



Planning  
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Place Strategy

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# 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 tenantry is indirect once development is complete.

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**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.

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**Summary Comparison**

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

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

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### 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.