

## SANDY MARKET ANALYSIS UPDATE



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### **Acknowledgement**

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## INTRODUCTION

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In 2009, Clackamas County contracted with Marketek, Inc. to prepare a market analysis in conjunction with the Sandy Main Street Program, aiming to focus on Economic Restructuring and attracting a strong and vital downtown business core.

With changing retail and economic market dynamics over the last six years, the City of Sandy seeks to update the prior market study and refresh the strategy to address today's business landscape in Sandy.

### Project Purpose

The goals of the 2015 market analysis update are to:

- Update the statistical economic and retail analysis to estimate the potential for expanding the retail market given Sandy's growth trends and current economic outlook; and
- Update the desired business mix based on existing market gaps, consumer opinion research, and future development potential.

### Project Methodology

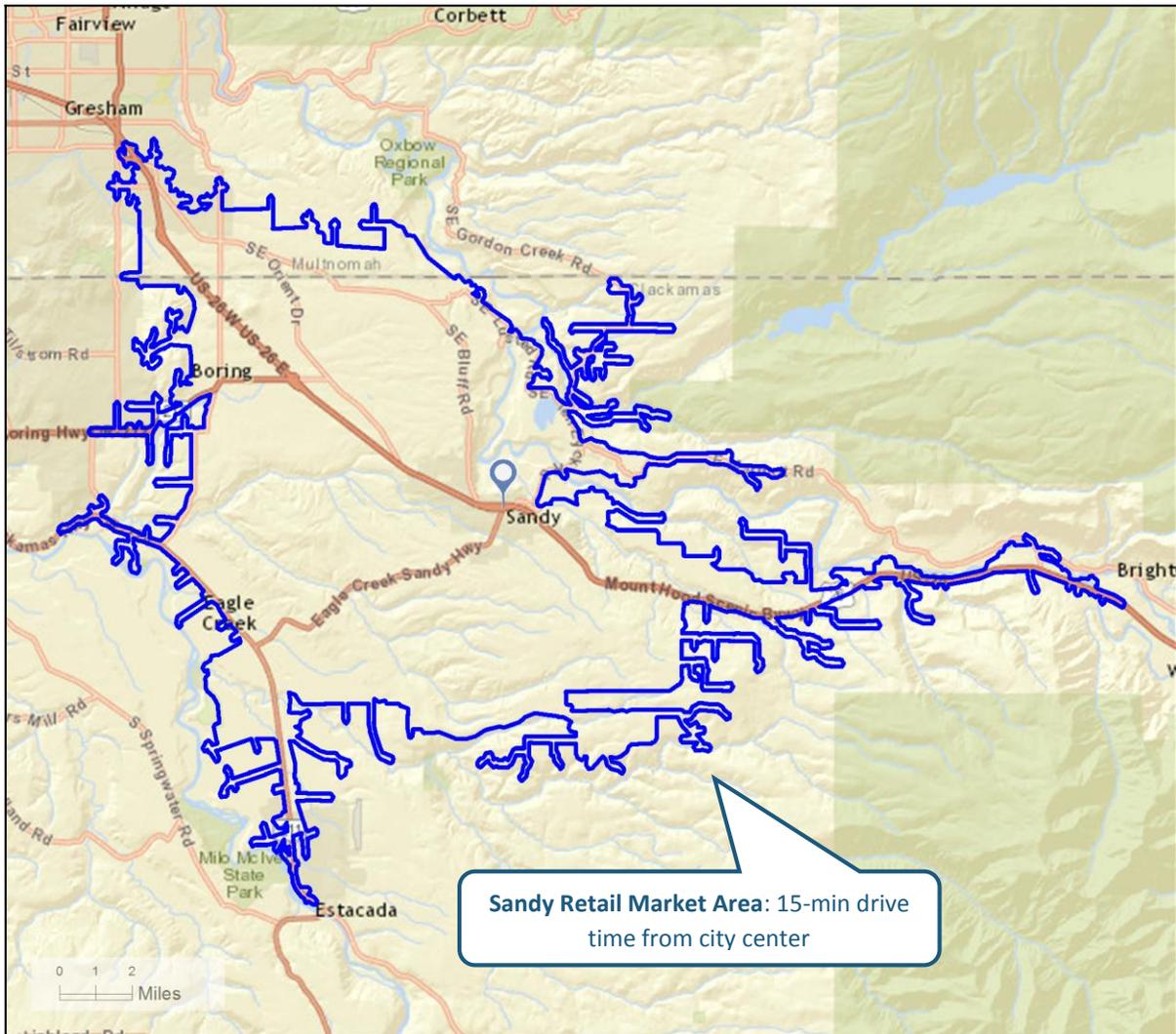
The market analysis considers a five-year time period from 2014-2019, which is a realistic projection period for retail development. Research (both primary and secondary) included:

- Demographic analysis of Sandy market area;
- Statistical estimates of potential supportable retail space;
- Consumer and business owner opinion research;
- Site visits to Sandy's market area and main shopping streets; and an
- Updated inventory of current economic conditions.

# 1 TARGET MARKET

This section investigates Sandy’s key retail target markets as they are now in Sandy’s retail area and how they are projected to be in the future. Sandy’s market area has the potential to attract sales from residents, area employees and visitors. Each customer segment is summarized in the following.

The Retail Market Area for Sandy was determined by looking at the core Sandy shopper and target shopper segment, which is about a 15-minute drive time from City Center of Sandy. The highlighted area below shows the determined market area while taking into account the estimated market area of key retail anchors such as Fred Meyer.



## 1.1 RESIDENTS

The estimated population of Sandy’s market area is nearly 40,000, and at the current rate of growth is expected to reach 42,000 by 2019. The median age of Sandy’s market area residents (39.4) is nearly the same as Oregon’s (39.1), but relatively older than Portland MSA residents (37.5). And, Sandy area residents tend to have higher household incomes than the Portland MSA and Oregon averages. Sandy’s median household income is currently about \$60,050, up from \$56,704 in 2009. The demographics indicate that Sandy’s residents are well positioned for growing retail and work opportunities.

For more detailed demographic information, please see Appendix A.

### Exhibit 1

#### Demographic Snapshot, 2014

Demographic Indicator	Sandy Market Area	Portland MSA	State of Oregon
<b>Population</b>			
2014 (estimate)	39,951	2,296,285	3,922,722
2019 (forecast)	41,798	2,411,146	4,063,508
Avg. Ann % Change ('14-'19)	0.91%	0.98%	0.71%
Median Age (2014)	39.4	37.5	39.1
Median Age (2019)	39.7	38.0	39.6
<b>Households</b>			
2014 (estimate)	14,603	896,982	1,561,878
2019 (forecast)	15,301	944,056	1,622,844
Avg. Ann % Change ('14-'19)	0.94%	1.03%	0.77%
Median Household Income	\$60,050	\$57,441	\$58,469
<b>Homeownership (2010)</b>	73.2%	<i>unavailable</i>	<i>unavailable</i>

Source: ESRI Business Information Solutions; Marketek, Inc.

## 1.2 AREA EMPLOYEES

About 942 businesses operate within a two-mile radius of downtown Sandy, employing nearly 3,450 people, up from 406 businesses with 3,000 employees in 2009. This positive growth trend indicates a favorable business environment, although businesses tend to be quite small given the relatively smaller employee growth. In 2009, the largest share of employees worked in the retail trade sector (35%) but today the largest share belong to the services sector (36.9%), following by retail trade (26%) and manufacturing (9.7%).

### Business and Employee Snapshot, 2014

Industry/Type	Sandy City Center - 2 mile radius	
	% Businesses	% Employed
Agriculture and Mining	3.8%	3.4%
Construction	12.6%	9.3%
Manufacturing	4.5%	9.7%
Transportation	3.1%	2.7%
Communication	0.3%	0.1%
Utility	0.1%	0.1%
Wholesale Trade	3.3%	3.4%
Retail Trade	14.0%	16.0%
Finance, Insurance, Real Estate	5.7%	6.0%
Services	38.7%	36.9%
Government	0.4%	2.3%
Unclassified Establishments	13.4%	0.0%
<b>Totals</b>	<b>942</b>	<b>3,429</b>

Source: ESRI Business Information Solutions; Marketek, Inc.

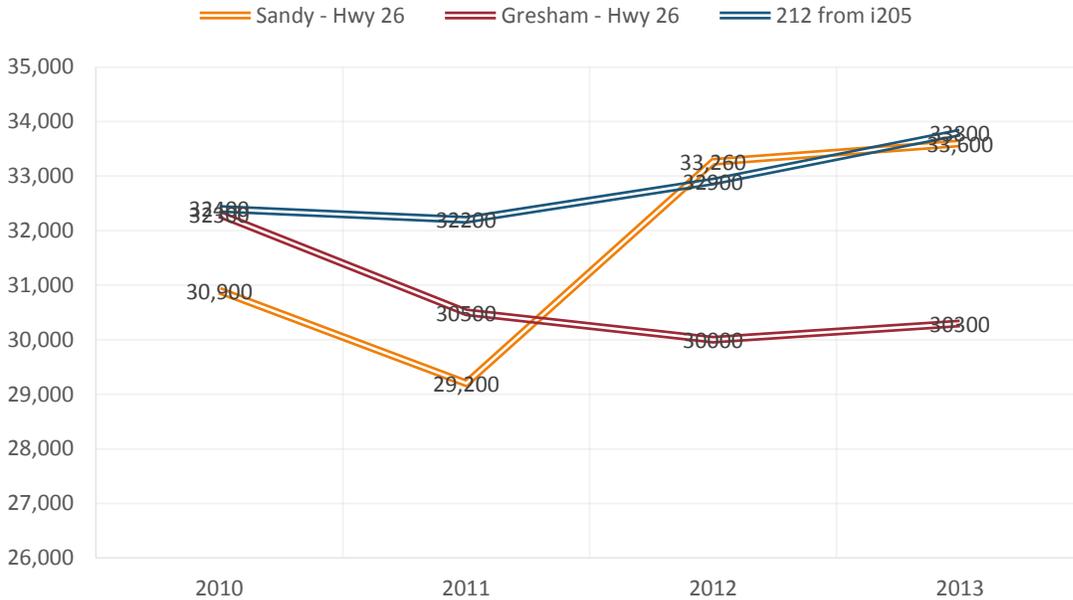
These are prime people and businesses to target for eating out for lunch during the workday or retail or grocery shopping on the way home. This group needs enticing to stay in Sandy an extra hour or two, and as the opinion research shows –healthy, fresh lunch options and grocery shopping may be the key.

Research conducted by the Building Owners and Managers Association of America estimates that office workers spend 10% to 15% of their expendable income in and near their places of work. Top spending categories include restaurants, entertainment, cards and gifts, personal care items, and books and magazines.

### 1.3 VISITOR MARKET

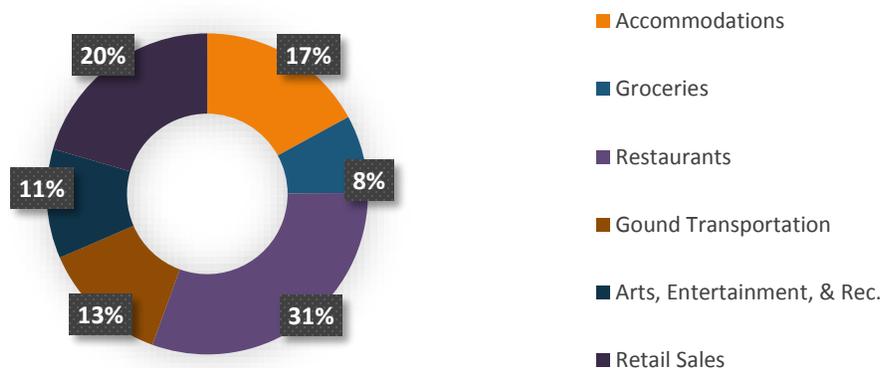
Sandy also receives a large amount of visitor traffic by virtue of location en route to Mt. Hood. Car traffic is steadily increasing. It is worth noting that the section of Highway 26 near Sandy sees much more traffic than that by Gresham. While some of that is surely commuter traffic, this does indicate there is a growing potential visitor market traveling through Sandy that businesses could capture.

#### ANNUAL AVERAGE DAILY TRAFFIC COMPARISONS

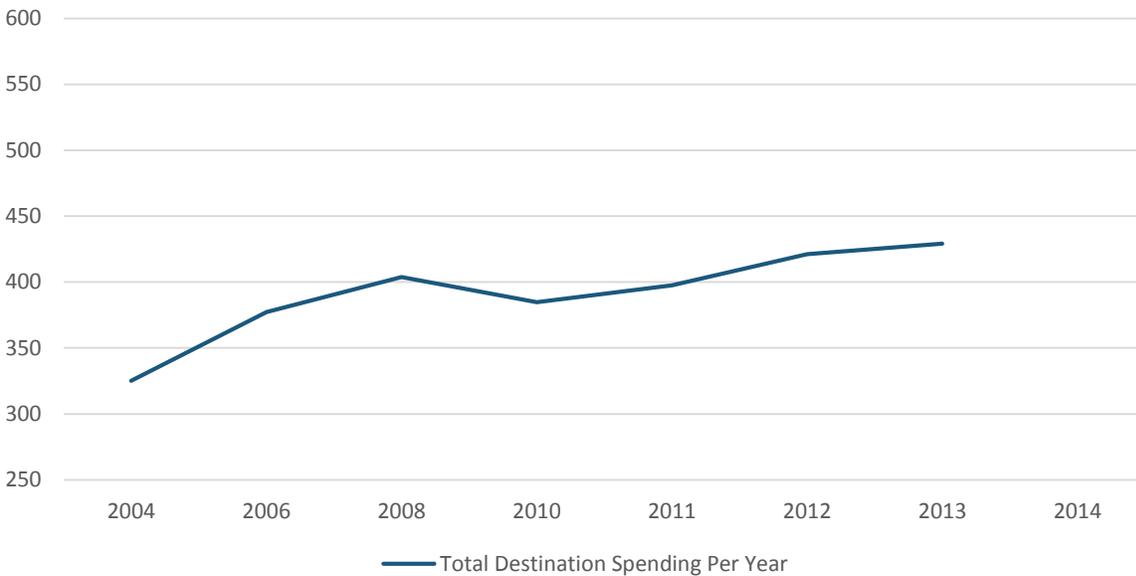


As a whole in Clackamas County, visitors tend to spend the greatest amount on restaurants and eating out. This is a serious growth trend from 2009 (up nearly 5%) simply because Sandy shoppers are largely unhappy about restaurant selection currently. There is a lot of potential for Sandy eateries and for overall visitor spending growth.

#### VISITOR SPENDING BY COMMODITY IN CLACKAMAS COUNTY (2014)



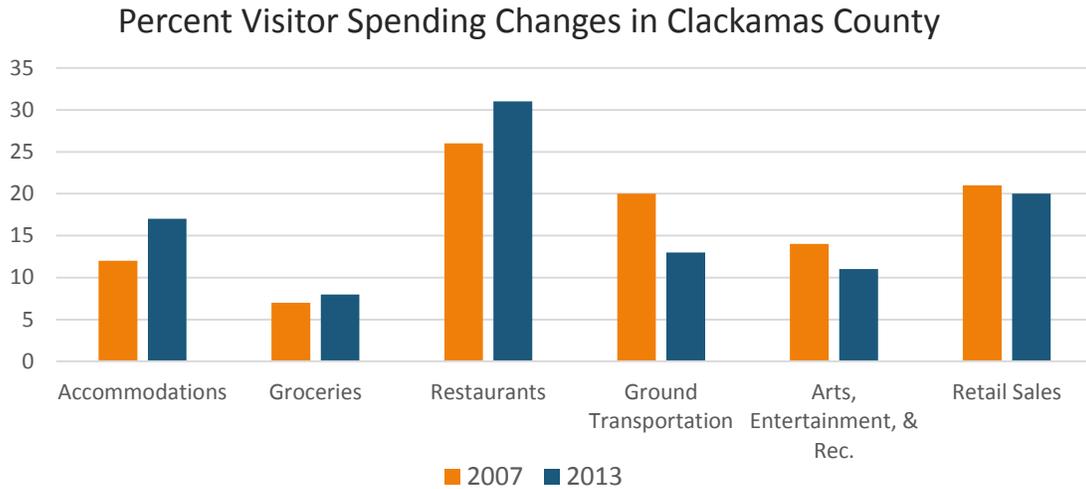
### Mt. Hood/Gorge Greater Area Total Destination Spending Per Year (\$Million)



Visitors are important because of the amount they spend on retail, restaurants and convenience goods like gas and groceries. Visitor spending has been growing in the area over the last decade at a steady pace. Spending on restaurants and accommodations are up the most; Sandy will benefit from a strong eatery base.

Visitor spending in the Mt. Hood/Gorge greater area was about \$303 million in 2013 (Dean Runyan Associates), with \$85 million in earnings to the area. Visitors who stay in private homes typically comprise the largest share of overnight visitor volume in the area (not surprising since lodging options are more limited in this area), however visitors who stay overnight in commercial lodging nearly always have the greatest overall impact.

Food is the largest commodity that both overnight and day visitors typically spend on in the Mt. Hood/Gorge greater area, followed by retail sales (not including accommodation expenses for overnight guests). In 2013, food spending was nearly double the spending on arts/entertainment/recreation, indicating the need for restaurant and dining options to attract visitors.



## 2 RETAIL GAP ANALYSIS AND COMPETITIVE ASSESSMENT UPDATE

Marketek has estimated the potential demand for additional retail, restaurant and entertainment space in downtown Sandy based on resident and visitor spending. In each case, spending potential by merchandise type was converted to square feet of store space based on sales per square foot standards derived from the Urban Land Institute’s *Dollars and Cents of Shopping Centers*.

For the resident market, demand is derived from two sources. The first, “existing demand,” is demand for retail goods by current market area households that is now being met outside the Market Area. Existing demand is found by comparing the retail supply (i.e., actual retail sales) with retail demand (i.e., the expected amount spent by Market Area residents based on consumer expenditure patterns). When demand outweighs supply, a leakage occurs, indicating that consumers are spending outside of the Market Area for some retail goods or services. While consumers will always do a certain amount of shopping away from home, this comparison provides a reasonable indication of the availability of goods in the local market.

The second source of demand, “future demand,” is demand for retail goods based on spending patterns and projected household growth within the market area over the next ten years. Contributions from growth in visitor spending are not included.

Potential demand for new retail space is divided among five merchandise categories: shoppers’ goods, restaurants, entertainment, convenience goods, and personal services. The types of goods and services within these categories are provided in Appendix B. The results of the demand analysis are depicted below. Detailed analyses for each source of demand (existing, future and visitor) are provided in Appendix B.

### Sandy Retail Market Area Existing Retail Demand, 2014

Merchandise or Service Category	Demand/Spending Potential	Supply/Retail Sales	Leakage (or Surplus)	Target Sales (\$)	Potential Space (SF)
<b>Shoppers Goods</b>					
Apparel	\$24,056,366	\$2,009,010	\$22,047,356	\$209	105,490
Home Furnishings	\$9,295,088	\$5,599,957	\$3,695,131	\$140	26,394
Electronics & Appliances	\$11,725,219	\$2,179,811	\$9,545,408	\$199	47,967
Home Improvement & Gardening	\$14,601,597	\$15,688,814	(\$1,087,217)	\$140	
Sporting Goods, Hobbies, Books, Music	\$10,965,316	\$4,108,926	\$6,856,390	\$216	31,743
<b>General Merchandise</b>	\$72,255,390	\$9,303,356	\$62,952,034	\$216	291,445
<b>Miscellaneous Specialty Retail</b>	\$14,437,112	\$9,678,059	\$4,759,053	\$216	22,033
<b>Convenience Goods</b>					
Food & Beverage Stores	\$80,588,763	\$123,254,422	(\$42,665,659)	\$390	
Health & Personal Care	\$26,002,322	\$3,593,052	\$22,409,270	\$365	61,395
<b>Restaurants</b>	\$45,359,329	31,114,301	\$14,245,028	\$263	54,164
<b>Total Leakage</b>			<b>\$102,756,794</b>		
<b>Estimated Supportable SF</b>					<b>640,629 sq ft</b>

\*Target Sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."  
Source: ESRI Business Information Solutions; Urban Land Institute; Marketek, Inc.

When it comes to Home Improvement & Gardening, and Food & Beverage Stores, Sandy's Market Area has a surplus. It's important to note that even though there is a surplus, people are very vocal that they want a healthier option, like a Trader Joe's. Significant demand exists for several categories of merchandise in Sandy's Market Area with apparel, health care/drugstore merchandise and dining topping the list.

The existing resident demand in Sandy's market area has the potential to support an additional 640,629 square feet of retail space, a gap that has widened since 2009 (515,115 square feet). In 2019, that number could grow to about 1,306,000!

### Sandy Retail Market Area Future Retail Demand (2014-2019)

Merchandise or Service Category	Current	Target Sales (S/SF)	2014 Retail Potential		2019 Retail Potential		5 Yr Net Potential Demand in Space (SF)
	Per HH Expenditure		Sales (in mil \$)	Space (SF)	Sales (in mil \$)	Space (SF)	
<b>Shoppers Goods</b>							<b>18,889</b>
Apparel	\$1,647	\$209	\$24.1	115,077	\$25.2	120,578	5,501
Home Furnishings	\$636	\$140	\$9.3	66,339	\$9.7	69,510	3,171
Electronics & Appliances	\$802	\$199	\$11.7	58,852	\$12.3	61,665	2,813
Home Improvement & Gardening	\$999	\$140	\$14.6	104,203	\$15.3	109,184	4,981
Sporting Goods, Hobbies, Books, Music	\$750	\$216	\$11.0	50,705	\$11.5	53,128	2,424
<b>General Merchandise</b>	\$4,947	\$216	\$72.2	334,449	\$75.7	350,435	<b>15,986</b>
<b>Miscellaneous Specialty Retail</b>	\$988	\$216	\$14.4	66,795	\$15.1	69,988	<b>3,193</b>
<b>Convenience Goods</b>							<b>13,280</b>
Food & Beverage Stores	\$5,518	\$390	\$80.6	206,614	\$84.4	216,490	9,876
Health & Personal Care	\$1,780	\$365	\$26.0	71,215	\$27.2	74,619	3,404
<b>Restaurants</b>	\$3,106	\$263	\$45.4	172,460	\$47.5	180,703	<b>8,243</b>
<b>Total</b>			<b>\$309.2</b>	<b>1,246,709</b>	<b>\$324.0</b>	<b>1,306,300</b>	
<b>Five Year Net Gain</b>					<b>\$14.8 M</b>	<b>59,591 SF</b>	

2014 Households: 14,603

2019 Households: 15,301

\*Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."  
Source: ESRI Business Information Solutions; Urban Land Institute; Marketek, Inc.

### 3 OPINION RESEARCH

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Two online surveys were available to Sandy shoppers and business owners in March and April. An additional 50 respondents chose to complete the survey through hard copies. Full survey results are detailed in the Appendix.

#### Shopper Survey Highlights

- 250 people participated in the survey.
- Over 60% do most of their non-grocery shopping in Gresham followed by over a third (35%) who say they do their shopping in Sandy. In 2009, Clackamas Town Center had a much larger pull over potential Sandy shoppers, but it appears **Sandy has gained some ground** in this area.
- Many respondents commented **they view Fred Meyer as their only option** for casual apparel in Sandy.
- Even with the addition of Fred Meyer, shoppers are vocal- **they want healthy, natural grocery options** like a Trader Joe's. Interestingly, **this was also one of their top requests in 2009.**
- A restaurant with a higher selection of food, **a place where people can frequent without feeling like they have to order the same meal every time**, like a Red Robin, would be key.
- Cost is a factor, and many say that **they still save money even when factoring in gas** to Gresham.
- Finally, public safety was brought up a few times as a deterrent for shopping. After further probing, it appears **the main concern is pedestrian safety in a traffic-heavy downtown** with lots of noise.
- When it comes to advantages to shopping in Sandy, responses remain largely similar to 2009's report, however it is worth noting that **while 70% of respondents say they value that they're supporting local businesses in Sandy, they actually put more worth on selection and price**, as shown by their shopping preference in Gresham.
- At 66%, most respondents still view **Poor Selection of Services/Goods as a deterrent from shopping** in Sandy.
- Downtown housing is **not a significant interest** of survey respondents.

#### Business Owner Survey Highlights

- When it comes to doing business, **business owners say that a friendly environment/sense of community, helping the local economy, and good visibility** are the top strengths in Sandy.

- 24% of 2009 business respondents shared that Sandy was strong in its proximity to services and amenities, but only 10% say so today, **indicating that businesses may feel more isolated now and less equipped with amenities in Sandy.**
- As for disadvantages to doing business in Sandy, parking continues to be a major complaint for business owners, as it was in 2009. Even bigger a barrier however, are the **City restrictions and regulations. Many business owners say that the sign permits, design standards, etc. are very complicated and prohibitive.**
- Most businesses say **they are growing moderately** or business is steady.
- **Investment is also steady**, nearly 80% of businesses have made one or more big improvements or investments in their business in the last two years.

## 4 RETAIL STRATEGY DEVELOPMENT PLAN UPDATE

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### 4.1 HEALTHY BUSINESS DISTRICTS

Successful business districts of any size have a healthy business climate and a pro-active marketing program. Key amenities and characteristics to draw customers and/or business prospects to neighborhood or community shopping centers include those listed below:

#### ACCESS & LINKAGES

- Good visibility
- Walkability-pedestrian friendly
- Transportation/transit access
- Readable, clear signage from the car and on foot
- Parking availability

#### USES & ACTIVITIES

- Overall active use—‘street life’ daytime and evening
- Destination attraction(s) in good proximity
- Mix of stores/services—active business clusters
- Frequency of events
- Limited vacancies
- Local entrepreneurship
- Quality goods and services
- Stable/improving real estate values

#### FACTORS AFFECTING RETAIL LOCATION

- Compatible land use patterns
- Property values (realistic)
- Rent levels (realistic)
- Organized promotions
- Good downtown management
- Business compatibility

**IMAGE (CLEAN, SAFE, GREEN, ATTRACTIVE, PLACES TO SIT, AMBIANCE)**

- Welcoming physical appearance—friendly, green, attractive streetscape
- Safe
- Clean, well maintained
- Benches, garbage cans, bike racks
- Unique atmosphere
- Sense of pride and ownership

A brief look at downtown Sandy's assets and challenges below portrays a snapshot of downtown Sandy from two key views:

1. What visitors want from a shopping experience
2. Business climate and marketing factors that affect business decision makers seeking a profitable location

## 4.2 COMPETITIVE ASSESSMENT

### Sandy Market Area Competitive Assessment

#### Geography & Description

Core downtown retail area is the Hwy 26/Proctor/Pioneer couplet from Bluff Road (west) to Ten Eyck Road (east), but the greater market area is a 15 minute drive time from downtown city center.

#### Strengths & Assets

- Incomes are relatively high; growth is up in the business community.
- Community gathering spaces are draws including businesses like the Ant Farm that serve as an attractor for locals and visitors.
- Design standards are award winning.
- Property improvements in the core commercial area have transformed Sandy's image and 'put downtown on the map' as a place to do business. This positive reputation spills over throughout the community.
- Good balance of locally owned, one-of-a-kind businesses with chain stores throughout town.
- Downtown way-finding signage is being replaced by more stylish and colorful signs to be completed by summer 2015. This project includes approximately 24 directional signs to public amenities and points of interest in the downtown couplet, and 3 larger monument signs indicating entry into downtown Sandy from state highways.



## Challenges

- A few apathetic property owners with deteriorating buildings in prime locations.
- Barriers to redevelopment of existing space due to building or safety conditions.
- Perceptions about the lack of friendly business environment/difficulty in adhering to City standards.
- Lack of healthy food options, perception among shoppers that downtown is cluttered with fast food.



## Opportunities

- Food. More restaurant options and healthy grocery have been on the community's wish list for nearly a decade!
- Opportunity for infill development at several pivotal sites that could potentially connect blocks within downtown and the edges.
- Open spaces prime location for highly visible community events, lure traffic in.



BASED ON THE COMPETITIVE ASSESSMENT, THE FOLLOWING ARE TOP OF MIND RECOMMENDATIONS:

#### 4.3 LEVERAGE STRENGTHS AND ASSETS

- Raise up Sandy champions and downtown anchors with promotions, news stories, recognition and thanks. Examples include:
  - Ant Farm – community arena, “living room” of downtown Sandy, benefits a good cause
  - Sandy Décor – long time, locally-owned business that fills a niche in Sandy
  - Businesses getting on board with bike-friendly standards
  - Businesses taking advantage of City incentives for signage, façade work, etc.
- Use the traffic to downtown’s advantage
  - Since much of Sandy traffic consists of mountain-goers to or from day trips, these are perfect food-centered visitors. From coffee stops in the morning to a hearty dinner on the way back down the mountain, how is Sandy luring cars to stop?
  - Are there several “fast” and “hip” food cart options for drivers to stop at in the square? Can they pick up a rack card of restaurant options when they stop at Joe’s Donuts or coffee spots?
- Build on the City’s award winning design standards with continued PR and before-after images
  - The City has earned positive attention for the Sandy style, one that by design encourages drivers and visitors to slow down and take a second look.
- Provide technical assistance to prime businesses to diversify
  - Conduct business outreach to Sandy’s top 25 retailers to determine their needs and make connections to business assistance.
  - Many area mountain goers are outdoorsy and adventurous Oregonians. How can the several of the ski/snow sport rental and gear shops bring in those folks in the summer? Bike rentals? Backpack gear?

#### 4.4 PRIORITIZE CHALLENGES

- Strategize incentives to buy out negative business owners, or force rehabilitation on the properties
  - Look to strong example programs in place by Portland Development Commission (PDC), such as Commercial Property Redevelopment Loan Program, made available through Urban Renewal.
- Ask for a stamp of approval
  - Businesses who have received your assistance will more than likely be happy to talk about their experience. Collect a few testimonials and case studies to have on your website and at the chamber, showing the City is easy to work with, standards are not confusing, and the process is easy. Start tipping those perceptions.

#### 4.5 INVEST IN OPPORTUNITIES

- Create an infill plan

- Inventory and assess property development potential to have a complete picture of which properties can best be influenced. A sample property assessment sheet is in the appendix.
- Again, look to strong example programs that support infill used by PDC, such as Commercial Property Redevelopment Loan Program or Development Opportunity Services Program.
- Know the locals
  - As a population, Sandy citizens know what they want. Their income is up, and they have been willing to drive to get the groceries and apparel options they want.
  - With such a resounding desire for a Trader Joe's or a healthy grocery option, and the demographic to support it- consider a business recruitment campaign and engage the community.
- Repurpose open space from empty lots to functional uses while available
  - Utilize the highly visible open space while you have it for outdoor events and food cart options.

#### 4.5.1 Infill Planning

Infill development is the process of developing vacant or under-used parcels within existing urban areas that are already largely developed. Ideally, infill development involves more than the piecemeal development of individual lots. Successful infill development is characterized by overall residential densities high enough to support improved transportation choices as well as a wider variety of convenience services and amenities. It can return cultural, social, recreational and entertainment opportunities, gathering places, and vitality to older centers and neighborhoods. In the long view, the public and private costs of continuing to favor sprawl development patterns will far exceed the resources needed now to facilitate infill development. (MRSC.org – Municipal Research and Services Center)

Local governments offer infill incentives for a number of reasons:

- Infill development reuses properties that may have been underutilized or blighted, helping to catalyze revitalization.
- Infill has the potential to boost jobs, purchasing power, and public amenities in urban core neighborhoods and generate tax dollars for local government.
- Located in proximity to existing transit routes or within walking distance of services and entertainment, infill development can reduce auto use and accompanying congestion and pollution.

Infill development is an important smart growth strategy for regional equity. Infill development is not, however, always a developer's first choice. Challenges associated with infill include the small, scattered nature of many infill parcels, complex title issues, outdated infrastructure serving the infill site, and environmental contamination. For these reasons, urban infill is often bypassed by developers for cheap, readily available suburban land.

For ideas and samples of infill infrastructure-related incentives, see Appendix F.

## 4.6 MATCHING BUSINESS OPPORTUNITY WITH OPPORTUNITY SITES

Sandy's Market Area includes important opportunity sites, and combined with retail gap analysis and opinion research, Sandy is able to match sites to businesses that best fit the community needs. City of Sandy staff outlined the below as top priorities to match with business opportunities:

Top vacant buildings ready for occupancy include:

- **39831 Hwy 26:** As the only built property available right now that is wired with gigabit fiber, 6600 square feet, the perfect size for a small startup of maybe 15-20 people.
  1. An example marketing sheet for this location is included in the appendix.
- **37515 Hwy 26:** 2,088 parcel square footage, unknown building square footage.
- **39330 Proctor Blvd:** 1,323 parcel square footage, unknown building square footage.
- **38958 Proctor Blvd:** 1,850 parcel square footage, 10,000 building square footage.

Undeveloped infill properties include:

- **38400 Pioneer Blvd:** .68 total property acreage (gigabit fiber available at this location)
- **38940 Pioneer Blvd:** .52 total property acreage (gigabit fiber available at this location)
- **90.71 acre space across from Fred Meyer**

As a best practice, Marketek recommends having the following information handy for targeted businesses; see marketing flyer in Appendix. One likely target market campaign is for 'healthy' foods/groceries. The list below is tailored for a healthy grocery store specifically:

1. Market area map
2. Key demographics
3. Key bullets on retail demand, grocery demand
4. Highlights of shopper survey related to grocery
5. Conventional Grocery supply map and existing stores
6. Natural / alternative grocery supply map
7. Upcoming development and growth plans in market area
8. Possible incentives City, etc. is willing to offer to prospect



## APPENDIX A

### Target Market Supporting Charts

#### Age Distribution, 2014

Age Category	Sandy Retail Market Area	Portland MSA	State of Oregon
0 - 4	6.20%	6.30%	6.00%
5 - 9	6.40%	6.30%	6.00%
10 - 14	6.80%	6.50%	6.10%
15 - 19	6.70%	6.20%	NA
20 - 24	6.20%	6.70%	NA
25 - 34	12.30%	14.50%	13.50%
35 - 44	12.80%	14.10%	12.70%
45 - 54	14.10%	13.60%	13.10%
55 - 64	14.50%	12.80%	13.80%
65 - 74	8.90%	7.80%	9.20%
75 - 84	3.80%	3.40%	4.30%
85+	1.40%	1.80%	2.10%
<b>Total</b>	<b>39,951</b>	<b>2,296,285</b>	<b>3,922,722</b>
<b>Median Age</b>	<b>39.4</b>	<b>37.5</b>	<b>39.1</b>

Source: ESRI Business Information Solutions; Marketek, Inc.

### Income Distribution, 2014

Income Category	Sandy Retail Market Area	Portland MSA	State of Oregon
Less than \$15,000	8.80%	11.50%	13.70%
\$15,000 - \$24,999	8.50%	9.20%	11.70%
\$25,000 - \$34,999	8.70%	8.90%	10.20%
\$35,000 - \$49,999	12.40%	13.10%	14.20%
\$50,000 - \$74,999	22.90%	18.80%	19.10%
\$75,000 - \$99,999	14.40%	13.00%	12.50%
\$100,000 - \$149,999	18.00%	15.90%	11.90%
\$150,000 - \$199,999	3.50%	5.20%	3.60%
\$200,000 +	2.80%	4.30%	3.10%
Total HH	14,603	896,982	1,561,874
Median HH Income	<b>\$60,050</b>	\$57,441	\$50,130

Source: ESRI Business Information Solutions; Marketek, Inc.

### Racial Composition and Hispanic Origin, 2014

Race	Sandy Retail Market Area	Portland MSA	State of Oregon
White Alone	89.30%	81.00%	82.3%
Black Alone	0.50%	2.90%	1.90%
American Indian Alone	1.00%	0.90%	1.40%
Asian/Pacific Islander Alone	2.00%	6.20%	4.40%
Some Other Race Alone	4.00%	4.90%	5.80%
Two or More Races	3.10%	4.10%	4.10%
Hispanic Origin (any race)	8.70%	10.90%	12.80%
Total	39,951	2,296,285	3,922,722

Source: ESRI Business Information Solutions; Marketek, Inc.

## APPENDIX B

### Summary of Merchandise and Service Categories and Typical Sizes

Merchandise /Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's, Footwear, Watches, Jewelry
Home Furnishings	Furniture, Floor Coverings, Major and Small Appliances, Household Textiles, PC Software and Hardware, Housewares, Dinnerware, Telephones
Home Improvement	Maintenance and Remodeling Materials, Lawn and Garden
Miscellaneous Specialty Retailers	Pet Care, Books and Magazines, Sports Equipment, Toys and Hobbies, Video and Games, TV and Electronics, Luggage, Eyeglasses
Groceries	Food at Home, Nonalcoholic Beverages at Home, Alcoholic Beverages, Smoking Products
Restaurants	Food Away From Home, Alcoholic Beverages
Entertainment	Admission to Movie/Theatre/Opera/Ballet, Recreational Lessons, Participation in Clubs
Health & Personal Care	Characterized principally by the products retailed, optometry, pharmacy, beauty products. (Sub-sector retail health and personal care merchandise)
Personal Services	Shoe Repair, Laundry and Dry Cleaning, Alterations, Clothing Rental, Storage, Watch & Jewelry Repair, Photo Processing and Supplies, Child Care

Median and Average Business Sizes (SF)

Merchandise or Service Category	Median	National	Local Chain	Independent
<b>Specialty Retail</b>				
Art Gallery	1,802	~	1,802	1,907
Arts/Crafts Supplies	8,928	20,957	~	3,070
Beauty Supplies	1,807	1,634	2,450	1,829
Bike Shop	3,440	~	~	2,596
Bookstore	10,093	23,000	9,990	2,740
Cameras	2,000	2,000	~	~
Children's Wear	3,913	4,879	3,054	2,105
Family Shoe Store	4,000	4,113	5,100	2,460
Gift/Cards	4,200	4,900	3,780	1,653
Hardware	13,200	13,900	~	~
Home Accessories	7,595	10,215	5,365	2,462
Jewelry	1,500	1,610	1,968	1,200
Luggage	2,500	2,499	~	~
Men's Clothing Store	3,500	4,319	3,065	2,750
Pet Supplies	7,995	17,600	3,201	3,200
Music	4,464	6,178	~	2,017
Sporting Goods	8,465	22,000	4,980	2,995
Toys	7,855	12,000	~	3,344
Women's Clothing Store	4,400	4,503	3,960	2,145
<b>Convenience</b>				
Drugstore/Pharmacy	10,920	10,860	16,668	4,977
Supermarket	50,420	49,071	51,495	23,300
Bakery	1,990	4,000	~	1,700
Gourmet Grocery	18,000	~	~	~
Wine/Liquor	3,440	~	6,237	2,920
<b>Personal Services</b>				
Day Spa	2,875	~	2,563	3,060
Women's Hair Salon	1,400	1,450	1,250	1,361
Nail Salon	1,200	~	1,200	1,200
Picture Framing	1,600	1,703	~	1,588
Health Club	10,249	9,548	5,508	10,249
Mail/Packaging/Photocopying	1,278	1,240	~	1,236
Tailor/Alteration	950	~	900	1,035
Movie Rental	6,000	6,333	4,240	4,733
Shoe Repair	855	~	~	795
Drycleaners	1,800	~	1,800	1,649
Day Care	4,000	~	~	3,901
Laundry	2,114	~	2,150	1,955
<b>Restaurants</b>				
Restaurant with Liquor	5,204	6,669	5,600	3,362
Restaurant without Liquor	3,581	6,500	3,025	2,625
Bar/Cocktail Lounge	3,821	~	~	3,821
Ice Cream Parlor	1,137	1,144	1,137	1,116
Coffee/Tea	1,578	1,650	1,624	1,400

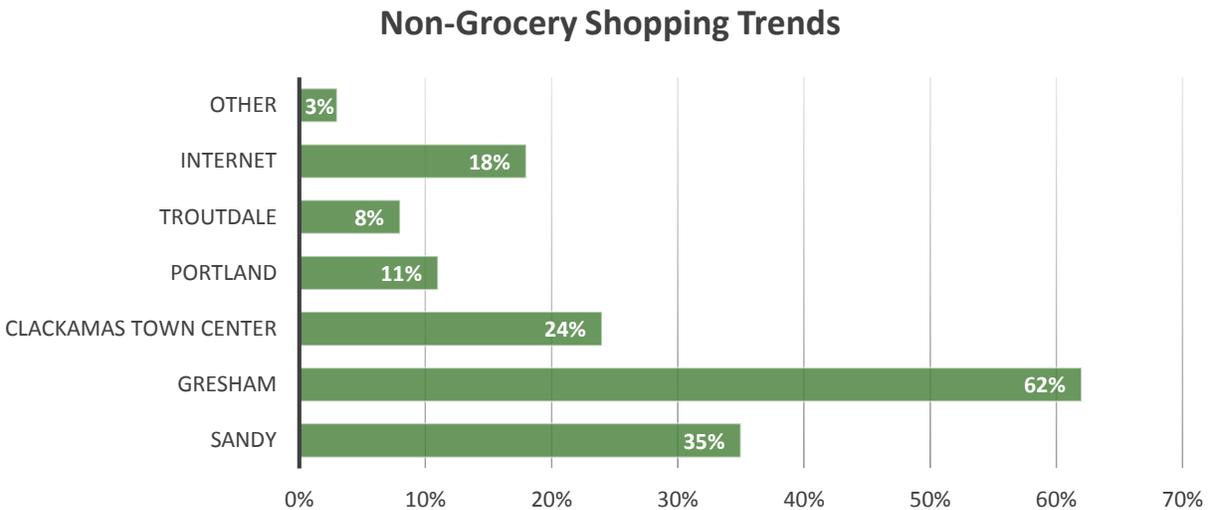
Source: Urban Land Institute, "Dollars and Cents of Shopping Centers"

## SHOPPER SURVEY RESULTS

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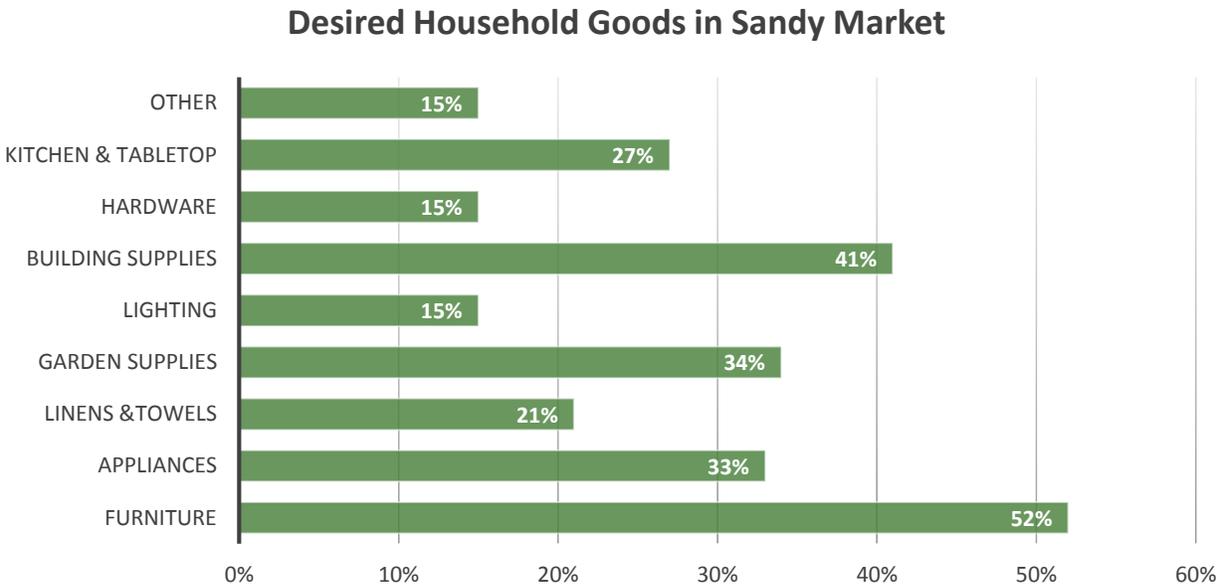
**1. Where do you do most of your non-grocery shopping (apparel, home furnishings, sporting goods, etc.)? (250 respondents)**

- Over 60% do most of their non-grocery shopping in Gresham, about the same estimated in 2009, indicating Gresham’s strong pull on the Sandy market.
- While less than a quarter of respondents (21%) said they do most of their non-grocery shopping Sandy in 2009, today over a third (35%) said they do.
- Clackamas Town Center continues to be a huge draw for its retail options, bringing in about a quarter of respondents for the majority of their non-grocery shopping.



**2. What kinds of household goods do you think we are missing or need more in the Sandy community? (Check all that apply) (219 respondents)**

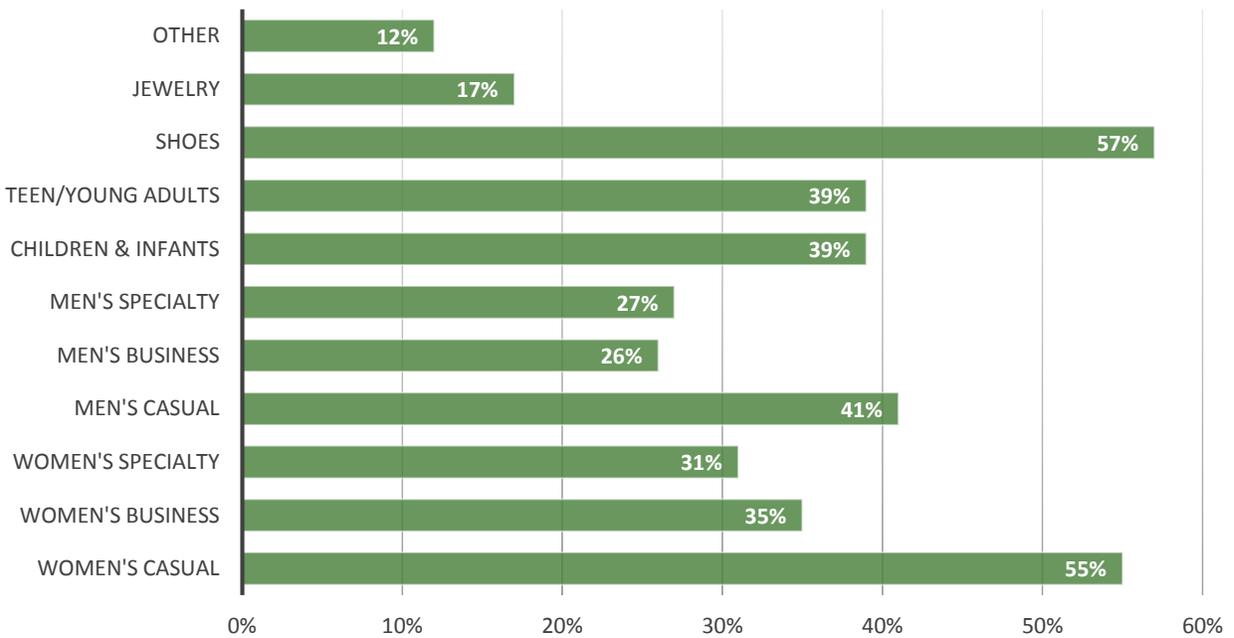
- The top response in 2009 was Furniture at 43%, and today over 50% of respondents report that continues to be the top missing non-grocery commodity in Sandy.
- The next top requested household goods are Building Supplies (41%), Garden Supplies (35%) and Appliances (33%) - similar to 2009's study.



**3. What kinds of apparel do you think we are missing or need more in the Sandy community?  
(Check all that apply) (211 respondents)**

- Shoes (57%) and Women’s Casual (55%) are the most requested apparel options in Sandy.
- Casual apparel for both men and women are top needs, as well as shoes. Many respondents commented they view Fred Meyer as their only (poor) option for casual apparel in Sandy.
- In the “Other” category, common requests include Outdoor Apparel and Plus-Size options.

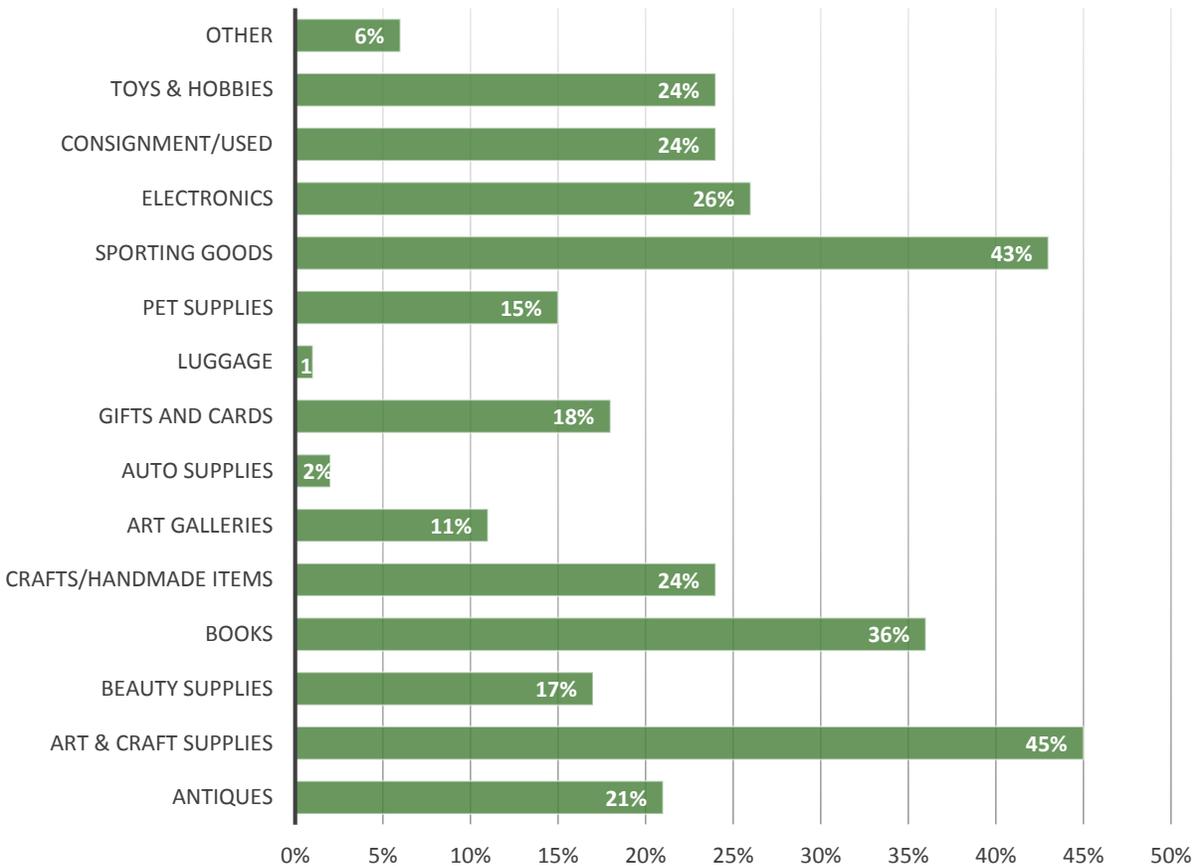
**Desired Apparel in Sandy Market**



**4. What kinds of specialty merchandise do you think we are missing or need more in the Sandy community? (Check all that apply) (230 respondents)**

- In 2009, Sporting Goods (33%) was the most requested good, followed by Arts and Crafts Supplies (32.5%) and Books (30%).
- Not much has changed. Today, respondents continue to say that those are their top three priorities, with Arts and Crafts at 45%, Sporting Goods at 43%, and Books at 36%.

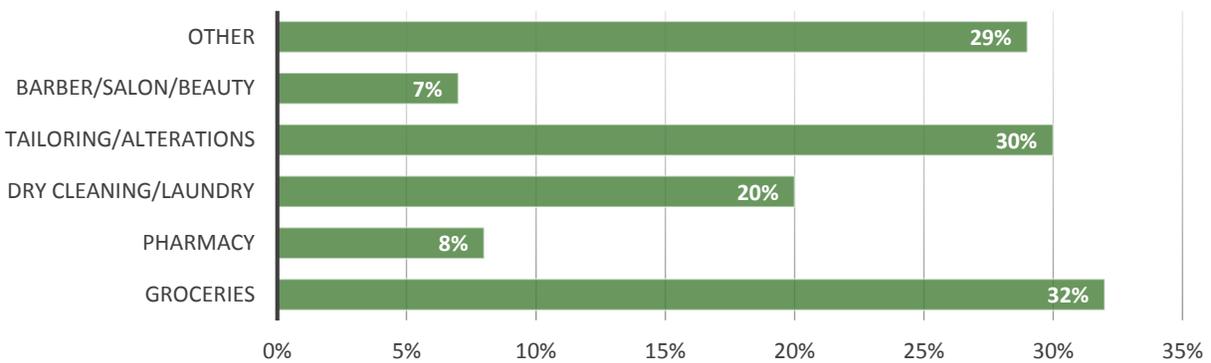
**Desired Specialty Merchandise in Sandy Market**



**5. What kinds of convenience merchandise and personal services do you think we are missing or need more in the Sandy community? (Check all that apply) (126 respondents)**

- In 2009, the majority of respondents chose “Other” and cited the need for natural or health food stores, like a Trader Joes. Today, that trend continues, with Grocery options (32%) and “Other” (29%). The most frequent answer in “Other” continues to be Trader Joes or a natural/organic grocery.
- Tailoring & Alterations is a new need in the Sandy community, as demand as gone up about 10% since 2009.

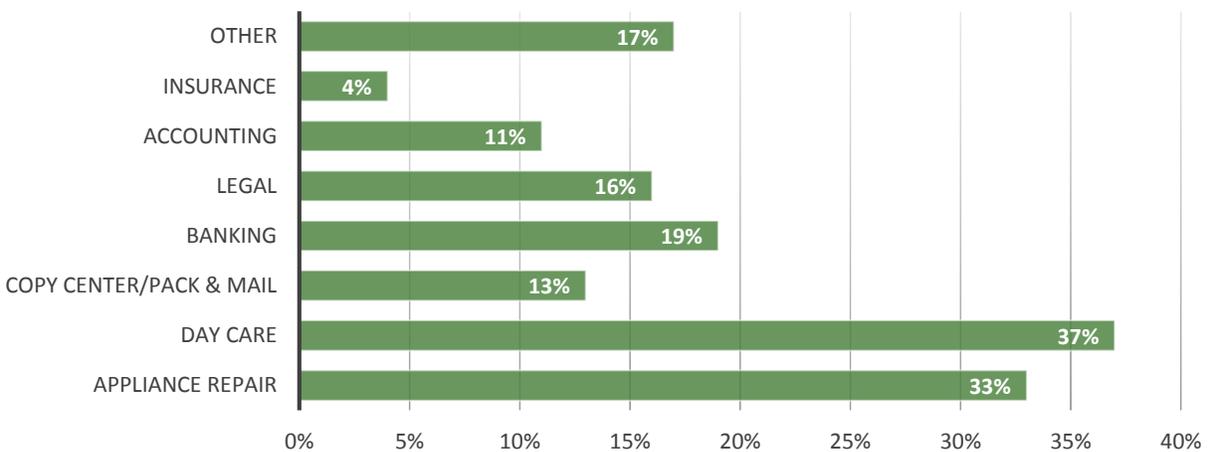
**Desired Convenience Merchandise and Personal Services**



**6. What kinds of general services do you think we are missing or need more in the Sandy community? (Check all that apply) (138 respondents)**

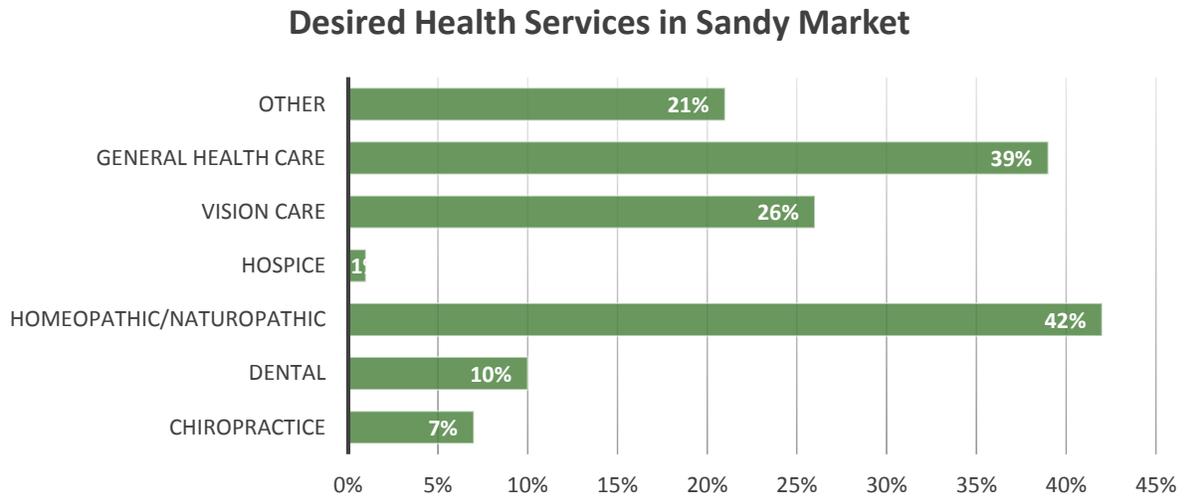
- At 38% in 2009 and 37% in 2015, Day Care is viewed as an unmet need in the Sandy market.
- Appliance Repair is the second most requested general service (33%).

**Desired General Services in Sandy Market**



**7. What health services do you think are missing or need more in the Sandy community? (Check all that apply) (147 respondents)**

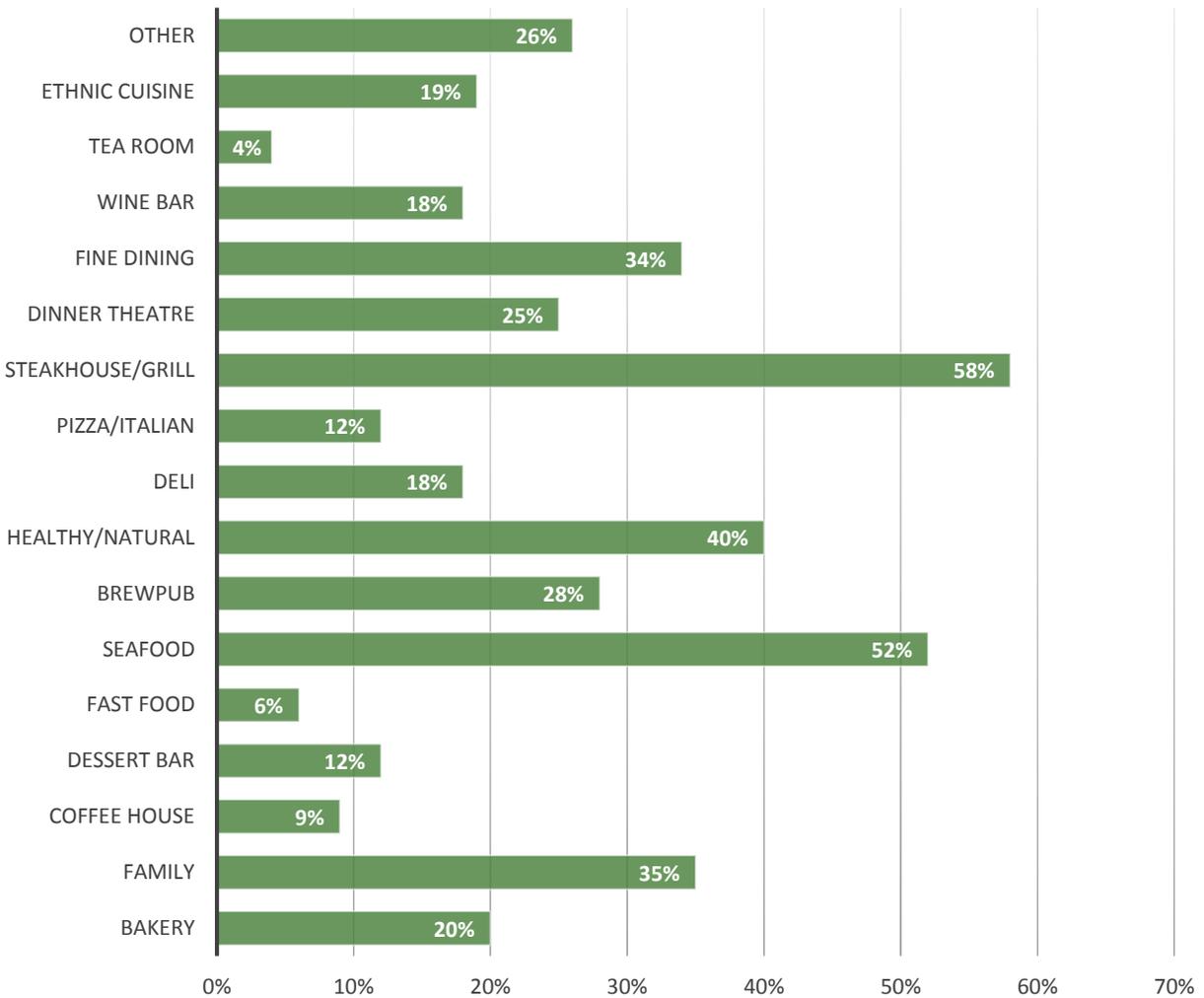
- General Health Care (39%) and Homeopathic/Naturopathic (43%) health services are still in highest demand, similar to 2009, although the demand for natural health options has risen significantly.



**8. In your opinion, what types of restaurants and cuisine do you think we are missing or need more in the Sandy community? (Check all that apply) (243 respondents)**

- While Family Dining was in highest demand in Sandy during 2009’s survey, respondents today prioritize Steakhouse/Grill (58%) and Seafood (52%).
- The most requested Ethnic Cuisine in “Other” was Indian/Middle Eastern food.
- Consumers say that they want more variety, as their responses to this survey update tend to be less targeted and more about having options.

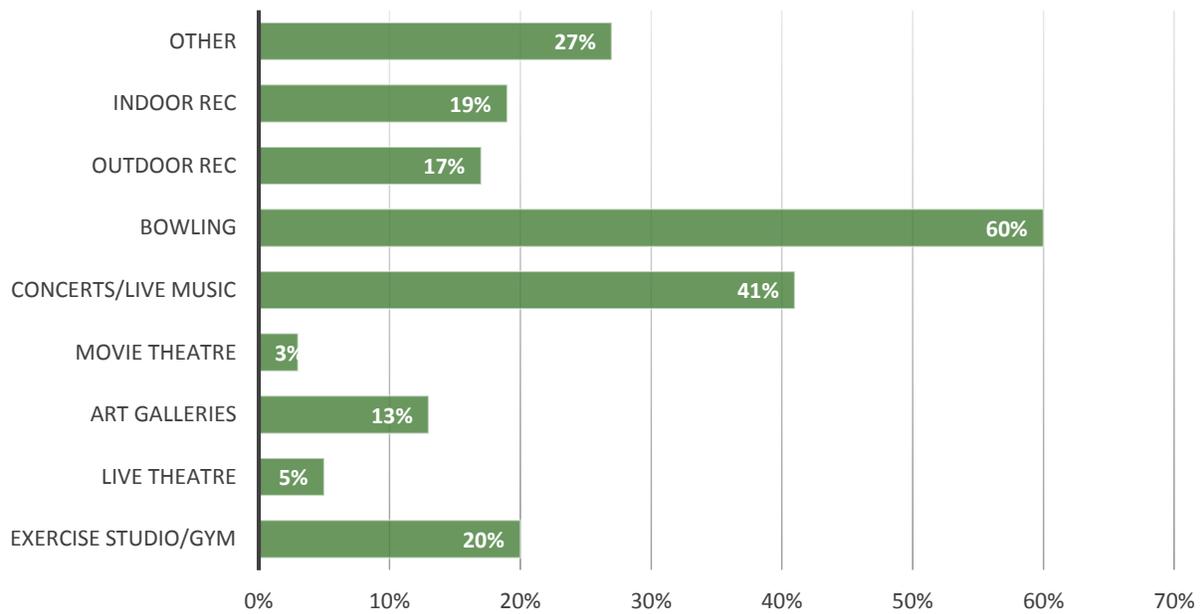
**Desired Restaurants and Cuisine in Sandy Market**



**9. What kinds of leisure/entertainment activities do you think are missing or need more in the Sandy community? (Check all that apply) (191 respondents)**

- The top responses remain Bowling at 60% (down from 65% in 2009) followed by Concerts/Live Music at 41% (up from 31% in 2009).
- The most frequent response in the “Other” category was child-friendly recreation, like an indoor playground, or putt-putt golf.

**Desired Leisure/Entertainment Activities in Sandy Market**



**10. Some of the above merchandise and services may be available locally. Please explain why you may not be buying these products or services in Sandy if you are aware of them. (89 respondents)**

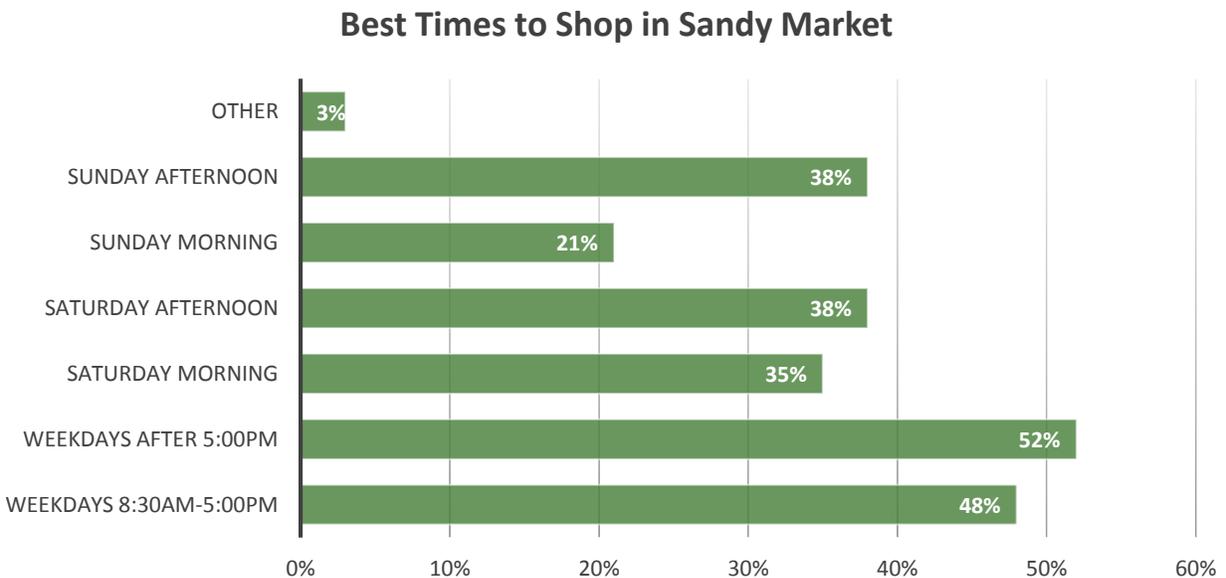
- Quality of apparel, people don't want to shop at Fred Meyers for clothing and shoes.
- Selection of food, something that people can repeat without feeling like they get the same meal every time, like a Red Robin, would be key.
- Cost is a factor, and many say that they still save money even when they spend on gas for cheaper merchandise in Gresham.
- Finally, public safety was brought up a few times as a deterrent for shopping. After further probing, it appears the main concern is pedestrian safety in a traffic-heavy downtown with lots of noise.

**11. What are the top two goods/retail businesses that you frequent in Sandy, that are not located right downtown? (44 respondents)**

- Fred Meyer and Bi-Mart or Fred Meyer and Grocery Outlet – these are **the** big draws in.

**12. What are the best times for you to shop? (Pick top three) (242 respondents)**

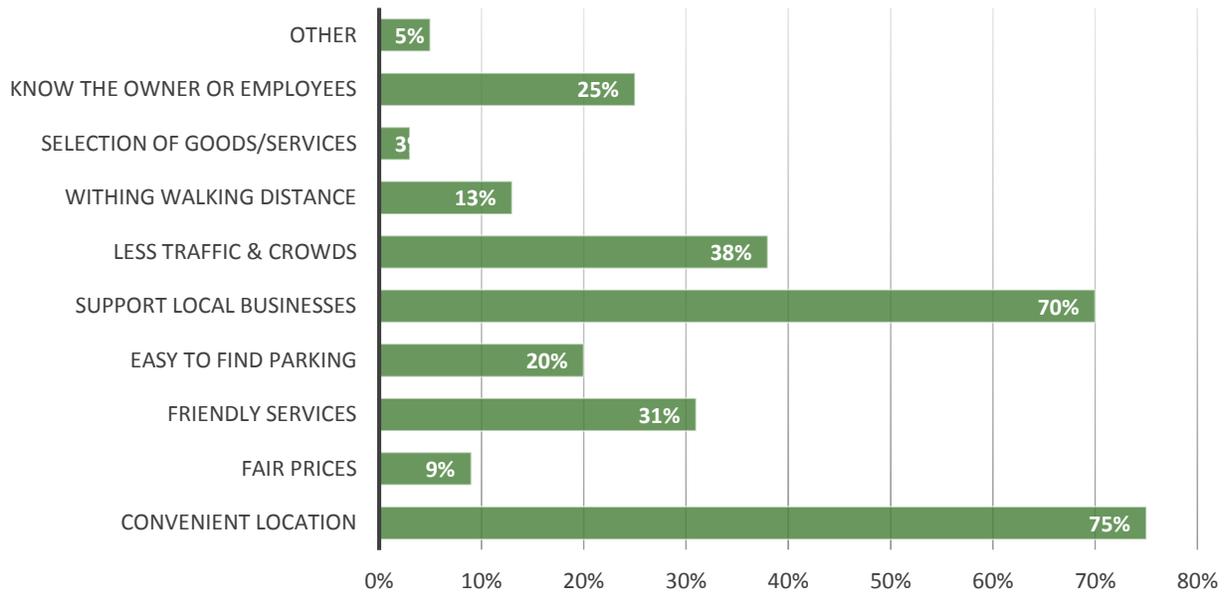
- Shoppers are generally willing to shop at all times of the week besides Sunday morning.
- Afternoons and Evenings are slightly preferred, no change from 2009.



**13. Currently, what are major advantages of shopping or doing personal errands in downtown Sandy? (Check top 3) (236 respondents)**

- Responses remain largely similar to 2009’s report, however it is worth noting that while respondents (70%) say they value that they’re supporting local businesses in Sandy, they actually put more worth on selection and price, as shown by their shopping preference in Gresham.
- Good Selection (2%) and Fair Prices (9%) are still viewed as atypical to the Sandy shopping experience.

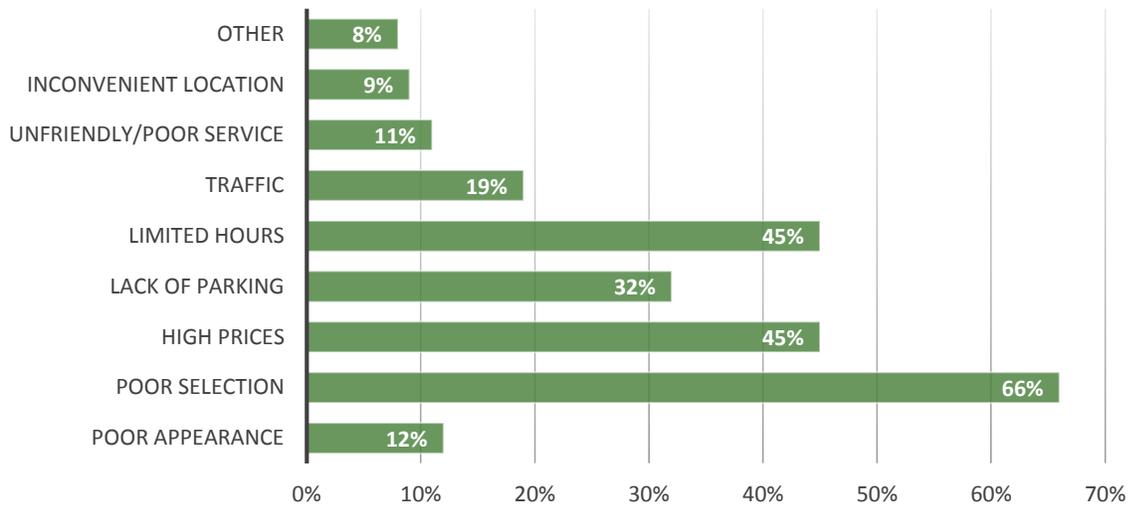
**Advantages to Shopping in Sandy Market**



**14. Currently, what are major disadvantages of shopping or doing personal errands in downtown Sandy? (Check top 3) (229 respondents)**

- At 66%, most respondents still view Poor Selection of Services/Goods as a deterrent from doing business in Sandy.
- Traffic and Lack of Parking is less of a problem than it was viewed as in 2009.

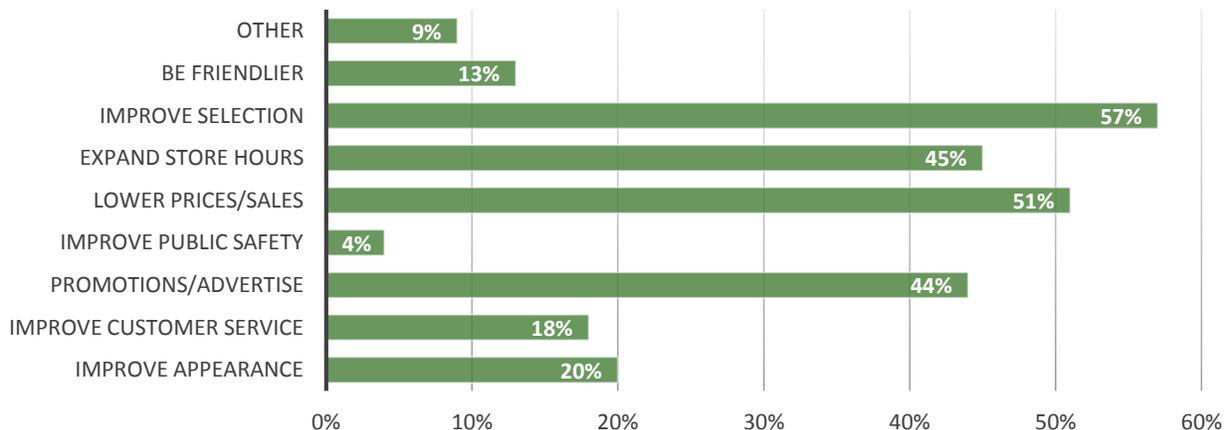
**Disadvantages to Shopping in Sandy Market**



**15. What can Sandy merchants do to improve their stores? (Check top 3) (214 respondents)**

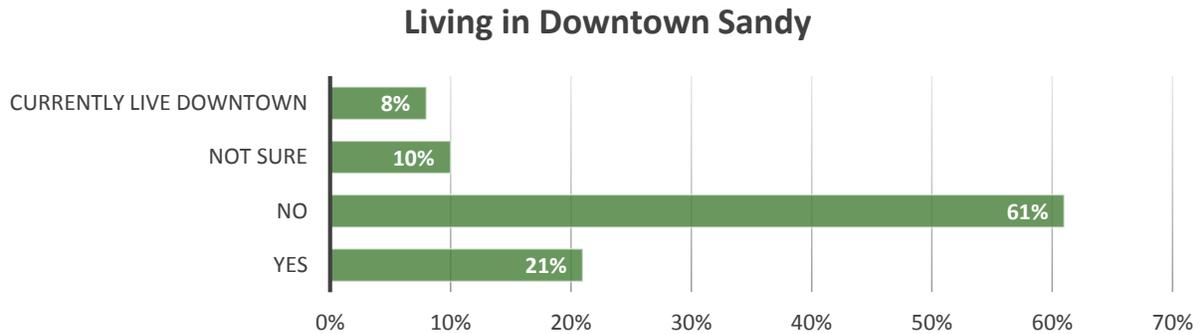
- While Lower Prices were respondents' top suggestion in 2009, today 57% prefer to see a better selection first, then better prices at 51%.
- Promotions and Advertising has been a top recommendation both in 2009 and 2015. City of Sandy or Chamber should further investigate to decide what role they can play in assisting local businesses with this.

**Improvements Sandy Merchants Can Make**



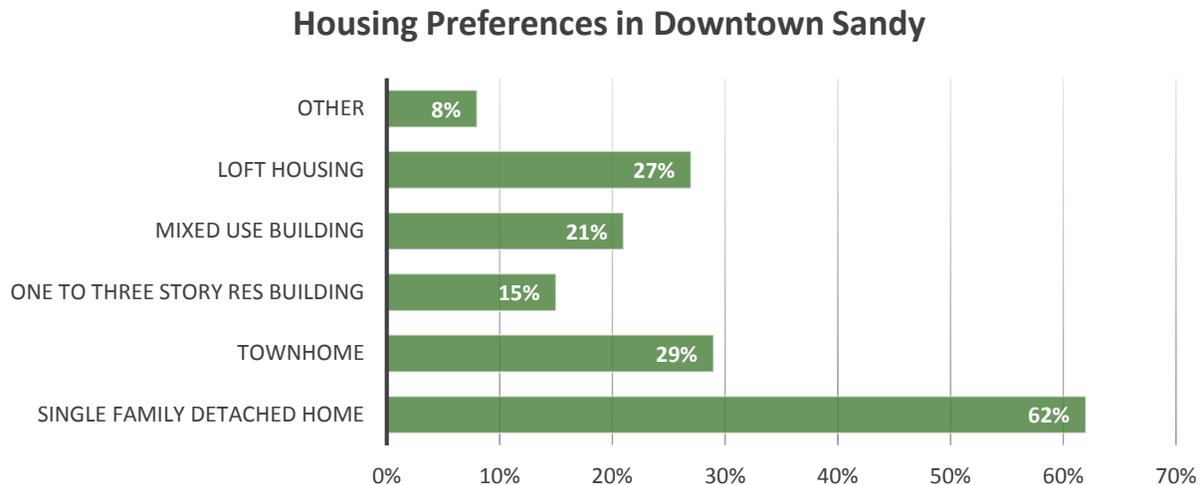
**16. Would you consider living in downtown Sandy if high quality new or renovated units were available? (231 respondents)**

- Many Sandy residents continue to insist that they would not consider living downtown, which is consistent with the Sandy resident segment, who likes their space and living in a less populated area.



**17. If you would consider living downtown, what type of housing would you most like to live in? (Check top 2.) (111 respondents)**

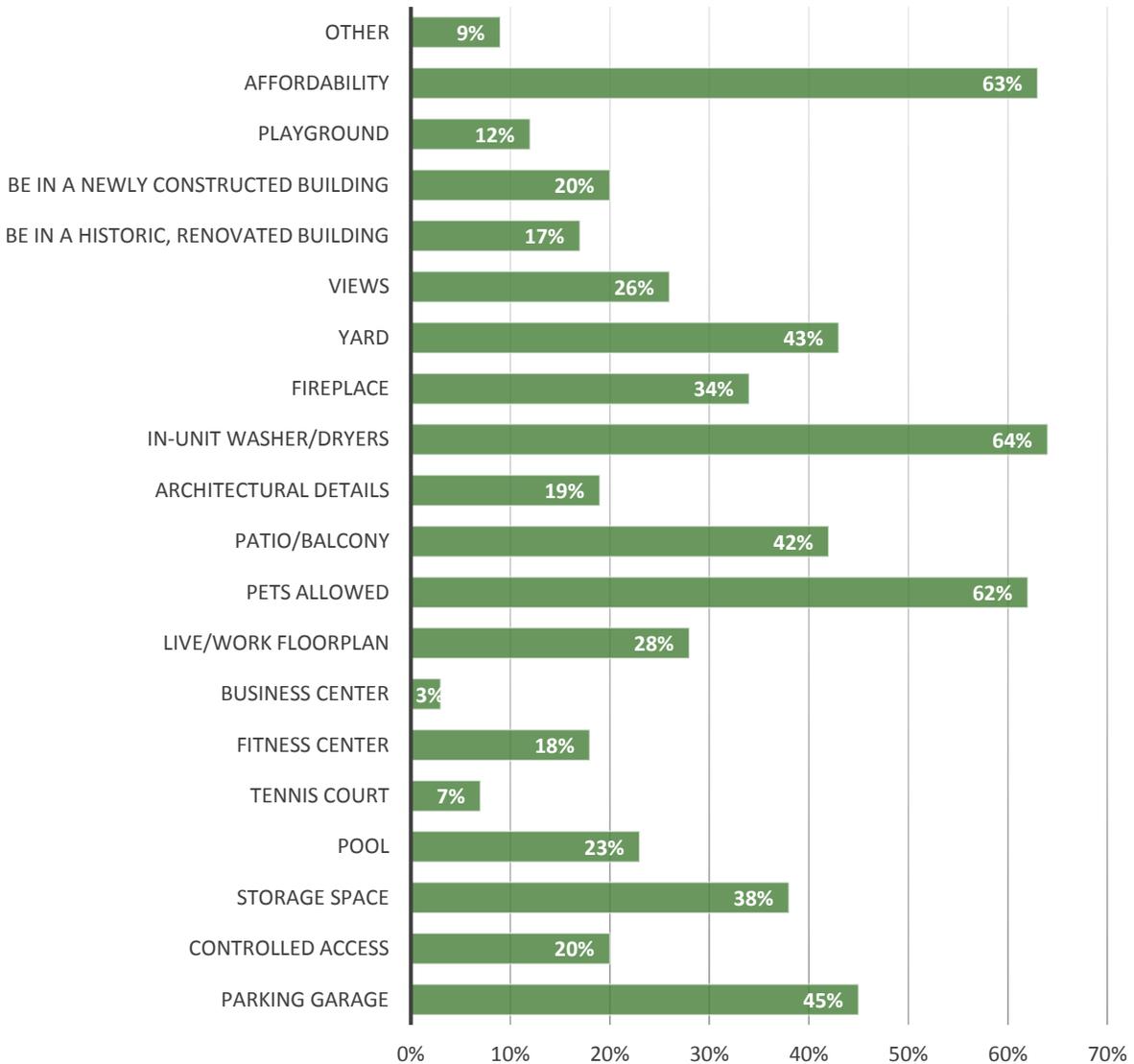
- Single Family Detached home remains the top preferences, although the consideration for Loft Housing has grown considerably since 2009 (about 15% growth).



**18. If you would consider living downtown, what features and amenities would be most important to you in choosing your housing? (Check top 5.) (118 respondents)**

- Responses remain largely similar to 2009’s report.

**Top Amenities for Housing in Sandy**



**19. What identity of image would you like to see Sandy develop for itself as a unique business, shopping, or entertainment district? (106 respondents)**

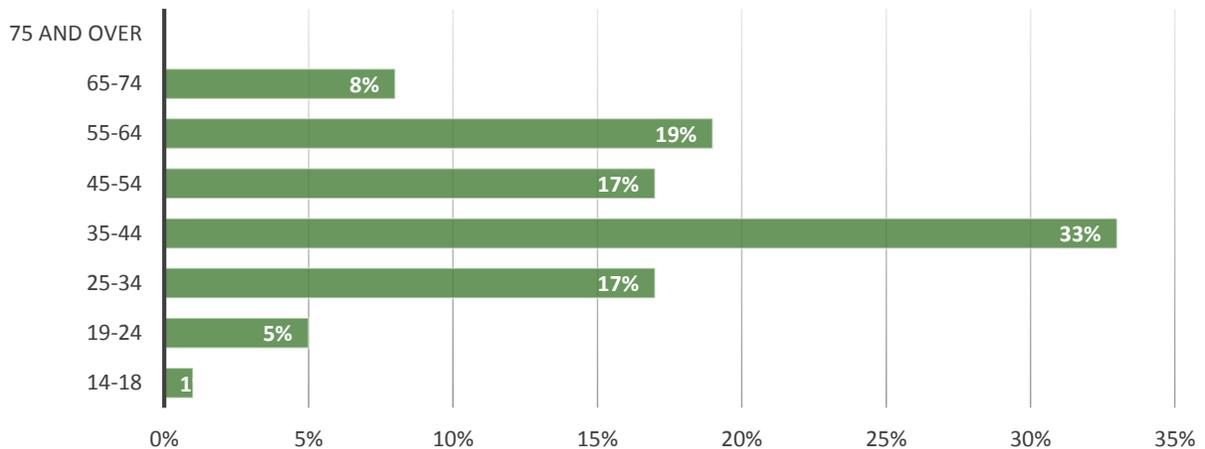
- *“So many people passing through and we take advantage of NONE of it! Need to be a destination for all if these travelers to the mountain to stop for "landmark" spots with hip cool vibe, like Portland restaurants! A great food cart pod like Cartlandia! Most of my friends here are professionals, educated, and love having nightlife in Portland! Must bring income from travelers and locals and keep it here! We need to have our Edgefield!”*

- *“Traffic is an issue with vehicles speeding through town on occasion with little regard for safety of pedestrians or bikes. Downtown Sandy is NOT bicycle friendly.”*
- Embracing more of the mountain and outdoor/rugged vibe, but keeping an eye on the historic roots.
- Of course respondents are quick to complain about buildings that owners have let go, that are City and resident eyesores.

**20. Please check your age (211 respondents)**

- A younger group (over 55% under the age of 45) is more involved and more vocal in Sandy now than in 2009, where more than half the respondents were over the age of 45.

**Survey Respondent Ages**

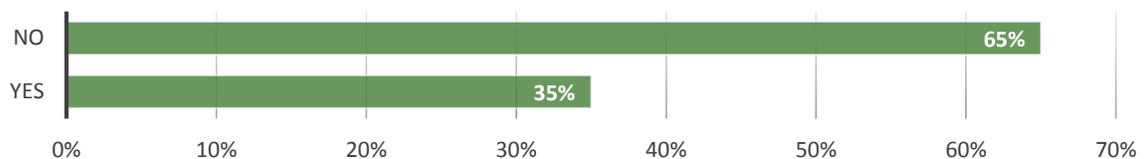


**21. What is your home zip code? (230 respondents)**

- Sandy by 90%

**22. Do you currently work in Sandy? (233 respondents)**

**Respondents Who Work in Sandy**



**23. Please share any other comments. (56 responses – all shown in original text)**

- *This town needs to become a hub of hip options to hangout and drink and eat well! Everyone I know goes to Edgefield and Skyway to have the right ambiance for fun adults and a place to take kids that still feels cool and you don't want to leave!*
- *The run down building on the east bound side of town are an eye sore. 5 gas stations in the middle of town is overkill. There are too many vacant stores.*
- *Make Sandy the biggest small city in the world.*
- *I would love to see the Christmas tree be redone this year. We have a great community and then people passing through at Christmas time see our Charlie Brown tree with the crazy lights and it looks ridiculous. Let's put some pride into our tree this year.*
- *There are no jobs in Sandy. If you take away the corporate chains, and the legacy businesses that actually own the space that they operate out of, you have a very depressing and anemic economic picture in Downtown Sandy. Sandy is known as a good stop for picking up your addictions tobacco/alcohol/fastfood, and nothing else, and I don't see that changing anytime soon.*
- *I come to Sandy to do everything because I do not like Gresham, unfriendly too busy too much traffic I like the casual, less populated feel of Sandy.*
- *Sandy is great but stores need to stay open later and we need new bigger destination restaurants and some larger chain business in down town to attract people to the downtown to support the smaller home town stores. Sandy needs more office space to support the restaurants as well as a Home Depot and a Trader Joes and a Hospital. Sandy also needs a great Brewery/Pub.*
- *It would be nice to see Sandy develop into a destination instead of a pass through town.*
- *I can buy most of the things that I need in Sandy, but there is very little competition for price and choice.*
- *Stop lights need to be adjusted. Coming out from side streets ie. post office barely gives time to get to Hwy 26. MANY MANY cars run the light at Joe's Donuts and Hwy 26 going East.*
- *Portlanders and people going to the mountain don't stop because they view Sandy as having nothing to offer. So much \$ is driving right past because restaurants are limited. Build it and they will stop. They will stop and eat and maybe visit other businesses.*
- *I work in the downtown core in Sandy. The biggest obstacle would be the highway. Until we find a way to bypass the busy road passing directly through town, developing the city center will be challenging. Also, the two hour parking on the street was a really bad idea.*
- *Overall, downtown Sandy is nice and improved from a decade before. Parking is weird. Why are there empty lots hidden from sight and why is there a large lot across from AEC that is prohibited from use as well as a large lot across from Sandy Grade that is blocked off? Also, it seems a lot of attention is spent trying to improve downtown instead of the City as a*

*whole. Currently, the west side gets a lot of attention and this is unfair to people that live on the east side of town who have to fight traffic to get to the west side for services and goods available there. We definitely need a grocery store on the east side of town!*

- *I like my small town.*
- *Sandy lacks on good food places. Also, schools have too many children to teachers. We will move away on that alone.*
- *There is so much potential here in our little community that is not being tapped into. We are the gateway to mount hood.. Let's give people a reason to stop, shop and eat! No more fast food! Let's bring in real restaurants that can accommodate the mass, like really nice brew pubs.. Farmers markets.. Family entertainment..*
- *I really love Sandy... People are usually really nice Ace Hardware is extremely helpful*
- *Less sign codes. More grants.*
- *Thanks so for doing this and trying to reach people.*
- *Sandy needs the bare lots developed. While I wouldn't live downtown I'm only 3 blocks away, retail on first floor, professional and housing on 2nd or 3rd floor. A grocery store (not mini-marts) fresh market (Ant Farm?)*
- *There are too many property owners who do not share the City's vision.*
- *Need a hwy 26 bypass.*
- *I work in Boring and live in Sandy. I love our community. I love the small home town feel. I love the idea of expanding on what we are doing right and making our town a destination location. Speaking of which... that's what we need in town. Another option for a hotel or bed and breakfast. I have used the Best Western before, but it's kind of pricey I think.*
- *Housing costs are high in Sandy especially when utilities are considered, for the income of the general population.*
- *Things are good here in Sandy, but the retail shops and restaurants really do need to \*appear\* more welcoming, appear to actually be open after 5 on weekdays, and not contribute to the ghost town look and feel after dark.*
- *We have lived in Sandy just over a year now and we have found our forever home! This is our first home too!*
- *Please - no more big box stores or fast food establishments!! Sandy used to be known as a welcoming small home town and a place to stop on the way thru hwy 26. Now it is just another strip mall, fast food, station. Keep it unique and special!!*
- *I do not want Sandy to become overcrowded or start looking like Gresham/Portland full of high rise apartments, strip malls and big box stores ...keep the hometown feel but need something for our youth to do besides wander the streets loitering and vandalizing. We need to somehow preserve our historic buildings and not have them crowded out by a town*

*growing up and pushing them out. We also need to find a way that local business owners can stay in business (think Organic Sandy, then and now, and many others that don't last and sit vacant pushed out by bigger companies)*

- *As much as I would love some cute boutique mom and pop shops (like a little toy store, book store, or antiques) I know many people dislike how big Sandy is becoming and starting to feel like Gresham. I feel as though we need more police patrols including the Tickle Creek Trail where I've seen homeless people trying to camp, it's littered with drug paraphernalia (something I don't feel comfortable taking my young children on, worried they'll step on a used needle or something) There's also a bunch of trash on near the trail by the culvert near Bluff and Dubarko.*
- *Get rid of the flashing yellow turn signal lights. Get a steak house!*
- *Don't build housing in downtown...not a great image! Centralize the shopping without the housing.*
- *Stop trying to overcrowd sandy..!!*
- *Sandy's core business downtown district is too spread out. Not very walkable. (as it is in Gresham) Not sure how you can address that though.*
- *If you really want this to be a city that support community may be the City shouldn't make it so hard to open a business in town, support local activities that are not organized by the City or Chamber and be more inviting and helpful to the residents and civic organizations.*
- *I don't want Sandy to expand. I live here because it's not the city. I don't need more. I'm satisfied with the businesses that we currently have.*
- *Would like to see more community classes. (dancing, arts, etc.)*
- *I'm not impressed by all the exterior remodeling that the city has funded. I would instead be more interested in seeing those funds go into recruiting high quality businesses and helping to keep them in business.*
- *There needs to be better Mexican restaurants, and someone needs to open up an Indian or Mediterranean cuisine restaurant.*
- *I look forward to the farmers market in the summer. Wish we could have an indoor one all year long! Also, really enjoy the food carts- hoping for more options in the future!*
- *We live in rural, unincorporated Sandy. We appreciate the small town environment of local businesses. Lots of people who care about our community.*
- *I would love to work in Sandy! ;)*
- *City events that start week nights at 6:30 or early are not taking into account ALL the people work WORK in Portland or on the west side---- I really resent the fact that these events cater to those who do not work or work close.*

- *I hope that Sandy isn't trying to become the next Gresham. Our schools are overloaded enough as it is. We're starting to get approached by homeless people for money and/or rides more and more. There's been a lot of tagging, theft and vandalism. We never used to have all of that here. I'm not a fan of continued growth...I'd rather live in a rural area, and drive further for the major things. That's why we moved out to Sandy in the first place.*
- *Let's keep improving our great mountain town.*
- *Better traffic light issue at Bluff Rd. Do something about the closed up business in the old solar place. Run street sweeper more. Police speed limit more.*
- *I would like to see some big box stores besides Fred Meyers. Walmart, Target also a day old bread store. I have lived here for 12 years and have seen small businesses come and go....I do most of my shopping at big stores in Gresham and Portland to save money. Sandy does not offer the variety I am looking for. I have resulted to online shopping also, due to the lack of choices in Sandy. I love living in Sandy don't get me wrong...just don't want to wear what everyone is wearing!*
- *I feel that Sandy needs no more housing. It's losing the small town feel. The crime has increased and it appears the powers that be in town have turned a blind eye to it rather than go full force to get rid of those causing it. Entire town needs to be made a drug-free area and anyone (non-resident) who is caught with illegal drugs should be trespassed from town. Get rid of the homeless camps and drug houses. Come down hard on these people. And the last thing sandy needs is a pot shop. Medical or otherwise. I know of some families who said they will sell and move if one goes in. Thank you for allowing us to speak up. I love this town and I hate seeing what it is becoming.*
- *I would love to have more small family owned businesses in Sandy, and not have any more chains (Starbucks, Panda Express, etc.)*
- *Keep this town small, quaint and clean. Make it a family town that doesn't grow into an urban city. It is*
- *I hear good things about Sandy, most people seem to like it. My family likes the city of Sandy. If we had more entertainment that would grow this community even more. Look into "The Village" in Meridian, Idaho. Something similar to that. A big central area for entertainment and shopping. Although the economy is not booming in Oregon and people may not be spending.*
- *I love sandy. I love to try and shop local-please bring us better casual dining and more later night options that ARE NOT bars.*
- *Please...one decent pizza place is all I ask.*
- *I do not want to see any more apartments or multi-family dwellings! Sandy is a quaint little community or at least it was and now it's considered a Rockwood away from Rockwood where people can get cheaper rent than Gresham and with it we are seeing an increase in crime and vandalism. Please turn back to our roots, small town, gateway to Mt Hood, focus on nature and outdoor activities like Bend does! (hiking, biking, fishing, hunting, gardening*

*and family things) Doing so will breed and encourage a healthier community. We do not need a Portlandia or NW 23rd, we need families, activities, and a friendly community!*

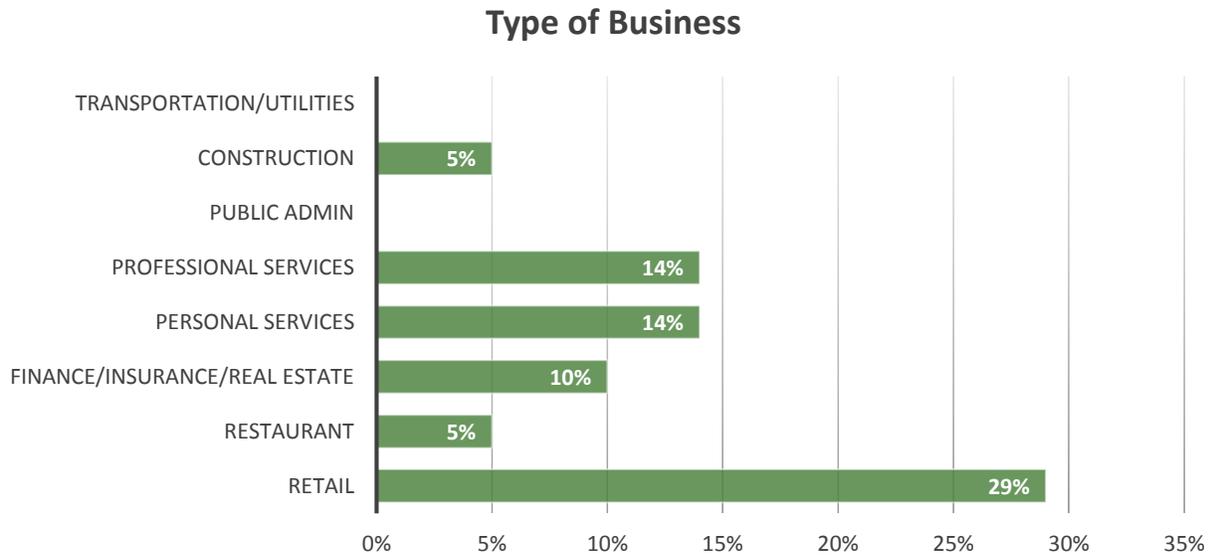
- *I'm happy to see the improvements that have happened so far. I'd like to see a better selection of local organic produce.*

## SANDY BUSINESS OWNER SURVEY

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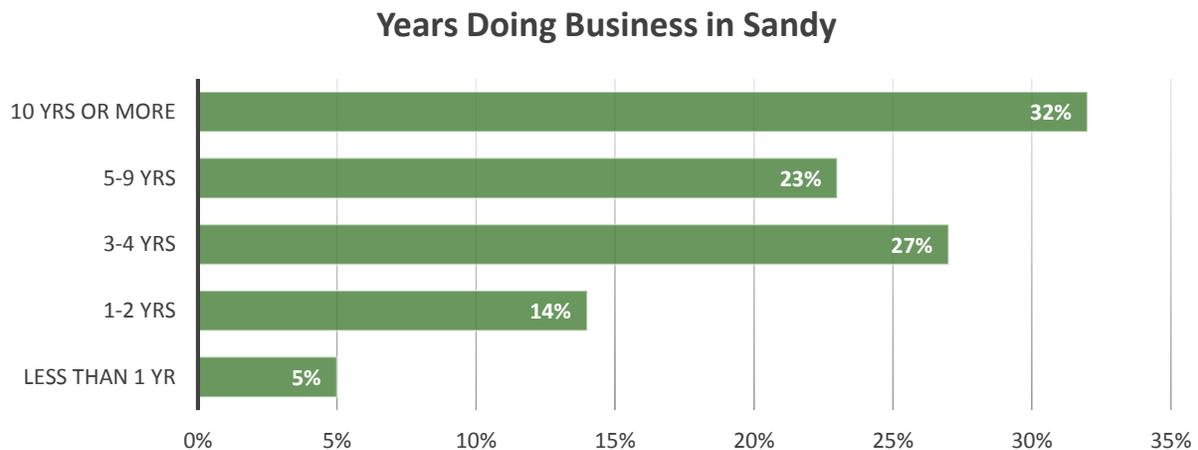
### 1. What is the nature of your business? (21 respondents)

- Many (29%) of your respondents are in the retail business.



### 2. How long have you been operating this business in Sandy? (22 respondents)

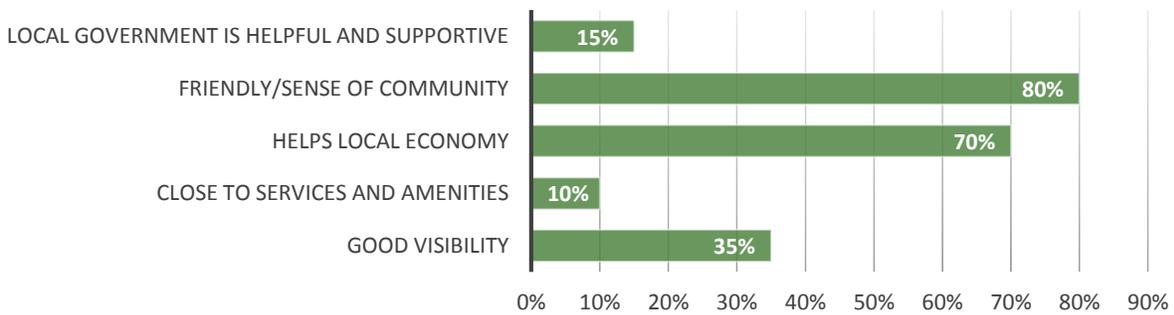
- About a third of respondents have been operating business in Sandy for over 10 years.



**3. Check up to 3 advantages or strengths you associate with doing business in Sandy. (20 respondents)**

- While a third of respondents said Sandy’s sense of community was a strength in 2009, today that feeling is present for 80% of respondents.
- Businesses are more likely to feel good about helping the local economy through their business in Sandy (70%) now than in 2009 (16%).
- However, businesses feel more isolated now. While 24% said the proximity to services and amenities was a strength for them, only 10% say so today.

**Business Community Strengths**



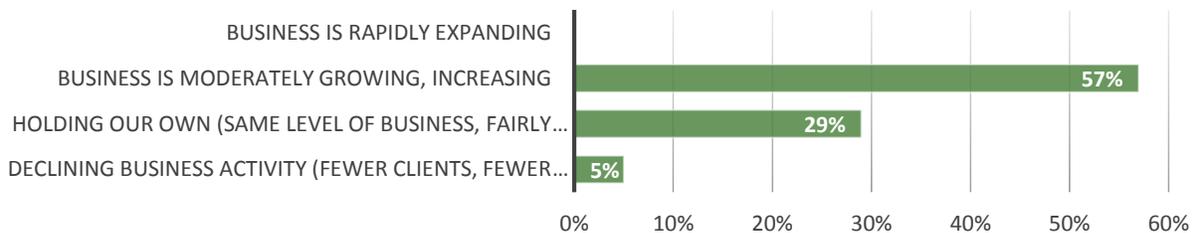
**4. Please share any disadvantages to doing business in Sandy. (12 respondents)**

- 2009 was clouded with “City not being supported” and lack of parking.
- Today, respondents’ complaints remain largely the same, as seen in the free responses to come.

**5. How would you characterize your current business’ activity level (i.e. last 12 months of operation)? (21 respondents)**

- In 2009, the state of business in Sandy was in a much different place. Most of the businesses felt they were in a state of decline (35%) or “holding their own” (48%).
- Today, most businesses say they are moderately growing, and nearly all of the remaining respondents say they business is steady.

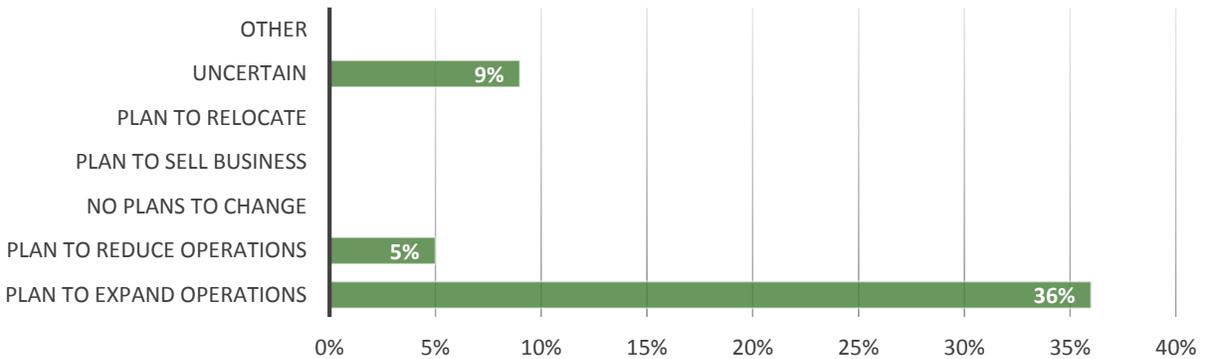
**Current Business Activity**



**6. Which description best describes your plans to expand or reduce your operations in the next 1-2 years? (22 respondents)**

- Business plans were varied in 2009, with 30% planning to expand, 22% not planning any changes, and 17% saying they were generally uncertain about the future.
- The majority of businesses today say, if they have plans, they will be expanding (36%) however, a number are still uncertain (9%).

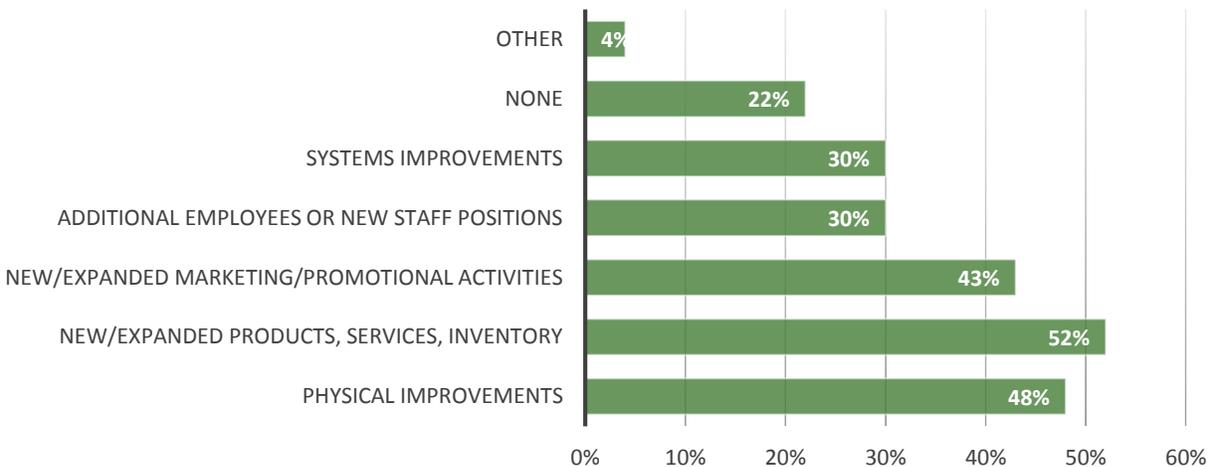
**Future Business Plans**



**7. Please check any type of investment or improvement you have made in your business in the last two years. (23 respondents)**

- Activity is up in your business community! 78% of business respondents have made some one of the following improvement or investment in their business in the last two years.

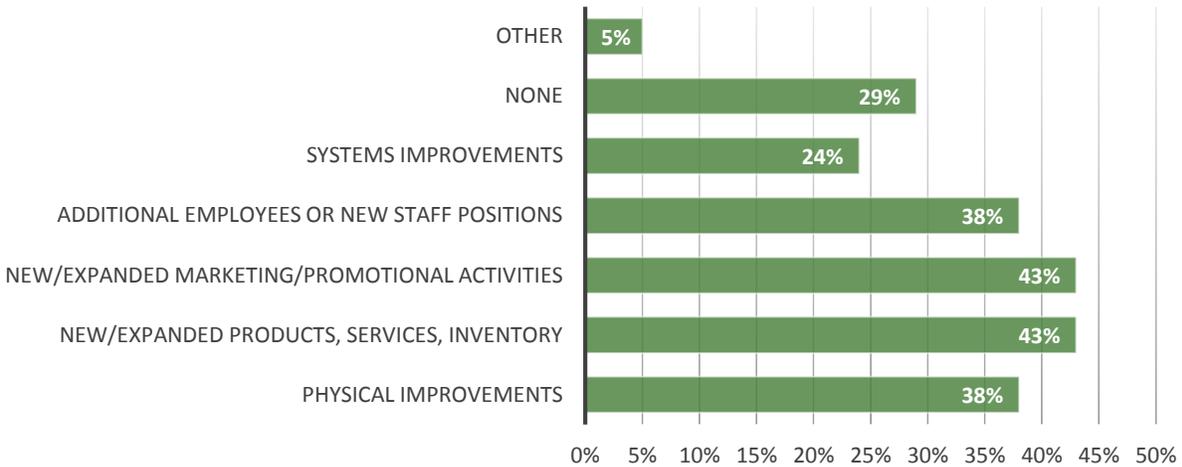
**Recent Investments or Improvements Made**



**8. Please check any type of investment or improvement you plan on making in the next one to two years. (21 respondents)**

- Nearly the same percent (about 29%) remains stagnant in their planning for the future
- The investment that has made the biggest jump is adding additional employees or new staff positions, something that was only in the plans of 18 respondents in 2009, and today is 38%

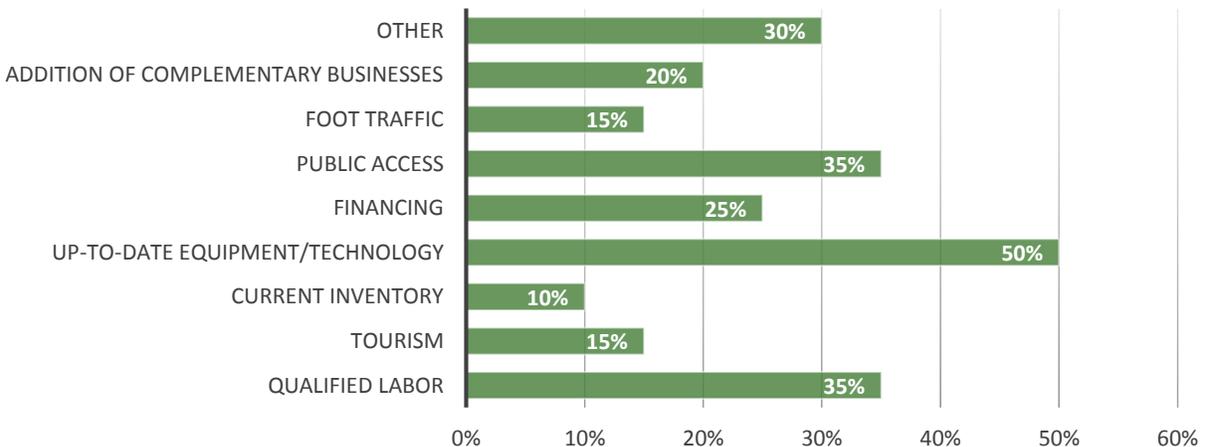
**Recent Investments or Improvements Planned**



**9. In addition to a strong economy, what are the critical factors for the success and expansion of your business? (Check all that apply) (20 respondents)**

- Businesses said that public access (61%) was the most critical success factor in 2009, but today the landscape looks a little different. Business now are more likely to rely on up-to-date technology and equipment, as that is the most cited success factor today.
- Tourism and Foot Traffic seen as smaller success factors, however they are the most cited complaints.

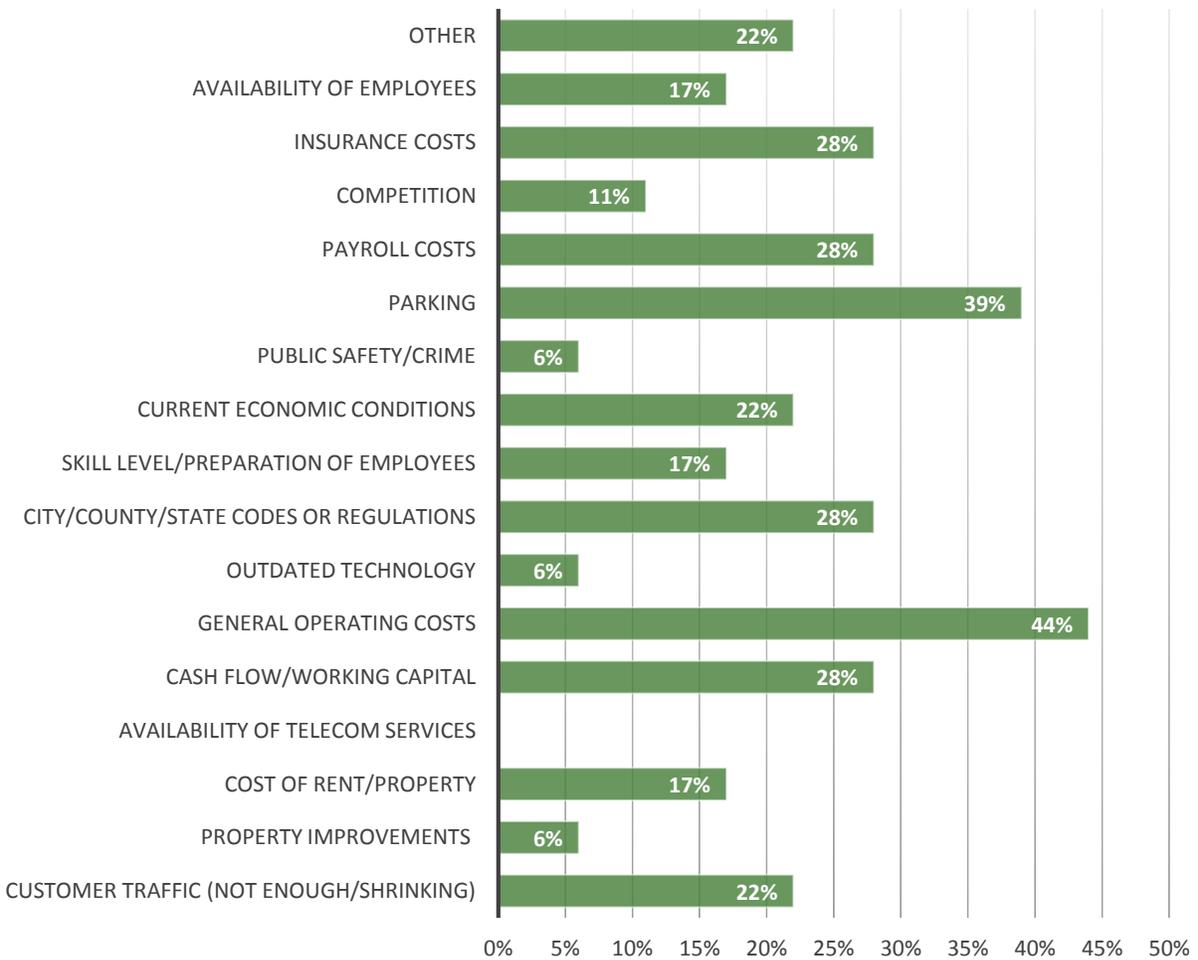
**Business Success Factors**



**10. What are some of the major issues or obstacles facing your business today? (please check the top 5 priority issues) (18 respondents)**

- Understandably the condition of the economy was the greatest obstacle facing business in 2009 (66%).
- 44% say that general operating costs are one of their biggest issues for business in 2015.
- Parking remains a gripe for businesses. In 2009, 42% said it was an obstacle, today it resonates with 39%.
- About a third of respondents also say they face barriers through insurance costs, payroll costs, city/county/state codes and regulations, and cash flow/working capital.

### Obstacles Facing Business Today



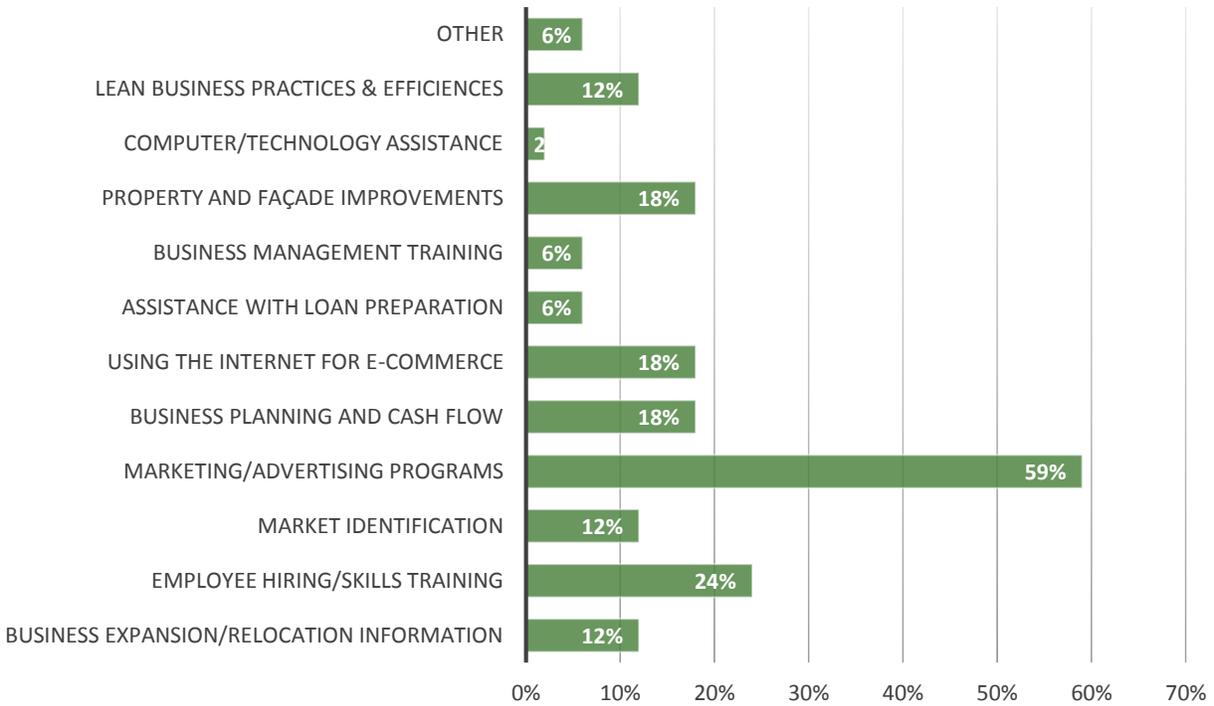
**11. Please expand on any of your answers to Question 10. If you checked City/County/State codes and regulations, please be specific about the issues or obstacles. (5 respondents)**

- *Applying for a sign permit seems to be a little overly complicated. We want to apply for a permit before we started getting quotes on a sign for a building within our business park, instead it seemed as if we had to get a sign before applying. We have no idea the material, size, colors, or placement if we aren't able to get a solid confirmation about what we are allowed to do. I feel that the City of Sandy should distribute solid guidelines about what they are looking for in a sign and we can not only expedite the process of advertising and marketing, but also put all businesses in Sandy on one basic sign standard, keeping the aesthetics of downtown and outlying areas to a consistent visual caliber.*
- *Parking... Now that there is limited street parking, people now park in the library parking lot, from neighboring businesses...this cramps parking for the library and all surrounding businesses. I wish the street parking was available for 4 hour slots or permits for employees. \*\* The town looks deserted now that there is no long term parking along the roadways.*
- *Government is more concerned about trees than the visibility/access of businesses. Signage is an issue. City wants everyone to look the same, no room for uniqueness.*
- *The sign code is very prohibitive. People need to have the freedom advertise their businesses. Why not focus on adding to new businesses than having a sign committee. Let's promote Sandy and not hurt the businesses already in town.*
- *Sign code is confusing. Lack of LED and reader boards.*

**12. To keep your business healthy and competitive, which of the following types of information or assistance are important to your company's growth? (please check all that apply) (17 respondents)**

- 85% of respondents said they wanted marketing and advertising program assistance in 2009, and today that assistance is still the most requested at 59%.

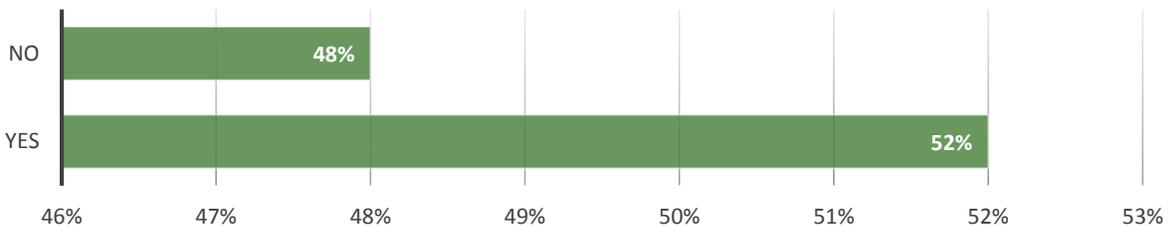
**Competitive Information and Assistance**



**13. Are you interested in participating in a cooperative business marketing effort to attract customers to Sandy or to encourage residents to shop locally? (21 respondents)**

- Business today are not feeling pressured to join a cooperative effort. Look into the reasons for this. Failure of Sandy Main Street? City Environment? State of Economy? Look into this with the IDIs
- 86% said yes in 2009, today only 52%

**Interest in Cooperative Business Marketing Effort**



**14. What identity or image would you like to see Sandy develop for itself as a unique business district attract to residents, employees and visitors? (14 respondents)**

- *A Mountain outdoor recreation town that has all the amenities of a larger town. Bigger restaurants.*
- *Make Sandy a destination spot by playing up local recreational opportunities. Many come to have lunch at Tollgate, perhaps adding a chain restaurant like Applebee's or Black Bear Diner. Also put in another hotel in the core area.*
- *I would like to see the City of Sandy consistently hold seasonal events. Sandy Mountain Days, Oktoberfest, all of these are wonderful events that encourage economic growth and community involvement. We need to see events like these, highly publicized, year round.*
- *Sandy should be a recreation hub with businesses that cater to all of the outdoor enthusiasts that Oregon at a state attracts.*
- *SAFER cross walks*
- *Friendly, local shopping/services.*
- *More friendly for business owners.*
- *Comfy, with a trendy hip flair.*
- *More retail shops and more restaurants! Chains like Applebees or TGFraturdays... We need more family friendly places to eat.*
- *Clean and well cared for.*
- *We don't need a unique image, we need to an anchor company that would locate their headquarters here (Like Les Schwab in Redmond). Many other business would come to support it.*
- *A destination. Currently there are very few reasons to stop in Sandy. Why not have the streets lined with shops like in Sisters or Mississippi Ave.*
- *Business friendly Better parking*

**15. What identity or image would you like to see Sandy develop for itself as a unique business district attract to residents, employees and visitors? (14 respondents)**

- *Destination restaurants, Home Depot, Hospital, high tech internet based, computer programming companies*
- *New restaurants, clothing stores, and outdoor retail stores.*
- *A good restaurant.*
- *Better dining (a little finer than we currently have).*
- *a quality restaurant*

- *Higher quality and variety of food choices.*
- *Gifts Shops, shops tourists would stop to shop at.*
- *Development of a business park that would attract and employ living wage employees.*
- *Other gift shops, home stores, and other alternatives to Fred Meyer.*
- *Steak house. Better parking.*

**16. What could Sandy businesses do to attract more local residents? (12 respondents)**

- *Stay open later.*
- *Lower prices. Get rid of two hour parking on street. Put a grocery store back into city core for those who live east of town.*
- *Promote local discounts, such as a certain percentage off if you reside within a zip code.*
- *Offer unique shopping and dining experiences.*
- *Better prices.*
- *Reach out through education and build the sense of community so they care that we have the same products as Gresham at the same prices.*
- *Collaborative advertising, grouping businesses that are similar together to advertise... ex: A restaurant listing of all the places to eat in Sandy, or a listing of education or child services or all the places you can get hardware... those type of simple directories.*

**17. What could Sandy businesses do to attract more visitors and shoppers who live out of the area? (13 respondents)**

- *Lower their prices, bring a home depot and Trader Joes to Sandy.*
- *Put in a decent restaurant with adequate parking. We travel up the mountain at least once a month to eat at Rendezvous and El Burro Loco. The food is good and there is parking. We never eat in Sandy. All reviews on Trip Advisor and Yelp give our restaurants very poor reviews. Sadly, Jo's Donuts ranks #1 in reviews for the area.*
- *Internet advertising and advertising outside our area.*
- *Provide services and products that are relevant to visitors and people traveling through Sandy to the Mountain and Central Oregon – Recreation.*
- *Offer unique shopping and dining experiences.*
- *Have more options.*

- *Recruit an "anchor or two" business(es) that people traveling are familiar with so they feel comfortable stopping or add the stop to their travel plans.*
- *More specialty shops.*
- *Work together with other local businesses.*
- *We need to understand that for the most part we are not a tourist destination. We are too close to the metro area for people to come out here and shop*
- *Be more creative. Get with the times.*
- *Better signs, parking.*

**18. What could local government or chamber organizations do to attract more visitors and shoppers who live out of the area? (11 respondents)**

- *Market Sandy as a place to do business and to move their business to Sandy. Go out and spend money to attract destination businesses to Sandy. This will help grow the other business around it.*
- *Year round festivals, especially cross promoting with events that are between Portland and Bend, capitalizing on Highway 26.*
- *Market the uniqueness of the shopping and dining experiences of Sandy.*
- *Offer a Sand Castle or Snow sculpture event. Be consistent with things like First Friday and Farmers Market.*
- *Chamber could keep yearly fees down. I see little help from the chamber directly to my business.... Though I do see a value in the organization... Fees seem to keep going higher..*
- *Chamber used to be more active i.e. golf tournament.*
- *Advertise outside of Sandy.*
- *Continue to make Sandy a place where people want to LIVE. Make Sandy the best place to live and promote the virtues a smaller town life style. Promote our schools, small town Americana and access to the outdoors.*
- *Brightstar Consulting.*
- *Be creative. Send someone out into the community to drum up business for the town.*
- *Not have staff take all the parking.*

**19. Are you interested in any follow up?  
(no responses)**

**20. Please share any other comments you may have.**

- *Getting Fred Meyers to come to Sandy was the best thing for business because it got people to stop in Sandy to shop. We now need other things in Sandy like a home depot and bigger family restaurants so people will stop and stay in Sandy instead of driving to Gresham for those types of things and buying other things in Gresham because they are there. We need more family wage office type business in Sandy.*
- *I think the city of Sandy needs to do more to support the school district...Find a better way to work with schools and support businesses that feed the welfare of our kids.*
- *Not much to say here. My business model is a bit a-typical and overall I feel that the community supports local business better than most communities of similar size.*

## APPENDIX E

### Downtown Properties: Ready for Company?

So your downtown has a beautiful new streetscape. You've got strong market opportunity, the great location, directional signage and the marketing package. Now, *where are you going to locate all those great business prospects?* The worksheet below is designed to help you think through what properties are *really ready* for business tenants and which need some minor or major work.

#### VACANT PROPERTY ASSESSMENT

**Location of Property** \_\_\_\_\_

**Size of Space** \_\_\_\_\_

**Other Features** \_\_\_\_\_

Rate the following features of the property on a scale of 1 to 5, with 5 being Excellent and 1 being Poor.

Physical Condition	_____
Physical Appearance	_____
Location	_____
Accessibility (pedestrian)	_____
Availability of Parking	_____
Visibility	_____
Relationship with & influence by neighbor businesses	_____
Owner attitude and involvement	_____
TOTAL SCORE (40 possible points)	_____

#### Draw Your Conclusions:

- Which vacant properties are most marketable?
- Are there inappropriate uses?
- Are there properties needing extensive remodeling or that should be subdivided for tenants?
- Are there properties that should be condemned?
- What are your top properties for leasing?
- What is the plan for working with the property owner to get properties ready to show?

## APPENDIX F

### Incentives for Infill Development

#### 1. Infrastructure-related Incentives

- Lowering of impact fees. Jurisdictions charge impact fees to offset the costs of public facilities and services necessary to serve the new development. Most localities charge a uniform fee that may not account for the higher costs to serve more distant suburban locations. Offering lower impact fees for infill projects can more accurately reflect the true costs for providing services through existing infrastructure. This more calibrated approach makes infill parcels more attractive, and builds greater equity into metropolitan growth patterns. Local governments can also waive infrastructure hookup fees for infill projects to lower costs to developers. Impact fees are included in the jurisdiction's development regulations; the lowering or waiving of such fees is implemented by the planning and building department in response to priorities enacted by the city council or redevelopment agency.

#### 2. Incentives related to the zoning and development process

- Fast Track and Streamlined Permitting. Fast track permitting, applied within targeted infill development areas, allows developers of infill parcels to get their application processed ahead of non-infill applications. Some localities consolidate or streamline permit processing to allow concurrent review and processing of related development permits. Since developers face holding costs during the development review process, long delays jeopardize the financial viability of a project. Affordable housing projects with slim profit margins can benefit substantially from speedy development review and approval. Related strategies include "one stop" centers for processing applications, and assignment of one city staff as point person to help navigate a project through the various departments and processes that constitute the development review process.
- Reduce lot sizes, setbacks, and parking requirements. Many localities are updating their zoning code to address the challenges of developing smaller parcels. Key incentives modify regulations to allow for reduced residential lot sizes, reduced setback requirements, and reduced street and parking standards. Older standards often make development of infill parcels impractical because they tie up a large percentage of a site's total land area. Some requirements, in particular for on-site parking, may be inappropriate or unnecessary for infill areas where transit service and other alternatives to auto use exist.
- Zone for mixed-use development. Traditional zoning has emphasized the separation of land uses. Smart growth principles emphasize the creation of integrated, multi-use districts that blend housing, services, recreation and jobs. Local governments may put in place a residential/mixed-use zoning designation to specifically encourage infill practices such as allowing housing development above stores. This enables residents to be closer to the services they use on a daily basis. To ensure availability of affordable housing, the jurisdiction can amend the zoning regulations to establish an overlay zone for the residential/mixed-use district that permits the development of affordable housing "by right" on the areas covered in the overlay. A "by right" zoning designation makes affordable housing development easier by eliminating the need to obtain a special use permit or undergo a zoning change approval process.

- Increase density allowances. Increasing the maximum allowed density for infill areas in the city's zoning regulations is an important incentive. Higher densities permit more intensive development of a parcel and allow the developer the opportunity to spread development costs over more units. Local governments can also provide "density bonuses" to developers of infill sites that designate a certain percentage of housing units as affordable. In this way, localities can both encourage efficient use of the land and promote the inclusion of affordable housing units within a project.

Incentives relating to the zoning regulations and development permitting process fall under the purview of the jurisdiction's planning and building department as well as the Planning Commission, and are enacted in response to direction from the City Council or redevelopment authority.

### 3. Other Incentives

Localities can offer *property tax abatement* for infill multi-family housing, or for housing priced under a certain threshold. Portland, Oregon offers tax abatement for affordable homeownership projects in particular districts. Some local governments or regional planning agencies offer *grants or loans* (usually from federal government sources) to encourage specific infill strategies such as transit-oriented development. Local governments can also facilitate infill development through *land assembly*-by assembling small, individual parcels into large blocks under common ownership. The jurisdiction then undertakes property improvements and packages the properties for resale. Cleveland, Ohio operates a successful land assembly program whereby the city receives delinquent properties and transfers most of the developable parcels to the public housing agency or non-profit affordable housing developers.



# OPEN

for business!

## Why Sandy?

Healthy household incomes compared to Portland and Oregon averages

3,430 local employees

Friendly City staff, healthy business improvement program and incentives

Gigabit Fiber connection - the fastest internet in the state.

Daily average traffic through Sandy is about 33,600 cars - and growing!

Existing supportable square footage based on market demand research is nearly 650,000 sq ft, with major opportunities in general merchandise, convenience goods, and apparel.



### 39831 Hwy 26

- 6,700 SF
- office, retail, or light manufacturing
- 1 gigabit optical fiber internet connection
- Rollup door for shipping & receiving
- Contact: Pam Martin 503.314.6977