



City of Sandy

Agenda

Sandy Urban Renewal Board Meeting

Meeting Date: Monday, June 5, 2023

Meeting Time: 6:00 PM

Page

1. MEETING FORMAT NOTICE

This meeting will be conducted in a hybrid in-person / online format. The Board will be present in-person in the Council Chambers and members of the public are welcome to attend in-person as well. Members of the public also have the choice to view and participate in the meeting online via Zoom.

To attend the meeting in-person

Come to Sandy City Hall (lower parking lot entrance).
39250 Pioneer Blvd., Sandy, OR 97055

To attend the meeting online via Zoom

Please use this link: <https://us02web.zoom.us/j/87000123389>

Or by phone: (253) 215-8782; Meeting ID: 87000123389

2. ROLL CALL

3. APPROVAL OF MINUTES

3.1. **February 21, 2023**

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[Sandy Urban Renewal Board - 21 Feb 2023 - Minutes - Pdf](#)

4. NEW BUSINESS

4.1. **SURA Supplemental Budget 2021-23**

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Resolution 2023-20

[Supplemental Budget 2021-23 - SURA - Pdf](#)

4.2. **PUBLIC HEARING: SURA Budget Adoption 2023-25**

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Resolution 2023-19

[BN 23-25 Budget Adoption - SURA - Pdf](#)

5. ADJOURN



MINUTES
Sandy Urban Renewal Board Meeting
Tuesday, February 21, 2023 5:00 PM

BOARD PRESENT: Chris Mayton, Councilor, Laurie Smallwood, Council President, Kathleen Walker, Councilor, Carl Exner, Councilor, Don Hokanson, Councilor, Khrys Jones, Chamber Director, and Stan Pulliam, Mayor

BOARD ABSENT: Richard Sheldon, Councilor and Phil Schneider, Fire Chief

STAFF PRESENT: Jeff Aprati, City Recorder, Jordan Wheeler, City Manager, Tyler Deems, Deputy City Manager, Rochelle Anderholm-Parsch, Parks and Recreation Director, and Ernie Roberts, Police Chief

MEDIA PRESENT: (none)

1. Roll Call

2. APPROVAL OF MINUTES

2.1. February 6, 2023

Moved by Carl Exner, seconded by Khrys Jones

Approve the February 6, 2023 minutes

CARRIED. 7-0

Ayes: Chris Mayton, Laurie Smallwood, Kathleen Walker, Carl Exner, Don Hokanson, Khrys Jones, and Stan Pulliam

Absent: Richard Sheldon and Phil Schneider

3. New Business

3.1. SURA Funding Plan and Project Planning

Staff Report - 0668

The **City Manager** summarized the staff report in the agenda packet, and delivered a presentation with slides also included in the packet. The intent of the presentation was to provide background information to the Board on the agency's remaining indebtedness and possible project funding scenarios, in preparation for project prioritization by the Board.

Board discussion ensued on the following issues:

- Clarification on the parcels included in the district
- Clarification on staff salaries funded in part by the agency
- Possibilities for restructuring grant program processes
- Forecasting demand for grant programs
- Possibilities for proactive outreach for grants, and the Board's desire to take a more active role in identifying such opportunities
- Possibilities for developing stronger levers to address buildings in need of improvement
- Concern about taking actions that could be overly speculative
- The importance of ensuring that investments realize a return
- Clarification on refunding existing debt
- History and context on the relationship and past agreements between the agency and the Fire District
- Current grant management practices followed by staff
- Feedback on business experiences with existing grant programs and requirements for matching funds
- Need for intentional and proactive business recruitment to achieve the Board's vision
- Need for staff to explore enterprise zone possibilities in the 362nd / Bell development area

It was the consensus of the Board that a dedicated retreat is need to fully examine and reimagine goals and strategies for the agency; to develop a vision and plan to achieve it.

4. Adjourn



Mayor, Stan Pulliam



City Recorder, Jeff Aprati

Draft



Staff Report

Meeting Date: June 5, 2023

From Tyler Deems, Deputy City Manager

SUBJECT: Supplemental Budget 2021-23 - SURA

BACKGROUND / CONTEXT:

The Sandy Urban Renewal Agency adopts a biennial (two year) budget in June of odd number years. The current biennium's budget was adopted in June 2021. Due to length of time that our budget covers, it occasionally becomes evident that changes need to be made to the adopted budget. Local Budget Law allows for changes to be made to the budget after adoption in certain circumstances. Changes that are less than 10% of the total fund can be adopted at a regularly scheduled Board meeting. Changes that over 10% of the total fund require a public hearing. The following change is less than 10% of the total fund, therefore no public hearing is required.

It is anticipated that an additional \$50,000 will be needed to cover the cost of personnel. The current appropriation for Personnel Services is \$297,000. Due to changes in staffing and related payroll expenses throughout the biennium, it is now necessary to adjust this appropriation. It is also anticipated that an additional \$250,000 will be needed to cover increases in materials and services. The current appropriation for Materials & Services is \$154,600. Due to the unanticipated costs for design and engineering services for the covered structures program, as well as costs associated with potential property acquisition within the district, it's necessary to adjust this appropriation.

Staff recommends moving \$300,000 from contingency to cover these modification and to avoid any expenditures over the budgeted appropriations. A summary of the changes is provided below:

Category	Current Budget	Supplemental Budget	Change
Personnel Services	\$ 297,000	\$ 347,000	\$ 50,000
Materials & Services	154,600	404,600	250,000
Capital Outlay	3,550,000	3,550,000	-
Transfers	1,824,197	1,824,197	-
Contingency	4,534,190	4,234,190	(300,000)
Total	\$10,359,987	\$10,359,987	\$ -

RECOMMENDATION:

Adopt Resolution 2023-20.

BUDGETARY IMPACT:

Increasing Personnel Services by \$50,000, increasing Materials & Services by \$250,000, and reducing Contingency by \$300,000. These changes are already reflected in the beginning balance for the upcoming biennium.

SUGGESTED MOTION LANGUAGE:

"I move to adopt Resolution 2023-20, a Resolution Adopting a Supplemental Budget for the Sandy Urban Renewal Agency for BN 2021-23."

LIST OF ATTACHMENTS/EXHIBITS:

- Resolution 2023-20



NO. 2023-20

A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR THE SANDY URBAN RENEWAL AGENCY FOR BN 2021-23

Whereas, the City of Sandy has adopted a biennial budget for the period July 1, 2021 to June 30, 2023. Local Budget Law (ORS Chapter 294) allows for changes to the adopted budget via supplemental budget in certain cases; and

Whereas, ORS 294.473 allows the governing body to adopt a supplemental budget at a regularly scheduled Council meeting if the changes are less than 10% of the current adopted fund total; and

Whereas, the increase in personnel costs and the unanticipated costs associated with newly implemented Urban Renewal programs make it necessary to adjust the current budget by reallocating contingency funds to Personnel Services and Materials & Services.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Sandy Urban Renewal Agency that the following budget be amended as follows:

Category	Current Budget	Supplemental Budget	Change
Personnel Services	\$ 297,000	\$ 347,000	\$ 50,000
Materials & Services	154,600	404,600	250,000
Capital Outlay	3,550,000	3,550,000	-
Transfers	1,824,197	1,824,197	-
Contingency	4,534,190	4,234,190	(300,000)
Total	\$10,359,987	\$10,359,987	\$ -

This resolution is adopted by the Sandy Urban Renewal Board this 05 day of June 2023

#2023-20

Stan Pulliam, Mayor and Board Chair

ATTEST:

Jeff Aprati, City Recorder

#2023-20



Staff Report

Meeting Date: June 5, 2023
From Tyler Deems, Deputy City Manager
SUBJECT: BN 23-25 Budget Adoption - SURA

BACKGROUND / CONTEXT:

The Sandy Urban Renewal Agency (SURA) operates on a two year budget, as allowed by Oregon's Local Budget Law. The two year period is made up of two fiscal years, running from July 1 through June 30. The City Manager is the budget officer, and is responsible for the creation and delivery of the overall budget, as well as the budget message. SURA Executive Director Jordan Wheeler presented the budget message and the proposed budget on May 11, 2023. After deliberations from the budget committee, the proposed budget was approved, with one change. This change moved \$1.5 million from Contingency to Capital Outlay to fund the proposed phase two of the Community Campus Park development.

Once the Budget Committee has approved the budget, the SURA Board then must hold a public hearing before adopting the budget. Staff suggests holding a public hearing now to receive comments from the public, prior to making any motions on the following resolutions. Information on the resolution can be found below:

Resolution 2023-19: Adopting the Biennium 2023-25 Budget and Making Appropriations: To formally adopt the BN 23-25 budget, the SURA board must adopt a resolution adopting the budget, making appropriations, and selecting the tax increment needed (attached). This resolutions outlines the total budget, appropriations by object classification, and the tax increment.

RECOMMENDATION:

Approve Resolution No. 2023-19.

BUDGETARY IMPACT:

None. All resources and requirements related to these resolutions has been accounted for in the BN 23-25 budget.

SUGGESTED MOTION LANGUAGE:

"I move to approve Resolution No. 2023-19, a resolution adopting the biennium 2023-25 budget and making appropriations."

LIST OF ATTACHMENTS/EXHIBITS:

- BN 2023-25 Budget Committee Approved Budget

- Resolution 2023-19



**SANDY URBAN RENEWAL AGENCY
PROPOSED BUDGET
BN 2023 - 2025**

BN 2023-2025 Approved Budget

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Sandy Urban Renewal Agency Overview

Overview

The Sandy Urban Renewal Agency (SURA) was established by the City of Sandy in 1998. The Agency Board is comprised of the Sandy City Council and a representative of the Sandy Fire District and Sandy Chamber of Commerce. The Sandy Urban Renewal Plan was adopted by the City of Sandy in 1998.

The general objectives of the plan are to:

1. Improve the vitality of Sandy’s downtown core.
2. Make productive use of land in the urban renewal area.
3. Create opportunities for new development within the renewal area.
4. Enhance public safety in the renewal area.
5. Provide new public amenities and open spaces in the renewal area.
6. Make improvements to infrastructure in the renewal area.
7. Implement the goals and objectives of Sandy’s Comprehensive Plan.

The Sandy Urban Renewal Plan (Plan) has been amended five times since 1998. The amendments increased maximum indebtedness and added projects to the original plan.

Urban renewal projects and activities are funded by tax increment financing. When the Plan was adopted, the assessed value of the urban renewal area at the time of adoption became the “frozen base.” Whatever property tax revenue overlapping jurisdictions receive from the frozen base is the same amount they will receive annually until the urban renewal district is terminated. As property values increase above the frozen base in the district, the urban renewal district receives that increase as the tax increment. The increment is used to pay back the capital improvement costs, usually through bonds, to complete the projects in the plan. When the district expires and the bonds are fully paid off, the taxing districts benefit from the increased assessed values that the urban renewal district provided.

The plan identifies the limit on the total debt that will be incurred by the urban renewal agency to complete the projects. The maximum indebtedness established in 2015 for the Sandy Urban Renewal Plan is \$67,000,000. The maximum indebtedness is the total amount of funds that can be spent on projects, programs, and administration in the urban renewal area over the life of the urban renewal plan.

Urban Renewal Plan Activities and Projects

The plan includes projects and activities that address blight and deterioration in the Sandy Urban Renewal Area.

- A. Public Improvements
 - a. Traffic Signalization
 - b. Public Parking Facilities
 - c. Public Open Spaces
 - d. Street, Curb, and Sidewalk Improvements
 - e. Fire Protection Improvements
 - f. Streetscape and Civic Area Projects
 - g. Street Lighting
 - h. Placing Utilities Underground

Sandy Urban Renewal Agency Overview

- i. Pedestrian, Bike, and Transit Connectivity
- j. Aquatic/Recreation Center
- k. 362nd Extension North of Highway 26
- l. City Hall
- B. Preservation, Rehabilitation, Development and Redevelopment
- C. Property Acquisition and Disposition
- D. Design Plans
- E. Plan Administration

BN 2023-2025 Highlights

The urban renewal agency is estimating to receive \$3,900,000 in property taxes in the proposed biennium. This tax increment is used to fund the active projects and activities in the urban renewal plan through debt financing and tax increment excess.

The proposed projects in the next biennium include the Sandy Community Campus park project, demolition of the derelict buildings on the Sandy Community Campus site, and the façade and tenant improvement matching grant programs, and setting aside a small amount for streetscape and beautification projects in the urban renewal area.

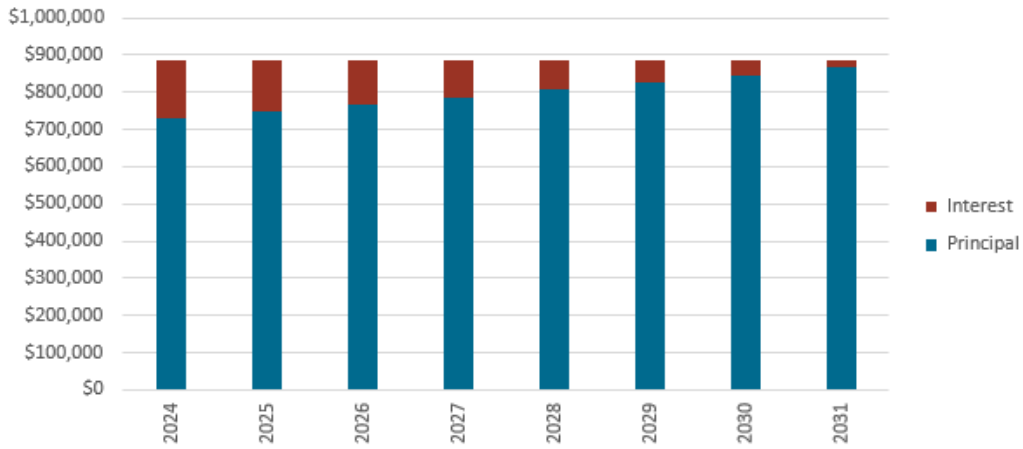
Major Projects/Programs	BN 23-25 Proposed
Sandy Community Campus	4,500,000
Demolition of Derelict Buildings	1,500,000
Grant Programs	400,000

The budget also includes staff expenses for administering the plan and managing the projects.

Debt Service Summary

The Urban Renewal Fund transfers funds to the City of Sandy’s Full Faith & Credit fund to pay debt service on bonds issued for urban renewal projects. The outstanding bonds include the 2017 bond issue for the purchase of the Cedar Ridge property, fire station improvements, and the community campus.

Annual Debt Service - Urban Renewal Agency



Schedule of Future Principal & Interest Payments Due

Fiscal Year Ended	Principal	Interest	Total
June 30, 2024	732,094	155,723	887,817
June 30, 2025	749,957	137,860	887,817
June 30, 2026	768,256	119,561	887,817
June 30, 2027	787,001	100,815	887,816
June 30, 2028	806,204	81,613	887,817
June 30, 2029	825,875	61,941	887,816
June 30, 2030	846,027	41,790	887,817
June 30, 2031	866,670	21,147	887,817
Total	6,382,084	720,450	7,102,534

Urban Renewal Fund

Fund Overview

The Urban Renewal Fund accounts for all business that is carried out by the Sandy Urban Renewal Agency (SURA). The Agency was created in 1998 and is in place to complete improvements in the downtown and commercial areas of the city. The SURA Board consists of all the members of the City Council, as well as a representative of the Sandy Area Chamber of Commerce and a representative of the Sandy Fire District.

2021-23 Accomplishments & Highlights

- Provided grant funding to numerous businesses to construct outdoor covered areas in response to the COVID-19 pandemic.
- Updated tax increment financing projections and the overall financial plan for the District.

Goals

- Develop the park at the Sandy Community Campus and demolish the derelict buildings along Pleasant Street at the Sandy Community Campus.
- Continue to provide economic support for businesses within the District via grant programs and incentives.
- Work with the SURA Board to develop a prioritized project plan.

Staffing

	17-19	19-21	21-23	23-25
Total FTE	0.47	1.13	1.22	1.05

Budget Summary & Detail

	BN 17-19 Actual	BN 19-21 Actual	BN 21-23 Budget	BN 23-25 Proposed	BN 23-25 Approved
Beginning Balance	8,277,280	5,311,254	6,259,987	7,350,898	7,350,898
Property Taxes	3,370,952	3,690,549	4,000,000	3,900,000	3,900,000
Interest	242,774	163,430	100,000	75,000	75,000
Miscellaneous	-	69,214	-	55,000	55,000
Total Resources	11,891,007	9,234,448	10,359,987	11,380,898	11,380,898
Personnel Services	103,048	262,567	297,000	349,100	349,100
Materials & Services	79,332	157,278	154,600	553,500	553,500
Capital Outlay	4,601,967	807,141	3,550,000	4,600,000	6,100,000
Debt Service	117,994	-	-	-	-
Transfers	1,676,539	1,793,538	1,824,197	1,829,197	1,829,197
Contingency	-	-	4,534,190	4,049,101	2,549,101
Total Requirements	6,578,880	3,020,524	10,359,987	11,380,898	11,380,898

Urban Renewal Fund

BN 23-25 Budget Notes

- Personnel Services reflects the allocation of City of Sandy FTE who aide in the execution of the SURA plan.
- Materials & Services now includes the various grant program expenditures that were previously recorded under capital outlay.
- Capital Outlay includes the Community Campus Park Improvement Project, building removal and site preparation at the Community Campus property, and an amount for future capital improvements at City Hall.
- Transfers account for all debt service payments which are paid via the Full Faith & Credit Fund.

Account Number	Account Name	BN 17-19 Actual	BN 19-21 Actual	BN 21-23 Budget	BN 23-25 Proposed	BN 23-25 Approved
720-000-401000	Beginning Balance	8,277,280	5,311,254	6,259,987	7,350,898	7,350,898
720-000-410100	Current Year Property Tax	3,281,729	3,632,520	3,950,000	3,850,000	3,850,000
720-000-410200	Prior Year Property Tax	89,223	58,029	50,000	50,000	50,000
720-000-471100	Interest	242,774	163,430	100,000	75,000	75,000
720-000-478000	Miscellaneous Revenue	-	68,296	-	-	-
720-000-495350	Loan Payments	-	919	-	55,000	55,000
Total Resources		11,891,007	9,234,448	10,359,987	11,380,898	11,380,898
720-072-511100	Salaries	74,480	178,944	224,000	234,000	234,000
720-072-511200	Overtime	293	534	-	-	-
720-072-521100	Insurance Benefits	3,394	17,039	23,000	26,000	26,000
720-072-521200	FICA Taxes	5,682	14,209	17,000	18,000	18,000
720-072-521300	PERS	14,300	43,556	29,000	66,000	66,000
720-072-521360	Other Benefits	3,533	3,753	-	-	-
720-072-521500	Workers' Benefit Fund	47	101	250	100	100
720-072-521600	Unemployment Insurance	75	186	250	1,000	1,000
720-072-521700	Paid Leave Oregon Tax	-	-	-	1,000	1,000
720-072-521800	Workers' Comp Insurance	797	3,131	2,000	1,500	1,500
720-072-521900	Transit Tax	449	1,114	1,500	1,500	1,500
720-072-601100	Supplies	689	686	1,000	1,000	1,000
720-072-601200	Postage	429	1	250	-	-
720-072-601300	Printing	120	-	250	-	-
720-072-601400	Copier Charges	5	0	100	-	-
720-072-601500	Public Notices	330	242	1,000	500	500
720-072-601600	Organizational Fees	570	1,318	2,000	2,000	2,000
720-072-605100	Contractual Services	75,190	105,031	100,000	100,000	100,000
720-072-608100	Professional Services	2,000	-	50,000	50,000	50,000
720-072-639000	Grant Programs	-	-	-	400,000	400,000
720-072-639619	Program - Emergency Small Business Grants	-	50,000	-	-	-
720-072-716000	Improvements	1,005	375	-	-	-
720-072-716010	City Hall Improvements	185,435	107,743	-	100,000	100,000
720-072-722510	Community Center/Aquatic Facility	1,116,149	60,524	3,000,000	4,500,000	6,000,000
720-072-731000	Infrastructure	62,086	114,118	100,000	-	-
720-072-760500	Fire Equipment & Improvements	3,053,778	-	-	-	-
720-072-784003	Building Improvement	183,513	524,381	450,000	-	-
720-072-834100	Bond Interest	117,994	-	-	-	-
720-072-910110	Transfer to General Fund	18,899	17,904	48,563	53,563	53,563
720-072-910450	Transfer to FFC Fund	1,657,640	1,775,634	1,775,634	1,775,634	1,775,634
720-072-950000	Contingency	-	-	4,534,190	4,049,101	2,549,101
Total Requirements		6,578,880	3,020,524	10,359,987	11,380,898	11,380,898



NO. 2023-19

A RESOLUTION ADOPTING THE BIENNIUM 2023-25 BUDGET OF THE SANDY URBAN RENEWAL AGENCY AND MAKING APPROPRIATIONS

Whereas, the Sandy Urban Renewal Agency (SURA) desires to adopt a budget for the biennial period July 1, 2023 to June 30, 2025, make appropriations, and certify the division of tax revenues.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Sandy Urban Renewal Agency that:

Section 1. The SURA Board hereby adopts the budget for the biennium 2023 - 2025 in the sum of \$11,380,898. The budget is now on file at the Finance Department, City Hall, Sandy, OR.

Section 2. The amounts listed below are hereby appropriated for the biennium beginning July 1, 2023 for the purposes stated.

URBAN RENEWAL FUND		
	Personnel Services	\$ 349,100
	Materials & Services	553,500
	Capital Outlay	6,100,000
	Transfers	1,829,197
	Contingency	2,549,101
	Total Appropriations	\$11,380,898
Total Biennial Budget 2023-25		\$11,380,898

Section 3. The SURA Board hereby certifies to the Clackamas County Assessor the Agency's intention to set the incremental assessed value to \$115,895,463, which will generate approximately \$1,920,000 of taxes imposed.

This resolution is adopted by the Sandy Urban Renewal Board this 05 day of June 2023

#2023-19

Stan Pulliam, Mayor and Board Chair

ATTEST:

Jeff Aprati, City Recorder

#2023-19