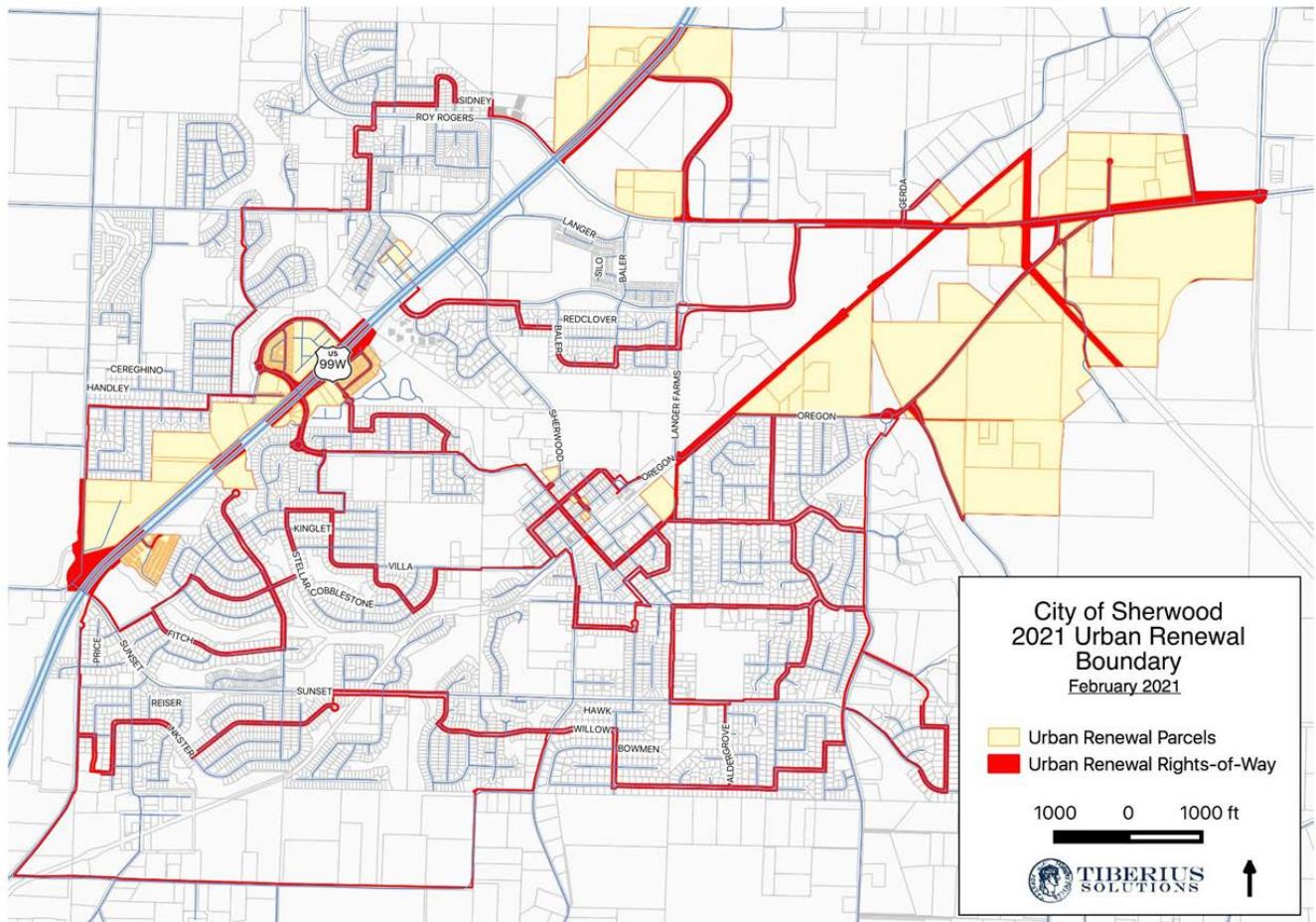


Report Accompanying the Sherwood 2021 Urban Renewal Plan



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Sherwood Urban Renewal Plan adopted by the City of Sherwood

Date

Ordinance No. 2021-

This Plan was also approved by Washington County by Resolution No. ____ on May 18,
2021 as there are unincorporated properties in the Area.

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I. INTRODUCTION

The Report Accompanying the Sherwood Urban Renewal Plan (Report) contains background information and project details that pertain to the Sherwood Urban Renewal Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Sherwood City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.087, including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))
- Reasons for selection of the plan Area; (ORS 457.087(2))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))
- The estimated completion date of each project; (ORS 457.087(5))
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.087(8))
- A relocation report. (ORS 457.087(9))

The relationship of the sections of the Report and the ORS 457.087 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

Statutory Requirement	Report Section
ORS 457.087 (1)	X
ORS 457.087 (2)	XI
ORS 457.087 (3)	II
ORS 457.087 (4)	III
ORS 457.087 (5)	VI
ORS 457.087 (6)	IV,V
ORS 457.087 (7)	IV,V
ORS 457.087 (8)	VIII
ORS 457.087 (9)	XII

The Report provides guidance on how the Plan might be implemented. As the Sherwood Urban Renewal Agency (Agency) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The Agency may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other adjustments to the financials as determined by the Agency. The Agency may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

Figure 1 - Sherwood Urban Renewal Area Boundary

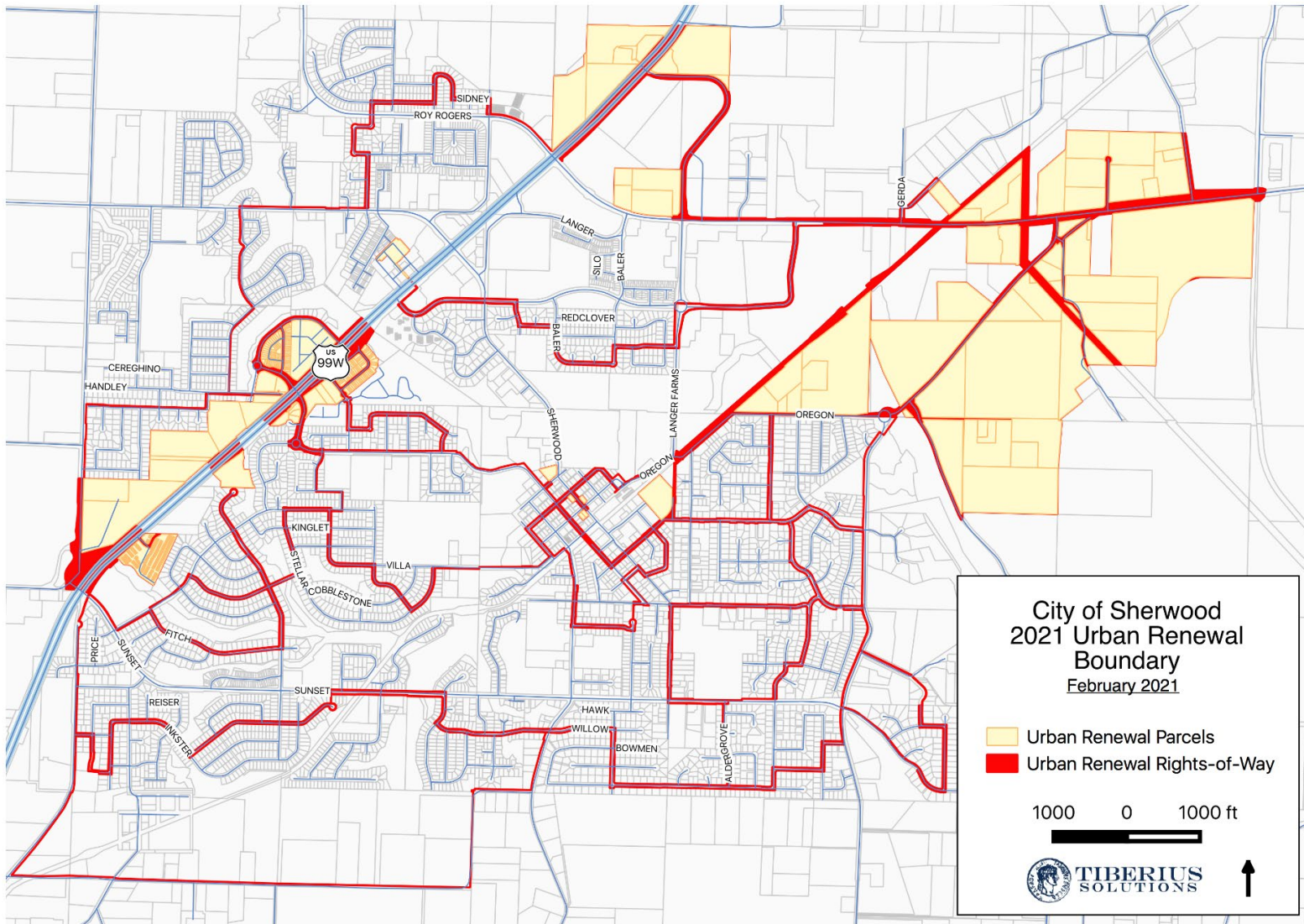
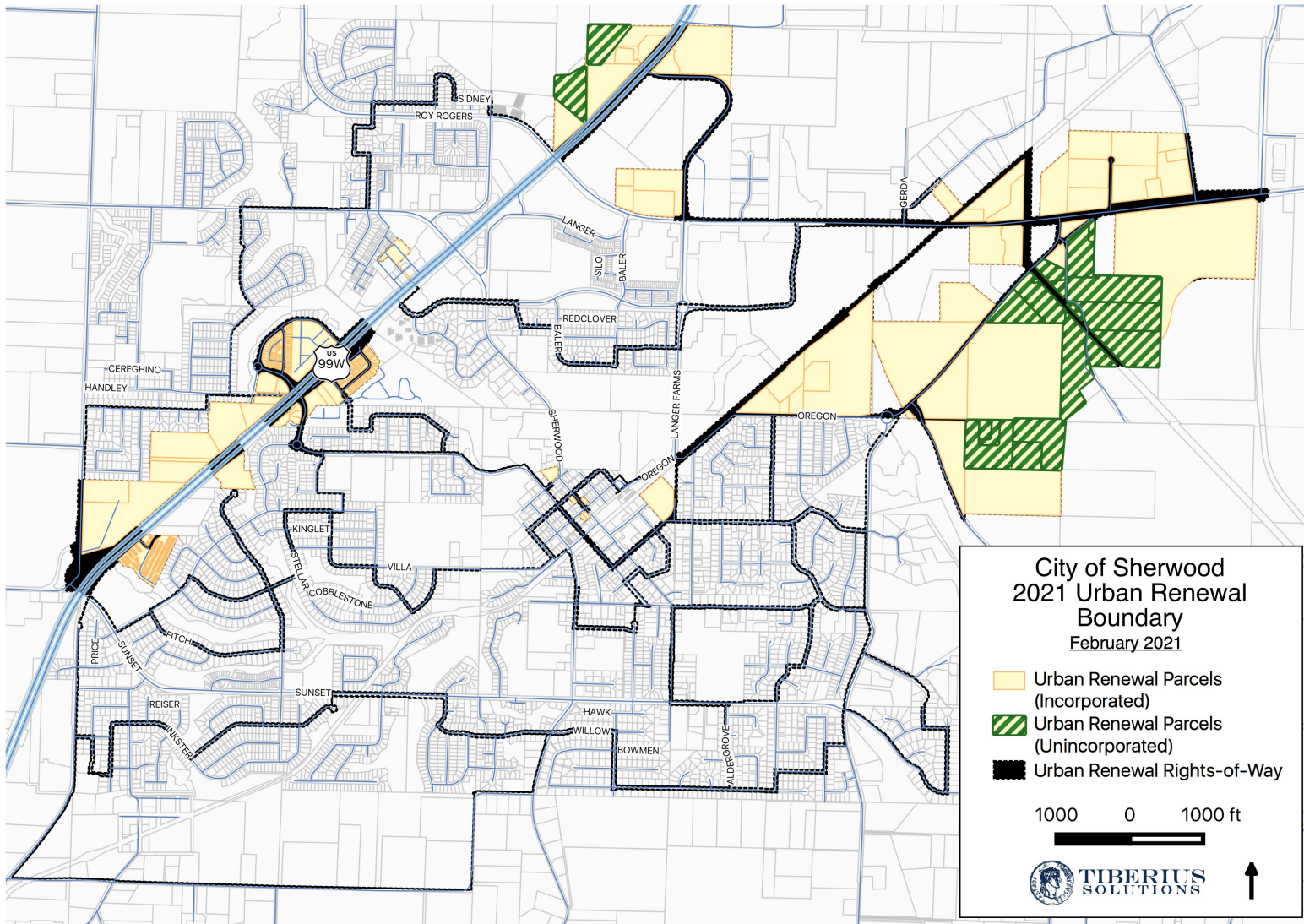


Figure 2 - Sherwood Urban Renewal Area Boundary Showing Unincorporated Properties



II. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. Much of the project descriptions and existing conditions come from the following documents:

Sherwood Transportation Systems Plan 2014, ODOT, DKS, Angelo Planning Group, 2014. This is identified as TSP. The TSP page numbering is by typical numbers, but all projects have a project number.

Sherwood Capital Improvement Plan, City of Sherwood, FY 2020/21 – 2025/26. This is identified as CIP. The CIP page numbering is by project type (transportation, pedestrian etc.)

Tonquin Employment Area (TEA) Market Analysis, Business recruitment Strategy and Implementation Plan, Johnson Economics, PHS, Mackenzie, 2015. The TEA page numbering is by typical numbers.

Instead of footnoting every project, it is noted if these projects come from the above plans and the page number where they can be found.

A. Transportation

1. 99W Pedestrian Bridge

Construct a 630 foot long, 12-foot-wide pedestrian bridge across 99W, Elwert and Kruger. (CIP p P-49)

Existing conditions: A grade separated crossing does not exist at this location. It is anticipated that there will be considerable pedestrian and bicycle traffic that crosses from the new high school to the YMCA as well as connecting existing and future developments on both sides of 99W. That crossing is now an at grade crossing. Safety can be greatly improved by installing a grade separated crossing.

2. Festival Plaza Parking

Develop a public parking lot at Pine and First that can be used as a festival plaza during events and parking for local businesses the remainder of the time.

Existing conditions: The lot at Pine and First is unpaved and there is a demand for parking to support existing businesses and for space for events during the many festivals the community hosts.

3. Oregon Street/Tonquin Road Intersection (Roundabout)

Install a roundabout at the Tonquin Road/Oregon Street intersection with dual westbound through lanes and a single eastbound through/right lane. Create a "Dumbbell Roundabout" with the Oregon/Murdock roundabout by disallowing the west circulating lane at Oregon/Tonquin and disallowing the east circulating lane at

Oregon/Murdock. Add a second westbound approach lane to the Murdock Road Oregon Street roundabout for separated westbound left and westbound through lanes. Keep three lanes on the bridge structure. (TSP D3 p 36 and CIP p T-4)

Existing conditions: This intersection is currently a three-legged intersection that is both dangerous and congested. Due to the proximity to the existing roundabout at Murdock and Oregon, the identified solution requires a “dumbbell” roundabout connecting the 2 intersections

4. Oregon Street Improvements

Upgrade Oregon Street (from Murdock Road to the railroad crossing) to a three-lane collector with sidewalks on south side and a shared-use path on the north side (part of the Ice Age Tonquin Trail). (TSP D8 p 36 and CIP p T-9)

Existing conditions: Oregon Street along most of its length between Langer Farms Parkway and Murdock Road lacks sidewalks on both sides of the road. It is presently a two-lane road.

5. Cedar Brook Way Extension

Construct a collector road from the existing terminus on Meinecke Road to Elwert Road, including bike lanes, sidewalks, and planter strips. (CIP p T-11, TSP project D11)

Existing conditions: This section of the transportation network does not presently exist.

6. Cedar Brook Trail Crossing of 99W

This project includes constructing a grade separated crossing of Highway 99W for pedestrians and bicyclists, providing a direct connection for the Ice Age Tonquin Trail east and west of the highway. Items will include constructing a combination pedestrian/wildlife habitat undercrossing of Highway 99W. The new undercrossing will be located within the existing stream culvert crossing corridor of Highway 99W. (CIP p P-27)

Existing conditions: There is not a grade separated crossing at this location.

7. Langer Farms Parkway Extension

Construct a collector road extension of Langer Farm Parkway from the intersection with Highway 99W then running west terminating in a cul-de-sac. Includes bike lanes, sidewalks, and planter strips. (CIP p T-12)

Existing conditions: This section of the transportation network does not presently exist.

8. TEA Transportation (TEA p 38)

The TEA transportation projects are comprised of a list of projects identified in the TEA implementation plan and consist of a combination of new and improved local, collector and arterial streets to serve new development including:

Frontage improvements along Oregon Street
3-lane full street improvements along East/West Collector
3-lane full street improvements along Tonquin Court
Roundabout at East/West Collector/Oregon St intersection
5-lane half street improvements along SW Tualatin-Sherwood Road
5-lane half street improvements along SW 124th Avenue
3-lane full street improvements along SW Dahlke Lane

Existing conditions: These sections of the transportation network either are incomplete or do not presently exist. Tualatin-Sherwood Road is a county arterial and is currently three lanes wide adjacent to the site. Widening is anticipated to a five-lane section in the near future. The City has assumed no driveway access will be allowed for development in the TEA except opposite the Cipole Road signalized intersection, as all development areas would have access to lower classification roadways. This creates the demand for internal transportation networks. The plan calls for an east-west collector between Oregon Street and 124th and a street connection from Oregon Street, currently referred to as Tonquin Court. These roads do not currently exist.

B. Water

2. TEA Water (TEA p 39)

Construct 12" water line from Oregon Street to 124th along the East/West collector (Water Master Plan p 35, 36)

Construct 12" water line from East/West collector to southwest corner of Plan area (Water Master Plan p 31, 32 ,37)

Construct 12" water line within Tonquin Court

Construct 12" water line from Dahlke Lane to 124th Avenue (Water Master Plan p 35, 36)

Construct 12" water line from Tonquin Court to the East/West collector

Upgrade Willamette River Water Treatment Plant (WRWTP) capacity to 20 MGD and expand Sherwood share

Existing conditions: These water lines do not presently exist. Municipal water service for the Tonquin Employment Area is expected to be provided by City of Sherwood. Existing service is provided to the western and northern boundaries of the TEA, and expansion to the area is described in the Water System Master Plan.

The TEA will be developed as part of the 380-foot Pressure Zone, which comprises most of the City's water service area. It is not clear that the expected storage deficit will be due to the TEA growth. As noted in the Master Plan, the expected deficiency is far enough out on the development timeline that the need for storage expansion should be considered as part of future planning analysis.

Water supply to the City is provided from the Willamette River Water Treatment Plant in Wilsonville. The City's wells are currently used for emergency redundancy only and can provide approximately 2.6 million gallons per day (MGD). The City currently owns a 5-MGD share in the plant, and the Master Plan recommends purchase of an additional 5-MGD share of future expansion of the WRWTP to accommodate full build-out. The Master Plan projects TEA development at saturation are to contribute 0.34-MGD demand to the system, so it is unlikely that development of the TEA will trigger the need for additional supply capacity. However, this projection does not appear to include process water uses. Adding high-demand industrial users in the TEA could potentially exceed the currently available supply surplus of 1.1 MGD.

The distribution system in the TEA is proposed to be extended from existing 10" and 12" lines serving the eastern edge of the 380-foot Pressure Zone. This water main size is expected to be sufficient for most industrial uses; however, high-demand users could require higher peak flows and larger mains than are currently expected. (TEA p 23)

C. Sewer (TEA p 41)

TEA Sewer

Construct 15" sewer line from Oregon Street to 124th along the East/West collector Road

Construct 10" sewer line within Tonquin Court

Existing conditions: These sewer lines do not presently exist. Municipal sewer service for the Tonquin Employment Area is expected to be provided by City of Sherwood. The City has recently upgraded the Rock Creek Interceptor located northwest of the TEA, which is expected to handle flows from the northern portion of the TEA development.

Downstream of the City's pipe system, Clean Water Services has identified capacity issues for the Onion Flat Trunk west of the TEA. However, City staff has said that more recent modeling efforts indicate this line capacity is sufficient for planned build-out conditions.

Proposed sewer infrastructure through the TEA is expected to consist of 12" to 15" lines. A ridge generally runs northwest-southeast along the BPA right-of-way through the TEA, which divides the area into two sewer basins. Development north of the ridge is expected to drain to Tualatin-Sherwood Road and the Rock Creek Interceptor, while development to the south will drain to Oregon Street to the Onion Flat Trunk. (TEA p 23)

D. Stormwater

1. Oregon Street Regional Water Quality Facility

This project is identified in the City's Stormwater Master Plan. This project constructs a regional storm water treatment facility located north of Oregon Street and west of the Murdock Road roundabout, and which will serve the Tannery site acreage. The construction of this storm water quality facility will increase the redevelopment potential of the Tannery site. (CIP p SD-7, also Storm Master Plan project #7A)

Existing conditions: This facility does not presently exist. The new facility will treat approximately 110 acres that are presently without any stormwater treatment.

2. TEA Stormwater (TEA p 45)

Construct 18" storm line near Tonquin Court towards Tonquin Road

Construct 18" storm line south from Cipole Road

Construct 1.0-acre regional treatment facility in vicinity of Cipole and Tualatin Sherwood Road

Construct 18" storm line within East/West collector

Construct 1.0-acre regional treatment facility

Construct 0.75-acre treatment facility adjacent to wetlands in vicinity of Oregon and Tonquin road

Construct 2.25-acre regional treatment facility in vicinity of Oregon and East/West Collector

Existing conditions: These stormwater lines do not presently exist. Storm drainage within the TEA is expected to be managed through regional treatment facilities. Three facilities are proposed within the drainage basins across the TEA. Facilities will be designed according to CWS standards for water quality treatment and flow control. Low-impact development approaches are encouraged for new development to minimize the size of regional facilities. (TEA p 23)

The 2.25 acre regional treatment facility is identified in the City's Stormwater Master Plan. This project constructs a regional storm water treatment facility located north of Oregon Street and west of the Murdock Road roundabout, and which will serve the Tannery site acreage. The construction of this storm water quality facility will increase the redevelopment potential of the Tannery site. Project funding has not been identified, nor has a project design/construction schedule been established. (CIP p 143)

E. Communications and Public Utilities

1. Sherwood Broadband Installation

Sherwood Broadband is a community owned all-fiber network providing broadband service to businesses and residents of Sherwood. The network needs to be expanded to include the ability to provide broadband service in the Area.

Existing conditions: Private communications providers in the Area include Wave Broadband, CenturyLink, Zayo, and Fatbeam while the City of Sherwood operates a fiber optic municipal broadband network that provides high-speed internet service throughout the City and could be expanded to serve the Area.

2. Public Works Facility

The existing City of Sherwood Public Works Department is located at 15527 SW Willamette Street. This location is on developable property in the urban core of Sherwood. The intent is to move the facility to an industrially zoned parcel and redevelop the present property into a use more compatible with the surrounding uses and the uses in Old Town. In addition to the redevelopment potential, the existing property would come back onto the property tax rolls contributing to all of the different taxing districts.

Existing conditions: The existing City of Sherwood Public Works Department is located at 15527 SW Willamette Street in Sherwood. This location is on developable property in the urban core of Sherwood that is zoned high density residential and retail commercial and surrounded by residential uses.

F. *Developer Incentives*

Facilitate development and redevelopment on sites in the Area, stimulating growth and providing new employment opportunities and additional mixed use and commercial growth in the Area. This will include the sites listed below and other sites in the Area which will be identified in the future without requiring an amendment to the Plan.

1. Tannery site clean-up

The City of Sherwood is preparing a plan to clean up the contaminated Frontier Leather Tannery site (Site) on SW Oregon Street. The city has developed seven alternatives for cleaning up the site. Once cleaned up, the city anticipates future redevelopment of the Site. The funding for this project would assist in the clean-up of the Site.

Existing conditions: The City of Sherwood was awarded a grant from the United States Environmental Protection Agency's (EPA) Brownfields Program to assess and prepare a plan to clean up two of the six lots associated with the contaminated Frontier Leather Tannery site. That assessment has been completed and the City now desires to move forward with that clean up. Urban renewal can be one funding tool for completion of the cleanup.

2. Former Public Works site development assistance

Provide development assistance for the future re-development of the existing Public Works site at 15527 SW Willamette Drive. This assistance could be development assistance, gap financing, or other types of assistance to make the project feasible.

Existing conditions: The existing City of Sherwood Public Works Department is located at 15527 SW Willamette Street in Sherwood. This location is on developable property in the urban core of Sherwood. The city intends to assist in the development of the property to a higher and better use.

G. Acquisition/Disposition

Acquisition/Disposition are allowed in the Plan. Prior to any property being acquired, it must be identified in the Plan in Section VIII.

Existing conditions: There is presently no urban renewal acquisition program for the Area.

H. Administration

Authorizes expenditures for the administrative costs associated with managing the URA including budgeting and annual reporting, planning and the implementation of projects in the Area.

Existing conditions: There is no administration funding as this urban renewal area has not been adopted.

III. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The total cost estimates for projects as compared to the expected total cost of those projects are shown in Table 2 below. These are all estimates acknowledging that the urban renewal portions of these project activities must fit within the maximum indebtedness. Table 3 shows the costs of the projects in FYE 2020 constant dollars, the estimated year of expenditure dollars and the anticipated year of completion if the Area relies solely on tax increment funding to complete the URA portion of the project. If the City is able to jumpstart the Area by providing alternative funding sources which are repaid when tax increment revenues are available, the timing on projects can be moved up. These costs are shown in “year of expenditure” costs, which assumes inflation of 3.0% annually. Cost estimates for the TEA projects come from the *Tonquin Employment Area Market Analysis, Business Recruitment Strategy, and Implementation Plan*. This plan was prepared in June of 2015 by a consultant team of Johnson Economics, PHS and Mackenzie. Some of the methods for cost estimating are shown below.

A. Transportation

To estimate TEA transportation project costs, Mackenzie assigned each transportation improvement to the earliest phased project for which it is needed (to avoid double-counting costs for improvements in the area). Costs are included when off-site right-of-way is needed for a transportation improvement, even if development of a later phase would also have required the improvement. Lump sum costs are provided for items such as traffic signals, culverts, and roundabouts. (p 37 TEA)

B. Water

To estimate TEA water project costs, Mackenzie assigned each water improvement to the earliest phased project for which it is needed (to avoid double-counting costs for improvements in the area). In general, development phasing is assumed to progress outward from existing service boundaries and in conjunction with the transportation network. Costs assume standard construction techniques for the water system, based on linear foot estimates for the piping improvements. Lump sum costs are provided for large projects such as reservoirs. (p 38 TEA)

C. Sewer

To estimate TEA sewer project costs, Mackenzie assigned each sewer improvement to the earliest phased project for which it is needed. In general, development phasing is assumed to progress outward from existing service boundaries. Costs assume standard construction techniques for the sewer system, based on linear foot estimates for the piping improvements. Lump sum costs are provided for large projects such as pump stations. (p 41 TEA)

D. Storm Drainage

To estimate TEA storm drainage project costs, Mackenzie assigned each storm improvement to the earliest phased project for which it is needed (to avoid double-counting costs for improvements in the area). In general, development phasing is assumed to progress outward from existing service boundaries and in conjunction with the transportation network. Costs assume standard construction techniques for the storm system, based on linear foot estimates for the piping improvements. Lump sum costs are provided for large projects such as treatment facilities. Treatment facilities have been sized based on current Clean Water Services water quality and detention requirements. (p 43 TEA)

The Plan assumes that the Agency/City will use other funds to assist in the completion of the projects within the Area. The Agency/City may pursue regional, county, state, and federal funding, private developer contributions and any other sources of funding that may assist in the implementation of the programs.

The Agency will be able to review and update fund expenditures and allocations on an annual basis when the annual budget is prepared. See additional narrative explanation on page 25 of this Report.

Table 2 - Estimated Cost of Each Project as Compared to Total Cost

Project Title	Total Estimated Cost	Constant FYE 2020 in UR Plan	Percentage of Total Cost by URA
Oregon/Tonquin Intersection (Roundabout)	\$3,478,000	(\$1,750,000)	50%
Oregon Street Improvements	\$7,767,000	(\$7,767,000)	100%
Oregon Street Regional WQ Facility	\$704,000	(\$704,000)	100%
Festival Plaza/Parking	\$400,000	(\$400,000)	100%
99W Ped Bridge	\$12,000,000	(\$8,000,000)	67%
Sherwood Broadband Installation	\$4,000,000	(\$4,000,000)	100%
Cedar Creek Trail Undercrossing 99W	\$7,433,000	(\$7,433,000)	100%
Cedar Brook Way Extension	\$9,892,000	(\$9,892,000)	100%
Tannery Site Clean-Up	\$3,200,000	(\$3,200,000)	100%
TEA Transportation	\$14,000,000	(\$14,000,000)	100%
TEA Water	\$5,715,000	(\$5,715,000)	100%
TEA Sewer	\$5,387,000	(\$5,387,000)	100%
TEA Stormwater	\$2,016,000	(\$2,016,000)	100%
Langer Farms Parkway Extension	\$4,121,567	(\$4,121,567)	100%
Public Works Facility	\$21,500,000	(\$10,750,000)	50%
Developer Incentives	\$417,372	(\$417,372)	100%
Financing Fees	\$584,000	(\$584,000)	100%
Administration	\$2,550,000	(\$2,550,000)	100%
Total Expenditures	\$105,164,939	(\$88,686,939)	84%

Source: City of Sherwood and Tiberius Solutions

Table 3 - Estimated Cost of Each Project in Constant FYE 2020 as Compared to Year of Expenditure Costs

Project Title	Constant FYE 2020	Year of Expenditure Project Cost
Oregon/Tonquin Intersection (Roundabout)	(\$1,750,000)	(\$2,028,775)
Oregon Street Improvements	(\$7,767,000)	(\$10,441,178)
Oregon Street Regional WQ Facility	(\$704,000)	(\$769,261)
Festival Plaza/Parking	(\$400,000)	(\$437,080)
99W Ped Bridge	(\$8,000,000)	(\$9,552,800)
Sherwood Broadband Installation	(\$4,000,000)	(\$4,370,800)
Cedar Creek Trail Undercrossing 99W	(\$7,433,000)	(\$10,915,361)
Cedar Brook Way Extension	(\$9,892,000)	(\$18,678,075)
Tannery Site Clean-Up	(\$3,200,000)	(\$5,060,320)
TEA Transportation	(\$14,000,000)	(\$31,344,320)
TEA Water	(\$5,715,000)	(\$12,795,200)
TEA Sewer	(\$5,387,000)	(\$12,060,847)
TEA Stormwater	(\$2,016,000)	(\$4,513,582)
Langer Farms Parkway Extension	(\$4,121,567)	(\$10,003,867)
Public Works Facility	(\$10,750,000)	(\$27,278,125)
Developer Incentives	(\$417,372)	(\$1,074,733)
Financing Fees	(\$584,000)	(\$736,000)
Administration	(\$2,550,000)	(\$4,418,869)
Total Expenditures	(\$88,686,939)	(\$166,479,193)

Source: City of Sherwood and Tiberius Solutions - Note the completion dates anticipate only funding through the TIF revenues. If the City is able to jumpstart the Area by providing other financing to be repaid through future TIF revenues, these dates can be moved up.

IV. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2052 are calculated based on projections of the assessed value of development within the Area and the consolidated tax rate that will apply in the Area. The projections of assessed value include separate assumptions for the short-term (FYE 2021 to FYE 2026) and long-term (FYE 2027 and beyond).

The short-term projections include assumptions on specific new development (exception value). This exception value is based on eight new construction projects identified by City staff as likely to occur. These projects range in estimated assessed value from \$400,000 to \$35 million in constant FYE 2020 dollars, and include industrial, commercial, and multifamily residential properties. Table 4 shows the assumed exception value by year. Based on the exception value assumptions shown in Table 4, and assuming 3.0% appreciation for all existing property in the Area, we expect assessed value in the Area to experience a compound annual growth rate of 11.6% from FYE 2021 to FYE 2026.

Table 4. Exception Value by Year, 2020\$, FYE 2021 to FYE 2026

	RMV (2020\$)	AV (2020\$)	AV (YOES)
	\$0	\$0	\$0
	\$25,836,008	\$16,509,210	\$17,514,621
	\$17,138,333	\$11,003,811	\$12,023,864
	\$17,818,333	\$11,443,662	\$12,879,842
	\$16,213,333	\$10,360,320	\$12,010,719
	\$60,300,000	\$43,778,783	\$52,276,245
	\$137,306,008	\$ 93,095,786	\$106,705,291

Source: City of Sherwood and Tiberius Solutions

The long-term projections for FYE 2027 and beyond assume an annual growth rate of 7.0% for assessed value in the area (equal to 3% maximum annual appreciation for existing property plus 4% exception value from new development). Achieving this growth rate would require an annual increase in assessed value from new construction equal to an average of \$11.9 million per year. This amount of assessed value growth is higher than historical trends in the City and County but is less than what is anticipated in the near future based on anticipated construction projects. These projections of growth are the basis for the projections in Table 9, Table 10, Table 11, Table 12, Table 13, and Table 14.

These projections of growth were informed by conversations with City staff and City Council, based on the large amount of development potential within the Area. The City acknowledges that these projections are more aggressive than historical trends and are not guaranteed to come to fruition. If actual assessed value growth is less than forecast, then it would reduce the financial capacity of the URA to fund projects listed in the Plan.

Table 5 shows the incremental assessed value, tax rates, and tax increment revenues each year, adjusted for discounts, and delinquencies.

The first year of tax increment collections is anticipated to be fiscal year ending (FYE) 2023. Gross tax increment financing (TIF)¹ is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is “tax rate times assessed value used divided by one thousand.” The consolidated tax rate includes permanent tax rates only, and excludes general obligation bonds and local option levies, which will not be impacted by this Plan.

Figure 3 shows expected TIF revenues over time and the projected tax revenues after termination of the Area.

¹ TIF is also used to signify tax increment revenues

Table 5 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues, page 1

FYE	Total	Frozen Base	Increment	Tax Rate	Gross TIF	Adjustments	Net TIF (Current Year)	Net TIF (Prior Year)	Net TIF (Total)
2023	\$236,678,423	\$194,753,980	\$41,924,443	\$11.7247	\$491,550	(\$24,578)	\$466,973	-	\$466,973
2024	\$256,658,617	\$194,753,980	\$61,904,637	\$11.4016	\$705,815	(\$35,291)	\$670,524	\$7,005	\$677,529
2025	\$276,369,095	\$194,753,980	\$81,615,115	\$11.2054	\$914,526	(\$45,726)	\$868,800	\$10,058	\$878,858
2026	\$336,936,412	\$194,753,980	\$142,182,432	\$10.5462	\$1,499,483	(\$74,974)	\$1,424,508	\$13,032	\$1,437,540
2027	\$356,075,432	\$194,753,980	\$161,321,452	\$10.7231	\$1,729,872	(\$86,494)	\$1,643,379	\$21,368	\$1,664,746
2028	\$376,420,792	\$194,753,980	\$181,666,812	\$10.8718	\$1,975,054	(\$98,753)	\$1,876,301	\$24,651	\$1,900,952
2029	\$398,052,928	\$194,753,980	\$203,298,948	\$10.9987	\$2,236,022	(\$111,801)	\$2,124,221	\$28,145	\$2,152,366
2030	\$421,057,793	\$194,753,980	\$226,303,813	\$11.1083	\$2,513,842	(\$125,692)	\$2,388,150	\$31,863	\$2,420,013
2031	\$445,527,235	\$194,753,980	\$250,773,255	\$11.2039	\$2,809,650	(\$140,482)	\$2,669,167	\$35,822	\$2,704,990
2032	\$471,559,399	\$194,753,980	\$276,805,419	\$11.2883	\$3,124,661	(\$156,233)	\$2,968,428	\$40,038	\$3,008,466
2033	\$499,259,170	\$194,753,980	\$304,505,190	\$11.3633	\$3,460,176	(\$173,009)	\$3,287,167	\$44,526	\$3,331,693
2034	\$528,738,645	\$194,753,980	\$333,984,665	\$11.4304	\$3,817,581	(\$190,879)	\$3,626,702	\$49,308	\$3,676,010
2035	\$560,117,624	\$194,753,980	\$365,363,644	\$11.4909	\$4,198,363	(\$209,918)	\$3,988,445	\$54,401	\$4,042,846
2036	\$593,524,149	\$194,753,980	\$398,770,169	\$11.5458	\$4,604,108	(\$230,205)	\$4,373,903	\$59,827	\$4,433,729
2037	\$629,095,079	\$194,753,980	\$434,341,099	\$11.5958	\$5,036,513	(\$251,826)	\$4,784,687	\$65,609	\$4,850,296
2038	\$666,976,704	\$194,753,980	\$472,222,724	\$11.6415	\$5,497,391	(\$274,870)	\$5,222,522	\$71,770	\$5,294,292
2039	\$707,325,389	\$194,753,980	\$512,571,409	\$11.6836	\$5,988,682	(\$299,434)	\$5,689,248	\$78,338	\$5,767,586
2040	\$750,308,292	\$194,753,980	\$555,554,312	\$11.7225	\$6,512,460	(\$325,623)	\$6,186,837	\$85,339	\$6,272,176

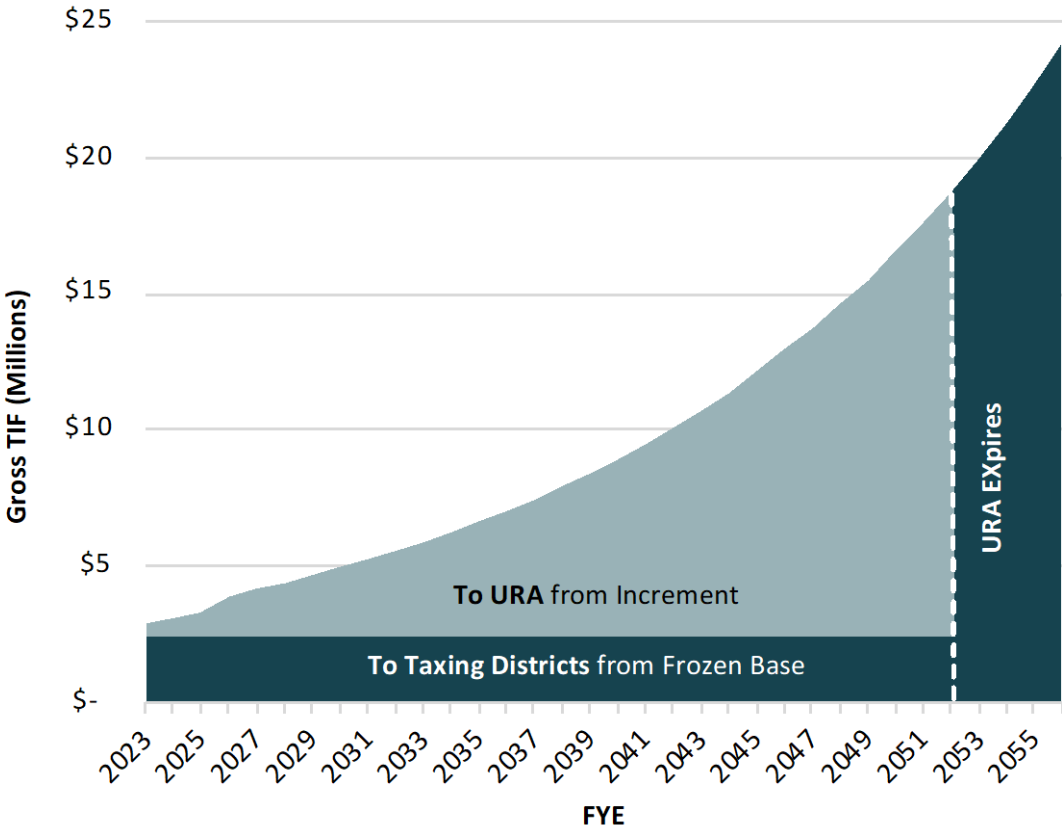
Source: Tiberius Solutions Note: Future annexations will result in higher tax rates than shown in this table as the present table is compiled of both tax rates in the City of Sherwood and in unincorporated Washington County. The result would be additional tax increment revenues for the Agency and potentially an earlier time frame of reaching the maximum indebtedness.

Table 6 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues, page 2

FYE	Total	Frozen Base	Increment	Tax Rate	Gross TIF	Adjustments	Net TIF (Current Year)	Net TIF (Prior Year)	Net TIF (Total)
2041	\$796,104,100	\$194,753,980	\$601,350,120	\$11.7584	\$7,070,942	(\$353,547)	\$6,717,394	\$92,803	\$6,810,197
2042	\$844,903,843	\$194,753,980	\$650,149,863	\$11.7919	\$7,666,497	(\$383,325)	\$7,283,172	\$100,761	\$7,383,933
2043	\$896,911,743	\$194,753,980	\$702,157,763	\$11.8231	\$8,301,660	(\$415,083)	\$7,886,577	\$109,248	\$7,995,825
2044	\$952,346,131	\$194,753,980	\$757,592,151	\$11.8522	\$8,979,142	(\$448,957)	\$8,530,185	\$118,299	\$8,648,484
2045	\$1,011,440,446	\$194,753,980	\$816,686,466	\$11.8795	\$9,701,841	(\$485,092)	\$9,216,749	\$127,953	\$9,344,701
2046	\$1,074,444,267	\$194,753,980	\$879,690,287	\$11.9052	\$10,472,855	(\$523,643)	\$9,949,212	\$138,251	\$10,087,463
2047	\$1,141,624,443	\$194,753,980	\$946,870,463	\$11.9293	\$11,295,498	(\$564,775)	\$10,730,723	\$149,238	\$10,879,961
2048	\$1,213,266,303	\$194,753,980	\$1,018,512,323	\$11.9521	\$12,173,315	(\$608,666)	\$11,564,649	\$160,961	\$11,725,610
2049	\$1,289,674,938	\$194,753,980	\$1,094,920,958	\$11.9736	\$13,110,094	(\$655,505)	\$12,454,590	\$173,470	\$12,628,059
2050	\$1,371,176,579	\$194,753,980	\$1,176,422,599	\$11.9939	\$14,109,890	(\$705,494)	\$13,404,395	\$186,819	\$13,591,214
2051	\$1,458,120,066	\$194,753,980	\$1,263,366,086	\$12.0132	\$15,177,036	(\$758,852)	\$14,418,184	\$201,066	\$14,619,250
2052	\$1,550,878,430	\$194,753,980	\$1,356,124,450	\$12.0315	\$16,316,167	(\$815,808)	\$15,500,359	\$216,273	\$15,716,631
TOTAL:					\$191,490,685	(\$9,574,534)	\$181,916,151	\$2,496,237	\$184,412,388

Source: Tiberius Solutions Note: Future annexations will result in higher tax rates than shown in this table as the present table is compiled of both tax rates in the City of Sherwood and in unincorporated Washington County. The result would be additional tax increment revenues for the Agency and potentially an earlier time frame of reaching the maximum indebtedness.

Figure 3 - TIF Projections



Source: Tiberius Solutions

V. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 7 shows a summary of the financial capacity of the URA, including how the total TIF revenue translates to the ability to fund urban renewal projects in constant 2020 dollars in five-year increments. Table 9, Table 10, and Table 11 show more detailed tables on the allocation of tax revenues to projects, programs, and administration over time.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the urban renewal area in FYE 2052, a 30-year urban renewal plan. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If growth in assessed value is slower, it may take longer; if growth in assessed value is more robust than the projections, it may take a shorter time period. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness is \$166,600,000 (One Hundred Sixty-Six Million Six Hundred Thousand dollars). The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$166,600,000 is \$184,412,388 and is from permanent rate levies. The increase over the maximum indebtedness is due to the projected cost of the interest on borrowings.

The financial analysis projects capacity of funding for projects in five-year increments is shown below in Table 4.

Table 7 - TIF Capacity of the Area in FYE 2020 Constant Rounded Numbers

Total Net TIF	\$184,400,000
Maximum Indebtedness	\$166,600,000
Capacity (2020\$)	\$88,900,000
Years 1-5	\$17,300,000
Years 6-10	\$6,100,000
Years 11-15	\$13,800,000
Years 16-20	\$5,800,000
Years 21-25	\$18,300,000
Years 26-30	\$27,600,000

Source: Tiberius Solutions

This financial analysis shows borrowings as identified in Table 8. This is only one scenario for how the Agency may decide to implement this Plan, and this scenario is financially feasible. The Agency may decide to do borrowings at different times or for different amounts, depending on their analysis at the time. The timeframes on these borrowings are designed to have all borrowings repaid at the termination of the District in FYE 2052. The amounts shown are the

principal amounts of the borrowings. The total amounts, including interest, are shown in the second column of Table 9.

Table 8 - Estimated Borrowings and Amounts

Loan	A	B	C	D
Principal Amount	\$7,300,000	\$12,600,000	\$5,100,000	\$11,800,000
Interest Rate	3.0%	3.5%	5.0%	5.0%
Loan Term	25	20	20	20
Loan Year	2023	2026	2029	2033
Interest Payment Start	2023	2026	2029	2033
Principal Payment Start	2023	2026	2029	2033
Annual Payment	\$419,223	\$886,550	\$409,237	\$946,863

Source: Tiberius Solutions

Table 9 - Tax Increment Revenues and Allocations to Debt Service, page 1

	Total	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031	FYE 2032
Resources											
TIF: Current Year	181,916,151	466,973	670,524	868,800	1,424,508	1,643,379	1,876,301	2,124,221	2,388,150	2,669,167	2,968,428
TIF: Prior Years	2,496,237	-	7,005	10,058	13,032	21,368	24,651	28,145	31,863	35,822	40,038
Total Resources	184,412,388	466,973	677,529	878,858	1,437,540	1,664,746	1,900,952	2,152,366	2,420,013	2,704,990	3,008,466
Expenditures											
Debt Service											
Scheduled Payments											
Loan A	(10,480,586)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)
Loan B	(17,730,991)	-	-	-	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)
Loan C	(8,184,744)	-	-	-	-	-	-	(409,237)	(409,237)	(409,237)	(409,237)
Loan D	(18,937,251)	-	-	-	-	-	-	-	-	-	-
Total Debt Service	(55,333,572)	(419,223)	(419,223)	(419,223)	(1,305,773)	(1,305,773)	(1,305,773)	(1,715,010)	(1,715,010)	(1,715,010)	(1,715,010)
Debt Service Coverage Ratio		1.11	1.62	2.10	1.10	1.27	1.46	1.26	1.41	1.58	1.75
Transfer to URA Projects Fund	(129,078,815)	(47,749)	(258,305)	(459,635)	(131,767)	(358,973)	(595,178)	(437,355)	(705,003)	(989,979)	(1,293,456)
Total Expenditures	(184,412,388)	(466,973)	(677,529)	(878,858)	(1,437,540)	(1,664,746)	(1,900,952)	(2,152,366)	(2,420,013)	(2,704,990)	(3,008,466)
Ending Balance		-	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions

Table 10 - Tax Increment Revenues and Allocations to Debt Service, page 2

	FYE 2033	FYE 2034	FYE 2035	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042	FYE 2043
Resources											
TIF: Current Year	3,287,167	3,626,702	3,988,445	4,373,903	4,784,687	5,222,522	5,689,248	6,186,837	6,717,394	7,283,172	7,886,577
TIF: Prior Years	44,526	49,308	54,401	59,827	65,609	71,770	78,338	85,339	92,803	100,761	109,248
Total Resources	3,331,693	3,676,010	4,042,846	4,433,729	4,850,296	5,294,292	5,767,586	6,272,176	6,810,197	7,383,933	7,995,825
Expenditures											
Debt Service											
Scheduled Payments											
Loan A	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)	(419,223)
Loan B	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)	(886,550)
Loan C	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)
Loan D	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)
Total Debt Service, Scheduled Only	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)
Total Debt Service	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)	(2,661,873)
Debt Service Coverage Ratio	1.25	1.38	1.52	1.67	1.82	1.99	2.17	2.36	2.56	2.77	3.00
Transfer to URA Projects Fund	(669,821)	(1,014,137)	(1,380,973)	(1,771,857)	(2,188,423)	(2,632,419)	(3,105,713)	(3,610,303)	(4,148,324)	(4,722,060)	(5,333,952)
Total Expenditures	(3,331,693)	(3,676,010)	(4,042,846)	(4,433,729)	(4,850,296)	(5,294,292)	(5,767,586)	(6,272,176)	(6,810,197)	(7,383,933)	(7,995,825)
Ending Balance	-	-	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions

Table 11 - Tax Increment Revenues and Allocations to Debt Service, page 3

	FYE 2044	FYE 2045	FYE 2046	FYE 2047	FYE 2048	FYE 2049	FYE 2050	FYE 2051	FYE 2052
Resources									
TIF: Current Year	8,530,185	9,216,749	9,949,212	10,730,723	11,564,649	12,454,590	13,404,395	14,418,184	15,500,359
TIF: Prior Years	118,299	127,953	138,251	149,238	160,961	173,470	186,819	201,066	216,273
Total Resources	8,648,484	9,344,701	10,087,463	10,879,961	11,725,610	12,628,059	13,591,214	14,619,250	15,716,631
Expenditures									
Debt Service									
Scheduled Payments									
Loan A	(419,223)	(419,223)	(419,223)	(419,223)	-	-	-	-	-
Loan B	(886,550)	(886,550)	-	-	-	-	-	-	-
Loan C	(409,237)	(409,237)	(409,237)	(409,237)	(409,237)	-	-	-	-
Loan D	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,863)	(946,862)
Total Debt Service, Scheduled Only	(2,661,873)	(2,661,873)	(1,775,323)	(1,775,323)	(1,356,100)	(946,863)	(946,863)	(946,863)	(946,862)
Total Debt Service	(2,661,873)	(2,661,873)	(1,775,323)	(1,775,323)	(1,356,100)	(946,863)	(946,863)	(946,863)	(946,862)
Debt Service Coverage Ratio	3.25	3.51	5.68	6.13	8.65	13.34	14.35	15.44	16.60
Transfer to URA Projects Fund	(5,986,611)	(6,682,829)	(8,312,140)	(9,104,638)	(10,369,510)	(11,681,197)	(12,644,352)	(13,672,387)	(14,769,769)
Total Expenditures	(8,648,484)	(9,344,701)	(10,087,463)	(10,879,961)	(11,725,610)	(12,628,059)	(13,591,214)	(14,619,250)	(15,716,631)
Ending Balance	-	-	-	-	-	-	-	-	-

Source: Tiberius Solutions

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency. Annual expenditures for program administration are also shown. These are predicated on the fact that urban renewal activities will start off slowly in the beginning years and increase in the final years of the Area.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the Area in FYE 2052, a 30-year program.

The amount of money available for projects in 2020 constant dollars for Area is \$88,900,000. See Table 3 for the individual project analysis. This \$88,900,000 is calculated by taking the maximum indebtedness of \$166,600,000 and bringing it back to constant 2020 dollars. This is done as the Agency's cost estimates are typically in constant dollars, so understanding how that relates to the overall MI over 30 years is important to enable the Agency to make projections on the allocation of funds throughout the life of the Area.

Table 12, Table 13, and Table 14 show the \$89,900,000 of 2020 project dollars inflated over the life of the Area including administrative expenses. All costs shown in Table 12, Table 13, and Table 14 are in year-of-expenditure dollars, which are adjusted by 3.0% annually to account for inflation. The year of expenditure total cost is \$166,479,193.

The 3% inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan. The following tables are prepared to show that the Area is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available. If the City is able to jumpstart the Area by providing alternative funding sources which are repaid when tax increment revenues are available, or if other outside funding sources are secured, including but not limited to, developer contributions, the timing on projects can be moved up.

Table 12 - Programs and Costs in Year of Expenditure Dollars, Page 1

	Total	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030	FYE 2031
Resources										
Beginning Balance		-	1,531,728	1,702,024	42,853	2,868,535	3,137,310	3,640,497	5,605,019	2,744,458
Interest Earnings	600,377	-	7,659	8,510	214	14,343	15,687	18,202	28,025	13,722
Transfer from TIF Fund	129,078,815	47,749	258,305	459,635	131,767	358,973	595,178	437,355	705,003	989,979
Bond/Loan Proceeds	36,800,000	7,300,000	-	-	12,600,000	-	-	5,100,000	-	-
Total Resources	166,479,192	7,347,749	1,797,692	2,170,169	12,774,834	3,241,852	3,748,175	9,196,054	6,338,047	3,748,160
Expenditures (YOE \$)										
Oregon/Tonquin Intersection (Roundabout)	(2,028,775)	-	-	(2,028,775)	-	-	-	-	-	-
Oregon Street Improvements	(10,441,178)	-	-	-	-	-	-	(3,378,127)	(3,479,357)	(3,583,694)
Oregon Street Regional WQ Facility	(769,261)	(769,261)	-	-	-	-	-	-	-	-
Festival Plaza/Parking	(437,080)	(437,080)	-	-	-	-	-	-	-	-
99W Ped Bridge	(9,552,800)	-	-	-	(9,552,800)	-	-	-	-	-
Sherwood Broadband Installation	(4,370,800)	(4,370,800)	-	-	-	-	-	-	-	-
Cedar Creek Trail Undercrossing 99W	(10,915,361)	-	-	-	-	-	-	-	-	-
Cedar Brook Way Extension	(18,678,075)	-	-	-	-	-	-	-	-	-
Tannery Site Clean-Up	(5,060,320)	-	-	-	-	-	-	-	-	-
TEA Transportation	(31,344,320)	-	-	-	-	-	-	-	-	-
TEA Water	(12,795,200)	-	-	-	-	-	-	-	-	-
TEA Sewer	(12,060,847)	-	-	-	-	-	-	-	-	-
TEA Stormwater	(4,513,582)	-	-	-	-	-	-	-	-	-
Langer Farms Parkway Extension	(10,003,867)	-	-	-	-	-	-	-	-	-
Public Works Facility	(27,278,125)	-	-	-	-	-	-	-	-	-
Developer Incentives	(1,074,733)	-	-	-	-	-	-	-	-	-
Financing Fees	(736,000)	(146,000)	-	-	(252,000)	-	-	(102,000)	-	-
Administration	(4,418,869)	(92,880)	(95,668)	(98,541)	(101,499)	(104,542)	(107,678)	(110,908)	(114,232)	(117,657)
Total Expenditures	(166,479,193)	(5,816,021)	(95,668)	(2,127,316)	(9,906,299)	(104,542)	(107,678)	(3,591,035)	(3,593,589)	(3,701,351)
Ending Balance		1,531,728	1,702,024	42,853	2,868,535	3,137,310	3,640,497	5,605,019	2,744,458	46,809

Source: Tiberius Solutions

Table 13 - Programs and Costs in Year of Expenditure Dollars, Page 2

	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036	FYE 2037	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042
Resources											
Beginning Balance	46,809	1,219,313	2,419,047	3,316,708	2,089,035	1,167,416	3,221,188	5,725,009	8,710,300	12,210,635	7,060,842
Interest Earnings	234	6,097	12,095	16,584	10,445	5,837	16,106	28,625	43,551	61,053	35,304
Transfer from TIF Fund	1,293,456	669,821	1,014,137	1,380,973	1,771,857	2,188,423	2,632,419	3,105,713	3,610,303	4,148,324	4,722,060
Bond/Loan Proceeds	-	11,800,000	-	-	-	-	-	-	-	-	-
Total Resources	1,340,498	13,695,231	3,445,279	4,714,265	3,871,336	3,361,676	5,869,713	8,859,348	12,364,154	16,420,012	11,818,206
Expenditures (YOE \$)											
Oregon/Tonquin Intersection (Roundabout)	-	-	-	-	-	-	-	-	-	-	-
Oregon Street Improvements	-	-	-	-	-	-	-	-	-	-	-
Oregon Street Regional WQ Facility	-	-	-	-	-	-	-	-	-	-	-
Festival Plaza/Parking	-	-	-	-	-	-	-	-	-	-	-
99W Ped Bridge	-	-	-	-	-	-	-	-	-	-	-
Sherwood Broadband Installation	-	-	-	-	-	-	-	-	-	-	-
Cedar Creek Trail Undercrossing 99W	-	(10,915,361)	-	-	-	-	-	-	-	-	-
Cedar Brook Way Extension	-	-	-	-	-	-	-	-	-	(9,201,044)	(9,477,031)
Tannery Site Clean-Up	-	-	-	(2,492,800)	(2,567,520)	-	-	-	-	-	-
TEA Transportation	-	-	-	-	-	-	-	-	-	-	-
TEA Water	-	-	-	-	-	-	-	-	-	-	-
TEA Sewer	-	-	-	-	-	-	-	-	-	-	-
TEA Stormwater	-	-	-	-	-	-	-	-	-	-	-
Langer Farms Parkway Extension	-	-	-	-	-	-	-	-	-	-	-
Public Works Facility	-	-	-	-	-	-	-	-	-	-	-
Developer Incentives	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	(236,000)	-	-	-	-	-	-	-	-	-
Administration	(121,185)	(124,823)	(128,571)	(132,430)	(136,400)	(140,488)	(144,704)	(149,048)	(153,519)	(158,126)	(162,869)
Total Expenditures	(121,185)	(11,276,184)	(128,571)	(2,625,230)	(2,703,920)	(140,488)	(144,704)	(149,048)	(153,519)	(9,359,170)	(9,639,900)
Ending Balance	1,219,313	2,419,047	3,316,708	2,089,035	1,167,416	3,221,188	5,725,009	8,710,300	12,210,635	7,060,842	2,178,306

Source: Tiberius Solutions

Table 14 - Programs and Costs in Year of Expenditure Dollars, Page 3

	FYE 2043	FYE 2044	FYE 2045	FYE 2046	FYE 2047	FYE 2048	FYE 2049	FYE 2050	FYE 2051	FYE 2052
Resources										
Beginning Balance	2,178,306	7,355,394	2,180,900	8,696,660	5,172,436	2,066,682	12,252,053	11,013,493	338,571	362,651
Interest Earnings	10,892	36,777	10,904	43,483	25,862	10,333	61,260	55,067	1,693	1,813
Transfer from TIF Fund	5,333,952	5,986,611	6,682,829	8,312,140	9,104,638	10,369,510	11,681,197	12,644,352	13,672,387	14,769,769
Bond/Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Total Resources	7,523,150	13,378,782	8,874,633	17,052,283	14,302,936	12,446,525	23,994,510	23,712,912	14,012,651	15,134,233
Expenditures (YOE \$)										
Oregon/Tonquin Intersection (Roundabout)	-	-	-	-	-	-	-	-	-	-
Oregon Street Improvements	-	-	-	-	-	-	-	-	-	-
Oregon Street Regional WQ Facility	-	-	-	-	-	-	-	-	-	-
Festival Plaza/Parking	-	-	-	-	-	-	-	-	-	-
99W Ped Bridge	-	-	-	-	-	-	-	-	-	-
Sherwood Broadband Installation	-	-	-	-	-	-	-	-	-	-
Cedar Creek Trail Undercrossing 99W	-	-	-	-	-	-	-	-	-	-
Cedar Brook Way Extension	-	-	-	-	-	-	-	-	-	-
Tannery Site Clean-Up	-	-	-	-	-	-	-	-	-	-
TEA Transportation	-	(5,691,840)	-	(6,038,480)	(6,219,640)	-	(6,598,200)	(6,796,160)	-	-
TEA Water	-	(2,323,490)	-	(2,464,994)	(2,538,946)	-	(2,693,480)	(2,774,290)	-	-
TEA Sewer	-	(2,190,139)	-	(2,323,521)	(2,393,229)	-	(2,538,893)	(2,615,065)	-	-
TEA Stormwater	-	(819,625)	-	(869,541)	(895,628)	-	(950,141)	(978,647)	-	-
Langer Farms Parkway Extension	-	-	-	-	-	-	-	(10,003,867)	-	-
Public Works Facility	-	-	-	-	-	-	-	-	(13,437,500)	(13,840,625)
Developer Incentives	-	-	-	-	-	-	-	-	-	(1,074,733)
Financing Fees	-	-	-	-	-	-	-	-	-	-
Administration	(167,756)	(172,788)	(177,973)	(183,311)	(188,811)	(194,472)	(200,303)	(206,312)	(212,500)	(218,875)
Total Expenditures	(167,756)	(11,197,882)	(177,973)	(11,879,847)	(12,236,254)	(194,472)	(12,981,017)	(23,374,341)	(13,650,000)	(15,134,233)
Ending Balance	7,355,394	2,180,900	8,696,660	5,172,436	2,066,682	12,252,053	11,013,493	338,571	362,651	-

Source: Tiberius Solutions

VII. REVENUE SHARING

Revenue sharing targets are not projected to be reached as the threshold set in ORS 457 (annual tax increment revenues in excess of 10 percent of the maximum indebtedness) is not met during the expected life of the Plan.

Revenue sharing means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the Area. The first threshold is when annual tax increment finance revenues exceed 10% of the original maximum indebtedness of the Plan (\$16,660,000). At the 10% threshold, the Agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold.

The second threshold is set at 12.5% of the maximum indebtedness (\$20,825,000). If this threshold is met, revenue for the district would be capped at 12.5% of the maximum indebtedness, with all additional tax revenue being shared with affected taxing districts.

If assessed value in the Area grows more quickly than projected, the revenue sharing triggers could be reached earlier.

VIII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the Area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2052 and are shown in Table 15 and Table 16.

The Sherwood School District and the Northwest Regional Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level.

Table 15 and Table 16 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 15 shows the general government levies, and Table 16 shows the education levies.

Table 15 - Projected Impact on Taxing District Permanent Rate Levies - General Government, page 1

FYE	Wash. County	City of Sherwood	Port of Portland	Tualatin Soil & Water District	Tualatin Valley Fire & Rescue	Enhanced Sheriff Patrol	Urban Road Maint.	Metro	Subtotal General Gov't
2023	(\$89,550)	(\$97,669)	(\$2,792)	(\$3,286)	(\$60,746)	(\$21)	(\$8)	(\$3,846)	(\$257,918)
2024	(\$133,570)	(\$126,683)	(\$4,164)	(\$4,901)	(\$90,607)	(\$32)	(\$13)	(\$5,737)	(\$365,708)
2025	(\$176,312)	(\$151,745)	(\$5,497)	(\$6,469)	(\$119,601)	(\$44)	(\$17)	(\$7,573)	(\$467,258)
2026	(\$306,314)	(\$174,323)	(\$9,550)	(\$11,239)	(\$207,788)	(\$56)	(\$22)	(\$13,158)	(\$722,450)
2027	(\$349,135)	(\$224,910)	(\$10,885)	(\$12,811)	(\$236,835)	(\$84)	(\$32)	(\$14,996)	(\$849,689)
2028	(\$393,205)	(\$279,342)	(\$12,259)	(\$14,428)	(\$266,730)	(\$115)	(\$44)	(\$16,888)	(\$983,012)
2029	(\$440,063)	(\$337,486)	(\$13,720)	(\$16,147)	(\$298,516)	(\$147)	(\$57)	(\$18,900)	(\$1,125,036)
2030	(\$489,894)	(\$399,599)	(\$15,274)	(\$17,976)	(\$332,319)	(\$182)	(\$70)	(\$21,039)	(\$1,276,353)
2031	(\$542,897)	(\$465,956)	(\$16,926)	(\$19,920)	(\$368,274)	(\$220)	(\$85)	(\$23,315)	(\$1,437,593)
2032	(\$599,286)	(\$536,851)	(\$18,684)	(\$21,989)	(\$406,525)	(\$260)	(\$100)	(\$25,735)	(\$1,609,431)
2033	(\$659,286)	(\$612,599)	(\$20,555)	(\$24,191)	(\$447,226)	(\$303)	(\$117)	(\$28,311)	(\$1,792,588)
2034	(\$723,141)	(\$693,536)	(\$22,546)	(\$26,534)	(\$490,542)	(\$348)	(\$134)	(\$31,053)	(\$1,987,834)
2035	(\$791,110)	(\$780,022)	(\$24,665)	(\$29,028)	(\$536,649)	(\$397)	(\$153)	(\$33,971)	(\$2,195,995)
2036	(\$863,471)	(\$872,441)	(\$26,921)	(\$31,683)	(\$585,735)	(\$450)	(\$174)	(\$37,077)	(\$2,417,952)
2037	(\$940,520)	(\$971,206)	(\$29,323)	(\$34,510)	(\$638,001)	(\$506)	(\$195)	(\$40,385)	(\$2,654,647)

FYE	Wash. County	City of Sherwood	Port of Portland	Tualatin Soil & Water District	Tualatin Valley Fire & Rescue	Enhanced Sheriff Patrol	Urban Road Maint.	Metro	Subtotal General Gov't
2038	(\$1,022,574)	(\$1,076,756)	(\$31,882)	(\$37,521)	(\$693,662)	(\$566)	(\$218)	(\$43,907)	(\$2,907,087)
2039	(\$1,109,972)	(\$1,189,563)	(\$34,606)	(\$40,728)	(\$752,949)	(\$630)	(\$243)	(\$47,659)	(\$3,176,351)
2040	(\$1,203,076)	(\$1,310,132)	(\$37,509)	(\$44,144)	(\$816,105)	(\$699)	(\$270)	(\$51,656)	(\$3,463,591)
2041	(\$1,302,272)	(\$1,439,001)	(\$40,602)	(\$47,784)	(\$883,395)	(\$773)	(\$298)	(\$55,915)	(\$3,770,038)
2042	(\$1,407,974)	(\$1,576,747)	(\$43,897)	(\$51,662)	(\$955,098)	(\$851)	(\$329)	(\$60,452)	(\$4,097,011)
2043	(\$1,520,626)	(\$1,723,987)	(\$47,410)	(\$55,796)	(\$1,031,515)	(\$936)	(\$361)	(\$65,288)	(\$4,445,917)
2044	(\$1,640,699)	(\$1,881,381)	(\$51,153)	(\$60,202)	(\$1,112,966)	(\$1,026)	(\$396)	(\$70,443)	(\$4,818,265)
2045	(\$1,768,699)	(\$2,049,636)	(\$55,144)	(\$64,898)	(\$1,199,795)	(\$1,122)	(\$433)	(\$75,938)	(\$5,215,666)
2046	(\$1,905,167)	(\$2,229,507)	(\$59,399)	(\$69,906)	(\$1,292,368)	(\$1,225)	(\$473)	(\$81,796)	(\$5,639,842)
2047	(\$2,050,681)	(\$2,421,803)	(\$63,936)	(\$75,245)	(\$1,391,078)	(\$1,336)	(\$515)	(\$88,043)	(\$6,092,636)
2048	(\$2,205,859)	(\$2,627,387)	(\$68,774)	(\$80,939)	(\$1,496,343)	(\$1,454)	(\$561)	(\$94,704)	(\$6,576,021)
2049	(\$2,371,362)	(\$2,847,186)	(\$73,934)	(\$87,012)	(\$1,608,611)	(\$1,580)	(\$610)	(\$101,809)	(\$7,092,104)
2050	(\$2,547,896)	(\$3,082,189)	(\$79,438)	(\$93,489)	(\$1,728,363)	(\$1,716)	(\$662)	(\$109,387)	(\$7,643,139)
2051	(\$2,736,217)	(\$3,333,454)	(\$85,309)	(\$100,399)	(\$1,856,110)	(\$1,860)	(\$718)	(\$117,471)	(\$8,231,539)
2052	(\$2,937,133)	(\$3,602,115)	(\$91,573)	(\$107,772)	(\$1,992,401)	(\$2,015)	(\$778)	(\$126,096)	(\$8,859,882)
TOTAL:	(\$35,227,961)	(\$39,115,210)	(\$1,098,328)	(\$1,292,611)	(\$23,896,854)	(\$20,955)	(\$8,086)	(\$1,512,550)	(\$102,172,553)

Source: Tiberius Solutions

Table 16 - Projected Impact on Taxing District Permanent Rate Levies – Education

FYE	NW Regional ESD	Portland Community College	Sherwood School District	Subtotal Education	Total Impacts Gen Gov't & Education
2023	(\$6,126)	(\$11,263)	(\$191,665)	(\$209,054)	(\$466,973)
2024	(\$9,137)	(\$16,800)	(\$285,883)	(\$311,821)	(\$677,529)
2025	(\$12,060)	(\$22,176)	(\$377,364)	(\$411,600)	(\$878,858)
2026	(\$20,953)	(\$38,528)	(\$655,610)	(\$715,091)	(\$1,437,540)
2027	(\$23,882)	(\$43,914)	(\$747,261)	(\$815,057)	(\$1,664,746)
2028	(\$26,897)	(\$49,457)	(\$841,586)	(\$917,940)	(\$1,900,952)
2029	(\$30,102)	(\$55,350)	(\$941,877)	(\$1,027,329)	(\$2,152,366)
2030	(\$33,511)	(\$61,618)	(\$1,048,531)	(\$1,143,660)	(\$2,420,013)
2031	(\$37,136)	(\$68,285)	(\$1,161,975)	(\$1,267,396)	(\$2,704,990)
2032	(\$40,994)	(\$75,377)	(\$1,282,664)	(\$1,399,035)	(\$3,008,466)
2033	(\$45,098)	(\$82,924)	(\$1,411,084)	(\$1,539,106)	(\$3,331,693)
2034	(\$49,466)	(\$90,955)	(\$1,547,754)	(\$1,688,176)	(\$3,676,010)
2035	(\$54,115)	(\$99,505)	(\$1,693,231)	(\$1,846,850)	(\$4,042,846)
2036	(\$59,065)	(\$108,606)	(\$1,848,107)	(\$2,015,778)	(\$4,433,729)
2037	(\$64,336)	(\$118,297)	(\$2,013,016)	(\$2,195,649)	(\$4,850,296)
2038	(\$69,948)	(\$128,618)	(\$2,188,639)	(\$2,387,205)	(\$5,294,292)
2039	(\$75,927)	(\$139,610)	(\$2,375,698)	(\$2,591,235)	(\$5,767,586)
2040	(\$82,295)	(\$151,321)	(\$2,574,969)	(\$2,808,585)	(\$6,272,176)
2041	(\$89,081)	(\$163,798)	(\$2,787,281)	(\$3,040,159)	(\$6,810,197)
2042	(\$96,311)	(\$177,093)	(\$3,013,518)	(\$3,286,922)	(\$7,383,933)
2043	(\$104,017)	(\$191,262)	(\$3,254,628)	(\$3,549,907)	(\$7,995,825)
2044	(\$112,231)	(\$206,364)	(\$3,511,623)	(\$3,830,218)	(\$8,648,484)
2045	(\$120,986)	(\$222,464)	(\$3,785,585)	(\$4,129,036)	(\$9,344,701)
2046	(\$130,321)	(\$239,629)	(\$4,077,671)	(\$4,447,622)	(\$10,087,463)
2047	(\$140,275)	(\$257,931)	(\$4,389,119)	(\$4,787,325)	(\$10,879,961)

FYE	NW Regional ESD	Portland Community College	Sherwood School District	Subtotal Education	Total Impacts Gen Gov't & Education
2048	(\$150,890)	(\$277,449)	(\$4,721,249)	(\$5,149,589)	(\$11,725,610)
2049	(\$162,211)	(\$298,266)	(\$5,075,478)	(\$5,535,956)	(\$12,628,059)
2050	(\$174,287)	(\$320,470)	(\$5,453,318)	(\$5,948,075)	(\$13,591,214)
2051	(\$187,169)	(\$344,157)	(\$5,856,385)	(\$6,387,711)	(\$14,619,250)
2052	(\$200,912)	(\$369,428)	(\$6,286,409)	(\$6,856,749)	(\$15,716,631)
TOTAL:	(\$2,409,740)	(\$4,430,914)	(\$75,399,180)	(\$82,239,835)	(\$184,412,388)

Source: Tiberius Solutions Please refer to the explanation of the schools funding in the preceding section.

Table 17 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2053.

The Frozen Base is the assessed value of the Area established by the county assessor at the time the Area is established. Excess Value is the increased assessed value in the Area above the Frozen Base.

Table 17 - Additional Revenues Obtained after Termination of Tax Increment Financing

Taxing District	Tax Rate	From Frozen Base	From Excess Value	Total
General Government				
Washington County	2.2484	\$437,885	\$3,271,639	\$3,709,524
City of Sherwood	3.2975	\$621,501	\$4,037,991	\$4,659,492
Port of Portland	0.0701	\$13,652	\$102,002	\$115,654
Tualatin Soil & Water District	0.0825	\$16,068	\$120,044	\$136,112
Tualatin Valley Fire & Rescue	1.5252	\$297,039	\$2,219,313	\$2,516,352
Enhanced Sheriff Patrol	0.6365	\$365	\$2,264	\$2,629
Urban Road Maintenance	0.2456	\$141	\$874	\$1,015
Metro	0.0966	\$18,796	\$140,457	\$159,253
Subtotal	8.2024	\$1,405,447	\$9,894,584	\$11,300,031
Education				
NW Regional ESD	0.1538	\$29,953	\$223,794	\$253,747
Portland Community College	0.2828	\$55,076	\$411,501	\$466,577
Sherwood School District	4.8123	\$937,215	\$7,002,360	\$7,939,575
Subtotal	5.2489	\$1,022,244	\$7,637,655	\$8,659,899
TOTAL:	13.4513	\$2,427,691	\$17,532,239	\$19,959,930

Source: Tiberius Solutions

IX. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base (assumed to be FYE 2021 values), including all real, personal, personal, manufactured, and utility properties in the Area, is projected to be \$194,753,980. The Washington County Assessor will certify the frozen base once the urban renewal plan is adopted.

The total assessed value of the existing Sherwood Urban Renewal Area is expected to be approximately \$240,000,000 once the 2020 amendment is calculated by the Assessor’s office. The 2020 amendment reduced the assessed value of the existing area by \$185,000,000. The Assessor’s office has not yet computed the new frozen base nor the new full value. The values used in this document reflect the consultant’s estimates. The total assessed value of the City of Sherwood in FYE 2021 is \$2,216,239,431². It is anticipated that the existing URA will discontinue taking division of tax revenues after FYE 2023.

The percentage of total City assessed value in urban renewal areas is 12.46%, below the 25% threshold.

The Area contains 585 acres, including public rights-of-way, and the City of Sherwood contains 3,129 acres. The existing Sherwood Urban Renewal Area contains 174 acres. This puts 24.26 % of the City’s acreage in an urban renewal area, which is below the 25% threshold. This will reduce when the existing urban renewal area is terminated in FYE 2023.

Table 18 - Urban Renewal Area Conformance with Assessed Value and Acreage Limits

	Acreage	Assessed Value
URA 1- After 2020 Amendment - Frozen Base	174	\$58,914,988
New URA -Frozen Base	585	\$194,753,980
Total URAs	759	\$253,668,968
City of Sherwood	3,129	\$2,216,239,431
Excess Value of URA 1		\$179,767,736
City of Sherwood minus value		\$2,036,471,695
% of City	24.26%	12.46%

Source: Compiled by Elaine Howard Consulting, LLC with data from Tiberius Solutions LLC, City of Sherwood and Washington County Department of Assessment and Taxation (FYE 2021)

² Washington County Assessor FY 2020/2021 SAL 4a Report.

X. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Sherwood Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. *Physical Conditions*

1. *Land Use*

The Area measures 585 total acres in size, which is composed of 398 individual parcels encompassing 452.89 acres, and an additional 133.11 acres in public rights-of-way. An analysis of FYE 2019/2020 property classification data from the Washington County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, Commercial uses account for the most prevalent land use within the Area (33.95%). This was followed by Residential uses (26.21%). Detailed land use designations in the Area can be seen in Table 19.

Table 19 - Land Use in the Area

Land Use	Parcels	Acreage	Percent of Acreage
Commercial	62	153.76	33.95%
Residential	303	118.68	26.21%
Exempt	12	97.65	21.56%
Forest	5	35.79	7.90%
Miscellaneous	14	35.26	7.78%
Multi-Family	1	7.42	1.64%
Farm	1	4.33	0.96%
TOTAL:	398	452.89	100.00%

Source: Compiled by Elaine Howard Consulting, LLC with data from the Tiberius Solutions using the Washington County Department of Assessment and Taxation database (FYE 2019-2020)

2. Comprehensive Plan Designations

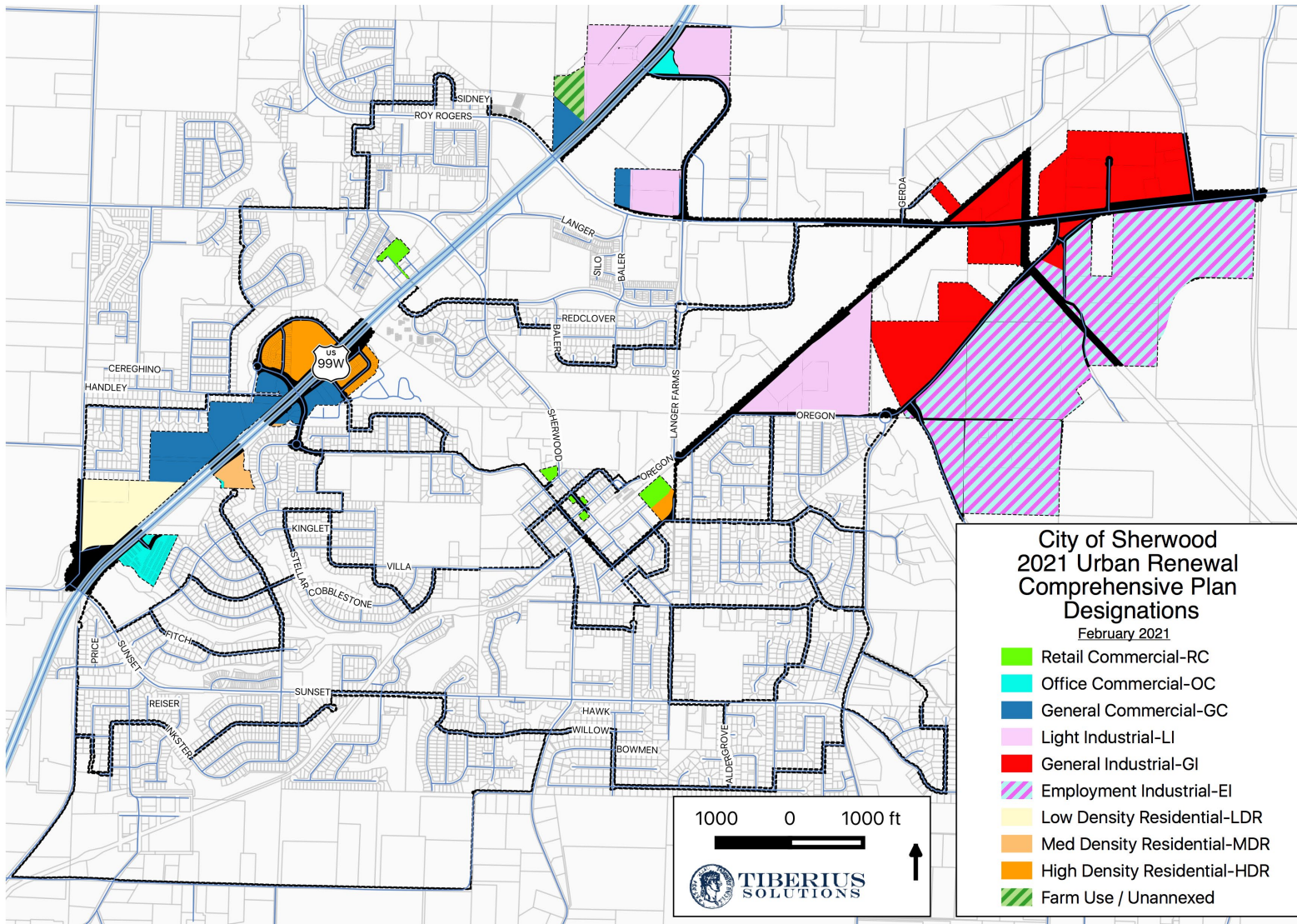
In Sherwood there is a one map system. The Comprehensive Plan designation for unannexed properties is identified on all but one parcel, which is still shown as Urban Growth Area – Concept Plan required. The most prevalent comprehensive plan designation by acreage in the Area is Employment Industrial (43.89%). The second most prevalent comprehensive plan designation in the Area is General Industrial (20.43%). Detailed comprehensive plan designations in the Area can be seen in Table 20 .

Table 20 – Comprehensive Plan Designations in the Area

Comprehensive Plan Designation	Parcels	Acreage	Percent of Acreage
Employment Industrial-EI	19	198.78	43.89%
General Industrial-GI	21	92.53	20.43%
Light Industrial-LI	13	60.75	13.41%
General Commercial-GC	20	30.22	6.67%
Low Density Residential-LDR	2	19.22	4.24%
High Density Residential-HDR	72	11.30	2.50%
Light Industrial-LI (PUD)	2	9.42	2.08%
Urban Growth Area-Concept Plan Required	1	8.80	1.94%
Office Commercial-OC(PUD)	162	6.19	1.37%
Old Town Overlay	6	4.87	1.08%
High Density Residential-HDR (PUD)	75	3.80	0.84%
Medium Density Residential High-MDRH	1	3.50	0.77%
Retail Commercial-RC	2	1.86	0.41%
Office Commercial-OC	2	1.64	0.36%
TOTAL:	398	452.89	100%

Source: Compiled by Elaine Howard Consulting, LLC with data from the Tiberius Solutions using the Washington County Department of Assessment and Taxation database (FYE 2019-2020)

Figure 4 - Sherwood Urban Renewal Area Comprehensive Plan Designations



3. Zoning Designations

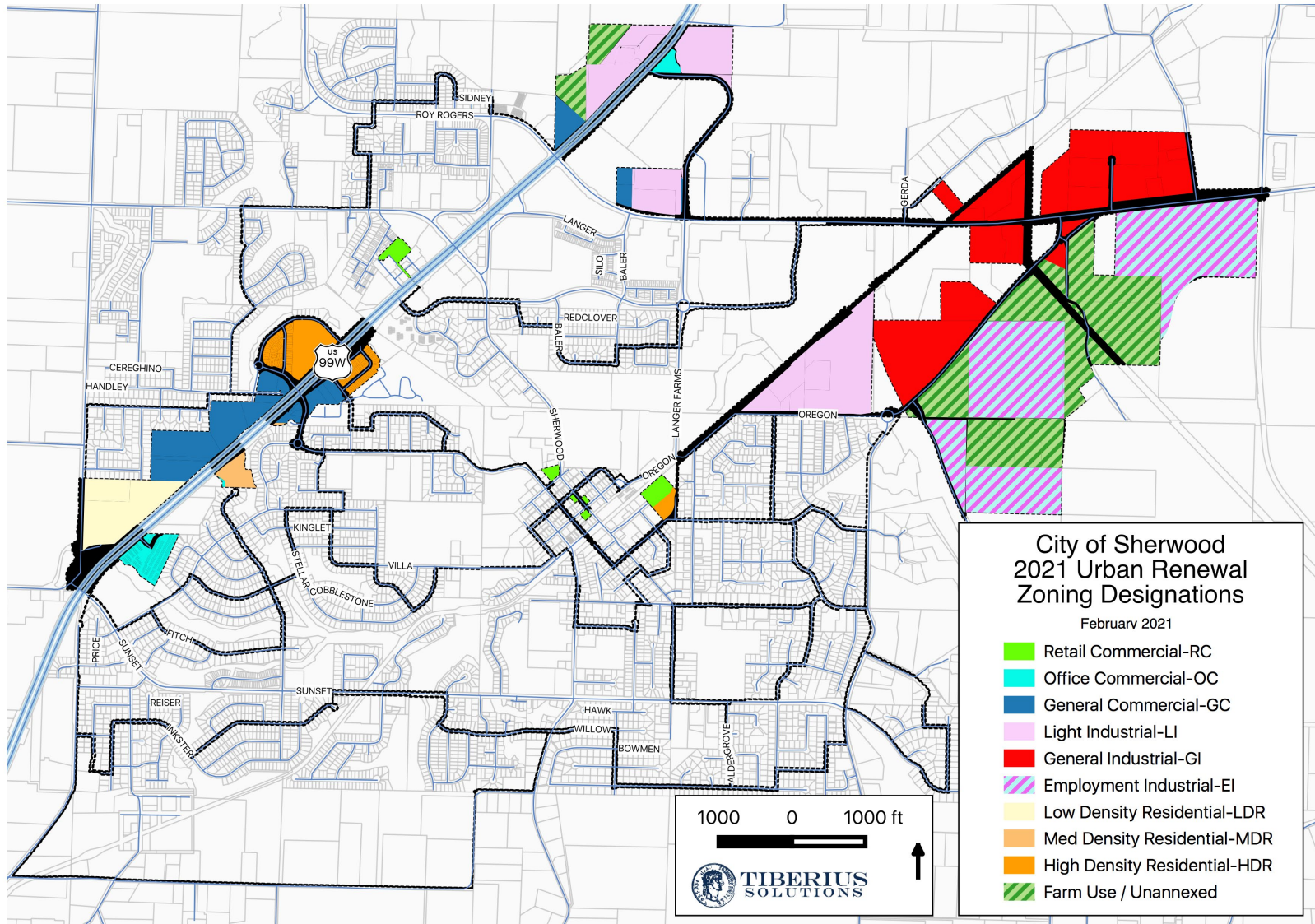
Sherwood has a one map system, so the comprehensive plan designations are also the zoning designations. Detailed zoning designations in the Area can be seen in Table 21. For properties that are not yet annexed, the zoning designation will be shown as Unannexed Area-Inside UGB except for one parcel which is designated as Low Density Residential.

Table 21 - Zoning Designations in the Area

Zoning Designations	Parcels	Acreage	Percent of Acreage
Employment Industrial-EI	4	112.48	24.84%
General Industrial-GI	21	92.53	20.43%
Unannexed Area-Inside UGB	15	86.30	19.05%
Light Industrial-LI	13	60.75	13.41%
General Commercial-GC	20	30.22	6.67%
Low Density Residential-LDR	2	19.22	4.24%
High Density Residential-HDR	72	11.30	2.50%
Light Industrial-LI (PUD)	2	9.42	2.08%
Urban Growth Area-Concept Plan Required	1	8.80	1.94%
Office Commercial-OC(PUD)	162	6.19	1.37%
Old Town Overlay	6	4.87	1.08%
High Density Residential-HDR (PUD)	75	3.80	0.84%
Medium Density Residential High-MDRH	1	3.50	0.77%
Retail Commercial-RC	2	1.86	0.41%
Office Commercial-OC	2	1.64	0.36%
TOTAL:	398	452.89	100.00%

Source: Compiled by Elaine Howard Consulting, LLC with data from the Tiberius Solutions using the Washington County Department of Assessment and Taxation database (FYE 2019-2020)

Figure 5 - Sherwood Urban Renewal Area Zoning Designations



B. Infrastructure

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the urban renewal plan.** There are projects listed in several City of Sherwood's infrastructure master plans that relate to these existing conditions. **This does not mean that all of these projects are included in the urban renewal plan.** The specific projects that are included in the Plan are listed in Sections II and III of this Report. Much of the language on existing conditions comes from the *Tonquin Employment Area Implementation Plan* developed in 2015 or the *Sherwood Economic Opportunities Analysis* completed in 2019. Where language is taken directly from a document, it will be cited through a footnote.

1. Transportation

The City of Sherwood is bisected by two major transportation corridors that are not city-owned—Tualatin-Sherwood Road (Washington County) and Highway 99 (ODOT). Congestion on these main roads continues to increase, which creates more congestion on local roads within the City of Sherwood. Other than these transportation issues that will need to be addressed at a regional level, most roads that the City maintains are in good condition. The City's Transportation System Plan outlines system plans for Sherwood-owned and maintained roads only, not plans for the regional network, which includes Tualatin-Sherwood Road and Highway 99.

The *Tonquin Employment Area Implementation Plan* identifies the need for \$14.1 million in transportation improvements to serve the entire TEA. Transportation improvements include improvements on Oregon Street, a new east-west collector, the intersection of Oregon St. and the collector, Tonquin Court, SW 124th Ave, and SW Dahlke Lane. Of the \$14.1 million, about \$10 million is expected to be invested in the first 20 years of development of the Area."³ Table 22 contains a list of capital projects in the Area from the *City of Sherwood 2014 Transportation System Plan* (TSP) and the *Tonquin Employment Area Market Analysis, Business Recruitment Strategy and Implementation Plan* (TEA).

³ Sherwood Economic Opportunities Analysis, ECONorthwest p 58.

Table 22 - Transportation Projects in the Area From TSP/TEA

Project Number	Project Title
TSP D3	Oregon Street Intersection Improvements at Murdock and Tonquin
TSP D8	Oregon Street Improvements Murdock to RR crossing
TSP D12	Extension of Langer Farms Parkway at 99W
TSP P4	Ice Age Tonquin Trail/Highway 99 Connection
TEA Phase I C	Frontage improvements along Oregon Street
	3-lane full street improvements along East-West Collector
	3-lane half street improvements along East-West Collector
	3-lane half street improvements along Tonquin Court
	ROW from adjacent parcels
	Roundabout at E/W Collector/Oregon St intersection
TEA Phase I E	5-lane half street improvements along SW Tualatin-Sherwood Road
	5-lane half street improvements along SW 124th Avenue
TEA Phase 2 A	Frontage improvements along Oregon Street
	3-lane half street improvements along Tonquin Court
TEA Phase 2 D	5-lane half street improvements along SW 124th Avenue
	3-lane half street improvements along East-West Collector
	3-lane half street improvements along SW Dahlke Lane
TEA Phase 3 B	3-lane half street improvements along Tonquin Court
	3-lane half street improvements along East-West Collector
	3-lane half street improvements along East-West Collector (b)
	5-lane half street improvements along SW 124th Avenue

Source: Sherwood Transportation Systems Plan (2018) Tonquin Employment Area Implementation Plan (2015)

Specific conditions of some of the roads as identified in the *Tonquin Employment Area Market Analysis Business Recruitment Strategy, and Implementation Plan* are shown below:

- **Tualatin-Sherwood Road**
Tualatin-Sherwood Road is a county arterial and is currently three lanes wide adjacent to the site. Widening is anticipated to a five-lane section in the near future. The City has assumed no driveway access will be allowed for development in the TEA except opposite the Cipole Road signalized intersection, as all development areas would have access to lower classification roadways. .
- **124th Avenue**
124th, a core road for this County Arterial, was constructed with 3 lanes south of Tualatin-Sherwood Road to Grahams Ferry Road with the expectation that development will widen the road to 5 lanes over time. No driveway access will be allowed per agreement with the cities, however an east-west collector was identified as a need in the 2010 TEA Concept Plan and would serve as an east-west collector through the area, providing an alternate to Tualatin-Sherwood Road between 124th Avenue and Oregon Street in Sherwood. Based on recent review of the area.
- **Tonquin Road**
This two-lane County arterial does not have bike lanes or sidewalks, and is not currently planned for improvements as it is primarily outside the city limits. No access is proposed to Tonquin Road for the TEA as it is located at the bottom of a steep slope.
- **Oregon Street**
This roadway is classified as a three-lane arterial and is built to its planned width. Sidewalks do not exist for most of the south frontage and will need to be provided with development.
- **Local Street Connections**
City of Sherwood TSP identifies future extension of Cipole Road south of Tualatin-Sherwood Road into the TEA. Based on this update, it is assumed that an internal drive will be located here instead. A critical connection, currently identified as Tonquin Court would provide connection from Oregon Street into the western portion of the TEA where the grade from Tonquin Road makes a connection problematic.

2. Stormwater

“Sherwood updated its *Stormwater System Master Plan* in 2016. While Clean Water Services manages stormwater at a district-level, Sherwood manages its local stormwater program, including areas in the City limits and expansion areas such as Tonquin and Brookman. The existing stormwater system does not have any major deficiencies, but the Plan identifies a few deficiencies that the City plans to address as areas are built out. Potential future changes to hydromodification requirements for new development could affect permitting and costs for new development.

The *Tonquin Employment Area Implementation Plan* identifies the need for \$1.9 million in stormwater improvements to serve the entire TEA. Stormwater improvements include construction of stormwater lines and construction of two regional treatment facilities. Of this \$1.9 million, about \$1.5 million is expected to be invested in the first 20 years of development of the Area.”⁴

Storm drainage within the TEA is expected to be managed through regional treatment facilities. Three facilities are proposed within the drainage basins across the TEA. Facilities will be designed according to CWS standards for water quality treatment and flow control. Low-impact development approaches are encouraged for new development to minimize the size of regional facilities. (Page 23 TEA)

3. Sanitary Sewer

“The *Sanitary System Master Plan*, updated in 2016, identifies current and future capacity and needs of the City’s wastewater system. Sherwood’s wastewater system is publicly owned, and Clean Water Services provides treatment services. The Plan identifies needed projects to maintain the existing system and future improvements necessary to accommodate growth. These expansions and improvements will meet the needs of developed areas in the City limits as well as the Tonquin Employment Area and the Brookman Annexation Area.

The *Tonquin Employment Area Implementation Plan* identifies the need for \$1.7 million in waste water improvements to serve the entire TEA. Waste water improvements are construction of sewer lines along key streets in the TEA. The entire amount is expected to be invested in the first 20 years of development of the Area.”⁵

Municipal sewer service for the Tonquin Employment Area is expected to be provided by City of Sherwood. The City has recently upgraded the Rock Creek

⁴ *Sherwood Economic Opportunities Analysis*, ECONorthwest, p 59.

⁵ *Sherwood Economic Opportunities Analysis*, ECONorthwest, p 58,59.

Interceptor located northwest of the TEA, which is expected to handle flows from the northern portion of the TEA development.

Downstream of the City's pipe system, Clean Water Services has identified capacity issues for the Onion Flat Trunk west of the TEA. However, City staff has said that more recent modeling efforts indicate this line capacity is sufficient for planned build-out conditions.

Proposed sewer infrastructure through the TEA is expected to consist of 12" to 15" lines. A ridge generally runs northwest-southeast along the BPA right-of-way through the TEA, which divides the area into two sewer basins. Development north of the ridge is expected to drain to Tualatin-Sherwood Road and the Rock Creek Interceptor, while development to the south will drain to Oregon Street to the Onion Flat Trunk. (Page 23 TEA)

4. *Water*

Sherwood updated its *Water System Master Plan* in 2015, which evaluated water demand for the city limits and expansion areas within the UGB for a 20-year planning period. The City sources its main water supply from the Willamette River Water Treatment Plant in Wilsonville. The Plan identifies the need to expand the capacity of the existing plant, build new pump stations, and expand or replace water mains to meet future demand.

The *Tonquin Employment Area Implementation Plan* identifies the need for \$5.4 million in water improvements to serve the entire TEA. Water improvements include the construction of water lines and upgrades to the Willamette River Water Treatment Plant capacity. Of this \$5.4 million, about \$3 million is expected to be invested in the first 20 years of development of the Area.

Overall, there are no limiting factors in the City's water system when considering the location of new businesses in the proposed target industries. The existing supply and planned improvements within the City limits and the expansion areas will meet future water needs for employment uses."⁶

Municipal water service for the Tonquin Employment Area is expected to be provided by City of Sherwood. Existing service is provided to the western and northern boundaries of the TEA, and expansion to the area is described in the Water System Master Plan.

The TEA will be developed as part of the 380-foot Pressure Zone, which comprises most of the City's water service area. This zone is served by two reservoirs with

⁶ *Sherwood Economic Opportunities Analysis*, ECONorthwest, p58.

existing capacity of 6.0 experience a 0.61-MGD deficit at full build-out of the plan service area. However, since the 380- foot zone covers such a large area of the city including significant growth areas, it is not clear that the expected storage deficit will be due to the TEA growth. As noted in the Master Plan, the expected deficiency is far enough out on the development timeline that the need for storage expansion should be considered as part of future planning analysis.

Water supply to the City is provided from groundwater wells and the Willamette River Water Treatment Plant. The City's wells are currently used for emergency redundancy only and can provide approximately 2.6 million gallons per day (MGD). The City currently owns a 5-MGD share in the plant, and the Master Plan recommends purchase of an additional 5-MGD share of future expansion of the plant to accommodate full build-out. The master plan projects TEA development to contribute 0.34-MGD demand to the system, so it is unlikely that development of the TEA will trigger the need for additional supply capacity. However, this projection does not appear to include process water uses. Adding high-demand industrial users in the TEA could potentially exceed the currently available supply surplus of 1.1 MGD.

The distribution system in the TEA is proposed to be extended from existing 10" and 12" lines serving the eastern edge of the 380-foot Pressure Zone. This water main size is expected to be sufficient for most industrial uses; however, high-demand users could require higher peak flows and larger mains than are currently expected. (p 23 of TEA)

5. Energy and Communication Infrastructure

Energy utilities serving the study area include Portland General Electric (PGE) and Northwest Natural Gas. PGE staff has indicated that the area has sufficient capacity for the anticipated development; likewise, Northwest Natural is prepared to provide natural gas to serve the demand. Private communications providers in the area include CenturyLink, Verizon, and Comcast, while the City of Sherwood operates a fiber optic municipal broadband network that provides high-speed internet service throughout the City and could be expanded to serve the TEA area. (p 23, 24 of TEA)

6. Overall Existing Conditions

The area is largely undeveloped, with the exception of a few residences and businesses plus the City of Tualatin water reservoir and agricultural land near Tualatin-Sherwood Road. Multiple electrical transmission corridors cross the TEA in a northwest-southeast orientation, including a Portland General Electric (PGE) easement, a Bonneville Power Administration (BPA) easement, and a BPA right-of-way. Additionally, a Kinder Morgan petroleum pipeline passes through a portion of the site in a southeasterly direction from Oregon Street (roughly parallel to the BPA right-of-way). Slopes vary throughout the TEA from under seven percent to areas in excess of twenty-five percent. The study area contains both upland habitat and wetland habitat. The TEA is primarily comprised of parcels that are at least partially

forested or else have been cut over fairly recently, are currently in agricultural production, or are relatively developed. There are multiple vegetation communities in the TEA, the most prominent of which are Upland Mixed Evergreen-Deciduous Forest, Upland Shrub Thicket, Wetland (Forested), Wetland (Scrub-Shrub), Wetland (Emergent), Wetland (Open Water), and Developed/Disturbed.

Several of the features noted above hamper the ability to create development areas amenable to certain industrial employment types. Slopes in excess of seven percent increase the grading requirements (and associated cost) necessary to create the large, flat, rectilinear sites desired for large-format industrial buildings. The electrical transmission corridors, petroleum pipeline, and wetlands locations constrain several properties within the TEA, while the habitat areas could restrict development locations and add local, state, and federal permitting requirements that would extend the timeline before development could occur.”⁷

C. Social Conditions

The following social conditions were taken from the American Community Survey 2015-2019 Five Year Estimates. The most common age bracket in the Area is under 35-44 years at 18%.

Table 23 - Age in the Area

Age	Number	Percentage
Under 5 years	1,080	7%
5 to 9 years	1,351	8%
10 to 14 years	1,362	9%
15 to 17 years	867	5%
18 to 24 years	1,133	7%
25 to 34 years	1,402	9%
35 to 44 years	2,834	18%
45 to 54 years	2,271	14%
55 to 64 years	1,825	11%
65 to 74 years	1,215	8%
75 to 84 years	491	3%
85 years and over	172	1%
TOTAL:	16,003	100%

Source: American Community Survey 2015-2019 Five Year Estimates

⁷ *Tonquin Employment Area Market Analysis, Business Recruitment Strategy, and Implementation Plan*, Johnson Economics, PHS, Mackenzie, June 2015 p 17.

The analysis of race and origin are shown in the table below.

Table 24 – Hispanic or Latino Origin by Race in the Area

	Number	Percentage
Not Hispanic or Latino	14,836	93%
White alone	13,438	84%
Black or African American alone	51	0%
American Indian and Alaska Native alone	62	0%
Asian alone	640	4%
Native Hawaiian and Other Pacific Islander alone	101	1%
Some other race alone	29	0%
Two or more races	515	3%
Hispanic or Latino	1,167	7%
White alone	683	4%
Black or African American alone	-	0%
American Indian and Alaska Native alone	53	0%
Asian alone	-	0%
Native Hawaiian and Other Pacific Islander alone	-	0%
Some other race alone	372	2%
Two or more races	59	0%
TOTAL:	16,003	100%

Source: American Community Survey 2015-2019 Five Year Estimates

Only 17% of the residents reported an education that included less than high school or gaining a high school diploma. The remaining 83% had some type of advanced education. Sherwood has a larger share of residents with Bachelor, Graduate or Professional school degrees (46%) relative to Washington County (41%), the Portland region (40%) and Oregon (31%).⁸

Table 25 -Education in the Area

Education	Number	Percentage
Less than high school	258	3%
High school graduate (includes equivalency)	1,455	14%
Some college	2,391	23%
Associate's degree	1,117	11%
Bachelor's degree	3,209	31%
Master's degree	1,250	12%
Professional school degree	347	3%
Doctorate degree	183	2%

⁸ Sherwood Economic Opportunities Analysis, ECONorthwest, p 40.

TOTAL:	10,210	100%
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Source: American Community Survey 2015-2019 Five Year Estimates

A standard income analysis was performed on the Area. The most prevalent income bracket in the Area was \$100,000 – 124,499. The numbers are in 2019 inflation adjusted dollars. Sherwood’s median family income (\$97,196) was well above that of Washington County’s (\$81,887) and the State’s (\$65,479) median family income for the 2021-2016 period.⁹

Table 26 - Income in the Area

Income Range	Number	Percentage
Less than \$10,000	108	2%
\$10,000 to \$19,999	208	4%
\$20,000 to \$29,999	268	5%
\$30,000 to \$39,999	418	7%
\$40,000 to \$49,999	226	4%
\$50,000 to \$59,999	334	6%
\$60,000 to \$74,999	575	10%
\$75,000 to \$99,999	705	12%
\$100,000 to \$124,999	848	15%
\$125,000 to \$149,999	604	11%
\$150,000 to \$199,999	687	12%
\$200,000 or more	704	12%
TOTAL:	5,685	100%

Source: American Community Survey 2015-2019 Five Year Estimates

Additional data from the American Community Survey 2015-2019 Five Year Estimates shows that 80% of the responders drove alone to work and that 85% of those drove more than 10 minutes to work.

The following additional facts came from the Sherwood Economic Opportunities Analysis completed by ECONorthwest in 2019.

- About 13% of all people who work in Sherwood also live in Sherwood.
- About 8% of residents who live in Sherwood also work in Sherwood.
- Twenty-two percent of Sherwood residents commute to Portland.

⁹ Sherwood Economic Opportunities Analysis, ECONorthwest, p 39.

D. Economic Conditions

1. Taxable Value of Property within the Area

The estimated total assessed value of the Area calculated with data from the Washington County Department of Assessment and Taxation for FYE 2020, including all real, personal, manufactured, and utility properties, is estimated to be \$194,753,980.

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 27 shows the improvement to land ratios (I:L) for properties within the Area. In the Area 60 parcels representing 65% of the non-exempt acreage have I:L ratios less than 1.0. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is 2.0. Only 232 of the 386 non-exempt parcels in the Area, totaling 31% of the acreage have I:L ratios of 2.0 or more in FYE 2019-2020. In summary, the area is underdeveloped and not contributing significantly to the tax base in Sherwood. There are 12 parcels listed as Exempt from taxation, so they have no assessed value. No improvement value means there are no taxable structures on the tax lot.

Table 27 - Improvement to Land Ratios in the Area

Improvement/Land Ratio	Tax Lots	Acres	% of Total Acres
Exempt	12	97.65	21.56%
No Improvement Value	40	126.09	27.84%
0.01-0.50	12	72.38	15.98%
0.51-1.00	8	30.92	6.83%
1.01-1.50	32	11.41	2.52%
1.51-2.00	62	3.44	0.76%
2.01-2.50	53	25.09	5.54%
2.51-3.00	3	6.84	1.51%
3.01-4.00	1	0.90	0.20%
> 4.00	175	78.16	17.26%
Total	398	452.89	100%

Source: Compiled by Elaine Howard Consulting, LLC with data from the Washington County Department of Assessment and Taxation (FYE 2019-2020)

E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section VIII of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal funding are for transportation improvements, water, sewer and stormwater and other utility infrastructure improvements, facilitating redevelopment of properties, and plan administration. The use of tax increment allows the city to add an additional funding source to the City of Sherwood general fund or system development charges funds to allow these projects to be completed.

It is anticipated that these improvements will catalyze development on the undeveloped and underdeveloped parcels in the Area. This development will require city services. However, as the property is within the city limits or the urban growth boundary, the city has anticipated the need to provide services to the Area. As the development will be new construction or rehabilitation, it will be up to current building code which will aid in any fire protection needs.

The financial impacts from tax increment collections will be countered by future economic development, and, in the future, adding increases in assessed value to the tax base for all taxing jurisdictions, including the City.

XI. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area. The outcome of implementing these projects is anticipated to be substantial increase to the economic growth in Sherwood by providing new industrial parcels for development and providing tools inside the Area to assist with economic development.

XII. RELOCATION REPORT

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state law in providing these potential benefits.