

MEMORANDUM

City of Sherwood Council Old Town Strategic Plan Meeting – Briefing Memo

To: Eric Rutledge (COS); Sean Conrad (City of Sherwood)

From: Jason Graf, (First Forty Feet); Will Grimm, Ramin Rizvani

Date: November 4, 2025

Subject: Development Approach Options – City-Owned Property in Old Town

Purpose

The purpose of this briefing memo is to summarize the advantages and disadvantages of two alternative approaches for initiating development of a Parcel D, a City-owned parcel in the Old Town/Cannery District:

1. **Issuing a Developer Offering (RFP or RFQ)**, as recommended by Leland Consulting Group in the *Old Town Development Strategy Memo (May 2025)*; and
2. **Retaining City ownership as the long-term owner-operator**, as an alternative option

Background

The City owns a small parcel adjacent to the Sherwood Center for the Arts, identified in the *Old Town Development Strategy Memo* as a catalytic opportunity for new retail or restaurant space. Leland Consulting Group recommends that the City issue a **competitive developer offering** to attract private proposals that meet City goals for design quality and use. Another option is **City retention of the property**, maintaining public ownership and control over its long-term use and operation.

Option 1: Developer Offering (RFP/RFQ Process)

Under this approach, the City would issue a Request for Proposals (RFP) or Request for Qualifications (RFQ) to solicit a private development partner. The selected developer would design, finance, construct, and operate the project—either through purchase of the property or a long-term ground lease.

Pros:

- Leverages private capital and expertise; limits City financial exposure.
- Accelerates implementation once developer selection and agreements are complete.
- Generates near-term revenue (via sale) or steady income (via ground lease).

- Allows the City to define desired uses, design standards, and community benefits in binding agreements.
- Encourages creative, market-responsive design solutions through competition.

Cons:

- Sale reduces long-term City control and potential future appreciation.
- Ground leases are less attractive to developers and may reduce project feasibility.
- Requires upfront staff and consultant time to prepare and manage the offering.
- Public influence over operations and tenanting is indirect once development is complete.

Option 2: City Retention and Long-Term Ownership/Operation

Under this model, the City retains ownership of the parcel, finances or partners to construct improvements, and either leases space to tenants or manages operations directly.

Pros:

- Maintains full public control over design, use, and tenant mix.
- Allows the City to prioritize community-serving uses or local businesses.
- Offers long-term potential for steady lease or operating revenue.
- Demonstrates civic leadership and visible investment in Old Town's revitalization.

Cons:

- Requires significant upfront public investment and financing capacity.
- City assumes development, maintenance, and operational risk.
- May extend the project timeline due to public procurement and management processes.
- Lacks private-sector innovation and market-tested financial discipline.

Summary Comparison

Dimension	Developer Offering (RFP/RFQ)	City Retention / Owner-Operator
Control	Moderate to High (via agreements)	Full and ongoing

Dimension	Developer Offering (RFP/RFQ)	City Retention / Owner-Operator
Financial Risk	Low to Moderate	High
Upfront City Cost	Low	High
Revenue Timing	Near-term (sale) or steady (lease)	Long-term, incremental
Implementation Speed	Faster	Slower
Market Responsiveness	High	Moderate
Alignment with Civic Objectives	Moderate to High	Very High

Next Steps

Staff seeks Council direction on the preferred approach to advancing the site's development.

If the Council supports issuing a **developer offering**, staff would prepare draft RFP materials consistent with the Leland memo and return to Council for approval.

If the Council prefers **City retention**, staff would evaluate potential partnership, design, and financing models to deliver the project under public ownership.