

CITY OF SHERWOOD

Staff Report: April 18, 2023

Staff Report: Recommendation to Adopt Economic Opportunities Analysis Update
Case File No: LU 2023-007 PA

To: Sherwood Planning Commission

Hearing Date: April 25, 2023

From:



Erika Palmer, Planning Manager

Proposal: To review, consider, and recommend to Sherwood City Council the updated Economic Opportunities Analysis (EOA) document. The updated EOA document updates the previous report with revised employment and land demand forecasts, as well as updating the employment Buildable Lands Inventory (BLI).

I. BACKGROUND

- A. **Applicant:** The City of Sherwood
- B. **Location:** The EOA is a technical long-range planning document and is a sub-element to the Comprehensive Plan; therefore, it applies citywide.
- C. **Review Type:** The proposal requires a Type V review, which involves public hearings before the Planning Commission and City Council. The Planning Commission will make a recommendation to the City Council, who will make the final decision. Any appeal of the City Council decision would go directly to the Oregon Land Use Board of Appeals.
- D. **Public Notice and Hearing:** The project is a legislative amendment. Notice of the first evidentiary hearing was provided to the Department of Land Conservation and Development (DLCD) and Metro on March 20, 2023. Notice of the April 25, 2023, Planning Commission hearing was published in The Times, a newspaper of general circulation, on April 6 and April 20, 2023. Notice was also posted in public locations around town, and a project page was created on the city's website on April 3, 2023.
- E. **Review Criteria:** The required findings for the Plan Amendment are identified in Section 16.80.030 of the Sherwood Zoning and Community Development Code (SZCDC). In addition, the amendment must be consistent with Goals 1 and 9 of the Statewide Planning Goals, Oregon Administrative Rule 66-009 which implements

Goal 9, Metro Functional Plan, and Sherwood Zoning and Community Development Code Chapter 16.80, Plan Amendments.

- F. **Background:** The City's Economic Opportunities Analysis (EOA) was adopted in 2021 (Ordinance 2021-011). It was drafted as part of the background technical documents for the Comprehensive Plan update process as required per State Land Use Goal 9, Economic Development, and the Goal 9 Administrative Rule (660-009). An EOA is required by Goal 9 and must be adopted by a local jurisdiction to support goals and policies incorporated into a Comprehensive Plan.

The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within the Sherwood City Limit and employment land areas in the Urban Growth Boundary (UGB), namely Tonquin Employment Area and Brookman Annexation Area, (2) evaluate the existing employment land supply within Sherwood to determine if it is adequate to meet that need, and (3) to fulfill state planning requirements for a twenty-year supply of employment land.

Economic Development is a top priority for the city as new businesses, quality jobs, and a more diversified tax base all help to create a healthy city. With increased economic vitality, the City of Sherwood may continue to provide a high quality of life for workers, business owners, property owners, and residents.

This 2023 update to the EOA includes revised employment and land demand forecasts, as well as updating the employment Buildable Lands Inventory (BLI). The 2023 also includes a list of economic development strategies that are consistent with the City's Comprehensive Plan goals and policies. The 2023 update is organized into six primary sections.

- Economic Trends: Provides an overview of national, state, and local economic trends affecting Washington County and the City of Sherwood, including population projections, employment growth, and a demographic profile.
- Target Industries: Analysis of key industry typologies the City should consider targeting as economic opportunities over the planning period.
- Employment Land Needs: Examines projected demand for industrial and commercial land based on anticipated employment growth rates by sector.
- Capacity: Summarizes the City's inventory of vacant and redevelopable industrial and commercial land (employment land) within the City of Sherwood's UGB.
- Reconciliation: Compares short- and long-term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over a five and twenty-year horizon.

- Economic Development Potential and Conclusions: Summary of findings and policy implications.

II. PUBLIC NOTICE

Public notice was posted in five locations throughout the City on April 5, 2023 and published The Times, a newspaper of general circulation on April 6 and 20, 2023. No public comments have been received as of April 18, 2023. Public comments are welcome up to the public hearing scheduled for Tuesday, April 25, 2023, at 7 PM.

III. AGENCY/DEPARTMENTAL COMMENTS

The City requested comments from affected departments and agencies on April 4, 2023. As of the date of this report, no comments have been received.

IV. APPLICABLE DEVELOPMENT CODE CRITERIA

Sherwood Zoning and Community Development Code Chapter 16.80 Plan Amendments

16.80.030 – Review Criteria

A. Text Amendment

An amendment to the text of the Comprehensive Plan shall be based upon a need for such an amendment as identified by the Council or the Commission. Such an amendment shall be consistent with the intent of the adopted Sherwood Comprehensive Plan, and with all other provisions of the Plan, the Transportation System Plan, and this Code, and with any applicable State or City statutes and regulations, including this Section.

Staff Response:

Needs

Economic Development is a top priority for City Council, and the City of Sherwood is renewing efforts to build a self-sustaining, vital, and vibrant local economy. The updated EOA document was in response to the City Council's goals relating to Economic Development opportunities for the Sherwood community. Goals and policies in the adopted Comprehensive Plan ensure the City's Buildable Lands Inventory is consistently monitored and updated to aspire for targeted jobs that are high-paying within the Sherwood Community. The updated EOA re-evaluates the employment and land demand forecast and the employment Buildable Lands Inventory.

Consistency with Comprehensive Plan

The 2021-2041 EOA (adopted by Ordinance 2021-011) was developed to comply with Statewide land use Goal 9, Economic Development, and the implementing Oregon Administrative Rule (OAR 660-009). Oregon's statewide goals are achieved through local comprehensive planning. State law

requires each city and county to adopt a comprehensive plan and the zoning and land-division ordinances needed to put the plan into effect.

The proposed EOA only updates the employment and land forecasts, as well as updating the Buildable Lands Inventory (BLI). The EOA update supports the city's economic development goals and policies within the City's adopted Comprehensive Plan, *Sherwood 2040*. No new or revised comprehensive goals and policies are not warranted at this time. The EOA was developed to understand the City's economic strengths, weaknesses, opportunities, and land sufficiency ensuring compliance with Statewide Land Use Goal 9.

Transportation System Plan

Not applicable to this application request. The EOA does not impact the city's Transportation System Plan.

APPLICABLE STATEWIDE PLANNING GOALS

Goal 1 (Citizen Involvement)

Objective: To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

Response: Staff utilized the public notice requirements of the Sherwood Zoning and Community Development Code, Chapter 16.72, to notify the public of the proposed EOA adoption process. The City's public notice requirements comply with Goal 1. In addition, a 10 member appointed Technical Advisory Committee (TAC) was appointed by Council (Resolution 2022-005) that included a diverse number of stakeholders throughout the Metro region and community including but not limited to: Sherwood City Council, Sherwood Planning Commission, Oregon Department of Land Conservation and Development, Business Oregon, NAIOP, Washington County Economic Development, and industrial brokers, developer, and local residents. The TAC meet a total of four times to review the information presented by the city staff and Johnson Economics who was the city-led consultant on this project.

The Planning Commission and City Council will hold public hearings on this request prior to adopting the EOA update. Public comments received will be addressed and included as part of the hearing records.

Finding: The process to develop and adopt the EOA meets the intent of Goal 1.

Goal 2 (Land Use Planning)

Objective: To establish a land use planning process and policy framework as a basis for all decision and actions related to the use of land and to assure an adequate factual basis for such decisions and actions.

Staff Response: The proposed EOA update does not alter any current goals and policies in the Comprehensive Plan or changes to Sherwood Plan and Zoning Map and Zoning and Development

Code that are already consistent with Goal 2. The EOA provides a factual basis for future planning decisions, actions, and economic development strategies.

Notice was provided to DLCD 35 days prior to the first scheduled public hearing as required. The updated EOA was developed in coordination with DLCD staff to be consistent with applicable regulations.

Finding: The process to develop and adopt the EOA meets the intent of Goal 2.

Goal 3 (Agricultural Lands)

Goal 4 (Forest Lands)

Goal 5 (Natural Resources, Scenic and Historic Areas and Open Spaces)

Goal 6 (Air, Water and Land Resources Quality)

Goal 7 (Areas Subject to Natural Hazards)

Goal 8 (Recreational Needs)

Finding: Statewide Planning Goals 3-8 do not specifically apply to the proposed EOA update document. There is no evidence to suggest that the proposed adoption of the EOA update conflicts with these goals. The proposed EOA update does not make any substantive changes to the Sherwood Comprehensive Plan or its' implementing ordinances that affect compliance with Goals 3-8.

Goal 9 (Economic Development)

Objective: To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare and prosperity of Oregon's citizens.

Response: Sherwood's EOA is consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located."

The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within the Sherwood City Limit and employment land areas in the Urban Growth Boundary (UGB), namely Tonquin Employment Area and Brookman Annexation Area, between 2021 and 2041, (2) evaluate the existing employment land supply within Sherwood to determine if it is adequate to meet that need, and (3) to fulfill state planning requirements for a twenty-year supply of employment land.

The proposed EOA updates the following:

- 1) Employment Forecast for the planning period (2022-2042)
- 2) Employment and Land Demand; and
- 3) The Buildable Lands Inventory

Three employment forecast scenarios were produced and reviewed as part of the analysis to this update.

Employment Forecast

Scenario 1 was the safe harbor forecast and applied the regional forecast published by the Oregon Employment Department. The average annual growth rate in this scenario was 2%, with total job growth of 4,586 jobs over the 20-year forecast period.

Scenario 2 was based on employment growth patterns observed in the Sherwood UGB from 2010-2020, resulting in a forecasted average annual growth rate of 3.4%, with total job growth of 9,132 over the planning period.

Scenario 3 was influenced by the research and analysis conducted in the EOA such as identified trends, a more optimistic outlook for targeted industries, and input from the TAC. This forecast scenario has an average annual growth rate of 3.2% for the planning period, yielding 8,280 jobs through 2042.

Employment and Land Demand

The next step in this EOA update is to convert the employment projection into land demand over the planning period. For this analysis, the City utilized hybrid Scenario 3, which reflects observed trends and modifies some of the industry patterns based on the target industry analysis and known developments in the pipeline.

The next step converts employment into space using estimates of the typical square footage exhibited within each building typology. Adjusting for market clearing vacancy, we arrive at an estimate of total space demand for each building type. Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a “floor area ratio” or FAR. For example, assume a 25,000-square-foot general industrial building requires roughly two acres to accommodate its structure, setbacks, parking, and necessary yard/storage space.

The land demand analysis allocated employment growth to the standard building typologies.

FIGURE 4.05: DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE, CITY OF SHERWOOD UGB

Industry Sector	20-year Job Forecast		BUILDING TYPE MATRIX					
	Number	AAGR	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail
Construction	1,489	4.6%	14%	0%	28%	40%	18%	0%
Manufacturing	1,656	5.8%	8%	0%	24%	60%	8%	0%
Wholesale Trade	1,310	6.6%	13%	0%	22%	25%	40%	0%
Retail Trade	330	1.0%	5%	1%	6%	0%	18%	70%
T.W.U.	186	2.3%	15%	0%	17%	18%	45%	5%
Information	14	1.7%	25%	0%	25%	40%	0%	10%
Finance & Insurance	11	0.4%	72%	1%	5%	1%	1%	20%
Real Estate	103	1.3%	72%	1%	5%	1%	1%	20%
Professional & Technical Services	308	3.1%	72%	1%	5%	1%	1%	20%
Administration Services	156	1.6%	72%	1%	5%	1%	1%	20%
Education	530	1.9%	30%	53%	5%	1%	1%	10%
Health Care	601	2.9%	30%	53%	2%	0%	0%	15%
Leisure & Hospitality	684	2.2%	20%	1%	7%	1%	1%	70%
Other Services	812	4.2%	72%	1%	5%	1%	1%	20%
Government	90	2.4%	43%	35%	5%	1%	1%	15%
TOTAL	8,280	3.2%	25%	8%	16%	24%	13%	14%

Using Scenario 3, office (25%), general industrial (24%) and flex/business park space (16%) accounts for the greatest share of employment growth by type, followed by employment housed in retail, warehouse/distribution, and institutional space.

The demand for space is then converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR). The combined space and FAR assumptions further provide estimates indicated of job densities, determined on a per net-developable acre basis.

FIGURE 4.08: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CITY OF SHERWOOD UGB, 20-YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2022-2042							Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail		
Employment Growth	2,074	655	1,318	1,983	1,095	1,155	8,280	
Allocated to Employment Zoned	1,638	655	1,160	1,745	1,095	987	7,279	
Avg. SF Per Employee	350	600	990	600	1,475	500	637	
Demand for Space (SF)	573,400	393,000	1,147,900	1,046,800	1,614,500	493,700	5,269,300	
Floor Area Ratio (FAR)	0.25	0.25	0.30	0.30	0.30	0.20	0.28	
Market Vacancy	10.0%	0.0%	10.0%	10.0%	10.0%	10.0%		
Implied Density (Jobs/Acre)	35.5	16.3	13.5	22.3	8.0	18.3	17.1	
Net Acres Required	58.5	40.1	97.6	89.0	137.3	63.0	485.5	

The overall weighted employment density is 17.1 jobs per acre, with the projected 8,280 job expansion in the local employment base through 2042 requiring an estimated 485.5 net acres of needed employment land for the 20-year planning period. In addition to assuring adequate capacity for employment-driven land needs over a twenty-year horizon, local jurisdictions must demonstrate that they have an adequate capacity of readily available sites to meet their more immediate needs, defined as employment land needs over the next five years. The following table shows that that need is estimated at 143.1 net acres in the City of Sherwood UGB.

FIGURE 4.09: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CITY OF SHERWOOD UGB, 5-YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2022-2042						Total
	Office	Institutional	Flex/B.P	Gen. Ind.	Warehouse	Retail	
Employment Growth	606	208	347	505	284	372	2,322
Allocated to Employment Zoned	479	208	305	445	284	318	2,038
Avg. SF Per Employee	350	600	990	600	1,850	500	665
Demand for Space (SF)	167,600	125,100	302,300	266,700	524,500	158,900	1,545,100
Floor Area Ratio (FAR)	0.25	0.25	0.30	0.30	0.30	0.20	
Market Vacancy	10.0%	0.0%	10.0%	10.0%	5.0%	10.0%	
Implied Density (Jobs/Acre)	35.4	16.3	13.5	22.3	6.4	18.3	16.2
Net Acres Required	17.1	12.8	25.7	22.7	44.6	20.3	143.1

Buildable Lands Inventory (BLI)

The buildable lands inventory (BLI) is intended to identify commercial and industrial lands that are available for development for employment uses within the Sherwood City Limits, Tonquin Employment Area, and Brookman Addition. The inventory is sometimes characterized as a land supply to accommodate anticipated employment growth.

The 2021 BLI was updated at a site-specific level to reflect changes in development status and correct erroneous outcomes created by the previous modeling. The results show a reduction of approximately 41 acres in unconstrained buildable land, primarily within the industrial land base. No changes were made to the development constraints between the 2021 and 2023 BLI.

Table 5.2 shows commercial and industrial land in Sherwood by classification (development status). The results show that Sherwood has 956 total acres in commercial and industrial plan designations. Of the 956 acres in the UGB, about 520 acres (54%) are in classifications with no development capacity, 233 acres (24%) are constrained, and only 208 acres (22%) are buildable land with development capacity.

TABLE 5.2: EMPLOYMENT ACRES BY CLASSIFICATION AND PLAN DESIGNATION

Plan Designation	Tax Lots	Total Acres	No Development Capacity	Constrained Acres	Unconstrained Buildable Acres
General Commercial	31	62	38	10	14
Neighborhood Commercial	2	1	1	0	0
Office Commercial	11	16	6	5	6
Retail Commercial	90	92	79	12	7
Commercial Total	134	171	124	26	26
General Industrial	66	238	184	19	35
Light Industrial	49	240	144	72	24
Employment Industrial	10	175	56	82	36
Industrial Total	125	653	384	174	95
Tonquin - Future Development	15	108	9	28	70
Brookman - Future Development	4	25	3	4	18
Future Development Total	19	133	12	33	88
Total	278	956	520	233	208

Source: MetroRLIS, 2018 BLI, EcoNorthwest and City of Sherwood Analysis

Note: The numbers on this table may not add up exactly because of rounding.

Short-term land supply is governed by Goal 9 Administrative Rule (OAR 660-009).

The results of the 2023 buildable lands supply were used to identify commercial and industrial land that meets the definition of short-term supply. The City's approach was to:

- Assume that lands considered redevelopable in the Metro BLI should be considered serviceable and, therefore in the short-term supply.
- Examine whether buildable land within the city limits is serviceable and therefore in the short-term supply.
- Assume that unannexed land in Brookman and Tonquin areas is not in the short-term supply.

In this analysis, the City did not consider lands outside of the city limits, such as land in the Tonquin Employment Area or Brookman Addition, because the development of these lands may take longer than one year from submission of a building permit. Sherwood has no certified industrial sites, so the City does not need to meet the requirements of OAR 660-009-0025(3)(c). The results show that Sherwood has 24 acres of commercial land (on 134 tax lots) in the short-term supply of land and 94 acres of industrial land (on 125 tax lots) in the short-term supply of land. Table 5.5 shows the short-term commercial and industrial land supply by plan designation.

The Buildable Lands Inventory (BLI) shows that the City of Sherwood has a limited inventory of available sites to accommodate employment uses. Table 5.4 shows the size of lots by plan designations for buildable employment land. Sherwood has 25 lots smaller than 2 acres (with 24 acres of land), 36 lots between 2 and 10 acres (184 acres), and 0 lots between 10 and 50 acres in size. The lack of buildable lots over 10 acres is notable, especially for the City's industrial land that supports high-tech manufacturing and traded sector jobs.

TABLE 5.4: LOT SIZE BY PLAN DESIGNATION, BUILDABLE ACRES
SHERWOOD CITY LIMITS, TONQUIN, AND BROOKMAN

Plan Designation	<1	1 - 1.99	2 - 4.99	5 - 9.99	10 - 49.99
ACRES					
General Commercial	1.21	0.00	7.11	5.43	0.00
Neighborhood Commercial	0.00	0.00	0.00	0.00	0.00
Office Commercial	1.77	1.32	2.53	0.00	0.00
Retail Commercial	0.34	3.17	3.00	0.00	0.00
General Industrial	0.00	3.10	18.38	13.37	0.00
Light Industrial	2.90	5.60	15.01	0.00	0.00
Employment Industrial	0.92	1.82	2.66	30.73	0.00
Future - Tonquin	0.60	1.25	9.57	58.44	0.00
Future - Brookman	0.00	0.00	10.85	7.18	0.00
Acres Total	7.74	16.26	69.11	115.15	0.00
TAX LOTS					
General Commercial	2	0	2	1	0
Neighborhood Commercial	0	0	0	0	0
Office Commercial	2	1	1	0	0
Retail Commercial	2	2	0	0	0
General Industrial	0	2	6	2	0
Light Industrial	5	4	5	0	0
Employment Industrial	1	1	1	4	0
Future - Tonquin	2	1	2	8	0
Future - Brookman	0	0	3	1	0
Taxlot Total	14	11	20	16	0

Source: MetroRLIS, 2018 BLI, EcoNorthwest and City of Sherwood Analysis

Table 5.5 shows the short-term commercial and industrial land supply by plan designation. The results show that Sherwood has 24 acres of commercial land (on 134 tax lots) in the short-term supply of land and 94 acres of industrial land (on 125 tax lots) in the short-term supply of land.

TABLE 5.5: SHORT-TERM SUPPLY OF COMMERCIAL AND INDUSTRIAL LAND, SHERWOOD CITY LIMITS

Plan Designation	Taxlots	Buildable Acres
General Commercial	31	12.55
Neighborhood Commercial	2	0
Office Commercial	11	5.62
Retail Commercial	90	6.5
Commercial Total	134	24.67
General Industrial	66	34.89
Light Industrial	49	23.54
Employment Industrial	10	36.13
Industrial Total	125	94.56

Source: MetroRLIS, 2018 BLI, EcoNorthwest and City of Sherwood Analysis

Comparing this inventory to the 20-year forecast of employment land needs generated earlier in this analysis indicates that the City of Sherwood’s UGB does not have the adequate land capacity to accommodate its forecasted needs over this horizon. The overall projected demand for employment land in aggregate exceeds the estimated developable inventory by 275 acres. There is a significant deficit for both industrial and commercial uses.

FIGURE 6.1: RECONCILIATION OF BLI CAPACITY AND PROJECTED DEMAND, CITY OF SHERWOOD UGB, 20-YEAR

EMPLOYMENT ZONING DESIGNATION	NET DEVELOPABLE ACRES/BLI	PROJECTED 20 YR. DEMAND	AGGREGATE SURPLUS/ (DEFICIT)
COMMERCIAL (RETAIL AND OFFICE)	27.0	63.0	(36.0)
General Commercial	14.0		
Neighborhood Commercial	0.0		
Office Commercial	6.0		
Retail Commercial	7.0		
INDUSTRIAL (INDUSTRIAL AND OFFICE)	184.0	422.5	(238.5)
General Industrial	35.0		
Light Industrial	24.0		
Employment Industrial	36.0		
Tonquin - Future Development	71.0		
Brookman - Future Development	18.0		
TOTAL	208.0	485.5	(277.5)

A similar short-term demand and capacity analysis identifies a shortage of 28.3 acres of buildable land zoned for industrial uses.

FIGURE 6.2: RECONCILIATION OF BLI CAPACITY AND PROJECTED DEMAND, CITY OF SHERWOOD UGB, 5-YEAR

EMPLOYMENT ZONING DESIGNATION	NET DEVELOPABLE ACRES/BLI	PROJECTED 5 YR. DEMAND	AGGREGATE SURPLUS/ (DEFICIT)
COMMERCIAL (RETAIL AND OFFICE)	24.7	20.3	4.4
General Commercial	12.6		
Neighborhood Commercial	0.0		
Office Commercial	5.6		
Retail Commercial	6.5		
INDUSTRIAL (INDUSTRIAL AND OFFICE)	94.6	122.8	(28.3)
General Industrial	34.9		
Light Industrial	23.5		
Employment Industrial	36.1		
Tonquin - Future Development	0.0		
Brookman - Future Development	0.0		
TOTAL	119.2	143.1	(23.9)

The City has goals and policies relating to Economic Development in its' adopted Comprehensive Plan. Section VII of the updated BLI has a range of strategies and action items that the city may consider that are consistent with the findings in both the EOA report and Comprehensive Pan.

Finding: The City's 2021-2041 EOA meets the intent of Goal 9 and its Administrative Rule (OAR 660-009)

Goal 10 (Housing)

Objective: To provide for the housing needs of citizens of the state.

Buildable land for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

Finding: The City's adopted Housing Needs Analysis 2019-2039 (Ordinance 2020-10) meets the requirements of Goal 10 and its associated Administrative Rules.

Goal 11 (Public Facilities and Services)

Goal 12 (Transportation)

Goal 13 (Energy Conservation)

Goal 14 (Urbanization)

- Goal 15 (Willamette River Greenway)**
- Goal 16 (Estuarine Resources)**
- Goal 17 (Coastal Shorelands)**
- Goal 18 (Beaches and Dunes)**
- Goal 19 (Ocean Resources)**

FINDING: Goals 11-19 do not apply to adopting the EOA update.

METRO REGIONAL FRAMEWORK REQUIREMENTS AND URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN

Under the Metro Charter and state law, cities and counties within Metro’s boundaries are required to comply and be consistent with Metro’s adopted Urban Growth Management Functional Plans and the Regional Framework Plan.

Chapter 1 -- Land Use

This chapter contains the policies that guide Metro in such areas as the development of centers, corridors, station communities, and main streets; housing choices; employment choices and opportunities; economic vitality; urban and rural reserves; management of the Urban Growth Boundary (UGB); urban design and local plan and policy coordination. A livable region is an economically strong region. This chapter contains policies that support a strong economic climate by encouraging the development of a diverse and sufficient supply of jobs, especially family-wage jobs, in appropriate locations throughout the region. The policies in this chapter are also a vital component of the regional strategy to reduce per capita greenhouse gas emissions from light-duty vehicle travel.

Policy 1.2 Centers, Corridors, Station Communities and Main Streets

It is the policy of the Metro Council to:

1.2.3. Encourage employment opportunities in Centers, Corridors, Station Communities and Main Streets by:

- a. Improving access within and between Centers, Corridors, Station Communities and Main Streets;**
- b. Encouraging cities and counties to allow a wide range of employment uses and building types, a wide range of floor-to-area ratios and a mix of employment and residential uses; and**
- c. Encourage investment by cities, counties and all private sectors by complementing their investments with investments by Metro.**

Finding: The updates to the EOA and the City’s Development Code are consistent with this policy. The development code allows for a range of flexible uses and building types within employment areas. The EOA speaks to working with partners to develop a broad economic development strategy for Sherwood.

Policy 1.4 Employment Choices and Opportunities

It is the policy of the Metro Council to:

1.4.1 Locate expansions of the UGB for industrial or commercial purposes in locations consistent with this plan and where, consistent with state statutes and statewide goals, an assessment of the type, mix and wages of existing and anticipated jobs within subregions justifies such expansion.

1.4.2 Balance the number and wage level of jobs within each subregion with housing cost and availability within that subregion. Strategies are to be coordinated with the planning and implementation activities of this element with Policy 1.3, Housing Choices and Opportunities and Policy 1.8, Developed Urban Land.

1.4.3 Designate, with the aid of leaders in the business and development community and local governments in the region, as Regionally Significant Industrial Areas those areas with site characteristics that make them especially suitable for the particular requirements of industries that offer the best opportunities for family-wage jobs.

1.4.4 Require, through the Urban Growth Management Functional Plan, that local governments exercise their comprehensive planning and zoning authorities to protect Regionally Significant Industrial Areas from incompatible uses.

1.4.5 Facilitate investment in those areas of employment with characteristics that make them especially suitable and valuable for traded-sector goods and services, including brownfield sites and sites that are re-developable.

1.4.6 Consistent with policies promoting a compact urban form, ensure that the region maintains a sufficient supply of tracts 50 acres and larger to meet demand by traded-sector industries for large sites and protect those sites from conversion to non-industrial uses.

Finding: The City has future growth areas for employment uses (Tonquin Employment Area and parcels within the Brookman area). Planning for employment uses in these areas was coordinated with Metro through UGB expansions. The City's Development Code provides standards to protect these areas from incompatible uses. The City will continue to assess its Housing Needs Analysis and EOA to balance both housing and employment needs within the City. The EOA update is consistent with these policies and is compatible with Title 4, Industrial and Other Employment Areas within the Urban Growth Management Functional Plan.

Policy 1.5 Economic Vitality

It is the policy of the Metro Council to:

1.5.1 Include all parts of the region in the region's economic development, including areas and neighborhoods which have been experiencing increasing poverty and social needs, even during periods of a booming regional economy.

1.5.2 Recognize that to allow the kinds of social and economic decay in older suburbs and the central city that has occurred in other larger and older metro regions is a threat to our quality of life and the health of the regional economy.

1.5.3 Ensure that all neighborhoods and all people have access to opportunity and share the benefits, as well as the burdens, of economic and population growth in the region.

1.5.4 Support economic vitality throughout the entire region, by undertaking the following steps:

- a. **Monitoring regional and subregional indicators of economic vitality, such as the balance of jobs, job compensation and housing availability.**
- b. **Facilitating collaborative regional approaches which better support economic vitality for all parts of the region if monitoring finds that existing efforts to promote and support economic vitality in all parts of the region are inadequate.**

1.5.5 Promote, in cooperation with local governments and community residents, revitalization of existing city and neighborhood centers that have experienced disinvestment and/or are currently underutilized and/or populated by a disproportionately high percentage of people living at or below 80 percent of the region’s median income.

Finding: The City’s EOA update is not inconsistent with these policies. The primary goals of the EOA are to (1) project the amount of land needed to accommodate future employment growth within Sherwood and the UGB areas (TEA and Brookman) between 2021-2041, (2) evaluate the existing employment land supply within the area for this planning period to determine if it is adequate to meet employment needs, (3) to fulfill state planning requirements for a twenty-year supply of employment land. The EOA uses Metro’s Buildable Lands Inventory which Sherwood Planning Staff refined to assess the buildable supply of employment lands. The EOA will help inform city policies and strategies for economic development. The EOA is consistent with these policies and Title 4, Industrial and Other Employment Areas, in the Urban Growth Management Functional Plan.

Overall Finding for Section 16.80.030.A: The EOA update meets the criteria of section 16.80.030.A and all other state regulations as described above and below in this staff report.

B. Map Amendment

An amendment to the City Zoning Map may be granted, provided that the proposal satisfies all applicable requirements of the adopted Sherwood Comprehensive Plan, the Transportation System Plan and this Code, and that:

- 1. **The proposed amendment is consistent with the goals and policies of the Comprehensive Plan and the Transportation System Plan.**
- 2. **There is an existing and demonstrable need for the particular uses and zoning proposed, taking into account the importance of such uses to the economy of the City, the existing market demand for any goods or services which such uses will provide, the presence or absence and location of other such uses or similar uses in the area, and the general public good.**
- 3. **The proposed amendment is timely, considering the pattern of development in the area, surrounding land uses, any changes which may have occurred in the neighborhood or community to warrant the proposed amendment, and the availability of utilities and services to serve all potential uses in the proposed zoning district.**
- 4. **Other lands in the City already zoned for the proposed uses are either unavailable or unsuitable for immediate development due to location, size or other factors.**

Staff Response: The proposed EOA update does not include amendments to the Sherwood general plan and zoning map.

Finding: Provisions of B1-4 above are not applicable to the EOA update.

C. Transportation Planning Rule Consistency

1. Review of plan and text amendment applications for effect on transportation facilities. Proposals shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with OAR 660-12-0060 (the TPR). Review is required when a development application includes a proposed amendment to the Comprehensive Plan or changes to land use regulations.

Staff Response: While the EOA reviews commuting patterns, the criteria above in C1 does not apply to the EOA because the document does not affect the transportation network or propose changes to the City's Transportation Systems Plan (TSP).

Finding: The Criteria listed in C.1 above is not applicable to this application.

V. RECOMMENDATION

As proposed, the updated Economic Opportunities Analysis (EOA) supports and meets the intent of all applicable development code provisions, Statewide Planning Goals, and regional criteria.

PLANNING COMMISSION ALTERNATIVES

1. Approve the findings in this staff report and recommend approval to City Council.
2. Modify the findings and approve the staff report as modified in compliance with all applicable criteria and recommend approval to City Council.
3. Modify the findings and deny the proposed amendments based on the Commission's findings, and recommend denial of the proposal to City Council; or
4. Continue the Public Hearing to a date certain if more information is needed.

STAFF RECOMMENDATION

Based on a review of the applicable code provisions, agency comments, and staff review, staff finds that the EOA update is consistent with the applicable criteria. Therefore, staff **recommends that the Sherwood Planning Commission forward a recommendation of APPROVAL** of the Economic Opportunities Analysis update to the Sherwood City Council.

VI. EXHIBITS

- A. March 2023 Economic Opportunities Analysis