



CITY COUNCIL MEETING PACKET

FOR

Tuesday, September 6, 2022

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

6:00 pm City Council Work Session

7:00 pm City Council Regular Meeting

City Council Executive Session
(ORS 192.660(2)(h), Legal Counsel)
(Following the Regular Session)

This meeting will be live streamed at
<https://www.youtube.com/user/CityofSherwood>



Home of the Tualatin River National Wildlife Refuge

6:00 PM WORK SESSION

1. **DEIA Statement Discussion**
(Keith Campbell, City Manager)
2. **5G Facility Standards**
(Bob Galati, City Engineer)

7:00 PM REGULAR SESSION

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **APPROVAL OF AGENDA**
5. **CONSENT AGENDA**
 - A. **Approval of August 16, 2022 City Council Meeting Minutes** (Sylvia Murphy, City Recorder)
 - B. **Resolution 2022-071, Authorizing the City Manager to execute a construction contract for the SW Lee Drive and SW 3rd Street Pavement Rehabilitation Project**
(Craig Sheldon, Public Works Director)
6. **CITIZEN COMMENTS**
7. **PRESENTATIONS**
 - A. **Recognition of Eagle Scout Award Recipient** (Keith Mays, Mayor)
8. **PUBLIC HEARING**
 - A. **Resolution 2022-072, Updating the City of Sherwood Stormwater System Development Charges Methodology and Amending the Fee Schedule** (David Bodway, Finance Director)
9. **CITY MANAGER REPORT**
10. **COUNCIL ANNOUNCEMENTS**
11. **ADJOURN TO EXECUTIVE SESSION**
 - A. **ORS 192.660(2)(h), Legal Counsel** (Alan Rappleyea, Interim City Attorney)

12. ADJOURN

AGENDA

SHERWOOD CITY COUNCIL September 6, 2022

6:00 pm City Council Work Session

7:00 pm City Council Regular Session

City Council Executive Session
(ORS 192.660(2)(h), Legal Counsel)
(Following the Regular Council Meeting)

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22560 SW Pine Street
Sherwood, OR 97140**

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How to Provide Citizen Comments and Public Hearing Testimony: Citizen comments and public hearing testimony may be provided in person, in writing, or by telephone. Written comments must be submitted at least 24 hours in advance of the scheduled meeting start time by e-mail to Cityrecorder@Sherwoodoregon.gov and must clearly state either (1) that it is intended as a general Citizen Comment for this meeting or (2) if it is intended as testimony for a public hearing, the specific public hearing topic for which it is intended. To provide comment by phone during the live meeting, please e-mail or call the City Recorder at Cityrecorder@Sherwoodoregon.gov or 503-625-4246 at least 24 hours in advance of the meeting start time in order to receive the phone dial-in instructions. Per Council Rules Ch. 2 Section (V)(D)(5), Citizen Comments, "Speakers shall identify themselves by their names and by their city of residence." Anonymous comments will not be accepted into the meeting record.

How to Find out What's on the Council Schedule: City Council meeting materials and agenda are posted to the City web page at www.sherwoodoregon.gov, generally by the Thursday prior to a Council meeting. When possible, Council agendas are also posted at the Sherwood Library/City Hall and the Sherwood Post Office.

To Schedule a Presentation to the Council: If you would like to schedule a presentation to the City Council, please submit your name, phone number, the subject of your presentation and the date you wish to appear to the City Recorder, 503-625-4246 or Cityrecorder@Sherwoodoregon.gov

ADA Accommodations: If you require an ADA accommodation for this public meeting, please contact the City Recorder's Office at (503) 625-4246 or Cityrecorder@Sherwoodoregon.gov at least 48 hours in advance of the scheduled meeting time.



SHERWOOD CITY COUNCIL MEETING MINUTES
22560 SW Pine St., Sherwood, Or
August 16, 2022

WORK SESSION

- 1. CALL TO ORDER:** Mayor Mays called the work session to order at 5:30 pm.
- 2. COUNCIL PRESENT:** Mayor Keith Mays, Council President Tim Rosener, Councilor Renee Brouse. Councilors Sean Garland and Taylor Giles participated remotely. Councilor Kim Young arrived at 5:50 pm. Councilor Doug Scott was absent.
- 3. STAFF PRESENT:** City Manager Keith D. Campbell, Interim City Attorney Alan Rappleyea, Police Chief Ty Hanlon, Planning Manager Erika Palmer, Community Services Director Kristen Switzer, Economic Development Manager Bruce Coleman, Records Technician Katie Corgan, and City Recorder Sylvia Murphy.
- 4. TOPICS:**

A. Sherwood West/Brookman Hwy 99W Crossing Study

Planning Manager Erika Palmer introduced consultant Carl Springer with DKS and provided background on the project. She explained that during the Brookman Refinement Project Council had asked staff to look into making a connection between Brookman and Sherwood West and explained that at the time, the Sherwood West Project had not been started. She stated that the Sherwood West Project had since begun, and staff recognized that making a connection between Brookman and Sherwood West was a priority for Council. She explained this discussion was to share what the different crossing alternatives were for the area. Ms. Palmer outlined that there were many moving parts to the Sherwood West Project which included a review of the transportation system and the CAC would draft a map of transportation analysis alternatives that would be folded into the discussion regarding the crossing. Mr. Springer referred to the "OR 99W/Brookman-Chapman Rd Alternative Summary" handout (see record, Exhibit A) and explained that there were four alternatives of how to connect both sides. He addressed Alternative #1 and stated this alternative represented the existing plans on both sides of the highway and provided an overview of Alternative #1. He explained that because there was development on both sides of the highway, it would be necessary to upgrade traffic controls at the intersection in order to maintain safe activities on both sides and commented that a traffic signal or roundabout may be options. He outlined that the new connection that came out of Brookman to Highway 99W would not be a signalized street that connected to the highway but would likely be restricted in some way. He outlined that Alternative #1's advantages were its right-of-way impact, costs, consistency with current plans, environmental impact, and it had the most minimal footprint. He commented that the alternatives had not been evaluated for performance yet, but that would be done later in the process. Council President Rosener asked why the at-grade crossing of OR 99W was considered a disadvantage for Alternative #1? Mr. Springer replied that as he understood it, one of the goals of the project was to provide a better connection between both sides of the highway, and an at-grade crossing would maintain the status

quo with all the other signals. He addressed Alternative #2 and explained that it was similar to Alternative #1, but it included an overcrossing at OR 99W and the new road in the west subarea of Brookman. He explained that it would be open to cars, trucks, pedestrians, and bikes but it did not offer a connection to the highway. Discussion regarding the forecasted cost occurred. Mr. Springer explained that Alternative #2 would likely be a two-lane bridge, but because of the required span to go over the highway, it would be in the \$15-20 million range to construct. He outlined that Alternative #2 did not have sufficient grade difference, so ramps would be necessary on both sides and would be very visible. Council President Rosener commented that he liked Alternative #2 but wondered how to get traffic into the Old Town area. Mr. Springer explained that Figure 5 on page 6 of the handout showed a potential connection through the Brookman addition, over the overcrossing, and commented that it would lighten the demand at the highway intersection. Councilor Brouse asked where the pedestrian bridge would be located in relation to Alternative #2? Planning Manager Palmer stated that it would be roughly a quarter of a mile away from the pedestrian bridge. Mr. Springer commented that that was pretty good spacing. Councilor Giles referred to the current intersection at Brookman and asked if the "pork chop island," which prevented left-hand turns, would be retained? Mr. Springer replied that it was presumed that as development occurred over time, that area would be upgraded to an intersection with traffic control signals. He addressed the east-west connector from OR 99W to Old Highway 99W and explained that it did not continue directly down to Brookman because there was a railroad track there and commented that it was difficult to get a new railroad crossing approved. Council President Rosener asked if there was any reason why the city should not plan for a railroad crossing as an eventuality in order to preserve the city's right-of-way to construct a crossing in the future? Planning Manager Palmer replied that that was something staff could look into. Mayor Mays asked if it was likely that the city would need to straighten the crossing point? Ms. Palmer replied that the Brookman Refinement Plan had drafted a preliminary concept plan for what an at-grade crossing would look like at that location and included an estimated cost. Councilor Garland asked what currently existed in the area between Highway 99W, Brookman, and the railroad crossing? Council President Rosener replied that it looked like the area was currently farmland and a few scattered houses. Council President Rosener asked if the city had gotten any validation from the gas company? Ms. Palmer replied that when work on the Refinement Plan was ongoing, discussion had occurred about shifting that section of Brookman road to the north in order to not impact the gas company. Mayor Mays commented that he had spoken with NW Natural who had explained that they would move things if they were provided with enough years of advanced notice and asked that the city notify NW Natural of their intent. Council President Rosener commented he liked Alternative #2, but he was worried about traffic issues once Sherwood West was built out. Council discussion occurred. Mr. Springer addressed Alternative #3 and explained that this alternative would cut off the connectivity between Brookman and Chapman that existed today but there would be the added connectivity provided by the overcrossing and allow for access to/from the highway. He referred to the estimated \$30-50 million to construct Alternative #3 and commented that that amount would be a significant ask. Council President Rosener asked about ramp footprint alternatives. Mr. Springer replied that most ramps had similar footprints and costs despite design differences. He addressed Alternative #4 and stated that it was a partial cloverleaf and explained that Alternative #4 would need to be located north of SW Brookman Road and SW Chapman Road due to the Transportation Planning Rule restrictions that limited urban serving transportation improvements to be located within the UGB. He explained that the rule stipulated that cities could not do capacity improvements outside of the UGB to support growth inside the UGB. He reported that Alternative #4 had the biggest footprint and would result in even less buildable land within Sherwood West and the Brookman Addition plan areas. Mr. Springer noted that the small connector road shown in Figure 7 of the handout would not provide direct access to Highway 99W and people would instead have to go down to Brookman Road. He provided an overview of the comparison of alternative scores on page 10 of the handout and stated that Alternative #2 would likely be the best alternative given the goal of providing better connectivity on either side of the highway. Council President Rosener asked if they had conducted any traffic analyses yet? Mr. Springer replied that they had not because the plans had not evolved enough for them to conduct a traffic analysis and added that all of the alternatives

would functionally work. Council President Rosener commented that he was thinking of this project in the longer-term in terms of providing connectivity between Yamhill and Washington County. Councilor Giles referred to the potential option to utilize roundabouts and asked if that was ultimately a city, county, or ODOT decision? Mayor Mays replied that given the speed of traffic, the required size of roundabout would be on the European scale which could be the size of a football field or greater. Mr. Springer clarified that he was referring to the highway and not local streets for roundabout use. Councilor Giles commented that the current width of the road was nearly the size of a football field and if a roundabout were to allow traffic to flow more smoothly, he would be in favor of a roundabout and asked what the process was for getting a roundabout approved. Mr. Springer explained that it was too early to vote on roundabout versus no roundabout, but as the process went on, DKS would conduct an analysis and report back on the feasibility of various options including roundabouts. Mayor Mays commented that based on this discussion, he was in favor of Alternative #2. Councilor Giles asked if it was possible to add on/off ramps to Alternative #2 at a later date? Mr. Springer replied that in theory, you could do it in phases, but the whole bridge would need to be designed to be ready for the ramps and added that he had never seen it done that way. Discussion regarding cut-through traffic occurred. Mayor Mays asked if Alternative #2 could be an underpass instead? Mr. Springer replied that they could look into it, but he imagined there would be some amount of excavation involved in creating an underpass. Discussion regarding the need to connect Brookman to Sherwood occurred.

B. Council Goals – Review and Update

City Manager Keith Campbell presented the “Sherwood City Council Goals 2022-2023” PowerPoint presentation (see record, Exhibit B) and explained that he wanted to provide an update on the status of the current Council goals and to outline a process for staff to provide meaningful updates on their progress on those goals. He recapped the six pillars as: Economic Development, Infrastructure, Livability & Workability, Public Safety, Fiscal Responsibility, and Citizen Engagement and explained that each pillar had deliverables. He outlined that the presentation used green to signify the project had been completed, yellow to signify the project had been started, and white to signify the project had not yet been started. He addressed Pillar 1: Economic Development and deliverables and provided an overview. Council President Rosener referred to the city’s annexation policies and asked if there was anything the city needed to be doing on that? Planning Manager Palmer replied that the Comprehensive Plan had some annexation policies that applicants would have to address through the application process, and she envisioned that the city would bolster the existing policies for the next phase. Council President Rosener asked that staff think ahead to what the state legislature may pass regarding annexations in the near future. City Manager Campbell addressed Pillar 2: Infrastructure and deliverables and provided an overview. Mayor Mays referred to Deliverable 2:2(b) “Sherwood 99 Pedestrian Bridge Construction” and asked what “the first part of 2023” meant specifically? Mr. Campbell replied that currently, it looked like bridge construction would begin in February or March 2023. Council President Rosener asked to let Council know if there were things they could assist with when it came to providing additional resources or assistance in order to potentially speed up the timeframe for beginning bridge construction. Council President Rosener asked regarding the timeframe for Deliverable 2:4. Mr. Campbell replied that conversations were ongoing, but it looked like a 2-2.5 year timeframe. Council President Rosener referred to Deliverable 2:7, “Reconfigure existing software to adapt to current needs” and asked the city to investigate software that was compatible across all city departments as well as allow for citizen engagement with the city. City Manager Campbell addressed Pillar 3: Livability & Workability and deliverables and provided an overview. Council President Rosener referred to Deliverable 3:3, “Design Plan for Cedar Creek Trail Amenities” and commented that there may be the opportunity to work with Metro to reconfigure the Tonquin/Ice Age Trail plan system which may save the city money as well as extend the Cedar Creek Trail by not including a trail through the industrial areas. Councilor Brouse asked if Deliverable 3:10 was only for city staff or if it was city-wide? Mr. Campbell replied that it was both and explained that they were looking into programs for city staff and programs for residents. Council asked that the two types of

programs be differentiated deliverables. City Manager Campbell addressed Pillar 4: Public Safety and deliverables and provided an overview. Council President Rosener referred to Deliverable 4:1 and asked for clarification. Police Chief Ty Hanlon replied that they were trying to determine if a new SRO position was needed or if the previously approved SRO position was sufficient. Mr. Campbell addressed Pillar 5: Fiscal Responsibility and deliverables and provided an overview. He addressed Pillar 6: Citizen Engagement and deliverables and provided an overview. Council asked that Deliverable 6:1, "Create new Website Platform and Enhance Social Media" integrate with whatever new software the city determined would be best and would allow for better citizen engagement/utilization of the website and staff workflow. IT Director Brad Crawford provided a brief overview of what his process for Deliverable 6:1 and 6:3 would be and discussion occurred. City Manager Campbell asked for feedback from Council. Council stated they liked the color coding of project statuses and asked that a "due date" column be added to future updates in order to set staff and Council expectations and timelines. Mr. Campbell explained that he planned to provide a quarterly update to Council on the status of their goals.

5. ADJOURNED:

Mayor Mays adjourned the work session at 6:45 pm and convened a regular session.

REGULAR SESSION

1. CALL TO ORDER: Mayor Mays called the meeting to order at 7:05 pm.

2. COUNCIL PRESENT: Mayor Keith Mays, Council President Tim Rosener, Councilors Renee Brouse and Kim Young. Councilors Sean Garland and Taylor Giles participated remotely. Councilor Doug Scott was absent.

3. STAFF PRESENT: City Manager Keith D. Campbell, IT Director Brad Crawford, Community Services Director Kristen Switzer, Police Chief Ty Hanlon, Interim City Attorney Alan Rappleyea, and City Recorder Sylvia Murphy.

4. APPROVAL OF AGENDA:

MOTION: FROM COUNCILOR YOUNG TO APPROVE THE AGENDA. SECONDED BY COUNCILOR BROUSE. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR SCOTT WAS ABSENT).

5. CONSENT AGENDA:

- A. Approval of July 19, 2022 City Council Meeting Minutes**
- B. Approval of August 2, 2022 City Council Meeting Minutes**
- C. Approval of August 10, 2022 City Council Meeting Minutes**
- D. Resolution 2022-066, Reappointing Kade Strode to the Sherwood Budget Committee**
- E. Resolution 2022-067, Authorizing the City Manager to enter into a contract with Total Range Solutions to renovate the Police Department's Indoor Firing Range**

MOTION: FROM COUNCILOR BROUSE TO APPROVE THE CONSENT AGENDA. SECONDED BY COUNCILOR YOUNG. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR SCOTT WAS ABSENT).

Mayor Mays addressed the next agenda item.

6. CITIZEN COMMENTS:

There were no citizen comments and Mayor Mays addressed the next agenda item.

7. PRESENTATIONS:

A. Introduction of New Sherwood Police Captain

Police Chief Ty Hanlon explained that the city had been recruiting for a replacement for the Police Captain position for several months and introduced Captain Dan O'Loughlin. He stated that Captain O'Loughlin had previously worked for the City of Hillsboro for more than 20 years as well as in Coos Bay and in Canada. Captain O'Loughlin came forward and stated he had 29 years of law enforcement experience, including four years in Alberta, Canada. He stated he was excited to be in Sherwood and commented that it had been a goal of his to join the Sherwood Police Department for the past four years. He stated he was thankful to be in Sherwood and was grateful to serve the community that he and his family lived in. He commented that the Sherwood Police Department had a "family-unit feel" to it and that was one of the reasons he wanted to join. Chief Hanlon commented that the "family-unit feel" of support through both the Sherwood Police Department and the members of the local TVF&R station was unique and thanked the TVF&R firefighters for attending the meeting. Council President Rosener welcomed Captain O'Loughlin to Sherwood.

Mayor Mays addressed the next agenda item.

8. NEW BUSINESS:

A. Resolution 2022-068, Authorizing Workback Policy for Sherwood Police Department

Police Chief Ty Hanlon recapped that the workback policy program had been discussed for several years and explained that SB 1049 allowed employers to hire personnel who had retired in PERS to workback up to fulltime without PERS penalty. He stated that a workback policy was an important tool for cities to utilize given the current landscape of law enforcement, hiring, and retention. He explained that the workback program would allow for the Sherwood Police Department to retain tenured officers while actively recruiting and training new officers. Mayor Mays commented that the proposed resolution was set to expire in December 2024 and City Council could choose to sunset the program or extend it when the time came. He stated that the legislation also recognized that the workback program was needed. Councilor Young asked if it was determined to be needed, an officer could theoretically work until December 31, 2024 with no PERS penalty? Chief Hanlon replied that was correct. Council President Rosener asked if it was true that the city would save money utilizing this program when it came to how PERS was handled? Chief Hanlon replied that the city would not be paying the PERS 6%. Councilor Young asked if the city would still pay for the other portion of PERS? City Manager Keith Campbell replied that was correct and explained that the money went towards the overall unfunded liability for PERS. Councilor Giles asked if this had been accounted for in the approved budget and if the program would be used while actively recruiting for replacements? Chief Hanlon replied that the program was accounted for in the budget and explained that they planned to use the workback program to fill in the coverage gaps while new officers were being recruited and trained.

Mayor Mays asked for discussion or a motion from Council.

MOTION: FROM COUNCILOR BROUSE TO ADOPT RESOLUTION 2022-068, AUTHORIZING WORKBACK POLICY FOR SHERWOOD POLICE DEPARTMENT. SECONDED BY COUNCILOR YOUNG . MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR SCOTT WAS ABSENT).

Mayor Mays addressed the next agenda item.

B. Resolution 2022-069, Authorizing amendment of Compensation Policy for Police Sergeants at the Sherwood Police Department

Police Chief Ty Hanlon explained that the proposed resolution was an update to a policy that was implemented in 2011. He explained that in 2011, the City Manager and Police Chief had implemented a new policy to compensate Sergeants for overtime pay starting at 80 hours per 14-day work-period. He explained that the change meant that a Sergeant would not qualify for overtime until they had worked in excess of 80 hours within a two-week pay-period. Chief Hanlon explained that Sergeants were assigned to patrol and were included as a part of patrols minimum staffing and Sergeants did not make disciplinary decisions regarding personnel. He recapped that the amendment of the policy meant that when a Sergeant exceeded 40 hours in a 7-day work week, they would be compensated at time and one-half the employee's regular rate. He reported that the financial impact of the policy update would result in an increase in the Police Department's overtime expenditure by \$10,000-\$15,000 per year and explained that Sergeants were able to flex their schedules as needed within the identified 14-day pay-period. Councilor Young referred to the 2011 policy and asked if the policy was written that way because Sergeants were classified as "management, supervisory, and confidential"? Chief Hanlon replied that he was not a part of those conversations in 2011, but he felt that it was important to update the policy. Councilor Giles referred to labor laws and commented that the policy update made sense as the 40-hour work week was standard.

MOTION: FROM COUNCILOR BROUSE TO ADOPT RESOLUTION 2022-069, AUTHORIZING AMENDMENT OF COMPENSATION POLICY FOR POLICE SERGEANTS AT THE SHERWOOD POLICE DEPARTMENT. SECONDED BY COUNCILOR YOUNG. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR SCOTT WAS ABSENT).

Mayor Mays addressed the next agenda item.

9. CITY MANAGER REPORT:

City Manager Keith Campbell stated that he had no updates to share and Mayor Mays addressed the next agenda item.

10. COUNCIL ANNOUNCEMENTS:

Councilor Giles encouraged middle school students to sign up for cross country and said it was a great way to make friends.

Councilor Young reported that Washington County's Program Manager Jennie Proctor would retire at the end of August and Councilor Young had attended the CDBG Policy Advisory Board meeting where they celebrated Ms. Proctor's 25 years of service. She stated that Ms. Proctor was a "true leader" of the policy board and wished her well.

Councilor Brouse reported she attended the Senior Advisory Board meeting where they discussed new

programs offered by Circle of Friends and PEARLS that centered on mental health and feelings of isolation in seniors. She reported that a Senior Advisory Board survey would be sent out to the community to gather feedback regarding making Sherwood an age-friendly city. She reported that the Library Advisory Board would not meet in August.

Council President Rosener reported that CEP grant applications were currently being accepted and explained what the Community Enhancement Program entailed. He reported he attended the National League of Cities Internet Technology Committee meeting.

Mayor Mays reported he attended the OMA conference in Newport. He reported that he was one of four mayors to receive the 2022 Mayor Leadership Award at the conference and commented that it was really a team award for city leadership, city staff, and citizen volunteers who executed Council's goals and visions. He spoke on the power of suggestion when it came to getting talented people involved in programs or activities.

11. ADJOURN:

Mayor Mays adjourned the regular session at 7:40 pm and convened an executive session.

EXECUTIVE SESSION

- 1. CALL TO ORDER:** The executive session was called to order at 7:45 pm.
- 2. COUNCIL PRESENT:** Council President Tim Rosener, Councilors Kim Young, Doug Scott, Renee Brouse, and Taylor Giles. Councilor Garland participated remotely. Mayor Keith Mays recused himself.
- 3. STAFF PRESENT:** City Manager Keith Campbell and Interim City Attorney Alan Rappleyea.
- 4. TOPICS**

A. ORS 192.660(2)(e) Real Property Transactions

5. ADJOURN:

The executive session was adjourned at 8:25 pm.

Attest:

Sylvia Murphy, MMC, City Recorder

Keith Mays, Mayor

TO: Sherwood City Council

FROM: Craig Sheldon, Public Works Director

Through: Keith D. Campbell, City Manager

SUBJECT: Resolution 2022-071, Authorizing the City Manager to execute a construction contract for the SW Lee Drive and SW 3rd Street Pavement Rehabilitation Project

Issue: Should City Council authorize the City Manager to execute a construction contract with the lowest responsive bidder from an August 25, 2022 bid opening for the construction of pavement rehabilitation within SW Lee Drive (from SW Meinecke Road to SW Travis Court) and SW 3rd Street (from SW Washington Street to SW Pine Street)?

Background: SW Lee Drive (from SW Meinecke Road to SW Travis Court) and SW 3rd Street (from SW Washington Street to SW Pine Street) currently has deficient pavement in need of replacement. The proposed street work for SW Lee Drive will consist of grinding the existing surface and overlaying a new asphalt surface. New ADA compliant sidewalk ramps will be installed at the SW Lee Drive/SW Travis Court intersection. The proposed street work for SW 3rd Street will consist of grinding the existing surface and overlaying a new asphalt surface. No sidewalk ramps exist within the section of SW 3rd Street to be repaved.

A grind and inlay was chosen to provide a smooth driving surface at a lower cost than a full pavement removal and cement treatment.

The City solicited competitive bids from contractors and opened bids on August 25, 2022 to determine the lowest responsive bid. The lowest responsive bidder was Knife River Corporation - Northwest with a bid of \$156,000.00. The bidding process is currently in the seven (7) day protest period.

City staff expects the work to begin around September 2022 and to be completed by the middle of October 2022. City staff has provided notification to area residents of the upcoming project.

Staff requests that Sherwood City Council approve this resolution authorizing the City Manager to execute a construction contract upon completion of the seven (7) day protest period with the lowest responsive bidder (Knife River Corporation - Northwest) in a Base Contract Amount of \$156,000.00 with Construction Contingency of \$31,200.00 (20%) of the Base Contract Amount for the SW Lee Drive and SW 3rd Street Pavement Rehabilitation Project.

Financials: The construction of the street improvements has a budgeted Base Contract Amount of \$156,000.00 with Construction Contingency of \$31,200.00 (20%) of the Base Contract Amount for the SW Lee Drive and SW 3rd Street Pavement Rehabilitation Project. Funding for the project was included in the FY22-23 budget.

Recommendation: Staff respectfully requests adoption of Resolution 2022-071, authorizing the City Manager to execute a construction contract for the SW Lee Drive and SW 3rd Street Pavement Rehabilitation Project upon completion of the seven (7) day protest period.



RESOLUTION 2022-071

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION CONTRACT FOR THE SW LEE DRIVE AND SW 3RD STREET PAVEMENT REHABILITATION PROJECT

WHEREAS, the City has identified the pavement on SW Lee Drive (from SW Meinecke Road to SW Travis Court) and SW 3rd Street (from SW Washington Street to SW Pine Street) to be deficient and in need of replacement; and

WHEREAS, the City completed the design, produced bid documents and solicited contractors using a competitive bidding process per ORS 279C, OAR 137-049; and

WHEREAS, the City opened bids on August 25, 2022 and issued the Notice of Intent to Award with the mandatory seven (7) day protest period which is currently in process; and

WHEREAS, the City has budgeted for the construction cost of this project within the FY2022/2023 budget; and

WHEREAS, Knife River Corporation - Northwest has been identified by City staff as the lowest responsive bidder; and

WHEREAS, staff recommends City Council to authorize the City Manager to execute a construction contract with Knife River Corporation - Northwest in a Base Contract Amount of \$156,000.00 with Construction Contingency of \$31,200.00 (20%) of the Base Contract Amount for the SW Lee Drive and SW 3rd Street Pavement Rehabilitation Project.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1: The City Manager is hereby authorized to execute a construction contract upon the completion of the seven (7) day protest period with Knife River Corporation - Northwest in a Base Contract Amount of \$156,000.00 with Construction Contingency of \$31,200.00 (20%) of the Base Contract Amount for the SW Lee Drive and SW 3rd Street Pavement Rehabilitation Project.

Section 2: This Resolution shall be in effect upon its approval and adoption.

Duly passed by the City Council this 6th day of September, 2022.

Keith Mays, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

Agenda Item: Public Hearing

TO: Sherwood City Council

FROM: David Bodway, Finance Director
Through: Keith D. Campbell, City Manager and Interim City Attorney, Alan Rappleyea

SUBJECT: Resolution 2022-072, Updating the City of Sherwood Stormwater System Development Charges Methodology and Amending the Fee Schedule

Issue:

Shall the City Council adopt a resolution updating the Stormwater System Development Charges Methodology and amend the Fee Schedule?

Background:

Galardi Rothstein Group was hired to perform an analysis of the City of Sherwood's stormwater system. The general methodology used to calculate stormwater SDCs begins with an analysis of system planning assumptions to determine growth's capacity needs, and how they will be met through existing system available capacity and capacity expansion. Then, the capacity to serve growth is valued to determine the "cost basis" for the SDCs.

A work session was held on December 7, 2021 with the City Council to review the proposed Stormwater SDC Methodology.

Financial Impacts:

The updated proposed Stormwater SDC Methodology will increase the total water SDC's about 162%.

Recommendation:

Staff respectfully recommends that the City Council approve Resolution 2022-072, Updating the City of Sherwood Stormwater System Development Charges Methodology and Amending the Fee Schedule.



RESOLUTION 2022-072

UPDATING THE CITY OF SHERWOOD STORMWATER SYSTEM DEVELOPMENT CHARGES METHODOLOGY AND AMENDING THE FEE SCHEDULE

WHEREAS, City of Sherwood Ordinance 1991-927 provides that the City may amend or adopt a new Stormwater System Development Charge (SDC) Methodology Report by resolution; and

WHEREAS, the last Stormwater System Development Charges and Methodology update was completed in 2016; and

WHEREAS, on October 4, 2016, the City of Sherwood adopted an updated Stormwater System Master Plan (Ordinance 2016-015); and

WHEREAS, the Methodology Report includes updated SDC rates which reflect currently identified needs;

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The City of Sherwood City Council hereby adopts the Stormwater System Development Charges Methodology Report and Amending the Fee Schedule, attached hereto as Exhibit A.

Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 6th day of September 2022.

Keith Mays, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

Stormwater System Development Charges

Prepared For
City of Sherwood

July 1, 2022



Introduction

Oregon legislation establishes guidelines for the calculation of system development charges (SDCs). Within these guidelines, local governments have latitude in selecting technical approaches and establishing policies related to the development and administration of SDCs. A discussion of this legislation follows, along with the methodology for calculating updated sanitary sewer SDCs for the City of Sherwood (the City).

SDC Legislation in Oregon

In the 1989 Oregon state legislative session, a bill was passed that created a uniform framework for the imposition of SDCs statewide. This legislation (Oregon Revised Statute [ORS] 223.297-223.314), which became effective on July 1, 1991, (with subsequent amendments), authorizes local governments to assess SDCs for the following types of capital improvements:

- Drainage and flood control
- Water supply, treatment, and distribution
- Wastewater collection, transmission, treatment, and disposal
- Transportation
- Parks and recreation

The legislation provides guidelines on the calculation and modification of SDCs, accounting requirements to track SDC revenues, and the adoption of administrative review procedures.

SDC Structure

SDCs can be developed around two concepts: (1) a reimbursement fee, and (2) an improvement fee, or a combination of the two. The **reimbursement fee** is based on the costs of capital improvements *already constructed or under construction*. The legislation requires the reimbursement fee to be established or modified by an ordinance or resolution setting forth the methodology used to calculate the charge. This methodology must consider the cost of existing facilities, prior contributions by existing users, gifts or grants from federal or state government or private persons, the value of unused capacity available for future system users, rate-making principles employed to finance the capital improvements, and other relevant factors. The objective of the methodology must be that future system users contribute no more than an equitable share of the capital costs of *existing* facilities. Reimbursement fee revenues are restricted only to capital expenditures for the specific system with which they are assessed, including debt service.

The methodology for establishing or modifying an **improvement fee** must be specified in an ordinance or resolution that demonstrates consideration of the *projected costs of capital improvements identified in an adopted plan and list*, that are needed to increase capacity in the system to meet the demands of new development. Revenues generated through improvement fees are dedicated to capacity-increasing capital improvements or the repayment of debt on such improvements. An increase in capacity is established if an improvement increases the level of service provided by existing facilities or provides new facilities.

In many systems, growth needs will be met through a combination of existing available capacity and future capacity-enhancing improvements. Therefore, the law provides for a **combined fee** (reimbursement plus improvement component). However, when such a fee is developed, the methodology must demonstrate that the charge is not based on providing the same system capacity.

Credits

The legislation requires that a credit be provided against the improvement fee for the construction of “qualified public improvements.” Qualified public improvements are improvements that are required as a condition of development approval, identified in the system’s capital improvement program, and either (1) not located on or contiguous to the property being developed, or (2) located in whole or in part, on or contiguous to, property that is the subject of development approval and required to be built larger or with greater capacity than is necessary for the particular development project to which the improvement fee is related.

Update and Review

The methodology for establishing or modifying improvement or reimbursement fees shall be available for public inspection. The local government must maintain a list of persons who have made a written request for notification prior to the adoption or amendment of such fees. The legislation includes provisions regarding notification of hearings and filing for reviews. The notification requirements for changes to the fees that represent a modification to the methodology are 90-day written notice prior to first public hearing, with the SDC methodology available for review 60 days prior to public hearing.

Other Provisions

Other provisions of the legislation require:

- Preparation of a capital improvement program (CIP) or comparable plan (prior to the establishment of a SDC), that includes a list of the improvements that the jurisdiction intends to fund with improvement fee revenues and the estimated timing, cost, and eligible portion of each improvement.
- Deposit of SDC revenues into dedicated accounts and annual accounting of revenues and expenditures, including a list of the amount spent on each project funded, in whole or in part, by SDC revenues.
- Creation of an administrative appeals procedure, in accordance with the legislation, whereby a citizen or other interested party may challenge an expenditure of SDC revenues.

The provisions of the legislation are invalidated if they are construed to impair the local government’s bond obligations or the ability of the local government to issue new bonds or other financing.

Stormwater SDC Methodology

Overview

The general methodology used to calculate stormwater SDCs begins with an analysis of system planning assumptions to determine growth's capacity needs, and how they will be met through existing system available capacity and capacity expansion. Then, the capacity to serve growth is valued to determine the "cost basis" for the SDCs, which is then divided by the total growth capacity units to determine the system-wide unit costs of capacity. The final step is to determine the SDC schedule, which identifies how different developments will be charged, based on their estimated capacity requirements.

Growth Capacity Needs

The amount of impervious surface area is the most common method of measuring the volume of runoff, or capacity needs placed on a stormwater system by its users. Impervious areas are hard surfaces including (but not limited to) rooftops, driveways, walkways, and parking lots, that cause more runoff from an area than existed prior to the development. The greater the amount of impervious area on a lot, the greater the amount of runoff generated from that lot.

While several other factors can influence the amount of runoff, the amount of impervious surface area is generally considered the primary determinant of the volume of runoff and the primary cause of any increase in the rate of runoff. For this reason, impervious area is the most common and equitable billing method used in communities around the country for charging for stormwater service and SDCs.

A typical residential lot is estimated to have 2,640 square feet (SF) of impervious area, based on information from Clean Water Services. To estimate future stormwater equivalent service units (ESUs) to be served by the system, the projected growth in impervious area (from the GIS data developed in the Stormwater Master Plan) was divided by 2,640 SF per ESU. As shown in Table 1, the projected growth in ESUs is 7,710. This is accounted for through projected increases in ESUs in three growth areas within the City: infill of the Urban Growth Boundary, Brookman Concept Area, and Tonquin Employment Area.

Table 1
Projected Growth in Stormwater ESUs

EDUs	Growth
Infill Urban Growth Boundary	3,210
Brookman Concept Area	1,690
Tonquin Employment Area	2,810
Total Growth ESUs	7,710

Sources: Stormwater Master Plan

SDC Cost Basis

The capacity needed to serve new development will be met through a combination of existing available system capacity and additional capacity added by planned system improvements. The reimbursement fee is intended to recover the costs associated with the growth-related (or available) capacity in the existing system; the improvement fee is based on the costs of capacity-increasing future improvements needed to meet the demands of growth. The value of capacity needed to serve growth in aggregate within the planning period is referred to as the “cost basis”.

Reimbursement Fee Cost Basis

Table 2 shows the inflated system value of the City’s stormwater system. With the concurrence of City staff, and according to previous system development charge reports prepared for the City, it is assumed that all assets acquired prior to the year 2000 were donated, grant-funded, and/or constructed by private development, and were excluded from the cost basis. An additional \$9.1 million of asset value was identified by the City as funded by private development, so is excluded from the cost basis. For the remaining infrastructure constructed after 2000, the City’s Master Plan consultant estimated unused capacity of 20 percent in the stormwater system, based on an analysis of hydraulic modeling data. The reimbursement fee cost basis is about \$1.6 million.

Table 2
Stormwater Reimbursement Fee Cost Basis

Description	Inflated Cost ¹	City Cost	Growth Share %	Total \$
Infrastructure				
Original Assets (Pre - 2000)	\$35,147,896	\$0	20%	\$0
Private Development	\$9,084,872	\$0	20%	\$0
Post 2000 Infrastructure	\$7,877,721	\$7,877,721	20%	\$1,575,544
Total	\$52,110,489	\$7,877,721		\$1,575,544

Source: Costs from City fixed asset records; growth % from Murraysmith.

¹Reflects ENR Construction Cost Index = 12,133

Improvement Fee Cost Basis

Planned future local stormwater system capacity-increasing improvements to be funded by the City¹ are shown in **Table 3**. System capacity may be expanded through the upgrade of existing facilities or the construction of new facilities. Table 3 identifies the portion of each project that is related to meeting the capacity needs of future growth, as determined by the City’s Master Plan consultant. A portion of Master Plan costs are also included (based on the portion of the City-funded project costs that are growth related). The cost basis also includes the full cost of the SDC study.

¹ For purpose of evaluating the City’s local stormwater SDC, the cost of improvements to the regional system operated by Clean Water Services (CWS) are excluded.

Table 3*Stormwater SDC Project List*

PROJECT	Time Period	Cost Estimate	SDC-Eligible Portion ¹	
			%	\$
Condition Projects				
SW Willamette St., etc.	15-Year	\$370,000	20%	\$74,000
SW Merryman St, N to SW Oregon St.	20-Year	\$680,000	20%	\$136,000
SW Lower Roy St. to SW Oregon, etc.	20-Year	\$580,000	20%	\$116,000
SW Galbreath Dr.	20-Year	\$80,000	20%	\$16,000
SW Meinecke Rd	20-Year	\$70,000	20%	\$14,000
SW Sherwood Blvd & Langer Dr, etc.	20-Year	\$330,000	20%	\$66,000
Subtotal		\$2,110,000		\$422,000
Stormwater Management				
NW 2nd St. & NW Park St. SW Facility Rehab (design)	5-Year	\$353,000	0%	\$0
Proprietary Catch Basin SW St. Charles Way	5-Year	\$85,000	0%	\$0
Proprietary Catch Basin SW St. Charles Way	5-Year	\$95,000	0%	\$0
Swale SW Washington St & SW Meinecke Rd	5-Year	\$110,000	2%	\$2,200
Extended Detention Basin; Existing Ponds SW Oregon	10-Year	\$3,248,089	42%	\$1,364,197
Gleneagle Dr SW Facility	10-Year	\$615,000	17%	\$104,550
Extended Detention Basin SW Pacific Hwy	20-Year	\$220,000	39%	\$85,800
Swale SW Willamette	20-Year	\$120,000	7%	\$8,400
Swale SW Murdock Rd.	20-Year	\$120,000	0%	\$0
Extended Detention Basin SW Murdock Rd	20-Year	\$330,000	57%	\$188,100
Riparian Area Planting; Confluence to SW Sunset Blvd	20-Year	\$344,000	0%	\$0
Subtotal		\$5,640,089		\$1,753,247
Cost Estimates for Water Quality/ Hydromodification Facilities on future streets²				
Ice Age Road - Entire road from Oregon St. to WWSP	20-Year	\$1,400,000	100.0%	\$1,400,000
Brookman Road				
West HWY 99 to Middlebrook	20-Year	\$2,400,000	100.0%	\$2,400,000
M - By Riverside and Reserves at CC	20-Year	\$1,100,000	100.0%	\$1,100,000
East - CC to Ladd Hill Road	20-Year	\$1,600,000	100.0%	\$1,600,000
Subtotal		\$6,500,000		\$6,500,000
Planning				
Rate Study	5-Year	\$6,000	0%	\$0
SDC Study	5-Year	\$7,000	100%	\$7,000
Master Plan	20-Year	\$250,000	41%	\$101,370
Public Works Facility	10-Year	\$1,450,000	41%	\$587,946
Hydromodification Study	10-Year	\$125,000	41%	\$50,685
Subtotal		\$1,838,000		\$747,001
Total		\$16,088,089		\$9,422,248

¹ Condition projects based on existing system average available capacity; stormwater management projects SDC % based on Master Plan; planning projects reflect average project list SDC share.

² Any qualified developer constructed improvements will be provided SDC credits in accordance with the City's credit policy.

SDC Schedule

The reimbursement and improvement unit costs of capacity are determined by dividing the reimbursement and improvement fee cost bases, by the growth-related ESUs shown in Table 1. As shown in **Table 4**, the SDC per ESU is \$1,462 and is comprised of \$1,222 improvement fee and \$204 reimbursement fee. Based on an impervious surface allowance per ESU of 2,640 (from Table 1), the resulting SDC on a per square-foot basis is \$0.55 per square foot.

Table 4

Local Stormwater SDC Calculation

	Improvement	Reimbursement	Compliance	Total
Growth-related cost	\$9,422,248	\$1,575,544	\$278,036	\$11,275,829
Growth ESUs	7,710	7,710	7,710	
Full Cost per ESU	\$1,222	\$204	\$36	\$1,462
Net of Credit¹				\$804

¹45 percent of SDC is assumed credited for construction of on-site water quality management facilities that meet or exceed Clean Water Services requirements.

Compliance Costs

Local governments are entitled to spend SDC revenue on costs associated with complying with the SDC statutes. Compliance costs include staff time related to developing the SDC methodology, and annual accounting and other administrative costs. **Table 5** shows the calculation of the compliance charge per ESU, which is estimated to be \$36.

Table 5

Stormwater Compliance Charge

Item	Annual \$
Staff Support of SDC Study	\$2,411
Staff Accounting	\$972
Financial Management	\$6,684
Engineering	\$2,755
Accounting	\$1,080
Total Compliance Costs	\$13,902
Estimated Annual ESUs	386
Cost per ESU	\$36

Stormwater SDC Credits

Per Clean Water Services (District) policy, new developments that provide on-site water quantity or quality improvements, are entitled to a credit in SDC fees. Improvements that meet or exceed the requirements in the District's Design & Construction Standards are eligible for 100 percent credit on the local portion of the regional stormwater SDC. As a result of this policy, little (if any) revenue from the regional SDCs is available to the City.

For purposes of charging the City's own (supplemental) stormwater SDC, only a water quality SDC credit, equal to 45 percent of the fee will be provided to developments that meet the District's meet or exceed the requirements in the District's Design & Construction Standards. Local stormwater facilities are designed to manage flows from rights-of-way and from adjacent properties and even with the existence of onsite facilities. The direct or indirect benefit a development receives from City stormwater management facilities is not eliminated by the presence of onsite stormwater management facilities designed based on District standards.

Table 4 shows the net SDC, with 45 percent credit on the improvement fee, which equals \$804 per ESU. Water quality credits are in addition to any credits for construction of qualified public improvements, as required by Oregon SDC statutes.

Inflationary Adjustments

The SDCs may be adjusted annually based on a standard inflationary index. Specifically, the City uses the Engineering News Record (ENR) construction cost index for Seattle as the basis for adjusting the SDCs.