

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2011



Home of the Tualatin River National Wildlife Refuge

2010/2011

Sherwood Urban Renewal Agency

This report fulfills the requirements, prescribed in ORS.457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.

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Annual Report for Fiscal Year Ending June 30th, 2011

SHERWOOD URBAN RENEWAL AGENCY

SHERWOOD URBAN RENEWAL AREA HISTORY

The Sherwood Urban Renewal Plan was adopted and approved by ordinance on August 29, 2000. The URA "maximum indebtedness", as defined by statute, is \$35,347,600. There are 591 acres designated in the original Urban Renewal Plan. The Urban Renewal Agency was formed to redevelop underutilized and blighted areas in Sherwood, including Old Town. While a separate and distinct agency was formed according to Oregon statute, the governing board consists of the same group of people as the Sherwood City Council. This is common among URAs throughout Oregon. The agency and its activities are funded by tax increment financing.

The Urban Renewal Plan was developed under the guidance of the Sherwood Urban Renewal Plan Advisory Committee. The committee met three times during the course of the planning process and also participated in a public workshop. All meetings were open to the public for discussion and comment. The Sherwood Urban Renewal Plan Advisory Committee (SURPAC) continues to meet regularly to develop recommendations to the Urban Renewal Agency on the implementation of the plan.

Goals

When developing the URA Plan and Report, SURPAC formulated a series of Goals and Objectives to guide activities funded by, or related to the URA. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

Goal A - Promote private development redevelopment, and rehabilitation in both Old Town and Six Corners to help create jobs, tax revenues, and self-sustaining and vibrant commercial districts.

Goal B - Upgrade the stock of existing structures in Old Town Sherwood which contribute to its small-town character, but which are run down or do not meet current Code requirements.

Goal C - Improve existing streets and construct missing street links to improve connectivity within both districts, to improve and enhance public open spaces as an integral part of each district, and to enhance livability.

Goal D - Improve and repair utilities to allow efficient development of the two areas.

Goal E - Develop convenient, attractive parking facilities close to shopping, entertainment and business destinations.

Goal F - Maintain, remodel and construct public facilities, including City Hall, Library, the Old School, the Hite House, Old City Hall, and a potential library expansion or relocation, to strengthen and reinforce Old Town as the historic center of Sherwood, and to serve as an anchor for the Old Town economy.

Goal G – Develop a strategy to make cultural arts a contributor to Sherwood's culture and economy focusing efforts on Old Town.

A full copy of the Sherwood Urban Renewal Plan and Report can be found on the City of Sherwood website at:

http://www.sherwoodoregon.gov/sites/default/files/files/city_boards/SURPAC/Economic%20Development%20Strategy/The%20Sherwood%20URA%20Plan%20and%20Report%2008.29.2000.pdf

FINANCIAL REPORTING

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

Money Received

ORS 457.460 (a)

The statute states, "The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460" must be reported.

In FY 2010/2011, the Sherwood URA received \$3,099,859 in tax revenue.

Money Expended

ORS 457.460 (b)

The statute states, "The purposes and amounts for which money received under ORS 457.420 to 457.460 and from indebtedness incurred under 457.420 to 457.460 were expended during the preceding fiscal year" must be reported. This means any money received through urban renewal and spent on urban renewal activities, and this information is shown in Table 1, below.

Table 1 - Expenditures During FY 2010/2011

Item	Expense
Personal Services	\$ 141,196
Materials and Services	285,124
Capital Outlay	2,981,086
Debt Service	2,088,639
Total	\$ 5,496,045

Estimated Revenues

ORS 457.460 (c)

The statute states, "An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460" must be reported. This means an estimate of all income to be gained from urban renewal in the upcoming year.

The estimated revenues for FY 2011-12 are \$7,295,953.

Proposed Budget for Current Fiscal Year

ORS 457.460 (d)

The statute states, "A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under 457.420 to 457.460 are to be expended during the current fiscal year" must be reported. This means a compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund. This information is shown in Table 2, below.

Table 2 - Proposed Budget for FY 2011/2012

Sherwood URA Operations and Capital FY 2011 Adopted Budget	
Sources	
Available Cash on Hand	\$ 2,865,240
Taxes Collected	3,292,012
Interest Income	36,000
Issuance of Long-term debt	3,967,941
Total Resources	\$ 10,161,193
Uses	
Personal Services	\$ 166,167
Materials and Services	205,542
Capital Outlay	3,893,783
Debt Service	2,957,257
Ending Fund Balance / Contingency	2,938,443
Total Uses	\$ 10,161,192

Impact on Taxing Districts

ORS 457.460 (e)

The statute states, "An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430" must be shown. This means showing how much money local taxing districts (eg. county, schools, community college, TVF&R) forego due to urban renewal. These figures reflect truncation loss and urban renewal compression loss. This information is from Washington County Assessor records, Table 4e and is shown in Table 3, below.

Table 3 - Impact on Taxing Districts FY 2010/2011

	FY 2010-11
Taxing District	Revenue Foregone: Permanent Rate and Local Option Rate
City of Sherwood	\$549,560
Washington County	\$472,973
Community College	\$47,016
NW Regional Education Service District	\$25,578
Tualatin Valley Fire and Rescue	\$295,653
Port of Portland	\$11,680
Metro	\$15,963
Sherwood School District	\$802,088
Total	\$2,220,513
<i>Source: Elaine Howard Consulting, LLC from Washington County Assessor Data</i>	

The Sherwood School District and the NW 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 charts. 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 because of the use of Tax Increment Financing are replaced, as determined by a funding formula at the State level with State School Fund revenues

.Addendum - Urban Renewal Projects and Expenses

The following pages report on Urban Renewal Projects and Expenses from August/2000 to December/2011. This Addendum is not a required part of this report, but provides an overview of implementation of the Urban Renewal Plan.

Urban Renewal Update

January 31, 2012



2011 Annual Report Addendum

The Sherwood Urban Renewal Plan & Report

**Adopted and Approved
August 29, 2000
Ordinance 2000-1098**



Home of the Tualatin River National Wildlife Refuge



Old Cannery Site and Warehouse

This is what is now the corner of SW Railroad and SW Pine just a little over 6 years ago. A major part of the Urban Renewal Plan is to remove blighting influences such as this.



This is another example of blight

This building was on the same site that is now the Library and City Hall



From Old Warehouse to New City Hall & Library

The warehouse site on the previous page has been transformed by revitalization efforts into a new city hall and library.

This anchor investment has perpetuated significant interest in what was once a blighted area.



Example of New Streetscape

Visitors, (MOST) residents and former residents continue to compliment us on the redevelopment of Old Town



**Old Cannery which had closed years earlier and was
vacant**

The City bought the property, but did not yet know how it should be redeveloped. A Feasibility Study was conducted by David Leland & Associates in 2006.



\$30 Million Private Investment

The old cannery site in the previous slide has been purchased by the Urban Renewal Agency, demolished and is slated for a \$30 million mixed use PRIVATE development as depicted above.



Cannery Square

This is a recent photo of the completed plaza



Old Machine Shop / Formerly a Cannery Warehouse

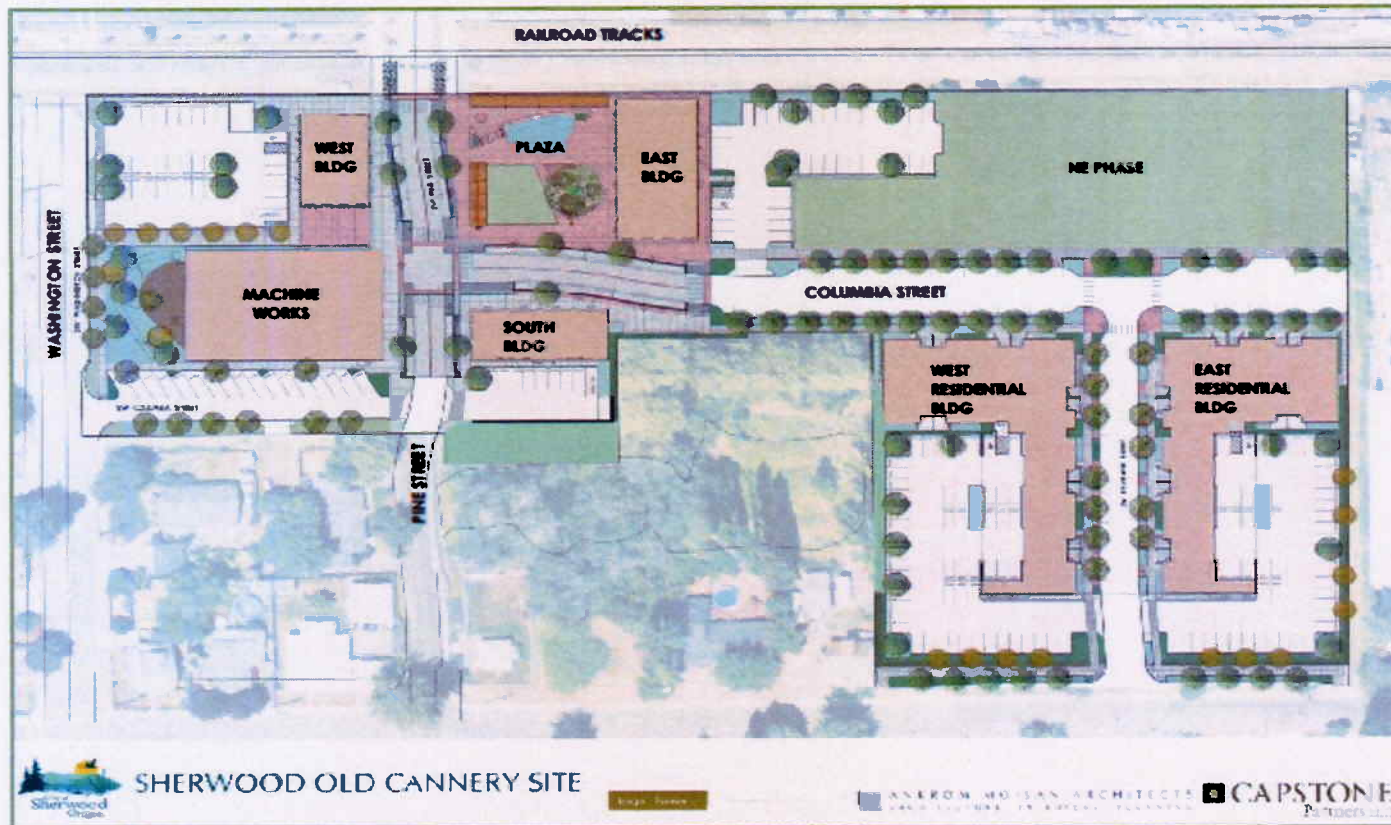
The URA purchased this property across from the proposed Plaza with the intention of redeveloping it because it would detract from the success of the Cannery Redevelopment left as it is.



Cannery Shops / Sherwood Community Center – The Old Machine Shop

The URA has contracted with Capstone Partners, LLC to convert the Old Machine Shop into Retail Space and a Community Center. The project should be completed in 2012.

Cannery Development



This PUD (Planned Unit Development) was approved in 2009 – Construction of infrastructure and plaza are complete.

PUD PLAN



Transportation Improvements

The URA invested \$1,000,000 to improve this important intersection and rail crossing at Langer Farms Parkway and SW Oregon Street.



Schools and Fields Investments

The URA provided funding for turf fields and a contribution toward the new SHS stadium.



Indoor Field House

The URA assisted in funding the Indoor Field House which is used many days until midnight by various community groups and sports leagues.



Sherwood Forest Senior Affordable Housing

The URA purchased blighted property adjacent to the Senior Center for this proposed project to be developed in partnership with a Washington County non-profit (Accessible Living, Inc.). It will include 30 units. The purchase also included needed right of way for the extension of Cedar Creek Trail

Property Investments

URA Property Purchases		Purchase Price
Old School Property	\$	550,000
Cannery & Machine Shop		3,990,000
SW 1st Street Properties		264,000
Robin Hood Properties		250,000
SW Main Street Property (WQ Facility)		240,585
Sherwood Blvd. Property		325,000
Total \$		5,619,585

The URA has invested in properties and removed blight. Some of the properties will have a public use, and others may be sold for private development. Future sales are estimated to allow the URA to recoup as much as \$4 million which may be used for future projects or to defease the URA debt.

Another Redevelopment Tool

Façade Grants

Up to \$15,000 Matching Grants per
Facade

Over \$200,000 in Assistance to:

- Smock House
- Stewart / Maplethorpe Building
- Morback House
- Sherwood Cobbler
- Lavender Tea House
- Stitch in Time
- Railroad Street Antiques
- Smockville Station Antiques
- What Goes Around Comes Around
- Bridges Financial
- Old Town Dental
- Lundy Building
- Clancy's
- Let's Make Music
- Nottingham's / Hodney's / Old Church



URA Projects / Expenditures 2000-2011

URA Projects	Expenditure
Sherwood City Hall	\$ 9,197,507
Downtown Streets Phase I	8,225,079
Cannery Project (Partially Completed)	9,020,043
Oregon Street/Langer Farms Pky. Intersection	1,000,000
Sherwood Forest Senior Affordable Housing Project	365,038
Old School Property	619,627
SW 1st Street Properties	264,000
Robin Hood Properties	250,000
SW Main Street Property (WQ Facility)	240,585
Sherwood School Fields and Grandstands	380,000
Façade Grants	204,061
Sherwood Field House	600,000
Sherwood Broadband	200,000
Administration (August/2000 to date)	1,363,224
Total	\$ 31,929,164

Note: This table includes projects/expenses incurred in 2011/2012 as well.