



City of Sandy

Agenda

Sandy Urban Renewal Board Meeting

Meeting Date: Monday, April 19, 2021

Meeting Time: 6:00 PM

Page

1. MEETING FORMAT NOTICE

The Urban Renewal Board will conduct this meeting electronically using the Zoom video conference platform. Members of the public may listen, view, and/or participate in this meeting using Zoom. Using Zoom is free of charge. See the instructions below:

- To login to the electronic meeting online using your computer, click this link: <https://us02web.zoom.us/j/89963107166>
- If you would rather access the meeting via telephone, dial (253) 215-8782. When prompted, enter the following meeting number: 899 6310 7166
- If you do not have access to a computer or telephone and would like to take part in the meeting, please contact City Hall by Friday April 16th and arrangements will be made to facilitate your participation.

2. ROLL CALL

3. APPROVAL OF MINUTES

- 3.1. **Approval of Minutes** 2 - 29
[Sandy Urban Renewal Board - 08 Mar 2021 - Minutes - Pdf](#)

4. WORK SESSION

- 4.1. **Urban Renewal Work Session** 30 - 94
[Urban Renewal Work Session - Pdf](#)
[Presentation Slides](#)

5. ADJOURN



MINUTES
Sandy Urban Renewal Board Meeting
Monday, March 8, 2021

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: Tyler Deems, Deputy City Manager / Finance Director, Mike Walker, Public Works Director, Greg Brewster, IT/SandyNet Director, David Snider, Economic Development Manager, Jeff Aprati, City Recorder, and Jordan Wheeler, City Manager

MEDIA PRESENT:

Page

1. MEETING FORMAT NOTE

The SURA Board conducted this meeting electronically using the Zoom video conference platform. A video recording of the meeting is available on the City's YouTube channel: https://www.youtube.com/channel/UCbYEclgC6VW_mV2UJGyvYfg

2. Roll Call

3. APPROVAL OF MINUTES

3.1. **Approval of Minutes** - February 3, 2021

Moved by Khrys Jones, seconded by Carl Exner

Approve the February 3, 2021 minutes.

CARRIED. 9-0

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

4. OLD BUSINESS

4.1. **Permanent Outdoor Covered Structures - Program Update**

5 - 28

Page 1 of 28

Staff Report - 0392

The **City Manager, Economic Development Manager, and Deputy City Manager / Finance Director** delivered the staff report. The presentation slides used by staff are attached to these minutes for reference.

The Board discussed possible considerations for the awarding of funds, including whether buildings are owner occupied, the length of time businesses have been operating, and whether businesses are current on all applicable fees and taxes.

The importance of attractive lighting within the structures was emphasized, as was the need to avoid use of extension cords from adjacent buildings. It was therefore agreed that installation of electrical outlets should be required.

Other considerations discussed included:

- The need to include gutters to manage rainwater
- Possible impacts to other portions of the urban renewal budget
- The importance of ensuring that previous commitments made by businesses are upheld before new funds are awarded.

It was emphasized that the structures would provide long-term value for the district tax base, regardless of whether the current businesses remain in operation.

The Board gave specific consideration to the retaining wall behind the Boring Brewing building, and the possibility that construction of a covered structure could conceivably damage or undermine the wall, leading to potential liability for the City. It was stated that any such concerns would be addressed during the permitting and inspection process.

The Board agreed that the grant approvals should include the following conditions:

- Installation of electrical outlets is required
- Recipients must be current on all City fees and taxes (staff will collaboratively with recipients in such cases)
- Any final bids that exceed 110% of the high end of the estimated cost range will require further Board approval

Moved by Laurie Smallwood, seconded by Carl Exner

Approve grant applications for the following businesses:

- **Le Happy**
- **Boring Brewing**
- **Red Shed Public House**
- **No Place Saloon**
- **Sandlandia**
- **Tollgate Inn & Bakery**

The applications from Paola's Pizza Barn and Beer Den may be reconsidered during the next fiscal year, pending additional information and/or completion of other previously affirmed projects.

CARRIED. 9-0

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

[Presentation Slides - Covered Structures Program Update - 3.8.21](#)

5. New Business

5.1. Facade Grant Review: Les Schwab Remodel

Staff Report - 0381

The **Economic Development Manager** summarized the staff report and communicated the staff recommendation of approval.

The Board asked clarifying questions about the specific plans for the two buildings, and about whether roof improvements are covered under the program.

Moved by Jeremy Pietzold, seconded by Laurie Smallwood

Approve the Facade Grant for Les Schwab Tires as requested.

CARRIED. 9-0

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

6. Adjourn



Sandy Urban Renewal Board
March 8, 2021

Mayor, Stan Pulliam



City Recorder, Jeff Aprati

Draft



Covered Structures Program Update

Sandy Urban Renewal Board
March 8, 2021

Background

- Program created by SURA Board in December 2020
- Intended to assist local restaurant, bar, and athletic club owners with creating permanent outdoor covered structures for dining and workout spaces.
- Application deadline and review process established February 1



Additional Marketing and Outreach, Applications

- Website, Facebook, Newsletter Posting in City newsletter
- Direct outreach to eligible businesses via phone and email
- 11 applications received on or before Feb. 25. Two projects do not meet program guidelines



Program Work Process

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)



Program Work Process (cont.)

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.



Project Status Table

Applicant	Status	Est. Cost
Ria's	Awarded, under construction	\$75,950 (actual)
Le Happy	Scope of work in process	\$60K - \$75K
Boring Brewing	Awaiting engineering	\$80K - \$100K
Red Shed	Awaiting engineering	\$55K - \$70K
No Place	Awaiting engineering	\$55K - \$70K
Sandlandia	Awaiting engineering	\$55K - \$70K
Paola's	Awaiting engineering	\$55K - \$70K
Tollgate	Awaiting design	\$55K - \$70K
Beer Den	Initial authorization needed	\$100K - \$125K
Total Project Cost Range		\$515K - \$750K



Budget Impacts

- BN 19-21 SURA Budget: \$3,960,000 for capital outlay
 - \$3,000,000 restricted for Sandy Community Campus improvements
 - \$960,000 for various projects (City Hall Improvements, Infrastructure, Building Improvements, Façade Grant Program)
- \$405,000 est. available for capital projects in the current budget (through June 30)
- SURA Fund has a large contingency that could be used to cover additional expenses for this program if the Board chooses

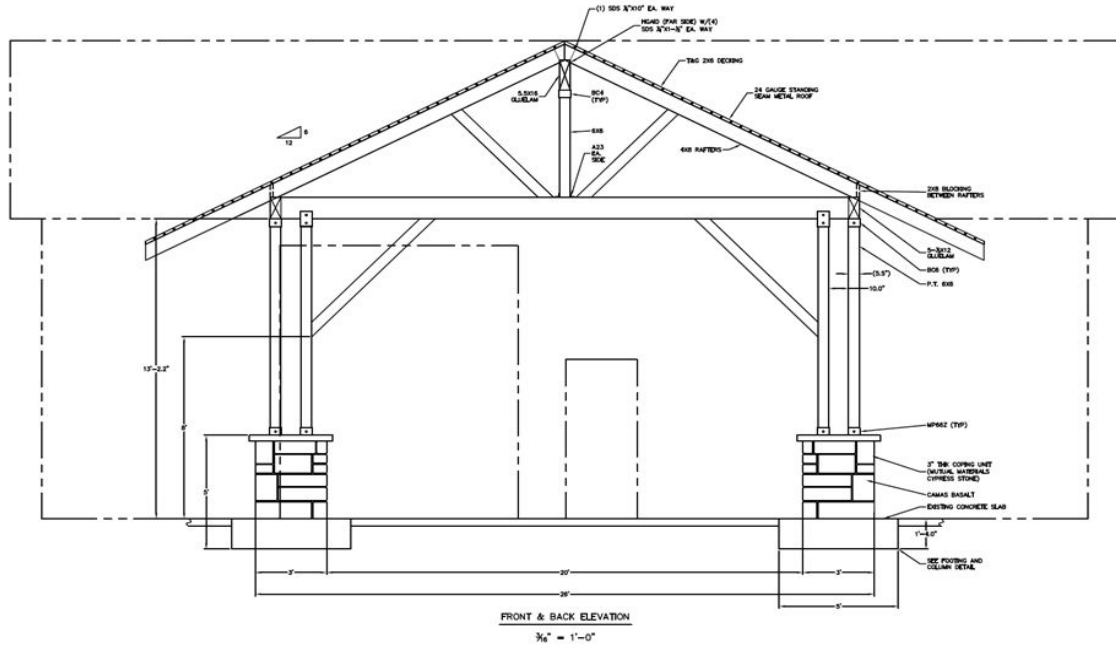


Covered Structure Design Information

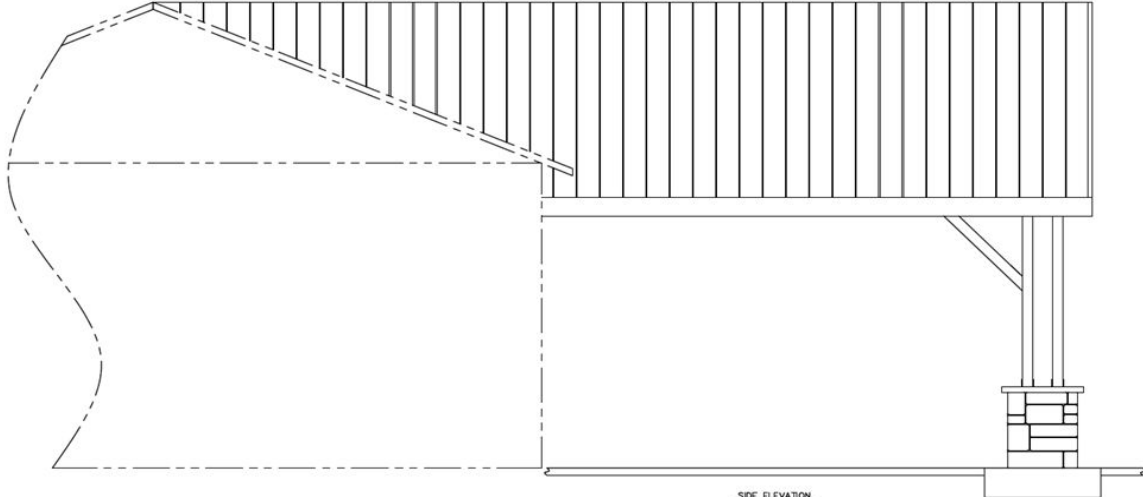
- We received engineering work back on Le Happy over the weekend - scope of work in process; will be ready to put out to bid this week.
- We have received design work back on five more projects, including the design work for Paola's that was also received over the weekend.
- We are waiting on design work for one project. (Tollgate Inn)
- The Beer Den's proposal requires additional professional work before design work can be completed.



Boring Brewing



Boring Brewing - Side Elevation

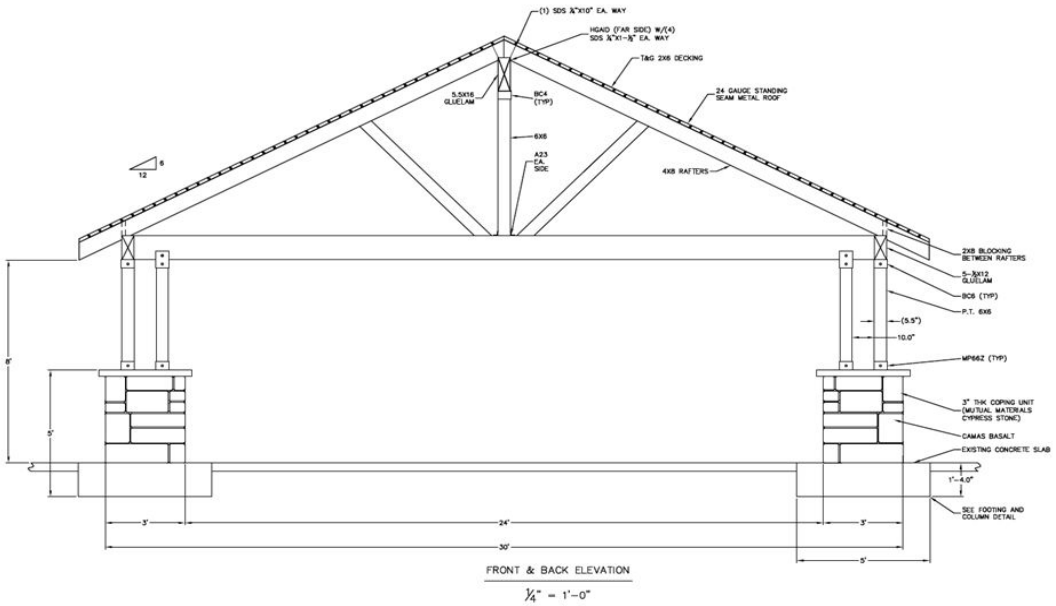


SIDE ELEVATION
3/4" = 1'-0"

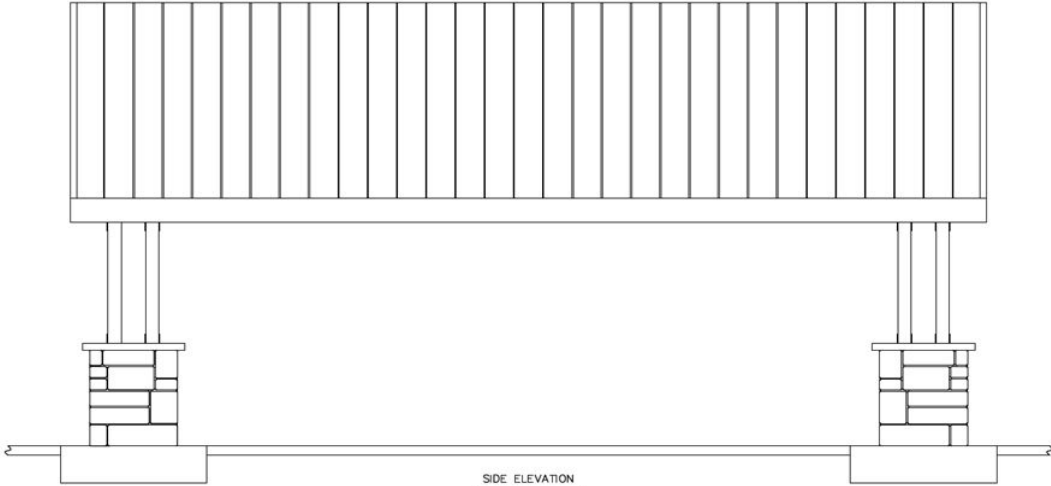
Boring Brewing - Proposed Location



Le Happy Creperie & Bar



Le Happy Creperie & Bar - Side Elevation



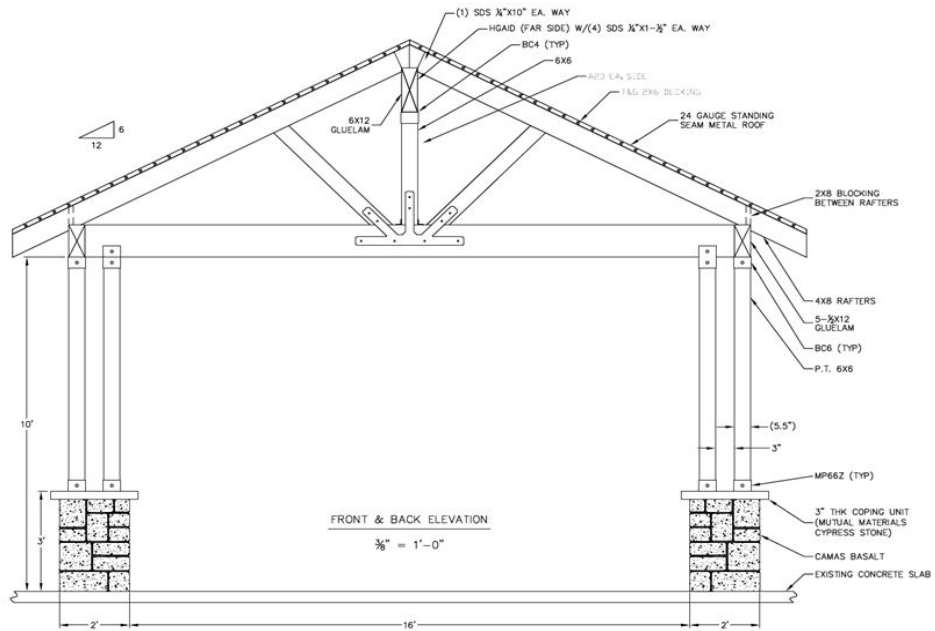
SIDE ELEVATION

$\frac{1}{4}'' = 1'-0''$

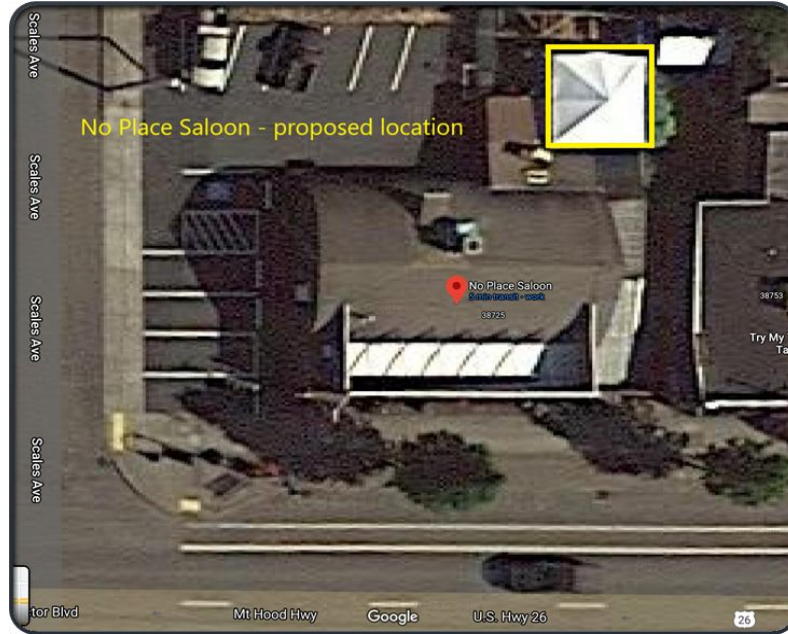
Le Happy - Proposed Location



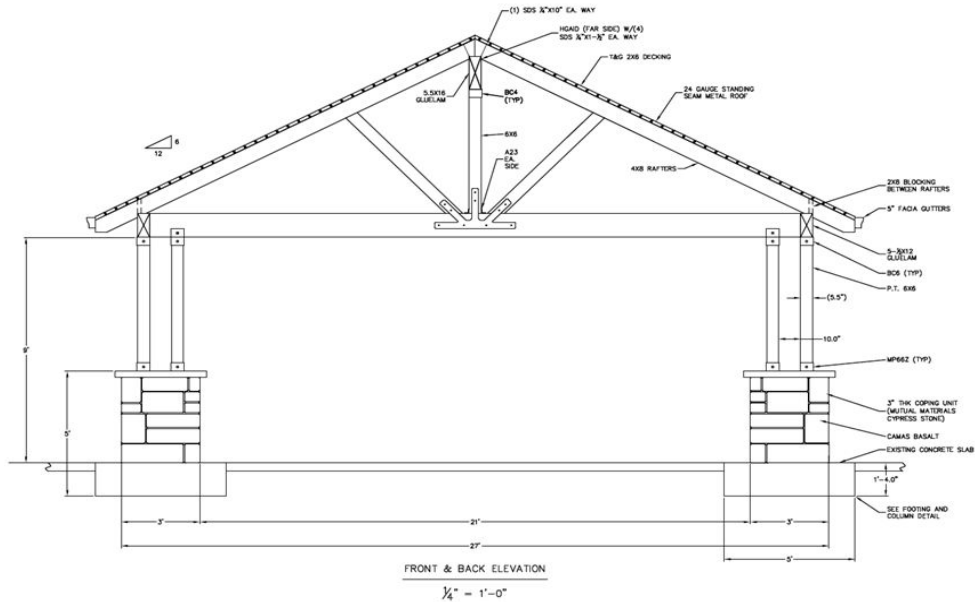
No Place Saloon



No Place Saloon - Proposed Location



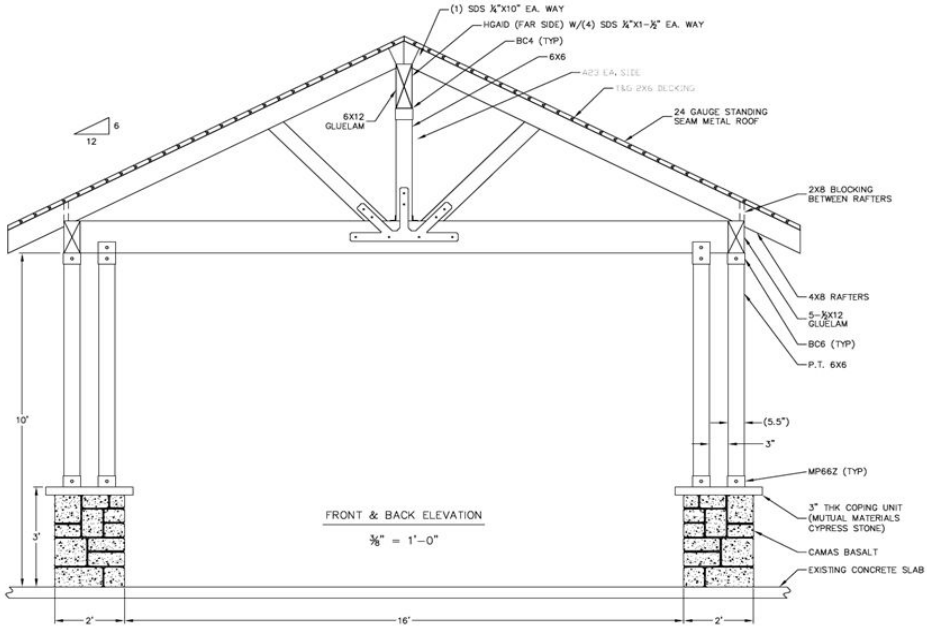
Red Shed Public House



Red Shed - Proposed Location



Sandlandia Food Carts



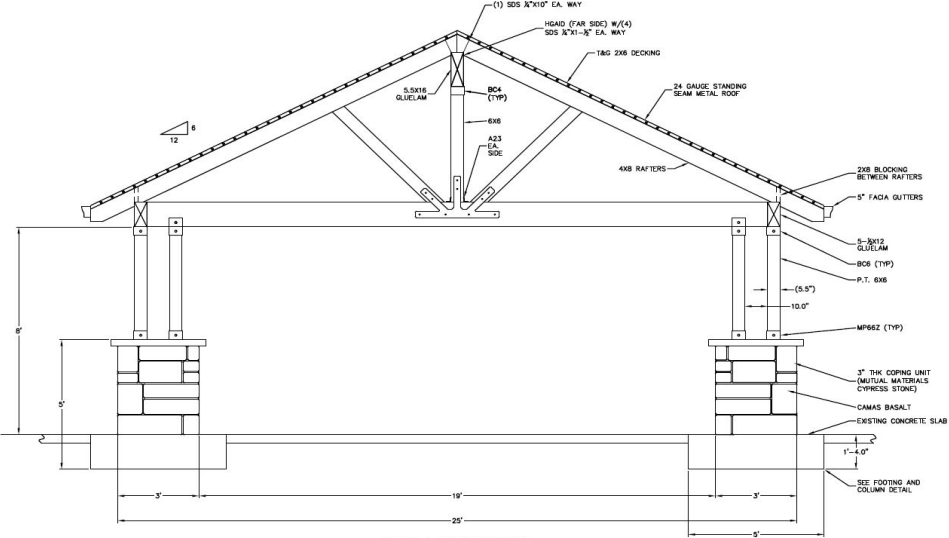
Sandlandia Food Carts - Proposed Location



Tollgate Inn - Proposed Location



Paola's Pizza Barn



Paola's Pizza Barn - Proposed Location



Paola's Pizza Barn - proposed location

Options for the SURA Board

- **Option #1:** Authorize funding and award grants for all eight remaining projects (provided final bids are within 110% of the high-end of the estimated cost ranges).
- **Option #2:** Authorize funding and award grants for only certain projects (provided final bids are within 110% of the high-end of the estimated cost ranges).

If Option #2 is selected, staff offers the following considerations:

- Originally, the Board discussed spending \$280,000 total on this program. Approximately \$80,000 has been expended thus far.
- The Program Guidelines for the Covered Structures Program state that the following criteria should be used to evaluate applications:
 - The structure meets Sandy Style and Building Code requirements.
 - The proposal has a harmonious aesthetic appearance with the primary building.
 - The proposal has a positive impact on the overall streetscape (if applicable).





Staff Report

Meeting Date: April 19, 2021
From Jordan Wheeler, City Manager
SUBJECT: Urban Renewal Work Session

BACKGROUND:

As discussed at the July 20 Board meeting, the Board and staff are working on prioritizing urban renewal projects and developing a long-term financial and capital plan for the Sandy Urban Renewal Agency (SURA). To assist us with this work, SURA has hired Elaine Howard Consulting LLC., and Tiberius Solutions. Both firms have extensive experience working with Oregon cities on urban renewal plans and with creating financial and tax increment financing (TIF) projections.

On May 3, the SURA Budget Committee will meet to review the proposed budget for the Agency for the 2021-23 biennium. Given the number of new Budget Committee members, we have invited Elaine Howard to the April 19 meeting to present an overview of how urban renewal works and the Sandy Urban Renewal Plan in advance of the budget presentation.

In addition to the budget review, the next steps in this process will be completing and presenting the TIF forecast and financial plan, reviewing the projects in the plan, adding and prioritizing projects, and aligning the projects to the financial forecast and determining an implementation path. The agency is consulting with Elaine Howard and Tiberius Solutions on this work.

RECOMMENDATION:

Receive information and ask questions about urban renewal and tax increment financing, and the City of Sandy's urban renewal plan.

CITY OF SANDY URBAN RENEWAL

URBAN RENEWAL 101



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ROADMAP

1. What is Urban Renewal, and Why Use It?
2. Urban Renewal 101
3. Sandy Urban Renewal Plan History
4. Review of the Plan
5. Projects in Other Cities

CRASH COURSE | UR 101

Elaine Howard Consulting LLC

CRASH COURSE | UR 101

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CRASH COURSE | UR 101

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HOW DOES AN URBAN RENEWAL AREA FUNCTION?

1. Income Source

- ❖ Yearly property tax collections based on growth within Boundary (more detail on mechanism in later slide)

2. Expenses

- ❖ Projects, programs, and administration

3. Spending Limit

- ❖ Capped by Maximum Indebtedness (MI):
 - The total amount of money that can be spent over the life of the district on projects, programs, and administration.



WHY USE URBAN RENEWAL?

AREAS WHERE THE CITY OF SANDY HAS BEEN A WELL USED EXEMPLAR



Targeted areas for new development, redevelopment, or substantial improvements



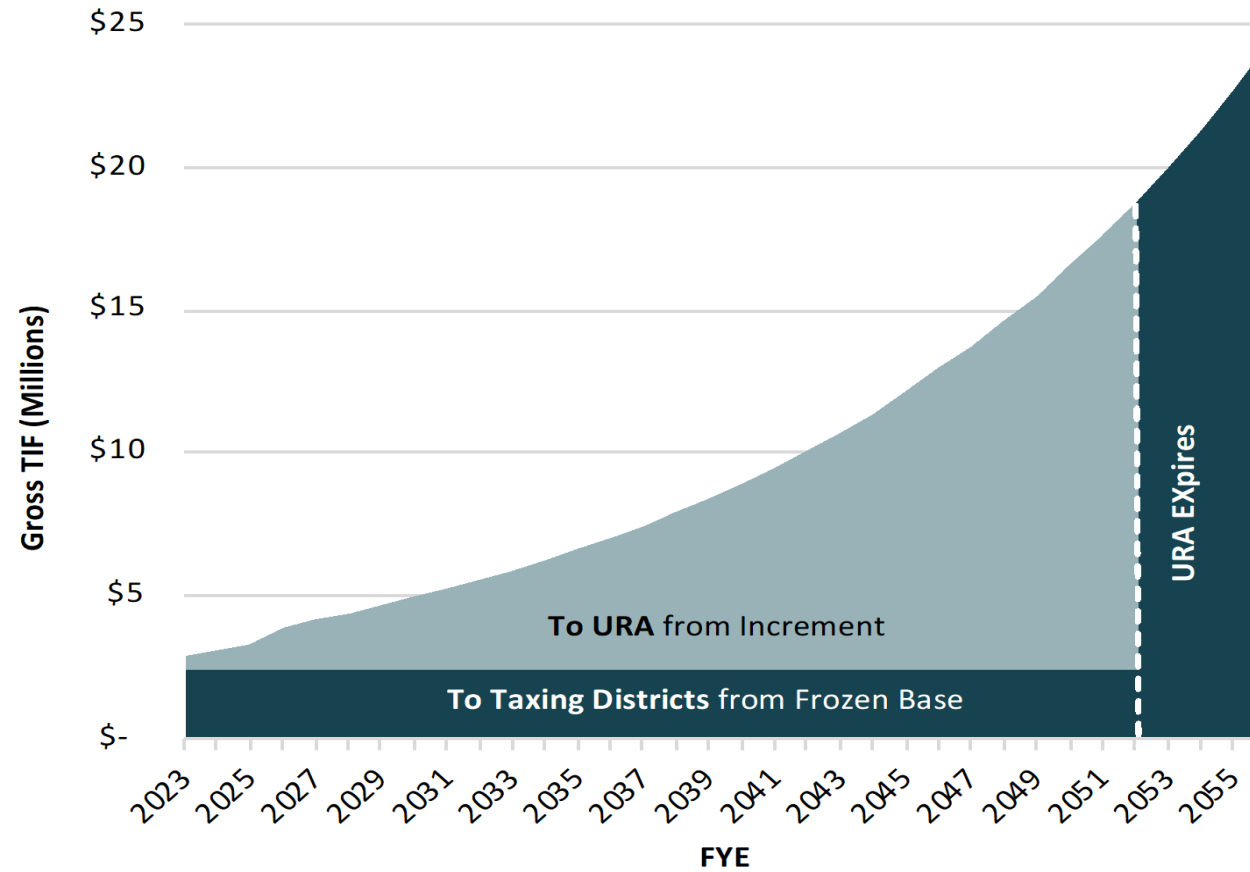
City general funds typically lack the resources to contribute to these opportunities



Urban Renewal provides a funding source to bridge the gap in strategic ways.

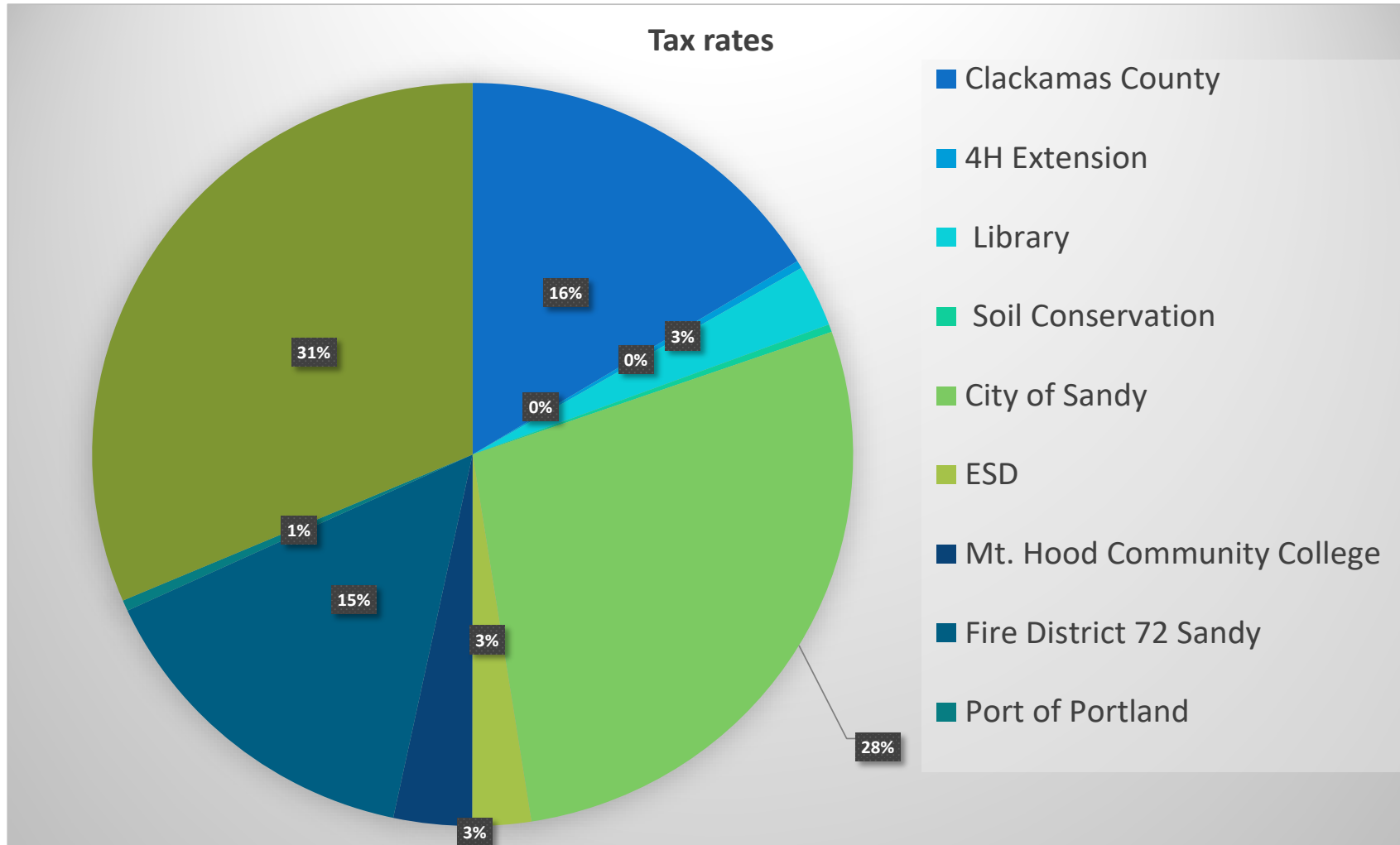
Sandy storefront improvement has been one of the most successful urban renewal programs in the state

HOW DOES URBAN RENEWAL FINANCING WORK?



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LEVERAGING THE CITY TAX RATE



PROPERTY TAXES AND URBAN RENEWAL

- Urban Renewals Division of Taxes does not increase the financial impact to property taxpayers
- Urban Renewal Division of Taxes does impact the Property Taxing Districts, such as the City or County
- Urban Renewal funds diverted from other taxing districts are represented as a line item on citizen property tax statements
- The Assessor must go through the following steps when distributing Urban Renewal Taxes:
 1. “Calculation” of TIF to be collected
 2. “Distribution” of TIF Citywide to property taxpayers
 3. “Collection” of property tax revenues

IMPACTS TO TAXING DISTRICTS

- ❖ Urban Renewal does not provide new money
 - Diverts funds that would go to other property tax districts
- ❖ Continue receiving taxes on frozen base
- ❖ Temporarily forego taxes on any growth in Urban Renewal Area
- ❖ Growth may not have occurred but not for urban renewal



URBAN RENEWAL AND LOCAL SCHOOL DISTRICTS



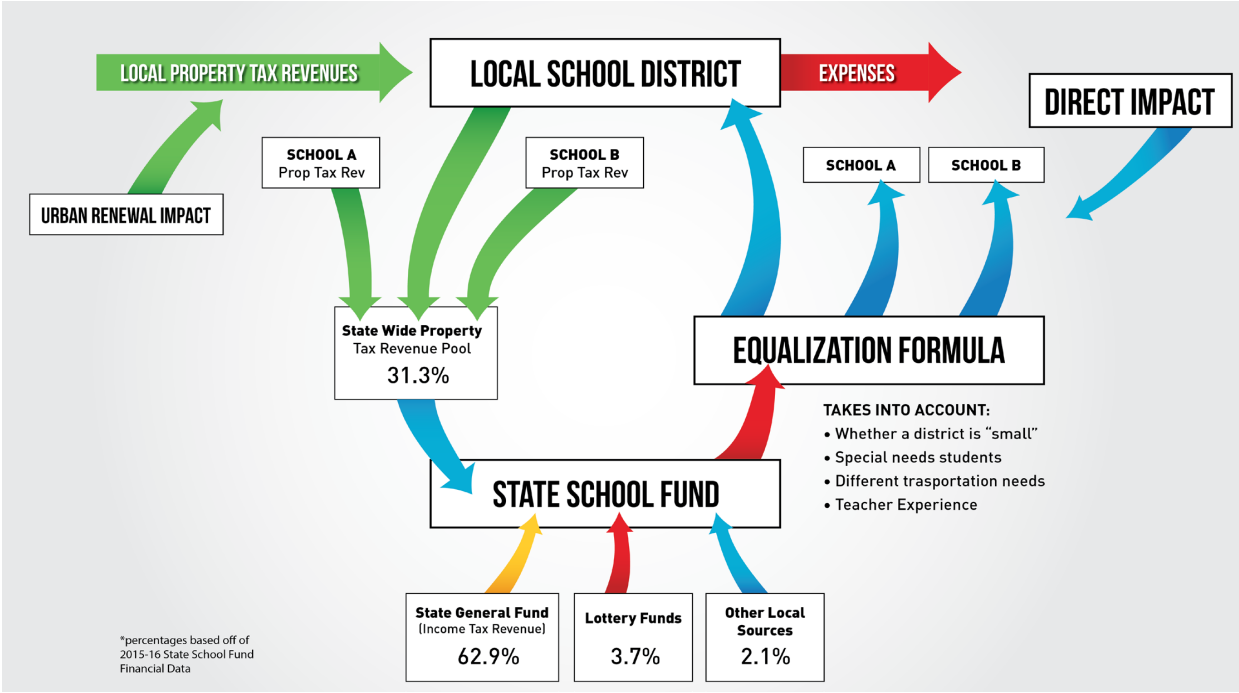
An Indirect Impact

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URBAN RENEWAL IMPACT Regular Taxing District



URBAN RENEWAL IMPACT LOCAL SCHOOLS





STATE LIMITATIONS ON URBAN RENEWAL

- ❖ Population under 50,000
 - 25% of Assessed Value of Property in City
 - 25% of Acreage of City
- ❖ Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

2019 LEGISLATIVE CHANGES PUBLIC BUILDING PROJECTS

- ❖ ONLY applies to new projects or substantially altered projects in an existing urban renewal plan
- ❖ Requires approval of 3 of top 4 taxing districts by resolution of their Board.

Sandy Urban Renewal Area

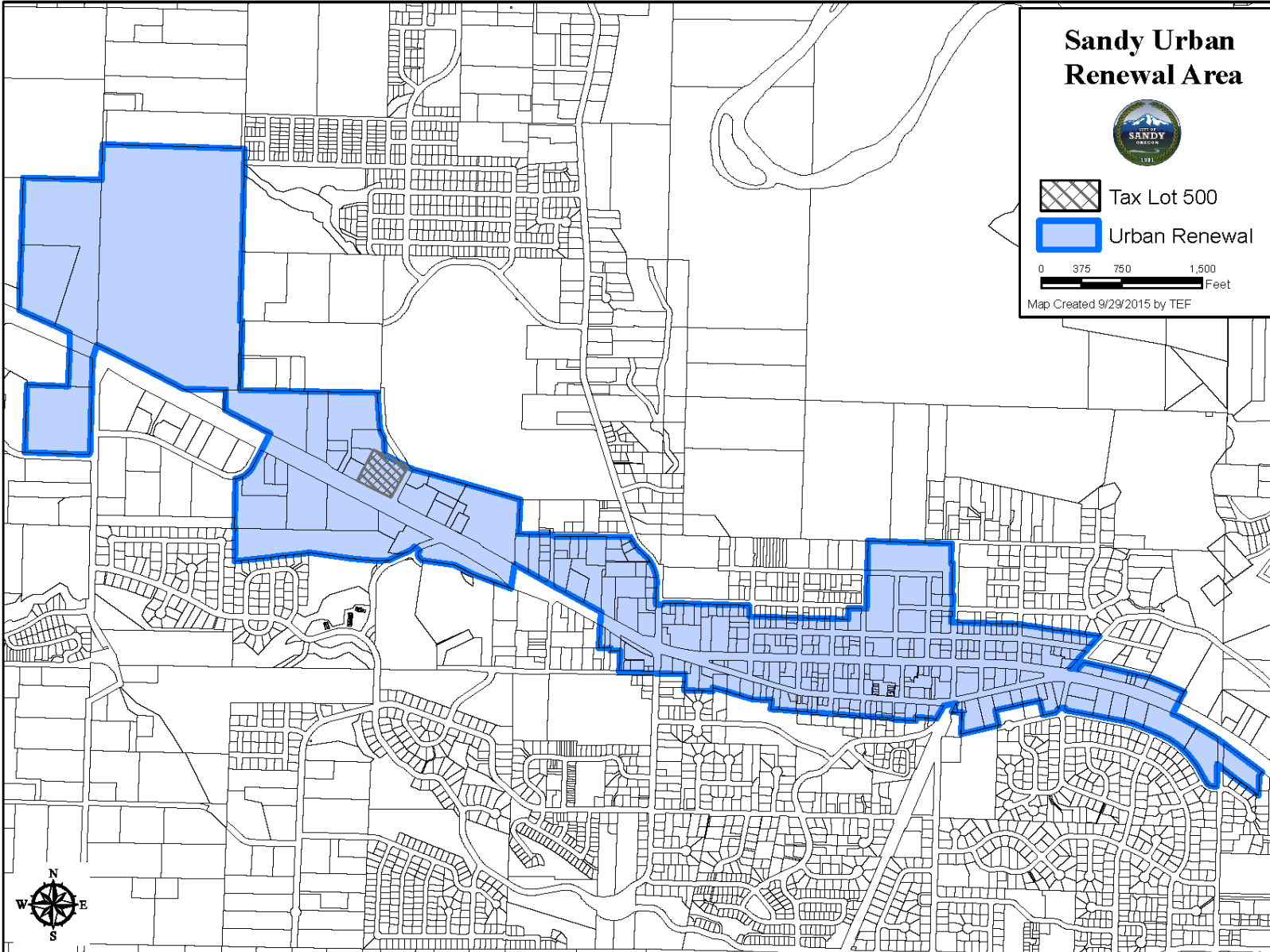


 Tax Lot 500

 Urban Renewal

0 375 750 1,500
Feet

Map Created 9/29/2015 by TEF



GENERAL OBJECTIVES

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

CURRENT MAXIMUM INDEBTEDNESS

\$67,000,000

Maximum amount of funds to be spent on projects, programs and administration over the life of the Plan.

CURRENT MAXIMUM INDEBTEDNESS

Maximum Indebtedness **\$67,000,000**
Indebtedness Remaining **\$40,350,000**

Remaining funds from 2017 \$10 Million Bond: **\$2.96 million**

- \$3 million for purchase of Cedar Ridge
- \$3.5 million for Fire District (10% of MI, \$1.4M remaining)
- \$3.5 million for Community Campus

URBAN RENEWAL PLAN ACTIVITIES

- A. Public Improvements
- B. Preservation, Rehabilitation, Development and Redevelopment
- C. Property Acquisition and Disposition
- D. Design Plans
- E. Plan Administration

CURRENT PROJECTS

BN 2019-21 Projects and Programs

Sandy Community Campus

Grants: Façade, Tenant Improvement (TI) including Childcare,
Covered Patios

Infrastructure and Streetscape Projects

City Hall Improvements

REVIEW OF THE PLAN: RECOMMENDATIONS FOR NEXT STEPS

BN 21-23 Budget Review and Approval

- Phase I
 - Urban Renewal 101
- Phase II
 - Review Sandy Plan and Amendments
 - TIF and Financial Projections Update, Review Financial Update
 - Review Plan for conformance with ORS 457, prepare memorandum on limitations in Plan that may impact Phase III
- Phase III
 - Prepare chart showing status of projects: completed/not completed
 - Work with staff to identify potential new projects
 - Determine which projects the Agency wants to pursue and the procedure for those changes.

PRIORITIZATION CONSIDERATION

- Does the project increase value in the urban renewal district? (return on investment)
- What is the readiness of the project?
- What is the community benefit?
- If the project is redevelopment on private property or buildings - is there a willing property owner/developer/partner?
- What other funding is available?
- How does the project achieve the goals of the urban renewal plan?
- What is the total anticipated cost of the project relative to the district's maximum indebtedness?

EXAMPLES OF GREAT SANDY PROJECTS





Sandy Style





Sandy Style





Double Dragon in Sandy





Before

Sandy Glass



After

Mt. Moka Building





Community Action





DEVELOPMENT PROJECTS IN OTHER CITIES

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ALBANY | Downtown Buildings



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Circle of Development Example



Courtesy of Kate Porsche, Benton County
Economic Development

Circle of Development Example



Courtesy of Kate Porsche, Benton County Economic Development

Astoria | Fort George Brewery & Pub



Before



After

Elaine Howard Consulting LLC

BANDON | FACE ROCK CREAMERY

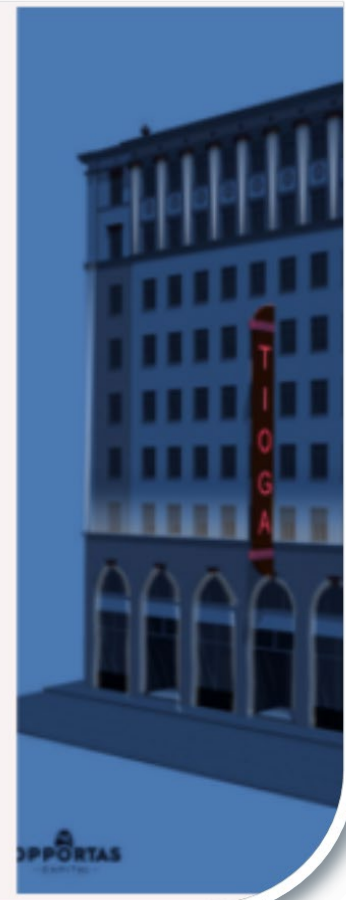


Included site development



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COOS BAY | Downtown Buildings



COOS BAY | Historic Preservation



TUALATIN AND LAKE OSWEGO | Mixed Use



Included site development



LAKE OSWEGO | Mixed Use

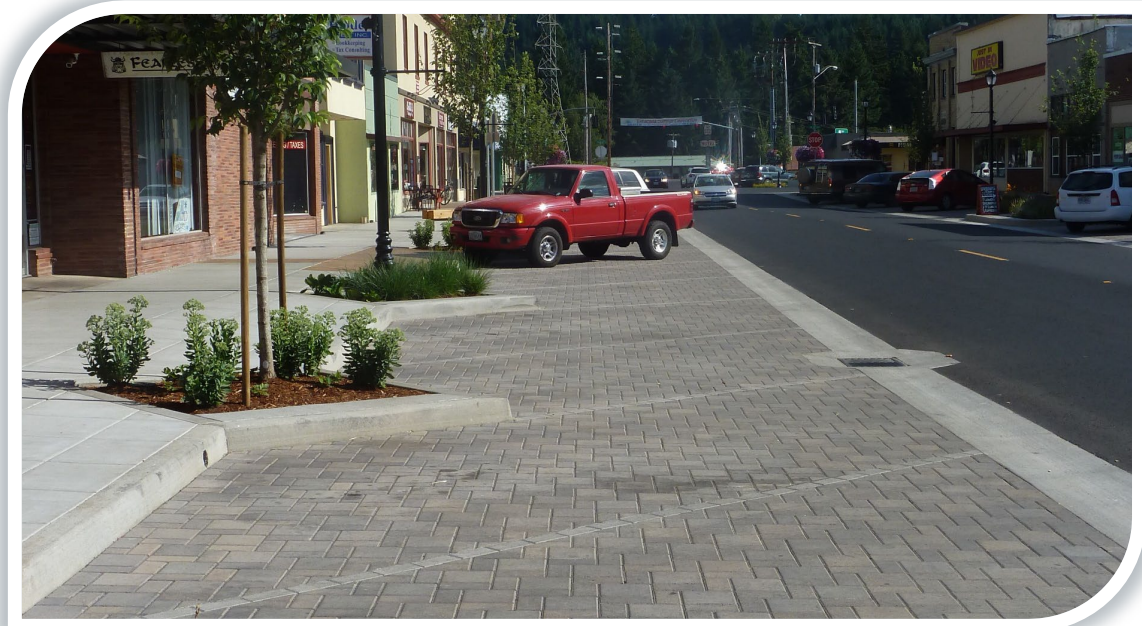


ASTORIA | Gathering Places



Elaine Howard Consulting LLC – Garden of Surging Waves Astoria

ESTACADA: Streetscape



Elaine Howard Consulting LLC

LAKE OSWEGO: Streetscape



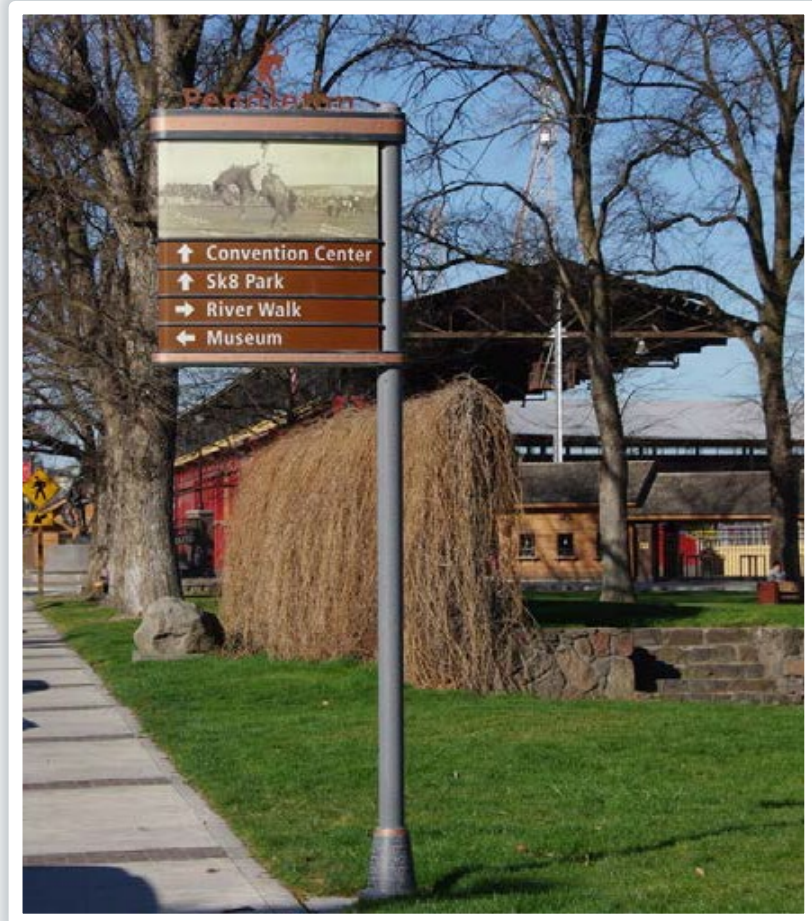
Elaine Howard Consulting LLC

SISTERS: Streetscape



Elaine Howard Consulting LLC

PENDLETON: Signage



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SITE DEVELOPMENT

1. Bandon - Face Rock Creamery
2. Lake Oswego - both mixed use developments in downtown
3. Tualatin - Tualatin Commons
4. Redmond Airport Industrial URA

WILSONVILLE INVESTMENT NOW PROGRAM

1. Industrial development incentives tied to investment and jobs.



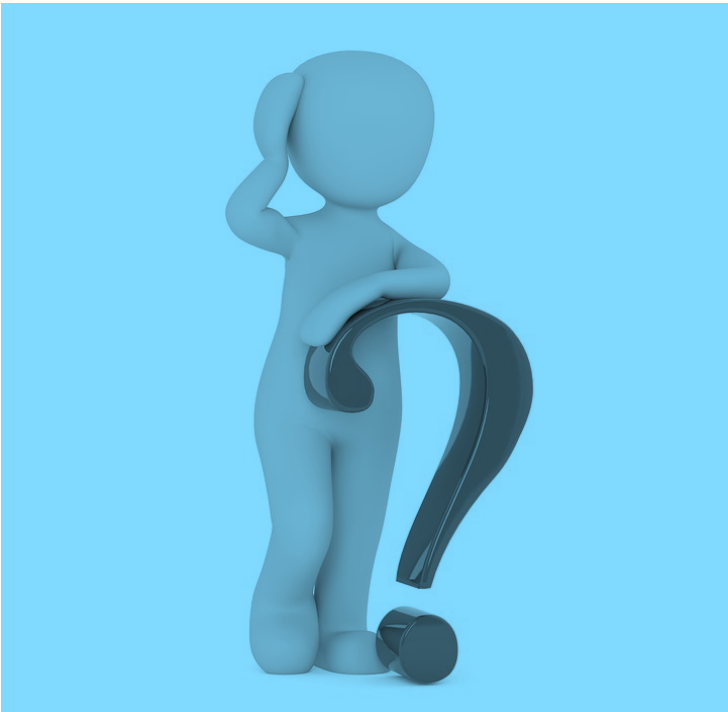
WORKFORCE HOUSING PROGRAMS

1. Salem
2. Madras
3. John Day



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Questions?



CITY OF SANDY URBAN RENEWAL



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SANDY URBAN RENEWAL PLAN AMENDMENTS

1. The First Amendment October 6, 2008 by Ordinance No. 2008-15. Increased the maximum indebtedness to eighteen million dollars and added projects to the Plan.
2. The Second Amendment Agency Resolution Sandy Urban Renewal Agency on May 4, 2015. Removed property that was not in the city limits.
3. The Third Amendment Agency Resolution July 6, 2015, City Council Ordinance No. 2015-06. Added property, added projects, detailed further citizen participation, and increased the maximum indebtedness.
4. The Fourth Amendment Agency Resolution October 5, 2015. Added property that was not in the city limits.
5. The Fifth Amendment Agency Resolution May 7, 2018. Modified projects listed in Section 600 and added the City Hall renovation project.

We leave the following slides in incase the question of “Why urban renewal is on my property tax bill?” comes up and we need them to help explain that. We can easily delete these if you would like us to.

PUBLIC IMPROVEMENTS

1. Traffic Signalization
2. Public Parking Facilities
3. Public Open Spaces
4. Street, Curb, and Sidewalk Improvements
5. Fire Protection Improvements (10% of indebtedness)
6. Streetscape and Civic Area Projects
7. Street Lighting
8. Placing Utilities Underground
9. Pedestrian, Bike, and Transit Connectivity
10. Aquatic/Recreation Center (Sandy Community Campus)
11. 362nd Drive extension north of Highway 26
12. City Hall Improvements

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PUBLIC IMPROVEMENT PROJECT OPPORTUNITIES

- Pleasant Street Master Plan implementation (\$10 million in three to four phases)
- 362nd Drive extension north of Highway 26
- 362nd Drive utilities and civic spaces
- Downtown Walkability Improvements (walkability plan)
- Sidewalk improvements and Safe Routes to School (SRTS) program
- Downtown streetscape improvements and alterations to existing streets to add parking and landscaping in downtown (Revenue, Smith, Bruns, Hoffman)
- Aquatic/Recreation Center (Sandy Community Campus)
- City Hall remodel with Sandy Style facade improvements
- Downtown parking lot construction
- Beautification (Gateway Plan, monument signage, etc.)

PRESERVATION, REHABILITATION, DEVELOPMENT AND REDEVELOPMENT PROJECT OPPORTUNITIES

- Smith Building site at intersection of Pioneer Blvd. and Highway 211
- Old La Bamba site at intersection of Pioneer Blvd. and Scales Ave
- Sandy Community Campus - Pleasant Street gravel parking lot
- West Sandy Commercial Properties (362nd Drive & Bell St.)
- Community Center building and property
- Facade and Tenant Improvement (TI) grants
- Heritage Square parking lot repaving

URBAN RENEWAL UTOPIA

The following slides detail in a conceptual manner the steps an Assessor goes through to distribute TIF revenues to an Urban Renewal Agency:

1. Calculation
2. Distribution
3. Collection

HYPOTHETICAL CITY

Houses in City 40
Total AV 1st Year \$4,000,000



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FORMATION OF URA

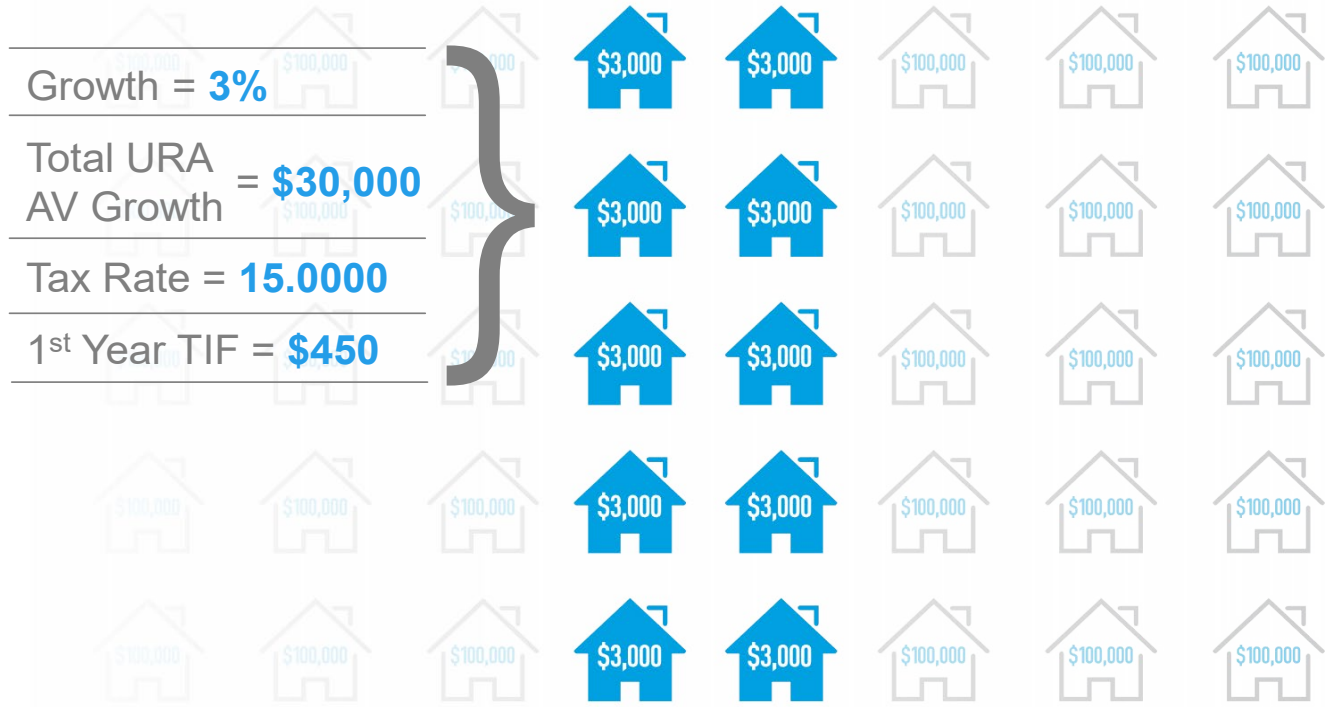
Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



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“CALCULATION”

Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



“DISTRIBUTION”

Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



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“DISTRIBUTION”

Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



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“DISTRIBUTION” + “COLLECTION”

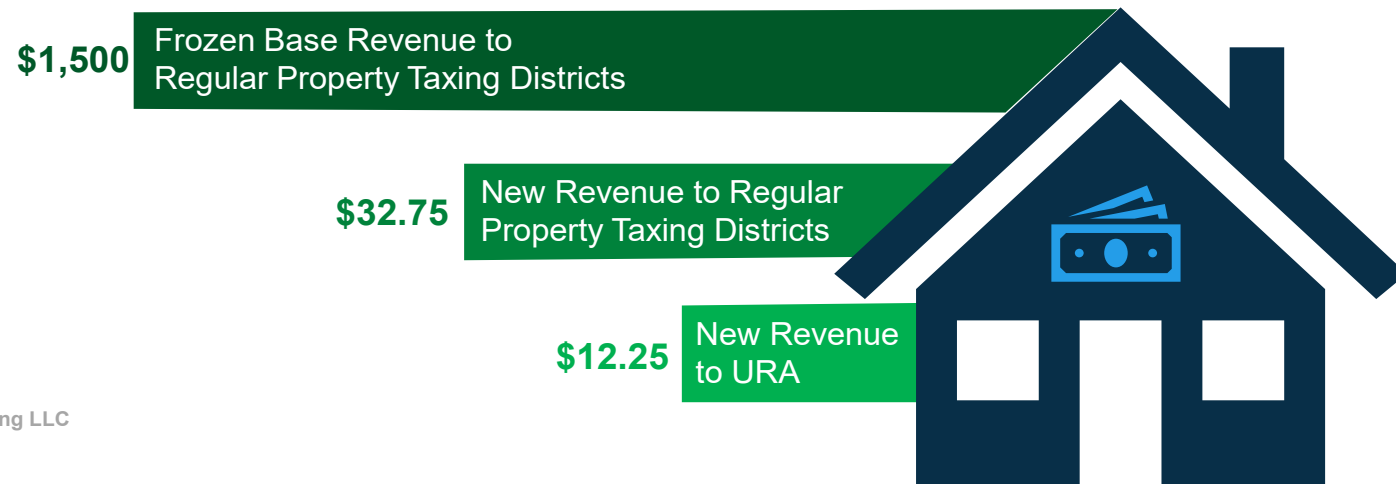
Houses in City	40
Total AV 1st Year	\$4,000,000
25% First Year	\$1,000,000
Houses in URA	10



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WHERE DOES THE MONEY GO?

- Each home in the city has \$45 in new property tax revenue
- Each home, in or out of URA, has \$11.25 of their property tax payment diverted from the taxing districts to the Urban Renewal Agency
- Regular property taxing jurisdictions receive \$32.75 in new revenue plus \$1,500 from the frozen base from each home



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