



Home of the Tualatin River National Wildlife Refuge

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**City Manager**  
Keith Campbell

**June 30, 2022**

**To:** Sherwood City Council  
**From:** Craig Sheldon, Public Works Director  
Bob Galati P.E., City Engineer  
**Through:** Keith Campbell, City Manager

**RE:** Public Works Directors Report for Brookman Development LLC  
Request to Establish Reimbursement District

This report has been created to fulfill the City of Sherwood's Municipal Code Chapter 13.24 – Public Improvement Reimbursement District requirements which include a Public Works Directors Report (SMC Section 13.24.030).

Brookman Development LLC submitted an application letter with attachments dated April 22, 2022, in which the establishment of a Reimbursement District is being requested. Staff has reviewed the application materials and requested additional information on tax lot ownership, mailing addresses and contact name for property. The applicant responded to staff's request and staff has determined that the submittal now has met the minimum requirements of SMC 13.24.020.

This application will follow the process requirements of the City of Sherwood Municipal Code Sections 13.24.010 through 13.24.150, with the final determination being made by the City Council with adoption of a Resolution and recording of the Resolution with the Washington County Clerk, if applicable.

The following items A through G must be individually addressed in this Report in compliance with SMC Section 13.24.030.

- A. Whether the developer will finance or has financed some of all of the cost of the public improvement, thereby making service available to property, other than that owned by the developer.
- B. The boundary and size of the reimbursement district.
- C. The actual or estimated cost of the public improvement serving the area of the proposed reimbursement district and the portion of the cost for which the developer should be reimbursed for each public improvement.
- D. A methodology for spreading the cost among the properties within the reimbursement district and, where appropriate, defining a "unit" for applying the reimbursement fee to property which may, with city approval, be partitioned, subdivided, altered or modified at some future date. City may use any methodology for apportioning costs on properties specially benefited that is just and reasonable.
- E. The amount to be charged by the city for an administration fee for the reimbursement agreement. The administration fee shall be fixed by the city council and will be included in the resolution approving and forming the reimbursement district. The administration fee may be a percentage of the total reimbursement fee expressed as

an interest figure or may be a flat fee per unit to be deducted from the total reimbursement fee.

F. Whether the public improvements will or have met city standards.

G. Whether it is fair and in the public interest to create a reimbursement district.

## Background Information

The Sherwood Brookman Sanitary Sewer Trunk Line Extension project is listed in the Sanitary Master Plan (adopted ORD 2016-014) as Brookman Pipeline Extension (SS-3), which includes installation of new 10-inch diameter mainline pipe from SW Cobble Court to SW Brookman Road. This line is intended to service the Brookman Area expansion, which was within the City's Urban Growth Boundary at the time of the Sanitary Master Plan adoption (August 2016).

With the annexation and expansion of the Sherwood West area due to the construction of the Sherwood School District High School, the Brookman Extension project was upsized and expanded to provide service to the Sherwood High School and approximately half of the future Sherwood West area growth.

Per the Site Development Land Use Decision (SP 2018-002), the following description of the public sanitary sewer improvements and conditions of approval were stated.

### Sanitary Sewer

*"The proposed project site is located near an existing 15-inch diameter City sanitary sewer trunk line, located within the Cedar Creek corridor. As part of sanitary sewer services to the future southern and western UGB and Urban Reserve parts of Sherwood, the extension of the sanitary sewer trunk line will need to be extended and sized to meet these future needs.*

*In November 2018, CWS staff presented a Resolution (R&O 18-25) to the CWS Board of Director, whereby CWS staff are being authorized to acquire easement rights for the extension of the Brookman sewer trunk line. This Resolution is the basis for coordination between CWS and the applicant to obtain easement rights and provide sanitary sewer service to the proposed development, while also providing capacity for the future development needs of the areas described above. The design of this segment of the sanitary trunk line is being performed by the applicant's engineer, while approval of the pipeline design size, invert elevation, and slope are being dictated by CWS.*

**Condition:** *Prior to Final Approval of Engineering Plans, applicant shall obtain and submit a copy of an agreement letter between applicant and CWS which supports CWS approval of sanitary trunk line design.*

**Condition:** *Prior to Final Approval of Engineering Plans, the design of the public sanitary sewer system shall conform with CWS design and construction standards (CWS R&O 17-5).*

**Condition:** *Prior to Grant of Occupancy, all installed private sanitary sewer piping shall be installed meeting the standards of the Oregon Specialty Plumbing Code (recent edition)."*

**MC Section 13.24.030.A** - Whether the developer will finance or has financed some or all of the cost of the public improvement, thereby making service available to property, other than that owned by the developer.

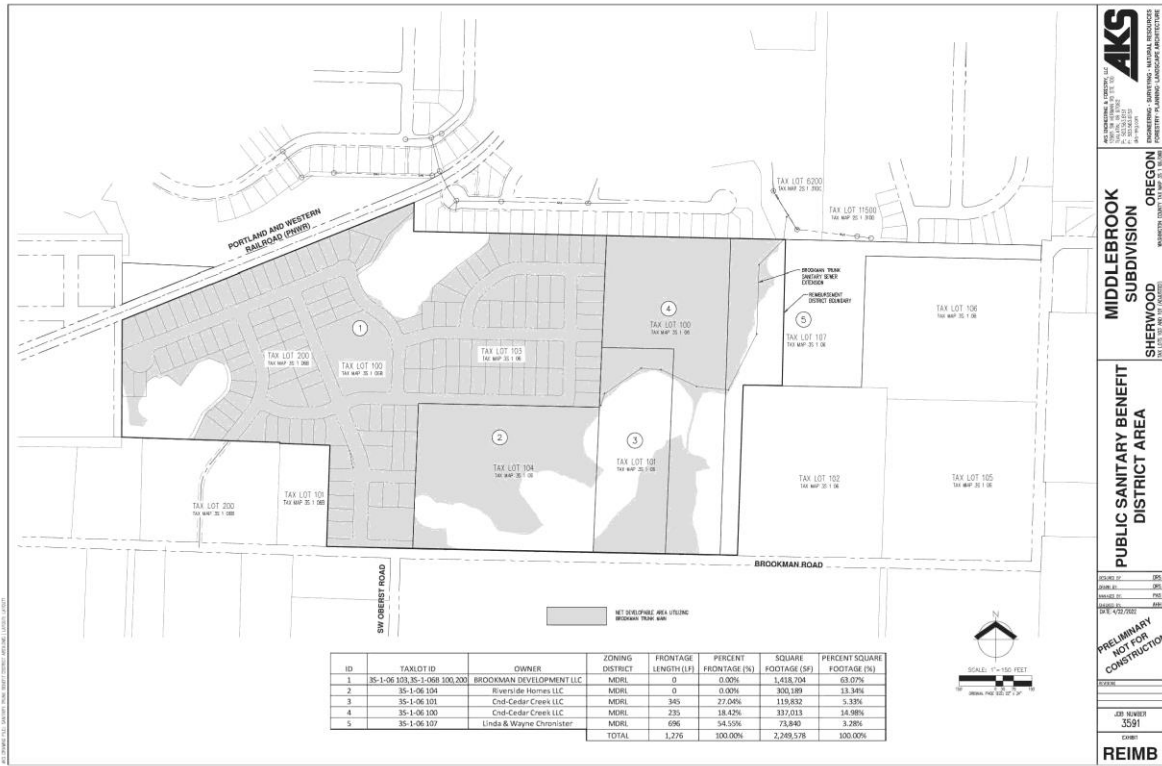
**Response:** The public sanitary sewer trunkline improvements required by Planning Land Use Conditions of Approval File No. SUB 18-02, have been constructed and accepted by the City of Sherwood as noticed by issuance of an Engineering Final Approval and Release of Performance Bonds letter, dated February 14, 2022. The constructed off-site public sanitary sewer trunkline improvements provide service access to adjacent properties that are currently not served by public sanitary sewer systems.

In conformance with the Memorandum of Understanding (MOU) between CWS and the developer, the public sanitary sewer trunkline improvements have been oversized to provide future service to properties beyond the extents of the site development project. The developer has financed the design and construction costs of the oversized public sanitary sewer trunkline extension.

**MC Section 13.24.030.B** - The boundary and size of the reimbursement district.

**Response:** The applicant submitted a map showing the requested reimbursement district boundary limits and identifying the properties included within the reimbursement area. The specific tax lots are identified below in Table REMB-1 along with their total areas and developable areas as noted by applicant.

# Map REMB-1 – Applicant Submitted Reimbursement District Boundary



**Table REMB-1 – Applicant Submitted Tax Lots and Related Areas**

Tax Lot Number(s)	Total Tax Lot Area (Acres)	Total Tax Lot Area (Sq.Ft.)	Developable Tax Lot Area (Acres)	Developable Tax Lot Area (Sq.Ft.)
3S106000103, 3S106B100 & 200	37.97	1,653,973	32.57	1,418,704
3S106000100 & 101	15.76	686,505	10.49	456,845
3S106000104	10.47	456,073	6.89	300,189
3S106000107	9.92	432,115	1.69	73,840

The tax lot number, property owner, mailing address for property owner, site address are provided by the applicant and shown below.

**Table REMB-2 – Applicant Submitted Tax Lot and Owner Information**

Tax Lot # 3S106B000100 17601 SW Brookman Road Sherwood, Oregon 97140	Brookman Development LLC, Joe Schiewe P.O. Box 61426 Vancouver, Washington 98666
Tax Lot # 3S106B000200 17769 SW Brookman Road Sherwood, Oregon 97140	Boyd, George W. Rev Liv Trust & Brewer, Carleen H Rev Liv Trust P.O. Box 85 Tualatin, Oregon 97062
Tax Lot # 3S1060000103 17495 SW Brookman Road Sherwood, Oregon 97140	Brookman Development LLC, Joe Schiewe P.O. Box 61426 Vancouver, Washington 98666
Tax Lot # 3S1060000100 17045 SW Brookman Road Sherwood, Oregon 97140	CND Cedar Creek LLC, John Burchfield 1111 N Post Oak Lane Houston, Texas 77024
Tax Lot # 3S1060000101	CND Cedar Creek LLC, John Burchfield

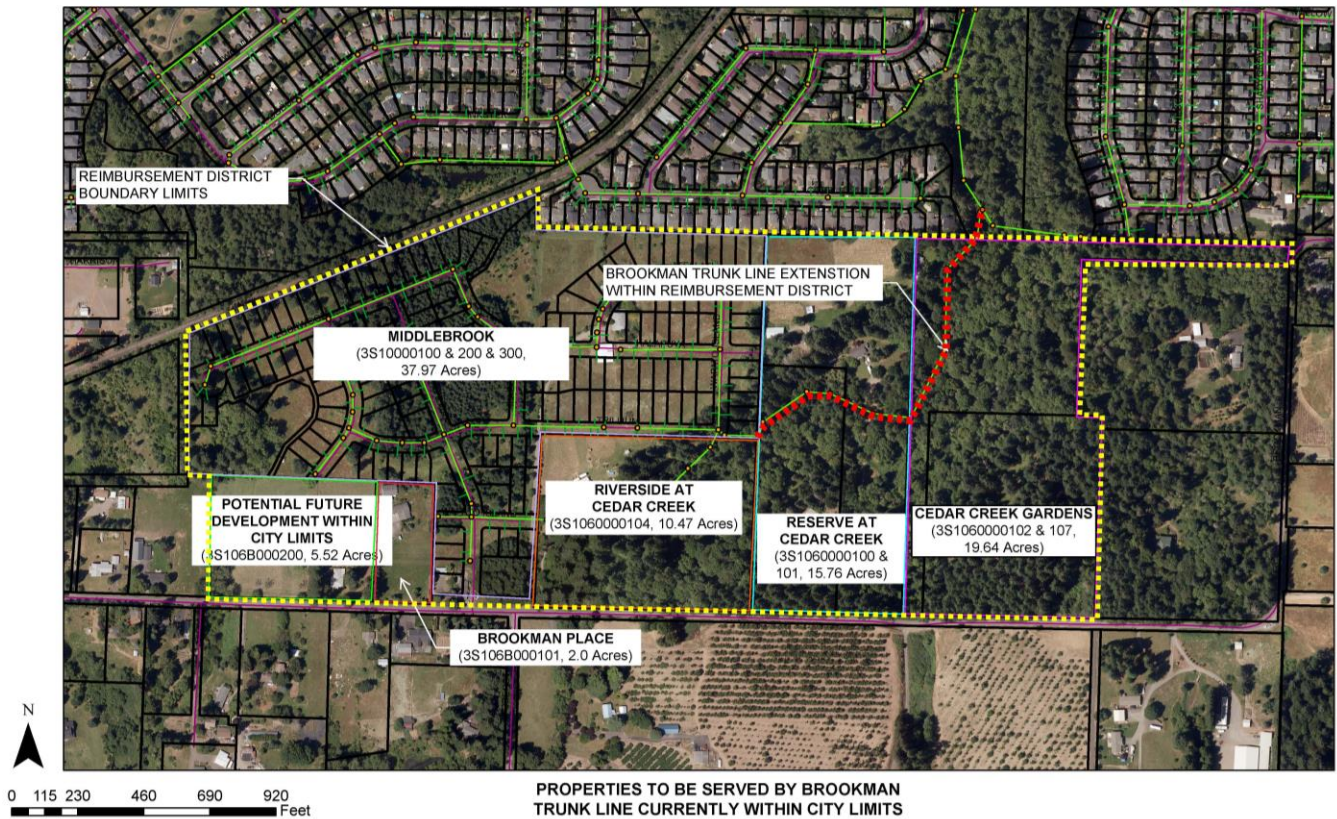
17117 SW Brookman Road Sherwood, Oregon 97110	1111 N Post Oak Lane Houston, Texas 77024
Tax Lot # 3S1060000104 17433 SW Brookman Road Sherwood, Oregon 97140	Linda & Richard Scott 17433 SW Brookman Road Sherwood, Oregon 97140
Tax Lot # 3S1060000107 17033 SW Brookman Road Sherwood, Oregon 97140	Wayne K & Linda A Chronister P.O. Box 1474 Sherwood, Oregon 97140

Staff has reviewed the submittal and limits of the upstream boundary for parcels which will have the ability to obtain service from the trunkline extension that are within the current City limits at the time of the application and is presenting a modified reimbursement district boundary Map REMB-1.

The reason for the modified boundary is that the City has received land use applications for adjacent properties that provide information on actual and proposed developments that can take service from the sanitary sewer trunk line constructed by the applicant. In addition, adjacent properties that are within the city limits that have no other option but to take service from the constructed trunkline and have not received land use approval or have not been submitted for land use review have also been included in the boundary area. Given the development pressures within the Brookman area, it is anticipated that development of those lots that are currently not being developed will occur in a near term timeframe.



## Map REMB-2 – City Recommended Reimbursement District Boundary



**Table REMB-3 – City Recommended Tax Lots and Related Areas**

Development	Tax Lot #(s)	Total Area (Acres)	Number of Lots
Middlebrook Subdivision	3S1060000100, 200, 300	37.97	145
Riverside at Cedar Creek Subdivision	3S1060000104	10.47	28
Reserve at Cedar Creek Subdivision	3S1060000100, 101	15.72	58
Cedar Creek Gardens Subdivision	3S1060000102, 104	19.64	42
Brookman Place Subdivision	3S106B000101	2.0	12**
Potential Future Development	3S1060000200	5.52	34*

(\*) Calculated: 5.52 ac x 43,560 sf/ac x %70 (developable area) / 5,000 sf/lot (residential lot size) = 34 lots

(\*\*) Calculated: 2.0 ac x 43,560 sf/ac x %70 (developable area) / 5,000 sf/lot (residential lot size) = 12

**Table REMB-4 – City Recommended Reimbursement District Boundary  
Tax Lot and Owner Information**

Middlebrook Subdivision Tax Lot # 3S106BA Lot #s (100 through 9000) Tax Lot # 3S106AB Lot #s (100 through 6300) Addresses: 145 tax lot addresses Sherwood, Oregon 97140	Brookman Development LLC, Joe Schiewe P.O. Box 61426 Vancouver, Washington 98666
Reserve at Cedar Creek Subdivision Tax Lot # 3S1060000100 17045 SW Brookman Road Sherwood, Oregon 97140	CND Cedar Creek LLC, John Burchfield 1111 N Post Oak Lane Houston, Texas 77024

Reserve at Cedar Creek Subdivision Tax Lot # 3S1060000101 17117 SW Brookman Road Sherwood, Oregon 97140	CND Cedar Creek LLC, John Burchfield 1111 N Post Oak Lane Houston, Texas 77024
Riverside at Cedar Creek Subdivision Tax Lot # 3S1030000104 17433 SW Brookman Road Sherwood, Oregon 97140	Linda R & Richard L Scott 17433 SW Brookman Road Sherwood, Oregon 97140 Riverside Homes LLC 17933 NW Evergreen Parkway, Suite 370 Beaverton, Oregon 97006
Cedar Creek Gardens Subdivision Tax Lot # 3S1060000107 17033 SW Brookman Road Sherwood, Oregon 97140	Wayne K and Linda A Chronister P.O. Box 1474 Sherwood, Oregon 97140
Brookman Place Subdivision Tax Lot # 3S106B000101 17687 SW Brookman Road Sherwood, Oregon 97140	Olivia Beach LLC P.O. Box 7534 Olympia, Washington 98507
Tax Lot # 3S106B000200 17769 SW Brookman Road Sherwood, Oregon 97140	Boyd, George W. Rev Liv Trust & Brewer, Carleen H Rev Liv Trust P.O. Box 85 Tualatin, Oregon 97062

**MC Section 13.24.030.C** - The actual or estimated cost of the public improvement serving the area of the proposed reimbursement district and the portion of the cost for which the developer should be reimbursed for each public improvement.

**Response:** As part of the reimbursement district application, the applicant submitted a cost breakdown of the constructed improvement (18-inch diameter sanitary sewer trunk line) which breaks out the System Development Charge (SDC) creditable amount for the oversizing costs of providing the difference in size between the 8-inch diameter and 12-inch diameter sanitary sewer trunk line. The costs associated with the oversizing from 12-inch to 18-inch was directly paid for by CWS out of regional SDC funds and is excluded.

The applicant's submittal shows a recommended Reimbursement District valuation of \$511,421.00 less \$10,456.71 = \$500,964.29 as shown in Table REMB-5 below. SMC 13.24.040(C) states "No reimbursement shall be allowed for the cost of legal expenses, design engineering, financing costs, permits or fees required for construction permits, land or easements dedicated by the developer, the portion of costs which are eligible for systems development charge credits or any costs which cannot be clearly documented."

**Table REMB – 5 Applicant Submitted Construction Cost Breakdown**

**BROOKMAN TRUNK MAIN EXTENSION  
Contractor Construction Costs**

4/22/2022

**Cost for 12" Sanitary Trunk Main**

ITEM No.	ITEM DESCRIPTION	QTY.	UNIT	UNIT PRICE	AMOUNT
<b>GENERAL</b>					
1	Mobilization (Limited to 5% of Total Bid)	1	LS	\$16,509.00	\$ 16,509.00
2	Clearing and Grubbing	1	LS	\$10,820.20	\$ 10,820.20
3	Construction Access Grading/Road	1	LS	\$20,839.60	\$ 20,839.60
4	Access Grading Restoration	1	LS	\$22,592.50	\$ 22,592.50
5	Tree Removal	1	LS	\$68,037.20	\$ 68,037.20
<b>EROSION CONTROL</b>					
6	Orange Sediment Fence	1,750	LF	\$3.70	\$ 6,475.00
7	Straw Wattle (including Secondary BMP)	1,550	LF	\$3.30	\$ 5,115.00
8	Tree Protection Fence	1,350	LF	\$2.30	\$ 3,105.00
9	Slope Matting	11,880	SF	\$0.50	\$ 5,940.00
10	Vegetated Corridor Tree Plantings	235	EA	\$20.40	\$ 4,794.00
11	Vegetated Corridor Shrubs Plantings	2,012	EA	\$9.70	\$ 19,516.40
12	Vegetated Corridor Reseeding (Area within TCE & Util. Ease.)	40,238	SF	\$0.12	\$ 4,828.56
13	Disturbed Area Erosion Control Reseeding (Outside VC)	28,455	SF	\$0.13	\$ 3,699.15
14	Temporary Irrigation	1	LS	\$12,635.00	\$ 12,635.00
<b>TRENCH EXCAVATION AND BACKFILL</b>					
15	Trench Excavation and Class 'A' Backfill (<10-ft depth)	1,051	LF	\$56.40	\$ 59,276.40
16	Trench Excavation and Class 'A' Backfill (10-ft to 15-ft depth)	339	LF	\$163.30	\$ 55,358.70
17	Foundation Stabilization Rock	350	CY	\$92.50	\$ 32,375.00
18	Trench Dewatering	1	LS	\$6,856.60	\$ 6,856.60
<b>MANHOLES</b>					
19	48-inch Dia. STND Conc MH (<10-ft depth)	3	EA	\$4,516.60	\$ 13,549.80
20	48-inch Dia. STND Conc MH (10-ft to 15-ft depth)	5	EA	\$5,909.30	\$ 29,546.50
<b>PIPE AND FITTINGS</b>					
21	12" PVC Pipe	1,390	LF	\$15.90	\$ 22,101.00
22	Connect to Existing Pipe (New Manhole Over Pipe)	1	EA	\$1,849.10	\$ 1,849.10
23	Testing - Video, Mandrel, Vacuum etc.	1,578	LF	\$5.10	\$ 8,047.80
<b>Total Construction Costs</b>					<b>\$433,868</b>

24	Construction Inspection Fees - City of Sherwood (5% of Const. Costs)				\$ 21,693.38
25	Engineering Review Fees - City of Sherwood (4% of Const. Costs)				\$ 17,354.70
26	Engineering, Surveying & Const. Management Costs (7.5%)				\$ 32,540.06
27	Bond Premium Reimbursable Costs (1.375%)				\$ 5,965.68
<b>Total Other Costs</b>					<b>\$77,554</b>

**TOTAL \$511,421**



**BROOKMAN TRUNK MAIN EXTENSION**  
**Contractor Construction Costs**

4/22/2022

**SDC Creditable Amount for increase from 8" to 12" Sanitary Trunk Main**

ITEM No.	ITEM DESCRIPTION	12" MAIN		COST DIFFERENCE	QTY.	UNIT	AMOUNT	
		SIZE UNIT PRICE	8" MAIN SIZE UNIT PRICE					
1	PIPE AND FITTINGS PVC Pipe, SDR 35	\$15.90	\$9.20	\$6.70	1,414	LF	\$ 9,473.80	
<b>Total Construction Costs</b>							<b>\$9,473.80</b>	
2	Construction Inspection Fees - City of Sherwood (5% of Const. Costs)						\$	473.69
3	Engineering Review Fees - City of Sherwood (4% of Const. Costs)						\$	378.95
4	Bond Premium Reimbursable Costs						\$	130.26
<b>Total Other Costs</b>							<b>\$982.91</b>	
<b>TOTAL</b>							<b>\$10,456.71</b>	

**Table REMB-6 Sanitary Sewer Oversizing Construction Cost**

<b>Contractor Construction Cost Total for 12-Inch Diameter Pipe (A)</b>	<b>Contractor Construction Cost Less Sanitary Sewer SDC Creditable Amount for Oversizing (from 8-inch to 12-inch) (B)</b>	<b>Reimbursement District Valuation (C) = (A) – (B)</b>
\$ 511,868.00	\$ 10,456.71	<b>\$ 500,964.29</b>

Cost information was provided by the developer and is based on actual construction costs supported by construction contracts. These construction costs were reviewed for comparable construction cost for public improvements of recent nearby private development projects, with city staff determining that the values provided are reasonable and within the expected range of construction costs for public utilities.

Staff has reviewed the provided construction cost data pursuant to the requirements of SMC 13.24.040 and accepts the requested Reimbursement District valuation amount of **\$ 500,964.29**.

**MC Section 13.24.030.D** - A methodology for spreading the cost among the properties within the reimbursement district and, where appropriate, defining a "unit" for applying the reimbursement fee to property which may, with city approval, be partitioned, subdivided, altered or modified at some future date. City may use any methodology for apportioning costs on properties specially benefited that is just and reasonable.

**Response:** The applicant has submitted a reimbursement district cost allocation methodology based on development frontage length to the sanitary trunk line and developable area of the individual lots, where the allocation is a 30/70 split between frontage and area costs.



**Table REMB-7 – Applicant Submitted Cost Allocation Methodology**

4/22/2022

**BROOKMAN TRUNK MAIN EXTENSION  
REIMBURSEMENT DISTRICT COST ALLOCATION**

SANITARY SEWER COST SUMMARY	
Sanitary Sewer Construction Cost:	\$ 511,421.33
System Development Charges (SDC) Creditable Amount:	\$ 10,456.71
<b>Reimbursement District Eligible Cost:</b>	<b>\$ 500,964.62</b>

COST ALLOCATION METHODOLOGY	
30% of Cost Distributed by Frontage of Property:	\$ 117.78 PER LF
70% of Cost Distributed by Service Area of Property:	\$ 0.1559 PER SF

ID	Tax Lot #	Owner	Frontage Length (LF)	Unit Cost per LF	Total Frontage Costs	Area (SF)	Unit Cost (SF)	Total Area Cost	Total Cost (30% Frontage + 70% Area)
1*	Middlebrook Subdivision	BROOKMAN DEVELOPMENT LLC	0	\$ 117.78	\$ -	1,418,704	\$ 0.1559	\$ 221,154.53	\$ 221,154.53
2	35-1-06 104	Riverside Homes LLC	0	\$ 117.78	\$ -	300,189	\$ 0.1559	\$ 46,794.93	\$ 46,794.93
3	35-1-06 101	Cnd-Cedar Creek LLC	345	\$ 117.78	\$ 40,634.67	119,832	\$ 0.1559	\$ 18,680.00	\$ 59,314.67
4	35-1-06 100	Cnd-Cedar Creek LLC	235	\$ 117.78	\$ 27,678.69	337,013	\$ 0.1559	\$ 52,535.24	\$ 80,213.92
5	35-1-06 107	Linda & Wayne Chronister	696	\$ 117.78	\$ 81,976.03	73,840	\$ 0.1559	\$ 11,510.54	\$ 93,486.57
<b>TOTAL</b>			<b>1,276</b>		<b>\$ 150,289.39</b>	<b>2,249,578</b>		<b>\$ 350,675.23</b>	<b>\$ 500,964.62</b>

\* Brookman Development, LLC is the reimbursement district applicant; therefore, reimbursement to Brookman Development LLC is not anticipated.

\*\*Landowners were paid by CWS for sewer line easement.

Staff has reviewed the proposed cost allocation methodology and finds the methodology does not assign costs in a just and reasonable manner based on the known and projected usage of the system by the properties within the district. It appears that the applicant’s methodology under sizes its own usage and thus share of the cost of the system.

Frontage length is an appropriate and typical unit of allocation for street construction costs but is not appropriate for a sanitary system, where the benefit a property derives is not connected to its frontage. In addition, justification for the 30/70 percent split in valuations was not presented.

Staff is recommending the following cost allocation method based on the total number of lots in each development within the district which will or are expected to take service from the sanitary trunk line. The total reimbursement cost was divided by the total number of actual or expected lots within the district to arrive at a per lot unit cost of \$1,585.33. This was then multiplied by the number of actual or expected lots on each current parcel to arrive at a per parcel cost.

## Map REMB-3 – City Recommended Cost Allocation Lot Count



**Table REMB-8 – City Recommended Cost Allocation Methodology**

Subdivision Name	Total Area (Acres)	Number of Lots	Share Cost # of Unit Lots	%Share
Middlebrook Subdivision	37.95	145	\$ 230,118.14	45.9%
Reserve at Cedar Creek Subdivision	15.72	58	\$ 92,047.26	18.4%
Riverside at Cedar Creek Subdivision	10.47	28	\$ 44,436.61	8.9%
Cedar Creek Gardens Subdivision	19.64	39	\$ 61,893.85	12.4%
Brookman Place Subdivision	2.00	12	\$ 19,044.26	3.8%
Future Potential Development Areas	5.52	34	\$ 53,424.18	10.7%
<b>Totals</b>	<b>91.30</b>	<b>316</b>	<b>\$ 500,964.29</b>	<b>100%</b>

**MC Section 13.24.030.E** - The amount to be charged by the city for an administration fee for the reimbursement agreement. The administration fee shall be fixed by the city council and will be included in the resolution approving and forming the reimbursement district. The administration fee may be a percentage of the total reimbursement fee expressed as an interest figure or may be a flat fee per unit to be deducted from the total reimbursement fee.

**Response:** The administration fee is proposed as 4.0% (\$20,000.00) of the total reimbursement fee amount. The reimbursement district administration fee shall be paid as an additional 4% of the fee owed by each property at the time the fee is paid.

**MC Section 13.24.030.F** - Whether the public improvements will or have met city standards.

**Response:** The public improvements have met City design and construction standards and have been approved, accepted and placed into service.

**MC Section 13.24.030.G** – Whether it is fair and in the public interest to create a reimbursement district (Ord. 01-1114 § 3).

**Response:** Based on the information submitted the improvements financed by the developer will enhance the ability of other properties within the reimbursement district to develop their properties in an efficient manner. If these improvements were not available, then it would place the burden on other property owners to construct the same improvements. The public interest is served by allowing development to proceed in an orderly and efficient manner, and by requiring each property to pay its share of the cost of those improvements based on a just and reasonable allocation methodology.

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*Craig Sheldon, Public Works Director*  
Date:

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*Bob Galati P.E., City Engineer*  
Date: