



ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING

Wednesday, August 14, 2024 at 6:30 PM
Sandy City Hall and via Zoom

AGENDA

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/82947944972>

Or by phone: (253) 215-8782; Meeting ID: 82947944972

ROLL CALL

PUBLIC COMMENT

APPROVAL OF MINUTES

- [1.](#) Approval of Minutes

NEW BUSINESS

- [2.](#) Economic Development Staffing Update
- [3.](#) Development Moratorium and Wastewater System Improvement Projects

ECONOMIC DEVELOPMENT UPDATES & OPPORTUNITIES

ADJOURN

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) at least 48 hours prior to the scheduled meeting time if you need an accommodation to observe and/or participate in this meeting.



ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING - MAY 2024

Wednesday, May 01, 2024 at 6:30 PM
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MINUTES

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ROLL CALL

1. Mayor Pulliam has stepped down from the EDAB and has selected Councilor Walker to fill his seat.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

2. Approval of Minutes - February 2024

Motion: Wegener Second: Brache

Yea: Pietzold, Wegener, Brache, Ferguson, Schwartz

Abstain: Walker, Wipper, Smallwood

ROUNDTABLE DISCUSSION

3. Shout outs: Updates from Board members

Wipper: Summer camps are live for booking and filling up fast, camps will be held during 2nd half of June, most of July → Wegener: PC is forwarding recommendation to Council for

updates to moratorium; also approved updates to sign code → Ferguson: happy to report that Clackamas Co. is still offering rent assistance for eviction protections → Walker: update on sky cam project for Jonsrud, working with KGW; drone footage of skate park/pump track on Instagram; response was overwhelmingly positive →

EC DEV OFFICE UPDATES

- Staff will provide a PowerPoint presentation updating current projects relating to commercial development in Sandy.

Staff liaison presents on current development projects around Sandy → grant projects: Sandbar BBQ is complete; Sandy Underground is in process & due to be done this fall; Scooter's is gathering bids → Code enforcement actions: Lumberyard building has made great progress; details of Sandy Marketplace improvements and what is left (paint job?) → general development: 38888 Pioneer is moving slowly but it's coming along; 38756 Pioneer has had a couple of people look at it in the last 3 months; 2 new tenants coming to Sandy Marketplace this summer; upgrades to the "New Orleans" building on Proctor → Cedar Park: demos are done, construction is underway, renderings of playground, skate park & pump track shown → Strategic plan work: retail market report will be done soon; staff has a conversation going with an urgent care facility looking at the Shuler Building; info on signage upgrades around downtown

NEW BUSINESS

- Chris Blakney and Nicole Underwood of ECONorthwest will provide a status update on the progress of the retail market report they are currently under contract to develop on behalf of the City.

Chris Blakney presents "Sandy Retail Strategy Update" → using two centralized commercial locations as the community base (Fred Meyer power center; downtown corridor); definition of "primary trade area" → Placer.ai data used to capture cell phone data to show where shoppers are coming from (FM = 76% Sandy residents, downtown = 68% Sandy residents) → trade area = 15 minutes drive time from Sandy + US26 corridor up to Villages → Demographic snapshot: Sandy growing faster than region (1.6% annually to 1.0%), larger avg household size, more households with children (71% to 62% for Portland metro), much higher home ownership (76% to 62%) → Household income: almost identical to Portland metro; 45% of households in trade area take in more than \$100K → Employment: 44% of daytime population are people commuting in for work but don't live in Sandy → consumer spending habits: Sandy trade area residents have higher incomes, more disposable income, spend on home improvement and outdoor activities → Market tapestry: definition of psychographic data; folks that live here are older, have more family members, more price conscious → Real estate (commercial): extremely low vacancy rates (>1%), commercial rents are not changing and may be slightly declining, pent up demand for higher quality properties, probably due to very little new commercial construction → Case study communities: Sisters, Madras, Hood River → Pietzold: Are you incorporating leakage from Amazon and other non-store retailers? (Yes) → Questions from the Board → Smallwood: Is there an area of town where rents are dropping? Blakney: Rents staying stable or dropping everywhere likely due to longer term tenants with less turnover and lack of new construction → Pietzold: surprised by lack of people from the

Villages coming to Sandy; Blakney: this is probably because Welches, Gov'y, Brightwood, Wemme, Rhody are looked at as individual areas; if looked at in aggregate, Villages would probably be higher up on the list.

ADJOURN

8:00 PM

Chair – Jeremy Pietzold

DRAFT



STAFF REPORT

Economic Development Advisory Board

Meeting Type: Economic Development Advisory Board (EDAB)
Meeting Date: June 3, 2024
From: Kelly O’Neill Jr., Development Services Director
Subject: Development Update Related to Moratorium

MORATORIUM HISTORY:

October 3, 2022: The City first enacted a development moratorium relating to capacity issues with its wastewater treatment system (Moratorium 1.0) prior to entering the Consent Decree with EPA and DEQ relating to those same issues. That moratorium prohibited most new land use applications and limited development to 120 ERUs, which was the Period 1 (initial) cap in the draft Consent Decree during negotiations at that time.

June 20, 2023: The City repealed and replaced Moratorium 1.0 with a new moratorium on June 20, 2023 (Moratorium 2.0) with a cap of 300 ERUs (among other changes). Notably, the count started over at 300 ERUs at that point—the ERUs used during Moratorium 1.0 did not count against the 300 ERUs in Moratorium 2.0, due to the terms of the Consent Decree.

April 2024 Approval from EPA/DEQ: Period 1 under the Consent Decree began when the Consent Decree was entered. Period 2 began after the City completed a comprehensive capacity evaluation process (stress test) to determine the actual capacity of the City’s wastewater system, and after the resulting report was reviewed and approved by EPA/DEQ. That process ended on April 11, 2024, with EPA/DEQ providing conditional approval for more ERUs. The terms of the conditional approval were as follows:

- 570 ERUs are available immediately, without conditions.
- Increase by an additional 190 ERUs based on additional stipulations.

Importantly, the ERUs the City has issued since entering the Consent Decree (Moratorium 2.0 forward) do count toward the 570 ERU cap, meaning that, as of this writing, the City has access to 429.1 ERUs. City staff estimates that it will consume up to 427.5 ERUs to accommodate all of the developments currently in the City’s development pipeline (i.e. those developments for which land use applications were submitted prior to October 3, 2022).

June 3, 2024: The City Council enacted a new development moratorium (Moratorium 3.0) known as Resolution No. 2024-11 with the following changes:

1. The ERU cap increased to 570 ERUs (270 more ERUs than Moratorium 2.0).
2. Creation of an ERU allocation program to allow developments in the pipeline to apply for and receive an allocation of ERUs.

3. Limit use of remaining ERUs to situations such as failed septic systems, as well as construction of duplexes on developments in the pipeline (because most duplexes, except for those explicitly included in land use decisions, are not accounted for in the allocation methodology).
4. Allow ERUs to be reassigned under certain circumstances.
5. Allow some additional types of land use applications (e.g. zone changes) and clarify language relating to other types of land use applications.

ERU ALLOCATION PROGRAM:

The allocation program is intended to provide the assurances and certainty developers need in order to obtain financing and move forward with their projects. The number of ERUs a development can receive is limited to:

- (1) the number of ERUs that can be calculated directly from the terms of the development approval, where applicable; or when that's not the case,
- (2) one ERU per buildable lot created through a land use process.

Because the latter calculation does not allow for development of duplexes, the program makes the remaining ERUs available for construction of duplexes on a first-come, first-served basis. Based on what staff knows informally about developers' plans, we anticipate that the number of ERUs that will be available for that purpose will almost precisely match the demand.

The allocation program also provides that any remaining ERUs can be used on a first-come, first-served basis for situations such as failed septic systems. Staff anticipates that there may be a need for a small number of ERUs for this purpose in the near future.

As of August 9, 2024, the City Development Services Director has issued ERU allocation letters to 22 developers/contractors. The City of Sandy has 17.5 ERUs remaining that could still be allocated through the ERU allocation process, for failed septic systems, or for duplexes.

ERU REASSIGNMENT PROGRAM:

The ERU reassignment program is intended to address a few specific types of issues:

1. Where a developer has land use approval and ERUs allocated for a specific use on a particular property, but desires to instead use the property for a different purpose.
2. Where a developer has land use approval and ERUs allocated for a specific use on a particular property, but instead wishes to develop that same use on a different property.
3. Properties with vacant and/or derelict buildings which could be re-developed without consuming more ERUs than were allocated to the existing structure/use.
4. A potential need for the City to reallocate ERUs from property it owns, which are not currently being used, to other City property.

SANDY CLEAN WATERS

Item # 3.

PROGRAM UPDATE

Economic Development
Advisory Board Meeting

August 14, 2024



Jennifer Coker, PE

Agenda

- ▶ Introduction
- ▶ Sandy Background
- ▶ Sandy Clean Waters Reinvestment Program
- ▶ Consent Decree/Stress Test/CAP
- ▶ Next Steps

Background

- ▶ City of Sandy -13,500 people
- ▶ Top Ten Growing Communities in Oregon
- ▶ Commercial Center East Clackamas County

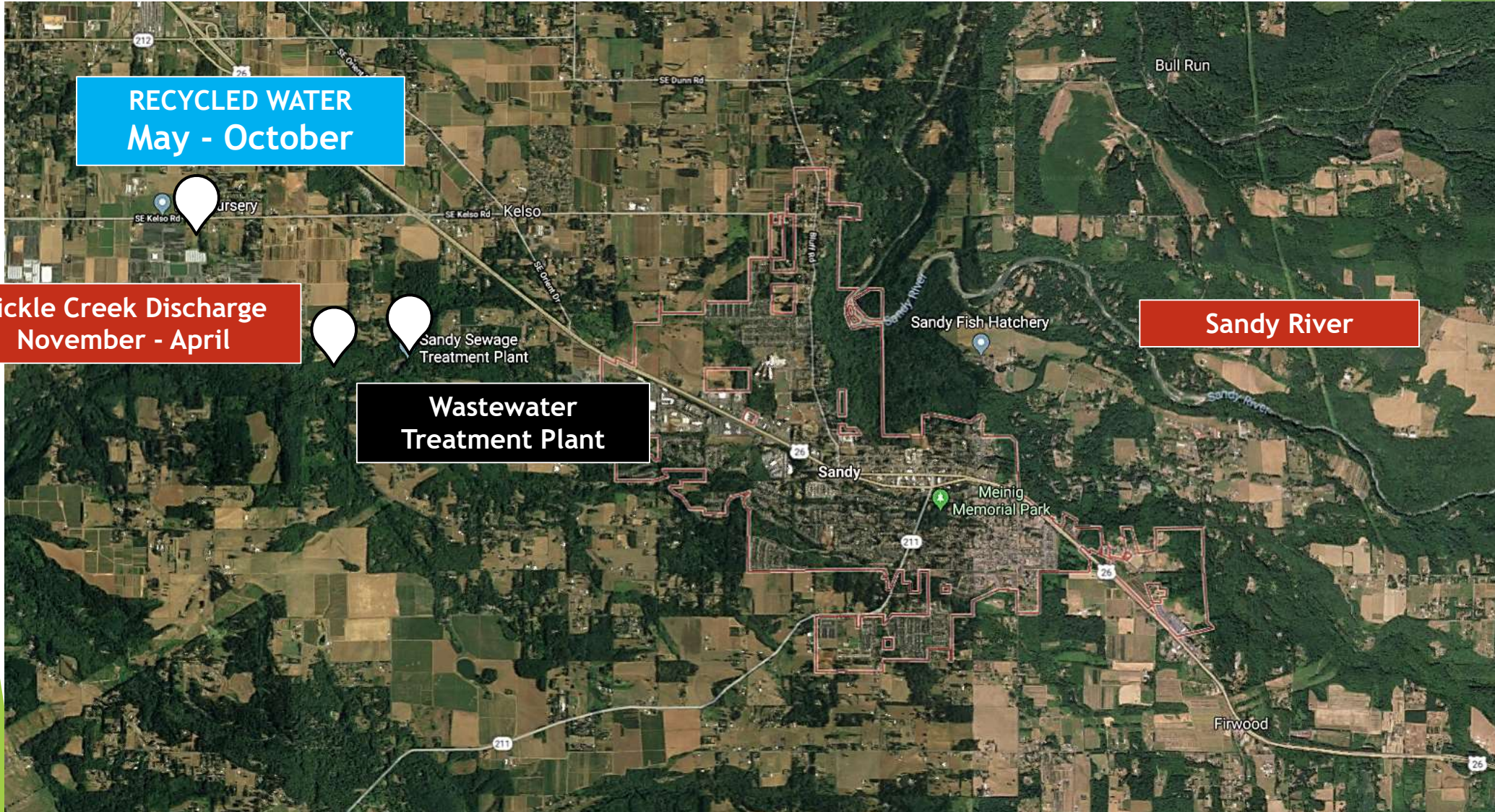
SANDY WILL DOUBLE ITS POPULATION BY 2050 AND REACH A POPULATION OF 29,180 BY 2070. IT IS ESTIMATED TO ADD BETWEEN 2,000 AND 2,500 NEW JOBS AND CLOSE TO 3,000 NEW PEOPLE BY 2043.



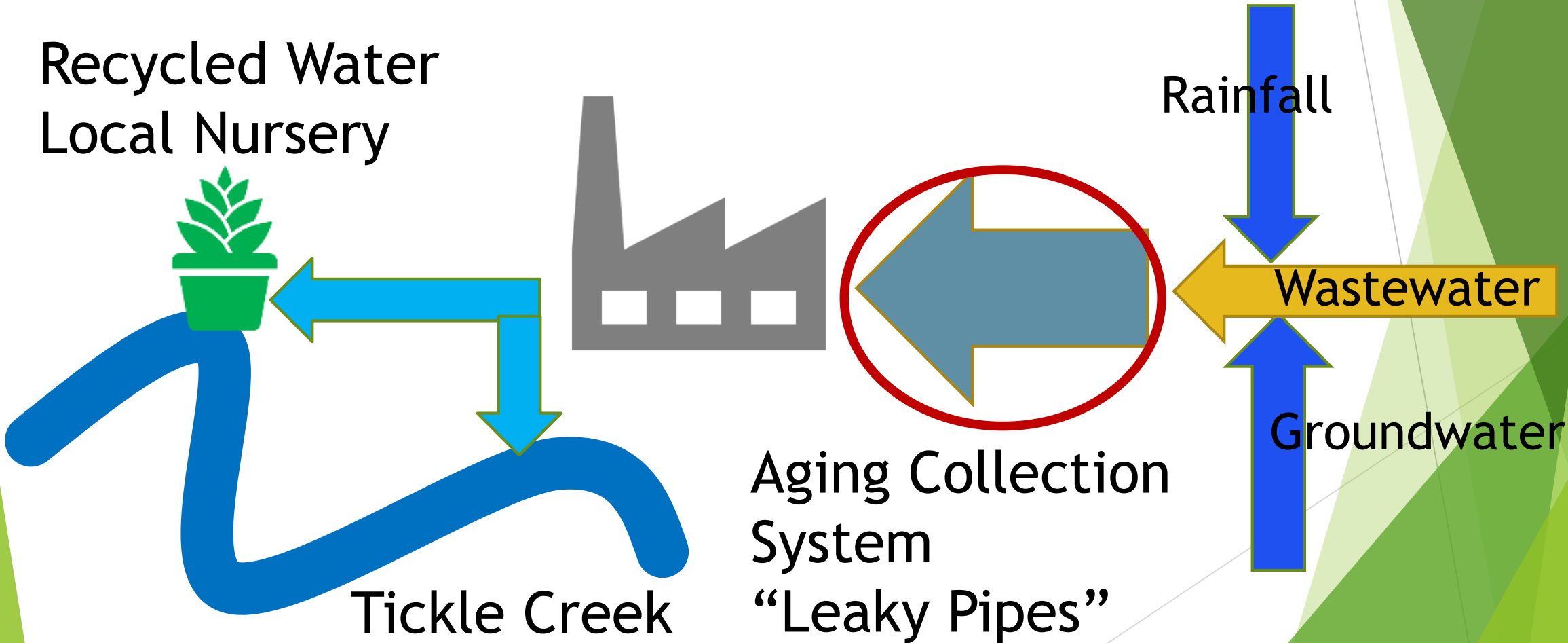
SANDY CLEAN WATERS

Phase 1A

Existing Wastewater System

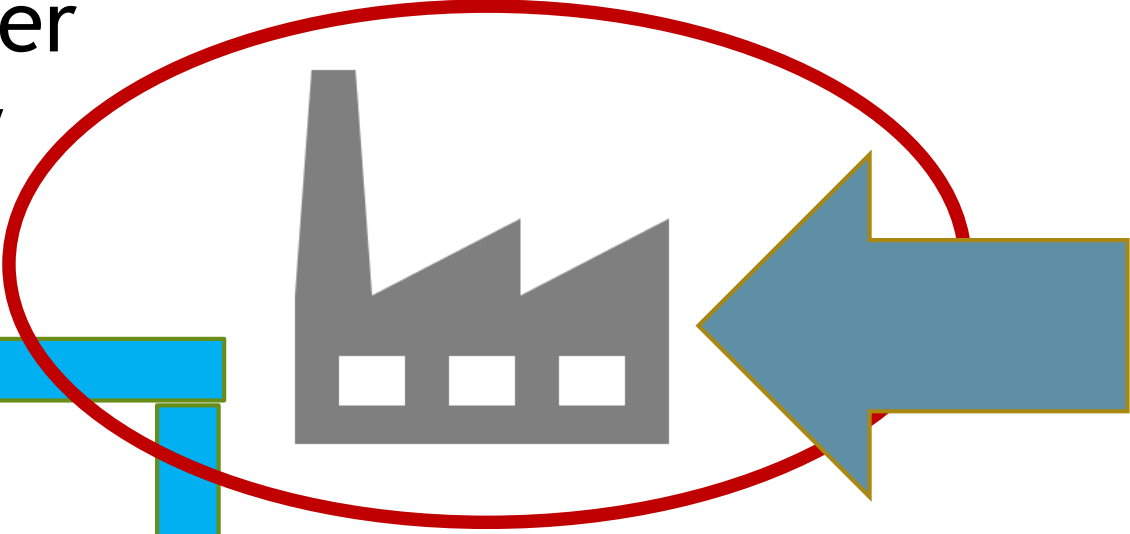


Challenge #1 – Collections System



Challenge #2 – Treatment

Recycled Water
Local Nursery



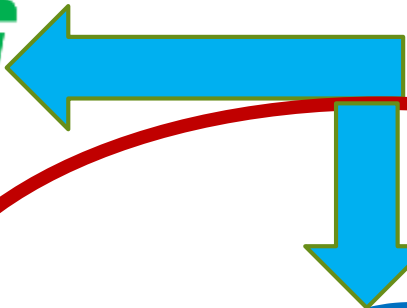
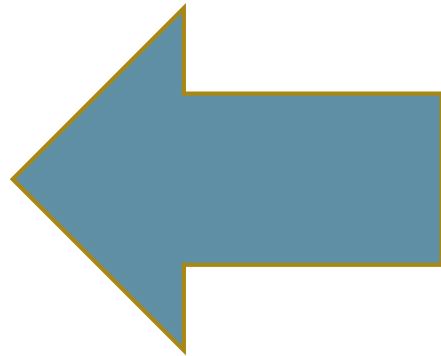
Aging Mechanical Equipment
needs Replacement and Expansion



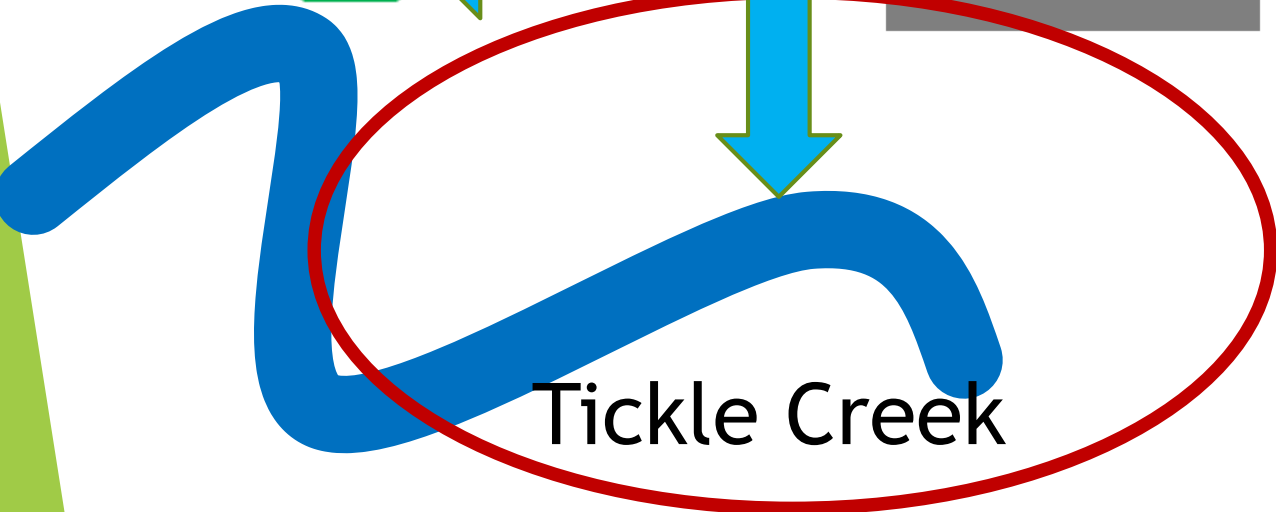
Tickle Creek

Challenge #3 – Effluent Disposal

Recycled Water
Local Nursery

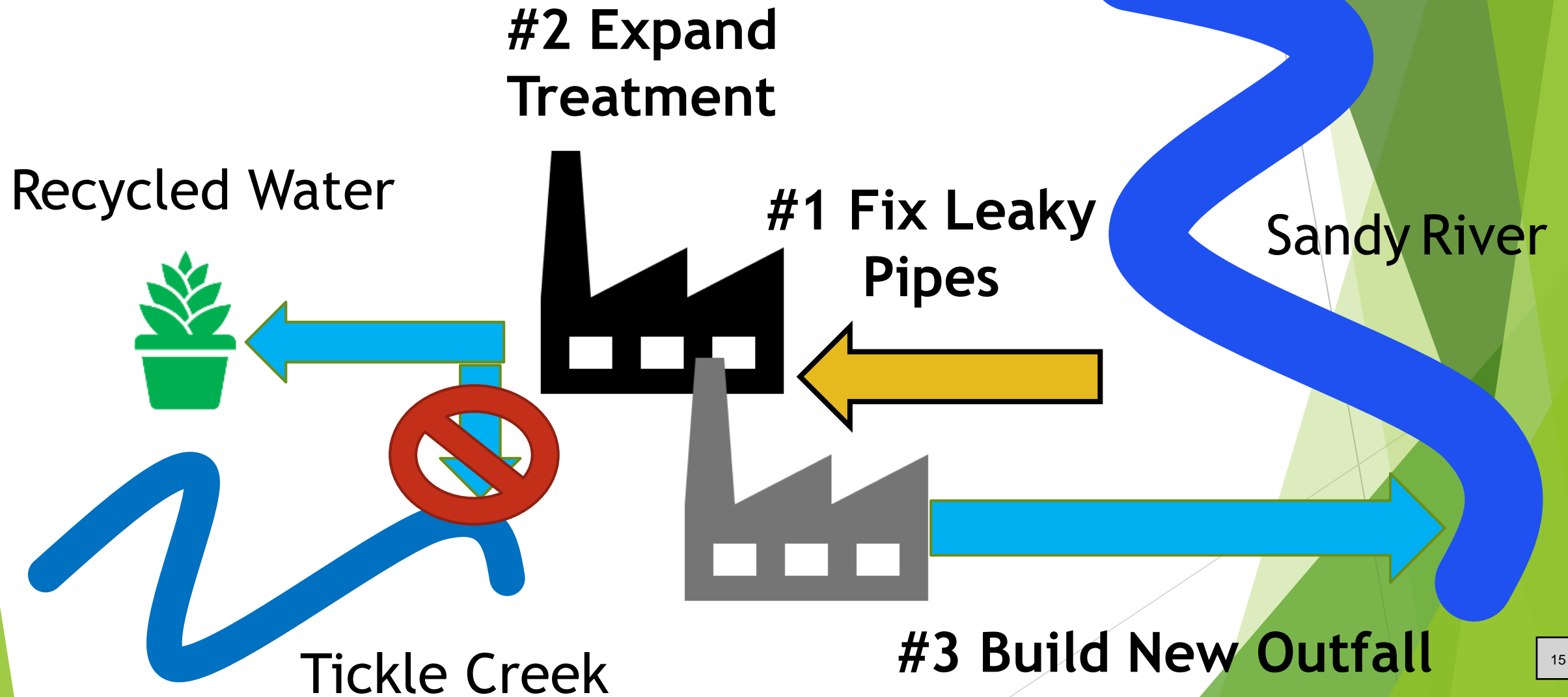


Mass Load Limit
“Bottleneck”



Tickle Creek

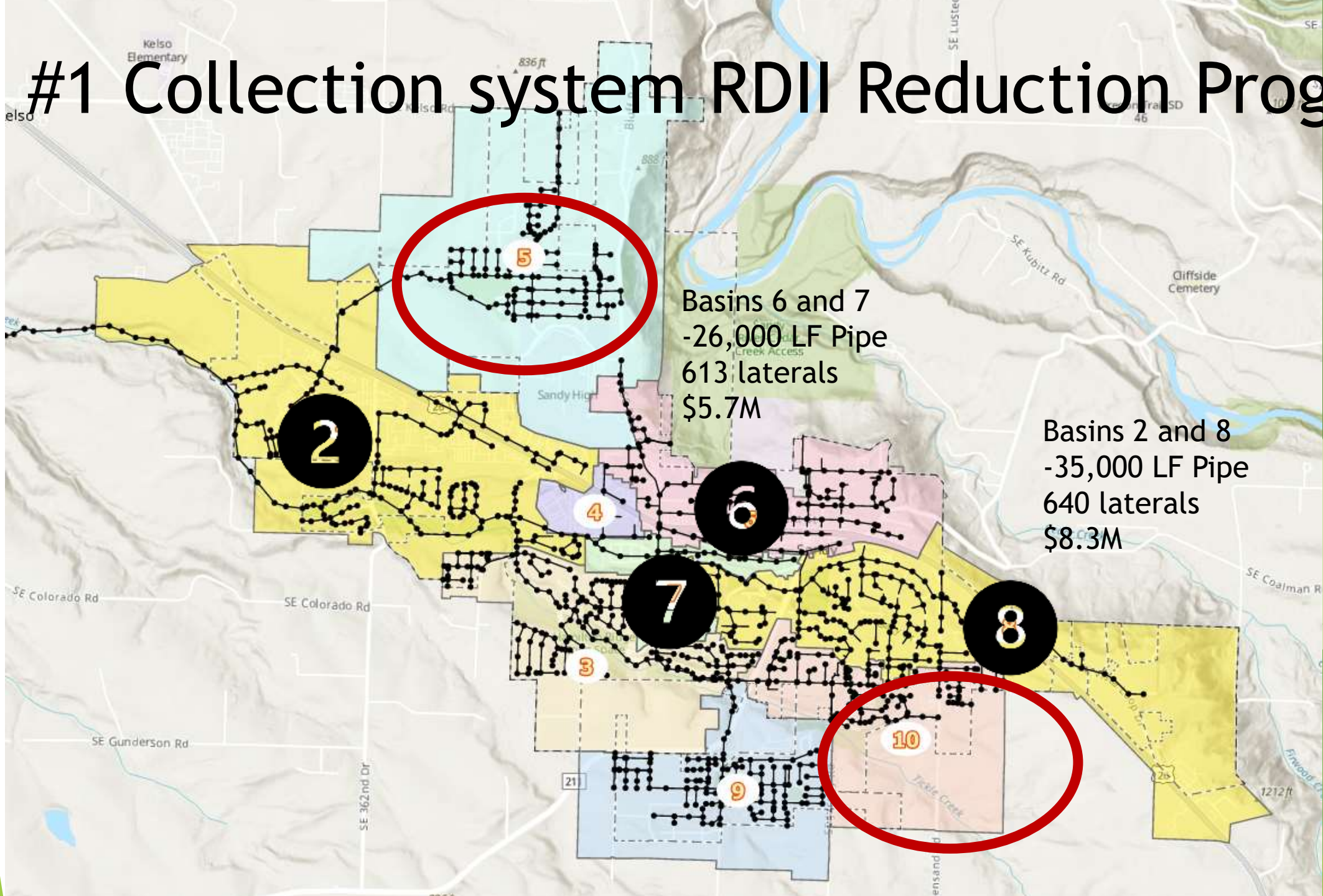
Three Step Plan



Phase 1A - 2019 Facility Plan Summary

- ▶ Rehabilitating Basins 2 and 8
- ▶ Equipment replacement at existing WWTP
- ▶ Plan for satellite wastewater treatment facility at Sunset Dr
- ▶ \$85.3M (2019 dollars)

#1 Collection system RDII Reduction Program



Collection System RDII Expected Results

- ▶ Basins 2 and 8 - Anticipated reduction 2.0 MGD
- ▶ Basins 6 and 7 Anticipated reduction 1.2 MGD
- ▶ **Total Peak Flow Reduction 3.2 MGD**
- ▶ **Model Validation Spring 2023**
- ▶ **CMOM Program**
- ▶ **Investigation of remaining basins by 2025**

#2 Treatment Replacement and Expansion

- ▶ Immediate Needs Improvement Project
- ▶ Construction completion Feb 2023
- ▶ Stress Test of system Spring 2023
- ▶ Facility Plan Amendment
- ▶ Immediate additional equipment and \$200,000 RRM purchases for Stress test

Phase 1A - WWTP Improvements (2021 - 2023)

- ▶ Upgrading failing WWTP equipment
- ▶ Reconfiguration of secondary and tertiary treatment processes
- ▶ \$13.9M spent



Anticipated Results at WWTP Construction Completion

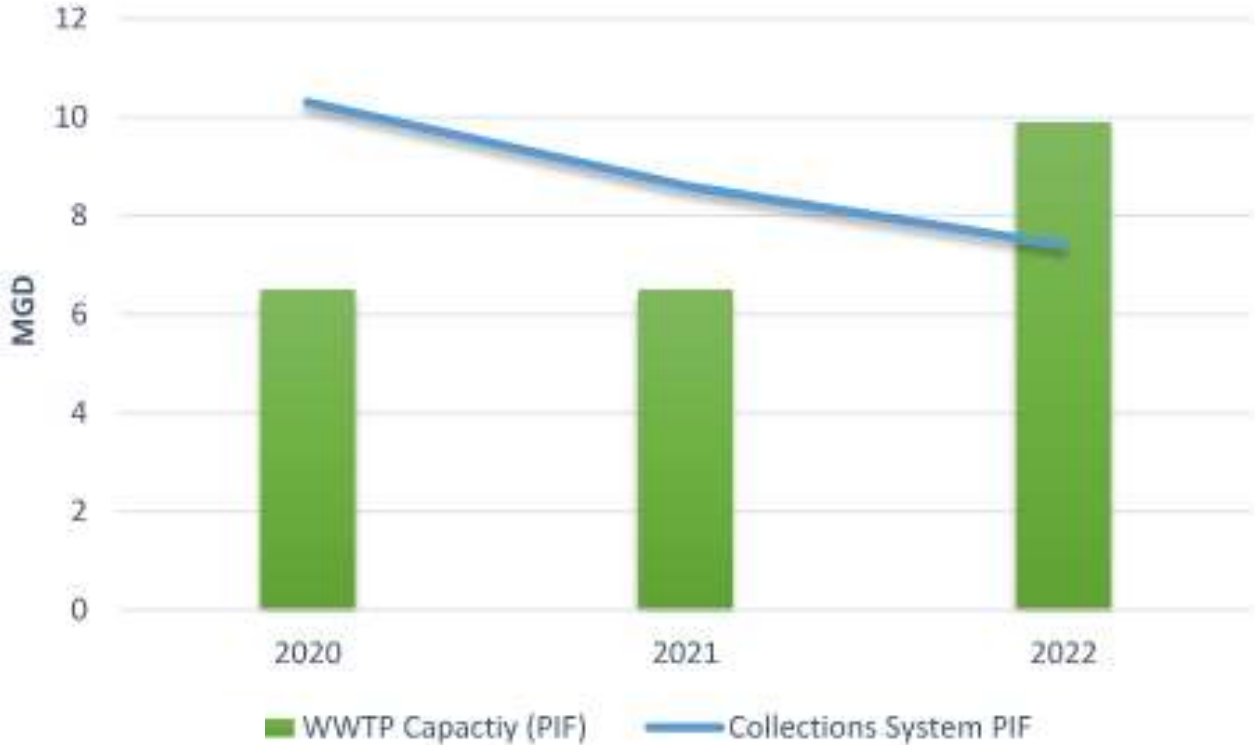


Table 4. Summary of WWTP Improvements Project Design Capacity

<i>Design Loading</i>	<i>Pre-Improvements</i>	<i>Post-Improvements (December 2022)</i>
<i>Maximum Monthly Dry Weather Flow (MMDWF)</i>	1.25 MGD	1.5 MGD
<i>Maximum Monthly Wet Weather Flow (MMWWF)</i>	1.85 MGD	1.9 MGD
<i>Peak Day Flow (PDF)</i>	3.7 MGD	5.5 MGD
<i>Peak Instantaneous Flow (PIF)</i>	6.5 MGD	9.9 MGD

Anticipated PIF comparison to WWTP PIF capacity.

#3 Permit Renewal

- ▶ Long-term Discharge Plan:
 - ▶ Maintain Tickle Creek Discharge
 - ▶ Add Sandy River Discharge
- ▶ Maintain Nursery Reuse
- ▶ Add Sandy River Discharge



Phase 1A - Summary

▶ \$30M+ spent

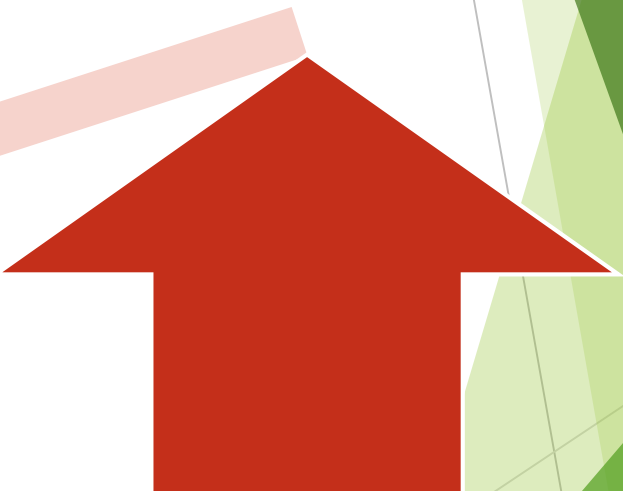
Element	2019 Facility Plan Budget	Spent (as of 12/31/2023)
I/I Reduction	\$11.8M	\$14.0M
Immediate WWTP Improvements	\$2.5M	\$13.9M
NPDES Permit Planning	\$0	\$800k

- ▶ No flow-related bypasses or permit violations since June 2022
- ▶ Available capacity in collection system and at WWTP
 - Some immediate bottlenecks to be addressed
 - Long-term improvements needed to handle future growth

What changed since the 2019 Facility Plan?

Less treatment capacity needed

14 MGD



12.2 MGD

More Leaky Pipes Fixed

Moratorium

- ▶ The City negotiated a settlement with EPA
- ▶ Moratorium Adopted **October 3, 2022**
 - ▶ Development Services will not accept
 - ▶ applications for new sewer connections
 - ▶ After **Stress Test Results** switch to
Capacity Assurance Program (CAP)
- ▶ June 3, 2024 - CAP of 570 ERUS
 - ▶ Pathway to unlock 190 additional ERUs

Stress test cost -
duration of 18
months

Item # 3.

\$1 M

\$32 M

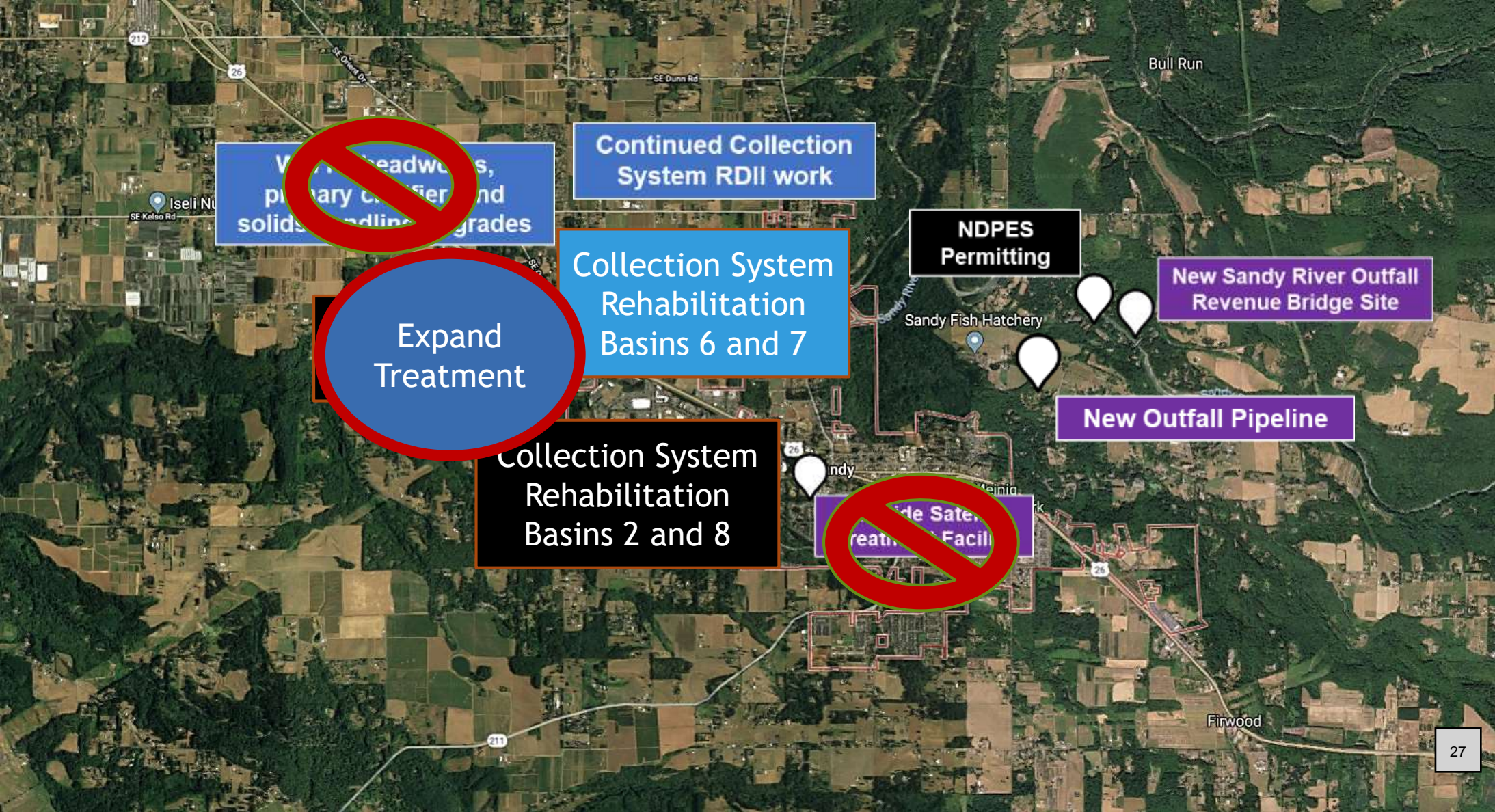
City investment in
Sewer System

EPA/DOJ Consent Decree Settlement

Item # 3.

Status	Settlement	Element	Schedule
✓	(I/I) Investigation and Corrective Measures (Phase 1A)	Basins 2&8, 6&7, repairs to cat 4 and 5 defects	Substantial March 2023
✓	Existing Treatment Plant (Phase 1A)	Complete PDR recommendation & Stress Test	Construction Complete Sept 2023 Stress Test June 2023
	Capacity Assurance Program (CAP)	Period 1 – Moratorium on new land use, ERUS issued Period 2: After stress test results Additional ERUs – up to 190	June 3, 2024 – Moratorium CAP raise to 570 ERUs In Progress additional ERUs
	Facility Plan Amendment	Submit permit for outfall or alt discharge Complete Facility Plan Amendment	In Progress
✓	CMOM Program	Develop and submit CMOM by March 2024	Complete
✓	Civil Penalties/SEP	Interim Clean Water Act Penalty Policy	Paid

Wastewater CIP – Potential Change?



Schedule

Additional Capacity

	2020-2022	2023 - 2025	2026 - 2028	2029 - 2032
Collections	Rehab Basins 2,8, 6, 7	Investigate Basins 10, 1, 3, 4, 9	CMOM	CMOM
Treatment	Complete Immediate Needs Project	Facility Plan Amendment Design Phase 1B	Construct Phase 1 B	
Effluent Disposal	Submit Sandy River Outfall Application	Public Involvement, NEPA process,	Design, permitting, begin Construction	Complete construction