



SHERWOOD CITY COUNCIL MEETING MINUTES
22560 SW Pine St., Sherwood, Or
February 16, 2016

WORK SESSION

1. **CALL TO ORDER:** Mayor Krisanna Clark called the meeting to order at 5:35 pm.
2. **COUNCIL PRESENT:** Mayor Krisanna Clark, Councilors Linda Henderson, Sally Robinson, Dan King, and Jennifer Kuiper. Council President Harris and Councilor Brouse via conference call.
3. **STAFF PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Police Chief Jeff Groth, Community Services Director Kristen Switzer, Administrative Assistant Colleen Resch and City Recorder Sylvia Murphy.

4. **TOPICS:**

A. Possible Charter Amendments

City Attorney Josh Soper discussed the election calendar for 2016 and said there are three options. The May 17 election has a filing deadline of February 26, the September 20 election has a filing deadline of July 1 and the November 8 election has a filing deadline of August 19. Discussion followed regarding cost and voter turnout.

He spoke of the areas of possible Charter amendments and said the first is improving the language regarding the first and second readings for an ordinance. He explained that the League of Oregon Cities model ordinance has similar language. He noted City Manager Gall sent the Council examples of language from other cities (see record, Exhibit A). He stated most cities do a first and second reading and there is some variation in the language and our language requires approval at both meetings. He asked the Council for feedback on this issue. Council agreed that the Charter language could be clarified and placed on the November 2016 ballot with regards to the language of a first approval and second approval which is currently confusing.

He said the second possible Charter amendment is changing the Municipal Judge and City Recorder reporting structure. He noted City Manager Gall sent the Council information (see record, Exhibit B) which shows that most City Recorders report to the City Manager as opposed to the City Council and most Municipal Judges report to the City Council. He asked the Council for feedback regarding the need for a possible amendment and the urgency. Council agreed that the November 2016 election would be appropriate. Discussion followed about the difficulty of having a council of 7 reviewing the performance and salary of the City Recorder and coming up with a consensus. Council comments were received that

they are policy makers as opposed to human resource managers and suggested having the voters decide the City Recorder's reporting structure. He asked for feedback on the Municipal Judge reporting structure. Council commented on the lack of contact they have with the Municipal Judge and questioned why he reports to Council. Mr. Soper discussed a possible potential conflict of interest and the Council agreed to discuss this issue at a later time in case Sherwood decides to contract police services with Washington County.

Mr. Soper said the third possible Charter amendment is to provide stipends to City Council (see record, Exhibit C). He commented on Government Ethics law and said it used to be common place for governing bodies to vote to change their own compensation. He said the law now has shifted to the notion that the people voting for compensation cannot benefit from it. He stated he will check with the Government Ethics Commission to determine their current ruling on the matter and stated that if compensation were approved by the Council it will require some type of phasing-in and would need to be approved by the voters.

Councilor Brouse said she is opposed to a stipend when the City is unable to fully fund projects and public safety.

Council President Harris stated that she supports a small stipend which will provide a different caliber of citizens wanting to be on Council and noted it is common place. She said as a volunteer it costs her money for childcare to attend meetings.

Councilor Kuiper stated she supports a small stipend to cover her time off from work and suggested a couple hundred dollars.

Councilor Robinson stated she supports a stipend and commented on the amount of meetings she attends and her childcare costs.

Mayor Clark stated she supports a stipend and said this should be a position of service open to everyone and by not providing a stipend it eliminates those that can't afford to serve. Discussion followed regarding who would determine the amount of the stipend and Mr. Gall said the Charter now states that Council cannot be compensated and that language would need to be removed and they could research how other cities determine compensation. Council directed staff to bring back the issue for further discussion and agreed that the November 2016 election would be appropriate.

Mr. Soper stated the fourth possible Charter amendment is consideration of changing the Mayor's term to a 4 year term. Mr. Gall provided information from other cities (see record, Exhibit D) which illustrated that Sherwood is in the minority with a 2 year term and a 4 year term is the most common. He noted a Charter amendment changing the term could be placed on the November 2016 ballot and if passed, could be effective for the next term of the Mayor which starts in January 2017. Discussion followed regarding being consistent with our neighbors, the learning curve of council members, the cost of elections, the length and continuity of city projects. Council directed staff to bring back the issue for further discussion along with language regarding term limits and agreed the November 2016 election would be appropriate.

B. City Recorder Compensation

Mr. Soper said in relation to the City Recorder's 2015 evaluation which was completed in January, direction was given to Council President Harris to come back with a compensation recommendation. He noted that process did not go as smoothly as anticipated and will now be discussed in this work session.

Councilor King asked how Council President Harris determined a proposed 2% increase. Council President Harris stated the City Recorder's pay scale is topped out and she was under the impression that Council had to provide a merit raise so she suggested 2% to stay within the confines of the contract. She noted that nobody wants to be overpaid for their position because it makes it very precarious. She said upon closer research she determined that the City Recorder is quite high in the salary field and she recommended a 0% merit raise and suggested the Council determine another way to compensate the City Recorder, such as including the position in the City Manager's proposed PTO payout option and a possible bonus. She said the 2% suggestion was her own opinion and she switched the suggestion to 0% when it was brought to her attention that within the contract there is the ability to present a 0% increase.

Councilor Robinson stated that she ran on being fiscally responsible and giving the City Recorder a raise does not accomplish being fiscally responsible as perceived by the public. She stated she supports 0% raise and a one-time bonus for an acknowledgement of good work.

Councilor King asked if the position receives a COLA. Mr. Soper said the City Recorder receives the same COLA as other employees.

Councilor Robinson suggested a one-time \$250 bonus.

Council President Harris said that we can compare the position of City Recorder with other senior managers and some of them have not received merit increases since 2008 and they have not received any bonuses.

Councilor King stated that when comparing the City Recorder position with other positions in the City it is a complicated position and in comparing the City Recorder position with other City Recorders, most of them have larger staff. He said he supports a bonus but \$250 is too low considering the City Recorder's review which merits something more substantial. He proposed a bonus of \$1500 to \$2000.

Councilor Robinson asked if that equates to a 2% raise. Council President Harris said yes.

Mayor Clark said her concern is that because of prior Council decisions and not looking closely at what the original posting for the City Recorder job title was they actually promoted her outside of her salary range.

Council President Harris stated she is concerned about the perception of the citizens and noted that they are not receiving \$2000 bonuses and will ask why City employees deserve \$2000 bonuses.

Councilor King stated that the City Recorder has not received a salary increase in the last two years other than a COLA. Discussion followed and Mr. Soper clarified that she did not receive a raise last year.

Council Henderson asked if they are comparing her salary now to the range for the job she applied for 10 years ago.

Mayor Clark said if you look at the City Recorder position that she applied for and received, it had a pay range that Ms. Murphy is currently outside of the range.

Mr. Gall said the City Recorder position 10 years ago was posted at a Category G pay scale and Ms. Murphy's salary is now above that range.

Mr. Soper noted Council at some point made a decision to no longer apply that range and converted the position to a contract position.

Councilor Henderson said she does not understand the logic of considering a salary range from 10 years ago. She said every year the City Recorder has been reviewed and performed well and has been awarded compensation. She noted the comparison of the City staff that has not been awarded compensation is its own unfortunate situation and commented that a salary compensation evaluation has not been done in the past 8 years. She stated it is pertinent to do a review based on the salary versus the job duties. She said comparing a contract employee to a non-contract employee is clouding the discussion and going forward it would be better to decide the future of the position.

Council President Harris said it is the personal relationship the Council has with Ms. Murphy that is clouding the discussion and asked what is best for the citizens.

Councilor Brouse said she tends to agree more with Councilor Henderson in terms of somewhat penalizing an employee who has had an exemplary review because practices and policies haven't been set or followed or legitimized throughout the years. She noted that in this case there does not seem to be a desire for an increase and more interest in doing a bonus and she would suggest a minimum bonus of \$500 in addition to considering what the City Manager is proposing for leadership staff in terms of Paid Time Out (PTO) payout.

Councilor Kuiper added that the PTO payout should also be offered to the City Manager and the City Attorney who are also employees of the Council.

Mayor Clark said she would support a PTO payout and if that is approved a bonus for the City Recorder is not necessary. She stated a PTO payout would be significant. Mr. Gall said that if a PTO payout was offered to all senior management up to 80 hours it would amount to \$3000 to \$4000 per employee.

Councilor Kuiper noted that PTO payout is money that employees have earned and she would still support a bonus.

Council President Harris said if the City Recorder is offered a PTO payout then she would support a \$300 bonus.

Mr. Pessemier reminded that Council that once an employee leaves the City they are eligible for their PTO so it is a future liability. He said the purpose of offering a PTO payout is to prevent employees from losing their PTO because they are capped out.

Mr. Gall said he is hearing a consensus for allowing the City Recorder to participate in a PTO payout program and providing a one-time bonus. The Council presented the following bonus suggestions: Mayor

Clark \$200, Councilor Robinson \$250, Councilor Kuiper \$300, Councilor Henderson \$500, Council President Harris \$300 and Councilor Brouse \$500.

Mr. Soper thanked the Council for their direction.

C. Leasing Update, Arts Center

With 10 minutes remaining in the work session Mayor Clark suggested taking a break and reconvening the work session after the regular session.

5. ADJOURN:

Mayor Clark adjourned the work session at 6:50 pm and convened to a regular session.

REGULAR SESSION

1. CALL TO ORDER: Mayor Clark called the meeting to order at 7:02 pm.

2. COUNCIL PRESENT: Mayor Krisanna Clark, Councilors Linda Henderson, Dan King, and Jennifer Kuiper. Council President Harris and Councilor Brouse via conference call. Councilor Sally Robinson was absent.

3. STAFF AND LEGAL COUNSEL PRESENT: City Manager Joe Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Police Chief Jeff Groth, Community Development Director Julia Hajduk, Planning Manager Brad Kilby, Community Services Director Kristen Switzer, Library Manager Adrienne Doman Calkins, Administrative Assistant Colleen Resch, and City Recorder Sylvia Murphy.

Mayor Clark addressed the next agenda item.

4. APPROVAL OF AGENDA:

MOTION: FROM COUNCILOR KUIPER TO APPROVE THE AGENDA, SECONDED BY COUNCILOR KING. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR, (COUNCIL PRESIDENT HARRIS AND COUNCILOR BROUSE VIA CONFERENCE CALL). (COUNCILOR ROBINSON WAS ABSENT).

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

5. CONSENT AGENDA:

- A. Approval of January 30, 2016 City Council Meeting Minutes**
- B. Approval of February 2, 2016 City Council Meeting Minutes**
- C. Resolution 2016-004 Appointing John Liles to the Cultural Arts Commission**
- D. Resolution 2016-005 Appointing liley Thompson to the Cultural Arts Commission**
- E. Resolution 2016-006 Completing the annual Performance Evaluation of the City Recorder for the City of Sherwood**

- F. Resolution 2016-007 Authorizing the City Manager to execute a construction contract for the Columbia Street Regional Stormwater Facility Pipe Mitigation Project
- G. Resolution 2016-008 Appointing the Budget Officer for Fiscal Year 2016-17

MOTION: FROM COUNCILOR HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY COUNCILOR KUIPER. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR, (COUNCIL PRESIDENT HARRIS AND COUNCILOR BROUSE VIA CONFERENCE CALL.) (COUNCILOR ROBINSON WAS ABSENT).

Mayor Clark addressed the next item on the agenda.

6. PRESENTATION

A. Recognition of Eagle Scout Awards

Mayor Clark recognized and congratulated Bradley Bergstrom and Andrew Cichoski for obtaining the rank of Eagle Scout. Neither scout was present and Mayor Clark indicated the certificates would be mailed.

Mayor Clark addressed the next item on the agenda.

7. CITIZEN COMMENTS

Kurt Kristensen came forward and stated at the previous Council meeting he reminded the Council that a dangerous Senate Bill 1537 was being considered and if adopted would abolish voters abilities and communities like Sherwood to vote on any annexation proposal. He said regardless of how people feel about an annexation proposal, he believes it has served communities well to have a balancing influence by residents and voters to vote. He encouraged the Council to send a message to Salem via a resolution and if this can't happen, then for individual Councilors to email Senator Rosenbaum that the Council has concerns. He said the Homebuilders Association has been trying for years to get this type of legislation passed and eventually if we give up what will happen is that an annexation proposal will be brought up by anybody and the rest of us will end up paying for it. He said he feels it is extremely important that we continue to respect the Charter that says annexations must go to the voters. He said if SB 1537 passes then our Charter will be broken.

Sean Garland came forward and informed the Council of an upcoming event on Saturday, February 20, the Sherwood Foundation for the Arts 3rd Annual Jigsaw Puzzle Competition to be held at the Sherwood police station in the community room. He said his wife Madeline kicked off the event three years ago and explained there are three different events. The first starts at 10 am, individuals ages 14 to adult doing a 300 piece puzzle, 12-2 pm will be teams of 2, ages 14 to adult doing a 500 piece puzzle, and the big event, the family and friends team of 4, starts at 2 pm ages are 8 to adult, also a 500 piece puzzle. He said the competitors get to keep the completed puzzles and they will have lots of great prizes that have been donated by our local community including summer musical tickets donated by the SFA. He said for more information and to sign up, people can go to sherwoodarts.org, he said they are quickly running out of space.

Tess Keis came forward and spoke of the recent YMCA Auction Dinner held on February 13, and read the letter she wrote for the Sherwood Gazette recapping the event. She commented regarding the theme

of the event as a Love Boat theme and the various participants. She mentioned the silent auction and dinner, and after dinner activities. She thanked the many volunteers and sponsors and said all funds raised goes towards the YMCA for camp scholarships, membership financial aid and many YMCA programs that help move Sherwood positively forward. She invited the community to join with the YMCA in supporting their goal of strengthening the community through youth development, healthy living and social responsibility.

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

8. PUBLIC HEARING:

A. Resolution 2016-009 accepting the Sherwood West Preliminary Concept Plan as a foundational tool on which to base future Urban Growth Boundary Expansion discussions and future refinement plans

Brad Kilby Planning Manager came forward and stated this work is a culmination of a 16 month process, he recapped a presentation (see record, Exhibit E). He explained the Sherwood West area and referred to the exhibit map on page 2, the area identified in blue as 1291 acres west of Elwert Road, south of Scholls Sherwood Road, west of Roy Rogers Road and north of 99W and Chapman Road. He said the furthest eastern boundary is Eastview Parkway off Edy Road. He said Sherwood West is a culmination of a public and transparent process where a dedicated group of citizens came together to begin a conversation about the future of Sherwood. He said it's a plan built on trust and understanding and said there is still a lot of work to be done. He said fundamentally for the Council it is a tool for future discussions related to growth and expansions. He said the Council is not adopted the plan tonight as it has purposely been left fluid with many opportunities and future decisions. He said the plan includes an executive summary, an outline of the process undertaken, a discussion of the history and growth of Sherwood, discussion of how the baseline for the project was achieved, the concept plan itself, necessary improvements to support urban levels of growth, a phasing and funding strategy that plans to inform on the cost of improvements, next steps and recommendations. He said the next steps in his mind is the Comprehensive Plan Update. He said the appendices includes all the technical documentation of the information collected along the way.

Brad commented as to why now and quoted Benjamin Franklin, "if you fail to plan than you can plan to fail". He said there is a lot of sentiment about Sherwood being a great community and this was heard throughout the process. He said the City was awarded a CET Grant for the preliminary concept plan and it provided an opportunity to cease our own destiny and not wait for Metro to impose their plan and requirements on the City. He said as part of this project we funded a housing needs analysis which includes raw data that informs us of why we need to think about growth now. He said as it stands today with Brookman included, if it were to be annexed today, we have a 4-10 year land supply and this is based on growth projections. He said in 1991, the last time our Comprehensive Plan was updated, we had between 3500-4000 people and today we are approaching 20,000 people. He said without carefully planning for growth the City will begin to see more infill projects, requests to rezone and transformations of neighborhoods. He said consultants and members from the advisory committee are present this evening. He reminded the Council when the community advisory committee was formed the City had over 40 applicants and of those 19 were appointed. He said we had a technical advisory committee comprised of various City departments, Clean Water Services, Washington County Transportation and Engineering,

Metro, Sherwood School District and Tualatin Valley Fire District. Brad referred to the map and said the areas that are taupe in color are the Urban Growth Boundary/Urban Reserves, areas that Metro will consider for urban expansion over the next 50 years. He said Metro choose not to expand the UGB in this last go-around. He explained the areas in the light shades of green are rural reserves and those are the areas we are not expecting to grow into over the next 50 years. He said Sherwood is a community that has been spoken of in recent past being that we were not able to annex Brookman and given that we have a high demand for land.

Kirstin Green, Managing Principal with Cogan Owens Green came forward and said the plan was built on several important attributes looking at Sherwood's livable character and the values around livability. She explained the major plan attributes includes the principle of a 10-minute neighborhood which you currently have in Sherwood, a half hour radius, being able to walk to amenities such as parks and trails and retail, resource protections, schools and neighborhoods serving retail. She referred to the exhibit and said Julia Hajduk often speaks of how this concept plan is different from others we see, like Brookman, in that this is a preliminary concept plan. She said Metro has changed their rules and regulations for this urban/rural reserves 50 year land supply and this is one of the first areas planned in the region under the new rubric of a Preliminary Concept Plan.

Anais Mathez with Cogan Owens Green came forward and briefed the Council on the public involvement that occurred. She said the CAC (Community Advisory Committee) was very instrumental in helping develop and execute the public involvement plan and with their help they identified the following objectives to help guide the project. She said in evaluating engaged efforts we were able to achieve all the objectives. She referred to the presentation and explained: Consistency of messages and understanding of the benefits of concept planning and said it was early in the process that they developed key messages and focused on issues of housing, growth and available land and the benefits of planning. She explained frequency and effectiveness of community engagement opportunities and said they had open CAC and TAC (Technical Advisory Committee) meetings and had many community workshops, events and open houses that touched nearly 300 people. She referred to a promo video that had over 1000 views. She referred to increasing participation over time and said they had over 40 people in attendance and their first community workshop and had over 80 people at their open house. She referred to piloting new techniques and said they were able to harness social media and launched facebook and used mindmixer, which is a community engagement platform. She referred to community concerns and said they were identified and addressed and said this was the foundation of the plan and said it was a process that went through three rounds of revisions based on public comments received. She referred to the listed community engagement events. She said City staff was instrumental in reaching out to the property owners in the Sherwood West area and meeting with them individually and being available.

Kirsten referred to the vision statement and commented on Sherwood's small town character and the integration of the plan with existing Sherwood and extending a continued pattern of the community's most valued neighborhoods. She referred to "well designed" and said this is a key attribute and said although they are not doing design standards at this time, there is a high expectation that the neighborhoods will be esthetic and attractive. She referred to the protected natural areas and said the development if it occurs should be an overall benefit to the physical health of all Sherwood residents. She referred to the goals and said the CAC helped develop the goals and the evaluation criteria. She said they feel they have met all the evaluation criteria and said the items in bold exceeded the criteria. She said growth is well planned and the design includes complete community attributes incorporating nature, a small amount of neighborhood retail, and provides amenities that can't be located in existing Sherwood. She said the

development respects and recognizes the Sherwood pattern that Martin study in depth based on Sherwood's heritage, based on a small town feel. She said the concepts promote health, a high value recognized in Sherwood with walking and bicycling access and future access that would include transit. She said the development protects and provides access to nature and referred to the creeks in the area. She said implementation is pragmatic and said Lorelei Juntensen with EcoNorthwest would provide additional information.

Brad Kilby spoke on the Urban Growth Pattern and referred to the presentation (see page 13) and said Sherwood has grown from a nine block area, Old Town, and said each area represents a point in time that Sherwood expanded. He said Sherwood expanded along the rail line and Cedar Creek has always been a very important characteristic of our community. Brad referred to the presentation and said Sherwood is made up of a series of small compact neighborhoods and they all fit within an area of about a one mile radius. He said he read in the Oregonian that Sherwood is one of the denser communities in the Metro area. He said we have about 7.9 dwelling units per acre on average. He said if we include Sherwood West we can still capture the ¼ mile, 10-minute walking walkable area. He said this grows us to 1.5 mile radius (see pages 14 and 15). He minded the Council this is over a 50 year time period and said some of the area might come in, all of it might come in or none of it. He said there are other areas Metro might consider to come in. He said we are an island in the landscape and this is something we found through our discussions with people. He said we are surrounded by the Tualatin River Floodplain on the north (referring to page 17 of the presentation), which limits the type of development you'll see in this area. He referred to the River Terrace Development in Tigard. He said to our west are the Chehalem Mountains and Parrot Mountain to the south and east, and the Tonquin scablands to the south and east as well. He spoke of the areas surrounding Sherwood West and the livability of the area. He referred to the Plan Attributes and said these are the things that staff derived as some of the most important things that people wanted us to consider. He said staff talked to 82 of the 100 homeowners and they spoke of Sherwood's small town feel, great schools, amount of open space in and around Sherwood and the manner in which it was protected, and the neighborhoods. He said they started with three different plan alternatives and narrowed it to one plan with two transportation alternatives (see page 21).

Brad explained the draft Plan Alternative A, was primarily a residential plan with one school located at the north end and some regional ball or play fields. He referred to a nature park off Edy Road and said staff spoke with that family that has been there a long time and they said the area already in the darker green is in conservation and they would like to see that as a nature park for their parents. He referred to Alternative B and said it has a lot more open space set aside and includes more residential and a few more retail components and said the school has been moved up to the corner of Roy Rogers Road and Scholls-Sherwood. He said we knew this going into this, that this would not be a good idea given the amount of traffic at that location. He said the third alternative was a heavily commercial component, which would have relied upon a single school and a lot of retail commercial types of uses.

He said after several revisions of the plan we came up with this plan (see page 22) and said this is one single plan with two options for transportation. He explained one of the options is a realignment of Elwert Road where it curves and crosses over the creek at two locations and proceeds north. He said the idea behind that is rather than bridging over an existing alignment, that you could save cost on mitigation, keep this road open while constructing this and then cut down on the type of pass-through traffic. He said the preferred option 2 (see page 23) would keep the alignment of Elwert in its current location and would be a straight line.

Brad explained plan detail to the north (see page 24) where there is a school that is in the center of the primary neighborhood that is surrounded by parks and residential and would allow for regional ball fields on the corner of Scholls-Sherwood and Roy Rogers. He said there are major BPA power lines in that area and the uses that would normally be allowed would be limited. He referred to the West Neighborhoods (see page 25) and said this shows the realignment but is primarily residential and calls for another school site. He said it has some small retail components that are targeted towards neighborhood retail. He said throughout the plan you will see a second arterial or boulevard that comes up through the north and parallels Elwert Road and would be treated somewhat similar to Sunset Blvd south of Hwy 99, with tree-lined streets and a median. He said the far west area (see page 26) that is west of Chicken Creek, has primarily neighborhood and hillside residential. He said hillside residential means there will be some slope limitations to development resulting in lower density homes. He said as we talk about phasing, it will be important to note that you don't get as much bang for your buck when you start developing residential and having to provide services to that area, therefore these are the areas that are less likely to be developed.

Kirsten Green said when Martin does his longer presentation on this, physical attributes that frame existing Sherwood, and the design types and neighborhoods, jumping across Chicken Creek was one of the major moves that we did not consider as a first priority, she said this is why you see a lower intensity of development in that area.

Brad referred to option 2 (see page 27) where you have the current alignment of Elwert and Edy Roads and also has hillside residential on the eastside and a nature park. Brad referred to the Southwest portion south of Kruger Road, (see page 28) and said this includes the area of the Brookman Concept Plan area that calls for some type employment and industrial uses on that side. He said on our side there was a note that we would like to take advantage of some of the agricultural business that occurs in this area. He informed the Council there is a grower in that area that commercially grows hot peppers, and hybrid peppers and there are a few wineries in that area, tree farms and a llama rancher. He said it could be an idea that this is our gateway to wine country and to the agri-business and we would look at things that would support agri-tourism in that area. He said option 1 is the realignment and option 2. He said we heard this through the process, and said there is not a preference of option 1 over option 2, basically what we are saying is that they both need to be studied in the future as we consider what goes on in that area.

Lorelei Juntensen with EcoNorthwest came forward and spoke of Phasing and Funding and said her firm had the task of doing some of the preliminary thinking about how you implement this plan. She emphasized it is preliminary as we don't know yet exactly when or if this area might be brought into the urban growth boundary so most of the purpose of the analysis was to provide a foundation and future thinking of implementation related issues so that if and when this moves forward you have a starting place for those conversations. She said we considered issues both on the costing side and funding sources for transportation, storm, sanitary, water, parks and schools and had some conversations related to public safety and other types of public services. She said because we have two options for the plan there are two options for how you might go about phasing in the infrastructure. She said it's important to note the City would not construct all of the infrastructure necessary to support these areas, it would need to be phased in over time and the phasing needs to be responsive to the existing infrastructure and how the development can connect into that in the most cost efficient way. She said they worked very closely with the City's Engineer and all the cost information is based in his analysis. She said in both options (see page 33) you will see both A & B being in the same location and said the reason these are the areas that go first is that there is a trunk line that exists that will run through the Brookman Area that can be extended into areas A & B in a way that is..... She said it certainly has some costs associated with it, but

it turns out that the costs for that trunk line are lower than the realignment or reconstruction of Edy/Elwert. She said those pieces of infrastructure are critical to being able to develop in A, B or C, so when you look at the cost differential between the two and recognize that the sewer trunk line and transportation and all the costs for A & B are lower than C, we thought that this might be an area that would go first. She said it's very important to note that we did not number these sequentially 1-5 on purpose because there are any number of variables that might cause the City to make different decisions about phasing these areas. She said for example, there is a significant school site in C and if the City had need for that site, it may make sense to develop that area first. She said you should think about these as "chunking" as opposed to sequencing, but if you're looking at it from purely a cost perspective, and what's most cost effective, you would go in order A, B & then C. She said the cost is included and the difference between the two is related to entirely the approach of either realigning or reconstructing Edy and Elwert and the fill to do the straight-T intersection in option 2 is more expensive based on the preliminary costs estimates, than the realignment that is shown in option 1. She said this is what is causing the differences you see for area C costs. She explained the costs estimates included site prep, the cost of road construction, curb and gutter, storm, sanitary and water and includes right-of-way and said there is a contingency built in and includes all the traffic elements. She said when the City Engineer made these order of magnitude cost estimates, he did think about all these variables.

Ms. Juntensen addressed funding (see page 34) and said the first thing to note is there are existing funding tools in place that the City would want to maximize to help fund infrastructure. She said some are County controlled, for example the Transportation Development Tax (TDT) or the MSTIP, these are both Washington County funding sources. She said some are City controlled sources, such as SDC that are already in place for certain infrastructure. She said the first step in funding infrastructure would be to make sure you are maximizing all those existing sources. She said from there if there is a gap, and the cost estimates are order of magnitude and we don't know for sure if there will be a gap, but if there is, we completed an initial evaluation of potential new funding tools that could be used to help fill the gap. She said the details are included in the plan and in the appendices associated and what's showing on the presentation (see page 34) is an overview summary of that evaluation. She said there was a much longer list of tools that were included and they are not all shown in the presentation. She said we thought about them in terms of the criteria you see; *Capacity* and how much revenue might this tool be able to generate. *Timing* is important and does the tool generate money up front to be able to fund infrastructure or is it money that is derived from the actual development itself occurring. *Administrative Ease*, it's important to think about the cost of administering the program that generates the funding. *Stability and Predictability* in particular for any funding source that might require borrowing, your underwriters will want to make sure that the revenue that comes in associated with the funding tool is very stable and predictable and will be available when it's needed. *Flexibility*, many tools are specifically available for a particular type of infrastructure. *Fairness*, which we operationalized in this evaluation as being those who pay are those who benefit. *Legality*, this is critical as it has to be legal and *Political Acceptability* and is it a tool that can be used. She said the judgement calls that we used here (see Legend on page 34), indicating a (+, √, ?), are judgement calls and should be reevaluated if and when the area is brought in and you're actually evaluating and making decisions about how to fund. She said as a starting point, we went through this list of tools and eliminated those that scored poorly or that had a fatal flaw to get to this list. She said the items highlighted in green are the preferred tools that seem to have the capacity to generate a fairly significant amount of revenue and score well on the remainder of the criteria as well.

She explained the preferred tools and said Citywide tools are funding tools that are applied to property for residents of the entire City to fund development in Sherwood West. She referred to Government

Obligation or GO Bond, which is levied against property taxes and does require a vote of the citizens. She said this is something that would not be put into place lightly, but we like the GO Bond because once it is in place, it is flexible and stable and has the capacity to generate a significant amount of revenue and could cover a significant amount of necessary infrastructure. She said this would definitely need more conversation moving into possible development, but it has all the properties that would make it a beneficial tool to use. She referred to Political Acceptability and said this is a tool that is broadly used for infrastructure funding in communities across Oregon, despite the fact that a vote is required, it has been successfully used. She gave the examples of Lake Oswego recently passing a GO Bond to fund improvements to Boones Ferry Road.

She explained Development Derived Tools are those funding tools that come from new development as it happens. She said their levied on new development and in most of these tools you end up in a situation where you need the money upfront to pay for the infrastructure, but the money comes from the development itself, so it can create a problem. She said however a Supplemental SDC would work well, it's an additional SDC on top of what you already have in place, specifically for Sherwood West, and the other is a Local Improvement District (LID), which would be levied against the properties within Sherwood West if the property owners agreed to it.

She explained the Other category, included a Utility Fee and this is Citywide and is a fee that is tacked onto a utility bill to help fund infrastructure. She offered to answer questions and said these are the types of sources in a preliminary way seem to make sense to fund a gap, if there is a gap, when it comes time to look at a development in Sherwood West. She said she is pleased to see the amount of focus in this plan on implementation and said it's very critical to be thinking ahead as to how this will move forward. She said this plan is primarily information to get out to the public and allow the Council to think about it when the time comes.

Brad said one of the things that came out of this process is we knew it would require significant infrastructure improvements for any of the phases, bringing urban roads to rural standards and crossing creeks and other natural habitat areas, addressing topographic challenges for all the utilities, meeting an identified need to preserve resource lands and sensitive habitat, as well as providing recreational and trail opportunities and ensure the future school district needs were adequately planned for.

Councilor Kuiper asked regarding the Edy/Elwert cross section and said in Option 2, it looks like that would generally stay the same, maybe widened and in Option 1, there are roundabouts in that area, and assumes that option would be more expensive as you're looking at fills and crossing wetlands? Brad replied according to the City Engineer, and these were based on order of magnitude, you're crossing two smaller creek sections, so you would not have the cost that you would with a large bridge that would have to be elevated, so his thoughts at time he compiled this, is the option that kept it straight would be more expensive than the option that had a curved linear way. Brad said we don't get to the point in this plan that speaks to design. He explained when engineers put together costs estimates they look at projects they have done in the past and look at ODOT projects costs. He said this has not been surveyed and there has not been any type of analysis beyond that, but we do know this is crossing a big creek.

Councilor Kuiper asked if Metro would bring in this entire area all at once or in sections, and would that have an effect on Sections, A, B, C & D? Brad replied, we set it up specifically so that they would have to think in the context of, bringing in A before B. He said you could bring in parts of A and parts of C, he said there are some infrastructure investments that need to be made for each area and it was easier for us to

categorize. He said if all of C & D came in, then you would have to make a decision on the realignment of Elwert and Edy. He said if a portion of C came in, you may not have to make that estimate and we would have to do further study and refinement to understand what you would need to accommodate the type of development that you would project out in that area. He said personally, he is of the mindset that E & F are probably the fruit at the top of the tree that we know from our conversations that there is not a lot of owner sentiment in that area to come in and they wanted to be in the last phases of development. He said we know it would be more costly to take infrastructure up to there to serve lower densities of properties. He said they clearly would not recover the cost. He gave the example of a house on 1 acre does not cover the cost of providing services to it, as opposed to a five house on 1 acre. They provide more towards the cost of providing services than the single house on a single acre.

Julia Hajduk, Community Development Director said one of the big things she is getting out of this project is, when Metro is considering an urban growth boundary expansion, this information allows us to have something to say, know what we want and know what our priorities are and what our community wants. She said it's feasible for them to say we need all this land and it's all coming in, but we now have something to say. She said it helps the City have that conversation.

Brad said the City now has a tool to begin the discussion about where and why we expand based on community preference and understanding our infrastructure needs, preliminary costs and the owner sentiment. He said Metro will make a decision to expand the UGB, and normally they do this on a six year cycle. He said because they choose not to expand the UGB this last time, and due to some of the urban reserves in Clackamas County and Multnomah County as still in court, so they want to revisit the UGB in three years as opposed to the six year cycle. He referred to page 35 of the presentation and said they make the decision to expand and it still takes typically a year and we then have to go back and have a more serious discussion with those properties that are brought into the UGB. He said our needs today might be different from our needs tomorrow and we will go through a refinement process and that is when we start assigning densities and zoning and start talking about infrastructure investments the community is willing to make. He spoke of the Supplement SDC and said you might have heard discussions regarding the Bethany Area when it was coming in. He said Washington County has imposed a Supplemental SDC for growth in certain areas where they think the growth costs are higher. He said if you're developing in unincorporated Washington County in an area where services are already near, you're not paying as much in SDC as you would be in the Bethany area, they have a supplemental SDC.

He spoke of the conversations he has had with property owners and their inquiries on when this will happen. He said we had the UGB expanded for Brookman in 2002 and 14 years later we have not brought that area in. He said there is a point that Metro might consider in having discussions with the City. He said there were discussions throughout the process of whether or not we could swap the Brookman Area for Sherwood West and we don't know and no one has had that discussion with Metro, but this is something the Council could choose to do. Brad said once the area is annexed and we have the refinement plan, then people can start applying for land use approvals to start construction. He said you then have the construction and then occupancy of that area. He said he has been telling people that we will not see any new homes constructed in this area under Sherwood serviceability for at least a minimum of ten years.

Brad concluded by saying this was a very open and transparent process and we have promised people that all we are doing is collecting data, we are not making any policy decisions at this level, we are just preparing a tool for the Council to use, the community to use and for future Councils as they speak to

Metro and the citizens about growth. He offered to answer Council questions and thanked the CAC members for their time and asked for them to be recognized. He thanked the consultants Cowgan Owens Green and EcoNorthwest, OTAK, Pacific Habitat Services, DKS and Softbox Films, and key City staff members. He thanked Councilor Robinson for her participation at meetings and Commissioner Simson.

Councilor King asked who decides if and when this gets on Metro's radar? Brad replied, ultimately they will look at UGB in three years. He said there is a UGB report that is generated that basically says the UG report has a low, moderate and high growth rate for the Metro area and they said Portland would accommodate a lot of this because they are planning to go up, to grow vertically, to grow low. He said if they had gone high, then potentially they would have needed land and started looking to the communities. He said right now that won't occur for another three years or so, but won't start the UGB report for another two years.

Councilor King said they then put it on their own radar, we don't petition? Brad replied we can.

Julia Hajduk stated Metro is mandated by state law to have a 20 year land supply for housing and jobs, and this is why they have to go through this Urban Growth Report and urban growth process every six years. She said basically when they go through this process if they identify a need that's where we chime in. She said this is where Metro has to make decisions on where to expand the UGB. She said there are some processes for minor amendments of the UGB if the jurisdiction wanted it and it's a bit more challenging of a process, but if there is a specific need, it's more seen for jobs than houses.

Councilor King referred to a previous expansion and Julia indicated that she believes the City and the School district strongly advocated in favor of bringing it in for a school need. She said she is not positive this was the process at that time.

Mayor Clark thanked everyone involved for their work and countless hours, said she has always been an advocate of precept plans and said this is how we have an open and transparent discussion about where we want to go as a City and have lots of community involvement.

Mayor Clark opened the Public Hearing and the City Recorder indicated the conference call of Council President Harris was dropped at approximately 7:45 pm and the Councilor indicated if she was not needed she would not continue participating in the meeting.

Kurt Kristensen 22520 SW Fair Oaks Court, Sherwood came forward and stated it's impossible to provide a reasonable rebuttal in four minutes and said if this is the future that you want Sherwood to go to, this is an incredibly competent plan and it's a lot of good work, however, if this is the future you want Sherwood to look like, it won't be the Sherwood that we know and won't be the Sherwood that has received all the accolades, saying that Sherwood is a wonderful place to live and come to. He stated it will be a 50,000 plus metropolis contiguous to Beaverton. He said he commutes to Hillsboro, and on Roy Rogers you can see Beaverton coming down the road and traffic is already unbearable and with Sherwood West it will be a dead-stop just like Tualatin-Sherwood is. He said in terms of cost, he said he would not invest in this as it is based on beg, borrow and steal funding. He said the residents at that time will be looking at ten school bonds that have not been paid, he said the last water master plan that the Council just passed called for 80% of all development costs being paid for by current residents, this will be a huge offset. He said he has a handout for the Council that is self-explanatory and said if the Council adopts and accepts this it will have a certain amount of legal weight. He said his recommendation is that the Council receive it

with no further action required so that the planning department can use it as a guiding instrument similar to the they use the SE Master Plan that was never adopted by the Council either. He said he is asking all the Council members to be mindful of, is this the future you want Sherwood to become? Is this where you want your children to live? He said as an alternate future, he would encourage the Council to look at other communities, Corvallis as an example. He said Corvallis has created a circumference of greenbelts that have naturally wrapped the City so that people can have an urban environment but they also aren't next to nature. He said if the Council recalls the map that was projected, it is easy for him to see how Brookman can be a natural greenbelt and if you look at the features on the west side where Sherwood West is proposing to build eight houses per acre, the features over there are gorgeous and there is a natural possibility for continuing that greenbelt wrap-around. He said he recommends the Council receive the Sherwood Master Plan with no further action required and allow the planning department to use it as an advisory document similar to the manner it has used the Sherwood SE Master Plan.

Jean Simson Sherwood came forward and thanked the Council for the opportunity to speak and said as a member of the planning commission she was the liaison to the Sherwood West Community Advisory Committee and has been involved with the project from the beginning. She thanked Kirsten and Anais with Cogan Owens Green and Lorelei with EcoNorthwest and Martin with Sera Architects for their efforts in creating the plan and understanding and getting to know the City through the process. She thanked City staff for their work in contacting property owners so they could be part of the process. She shared two takeaways she got from this process, that the City has knowledgeable, fabulous and engaged citizens, she referred to 18 community members that volunteered many hours reading materials, attending meetings and who had very few absences. She said the City had over 40 applicants for these positions and several people not selected still came to the meetings and were engaged in the process. She said although they did not always have unanimous votes, they were able to engage and come to consensus. She said all this input produced a much better final document and a great starting point for future discussions. She said secondly, this process helped her understand what makes Sherwood great. She spoke of the extraordinary schools, the current population of 19,000 people and Sherwood still feeling like a small town. She said based on what she learned through this process, we can attribute this to two simple but valuable characteristics: small walkable neighborhoods and the protection of the natural areas. She said this plan not only describes how these characteristics shape Sherwood, but are key to the actual designs you see in Option 1 and Option 2. She said small walkable neighborhoods and the protection of the natural areas are incorporated in these options and can allow Sherwood to grow without losing what we value. She said thinking about 1291 acres coming into Sherwood is scary and not planning for this area is terrifying. She said the natural buffers we have between other cities and within our own neighborhoods sets Sherwood apart from the rest of the contiguous Metro area. She said as a community we need to protect what we value and need to control how our City will grow, adopting this plan will give directions to future Councils and planners, especially as we start our comprehensive plan update. She encouraged the Council to approve the resolution and accept the plan. She said in conclusion, Martin is not here tonight, and said she worked with many consultants and plans through the years and it was obvious he understood Sherwood.

Ida Wilks 20812 SW Elwert Road came forward and said she has the high piece of land at Edy and Elwert and has lived there for 54 years, raised 5 kids and had horses. She said it has been a wonderful place to raise a family and loved being on the committee. She spoke of the planning and needing the sidewalks and bike paths and safety being important. She said she appreciated the opportunity to participate and has wonderful neighbors in the La Bahn's.

Kennedy Hawkins 19395 SW Haide Rd, Sherwood came forward and said he was a member of the community advisory committee and said one of the reasons he wanted to be involved and why we live in Sherwood is for its livability, small town feel and because it's a great place to raise a family. He said this is why he has lived here for 19 years. He strongly encouraged the Council to adopt the plan and said the plan melds the reasons why we love to call Sherwood our home. He said what you see in the plan is it provides a way to expand through residential development but yet keeps those things that we hold dear like parks and the ecosystem, and small community feel. He spoke of the process and said he has been involved in several of these types of processes over the years and he has been impressed with the excellence of the people involved in this process. He said the level of transparency stood out and said he really saw this in the process. He said the final plan is very different than what they started with and people provided feedback in multiple venues and it was listed too. He said Martin and his team made those changes. He said he was glad to be part of the process and to give his recommendation after careful consideration to adopt the plan.

Eugene Stewart Sherwood property owner came forward and said it sounds like a great plan with a lot of thought going into it, but one of the things that it seems to be missing is the transportation element. He said if you add 10,000 more people and 5000 more cars on that hill, they will be coming down to Hwy 99W and 99W cannot handle it now. He said you will have to install major intersections so that people can get across at each end, and maybe will need to look at a major interchange at each end, because every time you put stoplights in you slow down the traffic on 99W. He said you either need to take your head out of the sand and start looking at how you get the people to go through smoothly or around Sherwood. He said as you develop land, if you cut off where you can put bypasses or incorporate them in, it's going to make it worse. He said currently, today, the traffic was backed up from Meinecke to Sunset, which is because of the traffic going to the high school. He asked how you improve that. He said he heard Washington County was putting in a round-about on Elwert and Scholls Sherwood Road, he asked what is their thoughts? He said he knows it's evident that they will make Roy Rogers 5 lanes and all that traffic coming down from that area can't get into six corners, they will go down Elwert and make that worse. He said we need to plan for it ahead of time and not wait for it to be a mess. He said he also heard Washington County is talking about 5 lanes down Elwert, he said he is sure they are looking at a 5 lane road to 99W. He commented regarding traffic backing up in the evening all the way back to the auto wrecking yard. He asked if this is what we want and does this make it livable? He said people are cutting through downtown Sherwood to bypass six corners. He said we are not looking at all the problems we have with traffic and trying to come up with a solution to help solve it. He said he did not think we need to be like Dundee or Newberg and wait for 40 years to wait and get something that may not even work after they get done. He said the Council needs to not accept the plan, take it on and look at it closer and look at the traffic. He said a spokesman from the Dept. of Transportation said all state highways in the Portland Metropolitan area exceed capacity and their suggestion was, bicycle or take the bus.

Tony Bevel SW Lynnly Sherwood came forward and said he has lived here for 17 years and was given the privilege of being on the committee and one thing they were not given was a crystal ball to look 20-50 years down the line. He said it's quite a task to look 50 years in the future and see what Sherwood will be like. He said moments ago people spoke of traffic and it's an issue, but what this pre-concept plan is, is a blueprint. He said he envisions this being changed many times and said it is not written in stone. He said we are given the opportunity now to work on this. He said this is an attempt by citizens and professionals to give the best ideas and thoughts and put them down to hand to the Council to accept or not accept. He said it's an honest attempt to provide a blueprint for the City and believes the Council should accept it.

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

Brad Kilby came forward and said regarding the traffic, that we gave quite a bit of consideration to traffic and traffic alternatives in that area and in fact, at our first meeting, this was the predominant discussion. He said he tells people we can widen every road to 6 lanes, but there are still people from Beaverton that want to get through Sherwood, people from Newberg, Tigard and Tualatin that want to get through Sherwood, he said we will always have traffic issues in Sherwood. He said we can build capacity, but once it is there it will fill up. He said they're not going to stop growing and said we need more alternatives for traffic and this is a start to that discussion. He said we are not going to be able to solve the regional traffic issues but there are efforts occurring that are looking to those traffic issues. He spoke of the Washington County Future Study and said Metro has just kicked-off their regional transportation plan. He said there will be opportunities to identify the shortfalls and what investments need to be made to help start to address the traffic congestion in the area. He said overall, Sherwood right now may not have enough density to support transit alternative, but over time with more people coming into Sherwood transit might be an option we want to explore and consider. He said we have carefully considered traffic to this point and this doesn't keep you to any single policy or make any decisions on traffic. He said nowhere in the plan do we prescribe 8 units to the acre, this is just where the City is at today.

Mayor Clark said she is proud of this process and how many citizens got involved and how much we reached out and brought new people in. She said the entire process and the way the group came together with 19 individuals talking through the process and working and changing it, that is building a community together. She said this is what she wants to see in Sherwood and loved the public comment about what makes Sherwood Sherwood and wanting more of that. She said this is the reason we live here with intention, and we want those open green spaces and community neighborhoods and walkability. She said she appreciates all the work of the citizen volunteers and the commitment given to this process. She reminded what we are talking about, the Sherwood West **Preliminary** Concept Plan. She said we are ahead of the ball and we are not waiting for Metro to decide for us and we want to talk about and define our community and are not going to let someone else make the decision for us. She said it's not a final draft and we will continue to talk about transportation and how we want our community to continue to be a great community. She said she is very much in support of the resolution and the hard work the citizens put into this.

Councilor Kuiper said she is looking forward to reading the plan and said she has participated in the public involvement as part of what she does for a living and is very excited to see how much public involvement there was. She said she did not attend a single meeting and purposely stayed away and said the plan is something she will look at with fresh eyes. She said she hopes to be able to meet Martin in the future. She referred to a map in the presentation showing the Tualatin River to the north, the Tonquin Scablands, Parrot Mountain and Chehalem Mountain and said we are talking about a sense of place. She spoke about her time living in the City, 17-18 years and why she was drawn to Sherwood. She spoke of the landscape, and where one is within that landscape and having a sense of place and from that getting your community, your walkability, and our greenspaces. She said people coming together in this process is very exciting and appreciates the comments regarding traffic and said she noticed in the presentation that there was an extensive collaboration between Sherwood and Washington County, and because this plan is preliminary that means it is dynamic and will continue to be dynamic. She asked what is a CET Grant and asked if that was used to come up with the funding for the plan? Julia Hajduk replied, it's Metro's and they renamed it the Community Development Planning Grant. She said with new development all developers pay a Construction Excise Tax (CET) to Metro and there is also one for the

School District that helps fund new capacity. She said communities throughout the metro area apply to Metro for that funding. She said one of the main purposes of that is to plan for urban areas. She explained there are two pots of funds, one inside urban areas and one for planning for things like Brookman, Area 59 and Sherwood West.

Councilor Henderson thanked the members of the CAC and the TAC (Technical Advisory Committee), which consist of members from City staff, Clean Water Services, The Refuge, TVFR, Metro, and ODOT and said that is an accomplishment to get that many agencies in a room to try and figure out the best thing for that land for Sherwood. She said she agrees with Mr. Hawkins and said the reason people come to Sherwood is because there is a feeling you get when you come here. She said it's green, it's protected and planned. She said when she moved here there was about 8000 people in Sherwood and said that is something that has been intentionally planned for and done for the entire time she has lived here, we just do a better job of involvement and receiving input and using multiple avenues to reach out to people. She said as we continue to improve on our processes it should be likely that the citizens feel they are getting a better product when they are asked for their input. She said all the complements staff received tonight is a function of having a plan and working smarter. She said this is a concept and you have to start somewhere. She commented regarding prior disagreements with Metro and sometimes agreeing and other times not agreeing, but by having a plan in place we control a portion of our destiny. She said when Metro starts the process of reviewing the UGB we will have a footprint that we feel is a hybrid of staff, technical and community input. She said she is looking forward to the next time they have the opportunity to review this in the future and is sure we set the bar fairly high and other communities would notice the transparent lasting process. She said she is in favor of moving forward, realizing this is not a static document and that it will change many times and believes this is a good foundation to grow Sherwood West.

Councilor Brouse said she echo's everything that has been said and thanked the groups for their time and efforts in developing the plan. She said she supports the concept plan and understands it is a concept and can change.

With no further Council comments, the following motion was received.

MOTION: FROM MAYOR CLARK TO READ CAPTION AND ADOPT RESOLUTION 2016-009 ACCEPTING THE SHERWOOD WEST PRELIMINARY CONCEPT PLAN AS A FOUNDATIONAL TOOL ON WHICH TO BASE FUTURE URBAN GROWTH BOUNDARY EXPANSION DISCUSSIONS AND FUTURE REFINEMENT PLANS, SECONDED BY COUNCILOR KING. MOTION PASSED 5:0, ALL PRESENT MEMBERS VOTED IN FAVOR, COUNCILOR BROUSE VIA CONFERENCE CALL. (COUNCIL PRESIDENT HARRIS AND COUNCILOR ROBINSON WERE ABSENT).

Mayor Clark addressed the next item on the agenda.

9. CITY MANAGER REPORT:

City Manager Gall reminded the Council of the continued Work Session following this meeting and due to the time he had nothing to report.

Mayor Clark addressed the next item on the agenda.

10. COUNCIL ANNOUNCEMENTS:

Mayor Clark stated that she attended the Smart Growth Conference in Portland along with Councilor Kuiper, Council President Harris, Councilor Brouse, Planning Commission Chair Jean Simson, Planning Commissioner Alan Pearson and staff. She said the information will be shared in work sessions. She thanked Chair Jean Simson for her dedication and taking time off of work to attend the conference to serve the City of Sherwood.

Councilor King commented on the Police Dinner and the YMCA Auction and said they were both successful and thanked the organizers.

Councilor Kuiper announced the Library will have an open mic at 7 pm on Sunday and encouraged students to attend.

Councilor Henderson commented on the Jigsaw Puzzle Contest this Saturday and thanked the Police Department for allowing them to use the room for the third year. She announced the Police Advisory Board will meet on Thursday at 7 pm. She said she attended the Annual Police Awards Banquet that was sponsored by the Sherwood Police Foundation and she thanked them for their continued support.

Councilor Brouse said she attended the Water Consortium and the WRWC on the Mayor's behalf and stated both meetings discussed their budgets. She said she attended the School Board meeting where they were working on curriculum adoption and continued discussion regarding a possible bond.

Mayor Clark addressed the next item on the agenda.

11. ADJOURN:

Mayor Clark adjourned the meeting at 8:40 pm and convened to a Work Session.

WORK SESSION (CONTINUED)

1. **CALL TO ORDER:** Mayor Krisanna Clark called the meeting to order at 8:45 pm.
2. **COUNCIL PRESENT:** Mayor Krisanna Clark, Councilors Linda Henderson, Dan King, and Jennifer Kuiper. Council President Jennifer Harris and Councilors Renee Brouse and Sally Robinson were absent.
3. **STAFF PRESENT:** City Manager Joe Gall, Assistant City Manager Tom Pessemier, City Attorney Josh Soper, Community Services Director Kristen Switzer and City Recorder Sylvia Murphy.

4. TOPICS:

C. Leasing Update, Arts Center

Assistant City Manager Tom Pessemier provided the Council with an update on leasing the space at the Arts Center. He noted that currently there is no one in the pipeline and it is important to get the momentum back. He discussed the goals and asked for feedback from the Council. He stated they are looking for tenants that are compatible with the Center for the Arts, are likely to be successful for an

extended period of time, are a good fit in Old Town and are willing to pay a competitive lease rate to support the Center for the Arts. He said the goal he has heard recently is that a restaurant is preferred.

Mr. Gall stated it will not be a chain restaurant. Discussion followed about the success of restaurants in a public space.

Mr. Pessemier commented on the lessons they have learned and discussed what will be successful in this space. He referred to the process and said all of the leads came from networking and connections within Sherwood. He stated the broker was not much help and only generated one lead which was unsuccessful. He said the broker's communication was confusing and the agreement with the brokers has been terminated. He noted the process was too slow and potential tenants moved onto other alternatives. He suggested the City move forward without a broker and continue to network. He stated that although the relationship with the broker has been terminated the City still has to pay a commission for anyone they contacted or any broker they contacted so if the City hired another broker right now they may have to pay a double commission.

Councilor Henderson asked how to prove that Kidder Mathews was the referring agent. Mr. Soper said if they had any contact with them or with their broker.

Mr. Pessemier stated they were successful in generating leads and has the capability of doing it and suggested they continue without a broker. He said there needs to be an advertising campaign focusing on local businesses. He said they will need new signs and need to publish in the local newspapers. He stated they need to have a consistent message and need to reach out the Chamber of Commerce organizations in the area. He said they had a good lead out of Hillsboro and they may revisit them. He discussed the need for centralized communication that responds quickly and effectively.

Councilor Henderson asked why the process was so slow. Mr. Pessemier said it was a combination of having a resolution that stated the City Manager would approve the leases then there was a request from Council to be involved in the process. He said the process was cumbersome but not for any particular reason and the noted the possible tenants need answers fast. He recommended having clear information and providing quicker responses. He said the City Manager will continue to keep the Council involved in the process and will negotiate with potential tenants.

Councilor King commented on the previous length of the negotiations and suggested setting barriers for how long the City will negotiate such as 30 days. Discussion followed and the importance of a quick timeline.

Council Henderson commented on tenant improvements negotiations and deciding what the City is willing to do. Discussion followed regarding flexibility and the importance of networking, targeted advertising and finding the right fit for Old Town that adds value and enhances the area.

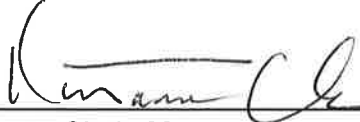
5. ADJOURN:

Mayor Clark adjourned the work session at 9:03 pm.

Attest:



Sylvia Murphy, MMC, City Recorder



Krisanna Clark, Mayor