



SANDY URBAN RENEWAL BOARD MEETING

Monday, November 06, 2023 at 6:00 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/85862337423>

Or by phone: (253) 215-8782; Meeting ID: 85862337423

ROLL CALL

APPROVAL OF MINUTES

1. Approval of Minutes: September 18, 2023

OLD BUSINESS

2. Revisit: Tollgate Inn Covered Structure (Project #21-010 FAC)

NEW BUSINESS

3. Urban Renewal Financial Update

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.



SANDY URBAN RENEWAL BOARD MEETING

Monday, September 18, 2023 at 6:00 PM
Sandy City Hall and via Zoom

MINUTES

ROLL CALL

PRESENT

Chair Stan Pulliam
Board Member Chris Mayton
Board Member Laurie Smallwood
Board Member Rich Sheldon
Board Member Kathleen Walker
Board Member Carl Exner
Board Member Don Hokanson
Board Member Phil Schneider
Board Member Khrys Jones

APPROVAL OF MINUTES

1. Approval of Minutes: August 7, 2023

MOTION: Approve the August 7, 2023 minutes

Motion made by Board Member Sheldon, Seconded by Board Member Mayton.

Voting Yea: Chair Pulliam, Board Member Mayton, Board Member Smallwood, Board Member Sheldon, Board Member Walker, Board Member Exner, Board Member Schneider, Board Member Jones

Voting Abstaining: Board Member Hokanson

MOTION CARRIED: 8-0-1

NEW BUSINESS

2. Contract Award - Asbestos Removal at the Community Campus

The Parks and Recreation Director summarized the staff report, which was included in the agenda packet.

Board discussion ensued on the following issues related to the proposed contract:

- Asbestos removal will occur at the former aquatic center and 1950s era middle school buildings, not the 1970s era annex building
- Professionals will follow rigorous procedures to investigate and safely remove all materials; it is likely that some additional amount of materials will be found during the demolition process, what will be addressed as needed at that point
- Clarification on the amount of demolition and material removal that will occur during this initial process, versus what will occur when full demolition takes place
- Clarification on the likely condition of the buildings after hazard material removal is complete but before demolition occurs; emphasis on the importance of building safety and project management to ensure that the site is secure against unauthorized entry

MOTION: Award the contract for asbestos removal of the Olin Bignall Aquatic Center and Old Middle School to Pacific Northwest Environmental, LLC, in the amount of \$150,365.00

Motion made by Board Member Mayton, Seconded by Board Member Smallwood.

Voting Yea: Chair Pulliam, Board Member Mayton, Board Member Smallwood, Board Member Sheldon, Board Member Walker, Board Member Exner, Board Member Hokanson, Board Member Schneider, Board Member Jones

MOTION CARRIED: 9-0

3. Approval of Changes to Grant Program Guidelines

The Economic Development Manager summarized the staff report, which was included in the agenda packet. The Board received clarification on ensuing updates to competitive bidding thresholds. A typo in the document title was also noted and addressed.

MOTION: Approve the changes to the Program Guidelines documents for the Façade Improvement and Tenant Improvement grant programs as presented

Motion made by Board Member Walker, Seconded by Board Member Exner.

Voting Yea: Chair Pulliam, Board Member Mayton, Board Member Smallwood, Board Member Sheldon, Board Member Walker, Board Member Exner, Board Member Hokanson, Board Member Schneider, Board Member Jones

MOTION CARRIED: 9-0

4. Approval of Increased Project Cost: Tollgate Inn Covered Structure

The Economic Development Manager summarized the staff report, which was included in the agenda packet.

Board discussion ensued on the following topics:

- Whether the structure design will look acceptable in the context of the existing buildings
- Clarification on the composition of beams, brackets, and other components
- Explanation of the history of the project thus far, including rebidding
- Reasoning for the choice of metal structure and acrylic roofing, and concerns regarding fire risk
- Cost of the acrylic roof
- Discussion of Sandy Style and exemptions for this particular property
- Discussion of the 'old west' aesthetic
- Consideration of whether this particular design may look out of place in context
- Suggestions to make certain design adjustments in pursuit of consistency
- Confidence in the judgment of the property owner
- Importance of maintaining consistent rules for everyone
- Concern about delaying the project further

While they expressed general support for the project, the consensus of the Board was that staff should return at a subsequent meeting with a more detailed visual rendering of the proposed project, to facilitate further discussion of the design in the context of the existing buildings.

ADJOURN

Stan Pulliam, Chair

Jeffrey Aprati, City Recorder



STAFF REPORT

Meeting Type: Sandy Urban Renewal Board
Meeting Date: November 6, 2023
From: Kelly O’Neill Jr., Development Services Director
Subject: Revisit: Tollgate Inn Covered Structure (Project #21-010 FAC)

DECISION TO BE MADE:

Whether to approve the increased cost of project #21-010 FAC, a project to build a covered structure at the Tollgate Inn.

PURPOSE / OBJECTIVE:

Support a local business in providing covered dining opportunities and provide another covered dining option for Sandy residents and visitors.

BACKGROUND / CONTEXT:

Project #21-010 FAC is a proposal to install a covered structure in the current “courtyard” space next to the primary entrance to the Tollgate Inn & Bakery, located at 38100 Highway 26. This project was brought before the Sandy Urban Renewal Board (Board) on September 18, 2023, for final approval. This was brought back before the Board due to the fact that the winning bid was more than 10 percent higher than the original estimate for the project, and the rule at the time we received the current round of bids for this project was that staff would bring projects back before the Board that exceeded 10 percent of the estimated cost. This rule has since been changed to 20 percent.

At the meeting on September 18, 2023, the Board requested additional information from staff before making a final decision to approve this project. A full color elevation was requested by the Board so that they could more clearly see how the combination of styles between the western style of the building and the Sandy Style false façade would complement with one another. The Board also suggested painting the wooden support beams white to match the white trim on the restaurant. The applicant was supportive of this change and asked that this suggestion be included in the drafting of the elevation.

KEY CONSIDERATIONS / ANALYSIS:

Attached to this staff report is a full color elevation (Exhibit A) created by the architect of record on this project, Blane Skowede of Keystone Architecture. The drafting of this elevation added a total cost of approximately \$500 to the total design and engineering costs for this project. Staff recommends using Southern LedgeStone (Exhibit B) to complement the architecture style of the Tollgate Inn, instead of Cultured Stone as is typically applied for SandyStyle designed buildings.

BUDGET IMPACT:

\$65,679.66 (80 percent of the total project cost of \$82,099.58)

SUGGESTED MOTION LANGUAGE:

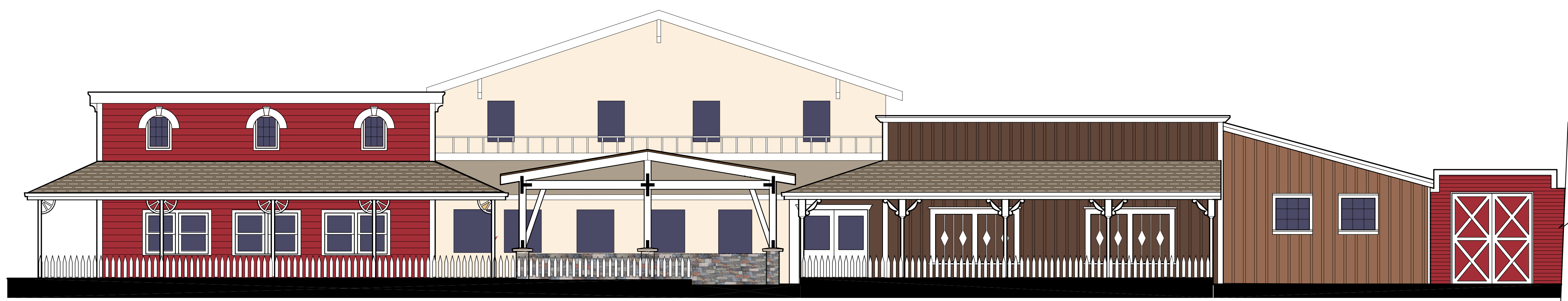
“I move to approve the updated project cost for Urban Renewal Project #21-010 FAC, as proposed in the agenda packet.”

LIST OF ATTACHMENTS / EXHIBITS:

- Exhibit A. Color Elevation from Keystone Architecture
- Exhibit B. Southern LedgeStone

Exhibit A. Color Elevation from Keystone Architecture

This document and the ideas and designs incorporated herein is an instrument of service of KEYSTONE Architecture Planning and Project Management. KEYSTONE retains all common law, statutory and other reserved rights, including copyright thereto. This document shall not be used in whole or in part for any other project without the express written authorization of KEYSTONE Architecture Planning and Project Management.



Tollgate Inn Restaurant & Saloon
Outdoor Seating Patio Cover
38100 US Highway 26
Sandy, Oregon 97055

KEYSTONE
ARCHITECTURE PLANNING
AND PROJECT MANAGEMENT
10210 BE IDLEMAN ROAD, PORTLAND, OR 97266
PHONE: (503) 761-1362 FAX: (503) 766-0934

COLOR 1 10/12/23

REVISION DATE

APPROVED BY: BWS
DRAWN BY:
SCALE: AS SHOWN
DATE: 11/28/22
JOB: 21-123
FILE:

1 TOLLGATE INN NORTH ELEVATION
3/16" = 1'-0"

A3.02X

SOUTHERN LEDGESTONE

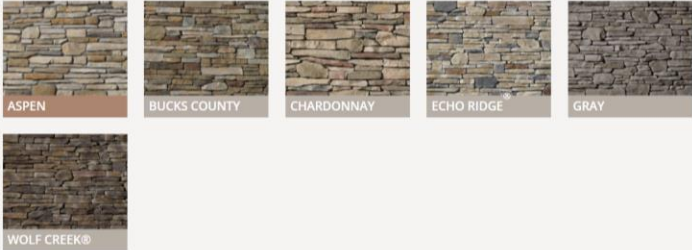


Southern Ledgestone offers a rugged and informal appeal with its rough texture and decided irregularity. Tight-fitted or mortared, Southern Ledgestone can be used to achieve a number of unique treatments.

The product colors you see are as accurate as current photography and website or display techniques allow. We suggest visiting your nearest Dealer to look at product samples before selecting colors.

Dimensions (approx): 0.5" - 6" H x 4" - 20" L

ASPEN





STAFF REPORT

Meeting Type: Urban Renewal Agency Board
Meeting Date: November 6, 2023
From: Tyler Deems, City Manager
Subject: Urban Renewal Financial Update

DECISION TO BE MADE:

None. This item is to update the Board on financial matters related to the Urban Renewal Agency.

PURPOSE / OBJECTIVE:

Receive information from the City Manager regarding the financial status of the Agency, and better understand the borrowing capacity for future Urban Renewal projects.

BACKGROUND / CONTEXT:

The Sandy Urban Renewal Agency was established in 1998 with an initial maximum indebtedness (essentially a spending limit) of \$5 million. That number was increase in 2008 to \$18 million, and again increased in 2015 to \$67 million. As of June 30, 2023, the remaining indebtedness was approximately \$38.5 million. There is \$7 million allocated for spending in the current budget, leaving approximately \$31.5 million for future spending. It is anticipated that the Urban Renewal Agency will sunset around 2048, at which point no further spending could occur for the existing Agency.

The purpose of this staff report is to provide the Board with a brief update as to the current financial standing of the Agency, the current borrowing power for the Agency, and available funds for near-term projects.

KEY CONSIDERATIONS / ANALYSIS:

The Biennium 2023-2025 budget anticipated a beginning balance of \$7.3 million. The actual beginning balance is anticipated to be closer to \$7.6 million, resulting a positive variance of \$300,000. Most notably, the budget authorized \$6.1 million in capital outlay for the Community Campus (demolition of buildings and construction of park), as well as \$100,000 for minor upgrades to City Hall. The budget also included a contingency of \$2.5 million.

The most recent analysis of borrowing capacity for the Agency is roughly \$9 million. This would be a 15-year loan with an interest rate of 5%. More favorable interest rates in prior years allowed for a higher bond amount, but that is no longer the case. It would take approximately 6 months to complete the bond issuance process, and with current staffing constraints, the earliest we could see funding from a bond issuance is Summer 2024.

The Board could decide to use some of the contingency funds, although staff would recommend keeping \$1 million set aside for unanticipated projects or grants. This would allow for approximately \$10.5 million to be spent in the near-term.

In addition to the current borrowing capacity, the existing debt (2017 Bond) could be refunded in late 2027, and an additional \$5 million issued at that time. Alternatively, the Agency could wait until 2031 (when the existing debt is retired) to issue any additional debt above and beyond the \$9 million that is currently available.

It is important to note that the Agency has entered the “revenue sharing” phase. Revenue sharing occurs once the Agency annually collects 10% or more of the initial maximum indebtedness – in our case, \$1.8 million. Once this happens, the Agency collects the \$1.8 million, plus 25% of the tax revenue in excess of \$1.8 million. The remaining 75% is distributed among the other taxing agencies. This, coupled with the lack of development within the District, results in fairly stagnant growth in property tax collections. As such, the borrowing power of the Agency is unlikely to significantly change until either the existing debt is retired (2031), or significant growth occurs within the District.

Staff intends to schedule a meeting with the Urban Renewal Board in the near future to focus on project prioritization for the Agency to focus future spending more narrowly.

BUDGET IMPACT:

None.

RECOMMENDATION:

None.

SUGGESTED MOTION LANGUAGE:

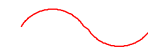

None.

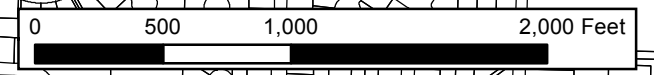
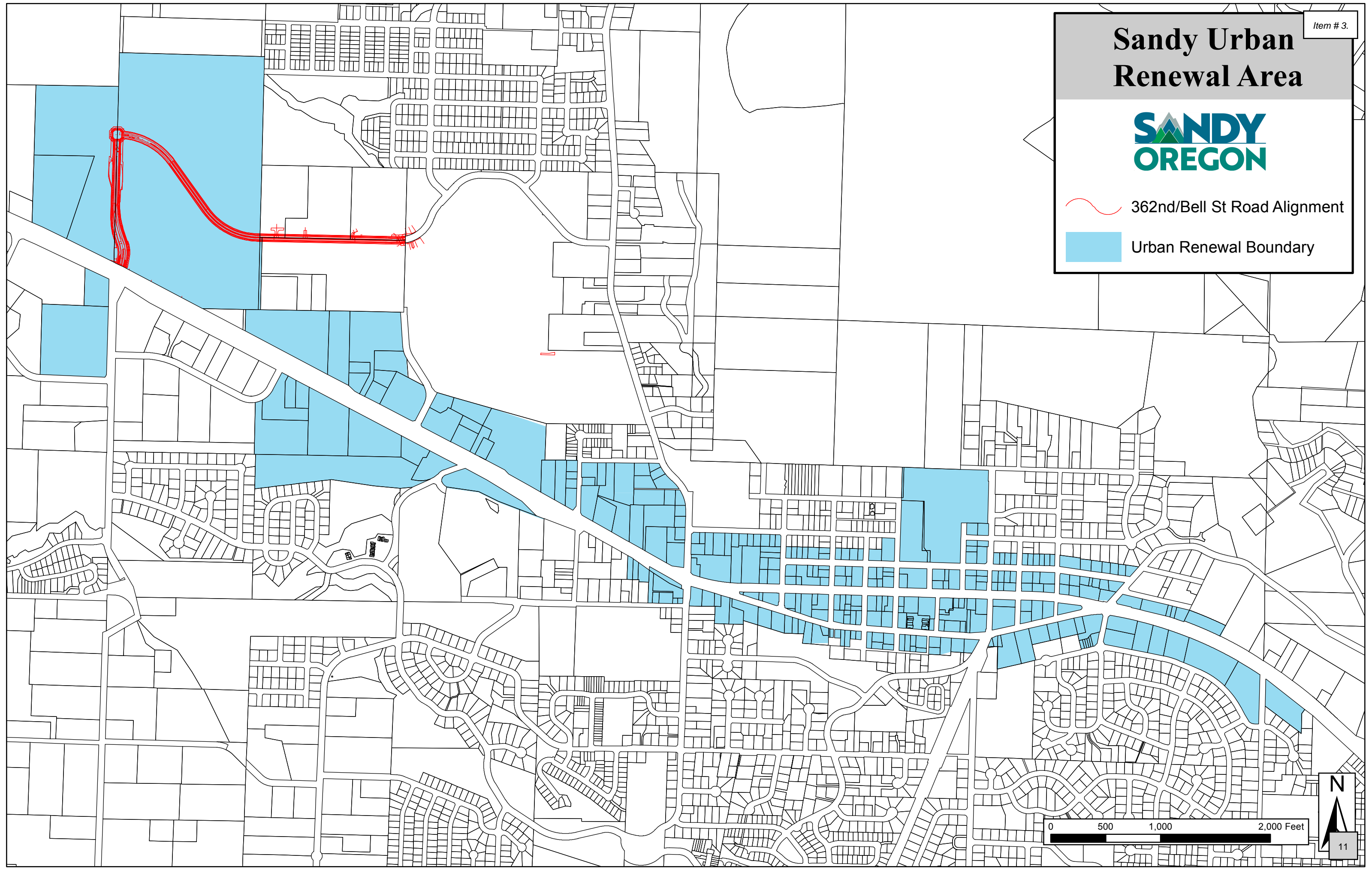
LIST OF ATTACHMENTS / EXHIBITS:

- Urban Renewal Map
- [Link to Urban Renewal Biennium 2023-2025 Budget](#)
- Presentation Slides

Sandy Urban Renewal Area



-  362nd/Bell St Road Alignment
-  Urban Renewal Boundary





Sandy Urban Renewal Agency Financial Update November 6, 2023

URA BACKGROUND

URA BACKGROUND

- Created in 1998
- Current MI is \$67 million
 - \$28.5 million spent (or reserved) to date
 - \$7 million allocated in BN 23-25 budget
 - \$31.5 million remaining
- Does not create a new tax, but does redistribute existing taxes
 - FY23 City of Sandy “lost” \$469,538 to URA
- Will likely sunset in 2048

URA FINANCIALS

URA FINANCIALS

- \$7.6 million beginning balance this biennium
 - \$300,000 higher than budgeted
- \$2.5 million in contingency
- Current budget includes:
 - \$6 million for Community Campus
 - \$100,000 for City Hall improvements
- No in “revenue sharing” meaning that property tax collections will remaining relatively flat going forward

URA BORROWING CAPACITY

URA BORROWING CAPACITY

- \$9 million available now
 - 15-year loan @ 5% (Summer 2024)
- Feasible to spend \$10.5 million on near-term projects
- No additional borrowing until 2027
 - Refinance existing debt, issue additional \$6 million
- Borrowing power does not change until:
 - Existing debt is retired (2031) -- OR--
 - Substantial development occurs within the District