



# SANDY URBAN RENEWAL BOARD MEETING

Monday, August 07, 2023 at 7:00 PM  
Sandy City Hall and via Zoom

## AGENDA

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### 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/83828004046>

Or by phone: (253) 215-8782; Meeting ID: 83828004046

### ROLL CALL

### APPROVAL OF MINUTES

1. Approval of Minutes: June 5, 2023

### NEW BUSINESS

2. 2023 Changes to SURA Grant Programs
3. Approval of Façade Grant Application: Sandbar BBQ ADA Parking Project

### 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.



**MINUTES**  
**Sandy Urban Renewal Board Meeting**  
**Monday, June 5, 2023 6:00 PM**

**BOARD PRESENT:** Chris Mayton, Councilor, Laurie Smallwood, Council President, Richard Sheldon, Councilor, Kathleen Walker, Councilor, Don Hokanson, Councilor, Khrys Jones, Chamber Director, Phil Schneider, Fire Chief, and Stan Pulliam, Mayor

**BOARD ABSENT:** Carl Exner, Councilor

**STAFF PRESENT:** Tyler Deems, Interim City Manager, Jeff Aprati, Interim Deputy City Manager, Josh Soper, City Attorney, and Sean Lundry, Police Lieutenant

**MEDIA PRESENT:** (none)

**1. Roll Call**

**2. APPROVAL OF MINUTES**

**2.1. February 21, 2023**

**Moved by Richard Sheldon, seconded by Khrys Jones**

***Approve the February 21, 2023 minutes***

**CARRIED. 8-0**

**Ayes:** Chris Mayton, Laurie Smallwood, Richard Sheldon, Kathleen Walker, Don Hokanson, Khrys Jones, Phil Schneider, and Stan Pulliam

**Absent:** Carl Exner

**3. New Business**

**3.1. SURA Supplemental Budget 2021-23**

Resolution 2023-20

Staff Report - 0714

The **Interim City Manager** summarized the staff report, which was included in the agenda packet. Board discussion ensued on usage of ARPA funds and eligible expenses, specifically with regard to design services for the covered

June 5, 2023

structure program. It was also noted that supplemental budget procedure requirements relate to 10% of the total budget.

**Moved by Kathleen Walker, seconded by Chris Mayton**

***Adopt Resolution 2023-20***

**CARRIED. 8-0**

Ayes: Chris Mayton, Laurie Smallwood, Richard Sheldon, Kathleen Walker, Don Hokanson, Khrys Jones, Phil Schneider, and Stan Pulliam

Absent: Carl Exner

3.2. **PUBLIC HEARING: SURA Budget Adoption 2023-25**

Resolution 2023-19

Staff Report - 0713

Staff Report

The **Interim City Manager** summarized the staff report, which was included in the agenda packet.

Public Testimony

(none)

**Moved by Richard Sheldon, seconded by Laurie Smallwood**

***Close the public hearing***

**CARRIED. 8-0**

Ayes: Chris Mayton, Laurie Smallwood, Richard Sheldon, Kathleen Walker, Don Hokanson, Khrys Jones, Phil Schneider, and Stan Pulliam

Absent: Carl Exner

**Moved by Chris Mayton, seconded by Richard Sheldon**

***Adopt Resolution 2023-19***

**CARRIED. 8-0**

June 5, 2023

Ayes: Chris Mayton, Laurie Smallwood, Richard Sheldon,  
Kathleen Walker, Don Hokanson, Khrys Jones, Phil  
Schneider, and Stan Pulliam

Absent: Carl Exner

**4. Adjourn**

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Mayor, Stan Pulliam

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City Recorder, Jeff Aprati

Draft



# STAFF REPORT

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**Meeting Type:** Sandy Urban Renewal Board meeting  
**Meeting Date:** August 7<sup>th</sup>, 2023  
**From:** David Snider, Economic Development Manager  
**Subject:** 2023 Changes to SURA Grant Programs

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**DECISION TO BE MADE:**

Whether to approve the following suggested changes to the Façade Improvement and Tenant Improvement grant programs

**BACKGROUND / CONTEXT:**

It has now been three years since the SURA Board has reviewed and made any substantive changes to the City’s grant programs, when the board opened the Tenant Improvement grant program up to participation by childcare businesses in July of 2020. As we currently have few urban renewal grant projects in progress at the moment, staff thought this biennial break would be a convenient time to provide some needed updates to the language of our urban renewal-based grant programs to achieve the following goals:

- Removing errors and improving the clarity of program language.
- Incorporating best practices.
- Standardization of our primary urban renewal grant programs (Façade, TI) by incorporating matching language and conditions where possible.
- Making programmatic changes based on changing market conditions.
- Altering the application process to reflect programmatic changes as requested by the Urban Renewal Board.

The proposed new versions of the program guidelines for both programs showing all of the proposed changes (entitled “Proposed - Façade Improvement Grant Program Guidelines” & “Proposed - Tenant Improvement Grant Program Guidelines”) are attached to this staff report for your reference and convenience.

The City of Sandy Façade Improvement Program was enacted in 2008. In the last fifteen years, this grant program has seen steadily increasing usage with local property owners looking to update the look of their buildings. This in turn has improved the overall aesthetic of downtown Sandy and has helped to bring new infill development to the community. Proposed changes to strengthen the City of Sandy Facade Improvement program are listed in the following section (new language in red):

## KEY CONSIDERATIONS / ANALYSIS:

### Façade Improvement grant program:

- **Add to III. Eligibility** – a third bullet point to read: “Newly constructed buildings are generally not eligible for the Façade Improvement Program, with the following exceptions:
  - Childcare businesses (daycares, preschools) -- applicants shall provide a copy of a signed lease agreement with the business operator leasing the space (minimum 1-year lease) prior to receiving Façade grant reimbursement.
  - Redeveloped properties (i.e., Where the primary structure is demolished, and a new structure is built in its place)
  - Rationale: Now that we have reasonable interest in C-1 infill properties, staff believes that offering Façade grant benefits to new construction as an incentive for most business types is no longer necessary. We should only offer this for business types we want to heavily incentivize going forward, like childcare businesses. The City should continue to offer but not advertise TI and Public Infrastructure grants to new construction as conditions warrant.
- **Add to III. Eligibility** – Add a fourth bullet point to read: “Food carts and other non-permanent structures are not eligible for the Façade Improvement Program.”
  - Rationale: Food carts are not eligible for this program, but this question has been asked of staff a number of times over the years. Staff suggests adding this exclusion simply to clarify our policy.
- **Modify IV. Eligible Improvements, #7** to read “Removal, ~~replacement~~ or repair of exterior wall, freestanding or projecting signs.” Eliminate the word “replacement”
  - Rationale: It is staff’s understanding that this program was not intended by the Urban Renewal Board to reimburse for the replacement of signage as signs are an advertising expense. Repairing physical damage and adding or replacing stone wrap at the base of freestanding signs as a Sandy-style element are the only sign-related expenses that are currently eligible for reimbursement.
- **Replace entire section - VI. Application Process**: See replacement section entitled “Application Process -- Replacement for both grant programs” at the end of this report.
- **Modify VII. General Conditions, #2** to read: “Funding is limited to one façade grant per property per year. No grant recipient may receive more than two (2) total façade grants within a five (5) year period.”
  - Rationale: Best practices & making grant programs language match. This item is under the Eligibility section in the Tenant Improvement program and allows no more than \$60,000 in grant funding (i.e. 2 maximum grants) every 5 years. Staff believes that this program limitation is beneficial to the City, and that similar language should appear in both programs.
- **Add to VII. General Conditions, #7** to read: “All construction contractors shall have a valid contractor’s license in the State of Oregon and a City of Sandy Business License in good standing. Applicants may not be the contractor on their own project, regardless of contractor status. Any work not completed by licensed contractors is not eligible for reimbursement.”
  - Rationale: Best practices & making grant program language match. Staff would like to exclude applicants who are licensed contractors from working on their own projects because there is no way to audit that work (e.g., number of hours worked, proper basis for reimbursement, etc.) Staff would also like to avoid situations where business owners are doing their own work – our preference is that any project work involving City funds be done by licensed and bonded contractors to ensure that the work is done correctly

and properly covered in the event of error or accident. This item is from the TI grant program (VII. General Conditions (10))

- **Modify VII. General Conditions, #8** to read: “Projects are required to be completed within one (1) year of the date of the grant approval. ~~If the project timeline extends beyond one (1) year the grant applicant shall request an extension from the Planning Director.~~ **Any project items not completed more than one (1) year from the contract date may not be eligible for reimbursement. Applicants that do not complete the scope of work identified in the Grant Agreement within one year will not be eligible to receive another Façade Improvement Grant for five (5) years.”**
  - Rationale: Best practices & making grant program language match. This item is from the General Conditions section of the Tenant Improvement Program. We have had several Façade projects that have dragged out for 2+ years recently – this is not necessary and consumes an abundance of staff time. We wish to eliminate the possibility of this happening in the future.
- **Modify VII. General Conditions, #10** to read “All façade project work must pass final inspection applicable to the façade work **and all contractors must be paid in full for their services** prior to final payment of grant funds to applicant.”
  - Rationale: Best practices - If the applicant fails to pay his/her contractors, we have no leverage to address the situation once the applicant is paid, and we would prefer to avoid getting involved in contractor payment disputes.
- **Delete VIII. Review Process, A.** – No longer needed due to the modification to “VIII. Review Process, B.” listed below.
- **Modify VIII. Review Process, B.** to read: “Grant applications for **all** projects ~~with a total cost greater than \$50,000 or a request for an exception as specified in Section XII~~ require review and approval by the ~~Grant Review Board~~ **Sandy Urban Renewal Agency Board.**”
  - Rationale: This program change was directly requested by the Urban Renewal Board.
- **Modify X. Reimbursement Procedure, #C** to read: “Detailed written invoice(s) or itemized receipts and proof of payment (i.e., cancelled checks) shall be provided with all reimbursement requests. **All contractors must be paid in full before applicant may receive reimbursement.**”
  - Rationale: To reflect modification made in VII. General Conditions, #10 above.
- **Delete XI. Grant Review Board** – This section is no longer necessary due to the changes suggested in **Section VIII. Review Process** above.

As the Tenant Improvement grant program is a newer program (established in 2016), there are fewer updates needed overall and most of the suggested changes are minor. The proposed changes to the Tenant Improvement program are listed in the following section:

#### **Tenant Improvement grant program:**

- **Change III. Eligibility, #5.** “No grant recipient may receive more than ~~\$60,000 in~~ **two (2)** Tenant Improvement grants within a five (5) year period.
  - Rationale: To provide identical program language for matching sections of the Façade and TI grant programs.
- **Change IV. Eligible Improvements,** “For restaurants that are moving into a previously existing building, the following expenses are eligible for matching funds **(the first ten (10) eligible expenses listed below are restricted to customer-facing areas only.)**”
  - Rationale: Staff believes that the intent of the SURA Board here was to make improvements to customer-facing areas to improve the customer experience, not to

assist applicants with the basic maintenance of their building. Making this rule change should eliminate most basic maintenance project requests.

- **Change IV.** Eligible Improvements, #5 under childcare businesses to “Adding an ADA-compliant a public restroom.”
  - Rationale: For clarity only. Our grant programs always support ADA improvements, and any new restroom in a commercial building would be required by state and federal code to be fully ADA compliant.
- **Replace entire section - VI.** Application Process: See replacement section entitled “**Application Process -- Replacement for both grant programs**” at the end of this report.
- **Change IX.** Reimbursement Procedure, #4 to read “**Applicants may not be the contractor on their own project, regardless of contractor status. Any work not completed by licensed contractors is not eligible for reimbursement.**”
  - Rationale: Best practices & making grant program language match. Staff would like to exclude applicants who are licensed contractors from working on their own projects because there is no way to audit that work (e.g., number of hours worked, proper basis for reimbursement, etc.) Staff would also like to avoid situations where business owners are doing their own work – our preference is that any project work involving City funds be done by licensed and bonded contractors to ensure that the work is done correctly and properly covered in the event of error or accident.

The final proposed change to these grant programs is to update the entire Application Process section in both programs for the purpose of a) standardizing the language between programs, b) altering the application process to incorporate some of the changes listed above, c) correcting a few small errors in the existing language, and d) adding additional detail to the written process for the benefit of the applicant.

Staff proposes that the following section entitled “**Application Process – Replacement for both grant programs**” replace “Section VI. Application Process” in its entirety in both the Façade Improvement Program Guidelines and the Tenant Improvement Program Guidelines:

### **Application Process – Replacement for both grant programs:**

The application process includes the following steps:

1. Applicant to review Design Standards in Chapter 17.90 of the Sandy Municipal Code.
2. Applicant fills out online Façade Improvement/Tenant Improvement Program Grant Application on the City of Sandy website. Application is routed to Economic Development Manager for initial review.
3. The Economic Development Manager schedules a Grant Application Meeting with the applicant to discuss the proposed improvement project. City staff will review grant application requirements and program rules with the applicant.
4. The Economic Development Manager will develop a scope of work for the proposed project and ask for a design review determination from the Planning Division. Applicant will also forward any plans, elevations, or other additional project documentation discussed during the Grant Application Meeting to the Economic Development Manager at this time.
  - a. Projects requiring design review as specified in Chapter 17.90 of the Sandy Municipal Code are required to complete the design review process before proceeding with project work. (Permits will not be issued until this process is completed.)



5. Staff will work with the SURA Chair to bring the project to a future Sandy Urban Renewal Agency board meeting for review. Staff will provide the board with a summary of the proposed project and a range for estimated project costs – if the winning bid for the project ends up being more than 10% of the estimated cost range, the project will be brought back before the SURA Board for additional review. Project review decisions are subject to the discretion of the Urban Renewal Board.
6. If approved by the SURA Board, applicant may then solicit bids for the project. Bids must be sent directly to the Economic Development Manager from the applicant – bids submitted by the applicant on behalf of the contractor will not be accepted. Projects that cost \$10,000 or more require the submittal of a minimum of three (3) bids. Projects that cost less than \$10,000 can be sole sourced. (On January 1, 2024, the threshold for requiring a competitive bidding process under Oregon law increases to \$25,000.)
7. Once the Economic Development Manager has received the minimum number of bids the project requires, they will:
  - a. Research all bidding firms for eligibility (CCB status).
  - b. Select the winning bidder and inform bidding firms of the bid results.
  - c. Use bid information to draft a standard Façade Improvement/Tenant Improvement grant reimbursement contract – contractor may not begin work until this contract is signed by both the applicant and the City.

### **Additional Policy Question:**

As a conclusion to this report, there is one other policy question that staff would like to pose to the Board at this time.

Although this process change has not been formally included in the official program guidelines of any of our grant programs to date, the SURA Board did at one point request that staff include a provision with the Covered Structures program that an official cost estimate range be included with all future project reviews, and that those projects be brought back before the SURA Board if the winning bid ends up exceeding this estimate range by more than 10%. Staff followed this process for the second round of Covered Structure Program projects.

For future projects, a more effective way to use this provision might be to bring back projects that exceed the high estimate by a specific dollar amount (\$10,000) rather than a percentage. If the Board prefers, staff can add this provision to the Program Guidelines document for both grant programs discussed here. We would like to request the Board's direction on this matter.

### **BUDGET IMPACT:**

The changes indicated above are mostly programmatic rule changes. The impact on the SURA budget as a result of adopting these changes should be negligible.

### **RECOMMENDATION:**

Staff recommends that the SURA Board adopt the proposed changes, and provide direction to staff concerning the "Additional Policy Question"

### **SUGGESTED MOTION LANGUAGE:**

“I move to adopt the changes to the Façade Improvement and Tenant Improvement grant programs as presented in the agenda packet.”

**LIST OF ATTACHMENTS / EXHIBITS:**

- Façade Improvement grant program guidelines – proposed
- Tenant Improvement grant program guidelines -- proposed

# 2023 PROPOSED CHANGES – FAÇADE IMPROVEMENT PROGRAM

## City of Sandy

### Façade Improvement Grant Program Guidelines

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#### I. Background

The Façade Improvement Grant Program is a matching grant program of the City of Sandy Urban Renewal Agency approved by the Urban Renewal Board in May 2009. This program has allocated matching grants for qualified projects to generally be awarded on a first come, first served basis.

#### II. Program Objectives

The purposes of the Façade Improvement Grant Program are:

1. To improve the aesthetic appearance of the exterior façades of existing buildings and businesses in the Urban Renewal District;
2. To restore the unique historic character of buildings in the district as much as practicable; and,
3. To encourage private investment in Urban Renewal District properties and businesses.

#### III. Eligibility

The following persons are eligible to apply and receive grant funds:

- Property owners of commercial buildings within the Central Business District (C-1) and General Commercial (C-2).
- Business owners or tenants of commercial buildings within the Central Business District (C-1) and General Commercial (C-2) with property owner consent.
- **Newly constructed buildings are generally not eligible for the Façade Improvement Program, with the following exceptions:**
  - a. **Childcare businesses (daycares, preschools) -- applicants shall provide a copy of a signed lease agreement with the business operator leasing the space (minimum 1-year lease) prior to receiving Façade grant reimbursement.**
  - b. **Redeveloped properties (i.e., Where the primary structure is demolished and a new structure is built in its place)**
- **Food carts and other non-permanent structures are not eligible for the Façade Improvement Program.**

#### IV. Eligible Improvements

Funds may be used for existing exterior façade improvements on commercial buildings in compliance with the Sandy Style Design Standards contained in the Sandy Development Code Chapter 17.90. For the purposes of this program, “façade” includes the exterior of any building wall visible from a street or civic space, but does not include interior modifications, new roofing, structural improvements, or other site improvements except as specified below. The types of eligible projects include:

1. Repair, restoration, or installation of exterior masonry and siding materials.
2. Repair, replacement, or installation of awnings, windows, trim, doors, gutters, downspouts, stone and brick, or other architectural details.

3. Repair, replacement, or installation of exterior lighting.
4. Repair or construction of entryways.
5. Cleaning, preparation, and painting exterior walls, trim, or metal roofing in conformance with the approved color palette.
6. Removal of barriers to access for people with disabilities.
7. Removal, ~~replacement~~, or repair of exterior wall, freestanding, or projecting signs.
8. Other improvements as approved.

**V. Financing**

Matching grants will be awarded on a sliding scale as identified below. Projects up to \$50,000 will be awarded on a first come, first served basis. Projects over \$50,000 will be awarded through a competitive application process. The maximum grant award for a single project is \$41,500. There are three funding tiers that each have different percentages the façade grant program will award/pay.

Project Cost	Façade grant program will pay
\$0 to \$5,000	80%
Next \$45,000 (to \$50,000)	50%
Next \$50,000 (to \$100,000)	30%

**Example:** An approved project with a total project cost of **\$60,000** would be funded as follows:

First \$5,000 of project → grant program pays 80% (80% of \$5,000 = **\$4,000**)  
 Next \$45,000 (\$5,001 to \$50,000) of project → grant program pays 50% (50% of \$45,000 = **\$22,500**)  
 Next \$50,000 (\$50,001 to \$100,000) of project → grant program pays 30% (30% of \$10,000 = **\$3,000**)  
**Total grant funding for project = (\$4,000 + \$22,500 + \$3,000) = \$29,500**

**VI. Application Process**

The application process includes the following steps:

- ~~1. Applicant to review Design Standards in Chapter 17.90 of the Sandy Development Code.~~
- ~~2. Applicant prepares a written description of proposed improvements.~~
- ~~3. Applicant schedules a Grant Application Meeting with the Planning Director to discuss proposed improvements. City staff will explain grant application requirements.~~
- ~~4. Applicant submits a grant application with supporting documentation as outlined at the Grant Application Meeting.~~
- ~~5. Applicant requests bids to be sent via mail or delivered (and sealed) to the Planning Director. Any bids submitted by the Applicant from the contractor will not be accepted. Projects that cost \$25,000 or less require submittal of a minimum of two competitive bids. Projects that cost more than \$25,000 require submittal of a minimum of three bids.~~
- ~~6. Projects requiring Design Review as specified in Chapter 17.90 of the Sandy Development Code are required to complete the design review process prior to submittal of a grant application.~~

1. Applicant to review Design Standards in Chapter 17.90 of the Sandy Municipal Code.

2. Applicant fills out online Façade Improvement/Tenant Improvement Program Grant Application on the City of Sandy website. Application is routed to Economic Development Manager for initial review.
3. The Economic Development Manager schedules a Grant Application Meeting with the applicant to discuss the proposed improvement project. City staff will review grant application requirements and program rules with the applicant.
4. The Economic Development Manager will develop a scope of work for the proposed project and ask for a design review determination from the Planning Division. Applicant will also forward any plans, elevations, or other additional project documentation discussed during the Grant Application Meeting to the Economic Development Manager at this time.
  - a. Projects requiring design review as specified in Chapter 17.90 of the Sandy Municipal Code are required to complete the design review process before proceeding with project work. (Permits will not be issued until this process is completed.)
5. The Economic Development Manager will schedule a project review hearing for the proposed project at the next Urban Renewal Board meeting. The Urban Renewal Board shall review project documentation and either approve or deny the project.
6. If approved by the SURA Board, applicant may then solicit bids for the project. Bids must be sent directly to the Economic Development Manager from the applicant – bids submitted by the applicant on behalf of the contractor will not be accepted. Projects that cost \$10,000 or more require the submittal of a minimum of three (3) bids. Projects that cost less than \$10,000 can be sole sourced. (On January 1, 2024, the threshold for requiring a competitive bidding process under Oregon law increases to \$25,000.)
7. Once the Economic Development Manager has received the minimum number of bids the project requires, they will:
  - a. Research all bidding firms for eligibility (CCB status).
  - b. Select the winning bidder and inform bidding firms of the bid results.
  - c. Use bid information to draft a standard Façade Improvement/Tenant Improvement grant reimbursement contract – contractor may not begin work until this contract is signed by both the applicant and the City.

**VII. General Conditions**

1. Approval of grant applications is contingent upon available funds.
2. Funding is limited to one façade grant per property per year. **No grant recipient may receive more than two (2) total façade grants within a five (5) year period.**
3. All projects shall conform to the design standards of Chapter 17.90 of the Development Code and other applicable regulations in the Sandy Municipal Code.
4. Some projects will require Design Review approval prior to submittal of a grant application.
5. Once an application is approved, the applicant will be required to enter into a Grant Approval Agreement with the City.
6. Construction may begin only after an application is approved. Any work completed prior to formal approval and signing of the Grant Agreement may not be eligible for grant reimbursement.

- 7. All construction contractors shall have a valid contractor’s license in the State of Oregon and a City of Sandy Business License in good standing. **Applicants may not be the contractor on their own project, regardless of contractor status. Any work not completed by licensed contractors is not eligible for reimbursement.**
- 8. Projects are required to be completed within one (1) year from the date of the grant approval. ~~If the project timeline extends beyond one (1) year the grant applicant shall request an extension from the Planning Director.~~ **Any project items not completed more than one (1) year from the contract date may not be eligible for reimbursement. Applicants that do not complete the scope of work identified in the Grant Agreement within one year will not be eligible to receive another Facade Improvement Grant for five (5) years.**
- 9. Applicants are responsible for obtaining all necessary permits (i.e., building, electrical, etc.) prior to conducting work.
- 10. Applicants are required to pass all inspections applicable to the façade work and all contractors must be paid in full for their services prior to final payment of grant funds.
- 11. Additional conditions may be included with the grant approval.

**VIII. Review Process**

- ~~A. Grant applications for projects with a total cost of \$50,000 or less are administratively reviewed and approved by the Planning Director.~~
- B. Grant applications for **all** projects ~~with a total cost greater than \$50,000 or a request for an exception as specified in Section XII~~ require review and approval by the ~~Grant Review Board~~ **Sandy Urban Renewal Agency Board.**

**IX. Review Criteria**

All projects will be reviewed based on the following criteria:

- A. Positive impact of the project on the aesthetic appearance of the building.
- B. Positive impact of the project on the overall streetscape.
- C. Preservation and enhancement of the architectural integrity of the building.

**X. Reimbursement Procedure**

Project reimbursement will occur based on the following procedures:

- A. Upon project completion, applicant shall contact Development Services Department staff to schedule a final site inspection.
- B. Reimbursement shall occur only after construction is complete and has passed a final site inspection for the approved facade work.
- C. Detailed written invoice(s) or itemized receipts and proof of payment (i.e., cancelled checks) shall be provided with all reimbursement requests. **All contractors must be paid in full before applicant may receive reimbursement.**
- D. Funds will be dispersed within thirty (30) days following submittal and verification of all documentation and approval of the façade work.

~~**XI. Grant Review Board**~~

~~A Grant Review Board shall be established to review grant requests for projects greater than \$50,000 or for exceptions as detailed below. The Grant Review Board shall include the following members: Three citizens (member of the City Council, Planning Commissioner, and Sandy resident or business owner), Planning Director, and Economic Development Manager.~~

**XI. Exceptions**

Exceptions to these requirements may be requested for the following:

1. Structural work that significantly contributes to the overall improvement of the structure and has a significant impact on the streetscape.

**2023 PROPOSED CHANGES – TENANT IMPROVEMENT PROGRAM**  
**City of Sandy – Economic Development**  
**Tenant Improvement Grant Program Guidelines**

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**I. Background:**

The Tenant Improvement Grant Program is a City of Sandy matching grant program. This program makes up to \$30,000 in matching grant funding available for qualified projects to generally be awarded on a first come, first served basis.

**II. Program Objectives:**

The purposes of this incentive program are as follows:

1. To encourage new restaurants in Sandy by helping to address the cost of a commercial kitchen acting as a barrier to entry into this market.
2. To incentivize private investment in Sandy's existing restaurants.
3. To address the stated Council goals of "encouraging the location of a brewpub/restaurant" and "encouraging the development of other dining opportunities to complement the offerings of existing businesses" by offering an incentive to investment in this industry.
4. To encourage the establishment of additional childcare businesses in Sandy to help address the shortage of businesses in this industry in Oregon generally and in Clackamas County specifically.

**III. Eligibility:**

Any commercial property or business within any of Sandy's commercial zoning districts (C-1, C-2, C-3) or Industrial Park zoning district (I-1) is eligible for this program if they meet the following requirements:

1. Applicant must be either:
  - a. a food service business (restaurant or food product manufacturer)
  - b. a childcare business (preschool or day care center)
  - c. a building owner seeking to attract a food service or childcare tenant business to move into the space where grant funds are expended.
2. Applicant space must be open to the public.
3. Chain restaurants are not eligible for this program. (For the purposes of this program, a chain restaurant is defined as a restaurant with 12 or more locations within the U.S.)



4. Food cart based businesses are not eligible for this program.
5. No grant recipient may receive more than ~~\$60,000~~ in **two (2)** Tenant Improvement grants within a five (5) year period.

#### IV. Eligible Improvements

For restaurants that are moving into a **previously existing building**, the following expenses are eligible for matching funds (**the first ten (10) eligible expenses listed below are restricted to customer-facing areas only**):

1. ADA or seismic improvements
2. Interior lighting
3. Plumbing and plumbing fixtures
4. Flooring
5. Adding a ~~public~~ **an ADA-compliant** restroom
6. Ceiling fans/air conditioning units for dining area
7. New interior walls
8. Modification of stairs or other fire safety pathways
9. New interior paint or finishing effects (includes tile, reclaimed wood, etc. Wallpaper is excluded)
10. Permanent fixtures (adding a bar, counter space, sinks, etc.)
11. Restaurant fire suppression (sprinkler) systems
12. Grease interceptor
13. Commercial hoods
14. Commercial kitchen fire suppression systems
15. Other improvements as approved by the Program Manager (this may include changes that have the capacity to increase business – does not include mitigation of normal wear and tear or “maintenance” expenses)

For restaurants moving into a tenant space **in a newly constructed building**, the following expenses are eligible for matching funds:

1. ADA or seismic improvements
2. Adding a public restroom
3. Restaurant fire suppression (sprinkler) systems
4. Grease interceptors
5. Commercial hoods
6. Commercial kitchen fire suppression systems
7. Other improvements as approved by the Program Manager (this may include changes that have the capacity to increase business – does not include normal wear and tear “maintenance” expenses)

For **childcare** businesses, the following expenses are eligible for matching funds:

1. ADA or seismic improvements
2. Lighting
3. Plumbing and plumbing fixtures
4. Flooring
5. Adding a public restroom
6. New interior walls
7. Modification of stairs or other fire safety pathways
8. Expenses related to creating a required outdoor play area – fencing to enclose the area (minimum height 5’) and permanently installed play equipment

Expenses that are not eligible for matching funds:

- Changes to the exterior of the building other than those specifically listed in the “Eligible Improvements” section.
- Replacement of old, worn or broken equipment (replacement of worn or broken equipment is considered a regular maintenance expense)
- Flatware, silverware, plates, dishes, cooking utensils, cookware
- Moveable furniture (permanent fixtures are reimbursable; moveable fixtures are not reimbursable)
- City, county and state permitting fees

## V. Financing:

This program reimburses the applicant for **50% of eligible project costs**, up to a maximum grant total of **\$30,000 per project**.

## VI. Application Process

- ~~1. The applicant fills out and submits the Tenant Improvement Program application on the City of Sandy’s website.~~
- ~~2. Upon receiving the completed grant application, the Economic Development Office will contact the applicant to set up a meeting to discuss project concepts, eligibility, getting contractor bids, the reimbursement process and other program requirements.~~
- ~~3. Upon application approval, the grantee will be required to enter into a Grant Approval Agreement with the City of Sandy. Work cannot begin until this agreement is signed.~~

The application process includes the following steps:

1. Applicant to review Design Standards in Chapter 17.90 of the Sandy Municipal Code.

2. Applicant fills out online Façade Improvement/Tenant Improvement Program Grant Application on the City of Sandy website. Application is routed to Economic Development Manager for initial review.
3. The Economic Development Manager schedules a Grant Application Meeting with the applicant to discuss the proposed improvement project. City staff will review grant application requirements and program rules with the applicant.
4. The Economic Development Manager will develop a scope of work for the proposed project and ask for a design review determination from the Planning Division. Applicant will also forward any plans, elevations, or other additional project documentation discussed during the Grant Application Meeting to the Economic Development Manager at this time.
  - a. Projects requiring design review as specified in Chapter 17.90 of the Sandy Municipal Code are required to complete the design review process before proceeding with project work. (Permits will not be issued until this process is completed.)
5. The Economic Development Manager will schedule a project review hearing for the proposed project at the next Urban Renewal Board meeting. The Urban Renewal Board shall review project documentation and either approve or deny the project.
6. If approved by the SURA Board, applicant may then solicit bids for the project. Bids must be sent directly to the Economic Development Manager from the applicant – bids submitted by the applicant on behalf of the contractor will not be accepted. Projects that cost \$10,000 or more require the submittal of a minimum of three (3) bids. Projects that cost less than \$10,000 can be sole sourced. (On January 1, 2024, the threshold for requiring a competitive bidding process under Oregon law increases to \$25,000.)
7. Once the Economic Development Manager has received the minimum number of bids the project requires, they will:
  - a. Research all bidding firms for eligibility (CCB status).
  - b. Select the winning bidder and inform bidding firms of the bid results.
  - c. Use bid information to draft a standard Façade Improvement/Tenant Improvement grant reimbursement contract – contractor may not begin work until this contract is signed by both the applicant and the City.

## VII. General Conditions

1. Approval of grant applications is contingent on available funds.
2. Projects shall conform to all applicable regulations in the Sandy Municipal Code.
3. Funding is limited to one (1) Tenant Improvement Grant per recipient per grant period. A recipient may not receive more than \$60,000 in grant funding within a five (5) year period.

4. Some projects may require Design Review approval prior to submittal of a grant application.
5. Once a grant application is approved, the recipient will be required to enter into a Grant Agreement with the City of Sandy in order to receive funding.
6. Construction may begin only after an application is approved and a Grant Approval Agreement has been signed by the recipient and the City of Sandy. Any work completed prior to application approval and signing of the Grant Agreement may not be eligible for reimbursement.
7. All contractors working on approved Tenant Improvement projects shall possess a valid Oregon contractor's license and a current City of Sandy business license. Applicants must use licensed contractors for all project elements to be eligible for this program. The program manager may make exceptions for individual project elements on a case-by-case basis.
8. Projects costing more than ~~\$5,000~~ \$10,000 require submittal of a minimum of three (3) qualified bids. Projects costing less than ~~\$5,000~~ \$10,000 may be single sourced.
9. Projects are required to be completed within one (1) year of the date of the grant approval. Any project items completed more than one (1) year from the contract date may not be eligible for reimbursement. Applicants that do not complete the scope of work identified in the Grant Agreement within one year will not be eligible to receive another Tenant Improvement Grant for five (5) years.
10. Applicants may not be the contractor on their own project. Any work performed by the applicant, regardless of contractor status, is ineligible for reimbursement.
11. Applicants and their contractors are responsible for obtaining all necessary permits (building, electrical, plumbing, and mechanical) prior to conducting work. Permitting fees are not reimbursable through this program.
12. Applicants requesting grant funding for a childcare facility shall provide a copy of a signed lease agreement with the childcare facility operator leasing the space (minimum 1-year lease) prior to receiving reimbursement.
13. Additional conditions may be included in the Grant Agreement.

### **VIII. Review process**

The Tenant Improvement Program is offered as a first-come, first-served grant program. Applications will be processed in the order that they are received, and grant funding shall be awarded within the grant period until annual program funds are depleted. Any unspent funds remaining in the grant program at the end of the program year will be rolled over into the following program year.

Grant applications shall be reviewed by the Program Manager (consulting with other City departments as needed) to make sure that projects comply with grant guidelines and all applicable city regulations.

## IX. Reimbursement procedure

Project reimbursement will occur based on the following procedures:

1. Reimbursement will occur only after construction is complete and a city inspection has been conducted.
2. Upon project completion, grantee shall contact the Economic Development Office to schedule a final site inspection. Reimbursement may only occur after a final inspection of the site has been conducted and all project work is approved by the City of Sandy Building Official.
3. Detailed invoice(s) or itemized receipts and proof of payment (i.e. cancelled checks) shall be provided with all reimbursement requests.
4. ~~If a licensed contractor was not used for any project element, only receipts for materials shall be provided. Labor costs incurred for work done by any person without a valid contractor's license are not reimbursable.~~ **Applicants may not be the contractor on their own project, regardless of contractor status. Any work not completed by licensed contractors is not eligible for reimbursement.**
5. Funds will be dispersed within thirty (30) days following submittal and verification of all documentation. Applicant reimbursement shall not occur until all contractors working on the applicant's project confirm that they have been paid in full.
6. Applicants requesting grant funding for a childcare facility shall provide a copy of a signed lease agreement with the childcare facility operator leasing the space (minimum 1-year lease) as a condition of reimbursement.

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**Meeting Type:** Sandy Urban Renewal Board  
**Meeting Date:** August 7<sup>th</sup>, 2023  
**From:** David Snider, Economic Development Manager  
**Subject:** Approval of Façade Grant Application: Sandbar BBQ ADA Parking Project

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**DECISION TO BE MADE:**

Whether to approve Façade Grant project #23-001 FAC, to create two accessible parking spaces and an access aisle at Sandbar BBQ.

**BACKGROUND / CONTEXT:**

Now that we have officially entered the 2023-2025 biennium, staff is processing new Sandy Urban Renewal Agency grant applications, pending certain programmatic changes currently being considered by the agency board. The following project proposal is the first application we have received for this biennium that is now ready for Board review.

Project #23-001 FAC is a proposal to install two ADA parking spaces and an access aisle to the Sandbar BBQ parking lot, located in the old Red Shed Public House location on Highway 26. When the new business was moving in back in April of this year, the City’s Building Official noted during the standard fire/life safety inspection that the site did not have the minimum number of ADA parking spaces for a restaurant of that size and required the new business to correct this. In order to receive a certificate of occupancy for the site, the property owner entered a legal agreement with the City of Sandy to rectify this situation within a certain time frame. That agreement is included as an attachment to this report below.

**KEY CONSIDERATIONS / ANALYSIS:**

This project calls for the installation of two (2) ADA compliant parking spaces with an access aisle between them in the area directly north of the existing outdoor covered structure to the east of the primary building entrance. The site would be excavated to create a flat surface for the parking spots. A concrete or asphalt surface would then be installed (either 4” of concrete over 4” of compacted rock/gravel, OR 2” of asphalt over 6” of compacted rock/gravel), followed by the striping of two ADA parking spaces and an access aisle, wheel stop bars for both spaces, and the installation of all ADA parking signage and pavement markings as required by law. The Oregon Transportation Commission requirements for this specific accessible parking layout are included as an attachment to this report to show additional detail. The completion of this project, if approved, would bring the parking lot at this site fully into compliance with the Americans with Disabilities Act.

While the application also proposes a covered deck in the front of the restaurant, City staff and the applicant agreed after a brief discussion at the grant application meeting that the best path forward for

this project was to eliminate the proposed deck and focus solely on the ADA parking issue. The applicant may opt to apply for a second façade grant in 2024 to complete the deck described in this application.

Official grant program guidelines show the sixth listed eligible improvement covered by the Façade Improvement Program as “Removal of barriers to access for people with disabilities.” It is the view of staff that adding ADA parking capacity and infrastructure where current amenities are legally inadequate meets this eligibility criterion.

While it is impossible to know at this time what price the winning bid will come in at, staff estimates the total project cost to be between \$16,000 and \$30,000, which translates to \$9,500 to \$16,500 in urban renewal grant expenditures. We will bring this project back before the SURA Board if the project is more than 110% of this estimate (i.e., greater than \$33,000 in total project costs).

**BUDGET IMPACT:**

Staff estimates that the SURA grant funding required to complete this project to be between \$9,500 and \$16,500. If the winning bid exceeds \$33,000 in project costs, we will bring the project back before the SURA for additional approval.

**RECOMMENDATION:**

Staff recommends SURA Board approval of project #23-001 FAC.

**SUGGESTED MOTION LANGUAGE:**

“I move to approve project #23-001 FAC as proposed in the agenda packet.”

**LIST OF ATTACHMENTS / EXHIBITS:**

- Sandbar BBQ – façade application
- Agreement between Sandbar BBQ and the Development Services Department requiring the addition of ADA parking and associated amenities by September 29<sup>th</sup>, 2023.
- Scope of work for this project (includes a site map)
- ADA – double access parking flyer from the Oregon Transportation Commission
- Presentation Slides



David Snider &lt;dsnider@ci.sandy.or.us&gt;

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## Form submission from: Facade / Tenant Improvement / Covered Structure Grant Application

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Sandy Oregon <sandy-or@municodeweb.com>  
Reply-To: Sandy Oregon <sandy-or@municodeweb.com>  
To: dsnider@ci.sandy.or.us

Fri, Jul 14, 2023 at 12:25 PM

Submitted on Friday, July 14, 2023 - 12:25pm

Submitted by anonymous user: 173.241.165.56

Submitted values are:

First Name Clint  
Last Name Melville  
Email Address [sandbarbbq@gmail.com](mailto:sandbarbbq@gmail.com)  
Company Name Sandbar BBQ  
Phone 5035442374  
Address [39750 US-26](#)  
City Sandy  
State/Province Oregon  
Zip Code 97055

Are you the Building and Business Owner

Which City of Sandy grant program are you applying for? Facade Improvement Program (building exterior - all business types eligible)

Proposed Project Description:

We are looking to add a deck off the front and side of the building with a covered deck in the Sandy Style. We are also hoping to use some funds to upgrade our ADA parking which I have an agreement with the city to take care of before the end of September. Both of these things will help the look and access for our all community members.

Estimated Total Cost of Project: 30,000

Certification I certify to the city of Sandy that ALL of the information contained in the application is true and correct to the best of my knowledge. I acknowledge that the funding source of the Facade Grant program is the City of Sandy's Urban Renewal board and I understand that I must comply with all the regulations of the Urban Renewal Board and the The City of Sandy.

The results of this submission may be viewed at:

<https://www.ci.sandy.or.us/node/11131/submission/20238>



AGREEMENT

The Agreement is made this 15 day of May, 2023, by and between the City of Sandy ("City") and Clinton Melville, the owner of the property located at 39750 Highway 26 ("Melville") for the purpose of guaranteeing the installation of two ADA parking spaces with a required access aisle in between the two ADA parking spaces, as well as all required pavement markings and signage associated with this requirement.

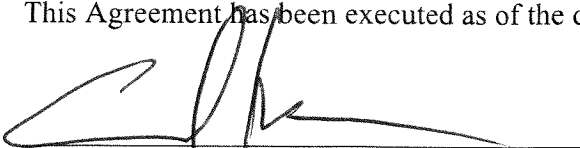
- A. Additional ADA parking is required for this location to create a barrier-free path of travel from the ADA parking spaces to the primary entrance of the building per ORS 447.241.
- B. Failure to comply with the below conditions by September 29, 2023, may result in this matter being referred to City of Sandy code enforcement and could result in financial penalties.

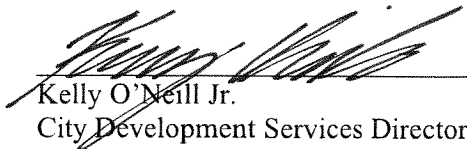
NOW THEREFORE, the City and Melville agree to the following:

1. Two ADA parking spaces and all associated items shall be installed in the area identified by the City of Sandy Building Official. This area is directly north of the outdoor covered structure to the east of the primary building entrance.
2. Melville shall obtain a grading and erosion control permit prior to excavation or movement of soils. All conditions of the grading and erosion control permit shall be adhered to.
3. Associated improvements shall include:
  - a) The new parking surface shall be at least 4 inches of concrete over 4 inches of compacted rock/gravel, or 2 inches of asphalt over 6 inches of compacted rock/gravel, or an alternative approved by the Development Services Director.
  - b) Two parking spaces at nine feet in width by 18 feet in length.
  - c) An access aisle in between the parking spaces at eight feet in width by 18 feet in length.
  - d) Wheel stops to prevent vehicular movement.
  - e) All required ADA parking signage.
  - f) All required pavement markings, including the identification of an accessible route from this parking to the primary building entrance.
  - g) See "OTC Minimum Standard Double-Accessible Parking Space" handout from the Oregon Transportation Commission for additional information on requirements (attached).
4. All work identified here shall be completed no later than September 29, 2023.
5. Any request for extension to this due date must be made in writing to the City of Sandy Development Services Director. No more than one extension will be allowed.
6. This agreement runs with this property and in the event of property sale Melville shall disclose this requirement in the real estate disclosures.

7. This agreement may only be altered or terminated by the Development Services Director.

This Agreement has been executed as of the date it is signed by both parties, as indicated below.

  
\_\_\_\_\_  
Clinton Melville Date  
Owner of 39750 Highway 26

  
\_\_\_\_\_  
Kelly O'Neil Jr. Date  
City Development Services Director 5/18/23

CC: file  
Rebecca Markham, Executive Assistant  
Jann Reed, Permit Technician  
Terre Gift, Building Official

# Scope of Work

**Project #:** 23-001 FAC

**Date:** July 21, 2023

**Project Name:** Sandbar BBQ ADA parking project

**Respond by:** ASAP

**Project Site:** 38750 Highway 26, Sandy

**Project description:** This project is a standard façade improvement project intended to provide adequate ADA parking infrastructure to the Sandbar BBQ to correct a deficiency of ADA parking infrastructure at the site.

**Payee:** Clint Melville – owner, Sandbar BBQ (party paying the contractor(s))

**Element 1:** Install two (2) ADA compliant parking spaces with an access aisle between them in the area directly north of the outdoor covered structure to the east of the primary building entrance.

- See project site plan showing the installation location at the end of this document.
- Obtain a grading and erosion control permit & excavate target area to achieve a flat surface (<2% grade).
- Install a new parking surface at the area of excavation. The new parking surface shall be at least 4 inches of concrete over 4 inches of compacted rock/gravel, or 2 inches of asphalt over 6 inches of compacted rock/gravel, or an alternative approved by the Development Services Director.
- Associated improvements to the site **shall** include:
  - Two (2) parking spaces at eighteen (18) feet in length by nine (9) feet in width.
  - An access aisle between these spaces at eighteen (18) feet in length by eight (8) feet in width.
  - Wheel stop bars for both parking spaces.
  - All required ADA parking signage.
  - All required pavement markings.
  - See “OTC Minimum Standard Double-Accessible Parking Space” handout from the Oregon Transportation Commission for additional information on requirements (attached).

## General provisions

- The winning bidder shall complete a performance bond prior to beginning work on the project.
- Please include all permitting costs in your bid:
  - Contact the City of Sandy permit technician at 503-668-0880 for building, erosion control, plumbing and mechanical permit cost information.
  - Contact Clackamas County’s permit technician at 503-742-4240 for electrical permit cost information.
- Contractor is required to have a valid CCB license in good standing prior to beginning project work.
- Contractor is required to have a valid City of Sandy business license prior to beginning project work.
- Contractor shall obtain all City of Sandy and Clackamas County permits necessary prior to beginning project work. (City of Sandy = building, mechanical, plumbing – Clackamas Co = electrical)

**PERMITS REQUIRED:** The following permits will be required to complete this project

<b>No permits required</b>	[ ]
<b>Building permit</b>	[ ] for:
<b>Grading &amp; erosion control permit</b>	[X] for: excavation of parking surface
<b>Plumbing permit</b>	[ ] for:
<b>Mechanical permit</b>	[ ] for:
<b>Electrical permit</b>	[ ] for:

(Electrical permits are issued by Clackamas County and may be applied for at <https://www.clackamas.us/building/electrical.html> -- the City of Sandy will require a copy of all completed electrical permits if required prior to project reimbursement)

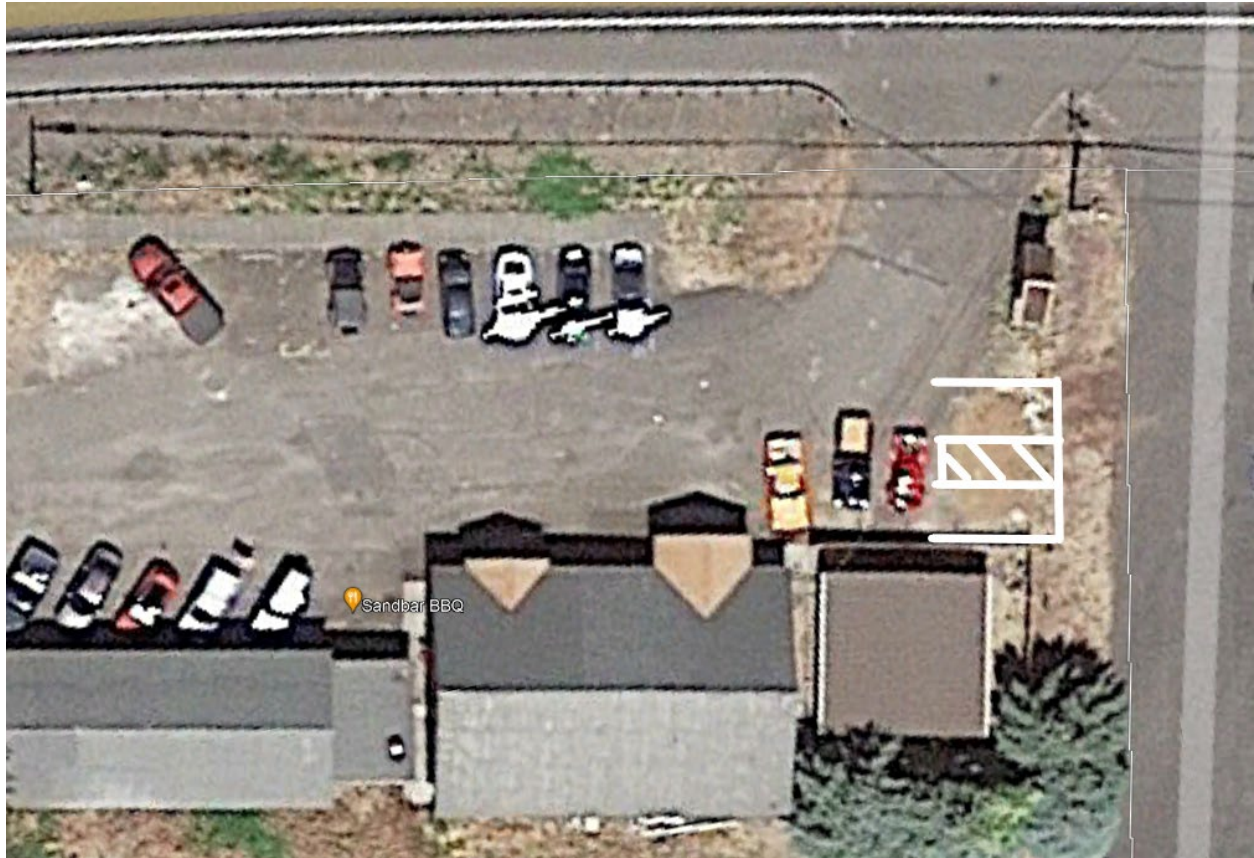
**ADDITIONAL SUBMITTAL MATERIALS:** Any additional submittal requirements for this project will be listed here – these items must be submitted prior to reimbursement

N/A

**Bidders:** Please submit bids directly to the City of Sandy - bids may be submitted directly via email to David Snider, Economic Development Manager at [dsnider@cityofsandy.com](mailto:dsnider@cityofsandy.com) (please put "(23-001 FAC Sandbar BBQ ADA parking project)" in the subject line) or via regular mail at: Sandy City Hall, Attn: Economic Development, 39250 Pioneer Boulevard, Sandy, OR 97055.

Please call (503) 489-2159 or email [dsnider@cityofsandy.com](mailto:dsnider@cityofsandy.com) for additional site information or questions.

## Site plan



- Two (2) parking spaces at eighteen (18) feet in length by nine (9) feet in width.
- An access aisle between these spaces at eighteen (18) feet in length by eight (8) feet in width.
- Wheel stop bars for both parking spaces.
- All required ADA parking signage.
- All required pavement markings.
- See "OTC Minimum Standard Double-Accessible Parking Space" handout from the Oregon Transportation Commission for additional information on requirements (attached).

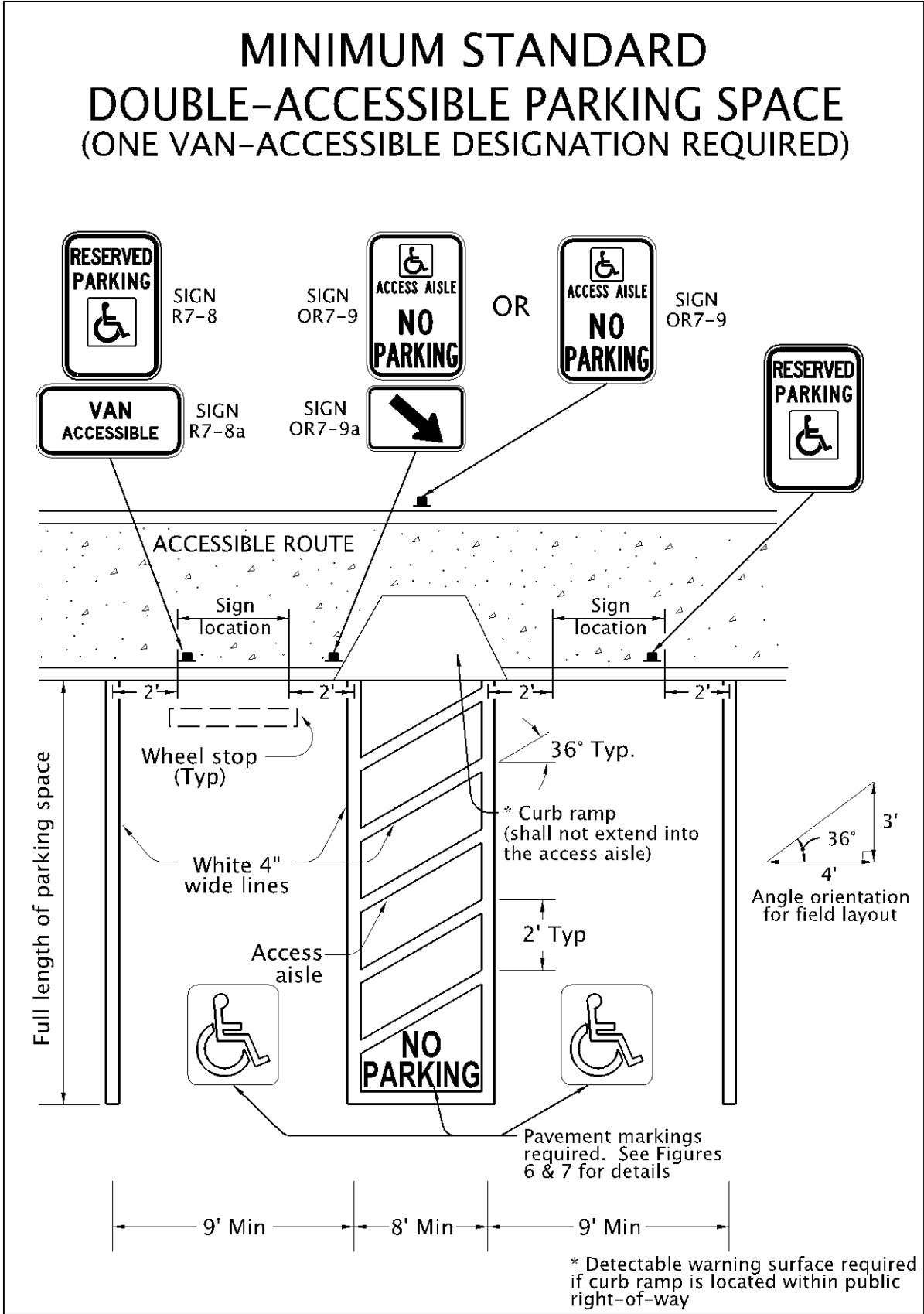


Figure 2



# Façade Improvement Project Review

PROJECT #23-001 FAC: SANDBAR BBQ ADA PARKING

## PROJECT SITE PLAN

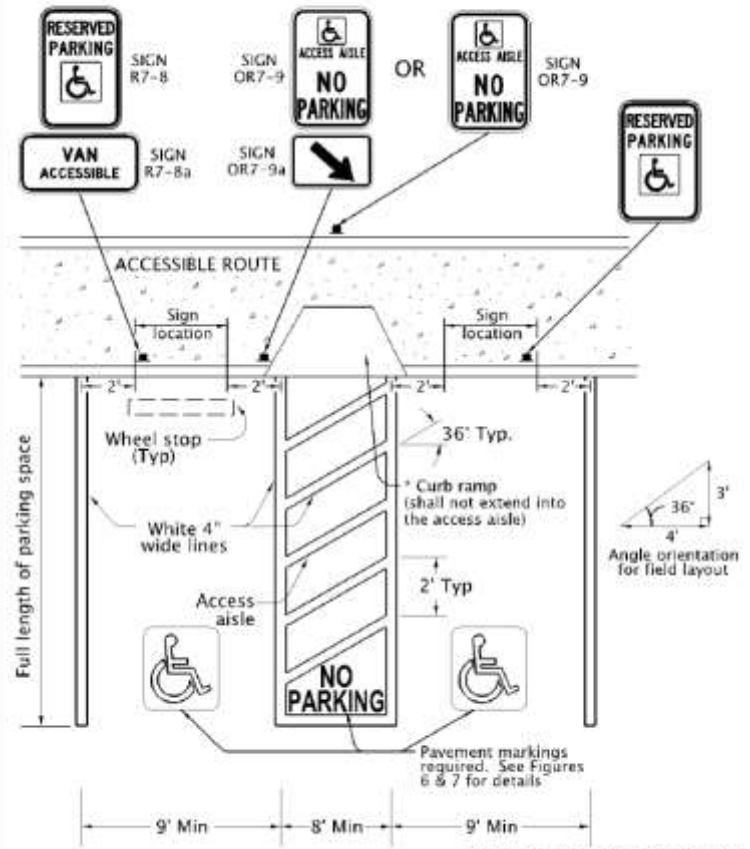
- Obtain grading and erosion control permit; excavate site
- Install new ADA parking section:
  - New concrete or asphalt surface
  - 2 ADA parking spaces
  - Access aisle between spaces
  - Wheel stop bars
  - All required ADA signage
  - All required pavement markings





**MINIMUM STANDARD  
DOUBLE-ACCESSIBLE PARKING SPACE  
(ONE VAN-ACCESSIBLE DESIGNATION REQUIRED)**

Item # 3.



**STATE REQUIREMENTS  
FOR A DOUBLE-  
ACCESSIBLE PARKING  
SPACE**

