SHERWOOD WEST CONCEPT PLAN

AGENDA

Technical Advisory Committee Meeting #11

DATE: March 2, 2023
TIME: 2:00 – 4:00 PM
LOCATION: Virtual – ZOOM platform. To provide public comment, please send an email to Erika Palmer, Planning Manager at palmere@sherwoodoregon.gov at least 24-hours prior to the meeting to receive instructions on how to participate. Public comments are limited to three minutes. The meeting will be recorded and posted to the City of Sherwood's YouTube Channel: https://www.youtube.com/user/CityofSherwood.

Meeting Purpose

- Review and discuss preliminary draft Infrastructure Funding Strategy
- Review draft outline for Concept Plan document
- Review final Concep Plan Maps

Agenda

2:00 PM	**1. Welcome**	Erika Palmer, City of Sherwood
2:05 PM	**2. Public Comment**	Erika Palmer
2:15 PM	**3. Preliminary Draft Infrastructure Funding Strategy** *The packet includes an initial draft Infrastructure Funding Strategy, which identifies potential funding tools for financing catalytic infrastructure projects in Sherwood West. A brief presentation will be followed by TAC discussion.*	Chris Zahas, Leland Consulting Group
3:00 PM	**4. Draft Concept Plan Outline** *The draft annotated outline in the packet provides an overview of the content that will be included in the Sherwood West Concept Plan. The project team is seeking feedback from the committee on the draft outline.*	Kate Rogers, MIG|APG
3:30 PM	**5. Revised Concept Plan Maps** *The project team made a few final changes to the Concept Plan maps based on input provided at the last committee meetings. This includes the CAC's selection of "Option B" for the community park in*	Kate Rogers, MIG|APG

the North District and a few other adjustments. The team is seeking the committees' final sign-off on the maps to be included in the Concept Plan.

3:55 PM **6. Summarize Next Steps and Adjourn** — Kate Rogers, MIG|APG; Erika Palmer, City of Sherwood

Packet Contents:

1. TAC 10 Meeting Minutes
2. Preliminary Draft Infrastructure Funding Strategy
3. Draft Concept Plan Outline
4. Revised Concept Plan Maps

SHERWOOD WEST
CONCEPT PLAN

MEETING MINUTES

Technical Advisory Committee (TAC)

DATE: January 12, 2023 – Meeting #10
TIME: 2:00 PM to 4:00 PM
LOCATION: Virtual Online, YouTube Link: https://www.youtube.com/watch?v=5S80qllSqVY&t=10s

TAC Members Present: Glen Hamburg, Jessica Pelz, Tim O'Brien, Matt Craigie, Bruce Coleman, Glen Bolen, Chris Faulkner, Gabriela Frask, Mike Weston, Preston Korst, Eric Rutledge, Jason Waters, Joy Chang, Colleen Resch, and Erika Palmer.

Consultants Present: Joe Dills, Darci Rudzinski, and Kate Rogers with MIG/APG, and Carl Springer with DKS Engineering.

Agenda Item

1. Welcome and Introductions
Erika Palmer asked if there were any changes or comments to the November 17, 2022, meeting #9 minutes and there were none.

2. Public Comment
Jeff Kleinman representing the Eastview Road Neighborhood Association said what is proposed is a road to nowhere with very little benefit to be gained.

Chris Clemow provided testimony on behalf of the Eastview Road Neighborhood Association. He said the concern is the focus on Eastview Road functioning as a regional road. He said the City needs to focus on other alignments.

Ms. Palmer said they also received public comments via email from Brian Fields, Dennis Christen, Pete LaRocca which was sent out to the TAC (see record, Exhibit A).

3. Draft Concept Plan Map Summary
Mr. Dills provided a presentation and summarized the Concept Plan & District Land Use Themes map (see record, Exhibit B). Ms. Rogers explained the process of developing the map. She stated the CAC preferred Alternative 1 for the North and Far West districts and Alternative 2 for the West and Southwest districts. She said this was the driving force in developing the land use map. She said they did some rebalancing of the housing and refinements over the last few months. She discussed a potential refinement to the North district park and said there is a proposed park near Chicken Creek and then

there are three options for a second park. She commented on Option A and noted the property owners are interested in residential instead of a park. She said Option C is a potential community park located on Roy Rogers and said the City has acquired the property but it would take away from employment lands. Option B is a potential park west of Elwert Road.

Mr. Dills provided a Trails, Parks & Open Space map and Streets map. Ms. Rogers noted the Eastview Road as a North-South Connector is not on these maps. Mr. Dills asked for questions or comments. Discussion followed. Mr. Dills asked which park option they preferred. The majority of the Committee preferred Option C – Park on Roy Rogers Road. Bruce Coleman asked how much Employment land would be lost with Option C. Ms. Rogers said a net loss of 20 acres which equates to 360 jobs.

4. Conceptual Transportation Diagram & Narrative

Mr. Dills said separate diagrams and narratives will be included in the Concept Plan. Key ideas include SW Elwert realignment requires further study, north-south connectivity route is conceptual, and the City intends to continue studying this as a long range planning effort.

5. Traffic Analysis

Carl Springer commented on the Traffic Impact Analysis and the issues that were considered. The TIA evaluation addressed how the current land use concept compares with previous planning, key findings, and recommendations. He discussed plan area streets and said all streets will be upgraded to comply with city urban standards. He said Scholls-Sherwood, Elwert, Edy (east of Elwert), and Chapman will all have one travel land in each direction with center turn lanes. He said the TIA also includes a pedestrian overcrossing near Sunset, overcrossing north of Brookman-Chapman, Elwert Road re-alignment, and further study of a north-south connector. He discussed future travel conditions within the study area and stated forecasted traffic volumes are similar to those from URTS. He said the recommendations of the study include adopt a design concept for Elwert Road for 3 lane arterial with bike lane and sidewalks, further study for re-alignment of Elwert Road to pick best route and layout, upgrade Edy Road from Elwert Road to Borchers as 3 lane collector, upgrade Scholls-Sherwood to 3 lane arterial as development occurs, upgrade Edy west of Chicken Creek to 2 lane collector, and keep the north-south connector in the plan as a concept for future study.

6. Summarize Next Steps and Adjourn

Ms. Palmer said the next steps include finalizing the Concept Plan Maps, discussing infrastructure funding strategies, and a partial draft of the Concept Plan report. She anticipates having one more Sherwood West TAC meeting.

The meeting adjourned at 3:22 pm

Sherwood West Concept Plan

Infrastructure Funding Strategy Preliminary Draft

Date February 23, 2023

To Kate Rogers and Darci Rudzinski, MIG/APG

From Ellen Bini, Leland Consulting Group
Chris Zahas, AICP, Leland Consulting Group

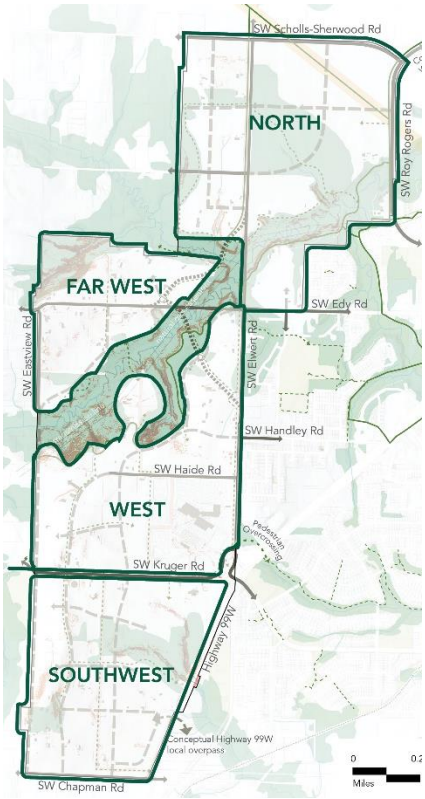
CC Erika Palmer, City of Sherwood

Introduction

This Infrastructure Funding Strategy memorandum accompanies the Sherwood West Preliminary Concept Plan Re-Look by providing a high-level estimate of infrastructure costs and potential tools for funding the development of priority districts in the Sherwood West area. It builds upon a preliminary exploration of infrastructure costs and funding tools that were developed during the 2016 Sherwood West Preliminary Concept Plan.

This memorandum is organized as follows:

- **Infrastructure Funding Gap Analysis.** We present a high-level summary of likely infrastructure costs required to make the various subdistricts of Sherwood West developable and compare them to the system development charges (SDCs) and other development impact fees that would be generated by development in Sherwood West to help pay for such infrastructure. This calculation identifies funding gaps that will need to be addressed for Sherwood West to build out. The types of infrastructure evaluated in this memorandum include water, sanitary sewer, storm water, and transportation.
- **Funding Toolkit and Strategy.** To address the anticipated funding gaps, the memo identifies potential funding tools and strategies that could supplement the baseline SDC revenues to make development feasible. This memo builds upon the tools discussed in the 2016 Sherwood West Preliminary Concept Plan and recommends those that have the most promise for filling any funding shortfalls.



In all steps of this analysis and throughout this memorandum, the focus is on regional infrastructure necessary to provide access or utility service to development parcels. For the most part, this means major arterials, collectors and trunk utility lines that will serve multiple parcels within Sherwood West. Roads and infrastructure internal to development sites is not considered here and is assumed to be a developer cost.

Catalyst Projects

Based on City priorities and existing infrastructure availability, it is anticipated that two of the four districts in the current concept planning process—North and West—will develop first. Because infrastructure costs were provided by the City for sectors ("A" through "F," aligned with the 2016 Preliminary Concept Plan Phasing boundaries), the following analysis aggregates costs for sectors "C" and

"D" as the North district, and "A," "B," and "E" for the West/Southwest districts (Southwest included with West because sector "E" spans both West and Southwest). Appendix C includes the map that engineering used to estimate costs for Sectors "A" through "F." Through public investment and private development, attention in these districts will help lay the foundation for the long-term evolution of Sherwood West. The analysis, therefore, takes a close look at the infrastructure that will help these two areas serve as catalysts for subsequent development elsewhere in Sherwood West.

- **North District.** The North District is best suited for employment uses that support the City's economic development goals, and the concept plan accordingly shows a future focus on mixed employment uses in this area. Serving this area with appropriate infrastructure will be a challenge—requiring additional infrastructure analysis. Below is a list of projects that collectively account for over 70% of associated "hard" costs (or those not including design, construction, and land acquisition) for infrastructure serving this area. Transportation and water projects have the highest projected costs for this district, with the Elwert Road and Scholls-Sherwood improvements collectively accounting for 30% of costs, followed by 22% of costs attributed to water improvements along Elwert, Roy Rogers, and Scholls-Sherwood roads. Storm water improvements along Elwert Road account for 16% of costs, and a sewer trunk line extension accounts for an estimated 5%. It is expected that a large proportion of transportation project costs will be paid by developers on a project-by-project basis, though the City will need to plan for capital projects serving the area (e.g., the Elwert and Scholls-Sherwood intersection).

Table 1. North District Catalyst Project Cost Estimates

Project	Type	Cost	% of North District Costs
Elwert Road	Street	$7,432,500	24%
Elwert Road	Storm	$4,955,000	16%
Elwert Road	Water	$2,973,000	10%
Roy Rogers	Water	$1,836,000	6%
Scholls-Sherwood	Street	$1,830,000	6%
Scholls-Sherwood	Water	$1,830,000	6%
Trunk Line	Sewer	$1,650,000	5%
Total		**$22,506,500**	**73%**

- **West/Southwest Districts.** Development of the West District has already begun with the new high school, finished in 2021. In the current concept plan, this district is expected to be developed with a mixture of housing types and employment uses adjacent to Highway 99W. According to an infrastructure and phasing analysis prepared by City staff, this area can more readily accommodate most needed infrastructure improvements with existing water and sewer infrastructure currently being planned and constructed by Clean Water Services—but road construction and financing will pose significant costs and challenges throughout Sherwood West given the terrain, the presence of significant natural areas, and the current parcelization of the area. This finding is reflected in the list of major projects below, 39% of which are transportation-related, followed by 23% for water and 10% for storm water improvements.

Table 2. West/Southwest District Catalyst Project Cost Estimates

Project	Type	Cost	% of West/Southwest District Costs
New Collector (2-lane) in "A"	Street	$5,910,000	11%
New Collector (2-lane) in "B"	Street	$4,692,000	9%
Elwert in "A"	Street	$4,500,000	8%
Pump facility in "A"	Water	$4,500,000	8%
Finish Loop in "E"	Water	$3,440,000	6%
Highway 99 in "B"	Water	$2,520,000	5%
Elwert/Edy Intersection in "A"	Street	$2,400,000	4%
New Collector (2-lane) in "A"	Storm	$1,970,000	4%
New Collector in "A"	Water	$1,970,000	4%
Chapman Road in "E"	Street	$1,950,000	4%
Elwert in "A"	Storm	$1,800,000	3%
Chapman Road in "B"	Street	$1,695,000	3%
Total		**$37,347,000**	**69%**

Infrastructure Funding Gap Analysis

Methodology

The table below compares infrastructure costs and revenue scenarios to calculate the funding surplus (positive amounts) or gap (negative amounts) that would be generated through development fees. Some notes on the methodology used are included below, with a detailed account of the methodology used in Appendix B:

- **Revenues.** The primary revenues that will be generated by development in Sherwood West and used to fund infrastructure are system development charges (SDCs). Some additional funds may be available from other public agencies and other local funding tools, described briefly at the end of this memorandum. Estimated revenues for Washington County's Transportation Development Tax have been included here as well, as they may provide funding for transportation-related infrastructure, per the County's planning process. All revenues shown are based on a full build out of the area, and the land use programs developed during the current Sherwood West concept planning effort—with low and high scenarios for the housing estimates. The low housing scenario signifies 0 percent middle housing (2-4 plexes, townhomes, and cottage clusters) built in areas designated for single-family homes, and the high scenario signifies 20 percent middle housing. This analysis does not take into account the timing of infrastructure costs or revenues. Additionally, low and high scenarios for sewer revenue generation for Mixed Employment development were included, given the uncertainty over the scale of development.
- **Costs.** Not included are costs internal to development projects, such as site preparation and construction, that will be paid by private developers. The City will likely also have additional costs not covered here in the development of public spaces, such as parks design and development. Infrastructure costs for water, sanitary sewer, storm water, and transportation facilities were provided by the City engineering team. Low and high sewer flow count estimates for Mixed Employment uses were also provided by the City engineering team.

Table 3. Sherwood West Infrastructure Funding Gap Analysis

Preliminary Gap Analysis: Low Density Housing (0% Middle Housing), Low-End Mixed Employment Sewer Revenues Scenario

	Water	Sewer		Storm	Parks	Transportation		Total w/ all Revenues	Total w/ City Only Revenues
Revenues to City of Sherwood	City SDC	City SDC	CWS RCC	City SDC	City SDC	City SDC	County TDT		
North ("C" & "D")	$4,304,851	$435,991	$3,292,666	$1,849,623	$5,515,847	$6,965,572	$43,984,132	$66,348,681	$19,071,883
West/Southwest ("A," "B," "E")	$15,397,353	$1,956,996	$14,440,479	$2,590,460	$28,811,193	$36,113,466	$70,084,851	$169,394,798	$84,869,468
Far West ("F")	$4,674,244	$474,952	$3,504,625	$425,369	$7,933,413	$1,040,374	$5,288,942	$23,341,919	$14,548,352
Total Sources	**$24,376,448**	**$2,867,938**	**$21,237,771**	**$4,865,452**	**$42,260,453**	**$44,119,411**	**$119,357,925**	**$259,085,398**	**$118,489,703**
Costs to City of Sherwood									
North ("C" & "D")	$10,954,350	$3,531,250		$18,634,500	-	$20,995,625		$54,115,725	$54,115,725
West/Southwest ("A," "B," "E")	$27,749,100	$3,679,350		$22,312,850	-	$46,829,175		$100,570,475	$100,570,475
Far West ("F")	$7,476,000	$4,801,500		$10,447,500	-	$10,658,750		$33,383,750	$33,383,750
Total Uses	**$46,179,450**	**$12,012,100**		**$51,394,850**	**-**	**$78,483,550**		**$188,069,950**	**$188,069,950**
Funding Surplus/Gap	-$21,803,002	$12,093,609		-$46,529,398	$42,260,453	$84,993,786		$71,015,448	-$69,580,247

Preliminary Gap Analysis: High Density Housing (20% Middle Housing), Low-End Mixed Employment Sewer Revenues Scenario

	Water	Sewer		Storm	Parks	Transportation		Total	Total w/ City Only Revenues
Revenues to City of Sherwood	City SDC	City SDC	CWS RCC	City SDC	City SDC	City SDC	County TDT		
North ("C" & "D")	$4,923,371	$498,839	$3,756,416	$1,905,910	$6,565,637	$7,103,239	$44,683,992	$69,437,404	$20,996,996
West/Southwest ("A," "B," "E")	$20,690,117	$2,494,796	$18,408,854	$3,072,116	$37,794,396	$37,291,507	$76,073,653	$195,825,440	$101,342,933
Far West ("F")	$7,475,256	$759,564	$5,604,750	$680,269	$12,687,462	$1,663,811	$8,458,308	$37,329,420	$23,266,362
Total Sources	**$33,088,744**	**$3,753,199**	**$27,770,021**	**$5,658,295**	**$57,047,495**	**$46,058,558**	**$129,215,953**	**$302,592,264**	**$145,606,290**
Costs to City of Sherwood									
North ("C" & "D")	$10,954,350	$3,531,250		$18,634,500	-	$20,995,625		$54,115,725	$54,115,725
West/Southwest ("A," "B," "E")	$27,749,100	$3,679,350		$22,312,850	-	$46,829,175		$99,976,475	$100,570,475
Far West ("F")	$7,476,000	$4,801,500		$10,447,500	-	$10,658,750		$33,383,750	$33,383,750
Total Uses	**$46,179,450**	**$12,012,100**		**$51,394,850**	**-**	**$78,483,550**		**$188,069,950**	**$188,069,950**
Funding Surplus/Gap	-$13,090,706	$19,511,120		-$45,736,555	$57,047,495	$96,790,960		$114,522,314	-$42,463,660

Preliminary Gap Analysis: Low Density Housing (0% Middle Housing), High-End Mixed Employment Sewer Revenues Scenario

	Water	Sewer		Storm	Parks	Transportation		Total	Total w/ City Only Revenues
Revenues to City of Sherwood	City SDC	City SDC	CWS RCC	City SDC	City SDC	City SDC	County TDT		
North ("C" & "D")	$4,304,851	$517,882	$4,614,499	$1,849,623	$5,515,847	$6,965,572	$43,984,132	$67,752,405	$19,153,774
West/Southwest ("A," "B," "E")	$15,397,353	$1,956,996	$14,440,479	$2,590,460	$28,811,193	$36,113,466	$70,084,851	$169,394,798	$84,869,468
Far West ("F")	$4,674,244	$474,952	$3,504,625	$425,369	$7,933,413	$1,040,374	$5,288,942	$23,341,919	$14,548,352
Total Sources	**$24,376,448**	**$2,949,829**	**$22,559,603**	**$4,865,452**	**$42,260,453**	**$44,119,411**	**$119,357,925**	**$260,489,122**	**$118,571,594**
Costs to City of Sherwood									
North ("C" & "D")	$10,954,350	$3,531,250		$18,634,500	-	$20,995,625		**$54,115,725**	$54,115,725
West/Southwest ("A," "B," "E")	$27,749,100	$3,679,350		$22,312,850	-	$46,829,175		**$99,976,475**	$100,570,475
Far West ("F")	$7,476,000	$4,801,500		$10,447,500	-	$10,658,750		**$33,383,750**	$33,383,750
Total Uses	**$46,179,450**	**$12,012,100**		**$51,394,850**	**-**	**$78,483,550**		**$187,475,950**	**$188,069,950**
Funding Surplus/Gap	-$21,803,002	$13,497,333		-$46,529,398	$42,260,453	$84,993,786		$73,013,172	-$69,498,356

Preliminary Gap Analysis: High Density Housing (20% Middle Housing), High-End Mixed Employment Sewer Revenues Scenario

	Water	Sewer		Storm	Parks	Transportation		Total	Total w/ City Only Revenues
Revenues to City of Sherwood	City SDC	City SDC	CWS RCC	City SDC	City SDC	City SDC	County TDT		
North ("C" & "D")	$4,923,371	$580,730	$5,078,249	$1,905,910	$6,565,637	$7,103,239	$44,683,992	$70,841,127	$21,078,887
West/Southwest ("A," "B," "E")	$20,690,117	$2,494,796	$18,408,854	$3,072,116	$37,794,396	$37,291,507	$76,073,653	$195,825,440	$101,342,933
Far West ("F")	$7,475,256	$759,564	$5,604,750	$680,269	$12,687,462	$1,663,811	$8,458,308	$37,329,420	$23,266,362
Total Sources	**$33,088,744**	**$3,835,090**	**$29,091,853**	**$5,658,295**	**$57,047,495**	**$46,058,558**	**$129,215,953**	**$303,995,987**	**$145,688,181**
Costs to City of Sherwood									
North ("C" & "D")	$10,954,350	$3,531,250		$18,634,500	-	$20,995,625		**$54,115,725**	$54,115,725
West/Southwest ("A," "B," "E")	$27,749,100	$3,679,350		$22,312,850	-	$46,829,175		**$99,976,475**	$100,570,475
Far West ("F")	$7,476,000	$4,801,500		$10,447,500	-	$10,658,750		**$33,383,750**	$33,383,750
Total Uses	**$46,179,450**	**$12,012,100**		**$51,394,850**	**-**	**$78,483,550**		**$187,475,950**	**$188,069,950**
Funding Surplus/Gap	-$13,090,706	$20,914,843		-$45,736,555	$57,047,495	$96,790,960		$116,520,037	-$42,381,769

Findings

Across all four scenarios, City-only SDCs generated under a full buildout of Sherwood West are insufficient in covering estimated infrastructure costs for all categories for which costs were tracked, including water, sewer, storm, and transportation (Table 3 includes non-City revenues for sewer and transportation, and therefore shows a surplus for those categories). Parks show a surplus across all scenarios because the cost of parks were not included in this analysis. The smallest categorical shortfall across the four scenarios of $8,177,010 represents the gap for sewer funding under the high-density housing, high non-residential sewer flow scenario, while the largest shortfall of $46,529,398 is found for stormwater under both low housing scenarios (with low and high sewer flow counts).

When Regional Connection Charges (RCC) for Clean Water Services (CWS) and Washington County Transportation Development Taxes (TDT) are included, revenues generated for all four scenarios are sufficient in covering costs of sewer and transportation infrastructure. It is unusual to have a surplus on transportation infrastructure but that is the case here due to the sizeable County TDT revenues—which, at a sum of $119,357,925 for the low housing scenarios and $129,215,953 for the high housing scenarios, flip the low housing scenarios' shortfall of $34,364,139 to a surplus of $84,993,786, and high housing scenario shortfall of $32,424,992 to a surplus of $96,790,960. Additionally, cost estimates assume no Chicken Creek bridge, which would represent a significant expense and cut into the transportation surplus with TDT found by this analysis. This is a preliminary analysis and should be revisited as the City conducts additional infrastructure planning, as development is implemented, and as other aspects of development in Sherwood West change—including significant changes to costs and timing of development.

Funding Toolkit and Strategy

Preferred New Funding Strategies, Preliminary Concept Plan

The Phasing and Funding Strategy prepared by ECONorthwest for the Preliminary Concept Plan identified the four preferred funding tools (beyond baseline funding) listed below and highlighted in Appendix A. Text from the prior strategy is included below, and additional details on each funding tool and the scoring used in ECONorthwest's assessment can be found in the Preliminary Concept Plan.

- *"**Property Tax: General Obligation (GO) Bonds.** Local property taxes are committed to pay debt service on a city-issued GO Bond. GO bond levies typically last for 15 to 30 years for capital projects, and must be approved by a public vote. The effective property tax levied to support GO bond obligations can vary over time, based on the total assessed value of property within the jurisdiction that issued the bonds and the scheduled GO bond payment obligations."*
- *"**Supplemental System Development Charge (SDC**). Supplemental SDCs are additional SDCs charged on a specific sub-area of a city and are supplemental to the city's existing SDC."*
- *"**Local Improvement District (LID).** An LID is a special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. LIDs must be supported by a majority of affected property owners."*
- *"**Utility Fee.** A utility fee is a fee assessed to all businesses and households in the jurisdiction for use of specified types of infrastructure or public utilities, based on the amount of use (either measured or estimated). Most jurisdictions charge water and sewer utility fees, but utility fees can be applied to other types of government activities as well (both capital projects and operations and maintenance). A utility fee could be applied citywide or in a smaller area within a city."*

Recommended Funding Strategies

Since the Preliminary Concept Plan, nothing has changed to make these sources unavailable—and LCG recommends that they still be considered as options to supplement the existing baseline funding outlined in the gap analysis above.

Based on recent development experience in the region, especially Frog Pont West in Wilsonville, LCG recommends focusing first on Supplemental SDCs to meet any funding gaps. Supplemental SDCs are essentially additional developer costs to pay for infrastructure, but by using the SDC tool, they can help in sharing costs across multiple developers over time. As with standard SDCs, developers can be credited and/or reimbursed for oversized infrastructure that they construct that benefits other developers and/or the city as a whole. As with any development cost, the costs of supplemental SDCs will ultimately get passed on to homebuyers and commercial and residential tenants in the form of higher housing costs and rents. The next steps to implementing a supplemental SDC would involve the following, which should be managed by City staff with the support of a municipal finance consultant:

- Ongoing refinement of project engineering and costs;
- Outreach to property owners and developers to refine development projections and phasing and to negotiate the specifics of a potential fee;
- Financial modeling of a potential fee, including identification of specific projects that would be included in the fee and exploration of scenarios that might vary the fee in different parts of Sherwood West;
- Engagement of the Sherwood City Council and Planning Commission;
- Develop a final proposal for adoption.

Other funding tools discussed in the Preliminary Concept Plan could also be considered, but would be a lower priority than a supplemental SDC:

- **LID**: With LIDs, landowners within the district are assessed a fee based on the proportional benefits they receive from the district, established at inception. LIDs typically require the approval of 60 percent of the affected property owners in the district. Owners benefit from paying costs over time and the City's access to a lower interest rate. LIDs would have much the same impact as a supplemental SDC, therefore we recommend focusing on a supplemental SDC as the primary tool before considering using LIDs.
- **Utility fees**: Utility fees for regional infrastructure are much less common in Oregon and, while allowed, would be relatively unique and less familiar to developers than a supplemental SDC. A utility fee also would be paid by end users (homeowners and tenants) and could therefore create a timing issue where revenues aren't realized until after the infrastructure is built.
- **Property Tax (GO) Bonds**: While citywide general obligation bonds are a legal option for consideration, the need for a public vote and the fact that all city residents would bear the funding burden limits the appropriateness of this tool to infrastructure projects that have a citywide benefit. Given the need for a public vote and the greater ease of implementing other tools, we do not recommend GO bonds as a funding tool for Sherwood West.

Additional funding strategies

Urban Renewal. Urban renewal was considered in the previous Phasing and Funding Strategy, but not as a preferred tool. Nevertheless, it could potentially be used with some caveats as discussed here. Through tax increment financing, urban renewal can help pay for infrastructure through the increase in property taxes that occur in the urban renewal area over time. Urban renewal is typically implemented in existing areas of a city where revitalization is desired or there is a need to address specific infrastructure deficiencies that are barriers to new investment. Using urban renewal in new undeveloped areas of the city may face political challenges in implementation. There are also strict limits on how much of a city can be within an urban renewal district, both by taxable value and geographically. This would need to be considered since Sherwood already has two existing urban renewal areas.

Regional Sources. In addition to a supplemental SDC and other tools mentioned above, securing "outside" funding sources for needed infrastructure can help reduce costs on a dollar-for-dollar basis. Therefore, the City should seek to leverage additional existing funding through other government sources, including:

- **Major Streets Transportation Improvement Program (MSTIP).** MSTIP is a county-wide road improvement program funded by countywide property taxes. The 2023-2028 System of Countywide Interest Map identifies Elwert Rd as an "eligible arterial/principal," and may receive funding through MSTIP as a major road. There is MSTIP funding for SW Roy Rogers Road, but not currently for the portion adjacent to Sherwood West.
- **Metropolitan Transportation Improvement Program (MTIP).** MTIP, overseen by Oregon Metro, "records how all federal transportation money is spent in the Portland metropolitan area" and monitors significant state and locally funded projects with an impact on air quality. MTIP follows a four-year construction schedule and is updated every two to three years. Sherwood West projects may be eligible for the next round of MTIP funds.
- **Regional Flexible Funding**. Regional flexible funding for transportation projects, administered by Oregon Metro, provides "federal funding for investments in sidewalks, trails, and roadways in communities across the region." Regional funds not already allocated for ongoing commitments may be applied for by regional jurisdictions through a project selection process. Projects for the 2025-2027 cycle were selected in October 2022, but the City can plan to submit a project proposal for the next funding cycle—which to be successful, will need to demonstrate alignment with regional investment priorities.

State Funding Sources. Business Oregon operates industrial and employment land readiness programs that may have the potential to fund infrastructure development in Sherwood West, particularly in the North District. For instance, the Regionally Significant Industrial Sites (RSIS) program "a profit sharing economic development tool that offers state income tax reimbursements for approved industrial site readiness activities," can cover activities such as transportation and infrastructure improvements. Local governments can apply if they own or act as a sponsor for privately-owned industrially zoned sites. Finally, the City should watch the state legislature, as state resources may become available to support industrial site readiness—and best position the state for federal funding via new legislation, such as the CHIPS Act and Inflation Reduction Act.

Conclusion

Key findings of this preliminary infrastructure funding strategy analysis include:

- Development envisioned for the focus areas of this analysis include employment uses in the North and a mix of housing (including middle housing intermixed with low and medium-density single family development) and employment uses along Highway 99W in the West/Southwest.
- Several infrastructure projects are catalytic to making development possible in these areas. For both the North and West/Southwest districts, transportation projects are projected as the highest-cost, including the extension of Elwert Road for both areas, Scholls-Sherwood Road in the North, and a new 2-lane collector in the West/Southwest. Additional catalytic projects include extending water and storm improvements along Elwert Road in the North and expanding water service in the West/Southwest.
- Preliminary estimates of SDCs show a shortfall for all infrastructure categories except parks (for which costs were not included) when only City SDCs are considered, and only for water and storm when regional connection charge revenues to Clean Water Services and the Washington County TDT are included.
- Of all the potential funding strategies, a supplemental SDC would be easiest to implement to cover the gap, though the City should also aggressively seek outside funding from state and federal programs to reduce the overall cost.
- Next steps involve continued refinement of projects and costs and financial modeling and discussions with developers on a potential supplemental fee.

Appendix A: Preliminary Concept Plan Initial Evaluation of New Funding Tools for Sherwood West

		Efficiency					Fairness	Legality	Political Acceptability
		Capacity	Timing	Administrative Ease	Stablilty/ Predictability	Flexibility			
Citywide Tools	Property Tax: General Obligation (GO) Bonds	+	+	+	+	+	✓	✓	✓
Development Derived	Sole Source SDC	✓	-	+	-	✓	+	✓	+
	Supplemental SDC	+	-	✓	-	+	+	✓	✓
	Local Improvement District (LID)	-	✓	✓	✓	+	+	✓	+
	Urban Renewal	+	-	✓	✓	+	✓	✓	-
	Construction Excise Tax (CET)	✓	-	✓	-	?	+	-	+
Other	Utility Fee	+	✓	+	+	+	✓	✓	✓
	Transient Lodging Tax	-	-	✓	✓	✓	-	✓	+
	Special Service District	+	+	✓	-	+	-	✓	-

LEGEND	
Good	+
OK	✓
Unknown	?
Bad	-
Preferred Tool	+

Source: Sherwood West Phasing and Funding Strategy, Preliminary Concept Plan. ECONorthwest, 2016.

Appendix B: Methodology

The following assumptions were made for the Sherwood West Infrastructure Funding Strategy and Action Plan revenue gap analysis:

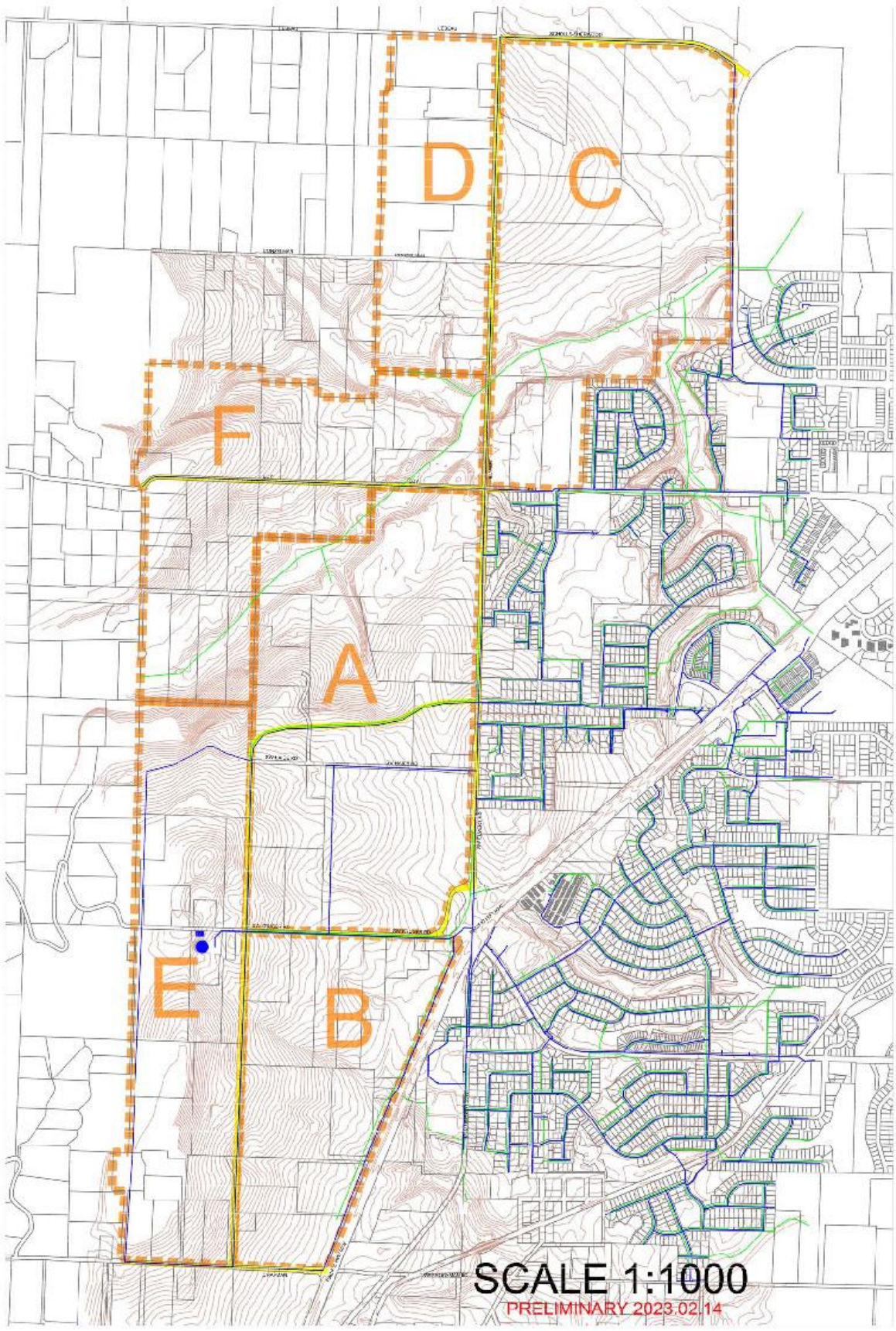
Development Programming

- To match development programming by Concept Plan "district," costs were summed as follows:
  - North ("C" & "D")
  - West/Southwest ("A," "B," "E")
  - Far West ("F")
- All non multi-family housing (5+ du) treated as single-family housing. This includes middle housing and cottage clusters.
- Mixed Use treated as Commercial, with no additional estimates for housing.

Revenue Calculation

- A floor-area ratio (FAR) of 0.35 was applied to programming acreage for non-residential land uses, and multifamily for water SDC revenue calculation when calculating connection charges for water, sewer, and park revenues.
- For water SDCs:
  - Charges for a meter size of 5/8-3/4" were used for each Single Family dwelling unit. For all other development, the charge for a 1-1/2" meter size was used (estimated using FAR and acreage of development).
- For sewer SDCs:
  - For City SDC calculation, an EDU is equivalent to 150 gallons per day. Low/high flow counts for Mixed Employment were provided by the City and used to generate a low and high-sewer revenue scenario. An EDU of 1 was assumed for each Commercial development (estimated using FAR and acreage projected to develop as Commercial use).
  - For CWS SDC calculation, an EDU is equivalent to 16 "fixture units." Low/high flow counts for Mixed Employment were provided by the City and used to generate a low and high-sewer revenue scenario. An EDU of 1 was assumed for each Commercial development (estimated using FAR and acreage projected to develop as Commercial use).
- For stormwater SDCs:
  - The CWS Regional Storm Drainage Improvement Charge was not tracked because most users have these charges waived because their projects provide water quality and water detention services.
  - As with the CWS Regional Storm Drainage Improvement Charge, it is expected that many users will receive a 45% discount for designs that support water quality (a discount for water detention is not available for the City's SDC). For this reason, in the calculation of the City of Sherwood's stormwater SDC, only 55% of the charge was included. For this SDC, one equivalent service unit (ESU) of 2,640 feet is equivalent to one single-family residence. For other uses, calculations were area based, after removing 10% of land area as estimated non-pervious surface (for Multifamily, Mixed Employment, and Commercial/Mixed Use/Hospitality uses).
- For City of Sherwood transportation SDCs, fees associated with the following non-residential "Type" were used:
  - Mixed Employment: "General Light Commercial"
  - Commercial, Mixed Use, Hospitality: "Specialty Retail"

Appendix C: Sherwood West Preliminary Concept Plan Phasing



Source: Sherwood City Engineering.

CONCEPT PLAN OUTLINE

Sherwood West Concept Plan

TO:	Sherwood West Community Advisory Committee and Technical Advisory Committee
FROM:	Sherwood West Concept Plan Project Team
DATE:	February 23, 2023

Introduction

Following is a draft annotated outline for the Sherwood West Concept Plan. The outline provides the overall organization of the report and indicates what type of information, graphics, and other content will be included in each section.

The Concept Plan document represents the culmination of the Sherwood West Concept Plan Re-Look process. The project team's goal is to create a concise, reader-friendly summary of the process and outcomes that keeps descriptive text to a minimum and that uses ample graphics, maps, and images to illustrate the plan. The technical appendix will provide more in-depth detail and background information, including many of the prior project deliverables.

Annotated Outline

Front sections:

- Cover Page
- Acknowledgments
- Table of Contents
- Executive Summary
- List of Tables and Figures

I. Introduction

a. Concept Plan Background and History – Brief summary of prior planning in the Sherwood West area; the precursors to the current plan.

b. Why this plan? Why now?

i. Changing conditions in the area (new high school, recent growth, etc.)

ii. Comprehensive Plan update, other recent City planning projects.

iii. Shifting employment priorities from City Council.

iv. Middle housing requirements under House Bill 2001.

c. The Role of the Concept Plan – Long range planning guidance; required step prior to UGB amendment; precursor to comprehensive planning and zoning, annexations, and development.

II. Planning and Engagement Process

a. Process Overview – Summary of key project phases and milestones.
b. Community Engagement – Summary of engagement activities (CAC/TAC, open houses, surveys, tabling, public testimony at meetings, etc.). Describe how community input informed the plan; how the CAC guided the process and outcomes.
c. Phases, Milestones, Engagement, etc.

III. Vision, Goals and Evaluation Criteria

a. Vision Statement – The community's desired future for the Sherwood West area. This statement was developed early in the Re-Look process and was an update to the vision from the 2016 Preliminary Concept Plan.
b. Goals and Evaluation Criteria – Specific goals for various aspects of Sherwood West's future and corresponding criteria for evaluating the Concept Plan alternatives. Updated from the 2016 Preliminary Concept Plan to reflect current community priorities.

IV. Existing Conditions – Brief summary of existing conditions with reference to the appendix where appropriate, which will provide more detail. Lots of images to illustrate current conditions in Sherwood West.

a. Land Use – Zoning; existing uses (farms, rural homes, high school, etc.); description of parcel sizes and ownership; nearby developed neighborhoods.
b. Development Trends and Economic Opportunities (full memos in appendix: Development Trends and Implications; Economic Opportunities and Challenges)
    i. Regional Development Trends – Evaluation of recent land use, transportation, and development conditions that impact Sherwood West.
    ii. Development Trends by Sector – Summary of trends for office, industrial, retail/commercial, and residential development.
    iii. Opportunities for Sherwood West – Which sectors represent likely employment/development opportunities. Strategies and recommendations for planning and zoning; types of space needed; transportation and infrastructure access; other economic development strategies.
c. Transportation
    i. Elwert Corridor description.
    ii. Multimodal Transportation – Conditions related to pedestrian, bicycle, and transit facilities.
    iii. Regional Transportation Improvements – Conditions and plans/projects related to:
        1. Roy Rogers Road
        2. Brookman Road
        3. Highway 99W
d. Parks and Open Spaces – Summary of the Parks & Recreation Master Plan objectives and plans for Sherwood West.
e. Environment and Natural Resources – Brief description of floodplain, wetlands, steep slopes, and habitat areas.
f. Public Facilities – Description of existing infrastructure, including the gas line and planned sewer trunk line extension.

V. Land Use Alternatives – Brief summary (no more than a few pages) of the alternatives, process, and evaluation.

a. Developing Alternatives
   i. How did we get to the alternatives? Emphasis on employment; customized designations for middle housing; chip game to create maps; etc.
   ii. "Palette" of land use designations – the purpose of each designation described.
   iii. Residential densities – the rationale and use of existing code densities explained.

b. Alternatives – Maps and description of key differences between the three alternative.

c. Alternatives Evaluation – One- to two-paragraph summary for each category. Full memos will be in the appendix.
   i. Qualitative Evaluation – How the alternatives met the evaluation criteria.
   ii. Community Feedback – Input from Open House #2 and online survey.
   iii. Developer Feedback – Summary of developer tour.
   iv. Traffic Analysis – Key findings from DKS's analysis.

VI. Concept Plan

a. Concept Plan Overview
   i. Composite map (land uses, streets, trails, etc.) and description.

b. Land Use Plan
   i. Land use map(s).
   ii. Summary by district – North, Far West, West and Southwest.
   iii. Housing
      1. Housing variety as a key objective.
      2. Residential design standards will shape the look and feel of housing in Sherwood West.
      3. Special approaches to zoning for cottage clusters and other community-supported middle housing types (duplexes and townhomes) in Sherwood West.
      4. Summarize housing metrics. (More details, including background on Sherwood housing needs and consistency with State/Metro requirements, in the appendix.)
   iv. Employment
      1. Mixed employment – Description of the mixed employment concept and opportunities, which were a key theme for Sherwood West planning.
      2. Hospitality – Summary of the hospitality concept, key precedents, and potential approaches.
      3. Employment Metrics – Include the numbers and explain draft assumptions as needed.
   v. Community Services
      1. Schools – Overview of the anticipated need for schools in Sherwood West, typical land size/characteristics, and likely phasing of schools (i.e., demand for new schools in later phases of development).

2. Brief discussion of future planning for libraries, fire stations, electrical substations, and other services.

c. Transportation Plan
   i. Streets
      1. Streets map.
      2. The overall approach to streets (pull from Livable & Connected Streets Plan Concept).
      3. Highlight Elwert Road design concept and a description of the proposed Elwert realignment and need for additional design/analysis.
      4. Transportation concepts for future study – map and narrative describing potential north-south connectivity concepts.
   ii. Active Transportation and Trails
      1. Trails map and description of bike/ped connectivity.
      2. Information from Active Transportation Plan Concept.
      3. Description of opportunities for Safe Routes to School.

d. Green Space Network (Parks/Open Space Plan)
   i. Neighborhood and community parks approach.
   ii. Natural resources – narrative relating how these areas will be preserved and integrated into open space network. Explanation that the next steps for Metro Title 13 areas will be to analyze resources, make significance determinations, ESEE analysis, etc.
   iii. Chicken Creek Greenway Plan Concept summary.

e. Utilities – Future planning, phasing, and extension of utilities. (More info will be provided in the appendix, including an updated to 2016 plan's infrastructure phasing analysis.)
   i. Water
   ii. Sewer
   iii. Storm

VII. Implementation

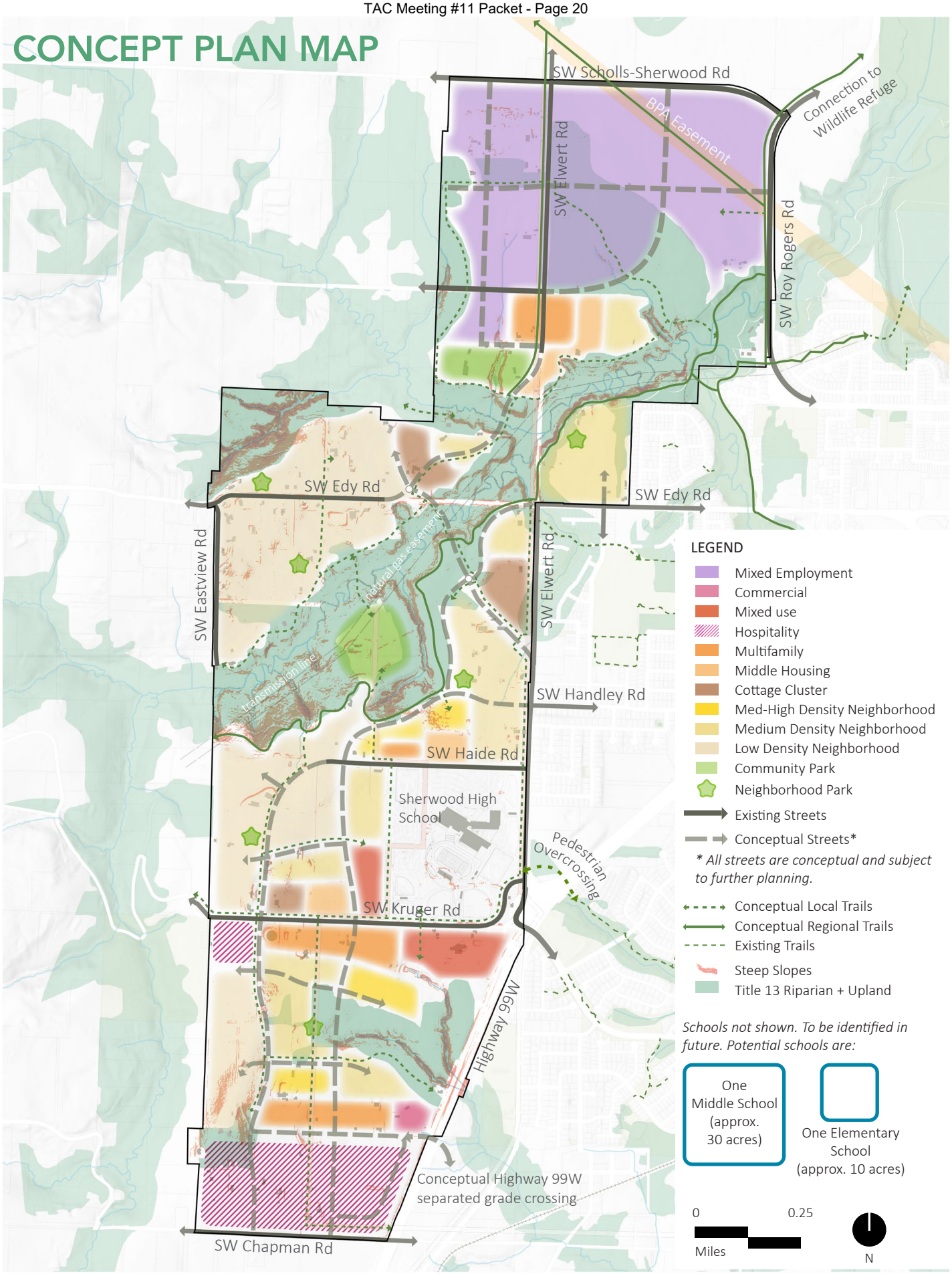
a. Metro Title 11 Compliance Summary – Brief overview of how the Concept Plan complies with requirements for planning UGB expansion areas. Full Title 11 findings in appendix.
b. Infrastructure Funding Strategy – Summary in plan document; full memo in appendix.
c. Future zoning and regulations
   i. Future comprehensive planning – direction to develop policies, land use designations, zoning, and Development Code amendments.
      1. Future Statewide Goal 5 / Metro Title 13 resource refinement work.
   ii. Future regulations – direction to focus on custom zones for cottage clusters, middle housing, and hospitality.
d. Direction for drafting future annexation policies.
e. Transportation and Infrastructure
   i. Future alternatives/feasibility studies.
   ii. Capital Improvements Plan amendments.
   iii. Potential funding tools.

f. Continued Community Engagement – direction to continue engagement through the project website, periodic email updates, etc.
g. Future development timeline diagram.

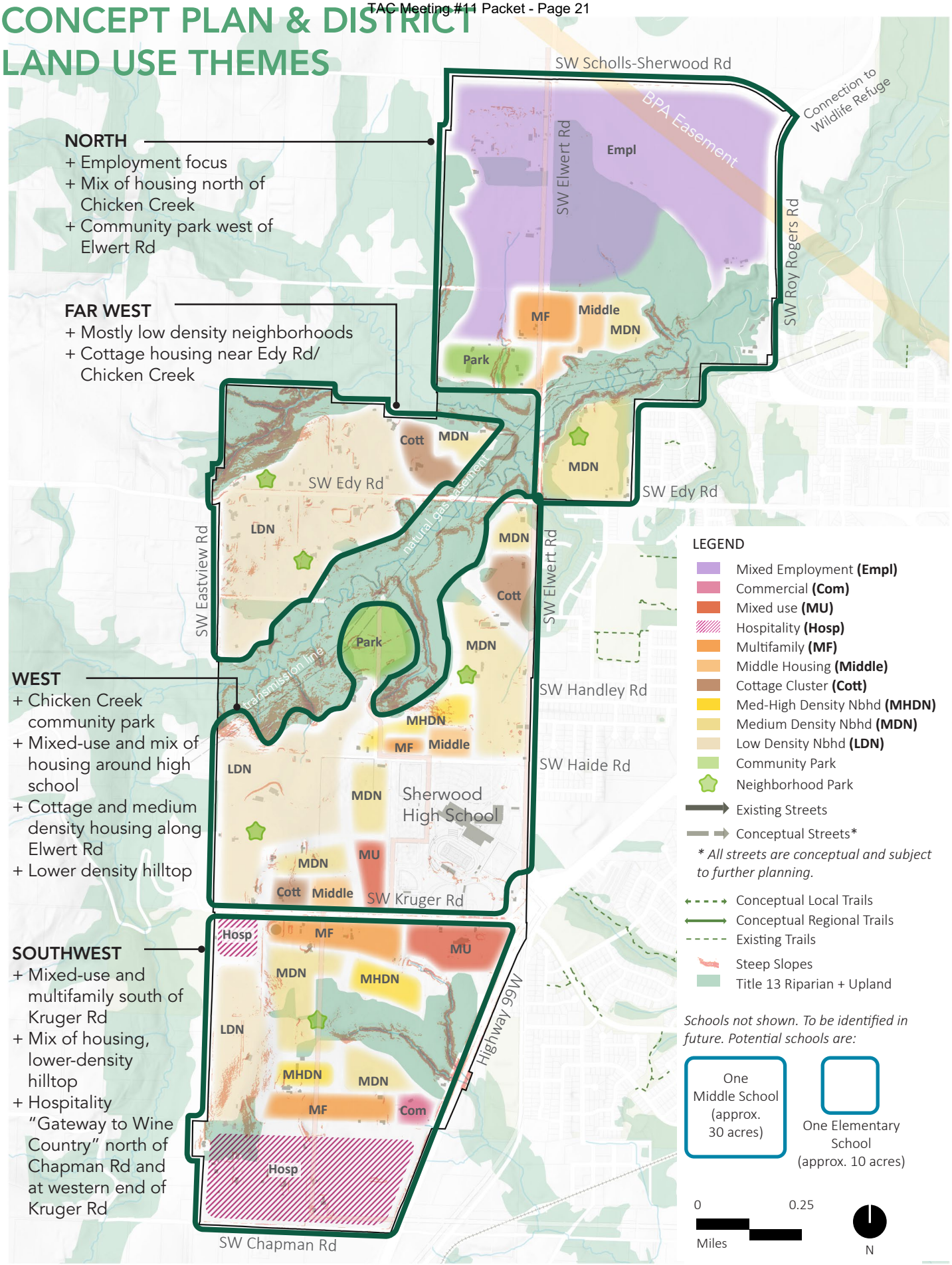
VIII. Appendices

a. Community Engagement Plan
b. Housing Policy Implications Memo
c. Development Trends and Implications Memo
d. Economic Opportunities Memo
e. Transportation Issues Memo
f. Online Open House #1 Summary
g. Open House #2 and Survey Summary
h. Alternatives Evaluation Memo
i. Traffic Impact Analysis
j. Developer Tour Summary
k. Housing Memo – background on housing needs, consistency with State/Metro requirements.
l. Infrastructure costs, planning, and phasing memo [technical background documentation; not reviewed by the TAC/CAC]
m. Infrastructure Funding Strategy memo [draft will be reviewed at TAC #11 / CAC #13]
n. Metro Title 11 Compliance Findings [to be drafted along with Concept Plan]

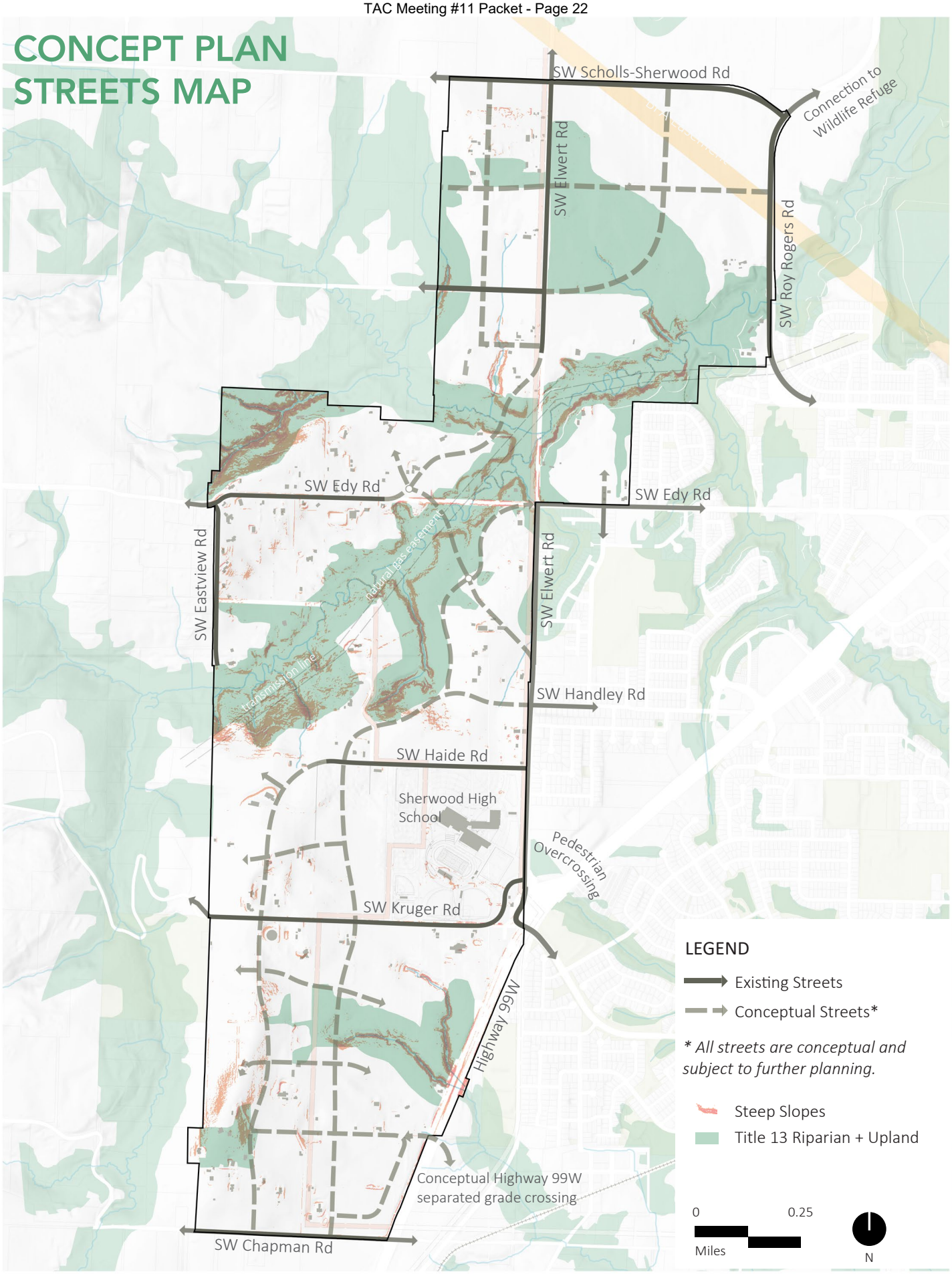
CONCEPT PLAN MAP



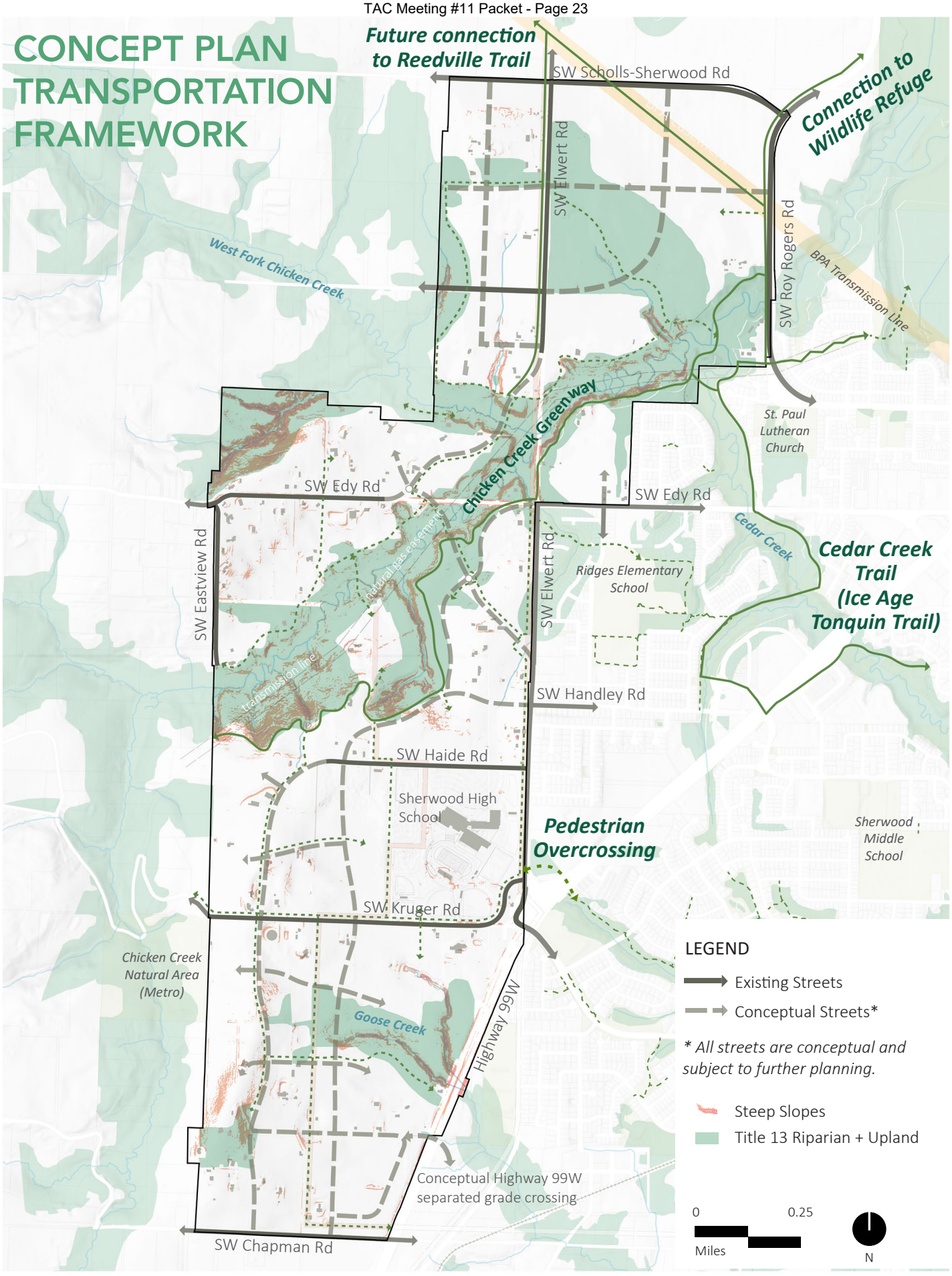
CONCEPT PLAN & DISTRICT LAND USE THEMES



CONCEPT PLAN STREETS MAP



CONCEPT PLAN TRANSPORTATION FRAMEWORK



CONCEPT PLAN TRAILS, PARKS & OPEN SPACE MAP