## City of Sandy



#### Agenda

Sandy Urban Renewal Board Meeting Meeting Date: Monday, April 4, 2022 Meeting Time: 6:00 PM

Page

#### 1. MEETING FORMAT NOTICE

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

#### To attend the meeting in-person

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

#### To attend the meeting online via Zoom

Please use this link: <a href="https://us02web.zoom.us/j/88324708454">https://us02web.zoom.us/j/88324708454</a>
Or by phone: (253) 215-8782; Meeting ID: 883 2470 8454

#### 2. ROLL CALL

**January 3, 2022** 

3.1.

#### 3. APPROVAL OF MINUTES

Sandy <u>Urban Renewal Board - 03 Jan 2022 - Minutes - Pdf</u>

#### 4. OLD BUSINESS

#### 4.1. <u>Covered Structures Phase II - Follow-Up Project Review</u>

Covered Structures II - Program Update - Pdf

#### 5. ADJOURN

2 - 4

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# MINUTES Sandy Urban Renewal Board Meeting Monday, January 3, 2022 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:** 

STAFF PRESENT: Jordan Wheeler, City Manager, Jeff Aprati, City Recorder, Tyler Deems, Deputy City

Manager / Finance Director, Ernie Roberts, Police Chief, Chris Crean, City Attorney, Mike Walker, Public Works Director, and Angie Welty, Human Resources Director

MEDIA PRESENT: Sandy Post

1. Roll Call

#### 2. Approval of Minutes

2.1. **September 7, 2021** 

Moved by Khrys Jones, seconded by Kathleen Walker

Approve the minutes as presented.

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 Round 2 (SURA) Application Review

Staff Report - 0525

The **Economic Development Manager** summarized the staff report, which was included in the agenda packet. He also shared presentation slides showing approximate locations of the proposed structures. The slides were also included in the packet.

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Discussion ensued on the following topics:

#### Best Western

- The relevance of a business' main function in determining eligibility
- The size of structure they would be interested in building
- Potential for using other program funding instead
- Importance of lodging to the local economy and community
- Working relationship history with this business

The consensus of the Board was that an application from Best Western could indeed be considered at a future meeting.

#### Sandlandia

- The importance of improving restroom accommodations at the property
- Whether the temporary tent on the property meets code requirements
- Improtance of regulatory consistency
- Public health considerations
- Fairness considerations vis a vis other businesses
- The need to review meeting minutes and the land use final order from the original approval

The consensus of the Board was that instead of authorizing the project at this time, staff should speak with the applicant and discuss restroom needs.

#### La Bamba

The consensus of the Board was to authorize the project.

#### Thai Home

The consensus of the Board was to authorize the project.

#### **Bigfoot Growlers**

The consensus of the Board was to defer approval until the long-term sustainability of the business can be determined.

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Sandy Urban Renewal Board January 3, 2022

#### **Mount Hood Athletic Club**

#### **Poolside Structure**

- The extent to which the proposal meets program objectives
- Concern about exclusiveness and community accessibility
- The fact that people can pay non-member fees
- Whether any seating would be included

The consensus of the Board was to deny the application.

#### Large Structure

- Questions about the intended use of the structure
- Questions about possible fencing
- Concern about exclusiveness and community accessibility
- COVID-19 impacts on gyms
- Assistance for gyms as an original program objective
- Parking considerations

The consensus of the Board was to authorize the project.

### 4. Adjourn

Mayor, Stan Pulliam

MPR

City Recorder, Jeff Aprati

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## **Staff Report**

Meeting Date: April 4, 2022

From David Snider, Economic Development Manager

SUBJECT: Covered Structures Phase II - Follow-Up Project Review

#### **DECISION TO BE MADE:**

Whether the SURA Board wishes to proceed with the following covered structure projects:

Bigfoot Growlers

Sandy Inn Best Western

#### **BACKGROUND / CONTEXT:**

The second round of the Permanent Covered Structures grant program was authorized by the Sandy Urban Renewal Agency (SURA) for projects within the urban renewal district, and by the Sandy City Council for projects outside of that district, on September 7th, 2021.

At the SURA meeting on January 3rd, 2022, the Board reviewed designs for six covered structure applications, approving three (MHAC large structure, Thai Home, La Bamba) while denying one (MHAC pool structure).

Regarding the two remaining applications, (Sandlandia II and Bigfoot Growlers), the SURA Board asked staff to return with additional information before making a decision (the Sandlandia application has since been withdrawn). The Board also decided at this meeting to consider an application received from a business that was considered by staff to be inconsistent with the intent of the program because it was not a food and/or beverage based business or a gym (Sandy Inn Best Western).

#### **KEY CONSIDERATIONS / ANALYSIS:**

<u>Bigfoot Growlers</u>: While the SURA Board voiced its general approval for this project, there was some concern expressed about the general viability of the business considering that the business had a well publicized grand opening and then shut its doors weeks later. The Board wanted to see the business re-open first, and it was requested that staff try and learn a bit more about the business prior to awarding this grant project.

The project manager held a meeting with the business owner on March 23rd to discuss these concerns. The business owner stated that the reason for the abrupt shutdown was due to the unexpected sudden departure of their line cook. Further research

indicates that line cooks are one of the most sought after positions in our economy right now as the restaurant industry rebounds from COVID-19 and these positions are extremely difficult to fill.

Fortunately the business was able to find another cook, although they had to completely redesign their menu to make it work. Staff believes their menu is better now for the change, and the owner seems pretty confident that this move will be fruitful. On the day I spoke with the owner, the business was closed for the evening after having been rented out by a local real estate business for a company party. Visits on subsequent days seem to indicate that business is indeed returning rapidly.

Another point to consider for this proposed project is that the applicants are actually the property owners (Angelo & Vicki Turra), not the business owner. Even if Bigfoot Growlers does end up failing at some point, adding a covered structure to a space containing a commercial kitchen could make it even easier for the next restaurant to see potential in that space, so it is doubtful that the unit would be vacant for very long.

Finally, our Planning department thought that there might be an issue with the south property line of this lot, in that this property line was not officially where it seemed to be in relation to the ODOT right-of-way on Proctor Blvd. The City hired a surveyor to locate the lot lines for us, and it was determined that the south property line is indeed approximately one foot farther north than the placement of the sidewalk would suggest. Therefore, the placement of the structure needs to be shifted 1.5 feet north so that no part of the structure breaches the ODOT right-of-way. After speaking with a contractor familiar with the construction of these structures, a "field adjustment" may be made to the site plan to correct this -- this is a simple move and should not require any alterations of the plan set.

[note: the preliminary design for this project is included in this report as an attachment entitled: "Bigfoot Growlers II - complete design set"]

<u>Sandy Inn Best Western</u>: At the meeting on January 3, 2022, the SURA Board instructed staff move forward with generating an initial design for this applicant. That design is included as an attachment to this report entitled "Best Western Sandy Inn - prelim design". If this project is ultimately approved for construction, the next step in the process would be for the design to be forwarded to the engineer for calculations and redrawing.

An additional item to consider with this design is that the applicant prefers this structure to be located in the space directly to the east of the main entrance to the hotel in what is currently a landscaping area. In order for this project to proceed, this area would need to have the dirt and landscaping plants removed, and then a concrete pad approximately 25' x 25' would need to be poured prior to construction of the structure. Staff asserts that the cost of this work should not be the responsibility of the SURA as all previous covered structures projects have been constructed on existing impervious

surface. Pad installation would also need to be completed by the applicant prior to construction beginning on the covered structure.

[note: the preliminary design for this project is included in this report as an attachment entitled: "Best Western Sandy Inn - prelim design"]

#### Sandlandia (informational update only - application has been withdrawn)

The Board requested that the grant project manager speak with the owner to determine his receptivity to installing permanent bathrooms at the site, possibly with City assistance, before providing their approval for this project. Staff did discuss this option with the property owner in January 2022.

The property owner told us that he was not open to installing permanent bathrooms at the site. In order to pay for the proposed restrooms (even if the City was paying for a portion of them), he stated would have to raise the rent on the carts to cover the cost, which he is not able to do for business reasons.

The property owner also stated that because of these business concerns, he no longer wishes to move forward with the second covered structure. He has removed the tent that the SURA Board was concerned about and will not be replacing it – from now on there will be a bolted down picnic table in its place. He stated he is largely happy with the current setup of Sandlandia, and that his carts appear to be happy with the current arrangement as well. He also confirmed for us that the existing covered structure is being heavily used and that his tenants are very happy with the investment.

#### **RECOMMENDATION:**

Staff recommends that the SURA Board evaluate the Bigfoot Growlers and Sandy Inn Best Western projects by considering the extent to which they are consistent with the primary goals of the program and the stated review criteria listed in the Program Guidelines. The two primary goals of the program are:

- 1. To help local business owners stay in operation during the COVID-19 crisis by helping to create spaces for outdoor dining.
- 2. To help local business owners create new permanent spaces for outdoor seating at restaurants, breweries, wineries, bars and coffee shops in Sandy.

The stated review criteria of the Permanent Outdoor Covered Structures grant program are:

- A. The structure meets Sandy Style and Building Code requirements.
- B. The proposal has a harmonious aesthetic appearance with the primary building.
- C. The proposal has a positive impact on the overall streetscape (if applicable).

#### **BUDGETARY IMPACT:**

To date, the Bigfoot Growlers and Sandy Inn Best Western projects have only cost the SURA \$2,625 apiece for the initial designs. If approved by the Board, the next step for these projects would be for their initial designs to go to engineering, which will cost an additional \$2,625 per project.

The average winning bid to construct these projects in Round II of the program thus far appears to be around \$105,000 -- this would mean the SURA's financial responsibility on average would be \$80,000 per project (80% of project costs up to \$100,000) for construction costs. The potential financial impact on the SURA budget is shown below:

Bigfoot Growlers:

o initial design: \$2,625 (already spent)

o engineering: \$2,625

construction: \$80,000 (estimated)Total SURA cost: \$85,250

Sandy Inn Best Western:

o initial design: \$2,625 (already spent)

o engineering: \$2,625

construction: \$80,000 (estimated)Total SURA cost: \$85,250

#### **TOTAL SURA BUDGETARY IMPACT: \$170,500**

A document showing the current status of all second round projects as of 4/1/22 is attached to this report entitled "Project Table & Work Process Round II April 2022."

#### SUGGESTED MOTION LANGUAGE:

"I make a motion that we approve both the Bigfoot Growlers and Sandy Inn Best Western projects to move forward with construction."

OR

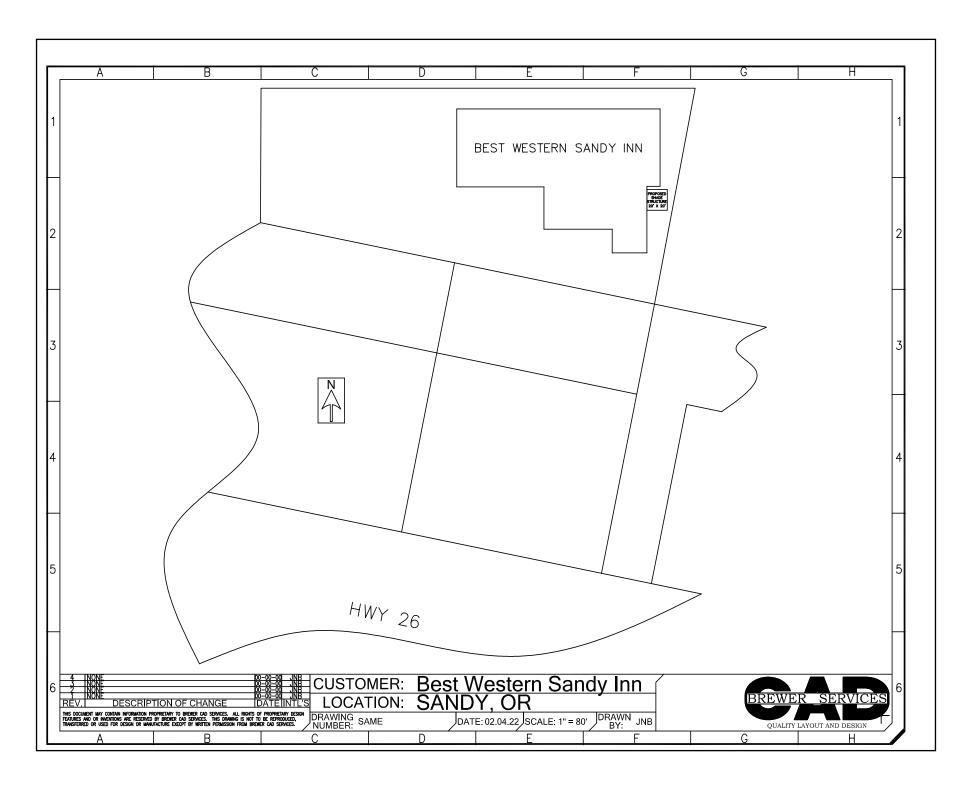
"I make a motion that we approve [Project X] project and deny [Project Y]."

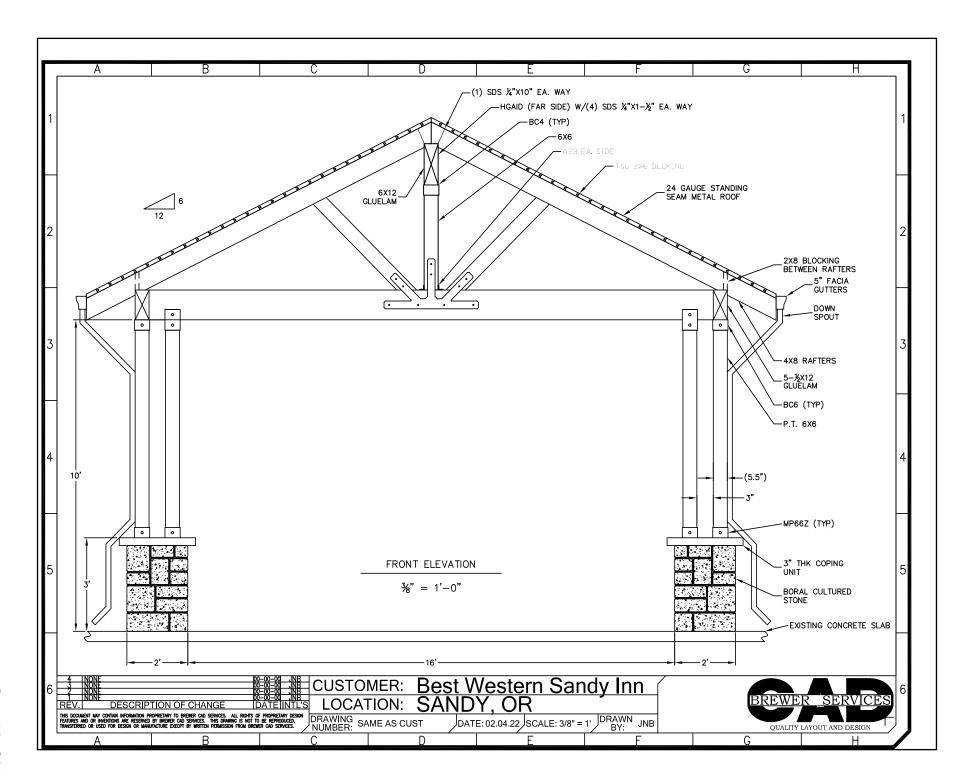
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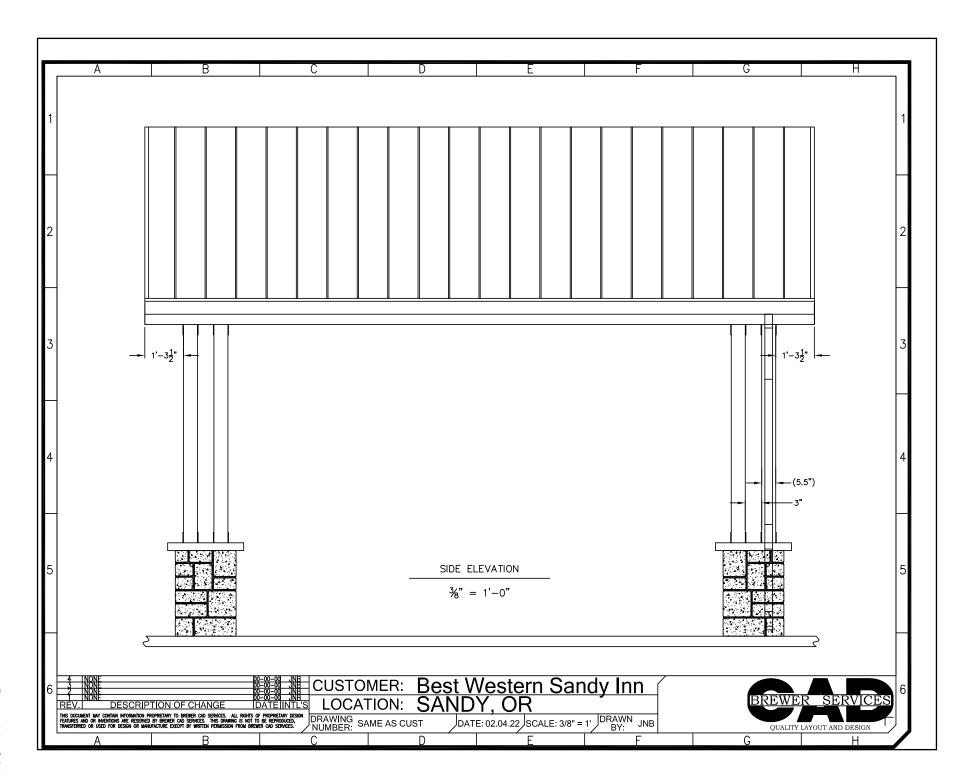
"I make a motion that we deny both of these projects."

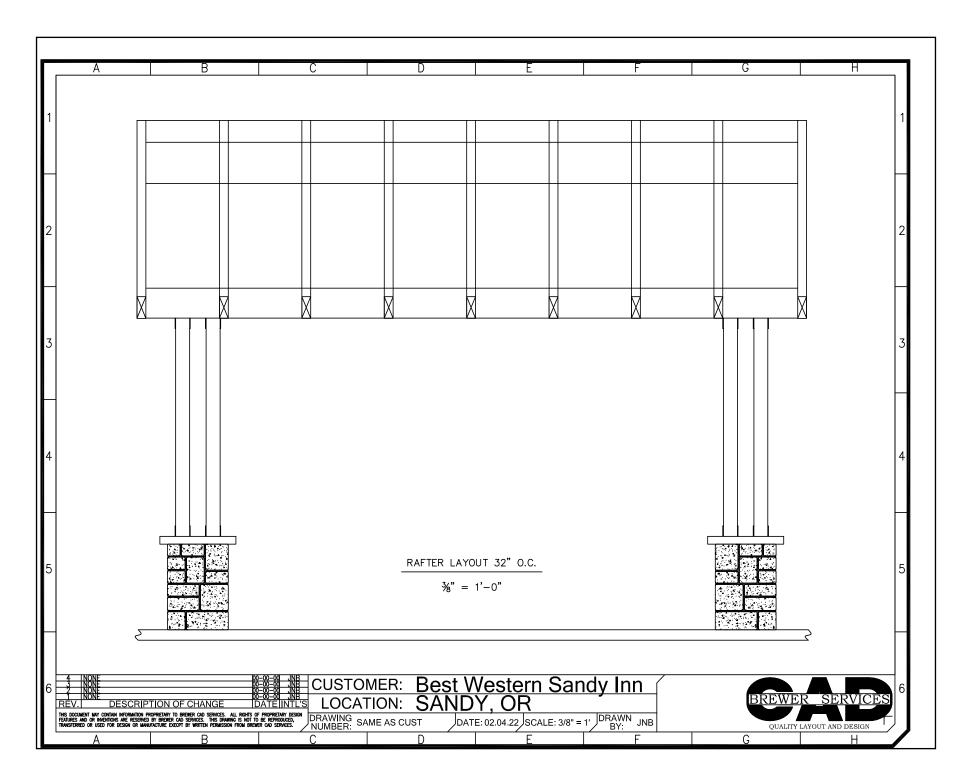
#### LIST OF ATTACHMENTS/EXHIBITS:

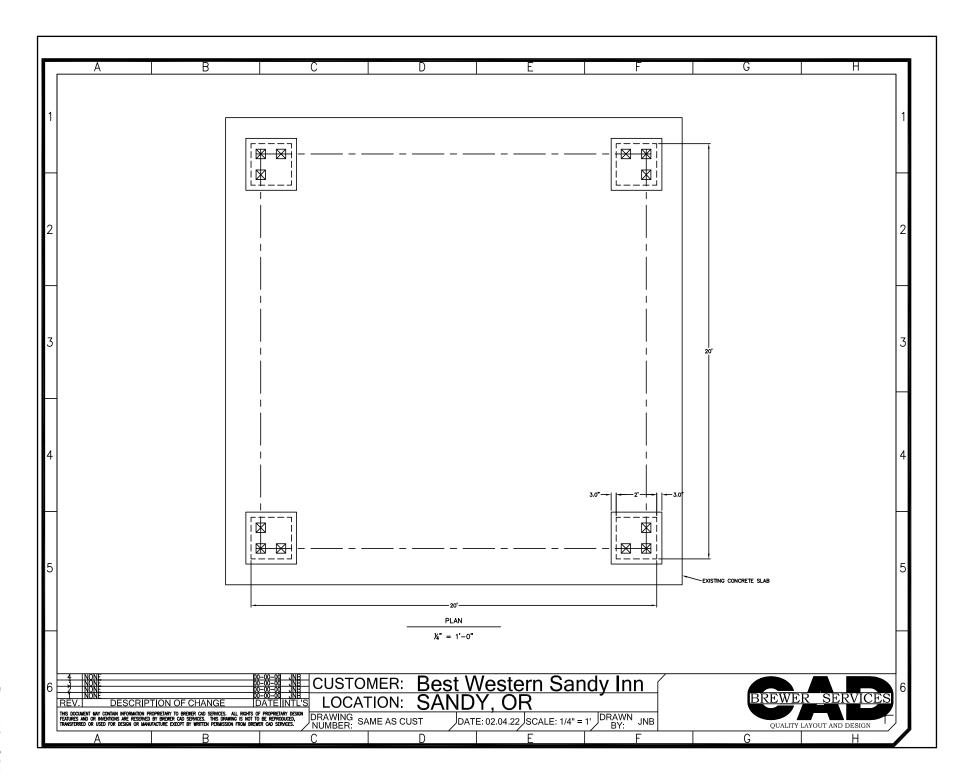
- Best Western Sandy Inn prelim design
- Bigfoot Growlers II complete design set
- Project Table & Work Process Round II April 2022

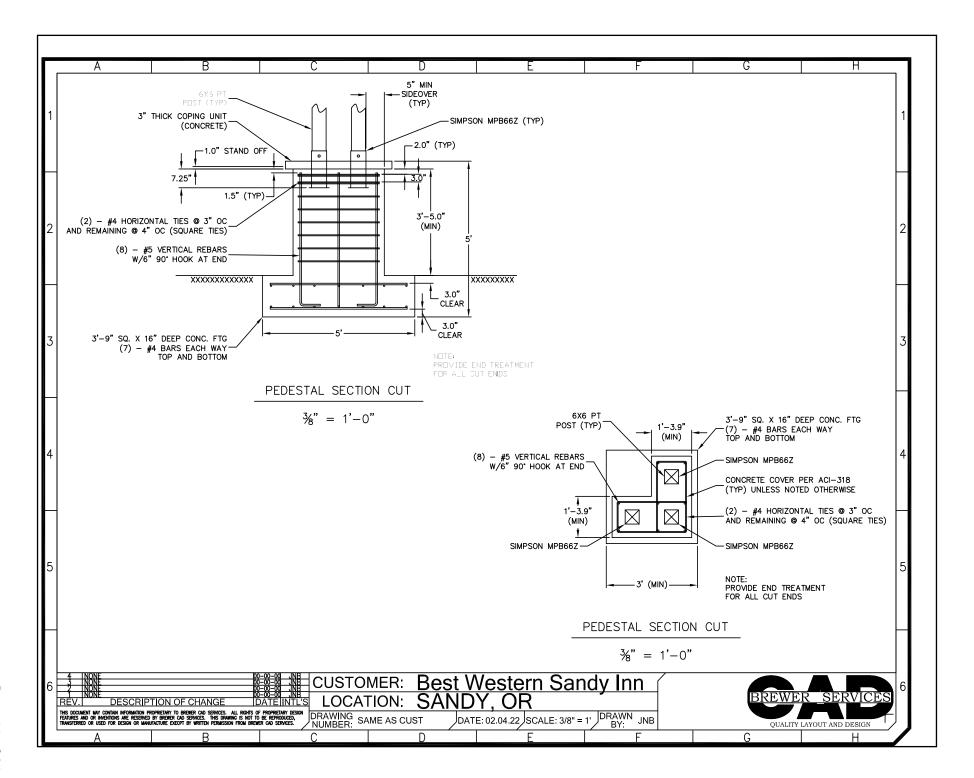


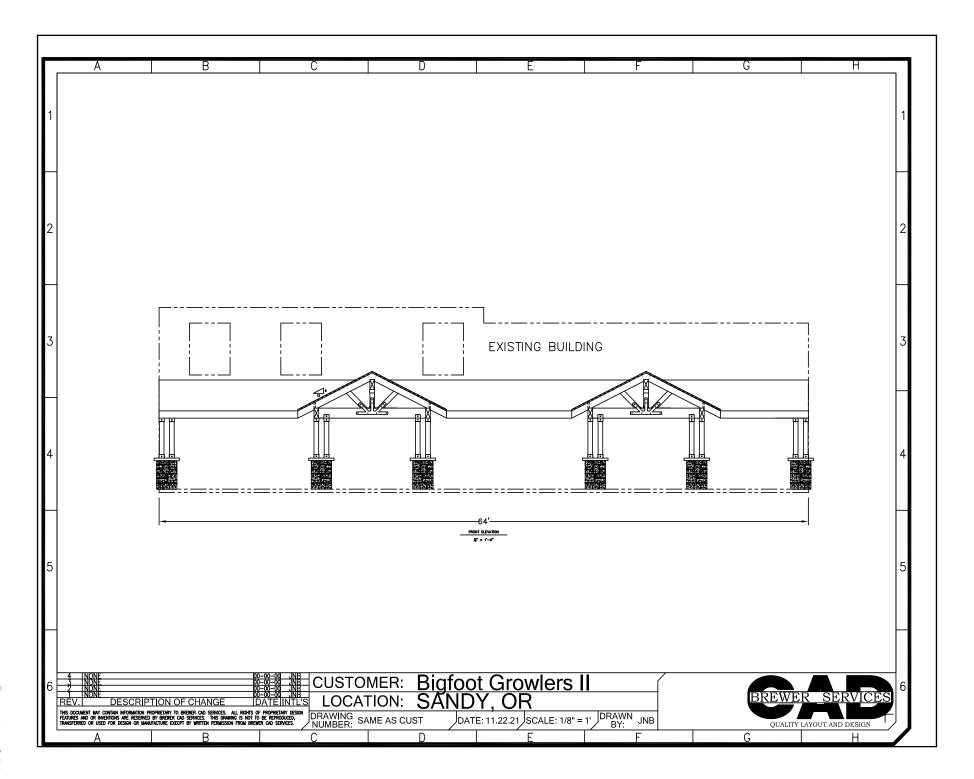


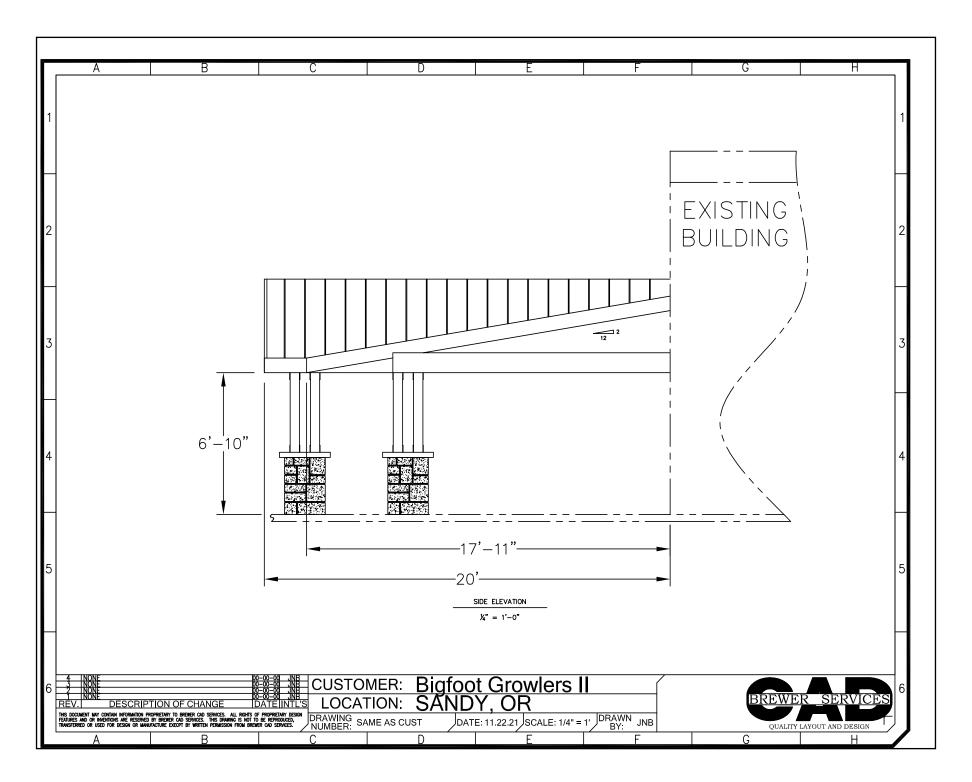


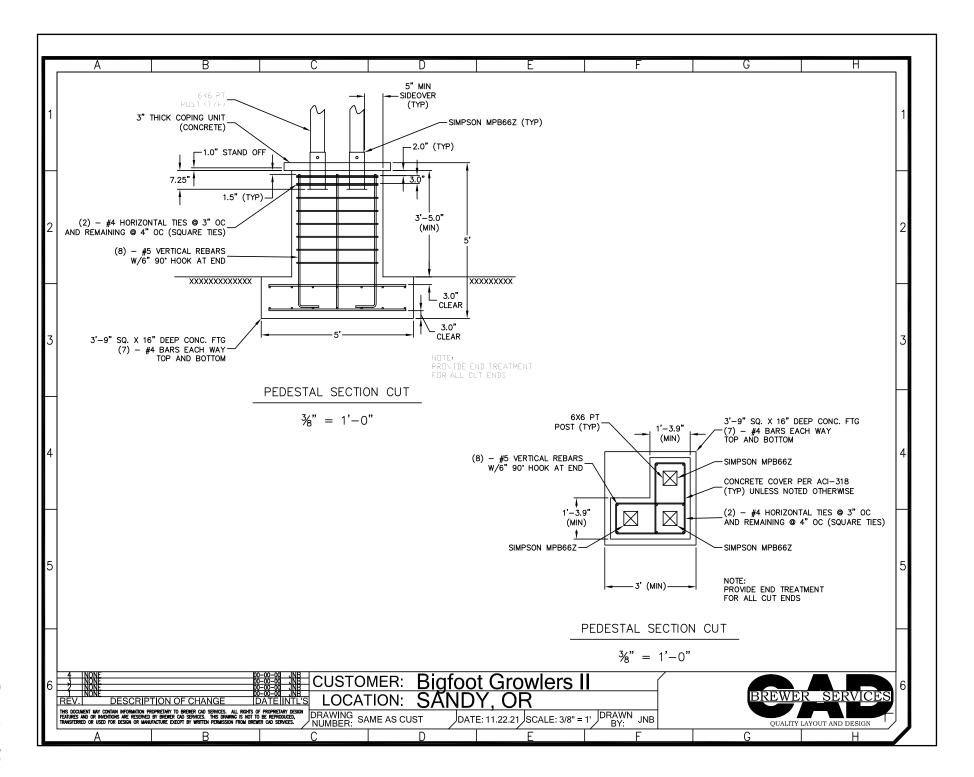


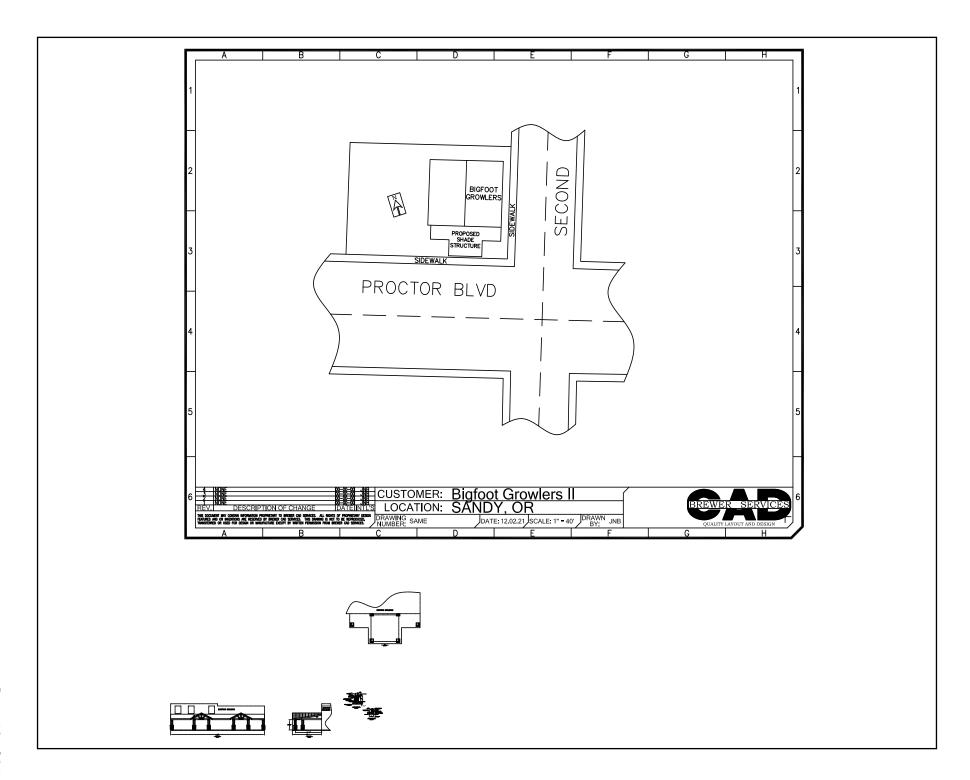












#### Covered Structures - Project Table & Work Process April 2022

#### **Urban Renewal projects**

Applicant	Notes for Proposed Project	Project Status	Estimated Project Cost - Total	* Estimated Project Cost – SURA	Actual project cost (Actual SURA cost to date)
La Bamba Mexican Restaurant	Add a covered structure tied back to the building at the building entrance.	Contractor selected; construction pending	\$70K - \$110K	\$61K - \$85K	\$110,245 (\$85,250)
Thai Home Restaurant	Add a covered structure to their existing outdoor seating deck – structure will come up through the deck; some de/re-construction of decking required.	At engineer's office	\$60K - \$100K	\$53K - \$85K	(\$2,625)
Sandlandia II	Add a covered structure to the central area near the east group of carts to replace existing non-conforming tent	Application withdrawn; project cancelled	\$50K - \$80K	\$45K - \$69K	\$0 (\$2,625)
Bigfoot Growlers	Add a covered structure to the front outdoor seating area along the front of the building. Structure will be long and narrow.	Preliminary surveying work being completed prior to engineering	\$80K - \$120K	\$69K - \$85K	(\$2,625)
MHAC – Large structure	Add a covered structure to the east side of the building with interior access. Requires concrete pad fill-in & concrete support wall.	Waiting on applicant to decide if he would like to proceed.	\$200K - \$300K	\$85K	(\$2,625)
MHAC – Pool structure	Add a small covered structure to the outdoor pool area.	Project declined by SURA Board	\$60K - \$90K	\$53K - \$77K	\$0 (\$0)
Total projected cost range			\$465K - \$745K	\$366K - \$486K	

<sup>\*</sup> This range represents the estimated actual project cost to the UR Agency for each of these projects. Numbers were determined by taking the estimated project cost range, multiplying by 0.8 to eliminate the 20% of project costs realized by the applicant, and then adding \$5K to account for the design & engineering costs (100% City expense). Also incorporates \$100K max project cost; all expenses in excess of \$100K are the sole responsibility of the applicant.

#### General fund & non-qualifying projects

Applicant	Notes for Proposed Project	Project Status	Estimated Project Cost - Total	* Estimated Project Cost – City of Sandy	Actual Project Cost (Actual City of Sandy cost)
Smoky Hearth Restaurant	This project is outside of the UR district – add a permanent covered structure at old tent location w/ tie back to the building	Contractor selected; construction pending	\$80K - \$120K	\$69K - \$85K	\$100,786 (\$85,250)
Wippersnappers Kids Play Place	This project is outside of the UR district – add a permanent covered structure at west end of lot (front door) w/ tie back to the building.	At engineer's office	\$80K - \$120K	\$69K - \$85K	(\$2,625)
Sandy Inn Best Western	Will require excavation of landscaping and addition of concrete pad prior to construction of structure – this work to be completed at applicant's expense.	Initial design completed – SURA authorization required to proceed further	\$80K - \$120K	\$69K - \$85K	(\$2,625)
Total projected cost range			\$240K - \$360K	\$207K - \$255K	

#### **Work Process**

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

- 1. Application received online.
- 2. Phone/in person meeting w/ 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. PROJECTS PRESENTED TO SURA/CITY COUNCIL SURA BOARD/COUNCIL APPROVES OR DENIES INDIVIDUAL PROJECTS FOR CONSTRUCTION

#### FOR APPROVED DESIGNS:

- 6. Completed design sent to engineer (typically takes 2-3 weeks, staggered)
- 7. Scope of work developed by staff using engineered plans.
- 8. Scope of work distributed to bidding contractors (bid period typically 30 days)

9. V	Winning (low bid) bidder selected; contract and repayment schedule developed based on winning bid price.
10.5	Debugg to CLIDA Deput for final quariest agreement if uniquies hid covered 4400% of high and of quariested and to a
10. F	Return to SURA Board for final project approval if winning bid exceeds 110% of high end of projected cost range.
11. (	Contract signed by applicant; contractor may begin work & applying for permits.
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