

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS  
MEETING MINUTES  
Tuesday, February 20, 2024**

**City of Sherwood City Hall  
22560 SW Pine Street  
Sherwood, Oregon 97140**

**URA BOARD WORK SESSION**

1. **CALL TO ORDER:** Vice Chair Kim Young called the meeting to order at 5:30 pm.
2. **BOARD PRESENT:** Vice Chair Kim Young, Board Members Keith Mays, Dan Standke, Renee Brouse, Taylor Giles, and Doug Scott. Chair Tim Rosener attended remotely.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Pro Tem Craig Sheldon, City Attorney Ryan Adams, Community Development Director Eric Rutledge, Economic Development Manager Bruce Coleman, IT Director Brad Crawford, Senior Planner Joy Chang, City Engineer Jason Waters, Records Technician Katie Corgan, and Agency Recorder Sylvia Murphy.

**OTHERS PRESENT:** Planning Commission Chair Jean Simson.

**4. TOPIC**

**A. Sherwood Cannery PUD Vacant Lot Discussion**

Community Development Director Eric Rutledge presented the "Cannery Square Planned Unit Development" PowerPoint presentation (see record, Exhibit A). He explained that the Old Town Overlay District was separate from the Cannery PUD, but the Cannery PUD was a part of the Old Town Overlay District. He explained that the Old Town Overlay was comprised of two different subdistricts, Smockville and Cannery and each subdistrict had different design standards (e.g. height, parking requirements, design, etc.). He outlined that the Cannery PUD was comprised of 10 lots, some of which had already been developed. He reported that the Cannery Square PUD was approved between 2008 and 2009 as a PUD and 10-lot subdivision. He stated that the area was envisioned as a horizontal mixed-use development with commercial, residential, and civic uses specified for each lot. He reported that the developer was no longer involved with the lot and the URA owned the remaining vacant lots. He provided an overview of the vacant lots on page 5 of the presentation and explained that he sought Board feedback on if the Cannery Square PUD should be updated to allow city staff to better engage with developers. He stated that developers had shown interest in the vacant lots. He explained that the site was shown as a potential boutique hotel site on developer tours. He addressed the West Building vacant lot and explained that the lot was approved for a single-story building roughly 3,700 sqft in size. He outlined that a Council goal was to create an RFP for the lot. He addressed the East Building vacant lot and explained that the lot had been approved for a two-story commercial building roughly 7,000 sqft in size. He addressed the Northeast Phase lot and explained that the lot allowed for multiple commercial options. He addressed the South Building vacant lot and explained that it had been approved for a single-story commercial building, roughly 4,000 sqft in size. He explained that an applicant would still need to procure final site plan approval from the city and asked for feedback from the Board. Mr. Rutledge recapped that the city/Urban Renewal

Agency owned the vacant lots and City Council was the Decision Authority for any major modification. Board Member Scott asked for clarification and Mr. Rutledge explained that if the PUD vision was not updated, and the Board was satisfied with a one-story building for the West Building lot, then an applicant would only need to go to the Planning Commission for their final site plan approval. Board Member Mays asked if these lots had been included in the city's new URA and Community Development Director Rutledge replied that they were not included. City Attorney Ryan Adams clarified that he believed that the lots had been deeded to the new URA. Board Member Mays asked if once a URA was closed, were the assets of that URA then transferred to the city or new URA. He clarified that whichever entity owned the lots had the authority to sell the lots and Mr. Rutledge replied that was correct. Board Member Giles clarified that if the URA owned and sold the property, then the proceeds of the sale would go back to the URA. If the city owned and sold the property, then the proceeds would go to the city's General Fund. Economic Development Manager Bruce Coleman provided an overview of the three speculative development concepts for the lots on page 7 of the presentation. He outlined that Proposal A occurred in 2021 and was for a vertical mixed-use building on the East and Northeast parcels. Vice Chair Young asked for clarification on what a vertical mixed-use building was, and Mr. Coleman explained that it was a building with residential above commercial. He reported that the city had told the developer that the PUD did not allow for a residential and the developer explained that retail did not pencil out without the addition of residential. He reported that Proposal A was for roughly 112 apartment units above 7,000 sqft of retail with onsite parking by the railroad tracks. He explained that the proposal was discussed in a URA executive session, and the developer had decided that the project could not proceed. He outlined that the developer was still looking at various sites within smaller cities. Mr. Coleman addressed Proposal B and explained that it was for a vertical mixed-use building on the East and Northeast parcels, but was for less land than Proposal A. He explained that this developer focused on difficult to develop sites and was only interested in small downtown suburban communities. Proposal B was for a 6,000 sqft standalone commercial building facing the plaza; a four-story mixed-use building to the east of the commercial building with apartments on the 2<sup>nd</sup>-4<sup>th</sup> floors and 3,600 sqft of retail on the ground floor; and a four-story building with apartments on the 2<sup>nd</sup>-4<sup>th</sup> floors. Mr. Coleman reported that the city had explained that no residential was permitted in the proposed area. He stated that staff was bringing the Cannery Square PUD to the Board to discuss because the developer had continued to express interest in the sites. He reported that Proposal C was for either apartments or a boutique hotel on the East and Northeast lots and two developers had expressed interest in these lots. He explained that the first developer was a small boutique hotel developer and apartment developer. He commented that he believed that this developer was not currently interested in pursuing these sites. The second developer was a hotel developer with experience building unique hotels along the Oregon coast. Mr. Coleman explained that the second developer had shown interest in constructing a boutique hotel in the area but only if the city provided incentives and referred to TLT (Transient Lodging Tax). He clarified that he believed that this developer was not currently interested in pursuing these sites. Chair Rosener stated that a boutique hotel would be ideal for that location. Board Member Standke referred to Public Works equipment currently being stored in the Cannery Square PUD area and asked if the equipment could be stored elsewhere. Community Development Director Rutledge replied that the needs of the city needed to be met first. City Manager Pro Tem Sheldon explained that the completion of some Sherwood Broadband projects would lessen the necessary storage area, but some storage would still be needed elsewhere within the city. Board Member Giles asked what drew developers to those specific parcels. Economic Development Manager Coleman explained that developers found the Old Town area to be unique and felt the area showed potential for growth. Vice Chair Young commented she understood why developers wanted retail on the first floor and residential above and explained that retail on the first and second floors would make it harder to develop. Board Member Giles replied that he would only be okay with that idea if it was paired with the Council goal of incentivizing

certain types of businesses in Old Town. He explained that a hotel encouraged foot traffic and resulted in less cars versus apartments. Board Member Scott referred to the Northeast site and stated that he was in favor of a boutique hotel as it had generated the most interest. He stated that if no developers were interested in a boutique hotel on the site, then the site was unlikely to ever develop unless mixed-use was permitted. He stated that he was also in favor of combining the Northeast and East Building sites into one parcel. He referred to the West Building and stated that he did not want a building placed on that lot as it would block the view of the Arts Center. He stated that he approved of Chair Rosener's previous idea of placing a small replica train depot near the railroad tracks with the remaining space being turned into additional plaza space with picnic tables and discussion occurred. Discussion regarding the South Building lot occurred, and Community Development Director Rutledge clarified that the South Building lot could be combined with the surrounding wetland area and commented that there had been interest in that possibility. Board Member Mays stated that he supported revising the Cannery Square PUD vision with community and Planning Commission feedback incorporated into the new vision. He stated that he wanted the current Cannery Square Plaza to have a larger footprint. He stated that he supported working with developers to create a cohesive vision for the use of the South Building lot and the surrounding private land and commented he supported a two-story building. He referred to the West Building lot and stated he wanted feedback from the community on what they wanted on that site. He referred to the East Building and Northeast lots and stated he supported a boutique hotel on the site and said he was open to discussing incentives. He stated he also supported mixed-use for the sites with retail on the first floor and residential on the floors above. Board Member Scott voiced that in order to create more viable businesses in Old Town, more people needed to live in Old Town. He stated that he was very supportive of incentives for a boutique hotel, and he was also willing to offer incentives for mixed-use development. Discussion regarding business/occupancy incentives versus development incentives occurred and Board Member Scott clarified that he meant development incentives. Chair Rosener stated that he supported revising the Cannery Square PUD vision as well as offering development incentives to attract boutique hotel developers to the area. He referred to the West Building lot and stated he did not want a building obstructing the Arts Center and instead supported covering the lot and using the area to extend the city's outdoor festival area. He stated that once the vision was updated, business/occupancy incentives would need to be created. Board Member Brouse stated that she agreed with the Board's discussion and added that she would like the West Building lot to house food carts. She commented that she was hesitant to approve a four-story development. Vice Chair Young stated that she agreed with the Board's discussion but felt that the West Building lot was too small to house food carts. She referred to the West Building lot and stated that she did not want to block the view of the Arts Center. Discussion regarding a four-story development in Old Town and SB 1537 occurred.

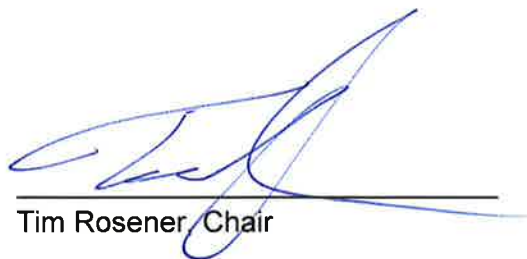
*Record note: Prior to the meeting, the "Cannery Square Planned Unit Development" memo was provided to the City Council/URA Board (see record, Exhibit B).*

## 5. ADJOURN

Vice Chair Kim Young adjourned the meeting at 6:09 pm and convened a City Council work session.

Attest:

  
Sylvia Murphy, MMC, Agency Recorder

  
Tim Rosener, Chair