

C I T Y O F S H E R W O O D

Economic Development Strategy



Final Report

COGAN
OWENS
COGAN



Acknowledgements

This project was made possible in part by financial assistance provided by the Oregon Department of Land Conservation and Development.

City of Sherwood

City Council

Keith Mays, Mayor
Dennis Durrell, President
Dave Grant
Linda Henderson
Dave Heironimus
Dan King
Dave Luman

Planning Commission

Adrian Emery, Chair
Patrick Allen, Vice Chair
Dan Balza
Russell Griffin
Jean Lafayette
Matt Nolan
Todd Skelton

Sherwood Urban Renewal Policy

Advisory Committee (SURPAC)

Lee Weislogel, Chairman
Cam Durrell, Vice Chairman
Brenda Bateman
Del Clark
Mark Cottle
Charles Harbick
Todd Schutte

City of Sherwood Staff and Administration

Ross Schulz, City Manager
Jim Patterson, Assistant City Manager
Kevin Cronin, Planning Supervisor

Consultants

Cogan Owens Cogan

Kirstin Greene, AICP
Damian Pitt, AICP
Steve Faust, AICP

OTAK

Todd Chase, LEED, AICP
Michelle Stephens

Strategy Contents

Economic Development Strategy Report

- Vision, Goals and Objectives
- Existing Conditions
- Economic Opportunities Analysis
- Fiscal Analysis
- Economic Development Issues
- Action Plan

Appendices

- Public Workshop Summaries May 10, 2006 and September 20, 2006
- Comprehensive Plan Tracked changes to Chapter 3 (...) and Chapter 4 (...)
- PowerPoint Presentation for Sherwood City Council January 16, 2007

Appendices

- Public Workshop Summary May 10, 2006
- Public Workshop Summary September 20, 2006
- Comprehensive Plan changes to Chapter 3 (Growth Management)
- Comprehensive Plan changes to Chapter 4 (Land Use)
- PowerPoint Presentation for Sherwood City Council January 16, 2007



Home of the Tualatin River National Wildlife Refuge

Vision, Goals and Objectives

Vision Statement

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

Goals and Objectives

Goal: Support existing businesses and recruit additional businesses that provide local family-wage jobs. Replace any employment land rezoned for other uses with other employment land.

Objective: Capture existing workers in Sherwood who now work elsewhere.

Objective: Provide locations and support for local jobs for local residents.

Objective: Support and build upon manufacturing and other industries likely to produce family-wage jobs.

Goal: Support tourism as an economic engine.

Objective: Promote the cultural arts and historical attractions as tourism generators.

Objective: Continue to promote sporting events (i.e., Sports Town USA) as a tourism engine for Sherwood.

Objective: Leverage the presence of the Tualatin River National Wildlife Refuge, and its anticipated 50 to 60 visitors per day, to increase tourism in Sherwood.

Objective: Promote Sherwood as the “Gateway to the Oregon wine country.”

Objective: Address the lack of hotels or other bed and breakfast lodging within the city limits to increase Sherwood’s tourism potential.

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

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

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

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



Home of the Tualatin River National Wildlife Refuge

Existing Economic Development Conditions

The City of Sherwood is developing an Economic Development Strategy to identify the needs of both existing and future employers and establish goals, objectives, and actions that will meet those needs in the short term and over the next 20 years. This project will include a review of existing economic goals, policies, and conditions and an economic opportunities analysis (EOA) that complies with Goal 9, Economic Development, of the statewide land use planning program.

The Economic Development Strategy will be the City's first proactive attempt to fully understand market-based trends, local development conditions, and the fiscal benefits of specific types of commercial, office, and industrial development within a local and regional context. The City is part of a large economic region encompassing the entire upper Willamette Valley, and part of a smaller, subregional economy in Washington County represented by the Westside Economic Alliance. This provides opportunities – as the City can draw on the amenities and strengths of the entire region in luring potential employers – but also challenges, in that it must compete with nearby communities to secure those employers. The two most recent expansions of the metropolitan Urban Growth Boundary (UGB) brought significant amounts of land on the outskirts of Sherwood into the boundary, creating the potential for new employment lands.

This memorandum completes Task 1.3 of the project scope of work, and is the first deliverable work product from the project consultants: Cogan Owens Cogan, LLC (COC), and Otak, Inc. It describes existing economic development policies from the Sherwood Comprehensive Plan and the City's Urban Renewal Plan and Report; recent economic development initiatives; existing employment lands; local industry, employment, and wage data; and development constraints. These results will be reviewed by SURPAC and will serve as the foundation for the Economic Opportunities Analysis to be completed in Task 2.2.

I. Existing Economic Development Policies

The City of Sherwood's economic development policies are primarily contained in its Comprehensive Plan, specifically in Chapter 3: Growth Management. Additional policies are found in the Urban Renewal Plan and Report. The City has taken additional measures to support economic development via public facility improvements (Water System Plan and Transportation

System Plan), urban design (Sherwood Old Town Design Guidelines), and through specific economic development initiatives.

City of Sherwood Comprehensive Plan

The City's Comprehensive Plan was originally developed in 1973, but was not adopted or acknowledged until 1980. The most recent update of the complete comprehensive plan took place in 1991 during "periodic review." This Plan describes the conditions in the community in 1990 and identifies the community's long-range goals, objectives, and policies. The Plan does not include a chapter dedicated specifically to economic development. Instead, economic development conditions, goals, objectives and policies are divided between two sections: Chapter 3 - Growth Management and Chapter 4 - Land Use.

Chapter 3 – Growth Management

Chapter 3 includes subsections on Growth Assumptions; Future Land Needs; Buildable Land; and Growth Management Policy. The Growth Assumptions section includes a goal stating that "the residential/nonresidential land use ratio should be 60/40 at full development." It also includes population, employment and housing projections through the year 2005. The Plan anticipated much slower growth than actually took place in the 1990's, and this chapter should be revised to include newer, more accurate projections. For example, the 2005 population projection was 4,010 residents within the city limits, and 5,355 in the UGB, far lower than the actual population of 11,791 from the 2000 U.S. Census and the current estimated (2005) population of 14,940.¹ These must be replaced with newer, more accurate population projections. The higher-than-anticipated population growth in the 1990's resulted in greater future land needs than was anticipated in the Comprehensive Plan, and that section of Chapter 3 must also be updated through the Economic Opportunities Analysis and Buildable Lands Inventory.

The Growth Management Policy section of Chapter 3 includes policies for managing the City's UGB and city limits, including policies on the extension of urban services beyond the UGB. It includes a table summarizing the results of the 1990 Buildable Lands Inventory (see Table 1 below). An updated Buildable Lands Inventory is underway and will be completed as part of the Economic Development Strategy project. A preliminary table of developed, vacant, and redevelopable acreage within each zoning district is provided on page six of this memorandum.

¹ Center for Population Research and Census, Portland State University.

Table 1. 1990 Buildable Land Inventory, Sherwood Urban Growth Boundary

Description	Total UGB Acreage
A. Total Land Area	2,391
B. Developed Land	543
C. Available Land (A minus B)	1,848
D. Land Unsuitable for Development	205
E. Gross Buildable Land (C minus D)	1,641
Residential	1,138
Commercial	138
Industrial	365
Public	0

Chapter 4 – Land Use

Chapter 4 begins with a more detailed summary of results from the 1990 Buildable Lands Inventory and a description of existing zoning and land use, all of which will be updated via the Economic Opportunities Analysis and Buildable Lands Inventory.

The Economic Development subsection includes a description of economic conditions at the time of the 1990 Comprehensive Plan, including information on national, state, and local employment trends, employment forecasts, major employers, income and employment data, and a detailed inventory of vacant commercial and industrial lands. This is consistent with the Goal 9 standards that were in place in 1990.

This existing conditions information is followed by a list of problems and opportunities, and the following policy goal:

“The City will allocate land and monetary resources so as to encourage balanced economic growth consistent with the preservation of a quality living and working environment.” (Chapter 4 - Page 29)

The following section lists the City’s economic development policies, each of which is accompanied by between two and four specific strategies. The six economic development policies from the comprehensive plan are as follows:

- Policy 1. The City will coordinate on-going economic development planning with involved public and private agencies at the state, regional, county and local level.

- Policy 2. The City will encourage economic growth that is consistent with the management and use of its environmental resources.
- Policy 3. The City will direct public expenditures toward the realization of community development goals by assuring the adequacy of community services and facilities for existing and future economic development.
- Policy 4. The City will seek to improve regional access to the urban area as a means to encourage local economic development.
- Policy 5. The City will seek to diversify and expand commercial and industrial development in order to provide nearby job opportunities, and expand the tax base.
- Policy 6. The City will seek funding through EDA [the U.S. Economic Development Administration] or HUD [U.S. Department of Housing and Urban Development] for the rehabilitation of the Old Town and Washington Hill neighborhoods.

The full list of economic development problems, opportunities, policies, and strategies is included in Appendix A.

This chapter also includes a section on commercial land use, which describes existing commercial development and commercial space needs, as of 1990. This is followed by a series of objectives, policies and strategies for commercial lands. A separate set of objectives is provided for each of the five commercial Plan and Zone map designations: Retail Commercial (RC), General Commercial (GC); Office Commercial (OC); Neighborhood Commercial (NC); and Old Town (OT). Chapter 2.1 of the City's Zoning and Community Development Code includes five commercial zoning districts of the same names, except that there is an Office Retail (OR) zoning designation rather than an Old Town designation. The comprehensive plan designations and related policies and strategies for commercial lands are included in Appendix B. The four commercial lands policies are as follows:

- Policy 1. Commercial activities will be located so as to most conveniently service customers.
- Policy 2. Commercial uses will be developed so as to complement rather than detract from adjoining uses.
- Policy 3. Highway 99W is an appropriate location for commercial development at the highway's intersections with City arterial and major collector roadways.
- Policy 4. The 1983 "Sherwood Old Town Revitalization Plan" and its guidelines and strategies are adopted as a part of the Sherwood Comprehensive Plan.

The chapter concludes with a section on industrial land use. It describes the distribution of industrial development in the City and the needs for more industrial space. This is followed by a series of objectives, policies and strategies for commercial lands. A separate set of objectives is provided for the two industrial Comprehensive Plan designations: Light Industrial (LI) and General Industrial (GI). The comprehensive plan designations and related policies and strategies for industrial lands are included in Appendix C. The two industrial lands policies are as follows:

- Policy 1. Industrial uses will be located in areas where they will be compatible with adjoining uses, and where necessary services and natural amenities are favorable.
- Policy 2. The City will encourage sound industrial development by all suitable means to provide employment and economic stability to the community.

Urban Renewal Plan and Report

Sherwood's Urban Renewal Plan and Report was developed under the guidance of the Sherwood Urban Renewal Planning Advisory Committee (SURPAC) and was adopted by the City Council on August 29, 2000. It identifies the boundaries of the 410-acre urban renewal area, which includes Old Town, the Frontier Leather (i.e., "old Tannery") industrial area, the Washington Hill neighborhood, and the northern edge of the Six Corners commercial district. Most of the City's commercial and industrial areas are strategically located within the Urban Renewal District boundary that captures increases in property tax revenue and provides for future improvements.

The purpose of the Urban Renewal Plan is to "eliminate blighting influences found in the Renewal Area, to implement goals and objectives of the City of Sherwood Comprehensive Plan, and to implement development strategies and objectives for the Sherwood Urban Renewal Area."

The Urban Renewal Plan includes a series of seven goals, most of which relate to physical improvements within the Urban Renewal Area, such as building rehabilitation, streetscape improvements, and utility or public facility upgrades. It also includes the following general economic development goal:

"To promote private development, redevelopment, and rehabilitation in both Old Town and Six Corners to help create jobs, tax revenues, and self-sustaining, vital, and vibrant commercial districts."

The following objectives are listed under this goal:

1. Enhance the environment for development and investment through improvements to streets, streetscapes, parks, and public buildings and spaces.
2. Assist property owners in rehabilitating buildings so they can accommodate more intensive and dynamic commercial activity.
3. Help create economic vitality by creating activities and encouraging uses that bring a significant number of potential shoppers and investors to each district.
4. Develop a strategy to make sports tournaments a contributor to economic revitalization of Old Town.
 - a. Construct recreational facilities that attract sports tournaments to Sherwood.
 - b. Develop a business strategy that encourages sports clubs to use recreational facilities for sports tournaments.

Additional topics covered in the urban renewal plan include proposed land uses and descriptions of projects to be undertaken in the urban renewal area; obligations imposed on redevelopers; process for amending the plan; maximum indebtedness authorized under the plan; financing methods; and process for relocating persons or businesses displaced by urban renewal activities.

Other Economic Development Initiatives

The City has considered or pursued a number of economic development-related initiatives in recent years. These include:

- **Vision for Old Town - 2000.** This document includes goals and objectives for the future development of the Old Town area, some of which relate to economic development.
- **Sports Town USA Initiative.** The City has taken several steps to position itself as a regional destination for youth and amateur sporting events, including spending \$90,000 in 2004 to install artificial turf fields at the Sherwood High School for football and other sports.
- **Hotel/Motel Initiative.** The City Council has expressed interest in identifying a site and recruiting a tenant for a future hotel or motel within the city limits, which would support economic development and provide an additional source of tax revenue.
- **Sherwood Broadband Initiative.** The City operates as a broadband utility and owns several miles of fiber optic network cable. The City is studying ways that it can be used to promote, support, and expand local economic development opportunities.

II. Existing Economic Conditions

Employment Lands

Sherwood has a current total of 724.24 acres of employment lands, or land zoned for commercial or industrial uses, which includes 175.68 acres of commercial and 584.56 acres of industrial land. Table 2 shows the number of acres within each of the City's commercial and industrial zoning districts, including the number of acres within each that are developed, vacant, constrained or redevelopable. Definitions for those four land classifications are as follows:

Vacant: Property that is classified "VAC" by Metro's Regional Land Information System (RLIS) and for which no building permits have been issued in the past year.

Constrained: Property that contains wetlands recognized on the Local Wetlands Inventory, is in a floodplain, or is owned by the City of Sherwood and predominantly covered by wetlands and/or floodplains.

Developed: Property that has a land use classification other than vacant and a building value that is greater than or equal to the land value.

Redevelopable: Property that has a land use classification other than vacant and a building value that is less than the land value.

Table 2. Existing Employment Lands

Zone	Total Acres	Total Developed Acres	Total Constrained Acres	Total Vacant Acres	Total Redevelopable Acres
General Commercial	72.54	37.38	1.41	4.38	30.78
Retail Commercial	84.72	43.57	0	4.3	36.85
Office Commercial	17.38	9.68	1.89	4.73	2.97
Neighborhood Commercial	1.04	0	0	0	1.04
Office Retail	0	0	0	0	0
General Industrial	276.79	153.58	10.78	48.71	74.5
Light Industrial	271.77	87.8	50.11	153.6	30.37
Total Commercial Lands	175.68	90.63	3.3	13.41	71.64
Total Industrial Lands	548.56	241.38	60.89	202.31	104.87
Total Employment Lands	724.24	332.01	64.19	215.72	176.51

The land described in Table 2 is within both the UGB and the city limits. There is no industrial or commercial land within the UGB that is outside the city limits. The table does not include Area 48 (the Quarry Area), or any other recent UGB expansion areas.

Commercial Lands

The City's primary commercial areas are Old Town and the Six Corners area, located around the intersection of Pacific Highway (Highway 99W), Tualatin-Sherwood Road and Sherwood Boulevard. The Old Town area is comprised mostly of small restaurants, cafés, and boutique shops, whereas Six Corners features newer shopping centers, chain restaurants and large-format retail establishments. All of the City's remaining commercially zoned properties are located along the Highway 99W corridor, to the northeast and southwest of Six Corners.

The Sherwood Zoning and Community Development Code (SZCDC) describes the five commercial zoning districts as follows:

- **Office Commercial (OC).** The OC zoning district provides areas for business and professional offices and related uses in locations where they can be closely associated with residential areas and adequate major streets.

- **Office Retail (OR).** The OR zoning district provides areas for business and professional offices and related uses in locations that are adjacent to housing and supported by an adequate road system.
- **Neighborhood Commercial (NC).** The NC zoning district provides for small-scale retail and service uses, located in or near residential areas and enhancing the residential character of those neighborhoods.
- **Retail Commercial (RC).** The RC zoning district provides areas for general retail and service uses that neither require larger parcels of land, nor produce excessive environmental impacts as per Chapter 8 [environmental resources].
- **General Commercial (GC).** The GC zoning district provides for commercial uses that require larger parcels of land, and/or uses that involve products or activities which require special attention to environmental impacts as per Chapter 8 [environmental resources].

The vast majority of the City's commercial lands are zoned General Commercial (GC) or Retail Commercial (RC). The GC properties are all located in the Highway 99W corridor, while the RC properties are found along Highway 99W and in Old Town. There are five Office Commercial (OC) properties, totaling 17.38 acres, located on Highway 99W near the City's western boundary. The single Neighborhood Commercial (NC) property (1.04 acres) is on Sherwood Boulevard, roughly halfway between Old Town and Highway 99W. There are no properties zoned Office Retail (OR).

A small number of GC and OC properties are constrained by wetlands and/or floodplains. There are 13.41 acres of vacant commercial property, divided roughly evenly between the GC, RC, and OC zoning districts. The vast majority of the 71.64 acres of redevelopable commercial land is in the GC and RC districts.

Table 3 includes examples of specific areas or land uses that fall within each of these commercial zoning districts.

Table 3. Employment District Land Use Examples

Employment District	Sample Land Use or Area
Office Commercial (OC)	Woodhaven Crossing (Mixed-Use PUD)
Office Retail (OR)	No properties zoned OR at this time
Neighborhood Commercial (NC)	Sherwood Dental Center (Sherwood Boulevard)
Retail Commercial (RC)	Sherwood Crossroads (Safeway – Six Corners)
General Commercial (GC)	Regal Cinemas (Six Corners)
Light Industrial (LI)	Allied Manufacturing (Oregon Street)
General Industrial (GI)	Cascade Columbia (Tualatin-Sherwood Industrial District)

Industrial/Light Industrial Zoning Districts

Sherwood's 548.56 acres of General Industrial (GI) and Light-Industrial (LI) land are all located in the northeast corner of the City. The primary area of GI and LI zoning is roughly bisected by the Willamette and Pacific Railroad tracks and the Tualatin-Sherwood Highway corridor, and is bordered by the Urban Growth Boundary to the north and Oregon Street to the south. A smaller number of LI properties are along the northeast end of the Highway 99W corridor, just inside the Urban Growth Boundary.

Approximately 50 acres of LI land and 11 acres of GI land are constrained by wetlands and/or floodplains. A significant amount of the City's LI and GI land is vacant or redevelopable. This is true for approximately 45% of the GI land (123.21 acres) and 68% of the LI land (183.97 acres).

The Tonquin Road Area (Area 48) lies southeast of the existing industrial area and could be targeted for future employment uses, as could specific locations in Areas 54 and 55 in the southwest corner of the City. Those areas are currently zoned for Future Urban Growth, and concept plans will be prepared to identify their future zoning designations in the next few years.

The SZCDC describes the City's industrial zoning districts as follows:

- **Light Industrial (LI).** The LI zoning district provides for the manufacturing, processing, assembling, packaging and treatment of products which have been previously prepared from raw materials. Industrial establishments shall not have objectionable external features and shall feature well-landscaped sites and attractive architectural design, as determined by the [Planning] Commission.
- **General Industrial (GI).** The GI zoning district provides for the manufacturing, processing, assembling, packaging and treatment of products from previously prepared or raw materials, providing such activities can meet and maintain minimum environmental quality standards and are situated so as not to create significant adverse effects to residential and commercial areas of the City. The minimum contiguous area of any GI zoning district shall be fifty (50) acres.

Industries, Employment, and Wages

There are 437 businesses and other employers within Sherwood's city limits, according to 2004 data provided by the Oregon Employment Department. They have a total of 4,315 employees, for an average of just below 10 per establishment. Those employees earned a total of \$137,837,264 in 2004, which averages to \$31,945 per employee. This is lower than the average wage per employee in the state of Oregon (\$35,623), and is significantly lower than the average wage per employee in the remainder of Washington County (\$46,031, not including Sherwood employees).

Table 4 lists the top industries in the City of Sherwood, according to the Oregon Employment Department, (i.e., all industries with at least 100 employees), as well as the total number of

establishments for each. The three columns on the far right of the table compare the percentage of Sherwood employees in each industry to the percentages for Oregon and Washington County.

This data shows that the City's employment base is heavy in manufacturing (27% of all employees), compared to the state (13% of employees) and the remainder of Washington County (20%). The data shows that Sherwood has a high percentage of employees, relative to the state and the county, in the following industries: Fabricated Metal Product Manufacturing; Specialty Trade Contractors; Machinery Manufacturing; Building Material and Garden Equipment and Supplies Dealers; Paper Manufacturing; and Plastics and Rubber Products Manufacturing. The percentage of employees in Wood Products Manufacturing is significantly higher than in Washington County, but only slightly higher than in the state as a whole.

Table 4. Top Industries by Number of Employees

Industry	NAICS Code ²	Employees	Estab- lishments	Percent of Total		
				City	State	Remainder of County
Food Services and Drinking Places	722	400	32	9.3%	7.1%	6.1%
Fabricated Metal Product Manufacturing	332	315	8	7.3%	1.0%	1.1%
Specialty Trade Contractors	238	309	37	7.2%	3.2%	3.7%
Educational Services	611	284	11	6.6%	7.9%	5.4%
Machinery Manufacturing	333	257	3	6.0%	0.7%	1.5%
Building Material and Garden Equipment and Supplies Dealers	444	223	6	5.2%	0.9%	0.9%
Administrative and Support Services	561	212	19	4.9%	5.4%	7.5%
Paper Manufacturing	322	181	2	4.2%	0.4%	0.3%
Plastics and Rubber Products Manufacturing	326	177	3	4.1%	0.4%	0.8%
Food and Beverage Stores	445	173	6	4.0%	2.3%	2.0%

² NAICS is the North American Industrial Classification System, which was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America (www.census.gov/epcd/www/naics.html).

Industry	NAICS Code ²	Employees	Estab- lishments	Percent of Total		
				City	State	Remainder of County
Wood Product Manufacturing	321	166	5	3.8%	2.0%	0.7%
General Merchandise Stores	452	124	3	2.9%	2.3%	2.3%
Professional, Scientific, and Technical Services	541	116	43	2.7%	4.0%	4.1%

Source: Oregon Employment Department; Cogan Owens Cogan

Appendix D includes a series of additional tables listing the City's top industries in terms of number of establishments, total payroll, and average wage.

Development Constraints

The Urban Renewal Plan and Report, Transportation System Plan, and other planning documents give some indication of the physical constraints that limit economic development capacity in Sherwood. Some of the more apparent constraints are summarized below. Additional constraints will be identified in meetings and other research for the Sherwood Economic Development Strategy.

- **Transportation.** There are substantial segments of streets with poor pavement conditions in the Old Town and Washington Hill areas. Improvements are needed to Oregon Street, between Old Town and Murdock Street, to address deficient geometry. The Six Corners area experiences major traffic congestion due to inadequate road capacity. Other congestion problems can be found at major intersections throughout the Sherwood Boulevard and Tualatin-Sherwood Road corridors. Much of the vacant commercial and industrial land lacks local street connections.
- **Utilities.** Water and sewer systems are considered to be adequate within the urban renewal area, but storm water detention facilities are lacking in some places. The City's Water System Master Plan identifies no immediate water supply deficiencies in the City, but anticipates that additional supply sources will be needed by the year 2010 as existing well systems will be maximized. The City Council will consider the Willamette River as a viable option for a long-term water source.
- **Wetlands and Riparian Areas.** Chapter 8 of the SZCDC includes protections that severely restrict development options in riparian areas and upland wildlife habitat. Chapter 5 of the Comprehensive Plan identifies Cedar Creek, Rock Creek, and their tributaries as the City's only riparian resources. It also identifies an un-named pond/wetland on tax lot 2S 1 31D:501. Maps produced through Metro's fish and wildlife habitat protection program (Goal 5) also identify and inventory those creeks as the primary natural resources in the Sherwood area.
- The City is working with the nine other Washington County cities, the County, Clean Water Services (CWS) and Tualatin Hills Park and Recreation District (THPRD) on the Tualatin

Basin Partners program. This effort will result in fish and wildlife habitat protection standards that satisfy recent amendments to the state's natural resource protection rules (Goal 5) and are consistent with the regional natural resource protection program adopted by Metro in September, 2005. This process will likely result in updates to the existing natural resource protections in the SZCDC.

- **“Brownfield” sites.** The abandoned tannery and battery works, east of Old Town along the railroad tracks, has significant soil contamination that must be remediated before the site can be redeveloped. The subject area has been cleaned by the property owner, but awaits a no-further-action letter from the Department of Environmental Quality (DEQ). The City does not have a “brownfield” inventory that identifies former industrial areas with potential contamination issues.

Appendix A. Sherwood Comprehensive Plan – Economic Development Problems, Opportunities, Policies and Strategies

G. SUMMARY ECONOMIC ANALYSIS

1. PROBLEMS AND OPPORTUNITIES

The following economic problems and opportunities were identified by citizens, the Planning Commission and the City Council during the Comprehensive Planning Process. They were again reviewed and modified in the 1989-1990 Plan update.

- a. Critical questions concerning the adequacy of groundwater to support economic growth to the year 2000 need to be answered and, if necessary, alternative sources of supply procured.
- b. Environmental quality is a valued asset of the Planning Area. Expected economic growth must be consistent with the maximum protection of the area's environmental resources and residential areas.
- c. The vast majority (85%) of Sherwood's labor force commutes outside of the urban area to work. Adequate land is available to provide for expanded local job opportunities.
- d. Declining revenues together with rising costs have severely curtailed needed public service development. Areas of special need include major streets, major sanitary and storm sewer lines, and school facilities.
- e. Currently, there is little cooperation among state, regional, county and city governments in economic planning. Coordination in comprehensive planning mandated by LCDC provides an opportunity to share resources, data and expertise to benefit local communities.
- f. Curtailment in growth due to the lack of adequate sewer service has been a mixed blessing for the City. The City has had the opportunity to plan for growth, but has felt the effects of a lack of economic activity.
- g. Sherwood is dominated by residential use. "Bedroom" communities often find it difficult to hold down taxes and at the same time provide quality services due to a lagging tax base and a lack of commercial and industrial expansion.
- h. Existing industrial development in Sherwood is dominated by durable good manufacturing. An opportunity exists to attract several target industries identified by the state which will help diversify the local economy.
- i. Sherwood should experience a trend toward decentralization of many retail and service uses. An opportunity exists to comprehensively plan for expanded commercial growth near Six Corners while revitalizing the historic Old Town area.
- j. During the later 1980's Sherwood developed detailed facilities plans for water, sewer, transportation, parks, and library improvements necessary to accommodate projected growth.

- k. Land and housing costs have risen to the point where low and moderate income persons have difficulty in finding affordable housing.
- l. Sharp industrial growth in the nearby cities of Tualatin and Wilsonville will create a demand for housing in the Sherwood area.

2. POLICY GOAL

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

H. ECONOMIC DEVELOPMENT POLICIES AND STRATEGIES

Policy 1. The City will coordinate on-going economic development planning with involved public and private agencies at the state, regional, county and local level.

Strategy:

- The City will cooperate with the Washington County OEDP Committee through the exchange of data and the development and implementation of a County Economic Development Plan.
- The City will develop and update an economic database through a two-way sharing of information between public and private agencies involved in economic planning.

Policy 2. The City will encourage economic growth that is consistent with the management and use of its environmental resources.

Strategy:

- The City will adopt and implement environmental quality performance and design standards for all industrial, commercial and institutional uses.
- The City will seek to attract non-polluting industries to the urban area.
- The City will acquire and preserve the Cedar Creek and Rock Creek greenways and provide bikeway and pedestrian linkages between residential and non-residential areas.

Policy 3. The City will direct public expenditures toward the realization of community development goals by assuring the adequacy of community services and facilities for existing and future economic development.

Strategy:

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

- The City will coordinate planning with special districts providing services to the urban area to assure the adequacy of those services to support economic development.
- The City will continue to develop plans and improvement programs for parks, libraries and other “soft” services, recognizing that adequate facilities in these areas are an important component in business attraction and retention.

Policy 4. The City will seek to improve regional access to the urban area as a means to encourage local economic development.

Strategy:

- The City will work with the cities of Tualatin, Tigard, and Wilsonville, MSD, and Tri-Met to improve local access to the Planning Area via Highway 99W and I-5. See transit policies in Chapter 6.
- The City will encourage the maximum use of the railroad corridor, encourage the development of spur service lines where needed and evaluate the feasibility of passenger service.

Policy 5. The City will seek to diversify and expand commercial and industrial development in order to provide nearby job opportunities, and expand the tax base.

Strategy:

- The City will encourage the revitalization of the Old Town Commercial area by implementation of 1983’s “Old Town Revitalization Plan” and the Old Town Overlay Zone.
- The City will encourage the development of light industrial and office parks.
- The City will seek to attract industries that are labor and capital intensive.
- The City will seek to attract “target” industries which will expand industrial sectors inadequately represented in the urban area in order to diversify and stabilize the local economy.

Policy 6. The City will seek funding through EDA or HUD for the rehabilitation of the Old Town and Washington Hill neighborhoods.

Strategy:

- The City will seek implementation of new and rehabilitated housing goals set in the Regional Housing Opportunity Plan.
- The City will encourage the provision of affordable housing by designating areas within the City for medium density and high density developments, and by participating in State and Federal housing subsidy programs.

Appendix B. Sherwood Comprehensive Plan – Commercial Planning Designations

2. COMMERCIAL PLANNING DESIGNATIONS

a. General Objectives

- 1) To provide for commercial activities which are suitable to regional, community and neighborhood demand.
- 2) To locate commercial activities with safe and convenient access by consumers.
- 3) To encourage the location of commercial uses in well-planned commercial centers.
- 4) To provide an adequate amount of serviceable commercial land that meets market demand.

b. Policies and Strategies

In order to address the above general objectives the following policies are established.

Policy 1. Commercial activities will be located so as to most conveniently service customers.

Strategy:

- Community wide and neighborhood scale commercial centers will be established.
- Commercial centers will be located so that they are easily accessible on major roadways by pedestrians, auto and mass transit.
- Neighborhood commercial centers will be designated in or near residential areas upon application when need and compatibility to the neighborhood can be shown.

Policy 2. Commercial uses will be developed so as to complement rather than detract from adjoining uses.

Strategy:

- Commercial developments will be subject to special site and architectural design requirements.
- The number and locations of commercial use access will be limited along major streets in accordance with the City's Transportation Plan.
- Non-Retail and primarily wholesale commercial uses will be separated from retail uses where possible.
- The older downtown commercial area will be preserved as a business district and unique shopping area.

- A buffer between commercial uses and adjoining greenways, wetlands, and natural areas shall be established.

Policy 3. Highway 99W is an appropriate location for commercial development at the highway's intersections with City arterial and major collector roadways.

Policy 4. The 1983 "Sherwood Old Town Revitalization Plan" and its guidelines and strategies are adopted as a part of the Sherwood Comprehensive Plan.

- The City will continue to encourage implementation of the goals, objectives, strategies and improvement projects outlined in the "Old Town Revitalization Plan."

c. Commercial Planning Designation Objectives

1) Retail Commercial (RC)

This designation is primarily intended to provide areas for retail and service uses which are of a type and size to serve community wide needs consistent with sound site planning.

This designation is intended for the following general areas:

- Where retail and service uses can be centrally located in the community and/or are easily accessible on major fully improved streets from all areas of the City.
- Where the creation and/or expansion of planned commercial center(s) will not create undue congestion or produce substantial conflicts with the established land use pattern.
- Where concentrations of residential use are, or in the foreseeable future will be sufficient to support retail activity.
- Where adequate off-street parking and pedestrian ways are provided or can be provided in and near where development is to occur.
- Where a full range of urban facilities and services are available or can be provided in conjunction with development.

2) General Commercial (GC)

This designation is intended to provide for primarily highway, wholesale, and large commercial uses which may not be appropriate in central retail areas or within residential neighborhoods. This designation is applicable in the following general areas.

- Where uses may be separated from primarily retail and personal service land uses.
- Where impacts on residential uses can be minimized.
- Where adequate off street parking, good pedestrian access and access onto major streets is or can be made available.
- Where a full range of urban facilities and services are available or can be provided in conjunction with development.

3) Office Commercial (OC)

This designation is intended to provide for business and professional offices and related uses in locations where they can be closely accommodated with residential areas and adequate major streets. This designation is applicable in the following general areas:

- Where access onto major streets can be safely provided and where there is adequate off-street parking.
- Where a full range of urban facilities and services are available or can be provided in conjunction with development.
- Where impacts on residential areas can be minimized.

4) Neighborhood Commercial (NC)

This designation is intended to provide for neighborhoods serving small scale retail and service uses consistent with sound site planning in the following general areas:

- Areas which are within reasonable walking distance from living areas and/or convenient access by way of collector or arterial streets.
- Areas where retail or service uses can be adequately screened from adjoining living areas so as to enhance rather than detract from the residential character of the neighborhood. Site review standards relating to setbacks, landscaping, buffering, signs, access and architectural features shall assure compatibility with surrounding uses.
- Where a full range of urban facilities and services are available or can be provided in conjunction with development.

5) Old Town (OT)

The OT zoning district is an overlay district generally applied to commercially zoned property, and residential properties with the potential for commercial conversion, in the Smockville Subdivision, also known as Old Town. The OT zone recognizes the unique and significant characteristics of Old Town, and is intended to provide development flexibility with respect to uses, site size, setbacks, heights, and site design elements, in order to preserve and enhance the area's commercial viability and historical character.

Appendix C. Sherwood Comprehensive Plan – Industrial Planning Designations and Industrial Planning District Objectives

K. INDUSTRIAL PLANNING DESIGNATIONS

GENERAL OBJECTIVES:

- a. To encourage the development of non-polluting industries in designated, well planned industrial areas.
- b. To locate industrial development so as to assure its compatibility with the natural environment and adjoining uses.
- c. To establish criteria for the location of designated classes of industrial uses.
- d. To promote diversification of the City's economic base by promoting business retention and expansion, business recruitment and marketing.
- e. To assure that public facilities are extended in a timely and economic fashion to areas having the greatest economic development potential.

2. POLICIES AND STRATEGIES

In order to address the above general objectives, the following policies for industrial development are established.

Policy 1. Industrial uses will be located in areas where they will be compatible with adjoining uses, and where necessary services and natural amenities are favorable.

Strategy:

- Only non-polluting industries meeting specific performance standards relating to noise, glare, vibration, water, air and land pollution will be allowed. Industrial uses will be subject to special design and site review standards including those assuring proper access, landscaping, buffers, setbacks and architectural design. Buffers shall be established between industrial uses and designated greenways, wetlands and natural areas.
- Industrial uses will be encouraged to locate in industrial planned unit developments.
- Industrial development will be allowed only on suitable land and soils which have adequate support strength.
- Industrial development will be restricted to those areas where adequate major roads, and/or rail, and public services can be made available.

Policy 2. The City will encourage sound industrial development by all suitable means to provide employment and economic stability to the community.

Strategy:

- The City will allocate land to meet current and future industrial space needs which will provide an appropriate balance to residential and commercial activities.
- The City will encourage clean capital and labor intensive industries to locate in Sherwood.
- The City will prohibit the development of large-scale retail uses with significant traffic impacts and large parking requirements on industrially zoned land.

L. INDUSTRIAL PLANNING DISTRICT OBJECTIVES

1. Light Industrial (LI)

Minimum Site Standards: 10,000 square feet

This designation is primarily intended to provide for the manufacturing, processing, assembling, packaging, and treatment of products which have been previously prepared from raw materials. Processes involved should not produce significant amounts of vibration, noise, glare, air, water and land pollution as defined and limited by DEQ. The designation is applicable in the following general areas.

- Where there are sites with suitable soil and terrain and of sufficient size to provide ample space for expansion, parking, landscaping and buffering.
- Where light industrial development will be compatible with existing or planned long range land use patterns and will not detract from existing environmental assets. Generally, this designation encourages the development of suitable uses into industrial subdivisions or parks.
- Where a full range of urban services are available or can be provided in conjunction with development and where the provision of services to a future expanded industrial area is feasible.
- Where adequate major road and/or rail access is available to serve the proposed uses.

2. General Industrial (GI)

Minimum Site Standards: 20,000 square feet/site

This designation is intended to provide for the manufacturing, processing, or assembling of products from previously prepared or raw materials, excepting those processes which cause significant amounts of vibration, noise, glare, air, water and land pollution as defined and limited by DEQ. This designation is applicable in the following general areas.

- Where there are sites with suitable soil and terrain and of sufficient size to provide ample space for expansion, parking, landscaping and buffering.
- Where more intensive industrial uses may be accommodated in areas adequately separated from and not suitable for retail commercial, residential and related uses.
- Where a full range of urban services are available or can be provided in conjunction with development and where the provision of services to a future expanded industrial area is feasible.
- Where adequate major road and/or rail access is available to serve proposed uses.
- Where industrial uses will not unduly detract from existing environmental assets.

Appendix D. City of Sherwood Industry Data (Oregon Employment Department: March, 2006)

Industries with 10 or More Establishments

Industry	NAICS Code	Establishments
Wholesale Electronic Markets and Agents and Brokers	425	49
Professional, Scientific, and Technical Services	541	43
Specialty Trade Contractors	238	37
Food Services and Drinking Places	722	32
Administrative and Support Services	561	19
Construction of Buildings	236	18
Real Estate	531	16
Ambulatory Health Care Services	621	16
Religious, Grantmaking, Civic, Professional, and Similar Organizations	813	16
Private Households	814	13
Insurance Carriers and Related Activities	524	12
Educational Services	611	11
Personal and Laundry Services	812	10

Industries with Total Payroll above \$4 million

Industry	NAICS Code	Total Payroll
Fabricated Metal Product Manufacturing	332	\$14,092,783
Machinery Manufacturing	333	\$11,470,930
Educational Services	611	\$9,727,799
Specialty Trade Contractors	238	\$9,320,347
Paper Manufacturing	322	\$8,438,878
Building Material and Garden Equipment and Supplies Dealers	444	\$7,138,349
Wood Product Manufacturing	321	\$5,650,395
Professional, Scientific, and Technical Services	541	\$5,479,797

Industry	NAICS Code	Total Payroll
Administrative and Support Services	561	\$5,247,495
Plastics and Rubber Products Manufacturing	326	\$4,915,705
Food Services and Drinking Places	722	\$4,902,663
Food and Beverage Stores	445	\$4,327,317
Heavy and Civil Engineering Construction	237	\$4,295,840

Industries with Average Wage above \$40,000 (minimum 20 employees)

Industry	NAICS Code	Average Wage
Wholesale Electronic Markets and Agents and Brokers	425	\$68,032
Insurance Carriers and Related Activities	524	\$67,287
Professional, Scientific, and Technical Services	541	\$47,274
Heavy and Civil Engineering Construction	237	\$47,164
Waste Management and Remediation Services	562	\$46,630
Paper Manufacturing	322	\$46,559
Construction of Buildings	236	\$45,942
Fabricated Metal Product Manufacturing	332	\$44,692
Machinery Manufacturing	333	\$44,605
Merchant Wholesalers, Nondurable Goods	424	\$44,490
Executive, Legislative, and Other General Government Support	921	\$43,570
Motor Vehicle and Parts Dealers	441	\$42,112
Furniture and Related Product Manufacturing	337	\$41,079
Merchant Wholesalers, Durable Goods	423	\$40,817



Home of the Tualatin River National Wildlife Refuge

Economic Opportunities Analysis

Introduction

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

Topics and sections contained in this document include:

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

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

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

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

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

Methodology

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

The steps used to complete this work are described below.

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

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

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

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

Economic Growth Trends

International and National Overview

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

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

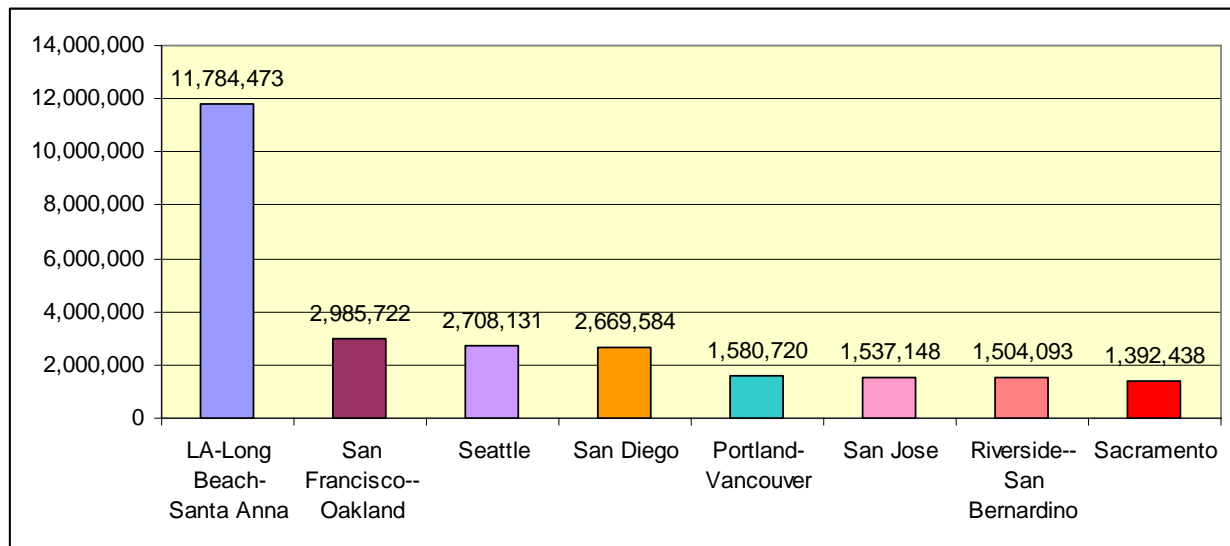
- Gross domestic product (GDP), which measures the output of goods and services in the economy, is projected to grow by an annual average rate of 3.4%.
- Public and private investment is expected to grow by 5.2% annually, more than 1 ½ times the rate of economic growth in the GDP.
- Employment over the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

Regional and Local Development Overview

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

Sherwood Business Survey Results

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

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

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

Sherwood’s Economic Strengths and Weaknesses

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

Physical and Social Attributes

Location and Geography

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

Transportation

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

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

Utilities

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

Quality of Life

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

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

Opportunities and Constraints Summary

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

Population and Employment Trends

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

Table 1. Population Trends

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

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

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

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

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

Table 2. Income Trends, 1990 & 2000

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

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

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

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

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

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

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

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

Table 3. Regional Employment Forecast for Washington/Multnomah Counties

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

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

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

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

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

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

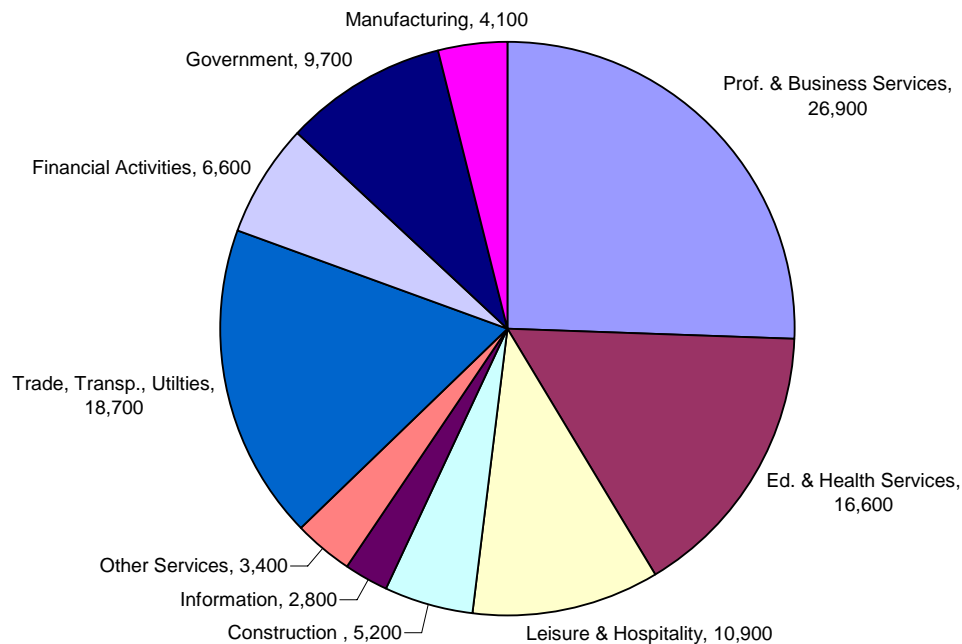


Figure 2. Projected Job Growth in Washington & Multnomah Counties: 2004-2014

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

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

Table 4. Major Local Employers in City of Sherwood

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

* Includes total reported employment estimates.

Source: City of Sherwood Planning Department, 2006.

Industry Clusters Analysis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Target Industries

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

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

Site Requirements

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

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

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

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

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

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

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

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

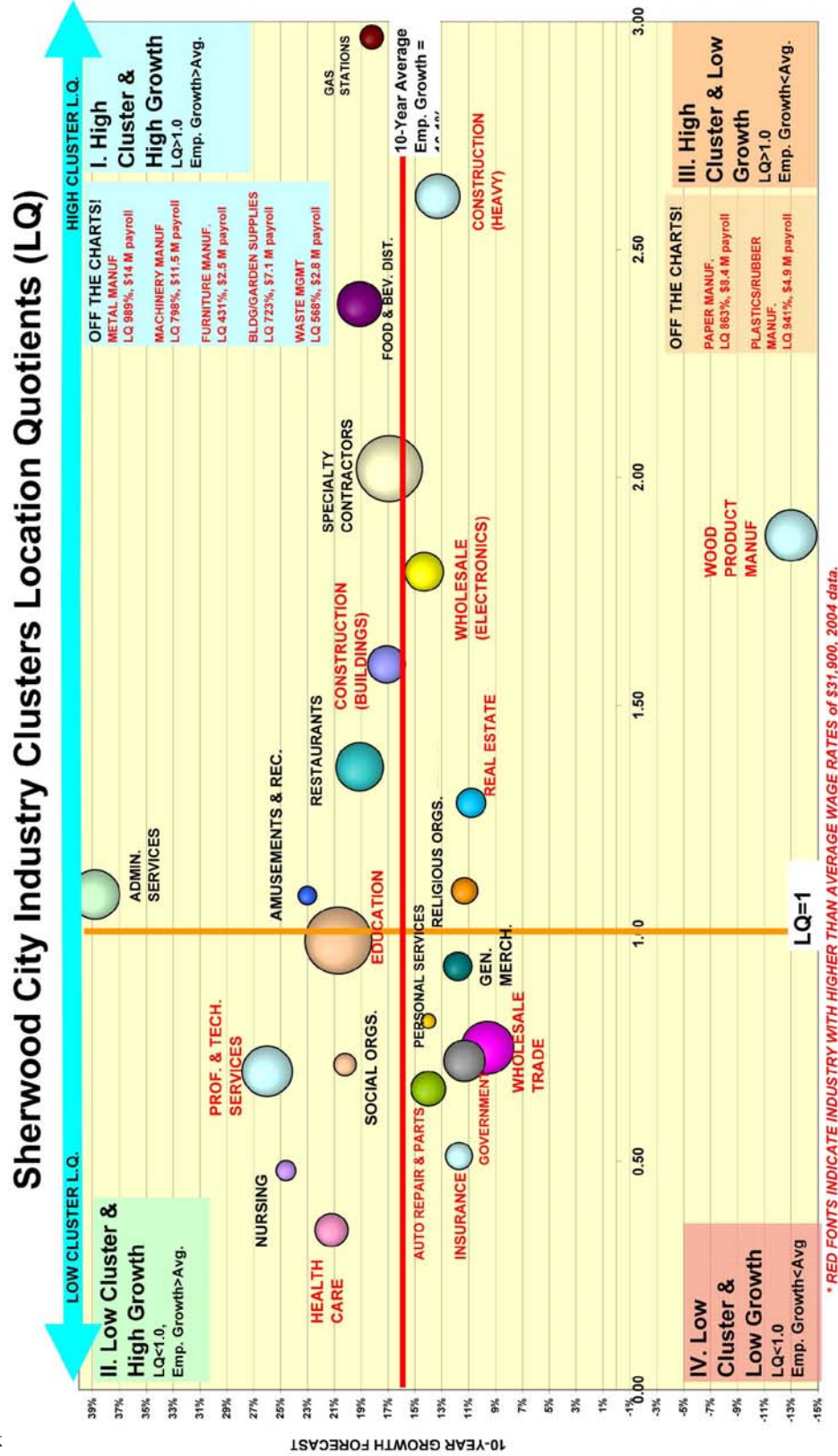
⁶ Source: *Guide to Classifying Industrial Property*, Urban Land Institute, 2003.

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

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

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

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



Sherwood Land Demand

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

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

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

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

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

Table 5. Employment Projections by Industry, Low Growth Scenario

Washington County Job Forecast

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

Total Payroll	Non-farm	66,630	151,361	84,731	8.6%
----------------------	-----------------	---------------	----------------	---------------	-------------

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

City of Sherwood Job Forecast (Low Growth Scenario)

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

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

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

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

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

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

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

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

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

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

Sherwood Employment Forecast

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

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

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

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

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

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

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

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

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

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

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

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

Low	0.28	0.24		
Medium	0.30	0.32		
High	0.30	0.39		

Notes:

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

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

Compiled by Otak, Inc.

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

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

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

Job Distribution

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

City of Sherwood Capture Rate of County

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

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

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

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

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

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

Job Distribution Forecast

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

City of Sherwood Capture Rate of County

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1/ derived from Table 9.

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

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

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

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

1/ derived from Table10.

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

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

Sherwood's Existing Land Supply

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

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

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

Table 12. Existing Employment Land Supply, Sherwood City Limits

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

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

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

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

Table 13. Sherwood's Land Supply Definitions

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

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

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

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

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

Source: City of Sherwood Planning Department

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

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

Commercial

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

Source: City of Sherwood Planning Department

Figure 4.

Vacant Industrial Tax Lots

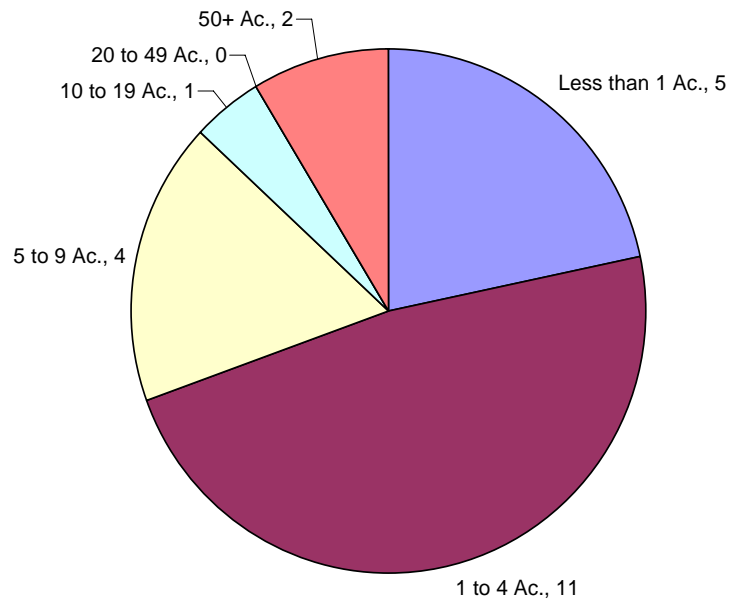
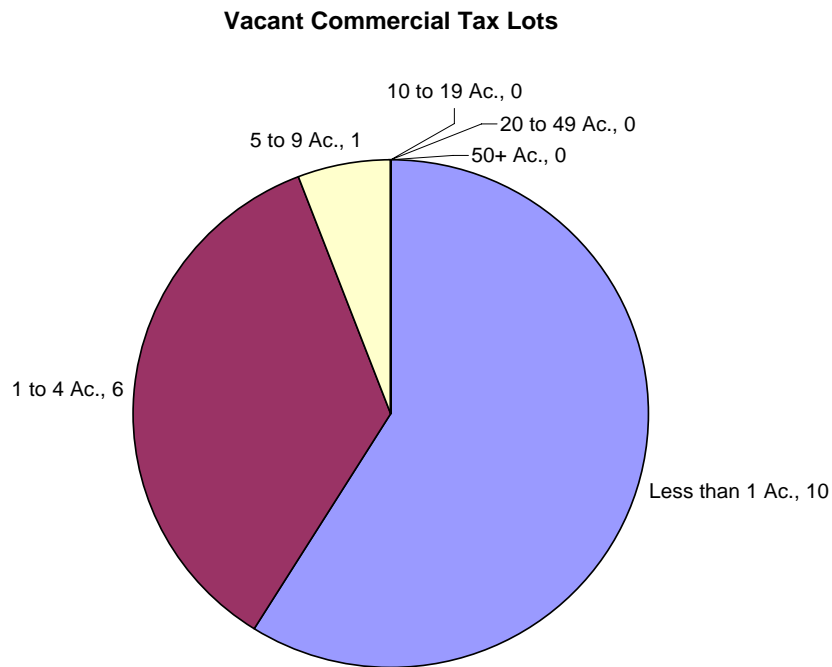


Figure 4. (continued)



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

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

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

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

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

Source: City of Sherwood Planning Department

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

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

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

Source: City of Sherwood Planning Department

Reconciliation of Land Demand and Supply

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

Commercial Land Needs

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

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

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

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

Table 18A. Commercial 20-Year Land Demand Forecast**Sherwood Urban Growth Boundary**

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

Table 18B Commercial 20-Year Parcel Demand Forecast (tax lots)**Sherwood Urban Growth Boundary**

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

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

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

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

Industrial Land Needs

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

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

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

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

Table 19A Industrial 20-Year Land Demand Forecast

Sherwood Urban Growth Boundary

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

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

Sherwood Urban Growth Boundary

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

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

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

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

Special Siting Requirements

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

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

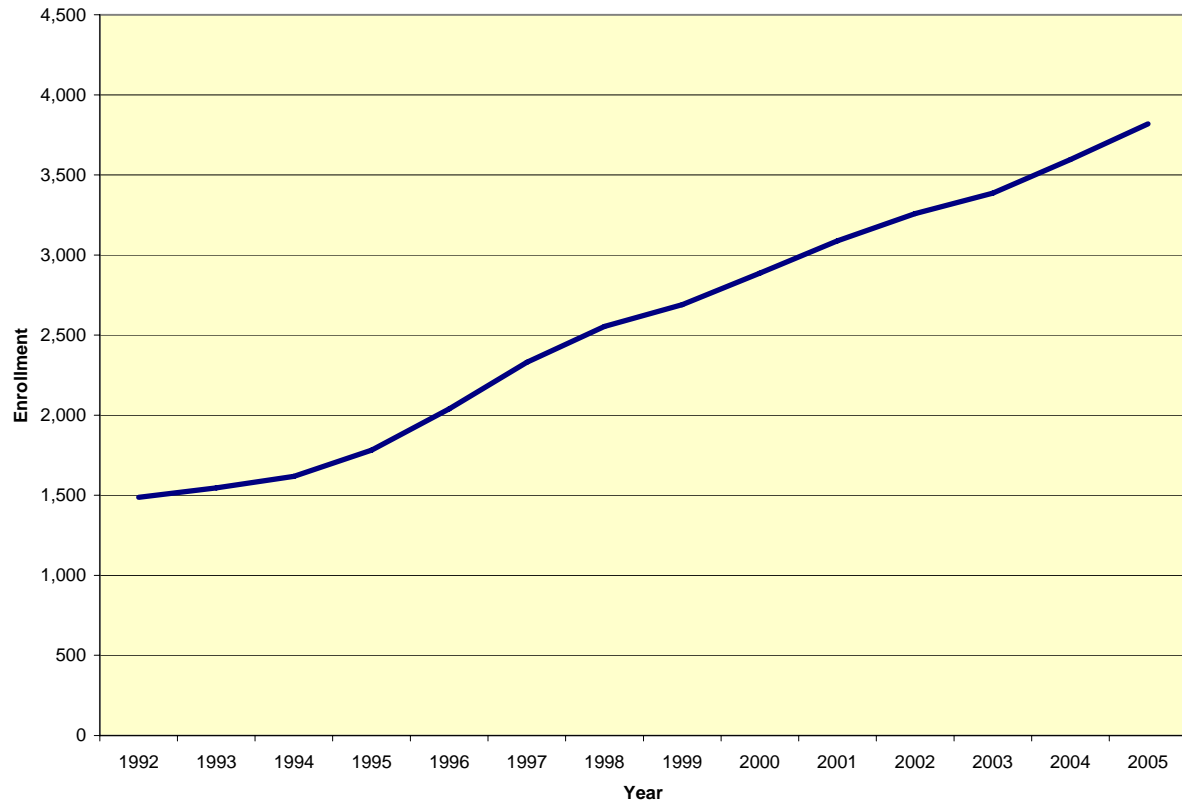
As indicated in **Figure 5**, the Sherwood School District 88J continues to increase rapidly in K-12 student enrollment. Sherwood is the fastest growing school district in the State of Oregon, with average annual enrollment increasing by 7.5% annually between 1996 and 2005.

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

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

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

Figure 5. Sherwood School District Enrollment Trends



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

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

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

Conclusions and Recommendations

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

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

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

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

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

Overall Demographic and Economic Conditions

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

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

Land Supply Findings

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

Land Demand Findings

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

Sherwood UGB Expansion Findings

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

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

Attachments:

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

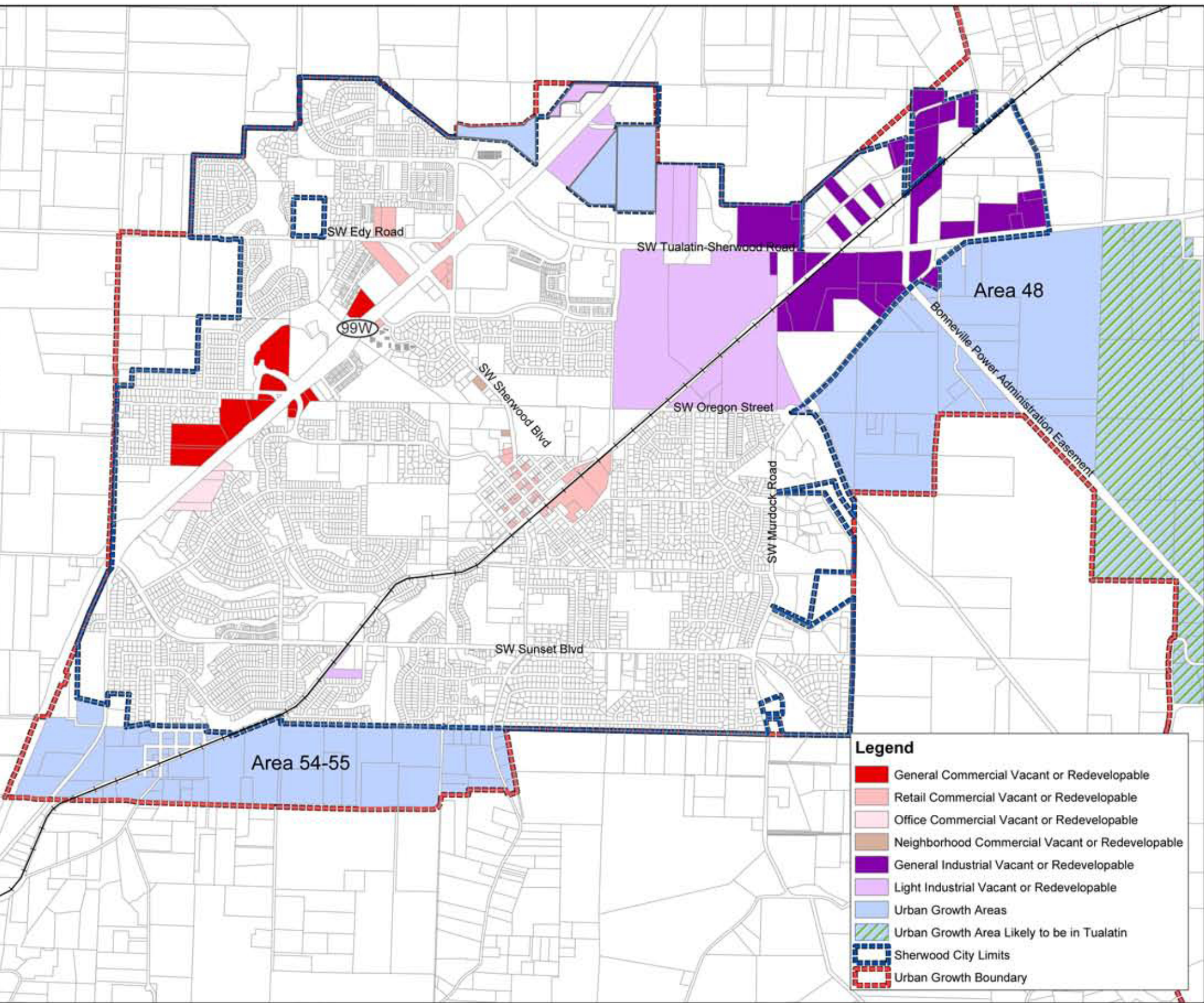
Vacant and Redevelopable Employment Lands

Sherwood, OR



Zone	Total Acres	Total "Vacant" Acres	Total "Constrained" Acres	Total "Developed" Acres	Total "Redevelopable" Acres
General Commercial	72.54	4.38	1.41	37.38	30.78
Retail Commercial	84.72	4.3	0	43.57	36.85
Office Commercial	17.38	4.73	1.89	9.68	2.97
Neighborhood Commercial	1.04	0	0	0	1.04
Office Retail	0	0	0	0	0
General Industrial	276.79	48.71	10.78	153.58	74.5
Light Industrial	271.77	153.6	50.11	87.8	30.37

vacant:	property that is classified by Metro's RLIS data as VAC and no building permits have been issued for the property in the past year
constrained:	property that is encumbered by wetlands per the Iwi or floodplain or is owned by the City of Sherwood and predominantly covered by Iwi and/or floodplain
developed:	property that has a land use classification other than vacant and has a building value that is greater than or equal to the land value
redevelopable:	property that has a land use classification other than vacant but has a building value that is less than the land value





Fiscal Impact Analysis

Background

The Sherwood Goal 9 Study and Economic Opportunity Analysis measures the 20-year employment land needs for the City of Sherwood. In an effort to better understand the potential costs and benefits of future development, the City has opted to include a fiscal impact analysis as part of the Goal 9 work. The fiscal impact analysis includes approximations of new commercial and industrial development patterns, and their resulting direct impacts on transportation and of urban facilities (water, sanitary sewer system, storm sewer system). This information can provide useful to municipalities that are contemplating urban area expansions and prioritizing scarce fiscal resources.

The fiscal impact findings are based on the assumption that future development will generate revenue and costs for the City. A fiscal impact analysis is contained herein which presents the estimated revenue from property taxes, fees, and other revenue sources, if the area is annexed and developed—and compares it to the associated administration costs to the public sector. Since the cost of capital improvements varies by location and project size, we have identified “average breakeven cost” to the city for making capital investments.

Methodology

The methodology used to conduct this fiscal impact study is similar to that used in prior fiscal impact assessments that have been conducted in Tualatin, Portland, Gresham, and other cities in Oregon, Washington, and Colorado. The method used generally follows the guidance described in the publication by the Council for Urban Economic Development, *Redevelopment Handbook*, 2003.

The basic methodology includes the following steps:

1. Determine the land use pattern, employment, population, and assessed land value.
2. Estimate revenues associated with land values, employment, and population.
3. Estimate costs of providing services.

4. Compare revenues and costs.
5. Estimate operating and maintenance (O&M) upon annexation.
6. Determine net fiscal impact and breakeven public investment amounts.

Local Assumptions

As new development occurs, general government responsibilities will be incurred by the City of Sherwood. We have assumed the existing cost/revenue structure for the City shall remain as it is today. It is assumed that with the increase of service responsibilities and costs, the City will receive revenues related to property values and business activities. If costs exceed revenues, a fiscal deficit is incurred; if revenues exceed costs, a surplus is generated. Underlying the analysis is the estimation of revenues and costs associated with annexation and development. Revenue and cost estimates are based on “drivers,” which in this analysis are primarily employment, assessed property values, or real market values.

- This analysis focuses exclusively on the revenues and costs associated within the City of Sherwood.
- Secondary impacts within the City that result from the development of the study area, such as increased population and business activity, are not included.
- Upon annexation, general government services will transfer from Washington County to the City of Sherwood.
- The services provided to the study area will be the same as those currently provided to City property owners, businesses, and residents.
- The analysis focuses on revenues covered by general fund revenues rather than user fees. Where user fees are charged, it is assumed that the fee revenue will cover the additional costs of providing these services.

Summary of Findings

The results of the fiscal impact analysis conclude that there is a positive local fiscal impact created from new commercial retail, office/service, and industrial development. Table 1 and Figure 1 provide a summary of the fiscal impact analysis findings for the City of Sherwood. The results indicate that there would likely be a positive net fiscal impact that ranges from \$54,384/acre for retail, to \$67,724/acre for industrial, and up to \$80,590/acre for office/service development. Since the analysis does not take into account any specific local public capital improvement costs, these values can also be considered as “breakeven” public investments for long-range planning purposes.

For example, the City of Sherwood would not want to invest more than \$67,724 per acre in on or off-site public facilities (that are beyond existing assumptions in adopted SDC calculations) for new industrial development to achieve a positive fiscal impact over 20 years.

Table 1. Cumulative Net Fiscal Impacts Per Acre of Development, City of Sherwood

Constant 2006 dollars

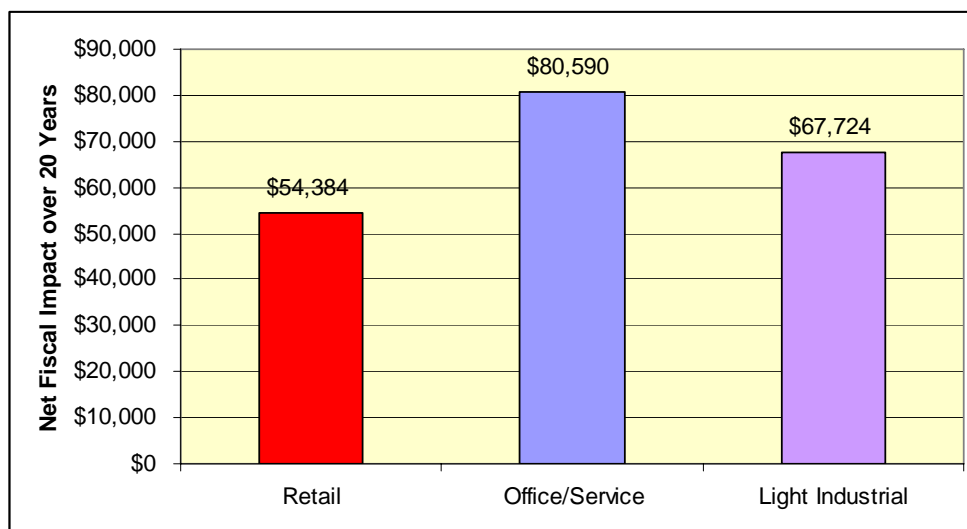
	Retail Prototype (per acre)	Office/Service Prototype (per acre)	Light Industrial Prototype (per acre)
Development Fee Revenues to City (upfront)**	\$195,316	\$247,024	\$128,339
Value of Sherwood Local Property Tax Revenues over 20 years	\$95,907	\$113,138	\$41,304
O&M Expenses over 20 Years	(\$236,839)	(\$279,573)	(\$101,919)
Net Fiscal Benefit to City over 20 years*	\$54,384	\$80,590	\$67,724

* Amounts shown do not take into account potential city investment in public facilities that are unfunded

by Systems Development Charge collections.

** Based on average existing local impact fees and development review fees summarized in Appendix A3, ranging from: \$193,000 per acre for Retail, \$245,000 per acre for Office/Service, and \$127,000 per acre for Industrial.

Figure 1. Cumulative Net Fiscal Impact Per Acre of Development, City of Sherwood



Regional and State Fiscal Benefits

Table 2 identifies selected state and regional tax revenues that would likely be generated as new commercial and industrial development projects are occupied. Primary fiscal benefits to the state include revenues from state personal payroll taxes and corporate income taxes. Because there are wide variations in corporate income taxes (based on 6.6% of Oregon taxable income) it is difficult to measure its fiscal revenue generation potential. Hence, the focus in **Table 2** is on state payroll tax collections, which are expected to range from \$26,000 per acre for industrial land, to \$35,000 per acre for retail land, and \$68,000 per acre for office land, assuming there are new buildings with 100% occupancy.

New development and related trip generation will lead to increases in vehicle miles and fuel tax and weight-mile tax revenues for Oregon and Washington County. However, those revenues and related state pass-through tax revenue reimbursements to local governments and related costs are beyond the scope of this analysis and have not been calculated. It should be noted that state pass-through tax reimbursements to local governments, such as fuel taxes, liquor taxes, cigarette taxes, etc. have population-based disbursement formulae which are not directly affected by local job growth.

Direct tax revenues from new development would also be realized at TriMet, Metro, Washington County, and other local service districts. Based on the current rate structure, TriMet District taxes would likely amount to between \$5,000 and \$13,000 per acre of developed employment land, as indicated in **Table 2**. Metro's new Construction Excise Tax, which was approved by the Metro Council in March, 2006 is a temporary construction tax to be assessed on construction permits throughout the region to fund planning in new areas brought into the UGB in 2002 and 2004. These tax revenues would likely generate between \$700 and \$1900 per acre of employment land (see **Table 2**).

Table 2. Other Misc. Regional and State Tax Revenues

	Retail Prototype (per acre)	Office/ Service Prototype (per acre)	Light Industrial Prototype (per acre)
Jobs	33	47	10
Assumed Average Wage Rate*	\$27,000	\$37,000	\$65,500
Adjusted Gross Income (@77%)	\$20,790	\$28,490	\$50,435
Aggregate AGI	\$679,209	\$1,329,669	\$514,910
State Personal Income Tax @5.1% Avg. Rate**	\$35,000	\$68,000	\$26,000
Tri-Met Payroll Tax @1.0% Avg. Rate	\$7,000	\$13,000	\$5,000
Assessed Value	\$1,544,400	\$1,821,870	\$665,118
Value Subject to Metro Excise Tax	90%	90%	90%
Assumed AV Subject to Metro Excise Tax	\$1,389,960	\$1,639,683	\$598,606
Metro Excise Tax @0.12%	\$1,668	\$1,968	\$718

* Based on covered workforce payroll estimates from Oregon Employment Department, 2005.

** Derived from Oregon Department of Revenue.

In summary, this fiscal impact analysis indicates that the existing development impact fees, review fees, and tax rates in the City of Sherwood are structured in a manner that could yield positive fiscal impacts from new commercial, office and industrial developments. While the scope of this analysis does not include a fee comparison among local jurisdictions, it is clear that there is a limit to the amount of local public investment that the City of Sherwood can incur to accommodate new development which varies by employment type.

More detailed tabular findings are provided in the following Appendix tables.

Please contact Todd Chase with any questions or comments regarding this memorandum.

Supporting Tables

Table A1. Comparison of System Development Charge Revenues

Selected Development Prototypes in City of Sherwood

Development Assumptions	Retail Prototype1/	Office/Service Prototype 2/	Light Industrial Prototype3/
Gross Site Area (acres)	5.0	5.0	5.0
Net Site Area (acres) 4/	3.8	3.8	3.8
Jobs Per Net Acre	42.6	64.5	13.6
Jobs on Site	160	242	51
Floor Area Ratio	0.35	0.40	0.20
Building Floor Area	57,200	65,300	32,700
Trip Generation Assumptions (trips/1,000 sf)	28.33	11.01	6.97
Average Weekday Trips	1,620	719	228
SDC Rate 5/	\$76	\$278	\$290
SDC Revenues	\$123,675	\$199,668	\$66,197

1/ based on ITE weekday average trip rate for a shopping center.

2/ based on ITE weekday average trip rate for a general office building.

3/ based on ITE weekday average trip rate for an industrial building.

4/ Assumes 25% of gross site area is devoted to public streets, utilities and/or open space.

5/ Derived from Washington County, Countywide Traffic Impact Fee Methodology Paper, 2004. Assumes 6% increase in SDC rates as of July 1, 2006.

Compiled by Otak, Inc.

Table A2. Comparison of System Development Charge & Franchise Fee Revenues

Selected Development Prototypes in City of Sherwood

	Factor	Units	Buildout Assumptions		Revenue
Plan Review Fee	4.0%	construction cost			
Retail		5 acre site development cost	\$8,580,000	Const. Cost	\$343,200
Office/Service		5 acre site development cost	\$10,121,500	Const. Cost	\$404,860
Light Industrial		5 acre site development cost	\$3,695,100	Const. Cost	\$147,804
Inspection Fee	5.0%	construction cost			
Retail		5 acre site development cost	\$8,580,000	Const. Cost	\$429,000
Office/Service		5 acre site development cost	\$10,121,500	Const. Cost	\$506,075
Light Industrial		5 acre site development cost	\$3,695,100	Const. Cost	\$184,755
Parks & Rec. Fee	\$63.00	Per employee			
Retail			160	jobs on site	\$10,064
Office/Service			242	jobs on site	\$15,238
Light Industrial			51	jobs on site	\$3,216
Other Misc. Permit Fee	Note 1/	construction cost			
Retail		5 acre site development cost	\$8,580,000	Const. Cost	\$8,580
Office/Service		5 acre site development cost	\$10,121,500	Const. Cost	\$10,122
Light Industrial		5 acre site development cost	\$3,695,100	Const. Cost	\$3,695
Water Connection Charges 2/					
Retail	\$0.27	Per 100 gallons Per Month	1.5	meter size (inches)	\$16,677
Office/Service	\$0.27	Per 100 gallons Per Month	3.0	avg. flow/month	\$49,273
Light Industrial	\$0.27	Per 100 gallons Per Month	6.0	avg. flow/month	\$175,583
Water Utility Charges (per year)					

Retail	\$0.27	Per 100 gallons Per Month	38,250	avg. flow/month	\$1,239
Office/Service	\$0.27	Per 100 gallons Per Month	57,375	avg. flow/month	\$1,859
Light Industrial	\$0.27	Per 100 gallons Per Month	76,500	avg. flow/month	\$2,479
Water Quality (storm drain fee) 3/					
	\$500	Regional Storm Drain charge Per ESU**			
Retail	\$0.031	City Storm Drain charge per ESU	122,513	ESU	\$27,000
Office/Service	\$0.031	City Storm Drain charge per ESU	122,513	ESU	\$27,000
Light Industrial	\$0.031	City Storm Drain charge per ESU	122,513	ESU	\$27,000
Sewer Connection Fee 4/					
Retail	2600	+ regional connect charge	3,188	avg. flow/day	\$16,000
Office/Service	2600	+ regional connect charge	4,781	avg. flow/day	\$23,000
Light Industrial	2600	+ regional connect charge	6,375	avg. flow/day	\$31,000

1/ Based on average rate of 0.01% of construction cost. Includes development application fees, building permit fees, grading/erosion control fees, mechanical permits, electrical permits, etc.

2/ actual rate depends on meter size. We have assumed retail: 1 1/2" line; office at 3" line; and industrial at 6" line size, plus cost of sprinkler system permit.

* Rate calculated per area of impermeable surface. One Equivalent Service Unit (ESU) = 2,640 sq.ft. We assume impermeable area = 75% of net site area.

** ESU = new impervious square feet developed/2,640, estimated at 12,414,000 sf/2,640=4,702 ESU.

*** Actual rate varies by engineer's calculation of average daily sewage flows.

Source: City of Sherwood and Otak, Inc.

Table A3. Summary of Estimated Impact Fees**Selected Development Prototypes in City of Sherwood***

	Retail Prototype	Office/Service Prototype	Light Industrial Prototype
Impact Fees			
Transportation	\$123,675	\$199,668	\$66,197
Plan Review	\$343,200	\$404,860	\$147,804
Inspection	\$429,000	\$506,075	\$184,755
Parks & Recreation	\$10,064	\$15,238	\$3,216
Water Connection	\$16,677	\$49,273	\$175,583
Water Quality	\$27,000	\$27,000	\$27,000
Sewer Connection	\$16,000	\$23,000	\$31,000
Total	\$965,616	\$1,225,114	\$635,555
Impact Fee Revenue Per Acre	\$193,000	\$245,000	\$127,000

* see table A1 for description of development prototypes

Table A4. Existing Land Valuations in City of Sherwood

	Vacant Land Valuation Per Acre 1/	Developed Land Valuation Per Acre 2/	Acres Vacant	Acres Developed	Tax Lots in Vacant Land Data base	Tax Lots in Developed Land Data base
Retail Commercial	\$506,000	\$3,028,000	7	77	9	68
Office Commercial	\$261,000	\$461,000	5	13	2	5
Neighborhood Commercial	n/a	\$823,000	0	1	0	2
General Commercial	\$318,000	\$1,546,000	12	87	9	19
Light Industrial	\$26,000	\$999,000	154	145	11	18
General Industrial	\$65,000	\$1,220,000	35	322	14	52
Commercial Average	\$361,000	\$2,099,000	--	--	--	--
Industrial Average	\$33,000	\$1,151,000	--	--	--	--

Source: Metro Regional Land Information System, January 2006 database; analysis by Otak, Inc.

Table A5. Comparison of Property Tax Revenue Assumptions

Selected Development Prototypes in City of Sherwood			
Tax Levy	Retail Prototype	Office/Service Prototype	Light Industrial Prototype
Unlimited Debt Service	\$30,502	\$35,982	\$13,136
General Government			
Washington County	\$19,189	\$22,637	\$8,264
Tualatin Valley Fire & Rescue	\$12,896	\$15,213	\$5,554
City of Sherwood	\$23,977	\$28,285	\$10,326
Port of Portland	\$502	\$592	\$216
Metro Zoo	\$695	\$820	\$299
Urban Renewal Sherwood	\$7,761	\$9,155	\$3,342
Schools			
ESD-NW Regional	\$1,120	\$1,321	\$482
Portland Community College	\$2,046	\$2,414	\$881
School Dist. 88 - Sherwood	\$35,019	\$41,311	\$15,082
Total Annual Revenue	\$133,706	\$157,728	\$57,583
Annual Tax Revenue Per Acre	\$26,741	\$31,546	\$11,517
Development Cost Assumptions*	\$8,580,000	\$10,121,500	\$3,695,100
Assessed Value Assumptions**	\$7,722,000	\$9,109,350	\$3,325,590
Assessed Value Per Acre	\$1,544,400	\$1,821,870	\$665,118
<i>Tax Rate Assumptions ***</i>	<i>Rate</i>		
<i>Unlimited Debt Service</i>	<i>\$3.9500</i>		
<i>General Government</i>			

<i>Washington County</i>	<i>\$2.4850</i>	
<i>Tualatin Valley Fire & Rescue</i>	<i>\$1.6700</i>	
<i>City of Sherwood</i>	<i>\$3.1050</i>	
<i>Port of Portland</i>	<i>\$0.0650</i>	
<i>Metro Zoo</i>	<i>\$0.0900</i>	
<i>Urban Renewal Sherwood</i>	<i>\$1.0050</i>	
<i>Schools</i>		
<i>ESD-NW Regional</i>	<i>\$0.1450</i>	
<i>Portland Community College</i>	<i>\$0.2650</i>	
<i>School Dist. 88 - Sherwood</i>	<i>\$4.5350</i>	

** Derived from SDC Analysis shown on Table A2.*

*** Assumes 90% of development cost is assessed.*

**** Rate per \$1,000 of Assessed Valuation. Based on City of Sherwood, 2005-06 Budget, Property Tax Description, page 111.*

Table A6. Summary of Annual Budgets, City of Sherwood*(all costs are in current dollars)*

	Actual	Actual	Actual	Budgeted
	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06
Assessed Valuation (000)	\$861,100	\$933,400	\$1,014,597	n/a
Full Time Equivalent Employment (FTE)				
Administration	10.45	11.89	13.50	14.60
Comm. Development	17.63	19.33	19.00	20.60
Police	19.34	20.58	26.25	25.50
Community Services	10.98	10.98	10.63	13.25
Public Works Operations	13.98	15.42	18.00	19.50
Total	72.38	78.20	87.38	93.45
Assessed Valuation Per FTE	\$11,896,933	\$11,936,061	\$11,611,318	n/a
Operating Expenditures per capita	\$725	\$808	\$1,109	\$1,029
Population	13,680	14,050	14,190	14,940
Operating Expenditures	\$9,918,000	\$11,352,400	\$15,736,710	\$15,373,260
Operating Expenditures Per FTE	\$137,027	\$145,171	\$180,095	\$164,508

Source: City of Sherwood and Otak, Inc.

Table A-7. Sherwood Budget, FY 2005-06

Admin.	\$3,237,265
Comm. Dev.	\$19,330,214
Police	\$3,301,535
Comm. Services	\$1,400,546
Public Works	\$5,767,821
Subtotal Expenditures	\$33,037,381
Transfers Out	\$150,000
Contingency	\$14,392,736
Annual Budget	\$47,580,117

Source: City of Sherwood

Table A8. Summary of Fiscal Operating Assumptions

	Sherwood City Budget FY 2005-06	Retail Prototype Per Acre	Office/ Service Prototype Per Acre	Light Industrial Prototype Per Acre
Assessed Valuation Per Acre	n/a	\$1,544,400	\$1,821,870	\$665,118
Full Time Equivalent Employment (FTE)				
Administration	14.60	0.021	0.025	0.009
Comm. Development*	20.60	0.010	0.011	0.004
Police	25.50	0.009	0.011	0.004
Community Services**	13.25	0.005	0.006	0.002
Public Works Operations	19.50	0.028	0.033	0.012
Total FTE	93.45	0.072	0.085	0.031
Operating Expenditures per Capita	\$1,029	--	--	--
Population	14,940	--	--	--
Operating Expenditures	\$15,373,260	\$11,842	\$13,979	\$5,096
Allocation of Operating Expenditures				

Admin.	\$1,850	\$2,184	\$796
Comm. Dev.	\$2,610	\$3,081	\$1,123
Police	\$3,231	\$3,814	\$1,391
Comm. Services	\$1,679	\$1,982	\$723
Public Works	\$2,471	\$2,917	\$1,063
	\$11,842	\$13,979	\$5,096

** assumes one-third of community development staff time is allotted to development once it is permitted.*

*** assumes community service and police demand by employees is one-quarter the demand generated by residents.*

Table A9. Summary of Fiscal Impacts

Development Assumptions	Retail Prototype (per acre)	Office/Service Prototype (per acre)	Light Industrial Prototype (per acre)
Jobs	33	47	10
Assessed Value	\$1,544,400	\$1,821,870	\$665,118
Trip Generation	1,620	719	228
Development Fee Revenues (upfront)			
Plan Review	\$69,000	\$81,000	\$30,000
Inspection	\$86,000	\$101,000	\$37,000
Transportation	\$25,000	\$40,000	\$13,000
Parks & Recreation	\$2,000	\$3,000	\$1,000
Water	\$3,000	\$10,000	\$35,000
Storm Water	\$5,400	\$5,400	\$5,400
Sewer	\$3,200	\$4,600	\$6,200
Other Miscellaneous	\$1,716	\$2,024	\$739
Total	\$195,316	\$247,024	\$128,339
Property Tax Revenues (Annual)			
Unlimited Debt Service	\$6,100	\$7,196	\$2,627
City of Sherwood	\$4,795	\$5,657	\$2,065
Other Tax Districts	\$15,846	\$18,692	\$6,824
Total	\$26,741	\$31,546	\$11,517
Operating Expenses (annual)			
Admin.	\$1,850	\$2,184	\$796

Comm. Dev.	\$2,610	\$3,081	\$1,123
Police	\$3,231	\$3,814	\$1,391
Comm. Services	\$1,679	\$1,982	\$723
Public Works	\$2,471	\$2,917	\$1,063
Total Expenses	\$11,842	\$13,979	\$5,096
FTEs added	0.07	0.08	0.03



Home of the Tualatin River National Wildlife Refuge

Economic Development Issues

The City of Sherwood Economic Development Strategy identifies the needs of both existing and future employers and establishes goals, objectives, and actions to meet those needs in the short term and over the next 20 years. The project included a review of existing economic goals, policies, and conditions and an economic opportunities analysis (EOA) that complies with Goal 9, Economic Development, of the statewide land use planning program. This review has allowed the consultant team, along with city staff, SURPAC, Chamber of Commerce, the general public and other stakeholders to identify issues to be addressed in Sherwood's first Economic Development Strategy. This memo summarizes the issues and opportunities that led to the new policies and actions in the city's Economic Development Strategy. The issues described below are based on interpretation of various data sources collected throughout the process, including a business survey, stakeholder interviews and state maintained databases.

Jobs/Housing Imbalance

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

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

Workforce Development

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

Business Retention

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

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

Business Recruitment

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

Commercial

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

Industrial

Existing industrial development in Sherwood is dominated by durable good manufacturing. The city's employment base is heavy in manufacturing (27% of all employees), compared to the state

(13%) and the remainder of Washington County (20%). An opportunity exists to attract several target industries identified by the state which will help diversify the local economy.

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

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

Long term strategies should include planning for new industrial sites (with integrated commercial and residential development) within future master-planned employment districts in Area 48. New zoning codes may be needed to accomplish this objective.

The city has a number of amenities to entice new businesses, such as accessibility to public facilities, I-5 and I-205, regional labor force and market centers, good schools, an attractive downtown and cultural and recreational amenities. However, investments should be made to ensure that public infrastructure, such as public utilities and roads, meets the needs of potential employers.

Tourism

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

The focus on tourism should include:

- Sports Town USA Initiative: The City has taken several steps to position itself as a regional destination for youth and amateur sporting events, including spending \$90,000 in 2004 to install artificial turf fields at the Sherwood High School for football and other sports. Develop a business strategy that encourages sports clubs to use Sherwood’s recreational facilities for sports tournaments.
- Sherwood has identified itself as the “Gateway to Oregon Wine Country.” Continue to promote Sherwood area wineries.

- Tualatin National Wildlife Refuge opened to the public on June 3, 2006 as an important natural resource center that hosts 30,000 migratory species of birds along the banks of the Tualatin River. The refuge included a \$4.6 million public investment and offers 1,300 acres of open space, environmental learning opportunities, and pathways.
- Hotel/Motel Initiative. The city council has expressed interest in identifying a site and recruiting a tenant for a future hotel or motel within the city limits, which would support economic development and provide an additional source of tax revenue.

Downtown Revitalization

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



Home of the Tualatin River National Wildlife Refuge

Recommended Action Plan

Vision Statement

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

Goals, Objectives and Actions

Goal 1: Support existing businesses and recruit additional businesses that provide local family-wage jobs.

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

City of Sherwood Economic Development Strategy

	OBJECTIVE	TIMELINE			LEAD	SUPPORT	RESOURCES NEEDED
		Short-Term (1-3 years)	Mid-Term (3-10 years)	Long-Term (10 -20 years)			
	partners to develop a well-trained workforce that is aligned with the needs of businesses. Identify actions to accomplish this objective (e.g., identification of a satellite training facility).					District	
	3. Continue provision of incubator space for Sherwood-area entrepreneurs.	✓	✓		City	Chamber	Annual costs
	4. Pursue “economic gardening” or entrepreneur facilitation to spur new small businesses and networking among existing businesses.	✓	✓		City	Chamber, RBP, OECDD	Staff
1.2	Provide locations and support for local jobs for local residents.						
Action(s)	1. Pursue a “no net loss” policy for employment land; maintain existing supply and do not rezone employment land with out replacing the supply.	✓	✓	✓			
	2. Dedicate resources to making Area 48 development-ready.	✓			City		
	3. Work with the Chamber of Commerce, including their economic growth committee, state agencies, and other stakeholders to conduct outreach to existing businesses to help them expand in Sherwood. Organize a proactive network of business clusters including: light manufacturing, specialty contractors, creative service professionals, home-based businesses, amusement/recreation/lodging, educational facilities, and health care.	✓	✓		City	Chamber	Staff
1.3	Support and build upon manufacturing and other						

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

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

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

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

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

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

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

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

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

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

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

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

G:\Current Projects\0611 - Sherwood Goal 9 Analysis\Final Documents\Revised Draft Action Plan 11_02_06.doc