



Home of the Tualatin River National Wildlife Refuge

SHERWOOD CITY COUNCIL MEETING MINUTES
22560 SW Pine St., Sherwood, Or
March 20, 2018

WORK SESSION

1. **CALL TO ORDER:** Mayor Lee Weislogel called the meeting to order at 5:30 pm.
2. **COUNCIL PRESENT:** Mayor Lee Weislogel, Council President Sean Garland, Councilors Jennifer Kuiper, Kim Young, Renee Brouse, Russell Griffin and Tim Rosener. Mayor Elect Keith Mays.
3. **STAFF PRESENT:** City Manager Joseph Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Police Chief Jeff Groth, Community Development Director Julia Hajduk, Community Services Director Kristen Switzer, City Engineer Bob Galati, Civil Engineer Jason Waters, Planning Manager Erika Palmer, Senior Planner Carrie Brennecke, Administrative Assistant Colleen Resch, and City Recorder Sylvia Murphy.
4. **TOPICS:**

A. Cedar Creek Trail Project Update

Community Development Director Julia Hajduk introduced Civil Engineer Jason Waters as the project manager for the Cedar Creek Trail and provided a PowerPoint presentation (see record, Exhibit A). She said the purpose of the work session is to provide an overview of the project, to familiarize the Council with the scope of the project, to review the work completed to date, to review the remaining work and schedule, and to discuss public involvement for the remainder of the project. She stated this project is part of the Ice Age Trail, which is a regional trail that will connect Wilsonville to Sherwood and Tualatin, and the Cedar Creek Trail is a portion of the Ice Age Trail and as a result that enabled Sherwood to receive regional funds for the trail system.

Jason Waters said the Cedar Creek Trail is now two projects through ODOT and FHWA (Federal Highway Administration) and they have their own project numbers. He said the portion southeast of Hwy 99W is Project 1 and said it is considered one project because it was going to be taken to design and construction. He commented on projects being federalized and said ODOT and the previous project manager set the project up to where project 2, if it did go to construction, would not be federalized and took it to the 30% design phase. He said the concept planning portion is complete and the preliminary alignment has been identified for Project 2. Jason provided the deliverables (see record, Exhibit B) and said the goal was to get the project ready to get more funds. He stated project 2 is complete.

He referred to Project 1, and stated it has been more complicated and said the project was set up using 2012 dollars which were pushed out to 2014 and 2015. He said they tried to include signage on Villa Road. He referred to the portion on Oregon Street and said it seemed like a good idea to include a 12 foot wide path but found that from 30%-60% design the federal government did not like the TSP design because it has bikes on the sidewalks and they wanted bike lanes and curbs. He said they also discovered the temporary easement needed from the railroad would have a small portion that was a permanent take and that was a two year right-of-way process that was not anticipated. He stated FHWA wanted marked crosswalks at every side street. He noted the project was estimated to cost \$1 million and nearly doubled and said at 60% design the cost was \$1.8 million. He said the project started in 2013 and now construction costs indexes have increased 10-20% since then.

Julia referred to page 7 illustrating the before and after and said at 60% design they have made some modifications to help ensure that the project can move forward. She said in order to get Project 1 moving forward Jason has worked closely with ODOT and Metro and the consultants to craft a project that can be funded with the funds that we have and within the scope of what they are willing to accept. Jason referred to the before scenario and said they were trying to squeeze an on street path onto Oregon Street and said this project doubled in cost there and it would not be a good use of funds and he doubts we could have put in what they were proposing. He stated they decided to change this section of Project 1 to a City street improvement project. He said there are SDC and TDT funds building up for that and they may be able to apply for MSTIP funds as well. He stated this will be a complete street reconstruction project which will have sidewalks on both sides. Julia said by taking Oregon Street out of the Cedar Creek Project it removes the federal piece and gives the City more flexibility on design.

Jason referred to SW Alexander and said the plan is to go with a full buildout approach and putting a sidewalk on the opposite side and acquiring some right-of-way from ODOT and try to make the opposite side look like the developed side. He said this is the project that should have been presented in the beginning.

Julia referred to the schedule and said the original timeline anticipated the project and development would take place between 2013 and 2017. She provided a Cedar Creek Trail Project Timeline Overview (see record, Exhibit C) and said delays were caused throughout the project by multiple factors and mainly due to the multi-phase and multi-component project and funding set up. Jason referred to the funding set up and said they set it up with half of it concept plan and half of it design and construction. He said this was done for convenience to allow flexibility at the advice of ODOT who said balance transfers would not be a problem. He said in the meantime ODOT has experienced retirements, City staff had turned over, construction costs had risen, and the project delayed for too long. He stated there were also design revisions and environmental issues with Clean Water Services (CWS). Julia acknowledged the factors that led to the delay and stated there is a plan for moving forward and said Project 2 is complete and Project 1 is between 60-90% and they are moving into the right-of-way phase. Jason said the right-of-way phase is programmed in for a year but ODOT is still programming the project to be led next March and April. He said those deadlines are doable.

Julia referred to the project timeline on page 11. Jason said the project is at the design acceptance phase and they are still working on design but have not been authorized to start right-of-way acquisition and are expecting authorization in April. He commented on right-of-way acquisition cases and said it generally takes 12 months. He said currently there are only a few right-of-way cases and they are hoping it will be shorter than 12 months which will help expedite things and they are anticipating being shovel ready in a year.

Jason said moving forward there will be an open house prior to construction, updates at the Parks Board meetings, updates at the Sherwood Main Street meetings, updates in the newspaper and Archer, and information on the City website. Julia acknowledged that this project has been slower than anticipated. Jason commented on the project at Meinecke crossing and said currently the project is to widen the existing crosswalks from 5 to 10 feet but not rebuilding the signal.

City Manager Gall asked Julia to explain why ODOT is involved. She said because it is regional flexible funds through Metro, which are federal funds, and ODOT is certified to deliver federal fund projects. She said ODOT is the ultimate decider and manages the funds. She noted it has been frustrating with the level of bureaucracy involved. Discussion followed regarding crossing at Hwy 99W and Jason said Metro, ODOT and the City have different ideas of what to do. He said Metro's idea is to raise the road and clear out a wildlife crossing under which would be a great solution but the estimated cost was \$25 million.

With no further discussion from Council, Mayor Weislogel adjourned the work session at 5:57 pm and reconvened at 6:03 pm in the Community Room.

B. Metro UGB Expansion Discussion

Community Development Director Julia Hajduk provided a presentation (see record, Exhibit D) and stated staff will be providing the Council with background information on the Urban Reserves and Urban Growth Boundary (UGB), reviewing the Sherwood West Preliminary Concept Plan, reviewing the analysis from the area identified in the letter of interest as well as potential alternatives, followed by discussion.

Julia provided background information on the Urban Growth Boundary (UGB) decision and said before the Urban and Rural Reserves process, Metro was required to consider UGB expansions based on soil type, which resulted in areas brought into the UGB that were not necessarily ideal, and were small and piece meal and not necessarily cohesive and well thought through. She said in 2002, Metro did their largest, most recent UGB expansion and brought in over 18,000 acres into the UGB. She said the Brookman area and Area 59 were brought in during that phase, and are currently not or slowly developing. She said in 2007, the legislature passed Senate Bill 1011 which established a process for designating urban and rural reserves. She said between 2008-2010, Metro and Washington County, Clackamas County and Multnomah County and local jurisdictions worked together to identify locations for urban reserves and rural reserves. She said urban reserves were going to provide a 50 year supply of urbanizable land, where Metro could consider expanding the UGB if and when they determined the need, and conversely rural reserve was going to provide a 50 year protection of rural lands for that same time period. She said when the counties were designating rural reserves, Metro was designating urban reserves and they did this in coordination.

She said in 2011, shortly after the reserves process was completed, the urban and rural reserves were acknowledged by Washington County. She said Metro did determine a need and added a bit over 2000 acres into the UGB. She said Sherwood advocated for a portion of Sherwood West, the areas around the school, but Metro did not determine there was a need to include all the areas that cities were interested in at that time. She said part of this was because we had not identified any planning for that area. She said in 2014 the City applied for and received funds from Metro to do our Sherwood West Preliminary Concept Plan and that process began in 2014 and was completed in 2016. She said during that process, Metro did another Urban Growth Report (UGR) and determined that there wasn't a need to expand the UGB, but because we were just coming out of the recession they committed to looking at it again in three years, which is what we are doing for this 2018 Ask. She said in late 2016-17, Metro and local mayors discussed

a framework for a mid-cycle review of the UGB that would allow local jurisdictions to advocate mid-cycle if they had unique needs or special circumstances, good cause or legitimate augments, a jurisdiction could ask for a small expansion of the UGB mid-cycle. She said they also laid out the timeline for the 2018 Ask.

Julia referred to a map on page 4 of the exhibit and explained the reserve areas per the legend. She said the green areas are rural reserves, areas that for 50 years Metro cannot consider for expansion. She said the white areas are undesignated, which in theory means, if you have used up all of your urban reserves and there is a need within that 50 year timeframe that may be where Metro would have to look for expansion.

Julia referred to page 5, a map of Sherwood and the UGB, which includes the Brookman Area and Tonquin Employment Area. She said Brookman was brought in in 2002 and Tonquin Employment Area in 2004. She said there are other reserve areas around Sherwood, but staff focused on the Sherwood West Urban Reserve.

She said the purpose of the Sherwood West Urban Reserve was to provide a 50 year look at how and where development could occur and provide a roadmap for the future.

Julia addressed page 6, and the Sherwood West Preliminary Concept Plan and said this was started in 2014 and the idea was to see what we and the community wanted the area to be so that when and if we advocated again to Metro we knew what we are advocating for. She said through that process there was a Vision Statement that was developed (see page 7). Julia addressed page 8 and explained the public outreach efforts.

Julia addressed page 9, Goals and Evaluation Criteria for the Sherwood West Preliminary Concept Plan and recapped.

Goal	Evaluation Criteria
Growth is well-planned	<ul style="list-style-type: none"> •Neighborhoods are phased adjacent to existing development •Well-phased extension of services •Connectivity
Design includes complete community attributes	<ul style="list-style-type: none"> •Incorporates nature •Neighborhood retail •Provides amenities that cannot be located in existing Sherwood
Development respects and recognizes Sherwood pattern, heritage, and small-town feel	<ul style="list-style-type: none"> •Walkable •Integrates with existing Sherwood •View corridors, natural features retained
Concepts promote health	<ul style="list-style-type: none"> •Walking, bicycling easy to access •Access to transportation choice, transit
Development protects and provides access to nature	<ul style="list-style-type: none"> •View corridor, other assets protected •Walking trails along heritage resources
Implementation is pragmatic	<ul style="list-style-type: none"> •Options minimize cost of infrastructure •Balance of benefits and burdens of development

Julia addressed Plan Attributes on page 10 and said as a whole 1291 acres, it's: 10 Minute Neighborhood, meaning it's walkable communities, protection of resources, and access to nature. She said there were two

schools identified within the preliminary concept plan and were envisioned to be smaller schools than the high school. She said there is some neighborhood serving retail where people could walk to a coffee shop.

Julia referred to page 11, Option 1 Plan and said the plans are pretty much identical, with the exception of what happens to Elwert Road and said there wasn't strong consensus on Elwert Road, so we carried forward both Option 1 and Option 2 (see page 12). She said Option 1 has Elwert Road realigned so that it crosses the creek at a shorter distance. She said it crosses at two spots and staff believes this is less costly and it minimizes the regional through traffic, which the County did not like and this was another reason for carrying Option 2 forward, which is Elwert Road remaining straight and widened. She said we believe this to be much more expensive because of the span and typography, essentially building a very long bridge across the creek and floodplain area. She said this is the difference between the two options and said further in the presentation she will identify the costs of both projects.

She said as we did the Sherwood West Preliminary Concept Plan we looked at a high level, infrastructure needs and costs, transportation, sanitary, storm, water, parks and identified potential school sites within that area. She said we have not zoned anything and have not made any firm decisions.

She said it was important to identify potential phasing in areas that could be brought in in an orderly manner. She said we started to have them numbered and based on feedback and considerations we did not number them, because they are not intended to be in numerical order, it's what areas could potentially come in in ways that could make sense if you were to bring in a smaller area or not. She said this was before we did the analysis that we have done for the "ask" and we now have a lot more information than we did then, that could have affected our recommendation through that process.

Julia referred to page 15 and said staff prepared and shared this information through the process and for the most part it is still accurate with the exception of the Metro decision to expand in this particular round; it is expedited and they are doing their "ask" in less than 6 years and doing it in about one year versus a two year process. She said this is not normal and the normal process is about a two year process. She said with the annexation, we still require voter approved annexations, however with Senate Bill 1573 that provides an option if you have 100% of the property owners asking for the annexation and it meets all the code criteria, then a vote is not required. She said she believes the six months in the annexation process is still an accurate timeframe.

Councilor Young asked and clarified, another criteria of an annexation is if a comp plan has been completed for that area. Julia said yes, and under Senate Bill 1573 criteria, it requires the annexation to be consistent with the comprehensive plan and meet any local criteria. Councilor Rosener referred to other criteria and Julia said she would address the criteria later in the presentation.

Julia said she has talked about the UGB process and Sherwood West and asked if the Council had questions before she addressed the work session topic.

Councilor Rosener asked about the yellow dots on the map on page 23 and Julia said she would address this.

Council President Garland asked about community outreach on page 8 and said there were three community surveys that were done and asked for an overview. Julia replied they were done by the City and weren't really polls, they are what you would traditionally see at an open house, more public input surveys

through the planning process. She said they were also available online and the City had a virtual open-house type scenario. Senior Planner Carrie Brennecke said there are copies and public comments that staff can share.

Councilor Rosener asked during that period, what type of discussions did we have with the school system about them being prepared. He commented that they did not include that in their planning for the Brookman area. Julia said she was not the staffer in charge of the project and did not attend all of the meetings, but knows the school district was and they were on the Citizen Advisory Committee and they provided input which helped shape and guide the number of schools and the type of schools that were envisioned at that time. She said we started that in 2014 and said she doesn't believe the school district determined they needed to do a bond until 2016-17.

Councilor Rosener said when you look at their bond application they intentionally left Sherwood West out of their planning for student population. Julia said we have talked about this and it doesn't seem shocking and said the reason why, is when they were doing their planning and asking staff what's on the horizon over the ten year period, especially when they were asking, she said she could honestly say she could not expect any development in Sherwood West regardless whether or not it was part of the UGB. She said she still believes this and doesn't believe they were wrong in not including it. She said she thinks there is a grey area in terms of when potential development could happen within that ten year period, but doesn't think it will be expediential.

Julia addressed the UGB and referred to page 17 and said every six years Metro is required to do an Urban Growth Report (UGR), evaluate the capacity within the Portland Metropolitan boundary to ensure they are continually providing or accommodating a 20 year supply of land. She said they look at the buildable land within the existing UGB, the zoning, capacity, what the projections are for growth and determine whether or not they have enough capacity to meet that need. She said if they determine that there is a deficit, they need to determine how they are going to do that. She said this is often a UGB expansion. She said they normally do this every six years, but because when they did this last, they determined there wasn't a need and received a lot of push back given that we were coming out of the recession and people thought that it wasn't a good measure for projection and growth, and they committed to looking again in three years and this is why we are doing this in 2018.

Julia said they have an expedited timeline and at the end of 2017 they wanted letters of interest from jurisdictions that were interested in UGB expansions and they received five, totaling a bit over 3000 acres, all of which were in Washington County, except for Wilsonville which is in Clackamas County. She said in May, cities are required to submit proposals, and in June Metro is going to release their UGR with an analysis of the existing growth boundary, growth trends and expansion options, and in the fall they will be releasing a draft recommendation and then will be making a final decision by the end of 2018 on whether and where to expand the UGB.

Julia addressed page 20 and said there have been questions about what the next options are and said the next legally mandated look would be in 2024, when they look at the entire region and do a UGR, looking at needs and capacity and determine whether or not there is a need to expand the UGB. She said there is not a mid-cycle option that would be potentially available in 2021 for jurisdictions to ask, but they are not required to do this. Julia quoted language from the Metro website, *"This would allow the Metro council to help cities that had a "stars are aligned" opportunity for new housing developments within the region's urban*

reserves without waiting the full six years for permission to build". Julia said Metro could make smaller adjustments, up to 900 acres in total.

Councilor Rosener confirmed Metro expanded in 2011 by about 2000 acres. Julia confirmed and said they went into the urban reserves. She said this was based on the UGR and needs, and said this new three year mid-cycle has never been done before and we don't know what that would look like exactly.

Councilor Rosener asked if we know what Metro is considering for this "ask". He said 3000 is a lot in comparison to previous years. Julia said she did not know.

Julia addressed page 21 "Why are we considering an Expansion", and said we know it takes a long time to plan and see development. She said Brookman was brought in in 2002 and it is still not developing. She said the Tonquin Employment Area was brought in in 2004 and is still not developing. She said Area 59, the area around the Ridges schools was brought in in 2004, primarily for the schools and was annexed at the same time the schools came in. She said the schools built the road and the infrastructure and formed a reimbursement district and we have seen some development in the past several years.

Julia said historic growth rates predict that we could be out of developable land in 4-10 years and said we do have a current identified deficit that is based on a very low growth rate of .8% and if we grow at our historic rates we will be out of land much sooner and that includes development of Brookman.

Councilor Rosener referred to the 1990s and said we had lots of supplies and dirt that was ready to be developed and had a great economy and tripled the size of the City, 380% in ten years. He said right now we have less supply and even in a great economic cycle, in the last ten years we are growing at 1% coming out of a recession. He asked what the percentage is when staff is referring to the 4-10 year timeline, 3% or 4%? Senior Planner Carrie Brennecke said from 2000-2014 we were growing about 3.4%, so this would be ten years and our overall growth rate between 1990 and 2017 was about 8%, which would be the four years.

Mayor Elect Mays said in his opinion it's a wild guess, with some education in there. He said if we have the supply, we are a very attractive community, and we will grow. Councilor Rosener said if we don't have the supply, even in a great economic cycle, you will grow slowly.

Julia addressed the presentation and what occurs if you don't have the supply. She said you would see increased home prices, lack of obtainable housing for different income levels, you're more likely at the Council level to receive requests to up-zone and rezone, likely to see more teardown of older homes on larger lots and infilling. She said we have seen this and said the Main Street subdivision is an example of this. She said you're likely to see more infill in general and fewer choices. She provided an example of wanting to move out of a home into a smaller home, you might have less options because there is less availability. She said less options for people to come into the community with fewer choices in types of housing. She said these are the consequences of having less available land to grow into. She said we are also considering an expansion at this time because Metro is considering it. She said if they were not doing this again for three years, we would not be talking about this and would be having this conversation in three years, but because they are doing this now, she doesn't believe that in three years we will have the same opportunity to ask for the same type and amount, and we may not have a valid argument at all because we don't have.....if we can't justify the need based on our specific circumstance and the opportunity, she doesn't know that Metro would consider an ask.

Councilor Young asked about infill, and said if we are not growing out we will be growing up and tearing down old homes and building more, and asked if there were things that could be done in our zoning to prevent that from happening. Julia replied, to a certain extent and said if you have zoned capacity you're allowed to subdivide to the minimum lot size and are allowed to build to the minimum density. She said if they have the ability to do that they could. Julia provided an example of a situation where people developed at a lower density than they needed to and could redevelop at higher densities based on the current zoning.

Councilor Rosener stated we have about 175 acres of developable land within the City limits and the current UGB. Julia replied she did not have the number. Councilor Rosener said in terms of how we look at our zoning and planning as we go through this comp plan effort, couldn't we move from a density based to a more formed based zoning rules and make changes like requiring a higher percentage of greenspace and community areas and linear trails. He said he has to believe there are things we can do, although not perfect, that could control that infill and at least make it compatible to our community. He said he also thinks we can do things to solve problems with middle-housing and affordable housing with that existing land. He said isn't there an opportunity to do that too. Julia replied, sure there are some opportunities, but not unlimited opportunities.

Julia addressed page 22 and a vision for Sherwood West and said we have discussed that we believe there is a need, and the Housing Needs Analysis (HNA) identifies that there is a deficit, a little under 500 dwelling units, so we know there is a 20 year need. She said there was an opportunity for Metro to do an "ask" so we wanted to go out to the public, especially the Sherwood West area. She said on October 25, 2017 the City held an open house and provided various methods of noticing, advertised on the City website, mailed notices to property owners and e-notice to our Sherwood West and Comp Plan Interested Parties list. She said we had 85 people in attendance and received 67 written comments. She said the yellow pins on the map represent property owners that were interested in being brought into the UGB and anticipated development within a sooner timeframe. Carrie Brennecke said the yellow pins represent comments that staff received in support of those particular areas being brought in. She said some are from property owners and some might be from citizens. She said the other yellow represents the 2018 decision. Julia said the red pins indicate that people were interested but not quite yet and the "ask" should be later.

Councilor Rosener asked if most of the 85 attendees and 67 comments were coming from landowners in that area. Julia replied she did not think so, and Carrie said there was not a place to indicate landowner or not and said there was a mix. Julia said all the comments are posted on the City website. Julia said what we heard in terms of support was that growth should be focused around the new high school, focused in areas most readily served by infrastructure, and said as the pins on the map indicate, there was more interest in the areas phased A, B and portions of C being brought in. She said there was a lot of concern of whatever comes in, and however it comes in we need to deal with the transportation system. She said the best way to deal with transportation is to have development that funds transportation. She said not to say that this is the silver bullet, but you spur improvements and they don't just happen without a funding mechanism. She said there was also concern of the impact of Sherwood's growth and effecting the small town feel. Julia reminded the Council that the whole purpose of the Sherwood West Preliminary Concept Plan was to ensure that the area grows in a way that respects and compliments the small town feel. She said if we move forward in planning it right we will make sure that happens.

Councilor Rosener asked if industrial or commercial land were discussed beyond just the commercial areas to serve. He said we have a limited supply and asked if that was discussed during the concept planning,

about setting aside some of Sherwood West for that? Julia replied, she is not certain if industrial land was discussed in any detail and believes that commercial was and it was determined that the amount of commercial being provided was serving the residents in that area and was really desired to be small scale commercial, with the exception of the Gateway to Wine Country. She said this doesn't mean that as we get into the planning that we can't explore things. She said years ago when we were talking about the urban reserves initially there was a vision that the northern area, not included in the letter of interest ask, potentially be employment land. Julia confirmed it was the area under the power lines. She said through the Sherwood West Preliminary Concept Plan process it was more identified for schools and parks.

Julia addressed page 24, Letter of Interest and said we paired a letter of interest based on the input we received and went to the City Council in a work session with a recommendation and said originally we were thinking to recommend 300 acres and this was the focus. She said but after hearing from the public and considering we also had the high school that was coming in, and looking at the infrastructure costs associated with an 80 acre high school site, it became apparent to us that there was potential that we could do more in terms of infrastructure, meeting the needs the community wants to be met, if we brought in more rooftops to help share the costs, versus 100 rooftops. She said that combined with the input we received led to our recommendation of about 560 acres. She said at that work session we got some modifications and we discussed including that eastern portion, southern portion of the "E Area", that was identified as hillside residential, so that we could better or more likely provide funding opportunities for that north-south road, and if we brought in both sides of the road we would have more opportunities to fund that. She said we modified the recommendation based on the Council's input and after the Council meeting we also heard from some citizens that made us realize that we had not really considered the topography of the area as accurately as we had hoped. Julia explained that a property was cut off and there were creek issues that made staff modify it a bit more.

Julia addressed the maps on page 25 and said this is the area that we included in our letter of interest, and the only difference between the two maps is what is happening with Elwert Road. She said this area in our letter of interest was 626 acres.

Julia addressed page 26, Caveat, and said it's important to keep in mind that when we did the Sherwood West Preliminary Concept Plan we did not have any zoning and specifically did not identify zoning, and we wanted to paint a picture and give an idea of the types of uses and what we envisioned for development without having densities or zoning assigned. She said we didn't have anything to base that off of so going into the analysis, initially in our letter of interest we said 10-12 units per acre, but as we started to look at what could happen based on that vision, we modified that to 8.5 homes per acre. She said it varies based on the various hillside residential, versus neighborhood, etc. She said those assumptions we made based on the descriptions from the Concept Plan, informed our SDC estimates, dwelling unit numbers, commercial square footage numbers, as well as tax revenue estimates. She said keep in mind, this all could change.

Julia referenced page 27 and said the capital costs are based on a high level, best professional judgement and input from the City Engineer. She said the estimates are only to provide comparative analysis. She said the area in our letter of interest, we believe would provide about 3700 dwelling units and about 97,500 square feet of commercial space. She said with those assumptions, it would bring in about \$21-22 million annually in taxes to all taxing districts. She said we estimate about \$110 million in SDC revenues that would go towards funding road improvements, parks, sanitary, storm, etc.

Julia referenced page 28 and said this shows capital costs that we anticipate for that area in our letter of interest, and on the low end it's about \$113 million, and on the high end it's about \$160 million. She said the big difference is what happens with Elwert Road.

Mayor Elect Mays reminded that Elwert Road is a County road owned and control by the County. Julia said, yes, but this doesn't mean that if we plan and develop that area going through concept plan, zoning, we would need to meet transportation planning rules, and identify how these things are funded, and they would make sure we have identified funding. Mayor Elect Mays, replied yes, and said they dictate what is done, but we can urge them.

Julia addressed Alternatives, and Alternative A on page 30, an area south of the high school and said this is from Chapman north to Haide and the width of the urban reserve area. She said this would be 295 net developable acres, about 2800 dwelling units, about 86,500 square feet of commercial, and this would bring in almost \$18 million in taxes annually to all taxing districts and about \$86 million in SDC revenue.

Councilor Rosener said Metro has an overall goal for new land being brought in, that it is 50% high density and 50% low density. He said when you look at that 2800 number, is your guess that we will be in that, with 50% multi-family, duplexes, apartments, high density and 50% traditional single family detached?

Carrie Brennecke referred to the maps on page 25 and said the hillside residential will be about 4 dwelling units pure acre, and the residential neighborhoods will be a bit higher and could have a mix of housing types, and the neighborhood mixed use could be a bit more intense. She said overall, we are required to provide an opportunity for there to be a housing split of 50% multifamily and 50% single family. Julie replied, it's close to 50-50.

Julia addressed page 31 and said this is a lot less, but still expensive and said the big difference between Option 1 and Option 2 is Elwert Road. She said while this isn't near Elwert Road, our assumptions are whatever we do, because Edy Road/Elwert Road have issues, something needs to happen there, so we have included that cost in all three scenarios.

Julia addressed page 32, Alternative B and said this excludes the hillside residential and by excluding the hillside residential, it lowers the SDC revenue projections quite a bit, and although it's fewer dwelling units, it's less in SDC revenue, a lot less in tax revenue and still 97,500 square feet of commercial development space, and on page 33, you'll see that it doesn't have a dramatic reduction in comparison to Alternative A in capital costs. She said you're still having to extend the infrastructure the full length, versus having it a bit more compact. Julia referred to page 34, Capital Costs Comparisons.

Julia referred to page 35 Funding Strategies and said there are gaps in all scenarios between what we anticipate is going to be covered through SDC's and what the capital costs are. She said there are ways to fund that gap, and one of the most likely is going to be through a supplemental SDC. She said we have our Citywide SDC and we could either raise all the Citywide SDC's or we can keep the City SDC's where they are at and have a supplemental SDC if we needed to. She said you could also do local improvement districts (LID), development agreements with developers, the county, state and federal funding.

Julia addressed page 36, Comparison of Costs, SDC Revenues and Funding Gaps and said the smallest gap is identified in Alternative A.

Julia addressed page 37, Comparison of Estimated Annual Tax Revenues and said what she did to get the estimates was to take newer development as she wanted to see what new development was being assessed at, for single family small lots about 2000 square feet, single family larger lots, townhome, condo and commercial space. She said she applied those numbers to the assumptions that we made throughout the area. Julia said they are not accurate, they are for comparison purposes.

Councilor Rosener referred to the school bond and asked if this is just on the permanent rate? He said the \$247 million bond would just get spread out to the additional homes and not necessarily raise additional revenue, correct? Julia replied this was a good question and she did not know.

She referred to page 38 and the tax revenues for the school district, TVF&R and Sherwood and said she combined the URA into Sherwood, as the URA will not likely still be in existence when development occurs, and said she is not certain about the bond, but this information shows what the tax revenues would be separate from the bond revenues for the different alternatives.

City Manager Gall reminded staff and the Council of the time and getting close to the 7pm start time of the regular session and suggested continuing with the work session until about 7:30. The Council agreed.

Councilor Rosener asked about the taxes coming back to the City and referred to page 38, and said traditionally when you take a dollar of revenue in from residential property it costs the City about \$1.25 to service that, versus commercial and industrial which are actually, you make money on commercial and lose money on residential. He said even though it will potentially bring in \$4 million in revenue, on the \$1.25 rule, it could create a million dollar hole in our budget in terms of trying to service that area and thinks this is important for people to understand. Julia said it is and she wants to know where that number came from and whether or not it is still accurate, in part because she also knows there has been a lot of discussion about smart growth and the concept that the more compact and urban you develop the less it costs to provide those services. She said she did not know if this number was a one size fits all, or unique to the Portland Metropolitan area.

Councilor Rosener said it's a rule of thumb that has been around for decades and said part of this planning, we did not do that detailed study and what the impact on our tax base would be, and with our general fund already very tight, we have fewer police officers per 10,000 population, and it's something we need to be careful about and understand. Julia replied and said keeping in mind, this is why she wanted to show that it's not just the City, there are other tax revenues and she did not include Metro, PCC or Trimet.

Julia said she hears concerns about growth and uncontrolled growth and how do we control it. She said through careful planning. She said we believe that through the planning phase, the concept comprehensive planning phase, that we can address that and will need to address that and ensure we have discussed phasing, that maybe we have overlay and design standards, annexation criteria, discussed funding criteria, maybe require financial impact analysis before annexation and these types of things. She said she knows Senate Bill 1573 is new but it also requires that development complies with local plans and codes and she believes we can have criteria if we want to. She said she has examples of other codes and said there are other cities that have annexation criteria, some have more details than others. She referred to Tigard and Hillsboro codes and provided the Council with a handout (see record, Exhibit E). She said the Hillsboro code states that you have an annexation agreement, a developer agreement and that you comply with the overlay standard. She said she thinks there are things that we can do to the planning process that would help ensure that we get the growth in the time that is of concern to us.

Councilor Rosener said his concern is that this is a relatively new law, passed in 2016 and it has not been tested in court yet. He said if we start to use annexation ordinances to control growth and someone decides they don't like what we are doing, he thinks there is risk. Julia replied, he is correct that it has not been tested and the jurisdictions she mentioned don't have voter approved annexations and this is the criteria they have to apply regardless and said to the best of her knowledge they have not been challenged. She said there are standards out there that are applicable to annexations. Councilor Rosener said this is true, but Senate Bill 1573 took the power of the Council away, and prior to that the Council or the voters could say no. He said now, as long as they meet all the criteria and it has not been challenged in the courts, the Council has no say and the voters have no say on the timing of that.

Julia referred to page 40 and the timeline and said in our judgement we think it's going to be a minimum of six years, more likely ten years before you see any significant development of any kind and this would really be providing a 20 plus year land supply.

Julia referred to next steps and Council decisions and said this evening the Council has their first reading on the Housing Needs Analysis and Comprehensive Plan text and there will be a second reading on April 3rd, she said that would need to be adopted and acknowledged before you could do an "ask" for the 2018 UGB decision. She said on May 2nd we will be bringing forward a resolution accepting the refinement of the Sherwood West Refinement Plan, essentially taking the Sherwood West Concept Plan and refining it to whatever area it is that we ultimately decide, if we decide to include an "ask". She said she was asked earlier whether or not we could do this sooner and she said not really, because we are waiting to see the direction we get to finish writing it and we need time to prepare that. She said there would be a resolution supporting the UGB expansion proposal if there is one on May 2nd as well as an IGA with Washington County discussing the Urban Service Provision, which is another requirement of the UGB "ask". She said Metro will be making a preliminary decision in September and a final decision in December.

She said staff is looking for direction and discussion. She referred to page 42 and said this shows all three alternatives discussed, the letter of interest, Alternative A and Alternative B.

Councilor Griffin asked how close was Alternative A's size to what the Council asked for ten years ago. Julia said it's very close, about 276 acres. Staff confirmed the timeline was 2011.

Councilor Young said when we use the .8% that Metro determined, when in actuality we know its somewhere between 3.4-8%, probably closer to 3.4, did we come up with a figure that we might think our deficit would be in that 20 year period, besides the 497.

Carrie replied no, and Julia said she can inform why. Julia said we discussed this in 2015 when we drafted this for the Sherwood West Preliminary Concept Plan, we are required to use the Metro numbers and we would not have a valid Housing Needs Analysis (HNA) if we used different numbers. Councilor Young replied to use Metro's number in that, but for our purposes, realistically do we think our deficit is more closer to... (inaudible). Julia replied we did not run those and asked them if we grew at the rates we grew, how far would we be out of land. She said that aspect is not required in a HNA but that is essentially reflecting what you're asking.

Councilor Rosener said if the supply is there and the economy is good, it's going to grow fast, like it did in the 1990's. If the supply is not there or the economy is bad, or some combination, you have to have supply. He said this is where he gets concerned, with 3-4% given where our supply is today.

Councilor Kuiper said under the slide about how we control growth, there is a question about phasing and said if land is brought into the UGB, can we control that phasing even after a 2-3 year planning period? Julia replied, she did not know and said potentially, depending on how we plan it and develop annexation criteria. She said she did not have an answer but thinks there would be some natural phasing.

Councilor Brouse asked then what definition are you using for that particular option on that same page. She read language of: *Develop the comprehensive plan and zoning for this area phasing*. She asked what are you using? Julia replied, just discussing whether or not you could talk about phasing.

Mayor Elect Mays said his position on this is clear and is an advocate of pausing. He said we did a certain level of outreach and got the property owners of Sherwood West on board with what we might do. He said in his communications with people in the community and organizations in the community, we still have not sold it. He said we went through, as we know, several years, more than 15 years of voter approved annexations and the first 8-10 were approved and then Brookman rolled in and everyone said no, because of concerns with schools and crowding and what might be in their backyards. He said this got voted down three times, and then the power was taken away from the voters with the State changing that. He said this built a deep seeded anger in different parts of the community. He said for him he is not going to fault staff for what they have done in the past of developing concepts, but it wasn't enough. He said the school district and people in the school district, and if you talk to anybody they are all saying to please wait, and that's our most important partner. He said he knows the Chamber is listed and he has been on the Chamber Board for the last five years and he doesn't remember them having a big conversation as a chamber. He said for him, we have allocated a big bucket of money that we are getting part from selling land to the school district, to do the comprehensive plan update and hopefully do a big outreach again to say what does the community want when we grow up to whatever the population number is. He said he personally feels we need to redouble our efforts to get buy in and know what they want and look at 2021. He said even though the rules are different, they are always different with Metro. He said we (not referring to the collective current Council) have come from the last few years of fighting internally with the police department and creating havoc with them and possibly contracting out services, created morale problems with the PD, and believes this led to some people retiring or leaving to other jurisdictions. He said we fought with the YMCA for no good reason and had that angst that we all witnessed, and now we have our largest partner the school district. He said teachers, board members, administrators and parents are all saying to please wait, because they are not sold on this.

Councilor Griffin asked if the City has received an official letter to that effect? Mayor Elect Mays replied no. Councilor Griffin said, then we don't really know what the official status of the school board is, do we?

Councilor Brouse said what she has been suggesting, and knows a couple other council members are in agreement, is having a work session with our partner, the school district and with possibly the land developers, and she would like ideally everybody to be part of the conversation all together in one room. She said if that can't happen then would like to see a work session with the school district and a separate work session with developers.

Mayor Elect Mays stated within the last five years there has not been a joint City Council/School Board meeting dinner as we had done in the past and believes there is value in having those conversations. Councilor Griffin said this was a great idea.

Mayor Elect Mays said landowners are eager to do this and when he went door to door with his campaign he chatted with a lot of people and a lot of people are not sold on it. He said he spoke to a handful that said yes, they were in support. He said they are either affiliated with the company developing the land, one was an Elk's member concerned with the delay of getting sewer service to the Elk property, he said two others did not care for one reason or another. He said this was the scope of the issues in support of doing something now. He said it is true that you do not know if phasing is possible, you do not know if construction will start in four years or ten years, more importantly you don't know if Metro is going to support this. He said he thinks the odds are less than 50-50 that Metro would support Sherwood's Ask. He said from a process standpoint Sherwood could advance something and then it becomes a beauty contest at Metro. He said you'll have up to 5 "ask's" from the region and you'll sell your story to Metro and see if they support what you want to do, and it's which community is meeting their goals and standards the most and meeting the criteria for this "ask". He said he has spoken with people who said they were surprised that Sherwood sent the letter just because our history with Brookman and the annexation. He said people also said you have to do it even though we don't get the "ask" because we need to fight Metro. He said for him, if you take a realistic "ask", where are your four votes at Metro if you send an "ask". He said he thinks you'll have Craig Dirksen supporting anything from Washington County, he said if Catherine Harrington makes it past the May primary, she'll support for the most part. He said he did not know Tom Hughes position and said he did not think we could get four votes to support a request from Sherwood. He said if you send a request, then you are creating angst in your community with your largest partner. He said he is hearing people say to wait and get a better feel of what we want to do, and roll the dice with whatever the rules are at Metro in 2021-2024. He said the biggest point of control you have as a Council is the decision of whether you send a request or not to Metro. He said make sure we have a good plan and have partners on board and sell it before we ask.

Councilor Kuiper asked how many acres is Brookman? Julia replied 235 acres. Ms. Kuiper said and 98 acres right now has been asked to be brought into the City limits. Julia confirmed. Ms. Kuiper said she does not know if there has been any movement to do development there or not, and said we have the remaining acres 137, that is sitting in the UGB that has not yet been annexed. She asked if we have any indication of whether property owners in Brookman have considered annexing? Julia replied some of them have. Carrie Brennecke said for the people that have annexed we received a pre-application to put out general feelers about what can be developed. She said a lot of it is dependent on the sewer line being available to them. Ms. Kuiper asked when will that happen? Julia said that's Clean Water Services and it's also related to the school, and said they are putting it into their CIP for design.

City Engineer Bob Galati stated Clean Water Services has the project listed on the 5 year CIP and they are looking at budgeting the negotiations to get it budgeted through their commission beginning next fiscal year for design. Mr. Galati said this will take about 1 ½ years to go through the design and time for easements that will need to get land acquisitions for the alignment to get completed. He said after that, it will probably take 2 - 2 ½ years to go through the bidding process and complete construction. Julia added they sort of committed to having it online so the school district could use it, about a year after the school opens. She said the school is looking at doing a temporary private sewer pump station.

Councilor Kuiper asked when the school district made it's calculations for population they included Brookman Road? Julia replied she believes they included it fully developed. Ms. Kuiper asked the full 220 acres? Julia said she believes so, but is not sure.

Councilor Rosener referred to Councilor Griffins question if the schools have formally said aye or nay, and said he believes this is a two way street, and said in echoing what Mayor Elect Mays said, they are a significant partner of ours and said he finds it astonishing how our state manages school construction, funding and land use. He said it's completely disconnected and there is very little coupling going on. He said if you go to Washington State and put a big subdivision in, they in essence put SDC's on that subdivision to pay for future schools. He said as you build out your schools can track. He said in Oregon we don't have that and it's too bad over the last 5-6 years we have not had that strong partnership with the school system and believes this is part of the reason they did not weigh in earlier. He said he thinks it's part of our job to make sure we are looking at that as we make these decisions. He said it's hard for the schools to talk right now, he believes partly because of the litigation they are in. He said he went back and looked at their school population forecasts that they put together in 2015, their ten year forecast which includes, they are looking at adding 1000 students by 2025. He said this is without Sherwood West. He said right now they are almost at capacity in the school system and the new bond measure adds 2000 seats to the schools, so they have already used up half of the new capacity, by the time we get to 2025. He said if we do this "ask" and let's say in six years we start to see development even at a rate of slower than what we saw in 2000, they could potentially be out of space in the schools again between 2025-2027, based on his math. He said if you think about the four year lead time they need for a bond to build a new high school and a couple more grade schools, they're probably looking at having to go out for a bond in 2021-2023. He said we just passed a bond in 2016. He said for the purposes of partnering with their schools and making sure we really understand the impact this is going to have, he agrees with Keith (Mayor Elect Mays) that we need to pause. He said we don't pause and do nothing, we have to pause and finish our comprehensive plan and said he would push that we do an overall community visioning process across the entire City and all the services, and how the comprehensive plan works with our economic development plan and our cultural arts plan, etc. He said a strategic plan for the City so we can execute on that and have a comprehensive plan rolling right behind that. He said he knows it's kind of changing the order of things but thinks we have an opportunity to get it right and he worries that if we move forward at this point without that partnership with the schools, we will create a hardship for them.

Councilor Griffin said he believes we should try to schedule a joint meeting with them as soon as possible. He commented regarding the Metro quote and language of the "stars being aligned" and said what is causing this is this big blue square and they put it outside the UGB and into Sherwood West. He said we went through the comprehensive plan process all those years ago, it was a small school here or there and maybe this or that will develop. He said that's a high school that's 90 acres of high school, it's a huge use, and they are putting it just outside of the City, soon to be in the City. He said it's the catalyst that is causing all of this. He said that is one of the stars that is aligning here. He said he wants to hear from them and wants to have a conversation with them and get it from their experts, and not through a second source. He said what he doesn't want to do is for us to miss this "stars are aligned" opportunity and maybe this is a good opportunity and maybe we should ask for something small, he doesn't know yet, but wouldn't mind having a conversation, extending this conversation as Councilor Brouse suggested.

Julia said staff needs direction, and the Council is not making a decision this evening, but we do have work that needs to be done if we are going to put an "ask" together. She said we certainly can move forward in a general direction and still allow an opportunity for the Council to get input and ultimately, on May 2nd, make a aye or nay decision, but it would be nice to get some direction to help staff know what it is that we are writing or not writing.

Council President Garland said tonight we are talking a very binary decision, a yes or no, move forward or not. He asked for Council thoughts on a small "ask" for Alternative A or Alternative B? He said we have not discussed those at all.

Julia said based on the numbers, if the Council were to ask her, she would recommend against Alternative B simply because of a funding gap.

Council President Garland asked if the Council could discuss that here, if we were to narrow one down.

Councilor Kuiper said it seems like the Alternative A is a good way to go, being we could potentially work with the schools. She said she has had conversations with a couple of school board members and she did not get as complete of a halt that has been indicated earlier in the meeting. She said having a group partnering conversation would be a great idea. She said she thinks a small "ask" starting with Alternative A and seeing where that goes in conversation with our stakeholders and partnering is a good alternative.

Councilor Brouse said she would agree with Alternative A as well and said we are talking about the spirit of partnerships and partnerships go both ways, so yes we need to hear from our school district, but they also need to understand the whole interest of the City as well. She said as we look at partnership, she wants the Council to keep this in mind.

Council President Garland said his concern with saying no with moving forward is, then where does that leave us. It leaves us with a high school in the middle of a field, and he does not think this works well for everybody. He said he is leaning towards Alternative A as well and is not interested in Alternative B just based on the numbers.

Councilor Rosener asked if there was an opportunity to do something smaller than that and said the difference is acreage, if you look at the overall acres developable or not developable, 1/3 of the urban reserves, versus 1/2 of the urban reserves. He said the math he did on the school population, even this with 2800 homes, that is roughly 1600 more students and it doesn't take many years to pop us over that 95% capacity level at the schools.

Councilor Kuiper referred to the southern part of where the high school is and extending that southern boundary to the west. Councilor Rosener replied he was just asking if it's even a possibility at this point.

Julia said we certainly could, and the problem is that in order for us to proceed with writing that Title 11 Concept Plan and getting ready for a May 2nd Council decision, we need to have some general direction. She said there is a sweet spot between homes and costs and SDC's and she thinks the more you take out in terms of homes, she doesn't think we will see a significant reduction in capital costs, so you'll have a larger funding gap. She said this doesn't mean that it is not doable, it just makes it less doable.

Councilor Kuiper said to verify the funding gap, it's \$1.4 to \$44 million. Julia said the parenthesis is highlighting and equates to approximately \$474 per dwelling unit. She said she did this to see what it would mean in terms of supplemental SDC. She said for Alternative A, that funding gap, if you were to do the Elwert realigned is not a significant increase in supplemental SDC as opposed to Alternative B which is \$23,000 on top of our existing SDC's. Julia said this is unrealistically high.

Councilor Rosener said he did not think we have done enough to bring the community along and said in his conversations he has run across, with the exception of a lot of the lobbyist that have been calling him from the Homebuilders Association, he has yet to find someone that thinks this is a good idea. He said some people are very much against it and said the polling showed that, and said we have a responsibility to spend time with the community and walk them through this to understand how it works and why it's a benefit to the community.

Mayor Weislogel reminded of the time approaching 7:30 pm.

Councilor Young said of the alternatives, she would prefer A over B. She asked if that can be scaled back to be more aligning with what our actual housing needs are, not the 497, because she does not think this is realistic. She said she has had conversations with school board members and they are concerned, but are not coming out and saying please don't do this. She said they have concerns about the number of students it would add. She said one member mentioned they would be more comfortable with a smaller "ask", than the 626 acres. She said she did not know what that would look like in terms of capital costs.

Julia said we can try and did not know if they were to run numbers for April 3rd, she did not know if this was enough time to get information together. Carrie added there would need to be an agreement of what the smaller "ask" would be, rather than coming back to the Council for more alternatives in another meeting.

Councilor Griffin said he is ok with Alternative A, and if going smaller, he thinks that looks like a comprehensive chunk and on at least a couple sides of the school and that will give us a street on two sides of the school. He said he thinks this is better than having a school in the middle of an island of dirt.

Councilor Rosener asked, if we did say no, we talked about infill issues, he asked what's the downside other than some infill that we will have to actively manage and put some coding around. What's the downside in waiting 3-6 years while we get community support and rebuild our partnership with the schools and make sure this is all aligned. He said we can debate the growth rates all day long, and to Keith's point, three years from now the Metro rules can be completely different with a different makeup on the Council. He said we just don't know and believes we are creating some risk to the phasing. He asked what's the downside of waiting and said he thinks they can do a lot as a team to address some of the infill issues and try to create some pocket communities, single-level homes on smaller lots that our retirees would like to get into, middle housing options. He said we have a lot of land that we can play with to do that. He said this project seems to have gotten some momentum and he thinks we should step back and ask the question, what is the alternative if we just say no at this point.

Mayor Elect Mays said whatever year we have asked we were successful, those are two big ifs, and said whichever year we asked for the same thing, if we did put our collective shoulder behind the wheel to do our work in the community, how much time have we lost from doing it in 2018 versus 2021? He said one year, worst case two years, if you did all the granular detail and did not take the full two year window to put a comp plan in, because you did most of the work before you sent the ask in. He said he does not think you are losing that much, especially if you listen to the development community, it's a minimum of 6-10 years before dirt is going to turn. He said he is not sure we would lose too much by building goodwill in the community and with our partners.

Councilor Griffin said if we don't and maybe it doesn't happen in 3 years, it happens in 6, and then it takes 5 more years to develop and get it ready, that's like 10 or 11 or more years before people can even live out

there and by then who knows what kind of condition....Councilor Young said Brookman probably won't even be done by then. Councilor Griffin said it's a crystal ball either way and he believes this is one of those "stars aligned" moments and maybe we can scale it back, but we should really consider....Councilor Young said the "star aligned" moment is the midyear ask, so if we are going for the "stars aligned" we could wait.

Councilor Kuiper said she did not think a small "ask" would preclude good planning and community input. She said we have had a lot, and thinks back to the hundreds of people that came to Sherwood West, she said it was absolutely amazing how many people were involved through the public input and meetings. She said she did not want to discount all the work they have done, but doesn't think a small "ask", might be a "stars aligning" type of thing would preclude a really solid community outreach education visioning.

Julia replied, if we are successful there will be a multi-year planning process to determine what actually will happen out there as far as zoning, etc. She said she was reminded that Wilsonville has asked many times and they still have not gotten in. She said there is no guarantee that we would get it this time, but there is also no guarantee we would get in in 3, 6, 9 or 12 years.

Councilor Brouse stated there is still a huge "if" in this equation.

Councilor Rosener said there is a huge "if" and one "if" he wants to remind everybody of is the phasing question. He said we are taking a chance, he firmly believes, there is a perception that a lot of the property owners out there are individuals that have had those farms for years, but the reality is, not just in Sherwood West, but a lot of these areas there's really large development groups that have bought up that land or have options on that land, and they have deep pockets so if they don't like how your annexations rules are going, they don't like the pace and the phasing that is going on it's going to get tested and he is concerned because Sherwood in a lot of ways was the test case for Brookman and we could end up being the test case in terms of appeals and LUBA appeals and legal actions against cities. He said it's really new and we really don't know how all of this is going to play out and in his mind that adds a lot of risk for us, especially when it comes to the phasing down the road. He said he would like to see this all settle out a bit and do some good planning before we take on a risk like that.

Council President Garland reminded of the people waiting in the lobby and Councilor Rosener asked what does staff need from the Council?

City Manager Gall said he would summarize what he thinks he has heard, which is a mixture of opinions. He said we are not asking the Council to vote tonight and thinks there is some consensus for the smaller alternative. He said a number of Council probably won't vote for that and he understands this. He said if we go down that route to at least prepare that as the "ask", and you engage the public, and you reach out to the school board to meet. He said you may get to a point within a month where you don't even take a position, because you have more information than you have tonight. He said just because we are looking for some kind of direction doesn't mean you're going to do that, because there are unanswered questions. He said he has heard from school board members that they have concerns, and have not taken an official position. He said we can invite them to sit down with us and look at the smaller "ask" and get their input, and hear from them as a partner and start to rebuild that partnership.

Council President Garland said he would like to move forward and come back on May 2nd with Alternative A, and that would be what we would vote on, unless someone has a major issue with that.

Councilor Rosener said he does, for a couple of reasons. The first one is, if we were to decide down the road after talking to the schools on May 2nd, that we are not going to do an “ask”, by that time we have approved and adopted this housing needs analysis, and he would be concerned about adopting that before we know for sure what we are going to do. He said that becomes a legal document that informs our comprehensive plan from his understanding. He said that document has some problems that we need to talk about and go through. He said if he understands correctly, and asked Julia, timing wise, when you get that approved if we are going to do an “ask” in relatively short order, is that correct?

Julia replied, correct and said it needs to be approved through the comp plan update regardless, we are 30 years out of date on our housing needs analysis, but if we were to do an “ask” we would need to have it adopted prior to the “ask”.

Mayor Elect Mays said it could be the same night in theory. Julia stated it actually, because it has to be acknowledged, so it needs to have gone through the appeal period, so we couldn't. Julia said it's a 21 day appeal period.

Mayor Elect Mays asked the Council if they are wanting staff to focus their attention on Alternative A, and then it would be A or nothing, or do they want a widdled down Alternative A?

Council President Garland said he did not think the Council was in a position right now to look at a widdled down A.

Councilor Young said she would be okay with a widdle down A.

Julia said she is thinking we can proceed with Alternative A, and see if there is any opportunity to provide the Council with options for a widdled down A, but she is not making any promises.

Councilor Brouse said she is okay with that. Councilor Young said she did not want staff to waste their time for something that is not feasible.

Julia said to keep in mind, in this direction the Council is not making a decision, but is providing direction that has impact, and if we proceed without the full area and people come on May 2nd and said they want the full area, it's probably going to be too late for staff do anything about it at that point because we won't have time to re-pivot back to the full area.

Councilor Griffin said he did not think anyone has indicated the full area. Julia said if we go in the direction of preparing, finalizing the title of the concept plan and preparing the narrative, based on the direction we are receiving now, that will be the decision that you will be making, yes or no to that.

Councilor Griffin said he likes the idea of at least A, and then if staff can pull it together.....

Councilor Rosener asked Julia if staff can do that before we would have to adopt the housing needs analysis, because he would rather adopt that after they do the comprehensive plan review, if we don't do this. He asked if staff could put together that smaller, what they just requested, prior to the housing needs analysis? Julia replied they need stuff by April 17th, she thinks this is the last time we could do the housing needs analysis.

Carrie stated, the housing needs analysis, if you declared an emergency could be done on one night on April 17th. Council comments were received that they would do the first reading tonight. Carrie confirmed the second reading would be done on April 17th.

Julia asked staff, could we pull it together to get an Alternative A by April 17th. Carrie asked a smaller Alternative A? Julia and Council confirmed just an Alternative A. Carrie replied, maybe.

Mayor Elect Mays commented that it might be enough information on the 17th to say, to continue to work forward with A. Julia replied, Carrie is probably thinking about when the Council packet is due and that may be very challenging for the information for the packet a week before it's due.

Mayor Weislogel asked if staff had what they needed. City Manager Gall said with some concerns still, he thinks we can head in that direction.

Mayor Elect Mays said and we should reach out to our community partner and see if they can meet. Council comments were received in favor.

Julia summarized what she thinks she heard: There is lukewarm support, direction for Alternative A, with the hope that we can get you information for an April 17th discussion, and we would still proceed with the housing needs analysis hearing tonight, first reading, but move the second reading to April 17th, and in the meantime you are doing outreach to the school district and community partners. Council agreed and no objections were received.

With no other questions, the Mayor adjourned to a regular session.

5. ADJOURN:

The Mayor adjourned the work session at 7:43 pm.

REGULAR SESSION

- 1. CALL TO ORDER:** Mayor Lee Weislogel called the meeting to order at 7:53 pm.
- 2. COUNCIL PRESENT:** Mayor Lee Weislogel, Council President Sean Garland, Councilors Jennifer Kuiper, Kim Young, Renee Brouse, Russell Griffin and Tim Rosener.
- 3. STAFF PRESENT:** City Manager Joseph Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Police Chief Jeff Groth, Community Development Director Julia Hajduk, Community Services Director Kristen Switzer, City Engineer Bob Galati, Civil Engineer Jason Waters, Planning Manager Erika Palmer, Senior Planner Carrie Brennecke, Administrative Assistant Colleen Resch, and City Recorder Sylvia Murphy.

The Mayor addressed approval of the agenda and asked for a motion.

4. APPROVAL OF AGENDA:

MOTION: FROM COUNCILOR YOUNG TO AMEND THE AGENDA TO MOVE ITEM 7 BELOW ITEM 5 SO BASICALLY SWITCHING PRESENTATIONS WITH CITIZEN COMMENTS AND AMEND SECTION 8 UNDER PUBLIC HEARINGS ITEM B TO READ *ORDINANCE 2018-005*, SECONDED BY COUNCILOR GRIFFIN. MOTION PASSED 7:0, ALL PRESENT MEMBERS VOTED IN FAVOR.

The Mayor addressed the next agenda item and asked for a motion.

5. CONSENT AGENDA:

- A. Approval of March 3, 2018 City Council Meeting Minutes**
- B. Approval of March 6, 2018 City Council Meeting Minutes**
- C. Approval of March 12, 2018 City Council Meeting Minutes**
- D. Resolution 2018-024 Appointing Roxanne Zuniga-Blackwood to the Cultural Arts Commission**

MOTION: FROM COUNCILOR YOUNG TO APPROVE THE CONSENT AGENDA, SECONDED BY COUNCILOR KUIPER. MOTION PASSED 7:0, ALL PRESENT MEMBERS VOTED IN FAVOR.

The Mayor addressed the next agenda item.

6. PRESENTATIONS:

A. Introduction of new Police Captain

Chief Groth introduced Police Captain Jon Carlson. He stated the Police Department held an internal promotion process and Captain Carlson was awarded the position. Captain Carlson said he started in Sherwood in 1995 as a Reserve Officer and has been a Sergeant for 16 years. He said he has lived in Sherwood since 2000.

B. Proclamation, Egg Hunt for Hope

Mayor Weislogel read the proclamation, declaring March 31 as Egg Hunt for Hope day, and urged citizens to participate in this event which will be at the Sherwood High School at 12:00 p.m. Councilor Young said this year's recipient is Barb Johanson and she has been a long time Egg Hunt for Hope committee member. Councilor Brouse thanked Todd and Leslie McCabe for their generosity.

C. Proclamation, Arbor Week April 1-7, 2018

Mayor Weislogel read the proclamation and declared April 1-7, 2018 as Arbor Week 2018 in the City of Sherwood. He called upon the citizens of Sherwood and the surrounding community to celebrate Arbor Week, to support efforts to protect our trees and woodlands, and to plant trees that promote the well-being of this and future generations.

D. Student Art Show Award Recipients

Center for the Arts Manager Maggie Chapin introduced curators of the Student Art Show, Mike and Darla Boljat. Mike thanked the Council and said the Student Art Show is a collaboration between the local Makers

5 Artist Collective and the Center for the Arts. He said the theme of the show is celebrating the creativity and artistic creations of student artists within Sherwood. He stated the art is on display at the Center of the Arts through April 19. Ms. Chapin announced the winners and provided a presentation featuring the art. (see record, Exhibit F).

Mayor Weislogel presented the following individuals with Certificates of Recognition:

1st - 5th Grade Category: McKenna Thomsen, Trevor Chi, Kaelyn Perlmutter, and Becca Flosi.
6th - 8th Grade Category: Jonathan Leroux, Rachel Farner, Kiki Dobson, and Rilyn Blanchard.
9th - 12th Grade Category: Natalie Orlik, Maddie Kremer, and Morgan VanBergen.
Adult Category: Kiki Gavin, Liliana Moga, Joe Murphy, and Tami Weidensmith.

The Mayor addressed the next agenda item.

7. CITIZEN COMMENTS: None.

Mayor Weislogel addressed the next agenda item and the City Recorder read the public hearing statement.

8. PUBLIC HEARINGS:

A. Ordinance 2018-003 Adopting minor amendments to the City of Sherwood's 2014 Transportation System Plan Volume 1 and 2, and to the Zoning and Community Development Code, Chapter 16.106 Transportation Facilities (Second Reading)

Planning Manager Erika Palmer recapped the staff report and provided a presentation (see record, Exhibit G). She said this is a second reading and summarized the proposed updates, which make three figures consistent with each other showing Brookman Road as an arterial road the entire length. She stated the "Improvements to Brookman Road" in the Project Table will be re-named to "Brookman Road Improvements". She noted the updates include a new map, Figure 17.b, which will show "Streets Where Right-of-Way Is Planned for More Than Two Lanes". She said the updates propose a change to the Sherwood Zoning and Community Development Code Chapter 16.106, Transportation Facilities to add a Figure number to reference the appropriate map in the TSP.

With no Council questions, Mayor Weislogel opened the public hearing. With no public testimony received, Mayor Weislogel closed the public hearing.

With no Council discussion, Mayor Weislogel asked for a motion.

MOTION: FROM COUNCILOR BROUSE TO READ CAPTION AND ADOPT ORDINANCE 2018-003 ADOPTING MINOR AMENDMENTS TO THE CITY OF SHERWOOD'S 2014 TRANSPORTATION SYSTEM PLAN VOLUME 1 AND 2, AND TO THE ZONING AND COMMUNITY DEVELOPMENT CODE, CHAPTER 16.106 TRANSPORTATION FACILITIES, SECONDED BY COUNCILOR ROSENER. MOTION PASSED 7:0, ALL PRESENT MEMBERS VOTED IN FAVOR.

Mayor Weislogel addressed the next item on the agenda.

B. Ordinance 2018-005 Adopting the Housing Needs Analysis for the 2018 to 2038 planning period and a text amendment to the Sherwood Comprehensive Plan, Part 2 Sherwood Development Plan

Senior Planner Carrie Brennecke recapped the staff report and provided a presentation (see record, Exhibit H). She said statewide Planning Goal 10 requires incorporated cities to complete an inventory of buildable lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. She said the Housing Needs Analysis (HNA) describes the current housing market and historical and recent housing trends, describes current and future demographic characteristics of Sherwood, forecasts future housing needs based on these considerations and the Metro 2016 Urban Growth Report forecasted growth rate, and provides a Buildable Lands Inventory and addresses residential land sufficiency inside the UGB to meet Sherwood's housing needs for the 20 year planning horizon. She stated HNAs are developed to comply with statewide planning policies that govern planning for housing and residential development, Goal 10, it's implementing Metropolitan Housing Rule and Metro's 2040 Functional Growth Management Plan. She referred to these obligations and said cities must provide enough land to accommodate the forecasted housing needs for the next 20 years, designate land that provides the opportunity for 50% of new housing to be developed as multi-family or single family attached, and achieve the average density of six dwelling units per acre.

She said this HNA was initially developed as part of the Sherwood West Preliminary Concept Plan in 2015 and the initial version was for the time period 2015-2035. She said the initial version informed the preliminary concept plan process for an area of Sherwood Urban Reserve Area 5B, and was never adopted by the City or processed as an amendment to the City's Comprehensive Plan. She asked the question of why adopt the HNA before the Comprehensive Plan update and said it is a requirement for submitting a proposal for Metro's 2018 Urban Growth Management Decision. She noted the requirement is to have an adopted and acknowledged HNA within the last 5 years. She said the HNA has been updated to reflect the 2018-2038 time period and the proposed amendment to the Comprehensive Plan for the inclusion of the HNA 2018-2038 contains no updates to the Sherwood's Comprehensive Plan goals and policies, no updates to the Plan and Zoning Map, or any updates to the Zoning and Development Code. She said the HNA is for background information and data purposes only and prepares for the update and revision to the housing element of the City's Comprehensive Plan.

She referred to the HNA conclusions and said Sherwood population grew relatively fast at 8% annual growth from 1990-2013. She said Sherwood's population is aging and people over 45 are the fastest growing group. She stated Sherwood is attractive to younger people and households with children and noted 47% of households have children and millennials will be the fastest growing group over the next 20 years. She said Sherwood's population is slowly becoming more ethnically diverse. She said if these trends continue it will result in changes in types of housing needed in Sherwood. She stated with the aging population, it is likely to increase the demand for smaller single-family housing, multi-family housing, and housing for seniors. She noted the growth of younger diversified households is likely to result in increased demand for a wider variety of affordable housing appropriate for families with children on moderate incomes, which include family houses, townhouses, duplexes and multi-family housing. She commented on other factors and said changes in commute patterns could affect future growth in Sherwood and stated Sherwood households have relatively high income that affects the type of housing that is affordable.

She commented on how much housing growth is forecasted and whether that growth can be accommodated. She stated Sherwood is forecasted to add 1653 new households between 2018 and 2038 and of these 697 are inside the City limits and 956 are in the Brookman area. She said Sherwood's planning

area, which is the City limits and Brookman area, can accommodate 70% of the forecasted growth. She said Sherwood has a deficit of land for housing and the deficit is 497 dwelling units and the largest deficits are medium density low, medium density high, and high density residential. She stated to provide land supply, Sherwood will need to continue to annex the Brookman area.

She asked what if Sherwood grows faster and stated that Metro's forecasted growth for Sherwood is considerably below the historical growth. She said Metro's forecast is less than 1% per year and Sherwood grew 3.4% per year from 2000-2013 and 8% per year from 1990-2013. She said at a faster growth rate, Sherwood's land base has capacity for 4-10 years of growth. She said additional housing growth in Sherwood depends on the availability of development ready land.

She asked what are the implications for Sherwood's UGB, and said Sherwood will need additional urbanizable land such as Sherwood West, or an increased densities inside the UGB to accommodate future growth beyond the existing City limits and the Brookman area. She noted Sherwood is not meeting its Goal 10 obligation of having a 20 year supply of land for housing.

She referred to updating the Comprehensive Plan and the implications for Sherwood's housing policies as the City moves forward and said Sherwood has a limited supply of land for moderate and higher density multifamily housing. She said the limited supply in these zones is a barrier to development of townhouses and multifamily housing which is needed to meet the demand resulting from growth of people over 65, young families, and moderate income households. She stated Sherwood will have an ongoing need for providing affordable housing to lower income households which will need a range of housing including lower cost single family houses, duplexes and multifamily residences. She said Sherwood currently has a limited supply of land available in its planning area for moderate and high-density housing.

She said the code contains criteria for Comprehensive Plan updates and said the criteria for a text amendment states an amendment to the Comprehensive Plan shall be based upon a need as identified by the Council. She said such an amendment shall be consistent with the intent of the adopted Comprehensive Plan and with all other provisions of the Plan, the Transportation System Plan and the Code, and with any applicable State or City statutes and regulations.

She stated the last complete update of the housing needs and buildable lands inventory for Sherwood occurred in 1990. She said the City needs to have an adopted HNA in order to submit an application to Metro for the 2018 Urban Growth Management Decision. She said the HNA 2018-2038 is consistent with the requirements of applicable State statutes, specifically Goal 10 and the Metropolitan Housing Rule. She said staff received three comments prior to the public hearing and provided the Council with copies for their consideration, (see record, Exhibit I - email from Diann Matthews, Exhibit J - Letter from Metro dated March 20, 2018, Exhibit K- Letter from Department of Land Conservation and Development dated March 20, 2018).

She referred to the Planning Commission's recommendation and said on February 13 the Planning Commission thoroughly reviewed the HNA and held a public hearing on the adoption of HNA 2018-2038 and the Comprehensive Plan Text Amendment. She said the Planning Commission shared various concerns they had regarding information in the HNA and the implications of adopting the HNA as presented. She said the Planning Commission asked for additional information and clarifications from staff for various portions of the HNA. She said on February 27 the Planning Commission considered the additional information and clarifications provided by staff, deliberated and recommended approval of the HNA and

Comprehensive Plan text amendments with revisions. She referred to the revisions and said Attachment 2 to the staff report is the redlined version of the HNA, and Attachment 3 to the staff report is the supplemental report providing their reasons for removing information in the HNA, which they believe is not fact based.

She referred to the Planning Commissions revisions and stated the recommended changes do not alter the data presented in the document, although they could impact the transparency of the information in the document. She said the revisions remove *conclusion/summary information* that states that Sherwood has a limited supply of land for housing in Medium Density-Low, Medium Density-High, and High Density Residential zones. She said revisions remove the *implications* of the HNA for Sherwood's housing policies and removes the recommendations by the consultant that outline options to Sherwood to consider if the City wants to increase opportunity for multi-family housing growth in its core areas. She said the revisions remove *conclusion/summary information* regarding Sherwood's need to provide affordable housing and a variety of housing types.

She said given the information received today from Metro and DLCD staff is recommending the Council adopt the Housing Needs Analysis 2018-2038 without the Planning Commission recommendations. She referred to the comments from Metro and DLCD and the goal of submitting an application for the Metro 2018 Urban Growth Management Decision, and said staff is concerned that adopting the Planning Commissions recommended version could affect DLCD acknowledging the HNA and could impact the City's application to Metro. She said if the Council agrees to adopt the original HNA it will need to be stated in the motion. She said the second hearing on this ordinance is scheduled for April 17 and the Council may provide staff with direction of whether they would consider the original HNA or the HNA with the Planning Commission recommendation.

Council President Garland referred to letters from Metro and DLCD and clarified that staff is now asking Council to approve the HNA without the Planning Commission revisions? Ms. Brennecke noted that the staff recommendation in the staff report has changed in light of the letters from Metro and DLCD.

Councilor Rosener asked if prior to receiving the letters, was staff recommending approving the HNA with the Planning Commission recommendations? Ms. Hajduk said as a rule, staff recommends approving the Planning Commission recommendations unless something comes to light that causes concern.

Councilor Brouse referred to the background which stated the HNA 2015-2035 was not adopted by the City or processed as an amendment to the Comprehensive Plan and asked why. Ms. Brennecke said adoption was not needed and the HNA was just to inform the Sherwood West process and the City was not moving the Comprehensive Plan update or revision housing policies forward at that time. Ms. Hajduk said the City went through the HNA process to inform the Sherwood West Preliminary Concept Plan and said they did not know when the Comprehensive Plan would be updated. She said currently the City has a program for a Comprehensive Plan update and funding for the housing policy element of the update and the timing is better.

Councilor Rosener asked if the UGB ask was removed from the equation does staff typically do the HNA before the Comprehensive Plan update or after? Ms. Brennecke said it would be done before the update but not adopted separately as it would be adopted as an element of the Comprehensive Plan. Councilor Rosener said our current zoning affects the HNA and if you change the zoning in the Comprehensive Plan update the HNA would change. Ms. Brennecke said it would not change the HNA and said the HNA is there to inform the Comprehensive Plan update. Ms. Hajduk said the HNA is the foundation and just because

this HNA is adopted does not mean it is done and said as you go into the policy component of the HNA and the Economic Opportunities Analysis and are trying to insure balance within the Comprehensive Plan we can look backward as well as forward. She stated this is the foundational piece.

Councilor Brouse asked if there was additional work done to the 2015 analysis. Ms. Hajduk said they updated the 2015 analysis. Ms. Brennecke said this HNA is 2018-2038, and the conclusion has changed quite a bit, and they used a new Metro housing forecast from 2016 and the previous analysis was based off the 2014 Metro housing forecast.

Councilor Young referred to the Planning Commission recommendation and said some of the comments from the company are subjective and are not necessary. She commented on statements such as, "it is clear Sherwood will need a wider variety of housing especially housing that is affordable" and said that is an opinion. She referred to comments in the HNA such as, "the growth of younger and diversified households will result in increased demand for wider variety of housing appropriate for family" and said that is an opinion and said she is interested in data and facts. She said she appreciates the data and does not see value in the extra commentary.

Councilor Griffin agreed with Councilor Young's comments and said some of the subjective comments should have had language that stated what they are basing it on. He asked what is the risk of leaving the subjective comments in the analysis, and asked what is the risk of not having DLCD acknowledge the analysis? Ms. Brennecke said this HNA is just information that is going to inform the City when it updates the housing policies for the Comprehensive Plan and information for Metro as they go through the Urban Growth Boundary Expansion. She stated it is information and not a policy document.

City Attorney Josh Soper said the City hired a consultant and they shared data, opinions, and recommendations based on the data, and it is the Council's decision to do what they want with the recommendations.

Councilor Young asked if approving this sends a message that we agree with the recommendations? Ms. Hajduk said the Planning Commission was also concerned about that and staff tried to assure them that was not the case but they continued to have the concern and that is why there is a Planning Commission supplemental staff report which is in the packet.

Councilor Rosener said he understands the Planning Commissions concerns and staff's concern in reference to the letters from Metro and DLCD that this will dim our chances of approval on the Metro application if we do not adopt the original version of the HNA. He asked if we are designing the HNA to increase our odds of a successful application or are we designing this to represent what we think is important to our community. He referred to the aging community and said historically when more land has been available the average age decreases because more families move in.

Ms. Hajduk said the consultant is only doing their professional job and the HNA is not designed for anything, and the conclusions are based on her professional judgement. She said the concern about removing certain conclusions sends a message as far as the City's commitment to being open to affordability.

Councilor Kuiper said as a decision maker she regards the Executive Summary of a document as reflecting what is in the report. She suggested some of the information may need qualifiers but the work is pretty standard.

Councilor Griffin said if the HNA does not get acknowledged, how will that effect the Comprehensive Plan process? Ms. Brennecke said we can change it for the Comprehensive Plan update. Councilor Griffin asked if this is a requirement for the Comprehensive Plan? Ms. Hajduk said it is part of the Comprehensive Plan process. Councilor Griffin asked if the HNA is not officially recognized, what state does that put the Comprehensive Plan in? Ms. Hajduk said one of the basis of the Comprehensive Plan is the HNA as well as the Economic Opportunities Analysis. She said it does not have to happen right now. She stated we are considering it now because of the Metro application.

Councilor Kuiper said if the text and the information in the document has not changed then the information should stay in for transparency.

Councilor Brouse said the data and opinions reflected in the HNA are consistent with Washington County and the region.

Ms. Hajduk reminded the Council and said procedurally this is a public hearing and Council can ask questions of staff before opening the public hearing and Council will discuss after the public hearing.

Councilor Rosener referred to the Metro sectional plan and said there are targets for low income housing and noted that Sherwood's target was low with 127 units and asked if that plays into this analysis? Ms. Brennecke said the analysis takes the Sherwood spread of income and projects it into the future and that is why Sherwood is lower, because we are a higher income community.

Councilor Kuiper asked what medium income are they using? Ms. Brennecke said for this HNA it is the medium income of Sherwood.

City Manager Gall said he received a call from Metro CEO Martha Bennett and she had questions about the Planning Commission's recommendations. She stated if the Council approves the Planning Commission recommendations and subsequently asks for the UGB expansion in May, Sherwood's application will not be successful. Mr. Gall reminded the Council that Metro's number one issue in the region is affordable housing and Ms. Bennett said if this is the policy choice of Sherwood she said don't waste your time submitting an application. He said according to Metro you need to have an affordable housing component to be successful in expanding the UGB.

Councilor Rosener asked if there is evidence that by creating more available land the affordable housing issue can be solved? Ms. Hajduk said we want to provide opportunities to solve the issue.

Councilor Kuiper said the term affordable housing could mean a number of things.

Councilor Rosener asked how Metro defines affordable housing. Ms. Brennecke said DLCD will be acknowledging the HNA and will take comments from Metro regarding their decision to acknowledge. She said the DLCD did not state that if the Planning Commission recommendation to remove certain language is approved they would not acknowledge the HNA, but they did state that they have concerns about the City providing housing options for all income levels which is part of the statewide planning goal.

Councilor Kuiper referred to the letter from DLCD and said in the second paragraph they state that the Oregon Administrative Rules specifically require housing be provided commensurate with the financial capabilities of present and future residents of all income levels.

Councilor Griffin asked why the Planning Commission recommended striking text? Ms. Hajduk said the Planning Commission felt it was subjective and making conclusions that have not been vetted and there were different interpretations. She said they were concerned it might tie our hands during policy discussions. Councilor Griffin asked if it will tie any hands? Ms. Hajduk said no and said it is important to have this conversation and it is understood that things can be adjusted as we adopt the policy element. She said this will be on the record. Councilor Griffin said this is a standard report by an organization and some of the findings are not unwarranted, and said it will not tie our hands. Ms. Brennecke said the City does not have to use the same HNA for the Comprehensive Plan update and this does not tie our hands. She said there are options.

With no further questions from the Council, Mayor Weislogel opened the public hearing.

Kara Repp, 21985 SW 107th Avenue in Tualatin, approached the Council and said she moved from Sherwood two weeks ago and asked if the concern with adopting the HNA with the Planning Commission recommendation is that the Metro application would be unsuccessful. She asked what the year to year growth is from 1990 to current and suggested there has been a lot of averaging that does not reflect the cycles. She said the HNA and the Metro application are clearly going hand in hand right now. She stated the Metro letter is asking for 455 buildable acres which is 4050 units and said 50% of that will need to be high density housing. She said that will result in 230 acres at 19 units per acre which would result in an increase in population, based off of the average household size, of 12,500 which is a 64% growth. She said she is concerned with this amount of growth and asked if the City is prepared and has the funding to support that type of growth in a responsible way. She said she is leaning toward being opposed.

Justin Kai, 22118 SW Friars Lane, came forward and noted that prior to moving, Kara Repp was a fellow Planning Commissioner. He offered to answer questions and clarified what he understands from the Planning Commission recommendation and noted this is not be taken as him speaking for the Planning Commission as a whole. He said the Planning Commission recommended removing language and content from the HNA that they viewed as conjecture and content that was more opinion and not purely factual information. He stated the document should be fact based and note driven towards a certain outcome or objective. He said his primary concern with the HNA is how the recommendations may change what makes Sherwood unique. He said because of the UGB application the HNA was moved forward. He said the Comprehensive Plan update has barely started and there needs to be community engagement. He stated the HNA recommended 50% single-family housing, 10% attached single-family housing, and 40% multi-family housing which doesn't address the missing middle which is needed in Sherwood. He said the biggest issue with the HNA is the assumption that if you follow the formula you will attain affordability and said we should recognize that it is not a guarantee, however these will make drastic changes to Sherwood all for the sake of affordability and he is skeptical that will materialize.

With no further testimony, Mayor Weislogel closed the public hearing.

Ms. Hajduk reminded the Council that this is the first reading and the decision will be made on April 17 and she asked Council to provide staff with direction if changes are requested.

Councilor Kuiper clarified that the HNA is data that is used to inform the Comprehensive Plan? Ms. Brennecke said that is correct. Councilor Kuiper referred to form based codes as opposed to talking about density where they are talking about capacity and asked if we can present the data in a form based manner. Ms. Brennecke said as Goal 10 is written the answer is no. She said as we move forward with the Comprehensive Plan the City can ask for a form based code.

Councilor Rosener said Metro has been trying to solve the affordability problem for years and he agrees with Mr. Kai's concerns about unintended consequences and said Metro will have an influence in the zoning. He said the City should decide if we want to push back on Metro or be compliant and weave through their process.

Councilor Kuiper said it is not necessarily being compliant, it is strategy. She stated by following the Planning Commission's recommendation to strike out language it will remove the option with Metro and by keeping the language we would use to keep our options open.

Ms. Hajduk asked the Council if there is general support for removing the Planning Commission recommendation.

Councilor Rosener asked how much time did the Planning Commission spend on this issue? Ms. Hajduk said they did not have a work session but had a lengthy meeting. She said there should have been a work session with the consultant presenting the information. She reminded the Council that this is a technical document. She said ideally the HNA would be done in conjunction with the Comprehensive Plan update and said in August, Metro changed the requirements for the "ask" and said an acknowledged HNA was required. She said this required the City to expedite the process. She said at the Planning Commission level they did not have the feedback from Metro and DLCDC and added she does not know if that would have changed their recommendation.

Councilor Brouse said she supports the original version of the HNA and sees it as an informational document.

Councilor Griffin said he supports the original version of the HNA.

Councilor Young said she understands the Planning Commission's recommendation and agreed that the report has a lot of subjectivity and opinions but it is just a report and does not require us to follow. She said how the City moves forward will be a conversation that will be continued through the Comprehensive Plan update.

Councilor Kuiper added that EcoNorthwest does a lot of these documents and what we are paying for in this HNA is a consultant's professional opinion. She stated anyone can do a data dump but paying someone for a professional opinion who has the experience and presents this report as a matter of course makes sense to her. She said this is the world she lives in and she can understand the Planning Commission's position and agrees that certain areas of the report could have some qualifying statements.

Council President Garland said perhaps when the report was requested part of the request was for data and recommendations in an executive summary. He said he attended the Planning Commission meeting where this was considered and said there was a lot of back and forth and he agrees that a lot of the report is subjective but noted that is what we paid for.

Councilor Young stated she appreciates the work of the Planning Commission for delving into this.

Ms. Hajduk asked if the general direction from the Council is to bring back an ordinance with the original HNA before the Council on April 17 for a second reading. Mayor Weislogel said yes and Ms. Hajduk said it was not necessary to make a motion.

Mayor Weislogel addressed the next item on the agenda.

9. CITY MANAGER REPORT:

Mr. Gall reminded the Council that there is a URA Board of Director meeting and a Council Executive Session following this meeting. He reported on the March election results and said City Recorder Sylvia Murphy has confirmed with Washington County that the City should receive the certified election results by the end of March and the Council will consider a resolution to canvas the results on April 3 and then the newly elected officials will be sworn into office.

Mayor Weislogel addressed the next item on the agenda.

10. COUNCIL ANNOUNCEMENTS:

Councilor Rosener said he is unable to attend the School Board meeting tomorrow night and Councilor Young will attend in his absence. He said he attended the Main Street meeting on March 15 and reported that there will be an Early Day Engine Show on May 5 outside of the Center for the Arts.

Councilor Brouse said she attended the Library Advisory meeting and said the Library Annual Report is available and National Library Week is April 8-14. She said the Friends of the Senior Center will meet on Thursday at 1:30 pm. She said the Chamber of Commerce has new maps and the next breakfast meeting is April 10 at the Tri-County Gun Club at 7:15 am. She announced Cruisin' Sherwood is June 9 and volunteers are needed. She said the Rotary Tree Sale is April 21-May 12. She said July 9-13 is Peace Village, which is a summer camp style teaching conflict resolution event. She announced the Sherwood Police Foundation Steak-Out Boots and Bling is May 19 and tickets will be on sale April 2.

Councilor Kuiper reported she attended the Cultural Arts Commission meeting on Monday and said Bill Flood's Request for Proposal has been chosen to start a Public Arts Master Plan. She noted he has worked in Hillsboro on their Public Arts Master Plan. She reported she attended the Friends of the Tualatin River National Wildlife Refuge planning session on Saturday.

Council President Garland reported the Planning Commission has three positions available and applications are due on March 26. He said there will be a Community Traffic Safety class on March 27 at the Sherwood Police Department from 7:00-8:30 pm. He said the Sherwood Center for the Arts Gala is April 7 and tickets are still available and said they are going fast. He stated the theme is Murder Mystery.

Councilor Young reported she attended the Police Advisory Board meeting and said Captain Hanlon discussed active shooter scenarios. She referred to the Field House staff report in the Council meeting packet and noted the profits have increased. She commended staff for the reports.

Councilor Griffin reported he attended the Sherwood Robin Hood Festival meeting last week and volunteers are needed. He said the Parks Board will meet April 2 at 7 pm. He stated the "Hello Dolly" cast has been selected and will be performed at the end of June.

Mayor Weislogel thanked the Council for their active involvement with all of the Boards and Commissions.

Mayor Weislogel addressed the next item on the agenda.

11. ADJOURN:

Mayor Weislogel adjourned the meeting at 9:33 pm and convened into a URA Board meeting. (See URA Meeting records).


EXECUTIVE SESSION

1. **CALL TO ORDER:** Mayor Weislogel called the meeting to order at 9:45 pm.
2. **COUNCIL PRESENT:** Mayor Lee Weislogel, Council President Sean Garland, Councilors Jennifer Kuiper, Kim Young, Renee Brouse, Russell Griffin and Tim Rosener.
3. **STAFF PRESENT:** City Manager Joseph Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, and Finance Director Katie Henry.
4. **TOPICS:**
 - A. **ORS 192.660 (2)(d), Labor Negotiations**
5. **ADJOURN:**

The Mayor adjourned the Executive Session at 10:02 pm.

Attest:


Sylvia Murphy, MMC, City Recorder


Lee Weislogel, Mayor