



City of Sandy

Agenda

Sandy Urban Renewal Board Meeting
Meeting Date: Tuesday, September 7, 2021
Meeting Time: 7:00 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/85820284278>
Or by phone: (253) 215-8782; Meeting ID: 858 2028 4278

2. ROLL CALL

3. APPROVAL OF MINUTES

3.1. **July 19, 2021**

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[Sandy Urban Renewal Board - 19 Jul 2021 - Minutes - Pdf](#)

4. NEW BUSINESS

4.1. **Authorization of Round 2: Permanent Covered Structures Program**

4 - 11

[Covered Structures - Round 2 - Pdf](#)

5. ADJOURN



MINUTES
Sandy Urban Renewal Board Meeting
Monday, July 19, 2021 6:00 PM

BOARD PRESENT: Carl Exner, Councilor, Jeremy Pietzold, Council President, Laurie Smallwood, Councilor, Stan Pulliam, Mayor, Don Hokanson, Councilor, Kathleen Walker, Councilor, Richard Sheldon, Councilor, Khrys Jones, Chamber Director, and Phil Schneider, Fire Chief

BOARD ABSENT: none

STAFF PRESENT: Jeff Aprati, City Recorder, Jordan Wheeler, City Manager, Ernie Roberts, Police Chief, Andi Howell, Transit Director, Greg Brewster, IT/SandyNet Director, Mike Walker, Public Works Director, and David Doughman, City Attorney

MEDIA PRESENT: none

1. Roll Call

2. APPROVAL OF MINUTES

2.1. June 21, 2021

Moved by Carl Exner, seconded by Kathleen Walker

Approve the minutes from June 21, 2021.

CARRIED. 9-0

Ayes: Carl Exner, Jeremy Pietzold, Laurie Smallwood, Stan Pulliam, Don Hokanson, Kathleen Walker, Richard Sheldon, Khrys Jones, and Phil Schneider

3. New Business

3.1. Covered Structures Program - Revised Project Cost Approvals

Staff Report - 0452

The **City Manager** and **Economic Development Manager** summarized the staff report, which was included in the agenda packet. Presentation slides were also included in the packet.

The Board discussed the following issues:

- The possibility of reimbursement for the project using COVID-19 relief funds
- Details of individual covered structure plans, and progress made thus far
- Details and reasons for project change orders, including stormwater improvements
- The importance of identifying expenses for design and engineering that have been paid by the Urban Renewal Agency
- Support for the program from the Sandy Area Chamber of Commerce

Moved by Jeremy Pietzold, seconded by Richard Sheldon

Approve a revised project cost total of \$89,450 for the covered structures project at Red Shed Public House; increase the re-approval threshold for the covered structures project at No Place Saloon to \$95,000.

CARRIED. 9-0

Ayes: Carl Exner, Jeremy Pietzold, Laurie Smallwood, Stan Pulliam, Don Hokanson, Kathleen Walker, Richard Sheldon, Khrys Jones, and Phil Schneider

4. Adjourn



Mayor, Stan Pulliam



City Recorder, Jeff Aprati



Staff Report

Meeting Date: September 7, 2021
From David Snider, Economic Development Manager
SUBJECT: Covered Structures - Round 2 Discussion

BACKGROUND:

The Sandy Urban Renewal Board established the Permanent Outdoor Covered Structures Program to assist the local business community as a response to the COVID-19 pandemic. This program has been very successful in its primary mission – restaurants that have participated are now using their outdoor dining areas heavily as the pandemic continues into its fourth wave, and the structures have had the added effect of proliferating the “Sandy Style” throughout our downtown by creating highly visible structures that showcase many of the architectural features required by this code section.

Now that the first round of projects is nearing completion, Board members have raised the possibility of engaging in a second round of applications for this program. There are several restaurants and at least one gym in Sandy that would be interested in applying if a second round is offered – many of these businesses were in difficult financial positions due to COVID-19 shutdowns at the time the program was initially offered and therefore did not apply.

Questions for the SURA Board

1. Shall the Sandy Urban Renewal Agency offer a second round of the Covered Structures Program?
2. If so, what refinements (if any) should be made to the program?

ROUND 1 PROGRAM COST:

Initial program cost estimates

Initial staff cost estimates for this program were given at the March 8, 2021 SURA Board meeting. At that time, there were nine valid applications awaiting Board approval. Assuming approval of all nine projects, staff estimated an initial range of **\$591,000 - \$726,000** in total project costs (see "Attachment 1: Project Table & Work Processes 3_8 Update"). The SURA Board declined to approve one project at the 3/8 meeting and another applicant rescinded their application shortly afterward, so the actual program workload was reduced to seven projects with a projected cost range of **\$436,000 - \$601,000**.

As you know, over the last six months the costs of construction have gone up tremendously due to supply chain issues – in some cases, the costs of materials have doubled or even tripled. While these issues are starting to subside now, this issue has significantly increased materials costs for most of the projects we have engaged in thus far. On the positive side, several of these projects resulted in extremely competitive contractor bidding, which was unexpected.

Actual program costs to-date

Now that we are nearing completion of the projects approved for Round 1, we can provide a much more accurate accounting of actual program costs. Our current financial accounting of the program is shown in detail in the attachment entitled "Covered Structures - Current Program Status". Of the seven projects initially approved by the Board, five are complete, one is in-process, and we are still trying to find a qualified bidder for one. Staff currently projects total program costs for the seven projects approved on March 8th to be **\$496,200 - \$526,200**. This range reflects the actual costs for the five completed projects (\$399,000), the established contract price for the No Place with an assumption of a \$5,000 contingency for change orders (\$57,200), and the assumption of a range for construction costs (\$40,000 - \$70,000) at the Tollgate Inn.

PROSPECTS FOR POSSIBLE ROUND 2:

Currently, staff knows of two restaurants and one athletic facility that have expressed solid interest in applying for a second round of the Covered Structures program if one is offered. There are two more businesses than are interested but undecided, and several more that could apply but have indicated no preference. One of the businesses that will apply is also outside Sandy's urban renewal district and will therefore require a different funding source than the City's urban renewal agency. At this time, staff estimates that we will receive three to five valid applications if we offer a second round of this program, resulting in projected SURA costs of between \$240,000 and \$400,000 depending on which applicants apply and what they propose.

Should the SURA Board approve a second round of this program, staff will advertise and promote it in a similar manner to how we approached the first round. Outreach for the program will include the following elements:

- Posting on the City's website news feed and Facebook page (with an ad boost).
- An e-Blast to Sandy Area Chamber of Commerce member businesses.
- A small article in the Sandy Post.
- A hard copy form letter to eligible businesses explaining the program and how to apply.
- The Ec Dev Office will reach out personally to every business that has inquired about a second round of the program.

Recommendations for program administration refinements

If the SURA Board favors proceeding with a second round of applications for the Covered Structures program, this would be the perfect time to make improvements to program administration if so desired by the Board. While the cost estimates provided for the Covered Structures Program thus far have been quite accurate, there are three simple changes that could be made to the program that staff believes would work towards bringing costs down even further.

First, in order to curtail unnecessary change orders and keep costs more in line with the original project estimates, staff recommends adding a qualifier to the General Conditions section of the program guidelines stating that project change orders in excess of 10% of the upper range of the approved project cost estimate shall be brought before the Sandy Urban Renewal Board for review and approval before proceeding. (Example: for an approved project with a cost estimate range of \$70,000-\$80,000, a change order in excess of \$8,000 would require further Board approval).

Some of the change order costs we have incurred in the program thus far can be attributed to staff missing needed items in the scopes of work for completed projects, particularly where electrical items and stormwater detention are concerned. Staff has improved greatly in this area since the program began, and this should be reflected by a substantial decrease in change orders should the Board decide to engage in a second round of this program.

Second, staff recommends eliminating tables and chairs for these covered structures as an approved expense in the Eligible Improvements section of the Program Guidelines (Section IV. Eligible Improvements, subsection 2, i). To this point in the program, only two businesses have taken us up on this offer. The rest of the participating applicants have purchased high quality outdoor furniture for their structures on their own, and staff is confident that the two that did request them would have gladly purchased their own tables and chairs if they were not reimbursable items. This element is quite frankly not needed for the program to be successful.

Finally, to avoid confusion, staff also recommends including language in the General Conditions section of the Program Guidelines specifically stating that change orders must be directly related to the covered structure itself and not to the primary building.

BUDGETARY IMPACT:

A second round of the Covered Structures Program will have a substantial impact on the Urban Renewal budget in the 2021-2023 biennium. While the total impact will not be known until we know the number of approved projects in a potential second round, we estimate between three and five total projects with corresponding program costs between \$240,000 and \$400,000 depending on which applicants apply and what they propose.

RECOMMENDATION:

Staff recommends authorizing a second round of this program, and making changes to the administration of the program as recommended above.

SUGGESTED MOTION:

"I move to authorize a second round of the Permanent Outdoor Covered Structures program, and to amend the program guidelines as proposed in the staff report."

LIST OF ATTACHMENTS/EXHIBITS:

- Previous Project Table & Work Process Update - March 8
- Current Program Status - August 2021
- Covered Structures - Master Project List

Covered Structures – Project Table & Work Process (from March 8th, 2021 SURA Board meeting)

Project Table

Applicant	Current Project Status	Description of Project	Estimated Project Cost
Ria's	Under construction	Add a permanent covered structure tied back to the building at the north end in parking lot in front of building, including electrical (central light, 2 50A outlets for heating, addtl outlets) and tables/chairs.	\$75,950 (actual)
Le Happy	Design & engineering work complete – scope of work in process	Add a permanent covered structure to the outdoor dining area currently occupied by COVID tents, including some electrical (central light, a couple of outlets). Engineering due 3/5.	\$60K - \$75K
Boring Brewing	Draft design complete – engineering work pending	Add a permanent covered structure tied back to the building at the south end where temporary seating currently exists. This project requires significant work for post support to be viable. Engineering work delayed due to required adjustment.	\$80K - \$100K
Red Shed Public House	Draft design complete – engineering work pending	Add a permanent covered structure to their existing outdoor seating deck – no accessory items	\$55K - \$70K
No Place Saloon	Draft design complete – engineering work pending	Add a permanent covered structure to their existing outdoor seating area behind the building – no accessory items	\$55K - \$70K
Sandlandia	Draft design complete – engineering work pending	Add a permanent covered structure to the central area near the west group of carts – no accessory items	\$55K - \$70K
Paola's Pizza Barn	Draft design complete – engineering work pending	Add a permanent covered structure in the parking lot adjacent to the brick wall in front of the bar, including electrical for outlets.	\$55K - \$70K
Tollgate Inn & Bakery	Design meeting complete – draft design pending	Add a flat roof permanent covered structure with skylights to the outdoor seating space near the front door of the restaurant – no accessory items. Note:	\$55K - \$70K

		this property has an exemption in the SMC to “Sandy Style”; will not be a SS structure	
Beer Den – Strauss Ave	Initial meeting complete, SURA authorization required to proceed.	See “Additional Project Information” attachment for project description. Requesting SURA approval to hire a civil engineer at City expense to create draft plans, surveying work, cost estimate for sidewalk expansion & moving storm drain before proceeding with this project.	\$100K - \$125K

Work Process

The general work process for this program is as follows for each project:

1. Application received online.
2. Phone/in person meeting with applicant to confirm receipt of application, answer basic program questions and schedule design meeting with applicant.
3. On site design meeting with applicant and design professional.
4. Design work completed (typically takes 1-2 weeks unless changes are requested by applicant or engineer)
5. Completed design sent to engineer (typically takes 2-3 weeks)
6. Scope of work developed by staff using engineered plans.
7. Scope of work distributed to bidding contractors (bid period typically 30 days; decreased to 10 days for the purposes of this program)
8. Winning (low bid) bidder selected; contract and repayment schedule developed based on winning bid price.
9. Return to SURA Board for final project approval if winning bid exceeds 110% of high end of projected cost range.
10. Contract signed by applicant; contractor may begin work, applying for permits.

Permanent Outdoor Covered Structures Program: Current Program Status – September 2021

Business	Project Status	D&E costs	Contract price	Exhibit A items	Change Orders	Final City Project Cost ((Contract price + Exhibit A + COs) * 0.8) + D&E
Ria's	complete	\$5,250	\$69,820	\$5,768	\$7,047	\$71,358
Le Happy	complete	\$6,240	\$71,289	\$0	\$21,794	\$80,706
Sandlandia	almost complete	\$5,250	\$69,500	\$1,140	\$14,687	\$73,512
Boring Brewing	complete	\$5,250	\$90,837	\$1,476	\$11,973	\$88,679
Red Shed Public House	complete	\$5,250	\$89,450	\$1,476	\$8,554	\$84,834
No Place Saloon	prepping for construction	\$5,250	\$58,695	\$0	\$0	\$52,206
Tollgate Inn & Bakery	needs addtl research	\$0			\$0	\$0
Current program totals:		\$32,490			\$64,055	\$451,295

Permanent Outdoor Covered Structures -- Master Project List
(as of 9/1/2021)

Business	project status	D&E costs	Out to bid	Bids due	Contractor	Contract price	Exhibit A items	CO1	CO2	CO3	CO4	Change orders	Total Construction Costs			Final City Project Cost
													Cost total	Appl 20%	City 80%	
Ria's	complete	\$5,250	1/6/2021	1/27/2021	Mtn View	\$69,820	\$5,768	-\$603	\$5,190	\$2,460		\$7,047	\$82,635	\$16,527	\$66,108	\$71,358
Le Happy Creperie & Bar	complete	\$6,240	3/15/2021	4/7/2021	Mtn View	\$71,289	\$0	\$990	\$8,554	\$4,750	\$7,500	\$21,794	\$93,083	\$18,617	\$74,466	\$80,706
Sandlandia	almost complete	\$5,250	4/20/2021	5/14/2021	Neilson	\$69,500	\$1,140	\$12,437	\$2,250			\$14,687	\$85,327	\$17,065	\$68,262	\$73,512
Boring Brewing	almost complete	\$5,250	4/30/2021	5/26/2021	McCord	\$90,837	\$1,476	\$279	\$5,429	\$3,755	\$2,510	\$11,973	\$104,286	\$20,857	\$83,429	\$88,679
Red Shed Public House	complete	\$5,250	5/28/2021	6/18/2021	Mtn View	\$89,450	\$1,476	\$8,554				\$8,554	\$99,480	\$19,896	\$79,584	\$84,834
No Place Saloon	prepping for construction	\$5,250	7/1/2021	7/23/2021	Neilson	\$58,695	\$0					\$0	\$58,695	\$11,739	\$46,956	\$52,206
Tollgate Inn & Bakery	needs addtl research	\$0	n/a	n/a	???							\$0	\$0	\$0	\$0	\$0
Current program totals:		\$32,490											\$523,506	\$104,701	\$418,805	\$451,295

Final City Project Cost column = ((Contract + Exhibit A items + COs)*0.8) + D&E