



SHERWOOD WEST CONCEPT PLAN

AGENDA

Community Advisory Committee Meeting #1

DATE: May 13, 2021

TIME: 5 – 7 PM

LOCATION: Virtual

For a ZOOM meeting link, please send an email to Erika Palmer, Planning Manager at palmere@sherwoodoregon.gov. The meeting will be recorded and posted to the City's YouTube page on May 14, 2021. <https://www.youtube.com/user/CityofSherwood>

Meeting Purpose

- Introductions and getting to know each other
- Learn about the project overview, including policy implications, development trends, and transportation issues

Agenda

All items below are informational unless noted otherwise. Each will have a brief presentation, followed by Committee discussion. Please see the packet for meeting information.

5:00 PM	1. Welcome and Introductions <ul style="list-style-type: none"> • <i>Let's get to know each other! Please introduce yourself: your name, where you live/your affiliation, and a favorite hobby or interest.</i> 	Erika Palmer, City of Sherwood Joe Dills, Angelo Planning Group
5:15 PM	2. Project Overview <ul style="list-style-type: none"> • <i>A brief history of planning for Sherwood West.</i> • <i>Project work plan, schedule, and outreach.</i> • <i>Meeting guidelines.</i> 	Erika Palmer Joe Dills
5:35 PM	3. Housing Policy Implications <ul style="list-style-type: none"> • <i>Policy implications from Sherwood's Comprehensive Plan update and Middle Housing projects.</i> 	Erika Palmer
6:00 PM	4. Development Trends <ul style="list-style-type: none"> • <i>Summary information from Sherwood's Housing Needs Analysis and Economic Opportunity Analysis, including recent land use, transportation, and development conditions in and around Sherwood.</i> 	Chris Zahas, Leland Consulting Group
6:35 PM	5. Transportation <ul style="list-style-type: none"> • <i>Summary of key transportation issues and projects to be addressed through this plan.</i> 	Carl Springer, DKS Associates

SHERWOOD WEST CONCEPT PLAN

6:55 PM

6. Public Comment

Erika Palmer

7:00 PM

7. Next Steps and Adjourn

Joe Dills

Note: Pursuant to House Bill 4212 (2020), public comments for this meeting must be submitted in writing to the Sherwood Planning Department, Attn: Erika Palmer, Planning Manager 22560 SW Pine Street, Sherwood, OR 97140 or emailed to Planning@Sherwoodoregon.gov. To be included in the record for this meeting, the written comment must clearly state that it is intended as a citizen comment for this meeting. It also must be received at least 24 hours in advance of the scheduled meeting time.



SHERWOOD WEST CONCEPT PLAN

EXPECTATIONS AND DRAFT MEETING GUIDELINES

Sherwood West Advisory Committees

TO: Sherwood West Community Advisory Committee and Technical Advisory Committee
FROM: Project Team
DATE: May 6, 2021

Roles

As adopted in City Council Resolution #2021-019, the responsibilities of the Sherwood West Community Advisory Committee (CAC) and Technical Advisory Committee (TAC) are to review technical information, consider input from the general public, and make recommendations to the Planning Commission on specific elements of the Sherwood West Concept Plan. That plan will then be reviewed by the Planning Commission and City Council. At the end of the process, the City Council has the final decision about whether to approve the plan.

The committee meeting agendas and discussions will be managed by City staff or someone on the consultant team. We look forward to many discussions with committee members. In addition, the meetings may include public comment opportunities for other community members who wish to provide input. Public comment opportunities will be listed in the agenda.

Timeline

The committee will meet up to seven times throughout the project, which is anticipated to finish by the summer of 2022. Each meeting will last about two hours. Due to COVID-19, meetings will be held virtually until it is safe to meet in person.

Membership

See attached roster.

Draft Meeting Guidelines

1. Start and end on time.

Please arrive to meetings on time. If agenda items cannot be completed on time, the group will decide to extend the meeting or continue the discussion during a future meeting.

2. Come prepared.

Committee members should review materials provided in advance of the meeting and be prepared to participate. (We hope everyone can do this for every meeting. Please attend even if you could not review all the materials. And let us know if you have persistent obstacles that we might be able to help with.)

3. Contribute to meeting goals.

Committee members will share ideas, ask questions, speak honestly, and offer solutions. Voice your concerns during the committee meetings. Staff are willing to help if there are obstacles to your full participation in the meeting. Please let us know.

4. Let everyone participate.

Share speaking time so that all committee members can be heard. Acknowledge that people process information and communicate differently.

5. Be respectful.

Be open to hearing different perspectives, listen to understand, and help the group have respectful discussions.

6. Challenge ideas, not people.

It's alright to disagree - constructive discussions get the best results. The Committee will focus differences on the issues at hand.

7. Stay on point.

When issues fall outside the scope of the committee, the ideas will be documented in an "idea bin" for future use by city staff, and the group will continue with the agenda.

8. Record outcomes and share.

Meeting summaries will be prepared for each meeting and distributed to committee members for review. All meeting agendas, materials and minutes will be available on the project web page.

9. Consider comments from the public.

Meetings will include opportunities for brief public comment or announcements at the end of each meeting. Pursuant to House Bill 4212 (2020), public comments must be submitted in writing to the Sherwood Planning Department at least 24 hours in advance of the scheduled meeting time. A member of the project team will read comments aloud on behalf of the individual.

10. Make recommendations.

The committee will make every effort to form recommendations by census. Consensus is reached when all committee members either support or can live with the proposal, even if it is not each committee member's personal favorite. If consensus cannot be reached, a vote will be taken. A majority of the committee members present must agree for a group decision to be made. Absent that, the opinions of the members, and vote tally, will be recorded and be represented as not reaching consensus or a decision. A quorum, which is defined as a majority of the members appointed to serve being present, is required to record a consensus or voted position. A vote will be taken to forward the committee's official recommendation to Planning Commission at the end of the project.

11. _____(additional guidelines may be developed by committee)

COMMITTEE ROSTER

Community Advisory Committee Members

Conrad Sproul	Sherwood West resident
Kennedy Hawkins	Sherwood West resident
Norman Otterman	Sherwood West resident
Tamara Furst	City resident
Dave Grant	City resident
Mike Black	City resident
Debbie Price	City resident
Angi Ford	City resident
Jean Simson	Planning Commissioner
Doug Scott	City Councilor
Tim Rosener	City Councilor
Rodney Lyster	Parks and Recreation Advisory Committee member
John Clifford	Parks and Recreation Advisory Committee member
Brian Dorsey	Police Advisory Board member
Brian Fairbanks	Sherwood Chamber of Commerce representative
Jim Rose	Sherwood School District representative

SHERWOOD WEST CONCEPT PLAN

Technical Advisory Committee Members

Bob Galati	Sherwood Engineering
Craig Sheldon	Sherwood Public Works
Kristen Switzer	Sherwood Community Services
Chris Faulkner	Clean Water Services
Jeff Groth	Sherwood Police Department
Jessica Pelz	Washington County
Glen Bolen	Oregon Department of Transportation
Patrick Furst	Tualatin Valley Fire & Rescue
Larry Klimek	Tualatin River National Wildlife Refuge
Ryan Mackinster	Regional Housing representative (Metro Oregon Home Builders)
Gabriela Frask	Regional Economic Development representative
Mike Weston	King City representative
Matt Craigie	Washington County Economic Development
Rebecca Small	Metro

SHERWOOD WEST CONCEPT PLAN

City Staff

Julia Hajduk	Community Development Director	hajduki@sherwoodoregon.gov	503.625.4204
Erika Palmer	Planning Manager	palmere@sherwoodoregon.gov	503.625.4208
Joy Chang	Senior Planner	changj@sherwoodoregon.gov	503.625.4214

Consultant Team

Joe Dills	Angelo Planning Group	Project Manager
Kyra Haggart	Angelo Planning Group	Planner
Ken Pirie	Walker Macy	Urban Design
Saumya Kini	Walker Macy	Urban Design
Chris Zahas	Leland Consulting Group	Market Analysis/Funding
Sam Brookham	Leland Consulting Group	Market Analysis/Funding
Carl Springer	DKS Associates	Transportation



SHERWOOD WEST CONCEPT PLAN

HOUSING POLICY IMPLICATIONS

Sherwood West Preliminary Concept Plan, Comprehensive Plan Update,
and Oregon House Bill 2001

TO: Community Advisory Committee
FROM: Erika Palmer, Planning Manager
CC: Angelo Planning Group
DATE: April 27, 2021

Introduction

The purpose of this memorandum is to summarize the future of housing to help inform discussions on this topic during this re-look of the Preliminary Sherwood West Concept Plan. This memorandum provides a brief overview of housing and neighborhoods described in the 2016 Sherwood West Preliminary Concept Plan, the draft housing goals and policies in the updated Comprehensive Plan, and implementation of Oregon House Bill 2001: Housing Choices (HB 2001).

SHERWOOD WEST PRELIMINARY CONCEPT PLAN

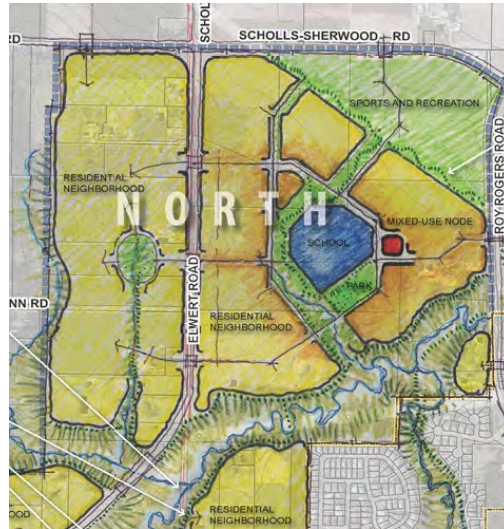
Sherwood West is the regional Urban Reserve Area 5B, which is approximately 1,291 acres. This area, designated by Metro in coordination with its partner cities and counties, identifies land that will be considered for addition to the region's Urban Growth Boundary (UGB) for urbanization over a 50 year period. Sherwood West is the largest urban reserve area adjacent to Sherwood, and given the location of existing utilities, the area is logically the best direction for the City to consider growth in the future.

The 2016 Preliminary Sherwood West Concept Plan recognized that Sherwood has a shortage of land available for housing and the plan was envisioned to help address this need. The understanding was that if we don't add more land for new housing, people will still move here, housing prices will rise, and the community will experience more pressure for infill development at higher densities. The Preliminary Concept Plan did not speak to urban densities or the design of a particular area within Sherwood West. The Plan was intended to be a tool for residents and decision-makers to rely on as they make decisions about growth expansions, knowing that community values and needs may shift, tastes in housing may change, and densities and neighborhood form would be shaped through future refinement processes.

The Sherwood West Preliminary Concept Plan preferred alternative recognized four distinct subareas: the North District, the West District, the Far West District and the Southwest District. All four subareas were intended to provide a mix of housing.

SHERWOOD WEST CONCEPT PLAN

The North District is a mixed-housing neighborhood organized around a new school, neighborhood park, and mixed-use node. Residential intensities transition from center to edge of the neighborhood. Residential housing is oriented towards the collective open space. West of Elwert Road, residences are organized around a smaller neighborhood park that marks the high point of a topographic ridge.

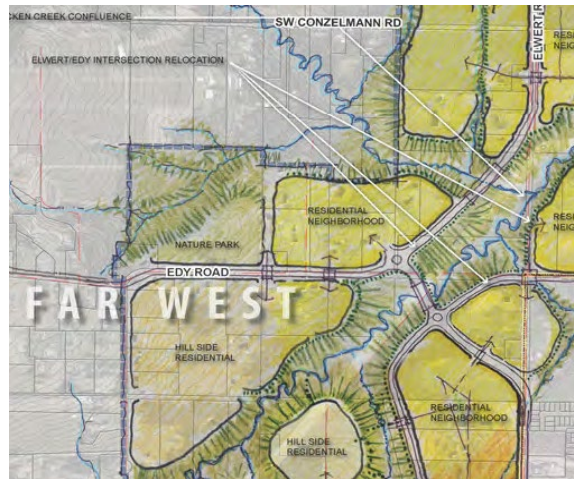


The West District is a mixed-housing district organized around a new school (Sherwood High School), neighborhood park, and mixed-use center. A new neighborhood connector street paralleling Elwert serves the neighborhood from the west side. The road follows the break in topography to create an area for residential development that is anchored by the school site. Housing intensities transition out from this mixed-use center (high to low) with hillside residential on the higher and steeper slopes.

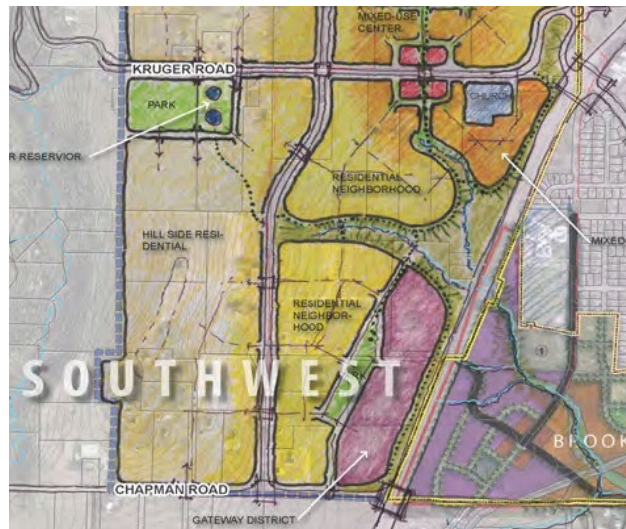


SHERWOOD WEST CONCEPT PLAN

The Far West District includes a mixed residential neighborhood, with the higher and steeper elevations envisioned to be hillside residential.



The Southwest District is a primarily residential neighborhood with varying intensities and hillside residential on the higher and steeper elevation slopes.



Land uses identified in the Sherwood West Preliminary Concept Plan are primarily residential, with varying degrees of intensity based on topography, natural features, proximity, and transition out from mixed-use centers (high to low).

Subsequent to the completion of the Preliminary Concept Plan, city staff prepared preliminary estimates of the housing capacity provided by the Plan. In 2018, staff provided a housing analysis of a proposed expansion on roughly 586 gross acres of the Sherwood West area out of the approximately 1,291 acres. The net developable acreage, after excluding roads, natural resource areas, land designated for parks

SHERWOOD WEST CONCEPT PLAN

and open space, and an existing church, came to roughly 452 acres. Of the 452 developable acres, roughly 425 acres are designated Residential Neighborhood, Residential Hillside, and Residential Mixed-Use. These 452 acres should be thought of as two area types. The first type, an urban area, suitable for medium and higher density development. The second, a hillside area, which its topography makes it suitable for lower density development. It was envisioned residential intensity transitioning out from mixed-use centers (high to low) with hillside residential on the higher and steeper sloped areas. The overall assumed average residential density of the 452 acres was 8.5 dwelling units per acre. The 8.5 average residential density in the 452 developable acres would accommodate roughly 3,800 new housing units.

SHERWOOD'S COMPREHENSIVE PLAN UPDATE

The following section focuses on the City of Sherwood's 2019-2039 Housing Needs Analysis (HNA) adopted by Ordinance 2020-018 and the draft 'Housing' goals and policies developed through the city's comprehensive planning work. The goals and policies have not been adopted and may be refined during the adoption process scheduled for Spring/Summer 2021.

Sherwood Housing Needs Analysis

As part of the City's process to update its 1990 Comprehensive Plan, a Housing Needs Analysis (HNA) was conducted in March 2019. The Housing Needs Analysis provides Sherwood with a factual basis to support future planning efforts related to housing, including Concept Planning for Sherwood West, and prepares *the City* for updates and revisions to *its* Housing Comprehensive Plan policies. Understanding growth in terms of population, demographic, and development trend shifts is crucial for determining future housing needs.

How Has Sherwood's Population Changed In Recent Years?

Sherwood's population grew relatively fast in recent years from 3,000 people in 1990 to nearly 18,600 people in 2013, averaging 8% annual growth. Sherwood's fastest period of growth was during the 1990s, consistent with statewide trends. Between 2000-2013, Sherwood grew by 6,600 people, at an average rate of nearly 3.5% per year. For comparison, Washington County grew at 2.5% annually between 1990-2013 and the Portland Region grew at 1.6% per year.

Sherwood's population is aging. People aged 45 years and older were the fastest-growing age group in Sherwood between 2000 and 2010, which is consistent with state and national trends. By 2035, people 60 years and older will account for 24% of the population in Washington County (up from 18% in 2015) and 25% in the Portland Region (up from 19% in 2015). It is reasonable to assume that the share of people 60 years and older will grow relatively quickly in Sherwood as well.

Sherwood is attracting younger people and more households with children. In 2010, the median age in Sherwood was 34.3 years old, compared to Washington County's median age of 35.3 years and the State median of 38.4. Sherwood has a larger share of households with children (47% of households), compared with Washington County (33%) or the Portland Region (29%). The Millennial generation—people born roughly between 1980 to 2000—are the largest age group in Oregon and will account for the majority of household growth in Sherwood over the next 20 years.

SHERWOOD WEST CONCEPT PLAN

Sherwood's population is becoming more ethnically diverse. About 6% of Sherwood's population is Latino, an increase from 4.7% in 2000. In comparison to Washington County and the Portland Region, Sherwood is less ethnically diverse. In the 2009-2013 period, 16% of Washington County residents, and 12% Portland Region residents, were Latino.

What Factors May Affect Future Growth In Sherwood?

If these trends continue they will result in changes in the types and amount of housing demanded or "needed" in Sherwood in the future.

The aging of the population is likely to result in increased demand for smaller single-family housing, multifamily housing, and housing for seniors. People over 65 years old will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes) as they continue to age.

The growth of younger and diversified households is likely to result in increased demand for a wider variety of affordable housing appropriate for families with children, such as small single-family housing, townhouses, duplexes, and multifamily housing. If Sherwood continues to attract young residents, then it will continue to have demand for housing for families, especially housing affordable to younger families with moderate incomes. Growth in this population will result in growth in demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable.

Changes in commuting patterns could affect future growth in Sherwood. Sherwood is part of a complex, interconnected regional economy. Demand for housing by workers at businesses in Sherwood may change with significant fluctuations in fuel and commuting costs, as well as substantial decreases in the capacity of highways to accommodate commuting.

Sherwood households have relatively high income, which affects the type of housing that is affordable. Income is a key determinant of housing choice. Sherwood's median household income (\$78,400) is more than 20% higher than Washington County's median household income (\$64,200). In addition, Sherwood has a smaller share of population below the federal poverty line (7.6%) than the averages of Washington County (11.4%) and the Portland Region (13.9%).

What Are The Characteristics of Sherwood's Housing Market?

The existing housing stock in Sherwood, homeownership patterns, and existing housing costs will shape changes in Sherwood's housing market in the future.

Sherwood's housing stock is predominantly single-family detached. About 75% of Sherwood's housing stock is single-family detached, 8% is single-family attached (such as townhomes), and 18% is multifamily (such as duplexes or apartments). 69% of new housing permitted in Sherwood between 2000 and 2014 was single-family detached housing.

Almost three quarters of Sherwood's residents own their homes. Homeownership rates in Sherwood are above Washington County (54%), the Portland Region (60%), and Oregon (62%) averages.

SHERWOOD WEST CONCEPT PLAN

Homeownership costs increased in Sherwood, consistent with national trends. Median sales prices for homes in Sherwood increased by about 30% between 2004 and 2014, from about \$245,000 to \$316,500. The median home value in Sherwood is 3.8 times the median household income, up from 2.9 times the median household income in 2000.

Housing sales prices are higher in Sherwood than the regional averages. As of January 2015, median sales price in Sherwood was \$316,500, which is higher than the Washington County (\$281,700), the Portland MSA (\$269,900), and Oregon (\$237,300) median sales prices. Median sales prices were higher in Sherwood than in other Portland westside communities such as Tigard, Tualatin, and Beaverton, but lower than Wilsonville or West Linn.

Rental costs are higher overall in Sherwood than the regional averages, with a slightly lower-rental cost on a cost per square foot basis. The median rent in Sherwood was \$1,064, compared to Washington County's average of \$852. Average rent in the Tigard/Tualatin/Sherwood area submarket was \$1.13 per square foot in Fall 2014, lower than the regional average of \$1.22 per square foot. Between Spring 2010 and Spring 2013, average rent in Tigard/Tualatin/Sherwood area increased by 38%, consistent with the regional increase of 36%.

More than one-third of Sherwood's households are cost-burdened. Thirty-eight percent of Sherwood's households were cost-burdened (i.e., paid more than 30% of their income on rent or homeownership costs). Renters were more likely to be cost-burdened (40% of renters were cost-burdened), compared to homeowners (35% were cost-burdened) in Sherwood. These levels of cost burden are consistent with regional averages. In Washington County in the 2009-2013 period, 38% of households were cost burdened, compared to 41% in the Portland Region.

Future housing affordability will depend on the relationship between income and housing price. The key question is whether housing prices will continue to outpace income growth. Answering this question is difficult because of the complexity of the factors that affect both income growth and housing prices. However, Sherwood will need to provide the opportunity for development of a wider variety of housing, including housing affordable to low- and moderate-income households because the City is short over 500 units for people whose income range is less than \$55,520.

Sherwood's Housing Growth Forecast And Can That Growth Be Accommodated in Sherwood?

Sherwood is forecast to add 1,728 new households between 2019 and 2039. Of these, 700 new households are anticipated to be developed inside the existing city limits; and 1,029 new households will be added in areas that are currently outside city limits but inside the UGB (the Brookman area). Recently, three new subdivisions in Brookman have approved which will provide 232 new lots for development.

Sherwood's land base can accommodate most of the forecast for growth. Vacant and partially vacant land in the Sherwood Planning Area (all land within the city limits and the Brookman area) has capacity to accommodate 1,121 new dwelling units. Sherwood can accommodate about 65% of the forecast for new housing in its Planning Area.

SHERWOOD WEST CONCEPT PLAN

Sherwood has a deficit of land for housing. Sherwood has a projected deficit of land for 608 dwelling units, which includes the Brookman area. The largest deficits are in Medium Density Residential-Low (154 dwelling units), Medium Density Residential-High (252 dwelling units), and High Density Residential (145 dwelling units).

To provide adequate land supply, Sherwood will need to continue to annex the Brookman area.

Without the Brookman area developing, the City has a projected deficit of about 1,155 dwelling units. Sherwood will need to continue to annex the Brookman area in order to accommodate the City's forecast of residential growth.

What If Sherwood Grows Faster?

The forecast for growth in Sherwood is considerably below historical growth rates. Metro's forecast for new housing in Sherwood shows that households will grow at an average annual growth rate of 1.1% per year. In comparison, Sherwood's population grew at 3.4% per year between 2000 and 2013 and 8% per year between 1990 and 2013. If Sherwood grows faster than Metro's forecast during the 2019 to 2039 period, then Sherwood will have a larger deficit of land needed to accommodate growth.

At faster growth rates, Sherwood's land base has enough capacity for several years of growth. At growth rates between 2% to 4% of growth annually, land inside the Sherwood city limits can accommodate two to five years of growth. With capacity in the Brookman Area, Sherwood can accommodate four to ten years of growth at these growth rates.

Additional housing growth in Sherwood depends on the availability of development-ready land. The amount of growth likely to happen in Sherwood over the next few years is largely dependent on when the Brookman Area is fully annexed, when the Sherwood West area is brought into the urban growth boundary and annexed, and when urban services (such as roads, water, and sanitary sewer) are developed in each area.

What Are the Implications For Sherwood's Housing Policies?

Sherwood will need to either add additional land for residential purposes or increase the densities within the existing city limits to accommodate future growth beyond the existing city limits and Brookman area. The growth rate of Metro's forecast for household growth (1.1% average annual growth) is considerably lower than the City's historical population growth rate over the last two decades (8% average annual growth). Metro's forecast includes growth that can be generally accommodated within the Sherwood city limits and Brookman. Given the limited supply of buildable land within Sherwood, it is likely that the City's residential growth will slow until Sherwood West is made development-ready.

Sherwood has a relatively limited supply of land for moderate- and higher-density multifamily housing. The limited supply of land in these zones is a barrier to development of townhouses and multifamily housing, which are needed to meet housing demand resulting from growth of people over 65, young families, and moderate-income households.

The Housing Needs Analysis highlights questions for the update of the City's Comprehensive Plan and the Concept Planning of Sherwood West.

SHERWOOD WEST CONCEPT PLAN

- Providing housing opportunities for first time home buyers and community elders (who prefer to age in place or downsize their housing) will require a wider range of housing types. Examples of these housing types include: single family homes on smaller lots, clustered housing, cottages or townhomes, duplexes, tri-plexes, four-plexes, garden apartments, or mid-rise apartments. Where should Sherwood consider providing a wider range of housing types? What types of housing should Sherwood plan for?
- Changes in demographics and income for Sherwood and residents in the Metro area will require accommodating a wider range of housing types. How many of Sherwood's needed units should the City plan to accommodate within the city limits? How much of Sherwood's needed units should be accommodated in the Brookman Area and in Sherwood West?
- What design features and greenspaces would be important to consider for new housing?
- What other design standards would be needed to keep Sherwood "Sherwood"?
- What is the appropriate mix of residential land and employment land in the City to balance the City's tax base?
- What is the mix of residential zones that reflect Sherwood's character?
- COVID-19 has changed how people live and work. What are some of the long-term impacts of the pandemic on residential housing trends and needs?
- The need to consider recent state legislation of House Bill 2001 to review and analyze density expectations assumed to result from the provision of middle housing that meets regulatory requirements.

Sherwood's Comprehensive Plan Update – Draft Housing Goals & Policies

The Comprehensive Plan is a planning document that directs all activities related to land use and the future of natural and man-made systems and services in Sherwood. The Plan helps manage expected population and employment growth through a set of goals, policies and implementation measures that align with the community's vision. City leaders use the Comprehensive Plan to coordinate public investments and make decisions about new development, existing neighborhoods, transportation, and various other topics. Given Sherwood's dramatic growth over the past 20 years, the 1990 Comprehensive Plan no longer represents the vision and values of today's residents and businesses.

The main components of the Comprehensive Plan include a vision, goals, policies, and objectives. The vision and goals describe what the community wants to be in the future. Policies and objectives are based on the vision and direct land use decisions and public investments. For example, the housing policies are the backbone that informs new development code language to achieve the community's goals and vision. The City is nearly finished with a multi-year comprehensive update to the Comprehensive Plan and the goals and policies identified below reflect the outcome from the housing block of that project. It should be noted, however that, at this time the City Council has not adopted the updated comprehensive plan goals, policies and objectives.

Adopted Vision for Attractive and Attainable Housing In Sherwood

"In 2040, Sherwood has a range of housing choices for a diversity of ages and income levels, providing community members the ability to live in Sherwood throughout all stages of life."

SHERWOOD WEST CONCEPT PLAN

Draft Housing Goals

1. Provide the opportunity for a variety of housing types in locations and at price points that meet the needs of current and future residents.
2. Preserve and enhance the character of existing neighborhoods.
3. Plan new residential developments to integrate with existing Sherwood as complete neighborhoods where community members can live, learn, shop, and recreate.

Draft Housing Policies**Policy 1. Plan for a 20-year supply of suitable land for Sherwood to meet housing needs.**

Objective 1.1 Identify opportunities to address land deficits shown in the Housing Needs Analysis within the existing city limits.

Objective 1.2 Accommodate future growth through annexation of areas within the Metro UGB and work with Metro to bring urban reserve areas into the Metro UGB as needed.

Objective 1.3 Ensure that the City has enough land to accommodate Sherwood's projected share of regional household growth, through regular monitoring and adjustments of available land in the Buildable Lands Inventory.

Objective 1.4 Maintain a minimum overall density of six (6) dwelling units a net acre, per the Metropolitan Housing Rule.

Policy 2. Plan for infrastructure development to support residential development.

Objective 2.1 Continue to coordinate capital improvement planning to ensure infrastructure availability on residential land and continue to pursue funding for needed infrastructure to support housing growth.

Objective 2.2 Coordinate with regional partners to develop infrastructure across the City to support housing growth across the City, ensuring availability of water and wastewater service and improving transportation access to the broader Portland Region.

Objective 2.3 Coordinate population, residential growth and infrastructure planning with the Sherwood School District to ensure that land is available for new schools as needed and that utilities can efficiently be provided to new school sites.

Policy 3. Maintain the quality of existing neighborhoods and ensure that new neighborhoods fit with Sherwood's character.

Objective 3.1 Encourage that existing neighborhoods benefit from access and connections to trails, parks, open space and neighborhood amenities as they are built in new neighborhoods.

Objective 3.2 Encourage infill residential development in areas near shopping, parks, transit and other major public facilities and services, with a focus on opportunities in the Old Town District.

Objective 3.3 Encourage housing is of a design and quality compatible with the neighborhood in which it is located.

SHERWOOD WEST CONCEPT PLAN

Objective 3.4 Reduce the negative impacts of traffic, noise, parking, lack of privacy, and negative visual aesthetics, through compatible site and building design and buffering techniques, such varying densities and types of residential use and design features.

Policy 4. Foster complete neighborhoods that provide housing choice, serve daily needs, and are walkable, connected, safe and integrated with the natural landscape.

Objective 4.1 Utilize concept planning, master planning and the planned unit development (PUD) technique to foster flexibility, creativity and innovation in the division of land, siting of buildings and provision of community amenities such as trails and open space.

Objective 4.2 Encourage neighborhoods are designed in a manner that incorporates the following principles:

- (a) Cultivate a mix of housing types that are designed in a way to enhance neighborhood character.
- (b) Create walkable neighborhoods that respond to their surrounding landscape.
- (c) Provide safe and effortless connectivity to schools, parks, and commercial centers for pedestrians, cyclists, and cars.
- (d) Enhance existing natural assets and integrate greenspaces and parks into new development.
- (e) Enhance Sherwood's small-town character and historic core through architectural balance and design that is accessible and inviting to all.

Objective 4.3 Make use of density transfer as a means of preserving open space and developing recreational areas within a single development.

Objective 4.4 Promote housing and site design that supports the conservation, enhancement, and continued vitality of areas with special historic, architectural, or cultural value.

Policy 5. Provide opportunities for the development of a range of housing types that are attainable to current and future households at all income levels, as described in the Sherwood Housing Needs Analysis, to maintain Sherwood's high quality of life.

Objective 5.1 Identify opportunities to increase residential development to balance the housing supply. Ensure the housing supply includes a mix of housing types and unit sizes at a range of housing prices and amenities throughout the City.

Objective 5.2 Support a variety of housing types such as, but not limited to, townhomes, cottages, courtyard housing, accessory dwelling units, single story units, and extended family and multi-generational housing.

Objective 5.3 Support housing affordable to Sherwood's residents and workers at businesses in Sherwood, including housing options for first-time homebuyers, new families, the elderly, and persons with disabilities.

SHERWOOD WEST CONCEPT PLAN

Objective 5.4 Support homeownership opportunities in multi-dwelling housing by encouraging the creation of condominiums, cooperative housing, and limited equity cooperatives.

Objective 5.5 Collaborate with nonprofit organizations to provide opportunities for development of low-income housing such as rent-subsidized housing and other low-income housing in areas that have access to jobs, transportation, open spaces, schools, and supportive services and amenities.

OREGON HOUSE BILL 2001: HOUSING CHOICES

In 2019, the Oregon State Legislature adopted HB 2001, Housing Choices. By June 30, 2022 cities in the Portland Metro region and Oregon's other largest dozen cities (those over 25,000 population) must allow people to build duplexes, triplexes, fourplexes, cottage clusters, and townhouses in residential areas. The rationale for the new rules is that these houses can be more attainable and meet the housing needs of many younger people, older people, and people who work but can't afford a large single-family detached house of their own.

People can still build detached single-family homes, and we expect most homes in residential areas to be built as such. Many cities already allow some of these housing types in certain areas. Not many have been built. Local knowledge of how to build these housing types will grow over time, and how many are developed will depend on local housing markets. Cities can set clear and objective siting and design requirements for these housing types (often called "middle housing" types), but these standards must apply to *all* housing, include single-family housing.

For more information on HB 2001 please visit the Department of Land Conservation and Development public overview webpage: <https://www.oregon.gov/lcd/UP/Documents/HB2001OverviewPublic.pdf>

City of Sherwood Residential Design Standards Code Update and Implementation of HB 2001

The City of Sherwood is undertaking a development code audit and needed development code amendments to support a range of community housing choices. The development code audit project aims to understand the existing barriers and future solutions to promote a larger supply of housing options for the community. Future amendments to the development code will provide an opportunity for a variety of housing types at various price points community for members at different stages of life; from recent college students to empty nesters, and retirees.

It is anticipated that new Residential Design Standards will be adopted and incorporated into the City's development code in 2021 for *all* housing types. Additional housing choices (duplexes, triplexes, fourplexes, and cottage clusters) with development standards (lot areas, dimensions, setbacks, landscaping, etc.) are expected to be adopted prior to June 30, 2022, compliant with the requirements of HB 2001.

For more information on this project, please visit the City's project page:

<https://www.sherwoodoregon.gov/planning/page/residential-design-standards-code-update-and-implementation-house-bill-2001-housing>

How does Oregon House Bill 2001 affect Sherwood West?

The Oregon Land Conservation and Development Commission (LCDC) adopted Administrative Rules to help implement HB 2001. These administrative rules help prescribe standards guiding the development of new types (plexes, townhomes, cottage clusters) and establish minimum standards related to the siting and design. Sherwood West meets the definition for a “Master Planned Community” as a site area added to a Large City’s UGB after January 1, 2021 for which the Large City proposes to adopt, by resolution or ordinance, a master plan or a plan that functions in the same manner as a master plan. Sherwood West will need to plan for infrastructure to accommodate twenty (20) units per acre; however, the overall density of Sherwood West is not determined and ultimately could be less than twenty (20) units per acre. The overall density of Sherwood West will be identified through this Concept Planning process and set through Metro’s ordinance incorporating this area into the regional UGB.

Sherwood West Concept Plan

Development Trends and Implications FINAL DRAFT

Date May 5, 2021
To Joe Dills, Kyra Haggart
Angelo Planning Group
From Sam Brookham, Chris Zahas
Leland Consulting Group

Executive Summary

Introduction

This Development Trends and Implications memo is intended to highlight a variety of key trends that will be explored in more detail in another memo to determine the specific opportunities for Sherwood West. It is not intended to answer the question of what Sherwood West can be; instead, it serves to provide a baseline summary of high-level findings from existing City of Sherwood planning documents and the current land use, transportation, and development conditions in the greater Sherwood area.

The Economic Opportunities and Challenges memo that will follow this memo will provide more specific information about assets, opportunities, constraints, economic development strategies, options for long-term job creation, and recommended land uses in Sherwood West.

This memo is organized as follows.

- **Planning Document Summary.** The memo includes summaries of two existing City of Sherwood planning documents: the Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA). The HNA and EOA¹ provide information about supply and demand for residential, commercial, and employment lands in the City of Sherwood over 20 years. As both documents are policy-oriented and based on regional growth rates, there may be additional or different opportunities for Sherwood West that will be discussed in the Economic Opportunities and Challenges memo that follows. The summary of these documents in this memo, therefore, reflects just one perspective that may require an updated assessment.
- **Development Trends.** It also summarizes the team's evaluation of recent land use, transportation, and development conditions that impact Sherwood West, including new/pending developments in King City West, River Terrace, and Cooper Mountain, residential and employment growth areas in Sherwood (Brookman and Tonquin), and other development trends in Sherwood.

The key findings from this memo include the past development trends that offer insights into future development prospects for various land uses in Sherwood West, the key takeaways from the HNA and EOA.

Past Development Trends

The development trends of the past can provide an insight into the current and emerging opportunities for new growth. Relative to many other cities in the Portland metropolitan region, Sherwood's building stock is quite new, with most of the buildings constructed during the mid-to-late 1990s and early 2000s. During this time, construction activity was

¹ The 2018 EOA was not adopted by City Council. It is simply included in this memo to highlight baseline conditions.

dominated by single-family residential homes, industrial, and retail. While single-family residential construction declined significantly going into and since the recession of 2007-2008, construction activity for industrial and retail space has remained relatively high. Multifamily construction has been limited but consistent over the past three decades. And construction activity for office, healthcare, and hospitality space has been very limited, although new and emerging trends may result in growth opportunities, particularly for Sherwood West.

ES-1. City of Sherwood Residential Units and Square Feet of Development by Decade Built

Year Built	SFR Units	Multifamily Units	Industrial	Office	Retail	Health Care	Hospitality
Pre-90s	672	225	177,139	29,319	164,187	0	0
'90 to '00	2,844	256	709,574	38,265	107,812	52,893	0
'00 to '10	1,655	261	332,881	127,036	402,803	0	0
'10 to '20	349	249	626,206	20,000	327,462	0	70,993
Total			1,668,661	185,301	838,077	52,893	70,993

Source: Costar, Metro RLIS (SFR Data)

Below is a summary of the trends relating to each real estate development sector.

- Employment (office, industrial).** The industrial sector has generally been shielded from the worst effects of the COVID-19 pandemic, and rapid growth in demand for distribution facilities has spurred significant new investment activity. There are trends and opportunities on which Sherwood may capitalize, including automation, shifting consumer behaviors (e.g., ecommerce), the emergence of the “hub and spoke” offices, and the electrification of vehicles. Sherwood’s office market is locally oriented, and construction and absorption have been limited. It has been more than 10 years since an office project was delivered and the pandemic remains a major disrupter to the economy at large and creates uncertainty in the development and investment community. The Tonquin Employment Area (TEA) is Sherwood’s primary growth area for new employment. Several industrial buildings totaling 535,000 square feet are in various phases of planning and development at the T-S Corporate Park—the first project since the creation of the concept plan in 2010. Other projects are in the early stages of planning in the TEA, per the City, including plans for multi-tenant industrial buildings totaling 900,000 square feet on 60 acres and project interest on 30 acres that was recently annexed and an adjacent 20 acres. Between these prospects and additional interest in new development in the TEA, there is reason to believe that most of the 200 acres of usable land in the TEA will be accounted for sooner than was originally anticipated in the 2018 EOA.
- Retail/Commercial.** New construction has averaged approximately 50,000 square feet annually over the past five years, although nothing has been built in the past year since the COVID-19 pandemic began. Except for Parkway Village South (described below), there is very little new development in the pipeline and Sherwood does not appear to face a burgeoning wave of development supply pressure. With that said, investment in new retail typically follows household growth; in the southwest Portland metropolitan region, there are several large growth areas expected to generate significant demand for new retail services and amenities. Sherwood West may capitalize on this increased demand and capture a portion through new development.
- Residential.** Significant growth in the population aged 55 and over has given rise to the growing demand for certain housing types, including apartments, assisted living facilities, and small-format single-family detached and attached residential. Sherwood’s owner-occupied housing market is considered competitive, with a sale-to-list price ratio of around 101.3 percent and averaging less than 20 days on the market before going pending. Apartment occupancy is currently at 95.9 percent—close to the five-year high—indicating demand for new development.

Sherwood West is one of several planned expansions in the southwest metro region. Others include Tigard River Terrace, Beaverton Cooper Mountain, and King City West. How and when these areas develop will directly impact the market and compete with the study area. However, it is expected that these areas will be predominately residential with limited commercial and employment development. As Sherwood West develops, there may be increasing opportunities for it to be a sub-regional hub for employment. There may also be opportunities to add retail services, but we expect the primary trade area for these other southwestern growth areas to be oriented to the north and east, rather than to Sherwood.

The following table summarizes the scale of planned development in each of these expansion areas.

ES-3. Summary of Planned Development in SW Metro Region Expansion Areas

Expansion Area	Planned Commercial / Employment	Planned Residential
Tigard River Terrace 1.0	25,000 to 40,000 sq. ft. (building area)	2,587 units (about 1,200 units built to date)
Tigard River Terrace 2.0	10 to 30+ gross acres of employment and/or commercial uses	Up to 4,500 total units
Cooper Mountain (CM), Beaverton	10-acre main street commercial Est. 80,000 to 120,000 sq. ft. (building area)	South CM: 3,430 units; Urban Reserve Area: 3,760 units; North CM: 300 units
King City West	Est. 54,000 to 85,000 sq. ft. (building area)	3,576 units

Planning Document Summary

The table below highlights the strengths, weaknesses, opportunities, and land supply and demand considerations described in Sherwood's EOA and HNA. These documents offer a potentially conservative depiction of the supply and demand factors for employment and residential growth in the City of Sherwood over the next 20 years.

While this information is helpful context, it is important to recognize that the documents reflect conditions at a certain point in time that are based primarily on an agreed-upon projected growth rate. Given that Sherwood is a relatively small city compared to most others in the Portland metropolitan region, modest developments can have significant impacts on employment and household growth. Growth could be further impacted by a proactive approach by the City, causing businesses and developers to locate in planned employment centers in Sherwood West beyond what was forecasted in each document.

There are, therefore, limitations to these documents which necessitate a fresh look at opportunities for Sherwood West. Because both the EOA and HNA are policy-based documents that follow a required framework, neither provides a discussion of emerging trends that may serve as opportunities for Sherwood West, nor do they include a complete depiction of the development pipeline in Sherwood, particularly for industrial projects. The remainder of this memorandum, as well as the next Economic Opportunities and Constraints memo, will revisit this baseline information and explore more specific opportunities and constraints for Sherwood West.

Table 1. Summary of Key Planning Documents

	Economic Opportunities Analysis	Housing Needs Analysis
Economic Strengths	<ul style="list-style-type: none"> • Suitable attributes for attracting new business. • Proximity of new residential growth areas. • High quality of life. 	<ul style="list-style-type: none"> • Strong residential growth, particularly in younger families and senior populations. • Relatively high incomes compared with the rest of the Metro region.
Economic Weaknesses	<ul style="list-style-type: none"> • Congestion and the distance from I-5 hinder both industrial and residential prospects. • Lack of infrastructure in new growth areas. • Reliance on Tonquin Employment Area for meeting industrial land needs. 	<ul style="list-style-type: none"> • Relatively high proportion of single-family detached housing relative to other housing types • Reliance on development of the Brookman Area for meeting residential land needs.
Opportunities	<ul style="list-style-type: none"> • Citywide growth potential in the industries of manufacturing, professional and business services, wholesale, and visitor and resident services. • Population growth will drive growth in retail businesses. 	<ul style="list-style-type: none"> • Ageing population driving demand for smaller single-family housing, multifamily housing, and housing for seniors. • The growth of younger and diversified households is likely to result in increased demand for a wider variety of housing.
Land Supply & Demand	<ul style="list-style-type: none"> • Sherwood had 242 acres of unconstrained employment land in 2018, of which half is in the Tonquin Employment Area (TEA). • Employment growth is projected to drive demand for 86 gross acres of industrial land and 85 gross acres of commercial land. • Sherwood has a 24 gross acre surplus of industrial land and a 57 gross acre deficit of commercial land. The surplus is, in reality, much less given the new development coming online. 	<ul style="list-style-type: none"> • Land base can accommodate 65 percent of forecasted population growth. • Limited supply of land for moderate- and higher-density multifamily housing, causing a barrier to the development of townhouses and multifamily housing, which are needed to meet housing demand resulting from the population growth of seniors, young families, and moderate-income households.

Source: City of Sherwood

Economic Opportunities Analysis

The 2018 EOA is “an analysis of the community’s economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends.”

The primary goals of the EOA are to:

- (1) project the amount of land needed to accommodate the future employment growth within the Sherwood City Limits and employment land areas in the Urban Growth Boundary (UGB), namely Tonquin Employment Area and Brookman Annexation Area, between 2019 and 2039;
- (2) evaluate the existing employment land supply within Sherwood to determine if it is adequate to meet that need; and
- (3) fulfill state planning requirements for a twenty-year supply of employment land.

While the EOA provides an indication of the strengths and weaknesses for job creation and highlights specific opportunities for Sherwood West, it is important to note that the Sherwood City Council decided not to adopt the 2018 EOA and to make updates closer to the adoption of the Comprehensive Plan. The reasoning for not doing so was primarily due to discrepancies between the rate of employment growth projected in the EOA and by Metro. Other

information provided in the EOA, such as broader economic trends and land availability, are still relevant and are discussed here.

The key points of the 2018 EOA are as follow. It is important to emphasize that this section simply summarizes what the EOA indicates, rather than a comprehensive discussion of the specific opportunities for Sherwood West.

Land Supply and Demand

The EOA included a discussion of land supply for employment and commercial development. Key findings are listed below (all findings are as of 2018).

- In 2018, Sherwood had 242 acres of unconstrained land², 141 of which is vacant and 101 of which is potentially redevelopable (i.e., underutilized but not vacant sites). Nearly 60 percent of the vacant land (and 40 percent of the redevelopable land) is in the Tonquin Employment Area (TEA). Most were sites less than five acres, nine sites were between five and 10 acres, and three were larger than 10 acres, including just one 50+ acre site in the TEA and two 12-acre industrial sites. Small industrial sites are considered an issue by the City and its economic development partners; the Metro Employment Land Site Readiness Tool Kit describes smaller sites with multiple owners and limited infrastructure as a regionwide issue in the Portland metropolitan area.
- While there has been little new development since the 2018 assessment for the EOA, anecdotal evidence from the City of Sherwood indicates a more constrained land supply than what is portrayed in the EOA. Sherwood West has a potential opportunity to capitalize on regional demand for large industrial sites, particularly given the aforementioned regionwide shortage.
- Sherwood's employment base was 8,340 jobs in 2018. The EOA forecasts 11,785 jobs by 2039, an increase of 3,446 that is projected to result in the demand for 86 gross acres of industrial land and 85 gross acres of commercial land.
- **Industrial.** Most of the buildable vacant employment land in Sherwood is designated as industrial as opposed to commercial, retail, or other types of employment. Sherwood has a supply of 110 acres of suitable land designated for industrial uses, which is a forecasted surplus of 24 gross acres over 20 years, per the analysis conducted for the EOA. There is a greater surplus with the addition of the TEA and the Brookman Addition.
- **Commercial.** Sherwood has 28 acres of land designated for commercial uses. The employment forecast projects demand for 85 acres of commercial land. Sherwood has less commercial land than the City is projected to need over 20 years, with a deficit of 57 gross acres of commercial land.
- **Future Development.** Sherwood has 172 acres of land designated for employment uses in future development designations in the Tonquin Employment Area and Brookman Annexation Area. In total, this land is likely to sufficiently meet both industrial and commercial demand over the next 20 years. However, if the rate of development increases as expected beyond what was forecast in the EOA, there will likely be a shortage of appropriate sites—particularly sites in excess of 10 acres—for employment growth in the City of Sherwood, thereby creating development opportunities in Sherwood West. These opportunities will be further explored in the Economic Opportunities and Constraints memo.

Sherwood's Economic Strengths and Weaknesses

The EOA included several strengths and weaknesses that affect Sherwood's ability to attract and accommodate job growth. A summary is provided below.

² The physical constraints used in the Sherwood buildable lands inventory includes areas subject to landslides, areas with slopes greater than 25%, lands within the 100-year flood plain, Metro's Title 3 land (including Water Resource Conservation Areas), lands within Metro's Title 13 Habitat Conservation Areas (Class I and II, A and B), Wetlands, and public facilities.

Strengths

- Sherwood's attributes that may attract businesses are its location along Highway 99; quality of public facilities and services; general availability of vacant land serviced by utilities³; quality of schools; and overall quality of life.
- Proximity to new residential growth areas—including the areas along the Roy Rogers Corridor north of Sherwood West—may increase demand for services and employment for new nearby residents. The growth expected in these areas is summarized later in this memo.
- High quality of life due to the Tualatin River National Wildlife Refuge, cultural amenities and events, and access to high-quality education and medical care, among other factors.
- The region's high-quality natural resources present economic growth opportunities for Sherwood, ranging from agriculture and wineries to amenities that attract visitors and contribute to the region's high quality of life. Proximity to Wine Country offers potential opportunities for manufacturing, hospitality, commercial, and other uses.

Weaknesses

- The current transportation network is considered a disadvantage for both residents commuting to jobs (both in and out of Sherwood) as well as businesses that need a distribution route to access the region. Several transportation projects, including the widening of Roy Rogers Road and Tualatin-Sherwood Road, may improve the prospects of attracting new industrial, technology, and commercial users to Sherwood. These opportunities will be explored more in the Economic Opportunities and Constraints memo.
- Distance from I-5 is a disadvantage for attracting some types of businesses, such as warehouses and distribution or manufacturers that need close access to I-5 for heavy freight.
- There is a lack of infrastructure needed to support employment growth on large vacant sites.

Opportunities for Sherwood West

The EOA describes several economic trends and opportunities that could apply to the Sherwood West area. These are described below.

- Growth in population in Sherwood will drive modest growth in retail businesses, including commercial centers and neighborhood retail. It should be noted that the 2018 EOA did not specifically reference the potential opportunities and the new market dynamics that will arise as a result of the substantial new household growth along the Roy Rogers Corridor to the north. While this new growth is unlikely to increase demand for retail businesses in Sherwood, there are likely to be opportunities for additional employment development that capitalizes on Sherwood West's proximity to this sizeable talent base.
- Approximately 1,719 new jobs (83.5 percent of total new jobs) in Sherwood are expected to require vacant or partially vacant land. The forecasted growth of 1,719 new employees will result in the following demand for employment land: 61 gross acres of industrial, nine gross acres of retail commercial, and 41 acres for office and commercial services.
- Approximately 16.5 percent of jobs in Sherwood are located in residential plan designations, including 12 percent of industrial, 15 percent of retail, and 21 percent of office and commercial service employment. Over 20 years it is expected that the proportion of employment located in residential areas will remain the same. These

³ Anecdotal information provided by the City of Sherwood indicates that utility service throughout the City is inconsistent, with some existing industrial parks and infill location lacking the necessary utility services. The constrained capacity of existing services can be a barrier to economic growth and detrimental to development prospects.

jobs include home offices for industrial employment, such as construction companies and office and commercial medical offices, or small personal service businesses such as banks or hair stylists.

- The industries identified as having potential for growth in Sherwood include manufacturing, professional and business services, wholesale, and services for visitors and residents.
 - **Manufacturing.** Sherwood's attributes may attract manufacturing firms, such as Technology and Advanced Manufacturing, Machinery Manufacturing (Metals and Machinery), and Clean Tech.
 - **Professional and business services.** Sherwood's high quality of life, access to quality schools, existing population and business base, and location within the Portland region may attract professional and business services that prefer to locate in a smaller city like Sherwood, such as Software and Media, Clean Tech, Athletics and Outdoors, and other services.
 - **Wholesale.** Sherwood's access to Highway 99 may make the city attractive to the continued growth of wholesale businesses.
 - **Services for visitors.** Growth in tourism, especially related to agriculture and wineries, will drive demand for services for visitors such as specialty retail, wine tasting rooms, restaurants, and hotels.
 - **Services for residents.** Growth in population in and around Sherwood will drive the growth of businesses that serve residents, such as medical services, legal services, financial services, retail, personal services (e.g., barbers), and restaurants.

The following table is also from the 2018 EOA and shows the concentration of Sherwood's existing businesses by industry. The **bolded** industries have a high location quotient⁴ (i.e., highly specialized compared to national employment in the industry), high employment (i.e., have more than 200 employees in Sherwood), and higher than average wages in Sherwood. These industries have the highest growth potential, given existing businesses and the higher concentration of employment.

With that being said, the table is a summary of Sherwood in 2018 and does not reflect an exploration of potential growth industries. Sherwood has up to now been attractive to certain types of industries, yet there is an opportunity to encourage the growth of industries that may not currently exist but see Sherwood as a competitive location in the Portland metropolitan region. For example, while most economic growth is due to the expansion of existing businesses, the City may be able to capitalize on the demand for large sites in excess of 50 acres that are in short supply in the region.

⁴ Location quotients are ratios that allow an area's distribution of employment by industry, ownership, and size class to be compared to a reference area's distribution. If an LQ is equal to 1.0, then the industry has the same share of its area employment as it does in the nation. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case nationwide.

Table 2. Concentration of Industries and Employment, City of Sherwood, 2016

	High Employment	Low Employment
High Location Quotient	<ul style="list-style-type: none"> • Waste management and remediation services • Specialty trade contractors • Heavy and civil engineering construction • Machinery manufacturing • Merchant wholesalers, durable goods • Building material and garden equipment and supplies dealers • Amusement, gambling, and recreation industries • General merchandise stores • Food and beverage stores • Food services and drinking places 	<ul style="list-style-type: none"> • Construction of buildings • Real estate • Wholesale electronics markets and agents and brokers • Plastics and rubber products manufacturing • Personal and laundry services
Low Location Quotient	<ul style="list-style-type: none"> • Merchant wholesalers, nondurable goods • Miscellaneous store retailers • Truck transportation 	<ul style="list-style-type: none"> • Professional, scientific, and technical services • Ambulatory health care services • Utilities • Administration and support services • Nursing and residential care facilities • Social assistance

Source: Oregon Employment Department, QCEW, 2016 (Table recreated from EOA)

Housing Needs Analysis

Sherwood's HNA provides a factual basis to support future planning efforts related to housing, including concept planning for Sherwood West and the update and revision of the City's Comprehensive Plan policies. The most recently completed HNA for the City of Sherwood provides analysis through twenty years from 2019 – 2039.

Demographics

According to the HNA, Sherwood has experienced rapid population growth since 1990, reflecting its situation as a major growth area on the edge of the Portland metro. Growth has consistently outpaced Washington County and the Portland Metro region. While the population is aging on average, Sherwood has started to attract a greater proportion of younger people and more households with children. The population is also becoming more ethnically diverse.

The aging of the population is likely to result in increased demand for smaller single-family housing, multifamily housing, and housing for seniors. The growth of younger and diversified households is likely to result in increased demand for a wider variety of affordable housing appropriate for families with children, such as small single-family housing, townhouses, duplexes, and multifamily housing.

Sherwood households also have relatively high incomes compared to the rest of the Metro region, which affects the type of housing that is affordable. Income is a key determinant of housing choice.

Housing Stock

Sherwood's housing stock is predominantly single-family detached, which accounts for about 75 percent, with single-family attached accounting for eight percent, and multifamily accounting for 18 percent. Approximately 69 percent of new housing permitted in Sherwood between 2000 and 2014 was single-family detached housing.

Projections.

Sherwood is forecast to add 1,728 new households between 2019 and 2039. Of these, 700 new households will be inside the existing city limits; 1,029 new households will be outside the current city limits in the Brookman Area.

According to the HNA, the forecast for growth in Sherwood is considerably below historical growth rates. Metro's forecast for new housing in Sherwood shows that households will grow at an average annual growth rate of 1.1 percent per year. In comparison, Sherwood's population grew at 3.4 percent per year between 2000 and 2013 and 8.0 percent per year between 1990 and 2013.

Land Supply. Sherwood's land base can only accommodate 65 percent of the forecasted population growth. Vacant and partially vacant land in the Sherwood Planning Area can accommodate 1,121 new dwelling units of the forecasted need for 1,728 units, leaving a deficit of land for 608 units. If Sherwood grows faster than Metro's forecast during the 2019 to 2039 period, then Sherwood will have a larger deficit of land needed to accommodate growth.

The largest deficits are in Medium Density Residential-Low (154 dwelling units), Medium Density Residential-High (252 dwelling units), and High-Density Residential (145 dwelling units).

At faster growth rates, Sherwood's land base has enough capacity for several years of growth. At growth rates between 2.0 to 4.0 percent of growth annually, the land inside the Sherwood city limits can accommodate two to five years of growth. With capacity in the Brookman Area, Sherwood can accommodate four to 10 years of growth at these growth rates.

Additional housing growth in Sherwood depends on the availability of development-ready land. The amount of growth likely to happen in Sherwood over the next few years is largely dependent on when the Brookman Area is developed, when the Sherwood West area is brought into the UGB and annexed, and when urban services (such as roads, water, and sanitary sewer) are developed in each area.

Sherwood has a relatively limited supply of land for moderate- and higher-density multifamily housing. The limited supply of land in these zones is a barrier to the development of townhouses and multifamily housing, which are needed to meet housing demand resulting from the population growth of people over 65, young families, and moderate-income households.

Development Trends

This section describes the general development trends for residential, commercial, and employment development in and around Sherwood, including a discussion of planned development in each of the nearby UGB expansion areas of King City West, Tigard River Terrace, and Beaverton's Cooper Mountain.

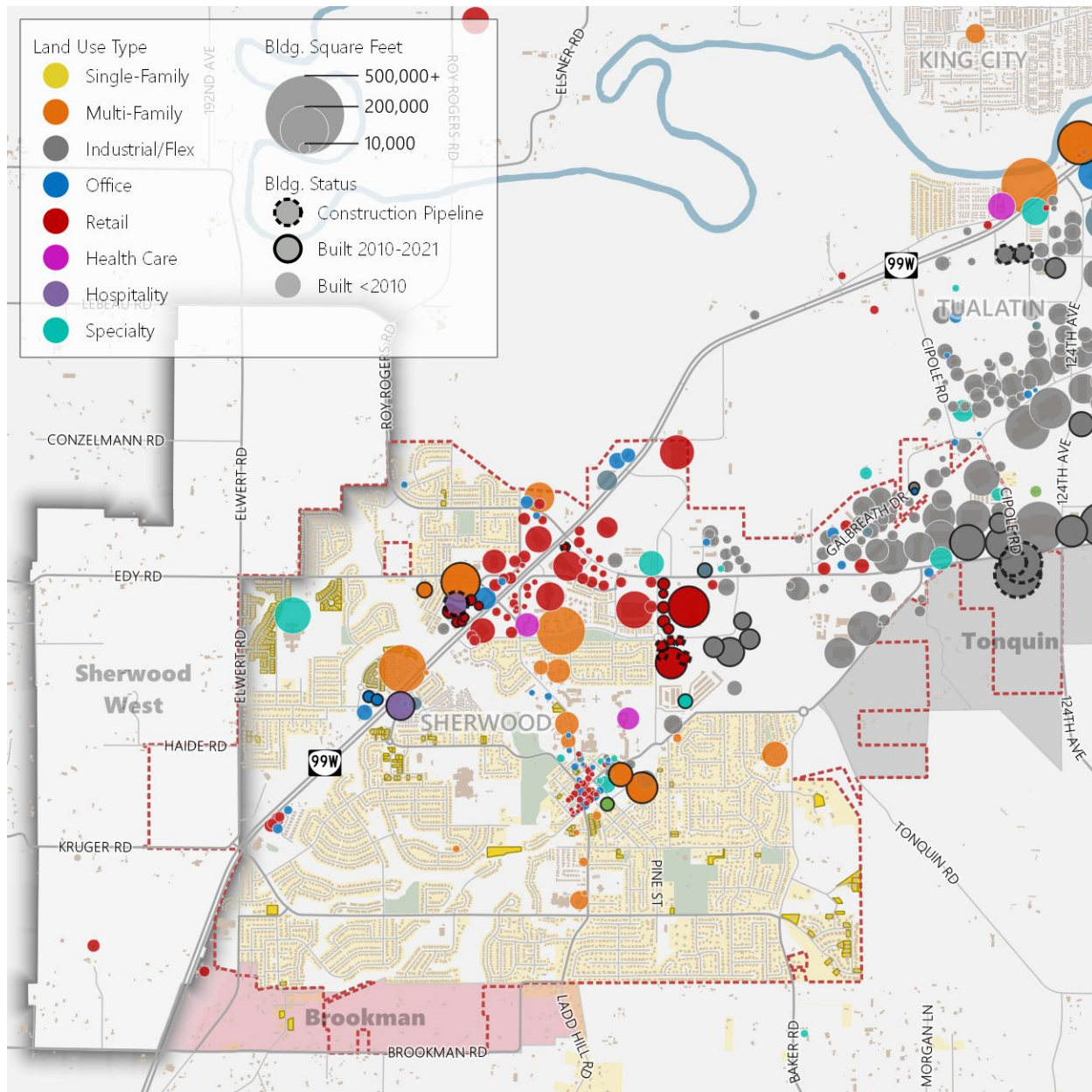
Sherwood Overview by Land Use Sector

Sherwood is experiencing strong growth in all development sectors. The map below provides the location, size, and type of new and existing development in and around the City. Most of the newer (built since 2010—symbolized with the bolded outline in the map) single-family/owner-occupied housing development has occurred on the City periphery where most of the vacant land exists. Industrial has largely clustered in east Sherwood along Tualatin-Sherwood Road. Commercial (retail, office, specialty, other) and multifamily residential development are more centralized, clustering along major arterials (Highway 99W and Tualatin-Sherwood Road) and in Old Town.

Industrial users tend to cluster near other users for a myriad of reasons, and so as long as there is developable land that meets that user's needs, the TEA and the surrounding area are likely to remain the most attractive location for new industrial users. Sherwest West may attract industrial users in select locations, especially as land availability diminishes elsewhere. Office users, while currently one of the most impacted land use sectors by the Covid-19 pandemic, might

consider Sherwood West an attractive location, especially if it develops in a way that offers a variety of amenities, services, and housing options (both in and near the area).

Figure 1. Development Overview by Land Use, Size, and Building Status

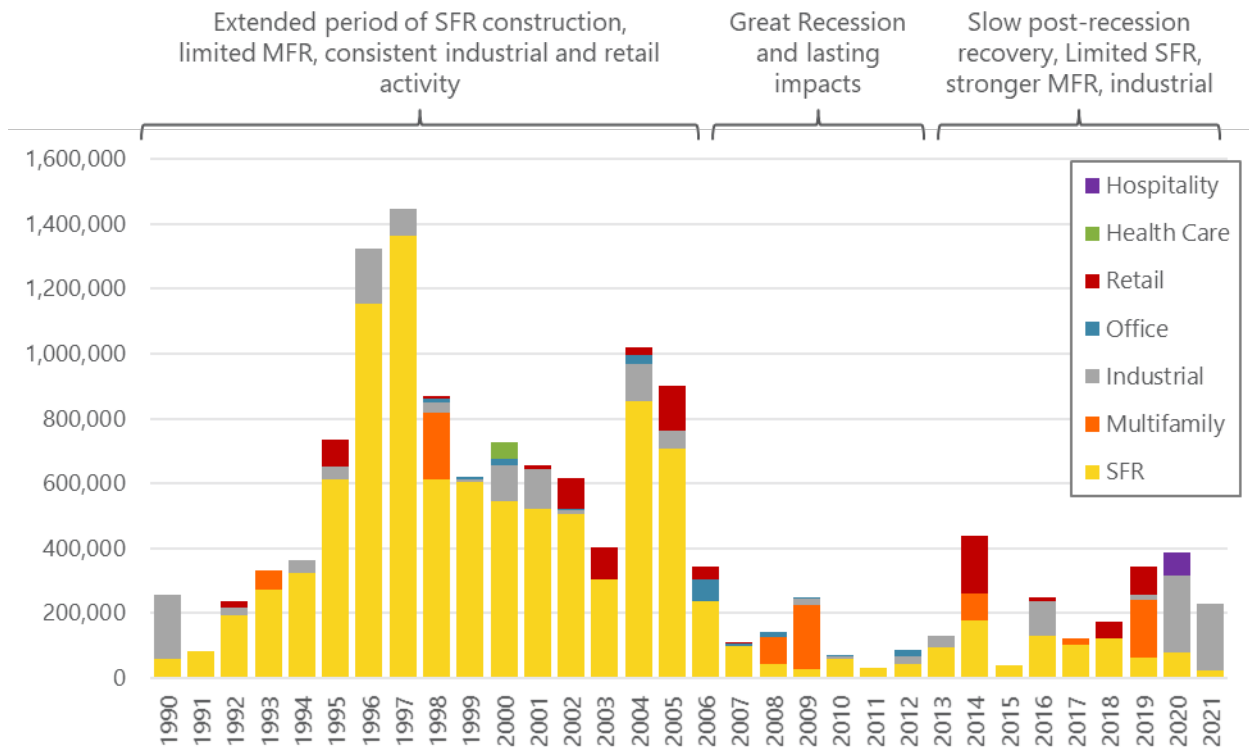


Source: Costar, Metro RLIS (SFR Data), City of Sherwood, LCG

The chart below and the table that follows show total development by year built for the City of Sherwood. There was a significant decline in residential construction activity going into and since the recession of 2007-2008. Multifamily construction has been consistent over the past three decades, averaging almost 26 units or 30,000 square feet per year. Industrial activity has increased again in the past decade following a relative hiatus between 2000 and 2010. Office activity has been very limited, as has healthcare and hospitality, although is likely growth opportunities for Sherwood West that capitalize on several emerging trends, including hub and spoke office development, proximity to Wine Country, proximity to major household growth areas, population growth of all age demographics, and the localization of

healthcare, among other trends that will be further explored in following documents. Retail development activity increased in the 2000s following strong residential growth in the previous decade and has continued into the past decade.

Figure 2. City of Sherwood Square Feet of Development by Year, 1990-2021



Source: Costar, Metro RLIS (SFR Data), LCG

Table 3. City of Sherwood Residential Units and Square Feet of Development by Decade Built

Year Built	SFR Units	Multifamily Units	Industrial	Office	Retail	Health Care	Hospitality
Pre-90s	672	225	177,139	29,319	164,187	0	0
'90 to '00	2,844	256	709,574	38,265	107,812	52,893	0
'00 to '10	1,655	261	332,881	127,036	402,803	0	0
'10 to '20	349	249	626,206	20,000	327,462	0	70,993
Total			1,668,661	185,301	838,077	52,893	70,993

Source: Costar, Metro RLIS (SFR Data)

Industrial

The Sherwood industrial submarket contains around 1.7 million square feet of industrial space and can be considered a mid-sized submarket. The industrial sector has generally been shielded from the worst effects of the COVID-19 pandemic, and rapid growth in demand for distribution facilities—largely due to ecommerce—has spurred significant new investment activity. There is potential to capitalize on these opportunities in Sherwood given the proximity to Highway 99W.

Vacancies have increased significantly over the past year to 13.0 percent, up from 5.1 percent at this time last year, which, in turn, was slightly lower than the five-year average of 5.4 percent. However, this appears largely because of the three new buildings in the Cipole Industrial Park (TEA) completed in 2020 that total about 240,000 square feet and are yet to be fully occupied. According to Costar, leasable available industrial space totals 290,000 square feet of a total inventory of 2.2 million. According to the City of Sherwood, approximately 34,000 square feet in one new building is being sold to a manufacturer and an unknown additional amount of square is likely to get sold to an Australian company for their North American headquarters. The higher vacancy rate should not, therefore, be considered an indication of weak demand.

Net absorption came in at 18,000 square feet over the past year, slightly above the five-year average of 14,400 square feet. Rents grew by 6.1 percent over the past 12 months, in line with the five-year average but lower than this time last year.

New development supply pressures on vacancy or rent are generally limited to the Tonquin Employment Area (described below) in the near term, although few other places in Sherwood could accommodate significant new development projects without larger tracts of additional land being planned for employment uses, such as in Sherwood West. As indicated previously, the EOA indicated a surplus of industrial land, but most of it was small, challenging to develop sites.

Leland Consulting Group understands that there is significant interest in Sherwood from industrial users that is likely to continue the considerable construction activity seen in Sherwood over the past three years. Between 2018 and 2020, approximately 250,000 square feet of industrial space was delivered to market, representing a 12.8 percent cumulative expansion of the inventory. As this recent inventory expansion is absorbed by new or expanding users in the area and the available land supply diminishes, there may be a slowdown in industrial construction in the near term (approximately 2-5 years) until additional land is planned for industrial expansion opportunities. As one of only a handful of new growth areas in the metro, Sherwood West may capitalize on this and other several pertinent trends over a longer timeframe, including:

- Increasing automation of the manufacturing industry will decrease company's needs to locate near large population clusters and potentially result in companies seeking land on the urban periphery.
- Rapidly shifting consumer behaviors, such as ecommerce growth, will continue to enhance demand for distribution and land-mile warehousing facilities.
- Electrification and automation of vehicles will continue to require distributors to locate near major transportation routes.

Tonquin Employment Area. The Tonquin Employment Area (TEA) was brought into the region's UGB by Metro in 2004 and the City of Sherwood completed a concept plan for the area in 2010. The TEA vision is of industry supporting high-tech manufacturing and traded sector jobs. Properties within the Tonquin Employment Area will be annexed into the City of Sherwood upon request by the property owners. Upon annexation, the properties will be zoned Employment Industrial (EI).

There has not yet been a completed project within the TEA since the adoption of the concept plan, there are several projects in the pipeline at various stages of planning and development.

- Most notably, a large multi-phase project called the T-S Corporate Park, which involves five industrial buildings on 46.53 acres, is underway at 12822 SW Tualatin Sherwood Road. Two buildings totaling about 144,000 square feet are underway and a third 183,000 square foot building is proposed for 2022, per Costar data and the City of Sherwood. Upon completion of all



five buildings, T-S Corporate Park is expected to contain approximately 535,000 square feet of space for warehousing and industrial uses. At an estimated employment density of 1,000 square feet per employee, the T-S Corporate Park would employ around 535 people. According to the City of Sherwood, there is strong interest from a variety of companies, including tech, advanced manufacturing, and ecommerce occupiers. It was also indicated that there is more interest than the site can accommodate.

- South of the T-S Corporate Park, the Willamette Water Supply Program will begin construction of a water treatment plant on two acres of 46 total site acres beginning in late 2021-early 2022. The treatment plant improvements will include the construction of a portion of Orr Drive, an important east-west connection within the TEA.
- Multiple parcels totaling approximately 60 total acres with frontage on SW Oregon Street are controlled by a major investment company. Two-thirds of the site is currently annexed and the remainder is likely to be annexed soon, with plans for a 900,000 square foot industrial park with multitenant buildings known as the Sherwood Commerce Center.
- Two parcels containing 38.7 acres fronting onto SW Tonquin Road were annexed in early 2021. According to the City, the property owner has indicated plans to develop approximately 400,000 square feet of new industrial space on the property.
- A 9.2-acre property with frontage on SW Oregon Street and SW Tonquin Road was annexed in early 2021. There is a pre-application submittal for over 100,000 square feet of new industrial space.
- There was previously interest in developing a 4.6-acre site frontage SW Oregon Street, but the owner has indicated holding off until there is more information about the proposed east-west industrial collector road through the TEA.
- Other properties in the TEA are generally accessible by Dahlke Lane, but development challenges include the quality of the road, the location of the major Bonneville Power Authority and PGE transmission lines, incompatible existing development requiring redevelopment, limited quality access, and various topographical and environmental barriers. It is expected that these properties will develop last in the TEA.

Office

Sherwood's office submarket is locally oriented with roughly 200,000 square feet of office space. The vacancy rate has risen somewhat over the past 12 months as of 2021 Q2, but at 2.3 percent, the rate was well below the 10-year average of 6.1 percent.

Annual net absorption for the past year is negative 2,700 square feet, reflecting an increase in vacancies that were likely induced by the COVID-19 pandemic. Over five years, net annual absorption has averaged 1,100 square feet. Despite the rising vacancies and challenges of the last year, average rents increased by 1.7 percent over the past year—slightly lower than the 3.0 percent average change over the past decade—to a 10-year high of \$24.61 per square foot.

There are no development supply pressures on vacancy or rent in the near term, as there is no new known office construction in the pipeline. This lack of construction extends a prolonged hiatus from new development in the Sherwood area; it has been more than 10 years since an office project was delivered. The Economic Challenges and Constraints memo that follows this document will provide additional details about specific opportunities to include office space as a component of employment-oriented land development.

The pandemic remains a major disrupter to the economy at large and creates uncertainty in the development and investment community. Looking ahead, the effect of the pandemic has the potential to redefine the use of office space, as employers reevaluate the safety and health of workers. As the office sector emerges from the COVID-19 pandemic, there may be pent-up demand for new leasing opportunities, particularly offices in suburban locations that offer more space at more affordable rates than premier office locations like the Portland CBD.

Retail

Retail vacancies in Sherwood, at 2.7 percent, are lower than the five-year average of 5.0 percent, albeit higher than this time last year. The rate is also significantly lower than the region's average. Meanwhile, rents have increased by four percent in the past year, slightly lower than the five-year average of 4.2 percent.

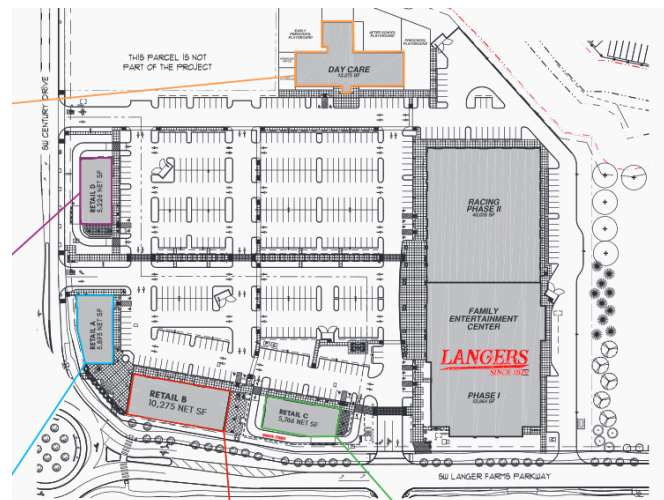
New construction has averaged approximately 50,000 square feet annually over the past five years, although nothing has been built in the past year since the COVID-19 pandemic began. Except for Parkway Village South (described below), there is very little new development in the pipeline and Sherwood does not appear to face a burgeoning wave of development supply pressure. Retail investors are also reasonably active in Sherwood and pricing is above the region's average.

The commercial real estate environment, and particularly the retail sector, remains uncertain due to the pandemic and the increasing demand for ecommerce. Even with vaccines, it is probable that retailers will continue to face turbulence in the coming quarters. Those effects will likely linger for the foreseeable future, impacting demand, rent growth, and the capital markets in the process. However, as household growth occurs in Sherwood and in nearby areas (including the competing UGB expansion areas to Sherwood West that are described later in this memo), there will be increased demand for new retail development. Retail in Sherwood is likely to draw most of its customers from within the City and from areas to the south, rather than from areas to the north and east where there are preexisting retail and commercial clusters. That being said, unique regional drawers or major destinations will likely have a much larger trade area from which to pull customers than convenience-based retail.

Parkway South. There is a substantial new development under construction in Sherwood called Parkway South on the area bounded by SW Langer Farms Parkway and SW Century Drive.

At 132,000 square feet of gross leasable area (GLA), Parkway South is anchored by a 53,000 square foot family entertainment center—the only building currently built. Among the other proposed buildings are a 12,275 square foot daycare facility and a 40,000 square foot indoor racing facility. Approximately 27,000 square feet of in-line tenants on “pad” sites make up the remaining buildings.

The fact that the only new major commercial center planned for this part of the metropolitan region is primarily non-retail is telling and reflects the changing composition of commercial development and a desire for differentiation in an often saturated retail market.



Rental Residential

Sherwood shares a multifamily/apartment submarket with Tualatin and is conveniently located between major employers in the Sunset Corridor and Wilsonville. Vacancies generally trend below the regional Metro area rate, but can be volatile as there are only 3,888 total units (1.9 percent of the regional market), so small changes in new inventory or absorption can make significant impacts. Regardless, occupancy is currently at 95.9 percent—close to the five-year high—indicating strong and consistent demand for new development.

Annual rent growth 6.0 percent in the past year, up from an annual average of 3.3 percent over the past five years. Rent growth in 2019 was triple Portland's overall average, ranking near the top of all apartment submarkets in the region, but slowed in 2020 due to the coronavirus pandemic.

Only four new developments were delivered to the market in the past decade, representing about 320 total units, and no additional projects are in the pipeline. Though few multifamily sales have occurred since 2017, the submarket occasionally sees sizable institutional investment.

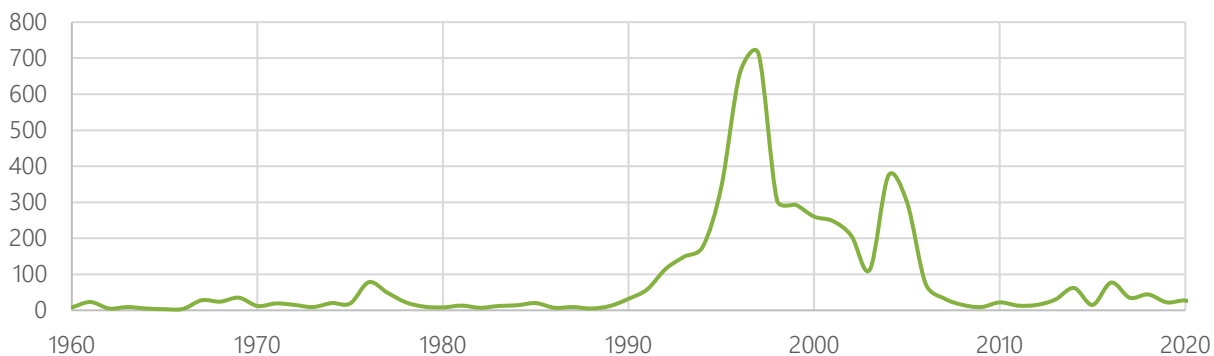
Significant growth in the population aged 55 and over has given rise to the growing demand for certain housing types, including apartments, assisted living facilities, and small-format single-family detached and attached residential.

Ownership Residential

Sherwood's owner-occupied housing market is considered competitive, with a sale-to-list price ratio of around 101.3 percent and averaging less than 20 days on the market before going pending.

Sherwood's housing stock is relatively new compared with the rest of the Portland Metro region. Almost half of all Sherwood single-family homes were built in the 1990s, averaging 284 new units built per year, with another third built in the 2000s, averaging 150 new units built per year. Construction slowed since 2010, with new construction averaging 32 units per year, impacted by both the lasting effects of the Great Recession and the diminishing availability of buildable residential land (not including the Brookman area). Upon annexation of additional residential land in the Brookman area, single-family residential construction is expected to pick up again. The city has annexed roughly 65 acres to date and three new subdivisions have been approved with a total of 232 lots. These households will generate demand for both nearby commercial amenities and services and employment opportunities.

Figure 3. Single-family Homes by Year Built



Source: Metro RLIS

In March 2021, Sherwood home prices were down 5.9 percent compared to last year, selling for a median price of \$585,000. On average, homes in Sherwood sell after 16 days on the market compared to 22 days last year. There were 37 homes sold in March this year, up from 22 last year.

Hospitality

While the hotel industry has been among the most significantly impacted real estate sectors by the COVID-19 pandemic, it is now seeing buyers flock to distressed properties. Sales have surged nationwide; a clear signal some commercial real estate investors are ready to act while others may still be waiting for similar action in other sectors such as office or retail.

Sherwood's only hotel—a 73-room, 71,000 square foot Hampton by Hilton—was built recently in 2020 along Highway 99W, reflecting a highly limited market.

The hotel industry appears poised for recovery as people begin to travel once more. However, future disruptions in the near term (0-2 years), such as new waves of coronavirus infections, continuing competition from Airbnb and similar

models, too few hotel workers and patrons vaccinated, a glut of supply, and continued reduced business travel may continue to dampen hotel prospects. That being said, there are most likely opportunities that can capitalize on Sherwood's proximity to Wine Country and an increasing number of prominent companies in the area, among other emerging trends. These opportunities will be further explored in later tasks.

Southwest Metro Region Expansion Areas

Sherwood is part of the Metro region. All cities in Metro share one regional UGB. This boundary is the line between urban and rural/resource uses and development. The following map shows the location of Sherwood West relative to the current location of Metro's urban and rural reserves, denoted in blue and green, respectively. Understanding the timing of the development in both of these areas is critical to determining the extent of the demand for various uses in Sherwood West in the near- and mid-term, as well as how much land will be needed to serve longer-term growth.

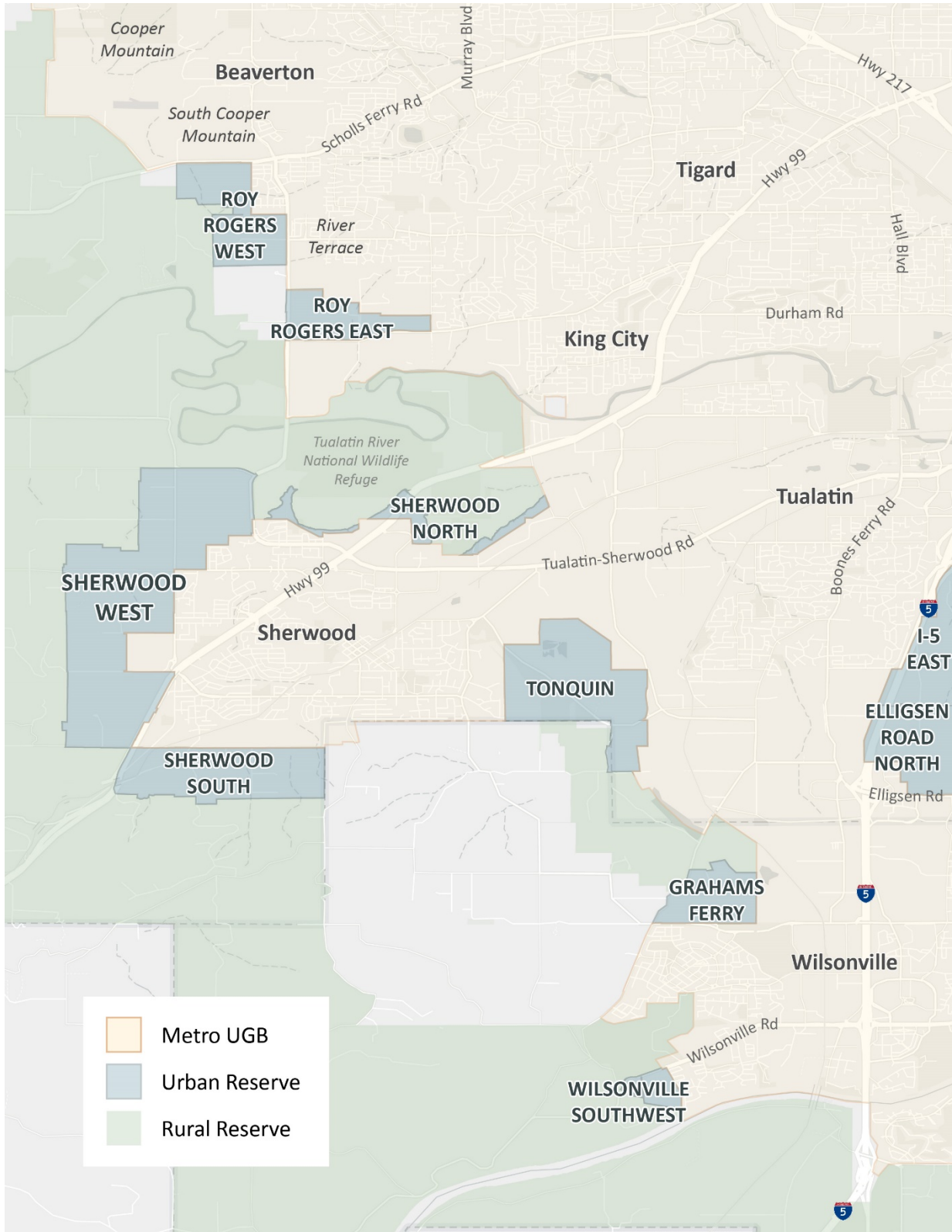
The reserves designated by Metro represent the region's policy regarding land supply needed over the next 50 years. However, the Portland metropolitan region has experienced higher-than-expected economic growth and housing construction, resulting in a quickly diminishing availability of developable land since the designations. A reassessment of land needs, therefore, is likely to be triggered sooner than expected.

In short, it is safe to assume that areas to the west and south will be developed at some point. This analysis, therefore, takes a phased approach to assessing development potential in Sherwood West. In the near term (0-10 years), Sherwood West will continue to be an edge location. As development occurs over the longer-term (20+ years), it will become increasingly central to surrounding neighborhoods. Thus, it is important to identify short-term opportunities based on the current market while maintaining a long-term outlook, particularly if the City's vision for economic development does not align with what the current market allows.

Sherwood West is one of several planned expansions in the southwest metro region. Others include Tigard River Terrace, Beaverton Cooper Mountain, and King City West. How and when these areas develop will directly impact the market and compete with the study area.

Other expansion areas exist along the I-5 and I-205 corridors. These areas are in various stages of planning but are likely to serve a different market area and, therefore, not directly compete with Sherwood West. For major employment uses, there might be some level of competition at the regional level, but Leland Consulting Group anticipates sufficient demand for these uses. A myriad of other challenges also pose barriers to developing these areas, including topography and political hurdles.

Figure 4. Metro Urban and Rural Reserves



The following table summarizes the scale of planned development in each of these expansion areas.

Table 4. Planned Development Summary

Expansion Area	Commercial / Employment	Residential	Additional Notes
River Terrace 1.0	25,000 to 40,000 sq. ft. (building area)	2,587 units; 75% Single-family, 25% Multifamily (about 1,200 units built to date)	Residential Development is currently underway and is expected to finish in the next several years. Construction of commercial space is expected in late 2021.
Tigard River Terrace 2.0	10 to 30+ gross acres of employment and/or commercial uses	Approximately 3,100 to 4,500 total residential units,	A mix of SFR detached and attached and MFR apartments are expected. Employment uses are desired by the City.
Cooper Mountain (CM), Beaverton	10-acre main street commercial Est. 80,000 to 120,000 sq. ft. (building area)	South CM: 3,430 units Urban Reserve Area: 3,760 units North CM: 300 units	Residential Development currently underway, existing high school, future development at North Cooper Mountain. Limited competition.
URA 6D King City (King City West)	Est. 54,000 to 85,000 sq. ft. (building area)	3,576 units, including a mix of single-family and multi-family homes.	Limited existing household support and physical barriers limit market area, this area is the most removed from centers of population and employment.

Source: LCG

The UGB expansion areas are expected to get built out in the following order.

- River Terrace 1.0
- South Cooper Mountain
- King City West (URA 6D)
- River Terrace 2.0

King City 6D

King City Urban Reserve Area 6D is a 528-acre expansion area to the west of the existing city limits. SW Beef Bend Road and SW Roy Rogers Road border the area on the north and west, respectively. The south boundary is formed primarily by the southern segment of SW Elsner Road and the Tualatin River.

According to the 2018 concept plan, the area could accommodate as many as 3,576 housing units, including 1,222 multifamily units, 560 single-family attached, and 1,794 single-family detached. The 2017 King City Market Study estimated 500 to 950 housing units could be absorbed within the first 10 years of construction.

King City is looking to develop a town center, which is likely to serve these new residents. Development is likely to compete with River Terrace 2.0 or be part of a compatible commercial/employment cluster near Beef Bend Road.

Tigard River Terrace

River Terrace 1.0 is a 500-acre area on Tigard's westernmost edge. It was added to the region's Urban Growth Boundary in 2002 and 2011 to accommodate future housing needs. Approximately 1,200 units are currently built in the area, about

three-quarters of which have been built since 2016 (233 were built between 2000 and 2015). Continued build-out of Tigard River Terrace 1.0 (excluding the River Terrace 2.0 West and South study areas) will result in a total of 2,600 residential units (single-family and multifamily), approximately 25 percent of which will be multifamily.

The River Terrace Town Center is also proposed in the area, a “Main Street” development type that will include 350 residential rental units and 25,000 to 40,000 square feet of neighborhood-serving commercial, likely involving a small format or specialty grocer, medical or professional/financial offices, and food service and drinking establishments. Development is expected to start in late 2021.

River Terrace 2.0 is the next phase of planning in this area. Two urban reserves are totaling over 500 acres to the west and south of the current River Terrace (1.0). River Terrace 2.0 is expected to feature a wider variety of housing options (with average residential densities of 16 to 24 units per acre), recreation, and employment areas. River Terrace 2.0 is expected to add between 3,100 to 4,546 units at full project built out.

Between 10 and 30 or more acres have been identified for commercial and employment uses. It remains too early in the planning process to describe these plans in more detail.

Collectively, the River Terrace areas may include more than 11,000 new residential units and substantial land planned for commercial and employment growth.

Beaverton Cooper Mountain

The Beaverton Cooper Mountain Community Plan is a multi-year effort to plan for the 1,232-acre Cooper Mountain area, which was added to the region’s urban growth boundary in 2018. The Cooper Mountain Community Plan will establish a long-term vision for the area’s growth and development to support welcoming, walkable neighborhoods that honor the unique landscape and ensure a legacy of natural resource protection and connection. The Cooper Mountain area is located southwest of Beaverton outside the current city limits.

The Cooper Mountain area consists of three areas: a 510-acre area to the north that is inside the UGB but still in unincorporated Washington County; a 544-acre area to the south that was annexed into the city in 2012 (South Cooper Mountain); and a 1,232-acre urban reserve area in-between.

Urban Reserve Area. Current Washington County zoning is primarily Agricultural and Farmland and Rural Residential zones; however, Beaverton will apply its own zoning to the area once properties are brought inside city limits and the area is anticipated to provide at least 3,760 future homes, including a mix of single-family, multi-family, and middle housing types such as townhomes, duplexes, triplexes, and fourplexes. The City anticipates completing the Community Plan in December 2022, after which it will begin accepting owner-initiated applications for annexation and development.

South Cooper Mountain. Due to its proximity to Sherwood and location on Scholls Ferry Road and near Roy Rodgers (providing north-south access to Sherwood), the 554-acre South Cooper Mountain is expected to be the primary competition for new development in Sherwood West out of the three Cooper Mountain areas. The South Cooper Mountain Plan shows that the area could support up to 3,430 housing units and between 47,000 and 142,000 square feet of new commercial space, which would primarily be driven by demand from new residents. South Cooper Mountain is expected to be nearly built out as early as 2024. There is also a new high school that will hold up to 2,200 students and 200 staff.

North Cooper Mountain is slated to support another 300 housing units if new zoning is adopted in the northern portion of the area; utilities are made available; and, properties annex to the City of Beaverton.

Transportation

The regional transportation network serving Sherwood West and surrounding areas is planned for a number of updates and improvements that will be needed to serve future residential and employment growth and changing land use patterns. Washington County recently completed an Urban Reserves Transportation Study (URTS) project, which is intended to inform concept planning in the urban reserves (including Sherwood West), help ensure that the County meets mobility and capacity standards on area roadways, and provide a roadmap to funding transportation system improvements as the urban reserves develop in the future. Notable projects in the vicinity of Sherwood West include:

- **Roy Rogers Road:** Washington County plans to expand SW Roy Rogers Road to a five-lane arterial (two travel lanes in either direction plus a center turn lane) south into Sherwood through to Highway 99W. The final southerly extent of this improvement will be from Chicken Creek to Borchers Drive. The estimated \$14 million project is funded by the County's MSTIP program, and it is planned for completion by Spring 2024. This regional corridor connects SW Scholls Ferry Road to Highway 99W and connects between job centers in Hillsboro, Beaverton and housing areas in Sherwood, Wilsonville, and western Clackamas County.
- **Tualatin Sherwood Road/Roy Rogers Road:** Washington County plans to widen Tualatin-Sherwood Road/Roy Rogers Road, between Borchers Drive and Langer Farms Parkway, to five lanes with bike lanes and sidewalks and additional turn lanes at Highway 99W. The project is expected to begin in Fall 2021.
- **SW Brookman Road:** When the Sherwood West area annexes to the City, SW Brookman Road (SW Chapman Road) will be upgraded to an urban facility with facilities for bicycling and walking, and the City is exploring crossing solutions at Highway 99W.



TRANSPORTATION ISSUES MEMO

DATE: April 29, 2021

TO: Joe Dills and Kyra Haggart | Angelo Planning Group

FROM: Carl Springer | DKS Associates

SUBJECT: Sherwood West Concept Plan Re-Look, Transportation Issues Project #21057-000

PURPOSE

The Sherwood West Concept Plan Re-Look will update the land uses and community plan envisioned in the Sherwood West Preliminary Concept Plan, which will influence the transportation systems that serve it. This memorandum highlights key transportation considerations, including what has changed since Preliminary Concept Plan was completed in 2016 to inform strategic transportation system choices for Sherwood West.

The purpose of this memorandum is to summarize the key transportation issues and projects that will be addressed through this Concept Plan update. It is recognized that transportation system planning works best when it responds to the existing and future needs of its users, which are represented by how land use plans are organized. The transportation plan must also respect the environmental and topographical constraints that are present within Sherwood West.

LAND USE ISSUES

This update is expected to take a new approach in the land use plan which has a direct impact on transportation systems. Studies completed since 2015 indicate greater community needs for employment and mixed-use commercial areas to help Sherwood better balance the mix of jobs and housing that are accessible to the community. This kind of change will affect the travel patterns during commute hours and have some influence on the kinds of services and public amenities that are suitable to support this area. Also, recent state land use regulations have modified single-family zoning requirements to encourage a mix of housing types within each new neighborhood (HB 2001). This is expected to yield higher residential densities than was previously reflected in the preliminary concept plan.

In addition, the new Sherwood High School campus will be reflected in this plan, which was not a part of the prior work. The transportation demands of a high school campus represent a significant change, in terms of the intensity of travel in this area; the reliance on safe and comfortable

walking and bicycling systems in Sherwood West; and, the ability to provide north-south connectivity on the west side of SW Elwert Road. Several major new street improvement projects have already been constructed to support the new school. However, in developing the rest of the concept plan's transportation system, these unique school-related travel needs will be considered to ensure a consistent and connected service to all neighborhoods that are expected to utilize this campus.

Outside of the City of Sherwood, new growth along the Roy Rogers Road corridor now has better plans or updated information that was not available five years ago. Growth in these areas will influence regional travel conditions, which could include local routes within Sherwood West like SW Elwert Road. These new external growth areas include Cooper Mountain in Beaverton, expansions to River Terrace in Tigard, and Kingston Terrace, the new western expansion of King City extending to Roy Rogers Road. Taken together, these nearby growth areas will add thousands of additional families that will rely on the same regional transportation system that serves the Sherwood West community, and they need to be considered in assessing the travel conditions for the Sherwood West Concept Plan.

TRANSPORTATION SYSTEM ISSUES AND PROJECTS

This section provides a review of pending regional transportation system improvement projects and also highlights several previous street elements within the plan boundary that will be revisited through this process.

ROY ROGERS ROAD

Washington County plans to expand SW Roy Rogers Road to a five-lane arterial (two travel lanes in either direction plus a center turn lane) south into Sherwood through to Highway 99W. The final southerly extent of this improvement will be from Chicken Creek to Borchers Drive. The estimated \$14 million project is funded by the County's MSTIP program, and it is planned for completion by Spring 2024. This regional corridor connects SW Scholls Ferry Road to Highway 99W and connects between job centers in Hillsboro, Beaverton and housing areas in Sherwood, Wilsonville, and western Clackamas County. Horizon year (2040) travel forecasts are roughly 40,000 vehicles on an average weekday, which is similar to levels observed today on Highway 99W between Tigard and Tualatin. This high level of travel demands may influence the type and location of potential development along the SW Roy Rogers Road corridor, specifically making it more attractive for retail and mixed-use development.

BROOKMAN ROAD

The SW Brookman Road extension ultimately will define a new southern edge of Sherwood. When properties in the Brookman Addition area annex to the City, SW Brookman Road will be upgraded to a full urban arterial facility and its current intersection with Highway 99W will be upgraded to comply with Washington County and ODOT standards for driving, bicycling, and walking. The recent update to the Brookman Addition Concept Plan recommended an interim 3-lane arterial cross-section on Brookman Road until such a time as a 5-lane section is required. The scope and character of the 99W crossing is still under discussion, and the City has stated a desire to explore

an overcrossing roadway rather than at-grade intersection to provide a more convenient and safer route east-west. The SW Brookman Road extension west of Highway 99W (via SW Chapman Road) will also serve as the southern edge of the greater Sherwood West planning area and provides important connections to planned north-south routes that lead up to SW Krueger Road. Ultimately, the timing of the Brookman Road upgrade is tied to land use actions to bring this area into the City of Sherwood. At this time, the County has not programmed funding for these improvements.

HIGHWAY 99W

This state facility is a primary north-south regional highway serving Sherwood. The high speeds, crossing width, and limited crossing opportunities make it a significant barrier for intra-city travel within Sherwood, especially for walking and bicycling travelers. At the time the new high school campus was considered by the City in 2017, a potential solution was identified that would provide a new highway overcrossing for walking and bicycling near the southern end of the campus. Initial feasibility studies have been done to provide a non-motor vehicle crossing just north of SW Sunset Boulevard that extends over Highway 99W to the far side of SW Elwert Road. This connection should be considered as part of the Sherwood West planning process.

ELWERT ROAD

SW Elwert Road is a direct north-south route between SW Scholls-Sherwood Road and SW Krueger Road. It spans a significant portion of the Sherwood West Planning area and is a common alternative route to Highway 99W for local and diverted regional travel. It will be important to strike a balance between local connectivity and regional travel needs when developing the ultimate design of this facility as it is upgraded to urban standards. Several aspects of this route that should be considered include:

- **Intersection with SW Scholls-Sherwood Road** – This intersection will likely need upgraded traffic controls and a more defined intersection area as the adjoining farmlands are developed.
- **Intersection with Elwert Road at Edy Road** – This intersection is adjacent to Chicken Creek and significant environmentally constrained lands. The prior plan recommended a double roundabout solution to minimize environmental impacts and to discourage attractiveness of regional through traffic.
- **Intersection with Elwert Road at Kruger Road** – This intersection was recently improved to a larger roundabout and road re-alignments as part of the high school campus project to address chronic congestion and safety concerns. As the remaining lands to the south are planned for development, the adequacy of this improvement will be re-evaluated.
- **Parallel routes to Elwert Road** – As the preliminary concept plan is revised, the consultant team will seek out opportunities for parallel routes further to the west that can provide local travelers with more north-south options, particularly for access to the high school campus area.

MULTIMODAL TRAVEL OPTIONS

A key component of the transportation network for Sherwood West will be to incorporate safe and convenient walking and bicycling facilities into the higher classification street facilities. All of the local arterial and collector

class streets will have these elements added to the cross-sections for planned improvements. In addition, the natural areas and varied terrain offer opportunities for a separate trail system to promote non-motorized travel away from the roadway network. Transit does not currently serve the immediate Sherwood West area. The closest TriMet service is Route 94 which connects to Portland along Highway 99W. The nearest stop is over a mile away. The concept plan should explore how to make the area “transit-ready” with transit-supportive land use and sufficient connectivity of the street system. In addition, consideration should be given to micromobility solutions like scooters and bike-sharing to help address first/last mile challenges.