



Home of the Tualatin River National Wildlife Refuge

CITY COUNCIL MEETING PACKET

FOR

Tuesday, September 21, 2021

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

6:00 pm City Council Work Session

7:00 pm City Council Regular Meeting

Pursuant to House Bill 4212 (2020), this meeting
will be conducted electronically and will be live streamed at
<https://www.youtube.com/user/CityofSherwood>



6:00 PM WORK SESSION

1. **Oregon Street Design Update** (Jason Waters, Civil Engineer)
2. **Residential Design Standards** (Erika Palmer, Planning Manager)

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 September 7, 2021 City Council Meeting Minutes** (Sylvia Murphy, City Recorder)
- B. **Resolution 2021-086 Authorizing City Manager or City Manager Pro Tem to Purchase Materials and Supplies for Sherwood Broadband** (Craig Sheldon, Public Works Director)
- C. **Resolution 2021-087 Appointing Jennifer Casler to the Sherwood Cultural Arts Commission** (Chanda Hall, Center for the Arts Manager)
- D. **Resolution 2021-088 Authorizing the City Manager Pro Tem to execute a construction contract for the Division Street and Mansfield Street Grind and Inlay Project** (Craig Sheldon, Public Works Director)

6. CITIZEN COMMENTS

Pursuant to House Bill 4212 (2020), citizen comments and testimony for public hearings must be submitted in writing to CityRecorder@Sherwoodoregon.gov. To be included in the record for this meeting, the email must clearly state either (1) that it is intended as a 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, and in either case must be received at least 24 hours in advance of the scheduled meeting time. 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.

7. PUBLIC HEARINGS

- A. **Ordinance 2021-008 Amending sections of the Sherwood Zoning and Community Development Code to modify standards for residential uses in Commercial Land Use Districts (Second Reading)** (Erika Palmer, Planning Manager)

8. CITY MANAGER REPORT

9. COUNCIL ANNOUNCEMENTS

AGENDA

SHERWOOD CITY COUNCIL September 21, 2021

6:00 pm City Council Work Session

7:00 pm City Council Regular Meeting

Pursuant to House Bill 4212 (2020), this meeting
will be conducted electronically and will be
live streamed at
<https://www.youtube.com/user/CityofSherwood>

10. ADJOURN

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



SHERWOOD CITY COUNCIL MEETING MINUTES

22560 SW Pine St., Sherwood, Or

Pursuant to House Bill 4212 (2020), this meeting will be conducted electronically and will be live streamed at <https://www.youtube.com/user/CityofSherwood>

September 7, 2021

WORK SESSION

1. **CALL TO ORDER:** Mayor Mays called the work session to order at 5:54 pm.
2. **COUNCIL PRESENT:** Mayor Keith Mays, Council President Tim Rosener, Councilors Doug Scott, Kim Young, Sean Garland, Renee Brouse, and Russell Griffin.
3. **STAFF PRESENT:** City Manager Pro Tem Kristen Switzer, City Attorney Josh Soper, IT Director Brad Crawford, Community Development Director Julia Hajduk, Public Works Director Craig Sheldon, Finance Director David Bodway, Police Chief Jeff Groth, HR Manager Christina Jones, Planning Manager Erika Palmer, Senior Planner Joy Chang, and City Recorder Sylvia Murphy.

OTHERS PRESENT: Sherwood Planning Commission Chair Jean Simson, Chris Bell with Bell and Associates, Eric Anderson with Pride Disposal, Mike Leichner, Cindy Leichner, Kristin Leichner, and 3J consultant Anais Mathez.

4. TOPICS

A. Solid Waste Rate Review

Public Works Director Craig Sheldon stated that they would be discussing Municipal Code 8.20.080 4.b., Solid Waste Management. He explained that normally, Pride Disposal would provide the City Manager with an annual report on or before March 15th, and the City Manager would then provide that information to Council by April 15th if any rates or adjustments to the rates were needed or not. He explained that because the City Manager left in May, those things did not happen. He explained that Chris Bell with Bell and Associates, had also reviewed the rates and would be providing the presentation. Mr. Bell presented the "City of Sherwood Solid Waste & Recycling Collection" PowerPoint presentation (see record, Exhibit A). He reported that the current rates were implemented in January 2021 with rates for carts remaining unchanged, container rates increased by .60%, and drop box rates increased by \$5 per haul. He recapped that at that time there was talk of Metro increasing the tipping fee mid-year, but Metro had decided to push the increase back to July 1, 2021. He recapped the adjusted 2020 rates on page 3 of the presentation. He reviewed the estimated 2021 costs and reported that recycling processing costs decreased by 40% in 2021 due to the increased material values, yard debris processing increased by \$3.35 per ton primarily due to the costs associated with transportation to a distant processor, increases in labor costs, disposal costs increased \$3.88 per ton on January 1st primarily due to contractual obligations with the landfill and transportation

company, and Metro's increased fees and taxes on all waste disposal increased by \$8.40 per ton on July 1st. He reviewed the projected 2021 results on page 5 of the presentation and stated that the projected results were just under 8.9% for composite, 6.21% for cart, 12.75% for container, and 11.62% for drop box. Mr. Bell commented that the change in processing was not included in the projected 2021 results because he did not have that information at the time he put his report together and commented that if added, it would probably increase the 2021 results by 1-2%. He reported that Alternative 1 would adjust the rates to 75% of CPI on January 1, 2022 and explained that if the rate of return was greater than 11% (11.22%) but less than 12%, then the proposed rate adjustment would be three-fourths (0.75) times the index. He provided an example of a 35-gallon cart cost increase of .65 cents. He addressed Alternative 2 and explained that it would pass-through the Metro fees immediately and then adjust rates to 75% of CPI on January 1, 2022. He explained that Alternative 2 would allow Council to immediately pass the .51 cent disposal increase from Metro and then initiate the .65 cent increase on January 1st. He addressed Alternative 3 and stated it would pass the disposal increase and rate adjustment to 75% of CPI on January 1, 2022. He commented that Alternative 3 was Pride Disposal's preferred alternative. Mayor Mays asked that if the numbers did not reflect the change in recycling, was the data valid? Mr. Bell replied that the answer was two-fold. One, the code stated that there was a portion of the CPI that was applied, and it did not look at projected results of where the city was going. He explained that what was being proposed was two things: the percentage of the CPI because the CPI was based on the prior year and the increased disposal costs. He commented that it would fall outside the bounds of the Municipal Code if the projected 2021 results were applied instead. He explained that there was a lot of costs that were increasing that may or may not be reflected in the CPI. Council President Rosener asked Mr. Bell how the CPI rule worked with guaranteed margins? Mr. Bell replied that there were changes happening that were significantly increasing costs, so the approach was to run a CPI for several years and then, when necessary, do a rate review to true up the rates, but that had not been the case. He commented that Council could adjust the rates, pass the CPI, and the cost of processing could increase to where they were getting money back, and the rate of return could be significantly above that 12%. And if that was the case, there could be a CPI adjustment as well. Council President Rosener asked if the numbers reflected the 40%? Mr. Bell replied no, because Sherwood's Municipal Code did not take into consideration the projected rate of return for the current year. Councilor Scott asked if the 40% were to trend to 80%, then in a year the rates could be the same or potentially lower? Mr. Bell replied that was correct. Kristin Leichner provided an example of last year's rate of 7.94, which was outside the range delineated in the Municipal Code, and that was why Pride did not follow the CPI model and Mr. Bell completed projections to try and predict what the next year would look like. She explained that the Municipal Code states that if the rates fall below 8 or above 12, then a full scale reset of the rates would be completed that reviewed recycling costs, disposal costs, labor costs, and insurance costs. However, if the rates fell between 8-12%, then it was either a CPI or a percentage applied to the CPI based on where in that range they fell. She explained that this year was an outlier because of the Metro increases and the recycling prices getting better, but were still volatile and inconsistent, which contributed to the uncertainty of the projections. Mr. Bell recapped next steps and asked for questions from Council. Council President Rosener asked if the projected 2021 results numbers were calculated based on the first 9 months of 2021? Mr. Bell replied that the calculations were based on information from 2020 as he did not have the numbers from the first 8 months of 2021. Mayor Mays commented that per the Municipal Code, the rates were based on actuals from 2020, not projections. Mr. Bell replied that was correct. Mayor Mays referred to Alternative 2 and asked if it meant that Council could pass a new adjustment as soon as possible and then in January, enact the CPI? Mr. Bell replied that was correct and explained that Alternative 2 was problematic because if it was passed today, the adjustment would be initiated in October/November followed by another rate adjustment in January. Councilor Scott commented he preferred Alternative 2 because it was clear what increases were due to Metro. Council President Rosener asked how they could educate rate payers on that

information? He continued that at the end of the day, there were no actuals based on the rate increases, only projections. Mr. Bell confirmed that the actuals from Metro's tipping fee increase were included when he completed his projection models. Council President Rosener asked that since the rates of return were between the 11-12% range, only a CPI adjustment was being looked at? Mr. Bell confirmed that was correct. Mayor Mays asked for clarification on Alternative 3, Pride Disposal's preferred alternative. Mr. Bell explained that there were two things at play, the CPI adjustment and the Metro tipping fee increase which went into effect on July 1st. He explained that as of July 1st, Pride was paying that additional amount per ton and they were not asking to be made whole on the past six months, Pride was asking to be made whole on the rate that would go into effect on January 1st. He explained that the .75 cent increase reflected how much the cost for disposal went up from January 1, 2021 to January 1, 2022. Mayor Mays asked if the Municipal Code addressed adjusting for pass-throughs? Mr. Bell replied that no, the code did not address pass-throughs, only CPI. Council President Rosener asked if Mr. Bell knew how much the tipping fee increase was offset by the change in value of recycled materials? Mr. Bell replied he did not perform that calculation, but he could do so and report back. Mr. Bell addressed Alternative 2 and explained that the disposal rate was lower than Alternative 3 because the Metro tipping fee was calculated based on a per-ton basis whereas Alternative 3 looked at what the disposal rate was for January 2022 and then set the rate increase taking into consideration the full increase. Councilor Scott commented the price differences between Alternative 2 and Alternative 3 did not make sense to him since Alternative 2 had an initial increase of .51 cents for a total of \$29.54 for a 35 gallon cart and then in January they would pay a total of \$30.20, whereas in Alternative 3 they would pay \$30.43. Mr. Bell replied that was correct and explained that the difference was the tipping fee increase was based on \$8 per ton. The tipping increase between the two years was much higher at \$12 or \$13 a ton because it took into consideration the operational increases/contractual increases that Pride was going to incur for disposal and transportation costs. Councilor Scott asked if Alternative 2 also took that into account? Mr. Bell replied that no, Alternative 2 would only do the pass-through of the Metro taxes on disposal. Councilor Scott expressed that he was still confused as to why there were price differences between Alternative 2 and Alternative 3 when they would essentially enact the same things. Mr. Bell explained that the tipping fee increase that Metro had passed was \$8 per ton, and the expected increase per ton between the tipping fee on January 1, 2021 and January 1, 2022 was \$12.28, so he had calculated the tipping fee increase based on either the \$8 pass-through fee or the \$12.28 increase on disposal fees that would be in effect on January 1st. Mayor Mays commented that if Council followed the Municipal Code guidelines, they could only do the CPI and therefore the recycling data needed to be included in the calculations as well. Council President Rosener commented he agreed with Mayor Mays. Mr. Bell stated he would make those calculations and report back. Councilor Scott commented that the other alternative was that if the adjusted rates were always based on trialing actuals then Council could do nothing with the Metro tipping fee and only do the normal adjustment on January 1st, then complete another adjustment a year later when the actuals were available. Kristin Leichner commented that there was a section in the Municipal Code that referred to how rates were set, and it stated that rates were to be adjusted annually based on the methodology, but it did allow for an exemption specifically for disposal costs either at the landfill or the pass-through by Metro. Eric Anderson commented on recycling pricing and factoring those numbers into the calculations and stated that the improved pricing was included in the report submitted to the City and would continue to be included in the calculations as the data became available in real-time. He continued that while there had been an improvement, it was already representative of what they had experienced so far in those numbers. He explained that in Mr. Bell's forecast, they were potentially dropping down into the 8% range, that would capture any benefits that were coming from that pricing. When the code CPI was factored for the next time, those benefits and improvements were built into those numbers for what that CPI would look like. City Attorney Josh Soper referred to the Municipal Code information Ms. Leichner had spoken on and explained that there was an annual review process as well as a separate section that stated that Council

could amend the rates at any time and in any frequency to respond to increased operating costs directly attributable to landfill disposal costs and was the exception to the annual review. Discussion on if tipping fees were considered a part of the landfill disposal costs occurred. Mr. Soper clarified that tipping fees were typically considered a part of landfill disposal costs. Councilor Brouse commented that based on City Attorney Soper's interpretation of the code, she would prefer to do a single increase versus multiple increases. Council President Rosener stated he would like to see the analysis with the recycling rate increases taken into account. Councilor Scott commented he was fine with either Alternative 1 or Alternative 2. Councilor Young commented she preferred Alternative 3 and added that she would also like to see the recycling rate changes. Councilor Griffin commented he was fine with Alternative 3 and also wanted to see the recycling rate changes. Mr. Bell stated he would update the report and bring it back to Council.

B. Review of Draft Comprehensive Plan

Consultant Anais Mathez presented the "Sherwood 2040 Comprehensive Plan Update 2021 Adoption Process" PowerPoint presentation (see record, Exhibit B). She recapped the adoption process timeline and stated that three previous Planning Commission work sessions had been held in June and July of 2021 and their feedback and revisions were compiled into an updated draft Comprehensive Plan to be presented to Council at this meeting. She explained that any final revisions by Council would be added to the draft document to create the final Comprehensive Plan and reported that there would be a Planning Commission hearing on the document on October 26, 2021 and a City Council hearing on November 16, 2021. She provided a recap of the work plan timeline on page 7 of the presentation. She detailed the Comprehensive Plan visioning process and reported that the process had reached hundreds of Sherwood community members, developed a framework for the Comprehensive Plan Update, was guided by a Community Advisory Committee, and was adopted by City Council January 15, 2019. She provided a breakdown of the structure of the draft Comprehensive Plan documents (see record, Exhibit C and Exhibit D) emailed to Council prior to the work session. Ms. Mathez addressed the "Thriving and Diversified Economy" block and reported that key activities of the block included: an updated Economic Opportunities Analysis (EOA), targeted outreach to community members that primarily focused on economic development activities, an online survey to review policy concepts, PAT review, CAC and TAC review, Planning Commission review, and City Council review. She recapped the feedback that was received on the "Thriving and Diversified Economy" block and explained that there was feedback to encourage development of industrial/high employment businesses to increase the City's tax base through faster growth rate of jobs per resident rather than housing units, explicitly calling out office commercial to make the distinction from retail commercial, focus on providing opportunities to develop infrastructure and emerging technologies to support employment group while ensuring access to the broader Portland Metropolitan Region. She reported that the document was updated again, and the revised draft was reviewed by the TAC and CAC on July 10, 2019. The TAC agreed that the goals and policies were in line with the City's vision and did not have any substantive changes to the document. The CAC discussed the concept of incubator space and supported an emphasis on transportation projects, suggesting minor edits to Objectives 2.7 and 3.4. She addressed the "Strong Community, Culture, and Heritage" block and recapped key activities as: the Sherwood Art Walk, engaging in targeted outreach to organizations that primarily focused on public involvement, arts, and history/heritage in Sherwood, an online survey to review policy concepts, meeting with Chamber of Commerce, City Volunteer Coordinator, and Library staff, PAT review CAC and TAC review, Planning Commission and City Council review. She provided an overview of the input received from the stakeholders and reported that the stakeholders had provided insight to the project team on the development of the draft goals, policies, and objectives of this block. She reported that the Planning Commission reviewed the draft goals, policies and objectives document on October 17, 2019 and had provided valuable feedback and revisions. She detailed

that revisions to the document included breaking apart objectives that included two concepts, general wordsmithing for clarity, and a conversation about engaging underrepresented communities within the Sherwood community and creating opportunities for youth to be involved in civic affairs. Ms. Mathez addressed the “Strategic and Collaborative Governance” block of the Comprehensive Plan and recapped key activities as: a public workshop, an online survey to review policy concepts, PAT review, CAC and TAC review, and Planning Commission and City Council review. She reported on the feedback received on this area and explained that placing an emphasis on the importance of transparency and clear communication from city government, accessible public engagement and decision-making, importance of public services for a robust community and the need to grow those services so they were proportionate with growth, and the importance of preserving and maintaining natural areas. She addressed the “Attractive and Attainable Housing” block and recapped key activities as: updating the Housing Needs Analysis (HNA), a CAC-led targeted outreach to community members that focused on housing development, access and affordability, an online “Housing Preferences” survey, in-depth interviews with community members to develop a “Housing Snapshot”, an online survey to review policy concepts, PAT review, CAC and TAC review, and Planning Commission and City Council review. She reported that the survey received 1,091 responses after distributing the survey through social media and email lists, including utility billing. She explained that revisions from the August 2020 CAC and Planning Commission review of the block included breaking apart objectives that included two concepts, replacing verbs (from “ensure” to “encourage”), adding additional language for specification, and adding clarifications for certain terms. Ms. Mathez address the “Coordinated and Connected Infrastructure” block and recapped key activities as: a targeted outreach to local agency partners, utility providers and City departments, an online survey to review policy concepts, PAT review, CAC and TAC review, and Planning Commission and City Council review. She explained that key decisions in this block included condensing or removing redundant transportation policies and referring to the implementation of the City's adopted Transportation Plan. She explained that because the City would be updating its TSP in the near future, and that the City implemented the goals and policies in the current adopted document, both the CAC and Planning Commission felt that many of the draft policies were “action” items. She addressed the “Healthy and Valued Ecosystems” block of the Comprehensive Plan and reported that key action items included: stakeholder interviews with state partner agencies, non-profit groups, and other regional agencies, an online survey to review policy concepts, PAT review, CAC and TAC review, and Planning Commission and City Council review. Councilor Young thanked everyone for their hard work on the document and commented she was pleased with her initial review of the document. Mayor Mays asked Planning Manager Erika Palmer to speak on next steps assuming the Comprehensive Plan would be adopted by the end of the year. Planning Manager Palmer explained that after the adoption of the plan, staff had created an action plan to implement the Comprehensive Plan. She explained that the actions were based on the goals and policies in the plan and would serve as the work plan for the Community Development Department over the next twenty years at which time a Comprehensive Plan update would be needed. Mayor Mays asked if a meeting should be scheduled to discussed the proposed action plan and allow Council to provide feedback? Ms. Palmer replied that a work session to discuss the action plan would be scheduled. Community Development Director Julia Hajduk added that a Comprehensive Plan would be a document that helped guide future work and Council's input on the priorities was essential as it would also help staff know which grants to apply for. Mayor Mays asked for Planning Commission Chair Jean Simson's thoughts on the Comprehensive Plan. Planning Commission Chair Simson replied that she was proud that this had been a community driven process which had unfortunately been affected by the COVID-19 pandemic, but she was pleased with how the CAC had continued to hold virtual meetings. She gave her compliments to Ms. Mathez and her team and commented she was pleased with the review process that the document had been put through. Council President Rosener commented he was pleased with the document and expressed his excitement to move forward with the process. Councilor Griffin commented it

had been enjoyable being a part of the process and attending the meetings and he was excited to move forward with the process.

5. ADJOURN:

Mayor Mays adjourned the work session at 6:53 pm and convened a regular session.

REGULAR SESSION

- 1. CALL TO ORDER:** Mayor Mays called the meeting to order at 7:02 pm.
- 2. COUNCIL PRESENT:** Mayor Keith Mays, Council President Tim Rosener, Councilors Kim Young, Sean Garland, Renee Brouse, Doug Scott, and Russell Griffin.
- 3. STAFF PRESENT:** City Manager Pro Tem Kristen Switzer, City Attorney Josh Soper, IT Director Brad Crawford, Community Development Director Julia Hajduk, Public Works Director Craig Sheldon, Finance Director David Bodway, Police Chief Jeff Groth, Planning Manager Erika Palmer, HR Manager Christina Jones, and City Recorder Sylvia Murphy.
- 4. APPROVAL OF AGENDA:**

MOTION: FROM COUNCILOR GRIFFIN TO APPROVE THE AGENDA. SECONDED BY COUNCILOR YOUNG. MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR.

Mayor Mays addressed the next agenda item.

5. CONSENT AGENDA:

- A. Approval of August 17, 2021 City Council Meeting Minutes**
- B. Approval of August 26, 2021 City Council Meeting Minutes**
- C. Resolution 2021-081 Appointing Arisa de Olde to the Sherwood Cultural Arts Commission**
- D. Resolution 2021-082 Authorizing City Manager or City Manager Pro Tem to enter into a contract with Carrier Corporation to Replace Air Conditioning Chiller at the Civic Building**
- E. Resolution 2021-083 Approving the Oregon Water/Wastewater Agency Response Network Agreement Addendum No. 1 for the Sharing of Personnel During an Emergency When Workers are Unable to Get to Their Normal Reporting Location During a Severe Emergency (Shared Workers)**
- F. Resolution 2021-084 Appointing Becky Hicks to the Sherwood Senior Advisory Board**
- G. Resolution 2021-085 Appointing Jen Myers to the Sherwood Senior Advisory Board**

MOTION: FROM COUNCILOR YOUNG TO APPROVE THE CONSENT AGENDA. SECONDED BY COUNCILOR BROUSE. MOTION PASSED 7:0, ALL MEMBERS VOTED IN FAVOR

Mayor Mays addressed the next agenda item.

6. CITIZEN COMMENTS:

The City Recorder reported that there were no citizen comments.

Mayor Mays addressed the next agenda item. The City Recorder read the public hearings statement and reported that no public testimony had been received for either ordinance.

7. PUBLIC HEARINGS:

A. Ordinance 2020-005 Amending sections of the Sherwood Zoning and Community Development Code as it relates to the regulation of Signs *(Second Reading)*

Planning Manager Erika Palmer presented the “Sign Code Update” PowerPoint presentation (see record, Exhibit E) and recapped the sign code discussion timeline. She explained that the first hearing for the proposed ordinance was held in July 2020 and Council decided to continue the second hearing to November 17, 2020 due to the COVID-19 pandemic. In November 2020, the second hearing was continued to March 2, 2021 due to COVID-19 and additional issues raised by Council and a work session was requested. She recapped that the key issues raised in the sign code discussion were: murals, portable signs located in the ROW of residential areas, flags, feather signs, Permanent Residential Development Signs, and IP zone wall signs. She addressed murals and explained that under the current code, it was unclear if murals were allowed. In the proposed amendments, murals would be exempt from the sign code and would be classified as “Public Art” that was publicly owned and fully controlled by the City, and the process and criteria for creating murals was established by the City’s Murals Plan. She addressed portable signs located in the ROW of residential area and reported that the proposed amended language stated that if you placed a portable sign within the ROW adjacent to a home, prior authorization from the adjoining property owner was needed. She reported that they had received one public comment from the Portland Realtors Association on the proposed code language via the public hearings process at a Planning Commission meeting in which they asked that the code language not be changed for portable signs in the ROW. Ms. Palmer addressed flags and explained that the City could not regulate flag content, which could lead to controversial content or disputes due to their highly visible nature. She explained that they had also defined the term “flag” in the proposed ordinance since the current code did not have a definition for flags. She reported that additional standards for flags had been created for residential and non-residential areas and recapped the new standards. Ms. Palmer addressed feather signs and explained that the issue was that the current code was not clear in its intent to prohibit the use of feather signs and the proposed changes made the prohibition of feather signs clearer. She explained that Council had directed City staff to develop a feather sign buy-back program or a program that would benefit those businesses that had already purchased feather signs. She explained that the proposed buy-back program would begin in October 2021 and would first focus on providing education to local businesses with feather signs as well as advertising the buy-back program on the City’s social media networks. She provided details on the buy-back program and explained that businesses must have a valid Sherwood Business license, businesses must provide the completed form along with feather signs to be compensated, the amount of compensation would vary based on the number of signs (\$50 for 1 sign, \$100 for 2-3 signs, \$200 for more than 3 signs maximum), businesses may only submit to the buy-back program once, after submittal of the form and signs staff will process the form and send a check to the business, the program will run from October 2021-January 2022 after which no more buy-backs would be possible and the enforcement of the feather signs would begin. Community Development Director Julia Hajduk explained that Council would be able to provide their feedback on the proposed buy-back program at the next Council meeting. She commented that she recently had done a rough count of 15 local businesses that were using feather signs. Councilor Scott asked if the buy-back program was a part of what Council was voting on at this meeting? Ms. Hajduk replied that it was not a part

of what was getting voted on at this meeting. Planning Manager Palmer addressed Permanent Residential Development Signs and explained that the new code language fixed the definition of Permanent Residential Development Signs that closed a previous loophole in the code language. She addressed IP Zone wall signs and explained that the current code language did not call out signs within IP Zones, and the new code language would make it clear regarding the regulations around signs located in IP Zones. Council President Rosener asked if inflatable/movable signs had been defined in the new code? Ms. Palmer replied that movable/animated signs were prohibited in the current code. Mayor Mays stated that there was no public testimony on the proposed ordinance and closed the public hearing portion and asked for questions or discussion from Council. Hearing no other questions or discussion from Council Mayor Mays asked for a motion on the proposed ordinance.

MOTION: FROM COUNCILOR YOUNG TO READ CAPTION AND ADOPT ORDINANCE 2020-005 AMENDING SECTIONS OF THE SHERWOOD ZONING AND COMMUNITY DEVELOPMENT CODE AS IT RELATES TO THE REGULATION OF SIGNS. SECONDED BY COUNCILOR GRIFFIN. MOTION PASSED 6:1, MAYOR MAYS, COUNCIL PRESIDENT ROSENER, COUNCILORS GARLAND, BROUSE, YOUNG, AND GRIFFIN VOTED IN FAVOR. COUNCILOR SCOTT OPPOSED.

Mayor Mays addressed the next agenda item.

B. Ordinance 2021-008 Amending sections of the Sherwood Zoning and Community Development Code to modify standards for residential uses in Commercial Land Use Districts (*First Reading*)

Planning Manager Erika Palmer presented the “Multi-Family in Commercial Land Use Districts Development Code Update” PowerPoint presentation (see record, Exhibit F) and explained that there were concerns that permitting multi-family housing in Commercial Land Use Zones based on the current standard of “on the upper floors, in the rear of, or otherwise clearly secondary to commercial buildings” without additional limitations or restrictions allowed for the consumption of land not associated with office, retail service, and other commercial employment uses in areas intended for those uses. She commented that economic development, job creation, and the preservation of the tax base in commercial zones were Council priorities and there were concerns that the current language was unclear and difficult to interpret, and additional limitations and restrictions needed to be created. She recapped previous work completed in Council work sessions on page 3 of the presentation and reported that the code needed to focus on clear and objective language, only allow for vertical mixed-use building opportunities outright, limit the number of stairwells open to the outside, make clear that the reference to high-density residential (HDR) standards in the current code provided the maximum density but that there was no minimum density, ensure that the development of the commercial use occurred first or concurrent with residential development, and ensure that there is adequate parking. She provided an overview of the proposed amendments on page 4 of the presentation. Mayor Mays stated that there was no public testimony on the proposed ordinance and closed the public hearing portion and asked for questions or discussion from Council. Councilor Scott asked when the proposed ordinance would go into effect if it was passed? Community Development Director Julia Hajduk replied it would go into effect 30 days after adoption. Mayor Mays asked with the way the draft language was written, could any of the ground floor be used as parking? Planning Manager Palmer replied that that was not specified in the proposed language as it was currently written. She commented that the language states that the first floor must be commercial, and she felt that that was the way staff would interpret it. Mayor Mays confirmed that she felt that staff would interpret the language to mean that it had to be commercial and parking was not a commercial use? Ms. Palmer replied that was correct. City Attorney Josh Soper suggested that the language be revised to make the standards as clear and objective as possible if it was Council’s wish not to allow

parking on the first floor. Mayor Mays commented he felt that Council wanted it to be commercial use and commented that if someone was building a showroom that would be different. Councilor Scott commented that a parking structure would also be different. Council President Rosener commented that the City had to be careful because someone could make the argument that if someone was charging for a permit to park, it would be considered a commercial use. Mayor Mays suggested that amended language should be brought forward at the next hearing for the ordinance that made it clear that it should be commercial use only and not parking. City Attorney Soper added that he noticed that it said that non-residential use was permitted on the underlying zone that was located on the ground floor and that the City would want to clarify that it was occupying the entire ground floor not just that there was some non-residential use on the first floor. Mayor Mays asked if that would still allow for a lobby with an elevator? Mr. Soper replied that that could be made clear as well. Councilor Griffin asked for clarification regarding stairwells as he felt the language was unclear. Mayor Mays asked City Attorney Soper to review the stairwell language and clarified that the goal was to have an emergency stairwell and a single stairwell, or two stairwells if it was a 2-unit, and an elevator if it was a 3+ unit. Council President Rosener asked regarding proposed amendment #5 of "the ground floor must have an interior height of not less than 14 feet measured from the entry level finished floor to the bottom of the structural members of the floor above" and asked if a drop ceiling would count or not? Planning Manager Palmer replied that with the interior height of the ground first floor commercial, they were saying that the 14 feet was measured from the entry level finished floor to the bottom of the structural members of the floor above. Councilor Scott replied that the proposed code language said "structural ceiling" which would imply that a drop floor would be permitted. Community Development Director Hajduk commented that she would like to bring in the City's building official to ensure that the language was worded in a way that made sense to him before the second hearing on the ordinance. City Attorney Soper commented that he welcomed any additional feedback on the proposed language prior to the next hearing on the ordinance on September 21st.

Mayor Mays addressed the next agenda item.

8. CITY MANAGER REPORT:

City Manager Pro Tem Kristen Switzer reported that the Robin Hood Festival had been cancelled and that the Robin Hood Festival Association was currently planning their December 4th holiday event. She reported that the League of Oregon Cities conference was cancelled due to COVID. She provided updates on upcoming construction projects in town including a sewer line upsize project and road closures on Tualatin-Sherwood Road and Roy Rogers.

Police Chief Jeff Groth reported on the opening of new schools and reported that he had coordinated with the Sherwood School District to help enforce school zone speed limits including officers stationed at the high school and middle school for the first two days of school. He reported on police activity during the Labor Day weekend and stated that the Sherwood Police Department was continuing their efforts combatting theft in Sherwood and commented that the department had recently recovered large amounts of stolen property. Councilor Young asked if the SRO position had been filled with a permanent person? Chief Groth replied that they were moving forward with the process and stated it would be completed within the next week or so. Councilor Brouse asked if there were still open positions in the Sherwood Police Department and asked how they were balancing the needs of the community with the gaps in personnel? Chief Groth replied there were still open positions in the department and commented that they were handling it "very carefully and cautiously" and it was a balancing act. He added that they recently had three very strong applicants. Council President Rosener asked regarding a police presence at the intersection of Sunset and 99W to help with

traffic control for students crossing there. Chief Groth replied that they were doing their best and commented that the automated enforcement system there would also hold drivers accountable as well as having officers monitor that area.

City Manager Pro Tem Kristen Switzer reported that she had met with the new City Manager Keith Campbell last week while he visited Sherwood.

Mayor Mays addressed the next agenda item.

9. COUNCIL ANNOUNCEMENTS:

Councilor Griffin reported that the Robin Hood Festival was cancelled and thanked the Robin Hood Festival Association for their hard work.

Councilor Brouse reported that the next Senior Advisory Committee meeting would be held on September 8th.

Mayor Mays wished the students of Sherwood a wonderful first day of school.

10. ADJOURN:

Mayor Mays adjourned the regular session at 7:51 pm.

Attest:

Sylvia Murphy, MMC, City Recorder

Keith Mays, Mayor

Agenda Item: Consent Agenda

TO: Sherwood City Council

FROM: Craig Sheldon, Public Works Director

Through: Kristen Switzer, City Manager Pro Tem and Josh Soper, City Attorney

SUBJECT: Resolution 2021-086, Authorizing City Manager or City Manager Pro Tem to Purchase Materials and Supplies for Sherwood Broadband

Issue:

Shall the City Council authorize the City Manager or City Manager Pro Tem to purchase materials and supplies to support the growth of Sherwood Broadband in a total amount not to exceed \$2,200,000?

Background:

The City hired Magellan Advisors for the design of a Fiber to the Home (FTTH) project. A list of materials and supplies were provided to support the FTTH project, along with a price estimate for the items.

The City conducted an Invitation to Bid (ITB) process that resulted in selection of low bidder for some of the needed items and is in the process of conducting an ITB process for remaining needed items.

We are seeing and hearing of long lead times for materials that support our ongoing maintenance and new construction projects. The materials to support our FTTH project are no different. Bidders have indicated a minimum of 10 weeks and up to 50 weeks for some of the materials. If the city does not make a purchase in the month of September for a majority of the materials and supplies, delaying the start of the FTTH project is very likely.

This Resolution would authorize the City Manager or City Manager Pro Tem to purchase material and supplies in a total amount not to exceed \$2,200,000. If the City exhausts that amount and additional equipment and related services are needed in the future, staff will return to Council for additional purchasing authorization.

Financial Impacts:

The revenue for this purchase was included in the FY 2021-2022 budget but the opposing expense will be included in a future supplemental budget.

Recommendation:

Staff respectfully recommends City Council approval of Resolution 2021-086, Authorizing City Manager or City Manager Pro Tem to purchase materials and supplies for Sherwood Broadband.



RESOLUTION 2021-086

AUTHORIZING CITY MANAGER OR CITY MANAGER PRO TEM TO PURCHASE SHERWOOD BROADBAND MATERIALS AND SUPPLIES

WHEREAS, the City of Sherwood's broadband utility, Sherwood Broadband, has a need to purchase various materials and supplies to support its growth; and

WHEREAS, not purchasing material at this time has the potential of delaying expansion of our broadband utility; and

WHEREAS, the City will need to purchase material over multiple years for the expansion of our broadband utility.

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

Section 1. The City Manager or City Manager Pro Tem is hereby authorized to purchase needed material and supplies from low bidders in a total amount not to exceed \$2,200,000.

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

Duly passed by the City Council this 21st day of September 2021.

Keith Mays, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

TO: Sherwood City Council

FROM: Chanda Hall, Center for the Arts Manager
Through: Kristen Switzer, City Manager Pro Tem

SUBJECT: Resolution 2021-087, Appointing Jennifer Casler to the Sherwood Cultural Arts Commission

Issue:

Should the Council appoint Jennifer Casler to the Sherwood Cultural Arts Commission?

Background:

A vacancy exists in Position 4 on the Cultural Arts Commission due to a term expiration. The term of office for this vacancy expires in June 2025. The City advertised the vacancy and received one application. Jennifer Casler submitted an application for consideration of appointment and was interviewed by the interview panel. The interview panel consisting of Commission Chair Winnie Parmar and Center for the Arts Manager Chanda Hall unanimously recommended appointment of Jennifer Casler to fill the vacancy. The Mayor has recommended this appointment to Council. In accordance with City Council Rules of Procedure, all such appointments are subject to the approval of City Council by resolution.

Financial Impacts:

There are no financial impacts from this proposed action.

Recommendation:

Staff respectfully recommends City Council's adoption of Resolution 2021-087, Appointing Jennifer Casler to the Sherwood Cultural Arts Commission.



RESOLUTION 2021-087

APPOINTING JENNIFER CASLER TO THE SHERWOOD CULTURAL ARTS COMMISSION

WHEREAS, a vacancy exists on the Cultural Arts Commission due to a term expiration; and

WHEREAS, the term of office for this vacancy expires in June 2025; and

WHEREAS, the City advertised the vacancy on the City website, Center for the Arts website and social media; and

WHEREAS, Jennifer Casler applied to be appointed and was interviewed by the interview panel; and

WHEREAS, the interview panel considered all of the applicants and recommended to the Mayor that Jennifer Casler be appointed to fill the vacancy; and

WHEREAS, the Mayor has recommended to Council that Jennifer Casler be appointed; and

WHEREAS, in accordance with Council Rules of Procedure, all such appointments are subject to the approval of the City Council by resolution.

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

Section 1. The Sherwood City Council hereby appoints Jennifer Casler to Position 4 of the Sherwood Cultural Arts Commission for a term expiring at the end of June 2025.

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

Duly passed by the City Council this 21st day of September, 2021.

Keith Mays, Mayor

Attest:

Sylvia Murphy, MMC, City Recorder

TO: Sherwood City Council

FROM: Craig Sheldon, Public Works Director

Through: Kristen Switzer, City Manager Pro Tem and Josh Soper, City Attorney

SUBJECT: Resolution 2021-088, Authorizing the City Manager Pro Tem to execute a construction contract for the Division Street and Mansfield Street Grind and Inlay Project

Issue: Should the City Council authorize the City Manager Pro Tem to execute a construction contract with the lowest responsive bidder from a September 14, 2021 bid opening for the construction of pavement rehabilitation within SW Division Street (from approximately 300 feet west of SW Cuthill Place to SW Mansfield Street) and SW Mansfield Street (from approximately 350 feet south of SW Division Street to SW Upper Roy Street)?

Background: SW Division Street (from approximately 300 feet west of SW Cuthill Place to SW Mansfield Street) and SW Mansfield Street (from approximately 350 feet south of SW Division Street to SW Upper Roy Street) currently have deficient pavement in need of replacement. The proposed street work for SW Division Street and SW Mansfield Street will consist of grinding the existing surface and overlaying a new asphalt surface. Non-ADA compliant sidewalk ramps within the limits of the paving work will be replaced with new ADA compliant sidewalk ramps.

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 September 14, 2021 to determine the lowest responsive bid. The lowest responsive bidder was Pacific Excavation, Inc. with a bid of \$167,500. The bidding process is currently in the seven (7) day protest period.

City staff expects the work to begin around September 22, 2021 and to be completed by the end of October, 2021. City staff has provided notification to area residents of the upcoming project.

Staff requests that Sherwood City Council pass a resolution authorizing the City Manager Pro Tem to execute a construction contract upon completion of the seven (7) day protest period with the lowest responsive bidder (Pacific Excavation, Inc.) in a Base Contract Amount of \$167,500 with Construction Contingency of \$25,125 (15%) of the Base Contract Amount for the Division Street and Mansfield Street Grind and Inlay Project.

Financials: The construction of the street improvements has a budgeted Base Contract Amount of \$167,500 with Construction Contingency of \$25,125 (15%) of the Base Contract Amount for the Division Street and Mansfield Street Grind and Inlay Project. Funding for the project was included in the FY21-22 budget.

Recommendation: Staff respectfully requests adoption of Resolution 2021-088, Authorizing the City Manager Pro Tem to execute a construction contract for the Division Street and Mansfield Street Grind and Inlay upon completion of the seven (7) day protest period.



RESOLUTION 2021-088

AUTHORIZING THE CITY MANAGER PRO TEM TO EXECUTE A CONSTRUCTION CONTRACT FOR THE DIVISION STREET AND MANSFIELD STREET GRIND AND INLAY PROJECT

WHEREAS, the City has identified the pavement on SW Division Street (from approximately 300 feet west of SW Cuthill Place to SW Mansfield Street) and SW Mansfield Street (from approximately 350 feet south of SW Division Street to SW Upper Roy Street) to be deficient and in need of replacement; and

WHEREAS, the City completed the design and produced bid documents to solicit contractors using a competitive bidding process meeting the requirements of local and state contracting statutes and rules (ORS 279C, OAR 137-049); and

WHEREAS, the City opened bids on September 14, 2021 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 FY2021/2022 budget; and

WHEREAS, Pacific Excavation, Inc. has been identified by city staff as the lowest responsive bidder; and

WHEREAS, City staff recommends City Council to authorize the City Manager Pro Tem to execute a construction contract with the lowest responsive bidder from the September 14, 2021 bid opening (Pacific Excavation, Inc.) in a Base Contract Amount of \$167,500 with Construction Contingency of \$25,125 (15%) of the Base Contract Amount for the Division Street and Mansfield Street Grind and Inlay Project.

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

Section 1: The City Manager Pro Tem is hereby authorized to execute a construction contract upon the completion of the seven (7) day protest period with the lowest responsive bidder (Pacific Excavation, Inc.) in a Base Contract Amount of \$167,500 with Construction Contingency of \$25,125 (15%) of the Base Contract Amount for the Division Street and Mansfield Street Grind and Inlay Project.

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

Duly passed by the City Council this 21st day of September 2021.

Attest:

Keith Mays, Mayor

Sylvia Murphy, MMC, City Recorder

TO: Sherwood City Council

FROM: Erika Palmer, Planning Manager
Through: Julia Hajduk, Community Development Director, Kristen Switzer, City Manager Pro Tem and Josh Soper, City Attorney

SUBJECT: **Ordinance 2021-008, Amending sections of the Sherwood Zoning and Community Development Code to modify standards for residential uses in Commercial Land Use Districts** (*Second Reading*)

Issue:

Shall the City Council amend sections of Chapter 16.22, Commercial Land Use Districts, to modify standards for residential uses in Commercial land use districts?

Background:

On April 27, 2021, the Planning Commission and City Council held a joint work session to discuss the standards and restrictions for Residential Uses allowed within the Commercial areas of the City (Office Commercial, Neighborhood Commercial, Retail Commercial and General Commercial zoning districts). There are concerns that permitting multi-family housing in this zone based on the current standard of “on the upper floors, in the rear of, or otherwise clearly secondary to commercial buildings” without additional limitations or restrictions allows for the consumption of land not associated with office, retail service, and other commercial employment uses in areas intended for those uses. Economic development, job creation, and the preservation of the tax base in these commercial zones are Council priorities. The Planning Commission held a work session on June 8, 2021 to review the draft standards. On July 27, 2021, the Planning Commission held a public hearing on the draft code language and recommended approval. There was no public testimony received, and Planning Commission has recommended the draft language, attached), to Council for consideration.

On September 7, 2021, Council held the first reading of this ordinance. The following issues were raised by Council:

- There is a need to prohibit parking as a permitted use on the ground floor,
- The standard for minimum ceiling height needs additional clarity, and
- Additional wording is needed to clarify that there are no limits on the number of internal stairwells.

Attachment 2 (red lined version) and Exhibit B to the Ordinance (clean version) have been modified to address the issued raised. Specifically:

- A sentence has been added to the first standard to state outright that parking is not a permitted ground floor use.
- Staff met and discussed the ceiling height measurement question with Scott McKie, Building Official. This standard is now modified to reflect how ceiling height is measured in the Building Code. Based on our discussion, we recommend the minimum height be lowered to twelve (12)

feet as a minimum ceiling height of twelve feet is adequate for commercial uses. In reviewing minimum ceiling heights for mixed-use buildings throughout Oregon, the minimum floor heights ranged between twelve (12) and fourteen (14) feet. For context, the ceiling height within the Community Development Department is twelve feet from ground to the top of ceiling with exposed beams and fire suppression.

- Language also has been added to clarify that there are no limits on the number of internal stairwells.

Financial Impacts:

There is no specific financial impact associated with this change, however, new vertical mixed-use development would create additional tax revenue and can provide a positive economic impact on the local economy while preserving commercial development capacity.

Recommendation:

Staff respectfully recommends City Council hold the second hearing on Ordinance 2021-008, Amending sections of the Sherwood Zoning and Community Development Code to modify standards for residential uses in Commercial Land Use Districts.

Attachments

1. Planning Commission Recommendation to Council
2. Redlined Draft Code Language

CITY OF SHERWOOD

Date: September 7, 2021

Planning Commission Recommendation to the City Council Residential in Commercial Land Use Districts Code Amendments

File No: LU 2021-011- PA

Recommendation of the Planning Commission

The Sherwood Planning Commission held a public hearing on July 27, 2021, to take testimony and consider the application (LU 2021-011-PA). No testimony on the hearing matter was taken, and the Commission voted to close the hearing. After considering the application materials and the findings in the staff report, the Planning Commission voted to recommend the proposed text amendments to the City Council.



Erika Palmer
Planning Manager

Proposal: The City of Sherwood proposes to amend Chapters 16.22, *Commercial Land Use Districts* of the Sherwood Zoning and Community Development Code (SZCD). The proposal amends the Use Table in SZCD section 16.22.020 by providing clear and objective standards for multi-family housing within all commercial zones.

- A. Applicant:** This is a city-initiated text amendment.
- B. Location:** The proposed amendments are to the text of the SZCDC and apply to Commercial Zoning Districts within Sherwood (Neighborhood Commercial (NC), Office Commercial (OC), Retail Commercial (RC), and General Commercial (GC)).
- C. Review Type:** The proposed text amendment requires a Type V review, which involves public hearings before the Planning Commission and City Council. The Planning Commission is scheduled to consider the matter on July 27, 2021. At the close of this hearing, the Planning Commission will forward a recommendation to the City Council, who will consider the proposal and make the final recommendation whether to approve, modify, or deny the proposed language. The City Council public hearing is tentatively scheduled for September 7, 2021. Any appeal of the City Council's final decision relating to this matter will be considered by the Oregon Land Use Board of Appeals (LUBA).
- D. Public Notice and Hearing:** Notice of the July 27, 2021, Planning Commission hearing and tentative September 7, 2021, City Council hearing on the proposed amendment were published in *The Times* on July, 8th and 22nd, 2021. Notice was also posted in five public locations around town and on the website on July 6, 2020. Notice to the Oregon Department of Land Conservation and Development (DLCD) was submitted on June 10, 2021 and notice to agencies was sent via email on July 6, 2021.
- E. Review Criteria:** The required findings for Plan Amendments are identified in Section 16.80.030 of the Sherwood Zoning and Community Development Code (SZCD).

F. Background: On April 27, 2021, the Planning Commission and City Council held a joint work session to discuss the residential uses allowed within the commercially zoned areas of the City (Office Commercial, Neighborhood Commercial, Retail Commercial, and General Commercial) and the application of the standards in the SZCD Use Table, 16.22. There are concerns that permitting multi-family housing in this zone when in the rear of, or other clearly secondary to commercial buildings allows for the consumption of land not associated with office, retail service, and other commercial employment uses. The preservation of the tax base in these commercial zones is a Council priority.

The commercially zoned areas in Sherwood going as far back as 1987 have allowed for multi-family housing. However, the standards for multi-family housing within the commercial zones were modified in 2012 to include, 'or otherwise clearly secondary to commercial buildings' due to a development having more multi-family housing than commercial uses. The 2012 code change clarified and defined that a residential portion of a mixed-use development is considered secondary when traffic trips generated, dedicated parking spaces, signage, and the road frontage of the residential uses are all exceeded by that of the commercial component, and the commercial portion of the site is located primarily on the ground floor.

At the April 27, 2021 work session, both commissioners and councilors agreed that the language, '*or clearly secondary to commercial buildings*' with the explanatory footnotes at the end of the Use Table in SZCDC 16.22.020, are vague and problematic. There was a consensus that the language in this section needs to be more clear and objective, and the provisions need to ensure that commercial uses are provided for and protected. Planning staff drafted language based on the general direction received at the meeting and presented it during a Planning Commission work session on June 8, 2021, for additional feedback. Based on input from both the April 27 and June 8, 2021 work sessions, there is a need for the development code to reflect the following:

- To only allow for vertical mixed-use building opportunities outright and not allow for horizontal mixed-use sites within commercial zones. In other words, a developer may still be able to propose a Planned Unit Development that provides other development concepts, but that would come with additional discretion and review. Vertical mixed-use buildings are those with commercial uses located primarily on the first floor and residential on the upper floors. Horizontal mixed-use sites are parcels that have a range of both commercial and residential uses typically separated from each other in separate buildings but within a walkable area.
- Limit the number of stairwells open to the outside.
- Ensure that the reference to HDR standards provides the maximum density but that there is no minimum density.
- Ensure that the commercial occurs first or concurrent with residential development.
- Ensure parking for multi-family use is in addition to the minimum required for the commercial use(s).

Also, at the June 8th work session, the Commission was asked if the types of businesses should be limited on the ground floor, what those uses should be, and interest in a minimum ceiling height for the ground floor. Limiting the types of uses on the ground in the commercial zones did not gain traction. Planning Commission did ask staff to review and research minimum floor to ceiling heights in mixed-use buildings. Staff reached out to several jurisdictions within the state to review mixed-use residential building standards. Staff found minimum first-floor ceiling height ranges between twelve (12) and fourteen (14) feet. At the ground floor, ceiling heights are a critical part of what makes a retail space inviting and what makes a building feel

comfortable for pedestrians on the sidewalk next to it. Low ceilings can make uninviting spaces that feel cramped and are less visible from the street. In addition, taller ceiling heights are required for more intense uses that require mechanical equipment such as restaurant kitchens and other uses. Planning staff has proposed a fourteen (14) foot minimum ground floor ceiling height, as part of the draft amendments attached to this staff report.

II. PUBLIC COMMENTS

As of this writing, no public comments have been received.

III. AGENCY COMMENTS

Notice to DLCD and Metro was sent on June 10, 2021, and an e-notice to agency partners was sent on July 6, 2021.

As of this writing, no comments have been received.

IV. REQUIRED FINDINGS FOR PLAN TEXT AMENDMENT

The applicable Plan Text Amendment review criteria are SZCDC §16.80.030.A and §16.80.030.C

SZCDC 16.80.030 - Review Criteria

A. Text Amendment: An amendment to the text of the Comprehensive Plan or the Zoning and Community Development Code must be based upon a need for such an amendment as identified by the Council or the Commission. Such an amendment must 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.

Community Need

The proposal seeks to amend chapters of the Sherwood Zoning and Community Development Code (SZCDC) Volume III, of the Comprehensive Plan. The specific text amendments do not include changes to the goals and policies of the Comprehensive Plan; it would only amend the language of the Sherwood Development Code.

Sherwood City Council and the Planning Commission identified concerns that permitting multi-family housing in commercial zones when in the rear of, or other clearly secondary to commercial buildings, allows for the consumption of land not associated with office, retail service, and other commercial employment uses. The preservation of the tax base in these commercial zones is a Council priority. The City's 2019-2039 Economic Opportunities Analysis (EOA), which has not yet been adopted, has identified that Retail Commercial employment will grow by 336 employees, with 286 employees requiring vacant land. The average site of retail employers in Sherwood in 2016 was 20 employees per business. At that average size, Sherwood will need 14 retail sites. The EOA also identified Office & Commercial Services employment will grow by 1,579 employees, with 1,247 employees requiring vacant land. The

average number of employees per site of retail/commercial services in was 6.6 employees per business. At that average size, Sherwood will need 189 office and commercial sites.

The proposed amendment would still allow for multi-family residential housing within the commercially zoned designations; however, it would be vertical mixed-used development and not horizontal mixed-use development. A developer may still be able to propose a horizontal mixed-use development but through a Planned Unit Development process, but that would come with additional discretion and review.

FINDING: The Sherwood City Council and Planning Commission have identified the need for proposed amendments.

Consistency with the Comprehensive Plan

The commercially zoned areas in Sherwood going as far back as 1987 have allowed for multi-family housing. The proposed amendment will continue to allow for multi-family housing as part of vertical mixed-use building developments within the commercial land use districts. Vertical mixed-use residential development is typically a multistory building with commercial uses on a ground floor, a shared residential entry lobby, and common access areas such as hallways or stairways leading to individual residential units above the office, retail, and commercial uses.

FINDING: The proposed text amendments still permit multi-family residential within commercially zoned areas, consistent with the Sherwood Community Development Plan, Volume II of the Comprehensive Plan.

Consistency with the City's Transportation System Plan

The proposed text amendments are not inconsistent with the City's Transportation System Plan. The proposal would not present any impacts to the existing City transportation system, the Transportation System Plan, or how the City analyzes future transportation impacts. At the time of land use application submittal and review, transportation impacts are analyzed and addressed.

FINDING: The proposed text amendments are not inconsistent with the City's Transportation System Plan.

Consistency with other City Planning Documents

The proposed amendments strike footnote #3 in the Use Table (SZCDC 16.020). This footnote states, "Except in the Adams Avenue Concept Plan area, where only non-residential uses are permitted on the ground floor area." The Adams Avenue North Concept Plan was adopted by Ordinance 2009-009. The Concept Plan is a guide to developing a 55.5 acre area southeast of Highway 99W and north of Tualatin Sherwood Road, of which 34 acres were added to the regional Urban Growth Boundary by Metro in 2002. The primary objective in adding this land to the urban growth boundary was to allow the construction of a collector street and alternative route between Highway 99W/Tualatin-Sherwood Road and Old Town/Downtown Sherwood.

The proposed amendments are consistent with the Adams Avenue Concept Plan area, which calls for mixed-use buildings in this area to only have non-residential uses on the ground floor.

FINDING: The proposed text amendments are consistent with the Adams Avenue Concept Plan, Ordinance 2009-009.

Consistency with Oregon Statewide Planning Goals

Goal 1: Citizen Involvement

It is the purpose of this Goal to develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Response: Sherwood City Council and Planning Commission held a joint work session to review and discuss issues with the current code language and standards for multi-family housing within commercially zoned areas on April 27, 2021. The Planning Commission held another work session on this topic to review draft code language on June 8, 2021. The City of Sherwood's legislative amendment and hearing process provides numerous opportunities for citizens to be involved in all phases of the planning process. The amendments have been developed with the opportunity for public involvement and have been noticed in accordance with Sherwood Zoning and Community Development Code Chapter 16.72, Procedures for Processing Development Permits.

FINDING: The proposed amendments and the City's development code legislative process ensure the opportunity for public engagement.

Goal 2: Land Use Planning

It is the purpose of this Goal to establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions and actions.

Response: The development of the proposed amendments has followed the City's established land use planning process and included public meetings, public outreach through information on the city's website, and opportunities for public comment. Going as far back as 1987, the commercially zoned areas in Sherwood have allowed for multi-family housing with development standards. The proposed amendments still allow for multi-family housing within all commercially zoned areas. The proposed amendments are significantly more clear and objective than the existing language, which is vague and problematic.

The proposed amendment would permit outright vertical residential mixed-use development in commercially zoned areas and would not allow for horizontal mixed-use sites within commercial zones. A developer may still be able to propose a Planned Unit Development that provides other development concepts, including horizontal mixed-use sites, but that would come with additional discretion and review.

FINDING: The proposed text amendments are consistent with Goal 2, and the city's commercially zoned areas that allow for mixed-use residential development.

Goal 3: Agricultural Lands

The purpose of this goal is to identify farmland, designate it as such on the comprehensive plan map, and zone it exclusive farm use (EFU).

FINDING: This statewide land use goal is not applicable to the City of Sherwood.

Goal 4: Forest Lands

This goal requires counties to identify forest land, designate it as such on the comprehensive plan map, and zone it consistently with state rules.

FINDING: This statewide land use goal is not applicable to the City of Sherwood.

Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces

It is the purpose of this Goal to protect natural resources and conserve scenic and historic areas and open spaces.

FINDING: The proposed text amendments are not applicable to the protection and conservation of natural resources, historic areas and open spaces.

Goal 6: Air, Water and Land Resources Quality

This goal instructs local governments to consider the protection of air, water, and land resources from pollution and pollutants when developing comprehensive plans.

FINDING: The proposed text amendments are not applicable to goals and policies in the City's Comprehensive Plan pertaining to the protection of air, water, and land resources from pollution and pollutants.

Goal 7: Natural Hazards:

This goal requires local comprehensive plans to address Oregon's natural hazards.

FINDING: The proposed text amendments are not applicable to identified natural hazards within the Sherwood community.

Goal 8: Recreational Needs

It is the purpose of this Goal to satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities.

FINDING: The proposed text amendments are not applicable to recreational needs within the Sherwood community. The City has an adopted Parks and Recreation Master Plan.

Goal 9: Economic Development

The purpose of Goal 9 planning is to make sure cities and counties have enough land available to realize economic growth and development opportunities.

FINDING: The proposed text amendments would permit for vertical residential mixed-use development within commercially zoned areas of Sherwood. A vertical mixed use building contains a mix of residential and commercial uses. Typically, commercial uses (i.e. retail shops, restaurants, offices) are located on the ground floor, while residential units (condominiums or apartments) are located on upper levels. Horizontal mixed-used development combines single-use buildings with a range of uses (commercial, residential, office, etc.) either on the development site or on a block. A developer may still be able to propose a Planned Unit Development that provides other development concepts such as horizontal mixed-use, but that would come with additional discretion and review.

The City's 2019-2039 Economic Opportunities Analysis, which was not adopted, indicates that the City has a 57-acre deficit of commercial land supply. Economic Development is a top priority for the City. There are concerns that permitting multi-family housing in this zone when in the rear of, or other clearly secondary to commercial buildings allows for the consumption of land not associated with office, retail service, and other commercial employment uses. Allowing vertical mixed-use development with retail/commercial uses on the ground floor ensures business/employment growth and not single-use residential buildings that are secondary to commercial uses.

Goal 10: Housing

The purpose of this goal is to make sure that a community has adequate housing supply for the twenty-year planning period through a range of densities to choose from and serves people at a variety of income levels.

Response: The City has an approved 2019-2039 Housing Needs Analysis (HNA), Ordinance 2020-010. Residential mixed-use buildings have been permitted, with development standards, in all commercially zoned areas of Sherwood dating as far back as 1987. The proposed text amendments will continue to allow residential mixed-use developments within all commercial zones, with clear and objectives development standards. The proposed amendments will not reduce the amount of land for residential housing. The City's adopted HNA states about nine percent (9%) of Sherwood's residential development occurred in commercial zones between 2000 and 2014. The HNA states that it is reasonable to assume that some residential development will occur in commercial zones over the next 20 years, as long as housing is considered a secondary use to commercial use, as Sherwood's development code requires. The proposed amendments still allow for residential uses within commercial zones, with development standards, as a secondary use to commercial/retail uses. The proposed amendments allow for secondary residential uses with no minimum density requirements but at a maximum density of the High-Density Residential zone of 16.8 – 24 dwellings units per acre.

FINDING: The proposed amendments would not decrease the supply of needed housing within Sherwood and therefore meets the intent of Goal 10, Housing.

Goal 11: Public Facilities and Services

It is the purpose of this Goal to plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

FINDING: The proposed amendments do not affect public facilities and services.

Goal 12: Transportation

This goal requires cities, counties and the state to create a transportation system plan that takes into account all relevant modes of transportation: mass transit, air, water, rail, highway, bicycle and pedestrian.

FINDING: The City has an adopted Transportation System Plan (TSP) and the proposed amendments are not applicable. New development will be reviewed for consistency with the City's TSP when submittal for a land use application is received.

Goal 13: Energy

This goal requires local governments to consider the effects of its comprehensive planning decision on energy consumption.

FINDING: The proposed amendments are consistent with the City's Comprehensive Plan and, therefore, this goal.

Goal 14: Urbanization

The purpose of this goal is to ensure land inside a UGB, is considered urbanizable. A city must plan to include a twenty year supply of land for housing, employment, industry, open space and recreational needs. A UGB should also provide plans for transition from urban to rural land uses to avoid conflicts and encourage efficient use of the land to provide more livable, walkable, and densely built communities.

FINDING: The proposed amendments would affect new residential mixed-use development within all commercially zoned areas in Sherwood, land considered urbanizable. The proposed amendments are consistent with the City's Comprehensive Plan and, therefore, this goal.

The following State Land Use Goals are not applicable to this proposal:

Goal 15: Willamette River Greenway,

Goal 16: Estuarine Resources,

Goal 17: Coastal Shorelands,

Goal 18: Beaches and Dunes; and

Goal 19: Ocean Resources

Metro's Regional Framework Plan

The Functional Framework Plan Six Outcomes are statements adopted by the Metro Council that synthesize the 2040 Growth Concept and regional policies.

1. People live, work, and play in vibrant communities where their everyday needs are easily accessible.
2. Current and future residents benefit from the region's sustained economic competitiveness and prosperity.
3. People have safe and reliable transportation choices that enhance their quality of life.

4. The region is a leader in minimizing contributions to global warming.
5. Current and future generations enjoy clean air, clean water, and healthy ecosystems.
6. The benefits and burdens of growth and change are distributed equitably.

Response: The proposed amendments are consistent with the City's Comprehensive Plan; therefore, the amendment is consistent with the 2040 Growth Concept and regional policies.

SZCDC Review Criteria 16.80.030.C – Transportation Planning Rule Consistency

FINDING: This amendment does not impact the state Transportation Planning Rule. The proposed amendment, as stated above, does not affect the City's Transportation Systems Plan. New development will be reviewed for transportation impacts at the time of submittal of a land use application.

V. RECOMMENDATION

As proposed, the draft amendments to Chapter 16.22, Commercial Land Use Districts, supports and meets the intent of City's Comprehensive Plan, and all applicable state 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 the above findings and applicable code criteria, staff recommends that the Planning Commission forward a recommendation of approval of the proposed text amendments to Chapter 16.22, Commercial Land Use Districts, Case File LU 2021-011-PA, to the Sherwood City Council.

VI. EXHIBITS

- A. Proposed Code Amendments to Chapters §16.22 of the Sherwood Zoning and Community Development Code (Track Changes)

Exhibit A

Planning Land Use Case File 2021-011 PA

Sherwood Zoning and Community Development Code text amendments to Commercial Zoning Districts Use Table, 16.22.020 creating new standards for multi-family housing within all commercial zones.

~~Strikethrough~~ = Text to be deleted from Commercial Zoning Districts Use Table 16.22.020.

Bold Italic = Proposed new text in Commercial Zoning Districts Use Table 16.22.020.

Commercial Zoning Districts Use Table, 16.22.020

	OC	NC ¹	RC	GC
RESIDENTIAL				
Multi-family housing, subject to the dimensional requirements of the High-Density Residential (HDR) zone in 16.12.030 when located on the upper floors, in the rear of, or otherwise clearly secondary to commercial buildings.^{2, 3}	P	P	P	P

²~~The residential portion of a mixed use development is considered secondary when traffic trips generated, dedicated parking spaces, signage, and the road frontage of residential uses are all exceeded by that of the commercial component and the commercial portion of the site is located primarily on the ground floor.~~

³~~Except in the Adams Avenue Concept Plan area, where only non-residential uses are permitted on the ground floor.~~

Commercial Zoning District Use Table, 16.22.022

	OC	NC ¹	RC	GC
RESIDENTIAL				
- Multi-family housing, <i>subject to all of the following:</i> <i>Multi-family housing is only permitted on one or more of the upper floors of a building when a non-residential use that is permitted in the underlying zone is located on the ground floor.</i> <i>Site plan review process in section 16.90.020.D.6.</i>	P	P	P	P

3. Maximum density limits of the High Density Residential (HDR) zone. 4. Dimensional standards of the underlying zone. 5. The ground floor must have an interior height of not less than 14 feet measured from the entry level finished floor to the bottom of the structural members of the floor above. 6. If a structure is within 100 feet of a residential zone, the height limits of the HDR zone shall apply. 7. A building with multi-family housing is limited to two stairwells that can be entered from the outside of the building. 8. The required parking for the multi-family housing use shall be in addition to the minimum required for the commercial use(s).				
--	--	--	--	--

REDLINED DRAFT CODE LANGUAGE

Sherwood Zoning and Community Development Code text amendments to Commercial Zoning Districts Use Table, 16.22.020 creating new standards for multi-family housing within all commercial zones.

Commercial Zoning District Use Table, 16.22.022

	OC	NC ¹	RC	GC
RESIDENTIAL				
- Multi-family housing, <i>subject to all of the following:</i> - Multi-family housing is only permitted on one or more of the upper floors of a building <u>and only</u> when a non-residential use that is permitted in the underlying zone is located on the ground floor. <i>Parking is not a permitted ground floor use. The ground floor non-residential use must occupy the entire ground floor, with the exception of a lobby, utilities, stairways, elevators, and similar facilities.</i> - Site plan review process in section 16.90.020.D.6. - Maximum density limits of the High Density Residential (HDR) zone. - Dimensional standards of the underlying zone. The ground floor must have an interior height of not less than 14 feet measured from the entry level finished floor to the bottom of the structural members of the floor above. <u>The minimum ceiling height shall be 12 feet measured from the finished floor to the lowest point of the surface of the ceiling.</u> The means of egress shall have a minimum ceiling height of twelve (12) feet measured above the finished floor. If any part of a structure is within 100 feet of a residential zone, the height limits of the HDR zone shall apply. A building with multi-family housing is limited to two stairwells that can be entered from the outside of the building. There are no limits on the number of internal stairwells except as otherwise provided by this code. A building with multi-family housing is limited to two (2) outside stairwells.	P	P	P	P

Formatted: Font color: Red

Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 5 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

9.8. The required parking for the multi-family housing use shall be in addition to the minimum required for the ~~commercial~~ non-residential use(s).



ORDINANCE 2021-008

AMENDING SECTIONS OF THE SHERWOOD ZONING AND COMMUNITY DEVELOPMENT CODE TO MODIFY STANDARDS FOR RESIDENTIAL USES IN COMMERCIAL LAND USE DISTRICTS

WHEREAS, under the current Sherwood Zoning and Community Development Code, all commercial land use districts allow for residential uses within certain parameters; and

WHEREAS, at a work session on April 27, 2021, both the Planning Commission and City Council found the current code language vague and problematic; and

WHEREAS, there was consensus that the standards in this section need to be clear and objective and ensure that commercial uses are provided for and protected; and

WHEREAS, at its meeting on July 27, 2021, the Planning Commission conducted a public hearing, considered proposed amendments to modify the standards for residential uses in commercial land use districts, and recommended that the City Council adopt the proposed amendments; and

WHEREAS, the City Council held a public hearing on the proposed amendments on September 7, 2021 and September 21, 2021, which resulted in modifications to the proposed amendments.

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

Section 1. After full and due consideration of the application, the Planning Commission recommendation, the record, and evidence presented at the public hearings, the City Council adopts the findings of fact contained in the Planning Commission recommendation, which is included as Attachment 1 to the staff report for this Ordinance, finding that the text of the indicated sections of the Sherwood Zoning and Community Development Code shall be amended to read as documented in Exhibit B, attached to this Ordinance.

Section 2. The proposed amendments to Chapter 16.22 (Commercial Land Use Districts) in Exhibit B, attached to this Ordinance, are hereby **APPROVED**.

Section 3. This Ordinance shall become effective 30 days from its adoption

Duly passed by the City Council this 21st day of September, 2021.

Keith Mays, Mayor

Date

Attest:

Sylvia Murphy, MMC, City Recorder

	<u>AYE</u>	<u>NAY</u>
Scott	_____	_____
Griffin	_____	_____
Brouse	_____	_____
Young	_____	_____
Garland	_____	_____
Rosener	_____	_____
Mays	_____	_____

EXHIBIT B TO ORDINANCE 2021-008

Sherwood Zoning and Community Development Code text amendments to Commercial Zoning Districts Use Table, 16.22.020 creating new standards for multi-family housing within all commercial zones.

Commercial Zoning District Use Table, 16.22.022

	OC	NC ¹	RC	GC
RESIDENTIAL				
• Multi-family housing, <i>subject to all of the following:</i> 1. <i>Multi-family housing is only permitted on one or more of the upper floors of a building and only when a non-residential use that is permitted in the underlying zone is located on the ground floor. Parking is not a permitted ground floor use. The ground floor non-residential use must occupy the entire ground floor, with the exception of a lobby, utilities, stairways, elevators, and similar facilities.</i> 2. <i>Site plan review process in section 16.90.020.D.6.</i> 3. <i>Maximum density limits of the High Density Residential (HDR) zone.</i> 4. <i>Dimensional standards of the underlying zone.</i> 5. <i>The means of egress shall have a minimum ceiling height of twelve (12) feet measured above the finished floor.</i> 6. <i>If any part of a structure is within 100 feet of a residential zone, the height limits of the HDR zone shall apply.</i> 7. <i>A building with multi-family housing is limited to two stairwells that can be entered from the outside of the building. There are no limits on the number of internal stairwells except as otherwise provided by this code.</i> 8. <i>The required parking for the multi-family housing use shall be in addition to the minimum required for the non-residential use(s).</i>	P	P	P	P