes**
 - B. **URA Resolution 2012-008 Reappointing Charlie Harbick to the Sherwood Urban Renewal Plan Advisory Committee (SURPAC)**
 - C. **URA Resolution 2012-009 Reappointing Scott Johnson to the Sherwood Urban Renewal Plan Advisory Committee (SURPAC)**
 - D. **URA Resolution 2012-010 Appointing Amanda Bates to the Sherwood Urban Renewal Plan Advisory Committee (SURPAC)**
 - E. **URA Resolution 2012-011 Appointing Dennis Durrell to the Sherwood Urban Renewal Plan Advisory Committee (SURPAC)**

MOTION: FROM LINDA HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY ROBYN FOLSOM. ALL BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

5. **NEW BUSINESS:**
 - A. **URA Resolution 2012-012 Authorizing the Urban Renewal Agency Administrator to award a construction contract to R&H Construction Co. for the construction of the parking lots associated with the Community Center**

URA Manager Tom Pessemier stated that at the April 3rd URA Board meeting a resolution authorized moving forward with the Community Center and that there would be additional

resolutions to separate items from the project. Tom indicated that the first of those resolutions was the parking lots. Tom stated that the URA expects some compensation related to future development around the parking lots and wanted to track costs separately. Tom explained that this resolution was to award the construction contract to R&H Construction in order to construct the parking lots associated with the Community Center.

Linda Henderson asked if the reason for separating the parking lots was because they were not budgeted as part of the Community Center project. Tom confirmed and stated that it was also to have the authority to enter into the construction contract.

Chair Mays asked the Board for questions or a motion on the resolution.

MOTION: FROM ROBYN FOLSOM TO APPROVE URA RESOLUTION 2012-012, SECONDED BY LINDA HENDERSON. ALL BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item.

B. URA Resolution 2012-013 Authorizing the Urban Renewal Agency Administrator to award a construction contract to R&H Construction Co. for the construction of the collocation facility within the Community Center

Tom Pessemier explained that a collocation facility is a room with racks that allows storage of servers to protect information with a redundant site and explained that there is a large demand for these types of facilities. Tom explained that the City would like to separate the Sherwood Broadband equipment from City equipment but has not been able to. Tom explained that this building is being totally redone so the power systems, rooms and data lines can be updated. Tom stated that only a small portion of the facility would be used with approximately twelve racks of computer equipment that could contain multiple servers or data storage devices. Tom stated that Sherwood has some advantages that make our business model highly competitive, first of which is Sherwood Broadband which is a very high speed network. Tom stated that we have an agreement to provide redundancy on Sherwood Broadband so if there is a break in the fiber system there is a redundancy which is appealing to people who want protection and are looking for a site to put their data. Tom stated that the other things important with these types of facilities is that they have large power demands and require backup generators and battery supply to take over until the backup generator come into effect and those are designed into the facility. Tom stated that the Pittock charges about \$1000 a month per rack and we can accommodate 12 racks. Tom explained that a couple of those racks would not be getting money because they would be related to the operation of the facility. Tom stated that \$1000 per month for 10 racks would be about \$120,000 gross revenue per year with an estimated operating cost of about \$72,000, much of which is power and the expected net revenue is \$48,000 per year. Tom stated that there is general interest and without spending much effort may have companies interested in 2-3 racks.

Chair Mays added that the value to the community is in providing an asset for local businesses to use and not have to travel to Hillsboro or Portland and revenue generated to help operate and maintain the Community Center when it is open.

Tom agreed and stated that the basic reason for doing the project would be to support the operation of the Community Center as it would cost money to turn the lights and the power on and to have people there for janitorial services. Tom stated that there are costs associated with that structure and we would hope that these moneys could be used to lower the operating costs of that facility.

Robyn Folsom asked regarding the charge to have the rack available and asked if it applied if there is no business renting the rack.

Tom confirmed and stated that it was unlikely that the racks would be filled in the near term but rather 75% of the racks filled after three years.

Chair Mays clarified that a rack does not consume power unless it is turned on.

Ms. Folsom stated that the City will not incur an expense until there is revenue. Tom confirmed that the operating costs are then small. Ms. Folsom asked if there would be a drain that operates in the red until we built up a clientele, but we won't operate in the red because of the good business model. Tom confirmed.

Ms. Henderson asked if the proposal was to add the room to the Community Center with ten racks.

Tom answered that the equipment has not been specified and that is something Sherwood Broadband would purchase. Tom stated that the racks are not a high cost item and can be put in and added as necessary and that there might be some people who have some specific requirements as to the type of rack.

Ms. Henderson asked if the intent was to start with a small inventory of racks and then as customers come to buy more equipment and if it would come out of the projected \$48,000.

Tom answered the money would come out of the \$72,000 operating cost.

Ms. Henderson asked if when a company needed a redundant system if there would be a lease with the City or Sherwood Broadband. Tom confirmed that there would be a lease agreement for the specific space which would protect both them and the City. Ms. Henderson asked regarding staff time to run the system. Tom replied that there are different types of colocation facilities and some have a network engineer that manages databases and computer systems for people but we propose a facility where people have the ability to come in and maintain their own equipment. Tom commented that there were people locally who maintain facilities in eastern Oregon who would much rather maintain a facility here.

Mr. Grant commented regarding potential local customers and asked why local customers would not use the Pittock. Mr. Grant asked why someone would pay the City if they could simply put there information at the Pittock building.

IT Director Brad Crawford came forward and stated it was all about location and in the event of an emergency you may not want to drive to downtown Portland. Brad commented that these facilities are all over the place such as Hillsboro and Beaverton in places like business parks where you would never know they were there. Brad stated the Pittock is well-known but there is not much in this direction. Brad stated that in a major earthquake you may not be able to get across bridges and maybe companies on the south side are more apt to pick Sherwood as than somewhere else.

Mr. Langer asked regarding the primary cost being power and if the colocation room had its own air conditioning system and meter to keep it independent. Brad confirmed and stated that building engineers are designing the backup generator to be able to power the entire building.

Tom added that where you are using a lot of power you are generating a lot of heat and the discussion has been to have multiple units rather than a larger unit in order to be efficient with cooling system.

Mr. Butterfield stated a rack could be shelving to put equipment on or it could be network equipment and asked if the City was just providing shelving for a place to locate the equipment. Brad confirmed. Mr. Butterfield asked if there would be a UPS backup. Brad stated there would but it was open to discussion as to how that will be configured. Brad explained that it was short term battery backup before the generator kicks on and stated he was leaning towards that being a tenant provided piece. Mr. Butterfield agreed. Brad stated that he wanted to be as low tech as possible and basically provide a room with really good power and cooling.

With no further discussion the following motion was received.

MOTION: FROM DAVE GRANT TO APPROVE URA RESOLUTION 2012-013, SECONDED BY BILL BUTTERFIELD. ALL BOARD MEMBERS VOTED IN FAVOR.

Before moving on to the next agenda item Chair Mays gave an update on the paver program that was approved at the last meeting and stated that the committee met and has requested a couple of changes for consideration and staff will bring back an amended resolution at the next meeting. Chair Mays indicated that the changes are to allow both upper case and lower case text and to allow a solid line to divide the 1/3 pavers which is already specified for the 1/2 paver. Tom Pessemier stated that with the limit of one line of text on the 1/3 paver there is plenty of space for a solid line and the mock up examples show that it looks much better with the line. Tom also explained in regards to the capitalization some businesses prefer to have a capital or lower case because that is how they do their business name. Tom stated that the

proposed fonts look good in both capital and lower case so there was no reason to limit the text to just capital letters.

With a consensus from the Board, Tom was directed to bring a new or amended resolution to the Board at the next meeting.

Chair Mays addressed the next agenda item.

6. STAFF REPORTS:

There were no staff reports.

- Chair Mays stated that staff has meetings scheduled with business owners in old town in preparation for the design and reconstruction of Washington and Railroad Streets to receive input and discuss scheduling.

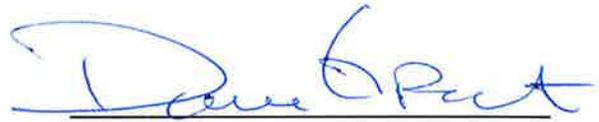
Tom stated that it is important that the City talk to them as we start the design effort to take the needs of the old town businesses into account and accommodate them during construction.

7. ADJOURN: Chair Mays adjourned the URA Board meeting at 8:23 pm

Submitted by:



Kirsten Allen, Administrative Assistant



~~Keith S. Mays, Chair~~

David Grant, Council President