

# City of Sandy

## Agenda

### City Council Meeting

**Meeting Location:** City Hall- Council Chambers, 39250  
Pioneer Blvd., Sandy, Oregon 97055

**Meeting Date:** Monday, August 5, 2019

**Meeting Time:** 6:30 PM



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# Staff Report

**Meeting Date:** August 5, 2019

**From** ,

**SUBJECT:** Parks Master Plan Update Consultant Selection

**Background:**

In 1997 the City of Sandy adopted its first Parks Master Plan. At the time, there were fewer than 5,000 residents of Sandy, and five parks dotted the City over 22 acres of land. Adoption of the original Plan guided park prioritization, location, improvements and funding as the city limits expanded and housing opportunities grew. With a marked increase in population, parks and park acreage, it is necessary to update the original Parks Master Plan to continue the strategic implementation of park and trail development as the City grows.

Towards that end, the City advertised a Request for Proposals (RFP) seeking qualified firms to lead the update process for an Amended Parks & Trails System Master Plan. The City received RFP's by Angelo Planning Group, Conservation Technix, ESA and Mackenzie. Proposals were reviewed by a selection committee consisting of: Kathleen Walker & Don Robertson, Parks Board Members; Kelly O'Neill, Planning Director; Tanya Richardson, Community Services Director; and Nancy Ream Enabnit, Project Manager. The committee ranked each proposer on the following elements outlined in the RFP: Quality of Proposal; Project Understanding; Qualification of Personnel; Cost; Ability to Complete on Time; and References.

While any of the firms certainly could have completed the work, ESA received the highest ranking from the committee. Personnel took time to visit the community, conduct research, and suggest time (and therefore money) saving alternatives to some of the RFP elements. As an added bonus, ESA proposed the lowest Cost of Services. References were checked for each of the respondents, and those for ESA were supportive of the committee's choice.

	Angelo Planning	Conservation Technix	ESA	Mackenzie
Average Score	83	79	94	62
Proposed Fee	\$111,377.00	\$157,988.00	\$106,448.16	\$349,545.00

**Recommendation:**

Direct staff to develop a scope of work and enter into an agreement with ESA for Consulting Services to Prepare an Amended Parks and Trails System Master Plan for the proposed cost of \$106,448.16

**Budgetary Impact:**

The proposed fee of \$106,448.16 would be paid out of the Parks Capital Fund as planned in the BN19-21 Budget.



## Staff Report

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**Meeting Date:** August 5, 2019  
**From** Jordan Wheeler, City Manager  
**SUBJECT:** Community Campus Planning Work Session

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**Background:**

Staff is seeking the Council's input and direction on key questions and decisions to proceed with the development of a plan for the Community Campus property and the Sandy Aquatic Center.

The City purchased the Cedar Ridge property from the Oregon Trail School District in 2015. The property includes the former middle school buildings, the Olin Bignall Aquatic Center, and the surrounding property including the sports fields, and natural areas adjacent to the Sandy River. The property was acquired with the vision and intent to redevelop the property in phases to provide new and enhanced community amenities for Sandy residents.

The community campus presents a unique and opportunity for the city of Sandy residents and members of the greater Sandy area community. In 2018, the Council and staff worked with an architecture firm to develop a conceptual master plan for a community and aquatic center at the cedar ridge property. The concept was a phased approach that prioritized upgrades to the pool, constructing parks, and building additional pool amenities and a recreation center. The total cost was estimated to be about \$62.5 million for all phases of the master plan which included the pool, community center, and park.

In January 2019, the City Council adopted a goal to decide on the future of the Sandy Community Campus. The goal included the actions to "implement a strategy, including a financing plan, for the ongoing operation and maintenance of the aquatic center; depending on the Council's decision on the aquatic center, begin the design and construction of the phase one improvements; and, adopt a plan for the SCC."

At the goal setting retreat and after hearing public comment at two additional public meetings in March, the Council made the difficult decision to close the Sandy Aquatic Center until the Campus Plan was developed which would include input from the public via a potential ballot measure.

At the same time, the Council reviewed the conceptual plan for the phased Community Campus. There was interest from the Council in exploring alternatives for funding

improvements to the pool and identifying the priorities for constructing financially feasible facilities and amenities at the Campus in the near term.

The purpose of the work session is to discuss the key questions for moving forward with a plan for the Sandy Community Campus and review the process for forming a special district to fund operating a pool and potentially other parks and recreation services.

## **KEY QUESTIONS**

### *Special District Formation*

#### **1. Should the city start the process to form a special district to fund operating the pool and other recreation programming and services?**

Councilors expressed interest in creating a special district that would establish an independent funding source for the pool and potentially other recreational programming and services in the Sandy area.

There are many examples of special taxing districts in Oregon that provide parks and recreation services including operating pools. The process to establish a special district such as a parks and recreation district is outlined in Attachment 1. Generally, it would include getting community involvement, conducting a financial analysis and boundary study, polling to determine the level of support and to help set the boundary, circulating a petition for signatures of eligible voters to get the district formation on the ballot, and submitting the petition to the county.

An important question for the council is the scope of services beyond funding the pool that would be proposed to be transferred to the new district. Will the district provide funding only for aquatic services or include recreation programming (youth sports, camps, activities, etc.) and perhaps parks services and facilities as well?

- Sandy Aquatic Center
- Recreation Programs and Services
- Parks and Parks Maintenance
- Senior Center and Services
- Expanded recreational services and programs

One question that has come up is the amount of oversight or control the city would have with the special district. State law currently would not allow the city to form a separate taxing district where the City Council is the governing body for that district. The special district would have to elect its own board of directors and hire staff.

### *Sandy Aquatic Center Options*

#### **2. Should the city or urban renewal agency contribute any funding to renovate or rebuild the aquatic center?**

The urban renewal agency has \$3 million set aside in the budget for the Sandy Community Campus, which may include pool improvements. The agency can commit to spending this amount on the pool/recreation center if the district passes or decide to fund other projects at the campus. There should also be capacity in the urban renewal district to issue another bond in the next biennium.

The city is working with the architects to develop high level cost estimates for additional options for the pool:

- Renovate: Renovate the existing pool with the essential maintenance needs for the facility. The pool will remain the same except for new mechanical, pumps, plumbing, roof, and other essential items to make the pool functional for 30 more years.
- Replace: Build a new pool with similar amenities to the current aquatic center. This would allow more flexibility in developing the campus property and provide a like for like comparison.

This cost estimates for these options should be complete next month. The information would be helpful for the council and committee to determine what option should be proposed to the city and voters.

**3. Should the city propose the district consider referring to the voters a general obligation bond for a repair, remodel, or rebuild of the aquatic center?**

At the same time as the vote for creating a special district, the ballot can include a general obligation bond to fund the construction or renovation of the pool. If the bond fails and the district formation passes, the district would assume operations of the pool without any improvements or repairs unless the city or urban renewal agency decides to contribute some capital funds towards the maintenance needs.

Community Recreation Facility

**4. Should the city propose the district consider referring to the voters a general obligation bond for the construction of a recreational facility (and pool) at the community campus?**

The Council could consider placing on the ballot a general obligation bond for the construction of a new pool and a recreation center at the Community Campus. The district could assume operational responsibility for the recreation center. The city could help support this effort by developing a concept for a pool and recreation center that is based on the targeted bond amount.

The city or urban renewal agency could then again choose to contribute additional funding towards the project.

Development Agreement/Public Private Partnerships

**5. Should the plan continue to assume a portion of the property is designated as a partnership space or should the city seek proposals for partnering with a private developer to redevelop the site?**

The city could proceed with gathering community input on desired uses for a redevelopment of all or a portion of the campus and issue an RFP for developer proposals. The conceptual plan identified a partnership space along Pleasant Street. This concept could be expanded upon but is contingent on other elements of the plan such as the location of the pool and if other community campus facilities would be remodeled or constructed.

The Council may consider waiting until the results of the district formation and bond vote (if the Council decides to move forward with the votes) before proceeding with soliciting proposals, or request proposals that respond to either outcome.

As another option, the city could seek proposals from a private developer for the entire community campus property. The city would include a list of objectives that the proposals would need to address which could include pool improvements, operational approaches, and the type of development desired, parking, and public amenities and improvements.

Integration with the Community Campus Master Plan and other plans

The Council should also consider how other planning efforts are integrated to form one unified long-term vision for the campus property.

- Parks Master Plan: The Parks Master Plan will include a parks inventory, level of service analysis, needs assessment, public outreach, and operations and maintenance requirements. This is a good opportunity to engage with the public about the park features that could be developed at the community campus site.
- City Facilities Assessment. We have started working with consultants on a city facilities condition assessment and needs analysis. This work will provide information about what the city facilities needs are now and in the future and how the campus may help accommodate some of the needs.
- Oregon Trail School District Plans. We anticipate that the school district at some point will want to make improvements to Sandy grade school. The City should stay involved when and if any plans develop.

Interim Uses of the Community Campus

The city is working with an architect to prepare cost estimates to make the existing gym ADA accessible and open for public use and renovating the annex building for city use.



The annex building is currently being used for SandyNet staff and storage for the Library and planning records.

**Recommendation:**

Staff recommends that we move forward with the process of the special district formation by reaching out to interested parties to establish a district exploratory committee. We will also start the work on the economic feasibility analysis. The intention is to place the district formation question on the November 2020 ballot.

The committee's work will need guidance from the city in order to develop their plans and determining what is being presented to the voters.

- Specifically, will the city keep a portion of the property for redevelopment opportunities and remodeling the middle school annex building for city use?
- Will the city pay or front the costs for the financial and boundary analysis, polling, legal fees, architecture fees, and filing fees?
- Will the city contribute any funding towards improvements to the existing pool or funding toward the construction of a new pool and recreation center?

**Budgetary Impact:**

At this point the district formation process is a city-led effort and staff is assuming that the costs would be paid by the city. We would strive to perform as much work as we can in house, but professional and consulting services would be necessary. The direct costs would include:

- Economic feasibility statement
- Polling (if desired)
- Project management and communications
- Architecture
- Filing fees

Because of the variables it is difficult to determine a budget, but very roughly it would cost at least \$100,000. It may be possible for the city to be reimbursed for some or all of these direct costs by the district.



Beery Elsner  
& Hammond LLP

MEMORANDUM

TO: Jordan Wheeler, City Manager  
City of Sandy

FROM: David Doughman, City Attorney’s Office

SUBJECT: Formation of Special District

DATE: July 29, 2019

Introduction

In response to your inquiry, this memo provides a broad outline of the process of establishing a special district in Oregon. From our discussion, I understand the purpose of the district would be to own, fund, operate and manage the community pool and related improvements in Sandy. The district would include properties within the city and outside the city and would have its own permanent tax rate. Based on the various types of special districts that Oregon law authorizes, a park and recreation district established pursuant ORS Chapter 266 would be the appropriate entity to fulfill that purpose.<sup>1</sup>

There are three ways to form the district. One way is for all of the property owners within the proposed boundaries to consent to formation. Another way is for the Clackamas County Board of Commissioners (“BOC”) to initiate and form the district on its own motion.

The third way, which is most common and presumably would apply in this instance, is when interested property owners file a formation petition with the county. Because the proposed district would levy taxes on district residents, an election would ultimately need to be held to approve the formation.

Initial Steps

The first step would be to get interested parties involved in the process. Here, that may mostly involve seeking persons outside the city who benefit from the pool and perhaps have expressed interest in the creation of a district to fund and operate the pool. Typically, a committee is formed that would assess various aspects of the proposed district. The issues the committee would consider include: the assets the district would own and operate; operational costs; the

<sup>1</sup> This is consistent with Molalla’s approach in 2017. While it is called the “Molalla Aquatic District,” officially the district exists pursuant to ORS Chapter 266 and is a park and recreation district. As is the case in Molalla, a park and recreation district may limit its authority to a specific activity or improvement (for example, the operation and maintenance of a pool).



boundaries of the district; an estimate of the assessed value of the properties within the boundaries; a tax rate that would be levied against those properties; whether the district would issue bonds or other debt, etc.

The committee would also want to consider the costs associated with the formation and the sources of those funds. There are costs associated with the petition, including a bond that will have to accompany the petition. There will likely be fees to put the question to voters and the committee may want or need to hire a consultant to assist with the process and provide advice (financial due diligence, outreach to affected property owners, legal issues, etc.). I believe the city could be a source of most if not all of these funds.

#### Formation

If the committee ultimately decided to pursue formation of the district, it should identify someone (at least one person and no more than three) to serve as “chief petitioner.” The next step would be for that person to file a prospective formation petition with the county clerk, which must include a description of the district’s boundaries. The county may require other information as well.

Prior to circulating the petition for signatures, the chief petitioner must complete an “economic feasibility statement” in accordance with ORS 198.749. This statement will form the basis of a permanent tax rate for the district. This statement must contain:

- A description of the services and functions the district would provide;
- An analysis of the relationships between those services and functions and other existing or needed government services; and
- A proposed first year line item operating budget and a projected third year line item operating budget demonstrating the district’s economic feasibility.

The next step would be to draft a formation petition. State law at ORS 198.750 addresses what the petition must contain, including: the principal Act of the district (in this case, ORS Chapter 266); the number of elected board members (either three or five under ORS Chapter 266); whether board members will be elected at large or from zones; the proposed permanent tax rate; any terms and conditions to which the district would be subject (this could include limiting the district’s purpose to owning and operating the pool); and a description of the district’s boundaries. The petition must also include a certified copy of a resolution of the Sandy City Council approving the petition. This is not an exhaustive list.

In order to be submitted to the county, the petition must be signed by at least:

- Fifteen percent of the electors, or 100 electors, whichever is greater, registered to vote in the boundary of the proposed district; or
- Fifteen owners of land or the owners of 10 percent of the acreage, whichever is greater, within the boundary of the proposed district.

The chief petitioner must secure the required signatures within six months of the date of the first signature and must file the petition with the county at least 180 days prior to the next election

occurring in either May or November. The county would then proceed to verify the signatures and confirm the petition otherwise meets the requirements of state law, including the requirement that a bond, cash or other form of financial security accompany the petition. The cost can range from \$100 to \$10,000 and would be retained by the county if the voters rejected the proposed district.

At that point, the BOC would need to hold a hearing on the petition no sooner than 30 days and no later than 50 days from the date the petition is filed. The BOC would need to find that the area to be served by the district would benefit from its formation, in accordance with criteria identified in ORS 199.462. The BOC may add or remove land from the proposed boundaries of the district and would ultimately approve, modify or reject the petition. If the BOC approved the petition, it would have to hold a final hearing prior to calling and holding an election.

At the election, the voters would be asked to approve the creation of the district and its permanent tax rate. Voters would also elect district board members at that time. If the voters approved of the creation of the district, the BOC will enter a final order officially creating the district within 30 days of the date of the election. At that point, the district would be a legal entity whose duties and powers would be governed by ORS Chapter 266.

I understand the intent is to put the formation question before voters at the November election in 2020. Assuming the BOC approves the formation petition, I believe the county bears the obligation to prepare a ballot title and otherwise meet the applicable filing deadlines to get the question on the ballot for the November general election. With respect to deadlines, the petitioner's obligation would be to have a complete petition submitted to the county at least 180 days prior to November 3 (on or about May 7, 2020).

#### Conclusion

This memo provides a general overview of the formation process. The process is fairly complex and I did not address certain details in light of the preliminary nature of the city's inquiry. As the process unfolds, I can provide additional detail relative to the steps outlined above.

One final issue concerns the governing body of the district. You mentioned that some councilors expressed interest in having the city council act as the governing body of the district, similar to how the BOC acts as the governing body for the library district or the North Clackamas Park and Recreation District ("NCPRD"). However, Oregon law does not allow for a city council to serve as the governing body of a special district.

Oregon law (ORS Chapter 451) does permit a county to create county "service districts" that can provide many of the same services that *special* districts are authorized to provide. Pursuant to ORS 451.485, a county's board of commissioners serves as the governing body for the service district. This is how the BOC serves as the governing body for the library district, NCPRD and others. There is no analogous law for Oregon cities.



## Staff Report

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**Meeting Date:** August 5, 2019

**From** Mike Walker, Public Works Director

**SUBJECT:** Timeline for Bell St. - SE 362nd Ave. Extension Project

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**Background:**

With the adoption of the Clackamas County Vehicle Registration Fee (VRF) and the passage of HB 2017 we expect to have an additional \$393,000 in annual revenue in the Street Fund which would support debt service for approximately \$5.5 million in bonds for this project. The estimated project cost from 2016 was approximately \$6.0 million, indexed for inflation the current cost estimate would be \$6.72 million. These are construction costs only. With right of way, legal, environmental, design and construction management the total project cost is probably closer to \$8.0 million.

We have \$3.0 million in the current biennial budget for design, right-of-way acquisition, environmental and legal costs. The proposed timeline for this project is as follows:

- January, 2020 - solicit qualifications statements for design and construction management services and shortlist consultants (3 max.)
- February, 2020 - negotiate scope of work and fee
- March, 2020 - begin survey, design and environmental
- August, 2020 - define right-of-way requirements perform appraisals
- September, 2020 - submit offers to property owners, submit removal - fill permit application
- October, 2010 - February, 2021 - complete right-of-way acquisition, design and permitting process
- January, 2021 - set up project financing in conjunction with budget adoption process
- March, 2021 - advertise for bids

Staff recommends starting the consultant selection process after the first of the year for several reasons:

With the Wastewater Facilities Plan, Water Master Plan update, Ten Eyck-Vista Loop sidewalk project, Streetlight and water meter conversion project underway and several smaller projects in process we don't have the staff capacity to take on another project of this size.

In addition, HB 2769 passed during the recent legislative session which allows public agencies to select consultants based on qualifications as well as price. The previous

contracting regulations allowed agencies to select consultants based on qualifications only and not on price. This new legislation applies to solicitations advertised after January 1, 2020.

**Recommendation:**

N/A for information only

**Code Analysis:**

N/A

**Budgetary Impact:**

Funds for the preliminary engineering, environmental, right-of-way and permitting tasks are set aside in the current biennial budget.



## Staff Report

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**Meeting Date:** August 5, 2019

**From** Mike Walker, Public Works Director

**SUBJECT:** Wastewater System Facilities Plan Adoption Timeline

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**Background:**

The Draft Facilities Plan has been available for public comment since February. The deadline for submission of comments is August 1st. The City Council held a work session on February 13th where Murraysmith provided a comprehensive overview of the Facilities Plan process, the alternatives, and the recommended alternative. Since then we have submitted a Letter of Interest to EPA's WIFIA (Water Infrastructure Finance and Innovation Act) program for a loan covering about 50% of the project cost; we submitted an application for Oregon DEQ State Revolving Fund (SRF) financing for immediate improvements to the existing treatment plant and rehabilitation of all private and public sewer lines in two drainage basins with the highest Inflow & Infiltration flows; Financial Consulting Services (FCS) has prepared a new utility rate model and developed a new wastewater System Development Charge (SDC) methodology; City Council, staff and interested parties from the Sandy and Clackamas River watershed councils went on tours of existing Membrane Bio-Reactor (MBR) treatment facilities and an innovative wetland treatment facility; we signed a contract for multi-year temperature, flow monitoring and water quality analysis on the Sandy River; we entered into an agreement with a public engagement consulting firm to develop a public involvement strategy for the project; finally, we received a \$500,000 budget note in the recently concluded legislative session to investigate green infrastructure alternatives and more fully vet land application options and the costs associated with conveying sewage flows to Gresham or Clackamas County Water Environment Services (WES). The next step is to finalize the Recommended Alternative in the Facilities Plan, adopt the Plan and submit it to DEQ.

As a result of some of the concerns we heard during the public comment process and from regulatory agencies, staff recommends splitting the Plan adoption process into two phases. At this point the Plan has demonstrated that continued discharge to the Clackamas River Basin is a dead end and that the Sandy is the nearest basin with the assimilative capacity for treated wastewater discharge for now and into the future. The "how" of a discharge to the Sandy requires additional study and analysis. The \$500K budget note we received from the Legislature will be used to look at temperature mitigation and alternatives for a Sandy River discharge, including dry season irrigation, wetlands discharge for temperature mitigation, an anti-degradation study and other alternatives. This process may take up to a year to complete.

The proposed Plan adoption and finalization process is as follows:

**September 16th** - Workshop session and public hearing for the Facility Plan and utility rate adjustments

**October 7th** - Council Meeting including:

- Sewer SDC Methodology Public Hearing and Adoption of Changes
- Water and Sewer Rate Adjustments
- Wastewater Facilities Plan Adoption

**Recommendation:**

Approve the plan to split the Facilities Plan Adoption and Finalization process into two tracks - 1) Adopt Recommended Alternative and 2) Select preferred discharge alternative after further analysis.

**Code Analysis:**

N/A

**Budgetary Impact:**

None at this time