



CITY COUNCIL MEETING

Monday, July 20, 2026 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/81502783208>

Or by phone: (253) 215-8782; Meeting ID: 81502783208

COUNCIL WORK SESSION – 6:00 PM

1. [PGE Presentation](#)

SURA MEETING (separate agenda) – 6:30 PM

REGULAR COUNCIL MEETING – 7:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT (3-minute limit)

The Council welcomes your comments at this time. The Mayor will call on each person when it is their turn to speak for up to three minutes.

-- If you are attending the meeting in-person, please submit your comment signup form to the City Recorder before the regular meeting begins at 7:00 p.m. Forms are available on the table next to the Council Chambers door.

-- If you are attending the meeting via Zoom, please complete the online comment signup webform by 4:00 p.m. on the day of the meeting: <https://www.ci.sandy.or.us/citycouncil/webform/council-meeting-public-comment-signup-form-online-attendees>.

RESPONSE TO PREVIOUS COMMENTS

CONSENT AGENDA

2. [City Council Minutes: June 15, 2026](#)
3. [IGA Revision: Clackamas County Business ISP Services](#)

NEW BUSINESS

4. [Declaration of City Council Vacancy: Seat #1](#)
5. [Contract Award: 2026 Pavement Maintenance](#)
6. [Discussion: Senate Bill 1561 - Nonconforming Development](#)

REPORT FROM THE CITY MANAGER

COMMITTEE / COUNCIL REPORTS

STAFF UPDATES

Monthly Reports: <https://reports.cityofsandy.com/>

ADJOURN

EXECUTIVE SESSION - The City Council will meet in executive session pursuant to ORS 192.660(2)(h)

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

City of Sandy

Monday, July 20, 2026

JD Podlesnik

Grid Strategy, Planning & Transmission

Heidi Bell, MPA

Local Government Affairs Manager



Working with Sandy Today

- Number of PGE employees who live in Sandy = 42
- Growth since 1990:
 - 1990 Population: 4,152
 - 2025 Population Estimate from PSU Population Center: 13,044
- PGE Customer Accounts, based on meter size
 - Residential: 4,949
 - Commercial: 641
 - Industrial: 1
- 2026 Total PGE Payments, based on 2025 revenues
 - Franchise Payment: \$428,276
 - Privilege Tax Payment: \$183,474
 - Total: \$611,750



Timber Park

We share your commitment to delivering efficient, high-quality services that strengthen community trust. As Sandy, trusted energy partner, Portland General Electric is proud to power the homes, businesses, and public services that make the city thrive.

Advancing resilience against increased threats



Storms



**Extreme weather
events and
wildfires**



**Cyber and
physical security**



**Cascadia
earthquake**



**Regional energy
emergencies**

Resiliency Against Wildfire

System Hardening

- Overhead to underground conversion
- Ductile iron poles
- Enhanced Powerline Safety Settings

Situational Awareness

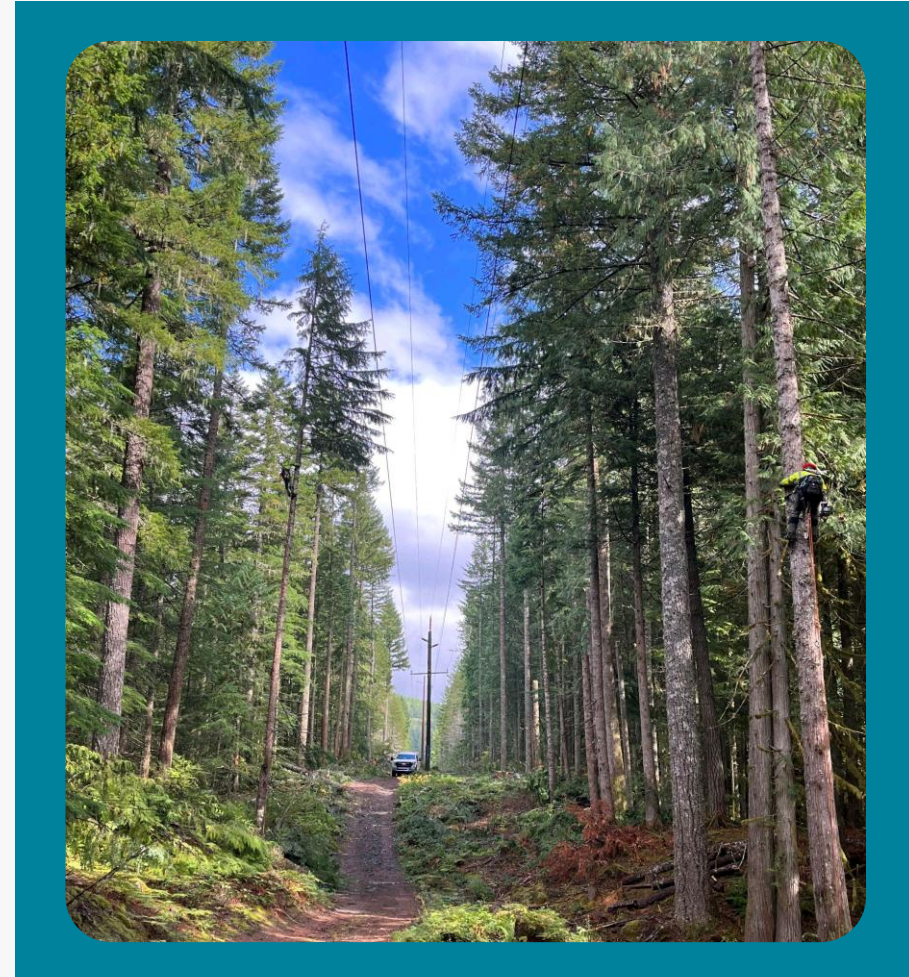
- More than 90 weather stations
- Almost 40 AI-powered fire detection cameras
- Early Fault Detection sensors

Vegetation Management

- Initial patrol and hazard mitigation complete
- Year-round work in areas of higher wildfire risk

Ignition Prevention Inspections

- Annually inspect every power pole and structure in areas at higher wildfire risk (just over 29,000!)



Summit 13 Project Area

- Skibowl West along Hwy 26 to Summit Substation (2026)
- North from Government Camp Loop halfway up the mountain (2027)
- South from the Substation to the Summer Cabins along Perry Vickers to the old airstrip (2027)
- Snow Bunny parking lot will be used as a laydown yard
- Project Manager: Rachel DeHaven



We're strengthening resilience for customers and communities

Maintain regular coordination with Sandy to align on growth plans and long-term community development vision.

- Monitor housing and employment trends and integrate projected load growth into system planning to ensure reliable, electrical infrastructure scaled for the City's needs.
- Business Development and Local Government Affairs meeting with Sandy Economic Development Staff in August



Summit to Summit
Undergrounding



Leland Carcus Project
Distribution System



Redland Substation Rebuild
2028

PGE is Working in the Sandy Area

Item # 1.

Clackamas CO Led Projects:

- Bull Run River Bridge, 2027-2028
- Aschoff Road Bridge, 2027-2028

Other Agency Led Project:

- ODOT, Cedar Creek Bridge, Future Project

PGE Led Projects:

- Leland-Carus Project, 2026: 45 miles, upgrade distribution system
- Early Fault Detection: Sandy-Wildcat Feeder and on Bluff Road
- Summit to Summit, 2026-2027: Overhead to underground
- Vegetation Management, started spring 2026

FITNES Program: Inspections starting 2028. PGE will work with City staff as the work takes shape.

PGE is showing up in your community

Sponsorships and Grants

Item # 1.

Drive Change Fund: 3 City EV buses + site engineering + charging, 2025

Sponsor of the Sandy **Winterfest**, 2026 and 2025

Sponsor and Table at the **Sandy Music Fair and Festival**, 2026

Energy Partner and **15 Smart Thermostats** in City buildings

Sandy Historical Society Museum: EV Charging Stations – Drive Change Fund

PGE is showing up in your community

Item # 1.

Community Involvement /Participation

- Member of the Sandy Area Chamber of Commerce
- Energy Partners: Smart Thermostats in 11 Sandy Businesses
- Ant Farm: Sponsor of Sandy's ANT Farm activities, events, and work
 - Building Rural Clackamas Co Latnix Careers,
 - Responsive Grant for Clean Up Work after January 2024 Winter Storm
 - Power Giving – Support to Nonprofit including the Bakery Program
 - Project "Arboready" Preparing Youth for Careers in Arboriculture

PGE's Community Advisory Councils

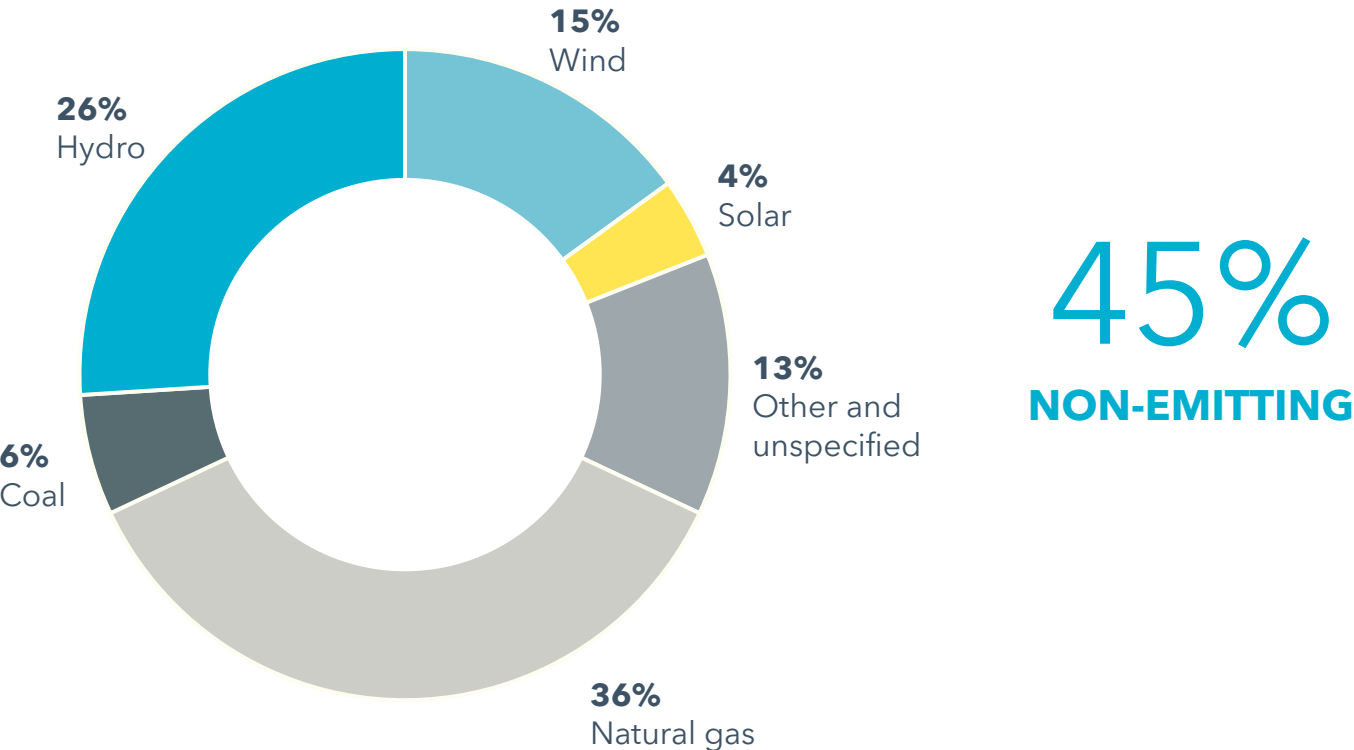
- Regional community-focused advisory committees (Clackamas, Washington, Multnomah, Mid-Valley)
- The community's voice in helping power Oregon's energy future
- 20-25 members representing diverse interests
- Quarterly meetings
- Recruiting membership now for Clackamas County
- Two-year terms
- First meeting expected Fall 2026

PGE's progress towards clean energy

Customers drive our commitments to clean energy, carbon reduction and sustainability

Resource mix for PGE's total system load

Retail and wholesale



Your community participation:

Green Future Choice

Residential Accounts: 1,098
Annual Usage (kWh): 8,857,559

Commercial Accounts: 7
Annual Usage (kWh): 76,085

Green Future Block

Residential Accounts: 51
Annual Usage (kWh): 136,700

Commercial Accounts: 2
Annual Usage (kWh): 4,800

Tax city data query may vary slightly with EPA reports or 2024 Green-e Energy retirements due to reporting accounting method variations.

Affordability: Working to keep electric prices as low as possible

PGE is working to keep customer prices as low as possible

Controlling Operating Costs

In 2025, we launched our Customer Affordability Commitment – a multi-year program designed with our customers in mind. By delivering sustained savings in operations and maintenance costs, we're working to keep customers bills as low as possible and make energy more affordable for the families and businesses we serve.

Ensuring Fair Cost Allocation

PGE is fairly distributing the costs of new infrastructure to serve load growth from data centers/manufacturing to protect residential customers from price impacts while supporting economic growth

Maximizing External Sources of Funding

PGE is reducing project costs by optimizing tax credits, grants, and other incentives while available

Offering Customer Programs that Lower Costs

PGE is helping customers manage and lower energy costs through innovative programs, including weatherization, energy efficiency, demand management, vehicle electrification, energy assistance and bill discounts

Growth pays for growth

Shielding residential and small business customers from unnecessary costs while supporting growth in our region



UM 2377 | HB 3546 – The POWER Act

In May, the Oregon PUC approved a new framework for serving fast-growing data centers – designed to support growth while protecting customers:

- **Large data centers have their own customer category:** This helps ensure their unique energy needs are planned for in a way that supports PGE's commitments to clean, reliable and increasingly clean energy.
- **Costs are fairly assigned:** As demand grows, especially from large users, costs are directed to those driving the growth, helping keep electricity bills as low as possible.
- **Built-in protections for families and small businesses:** Large customers must make long-term commitments and meet minimum payment levels, so other customers aren't left covering unused infrastructure costs.
- **Opportunities to invest in clean energy:** Large customers can directly support new clean energy projects and infrastructure, helping bring more clean power onto the system.

When customers need help, we're there

PGE supports customers with tools and programs to manage their energy costs including bill assistance, rebates and incentives, and solar and battery programs.



Payment help



Item # 1.

Efficiency, load management and weatherization support



Income qualified bill discount



Energy assistance programs



16

Small shifts in when you use electricity can have a big impact on our community.



Keeps power more reliable

- Shifting some of your electricity use by an hour or two helps keep power flowing smoothly for everyone.



Supports increasingly clean energy

- When demand is lowered during peak times, the energy grid relies less on outside power sources that are often less clean.



Keeps costs in check

- Buying power from the open market during high-demand periods typically costs more, and that can affect everyone's energy costs.

Income Qualified Bill Discount Program

60% or 1,024 Sandy households are enrolled in the Income Qualified Bill Discount program out of the 1,711 that we anticipate could be enrolled.

*Important disclaimer: These numbers represent customers that have an 'Sandy' address in our customer billing system. Those addresses may not be within the city limits, rather be in surrounding unincorporated counties.



All residential customer protections apply, in addition to the following provisions:

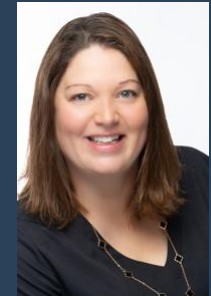
- PGE will not charge late fees.
- PGE will waive the first field visit fee each calendar year.
- If services have been disconnected due to non-payment within the past 7 days of severe weather or poor air quality conditions, PGE will reconnect them at no upfront charge at the customer's request.
- PGE will waive all reconnection fees for customers.
- Help you pay less for public charging at Electric Avenue, Oregon Electric Byways, and your neighborhood pole chargers.

Collaborative partnerships are key

Your PGE Local Government Affairs Manager

Heidi Bell, MPA

Local Government Affairs Manager



Thank you

**Let's
meet the
future
together.**



CITY COUNCIL MEETING

Monday, June 15, 2026 at 7:30 PM
Sandy City Hall and via Zoom

MINUTES

EXECUTIVE SESSION (6:00 PM) – The City Council met in executive session pursuant to ORS 192.660(2)(f)&(h)

REGULAR MEETING (7:30 PM)

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Mayor Kathleen Walker
Council President Don Hokanson
Councilor Chris Mayton
Councilor Kristina Ramseyer
Councilor Lindy Hanley

ABSENT

Councilor Laurie Smallwood
Councilor Rich Sheldon

CHANGES TO THE AGENDA

(none)

PUBLIC COMMENT (3-minute limit)

(none)

RESPONSE TO PREVIOUS COMMENTS

The City Manager noted that the Public Works Director has agreed to fulfil the requests Janet Davis made related to CPO meeting attendance and provision of a hard copy of the wastewater facility plan in the Sandy Library

CONSENT AGENDA

1. City Council Minutes: June 8, 2026
2. Mountain Festival Approvals 2026: Exclusive Use of Meinig Memorial Park, Noise Exemption, and Road Closures

3. Music Fair and Feast Approvals 2026: Exclusive Use of Centennial Plaza, Closure of Hoffman Avenue, and Noise Exemption Request
4. Resolution 2026-20: Updating Bank Signatories

MOTION: Adopt the Consent Agenda

Motion made by Councilor Hanley, Seconded by Councilor Ramseyer.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 5-0

RESOLUTIONS

5. PUBLIC HEARING: Resolution 2026-12 - Updating the Master Fee Schedule

Abstentions

(none)

Conflicts of Interest

(none)

Staff Report

The City Manager summarized the staff report in the meeting packet

Public Testimony

Art O'Leary: Asked whether development fees and system development charges (SDCs) are being kept up to pay for the infrastructure needs of the city; expressed concern that the inflation based increases of some fees may not be sufficient to cover the impact of development on city infrastructure

In response, staff stated that while SDCs were not on the agenda, they were recently updated based on the cost of necessary infrastructure projects to the extent that their cost is attributable to growth pursuant to state law. Staff also noted that while loans being used to fund projects are guaranteed by rate revenue because SDC income is not predictable, staff will regularly analyze finances to determine whether opportunities exist to pay off loan principal with SDC funds. It was also noted that the City must ensure sufficient revenue is collected to continue on track with required projects and to meet debt obligations.

MOTION: Close the public hearing

Motion made by Council President Hokanson, Seconded by Councilor Mayton.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 5-0

Council Discussion

- Discussion related to the impact of customer assistance programs on rate revenue; note that the take rate has been relatively low, but that its impact has been accounted for in the rate model, and it could impact rates in the future depending on the number of people enrolled
- Explanation of the debt coverage ratios demanded by lenders to ensure solvency
- Remarks from the Mayor related to high rates including recent reductions to the rate model because of lower project costs, continued efforts to secure grant funding, and the need to understand precisely how the rate model is affected with each new infusion of grant funds. Generally it was noted that fee calculations should be transparent for everyone
- Opportunities for City staff to take back operations of treatment plants to save costs
- Possibilities for deferring far off projects in the rate model to reduce rate increases
- Note of the need to review wholesale water rates at the next opportunity, to ensure cost sharing equity
- Note of the need to provide as much rate relief as possible for residents
- Note that master plans have been adopted, and now they must be funded
- Discussion on the length of time and complications involved with securing federal grant funds

MOTION: Adopt Resolution 2026-12

Motion made by Council President Hokanson, Seconded by Councilor Hanley.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 5-0

6. Resolution 2026-13: Expanding the Utility Customer Assistance Program

The City Manager summarized the staff report in the meeting packet. It was noted that the assistance program applies to residential customers, that the program will be revisited again soon to ensure it is structured optimally, and that future amendments are also possible as needed. Future revenue opportunities may also emerge.

MOTION: Adopt Resolution 2026-13

Motion made by Councilor Ramseyer, Seconded by Council President Hokanson.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 5-0

NEW BUSINESS

7. 2025-2027 City Council Goals Status Update

The City Manager summarized the staff report in the meeting packet. Clarification was provided on the timing and the design stage status of the Hwy 211 ADA ramp project. Concern was expressed over ODOT's work on ADA ramps throughout downtown, and the Council's desire for more proactive staff engagement with ODOT on their project to protect the community's interests. Further discussion ensued on the Community Livability Task Force's continuing work, as well as the ongoing efforts to engage the community at the Farmer's Market.

REPORT FROM THE CITY MANAGER

- Update on the Finance Director vacancy, recruitment, and evaluation of department needs
- Note of the upcoming Longest Day Parkway event
- Note of the summer concert
- Update on the results of the City's appeal before the Speed Zone Review Panel related to Hwy 26 on the east end of the city
- Note that the July 6th Council meeting is canceled
- Note of the upcoming fireworks show
- Reflections on the tragic loss of St. Helens City Administrator, John Walsh
- Thanks and appreciation for Councilor Mayton's service

COMMITTEE / COUNCIL REPORTS

Councilor Mayton

- Thanks to everyone
- Hope that the Council continues to protect residents and responsibly plan for the future
- Reflections on his service to the community

Councilor Ramseyer

- Recap of the recent Transit Advisory Board meeting, including SAM advertising, Shopper Shuttle route updates, and Clackamas Town Center ridership
- Note of the upcoming Planning Commission meeting

Councilor Hanley

- Update on Mt Festival plans and Music Fair & Feast plans; praise for community events and the indispensable efforts of volunteers
- Reminder of the need to continue to focus on the needs of May 31 victims who have not been able to move on yet
- Update from the Police Chief on the status of Sergeant Thronton
- Thanks and appreciation for Councilor Mayton's steady and thoughtful leadership

Council President Hokanson

- Thanks and appreciation for Councilor Mayton's service

Mayor Walker

- Thanks and appreciation for Councilor Mayton and his legacy of service for the community
- Update on priorities for the Livability Task Force including homelessness
- Note of upcoming 4th of July and Mt Festival events
- Note of the upcoming Longest Day Parkway event
- Note of the need to continue reaching out to May 31st victims, and eventually creating a memorial when the timing is appropriate

STAFF UPDATES

Monthly Reports: <https://reports.cityofsandy.com/>

ADJOURN



STAFF REPORT

Item # 3.

Meeting Type: City Council
Meeting Date: July 20, 2026
From: Gregory Brewster, IT Director
Subject: IGA Revision: Clackamas County Business ISP Services

DECISION TO BE MADE:

Whether to authorize an amendment to the existing IGA with Clackamas County to revise the monthly price for the half-gigabit speed tier.

APPLICABLE COUNCIL GOAL:

N/A

BACKGROUND / CONTEXT:

On [October 6, 2025](#), the City Council approved an amendment to an existing IGA between the City of Sandy and Clackamas County's Broadband Exchange (CBX) for offering business level ISP services within Clackamas County. The IGA was originally created back in 2022.

In the 2025 amendment, staff proposed a special rate for a number of lottery sites that were awarded to both CBX and SandyNet to service. That project has since wrapped up. In that same amendment, a new rate was established for businesses that wanted a half-gigabit connection (or 500 Mbps down and 500 Mbps up). The price for that plan was originally set at \$100 a month, with \$52 being held by the City, and the remainder being remitted to the County.

KEY CONSIDERATIONS / ANALYSIS:

During the construction of many of the lottery sites, SandyNet and CBX determined that the originally established rate for the half-gigabit service would need to be increased to \$120 to be sustainable. Staff have made proposed revisions to the IGA to increase the monthly rate for the half-gigabit service tier to \$120 a month. The new proposed revenue split would have \$60 retained by the City and the remaining \$60 to be sent to the County.

Staff are aware that by raising the price of the half-gigabit speed package, the offering may be less competitive compared to other service providers in the area. This has been more noticeable in areas primarily fed by cable providers, which are currently offering long multi-year promotional plans. However those who are not available for a promotion with their current provider or lack access to fiber optic as a medium have been more likely to inquire about the half-gigabit plan. Overall staff does not believe that the proposed rate increase will discourage interest in SandyNet.

Upon reviewing the work performed under the lottery project, both City Staff and CBX have determined that the new proposed rate will increase the City's return on its investment, and cover any additional costs associated with the subscriber. For example, the lottery project did not require SandyNet to provide a router, whereas a subscriber under the half-gigabit plan is more likely to need an additional piece of equipment. Both the City and County are comfortable that the new proposed rate will be a more sustainable package for the future.

BUDGET IMPACT:

Each half-gigabit connection will provide SandyNet an additional \$8 per month, for a total of \$60 per month. The remainder of the added revenue will be sent to the County.

RECOMMENDATION:

Staff respectfully request that City Council review and approve the revisions to the IGA between the City of Sandy and Clackamas County.

SUGGESTED MOTION LANGUAGE:

"I move to authorize the City Manager to sign the revised IGA between the City of Sandy and Clackamas County for business broadband services, as included in the meeting packet."

LIST OF ATTACHMENTS / EXHIBITS:

- Revised Intergovernmental Agreement Between the City of Sandy and Clackamas County for Business Broadband Services

**INTERGOVERNMENTAL AGREEMENT
BETWEEN CLACKAMAS COUNTY
AND THE CITY OF SANDY**

THIS AGREEMENT (“Agreement”) is entered into and by and between Clackamas County (“County”), a political subdivision of the State of Oregon, and the City of Sandy (“City”), a political subdivision of the State of Oregon, pursuant to ORS Chapter 190 (Cooperation of Governmental Units), collectively referred to as the “Parties” and each a “Party.”

RECITALS

WHEREAS, authority is conferred under ORS Chapter 190 to local governments to enter into agreements for the performance of any and all functions and activities that a party to the agreement, its officers or agencies have authority to perform; and

WHEREAS, the parties desire to partner for a fiber based business internet service whereby the City will serve as the Internet Service Provider (“ISP”) and the County will construct the necessary infrastructure and provide the dark fiber connections to the City’s customers (the “Project”).

NOW, THEREFORE, in consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Term.** This Agreement shall be effective upon execution by both Parties, and shall continue for a term of five (5) year from the date of execution. This Agreement shall automatically renew for an additional one (1) year term each year thereafter unless otherwise terminated by the parties, but in no event shall the term of this Agreement exceed a maximum of 10 years from date executed.
2. **Rights and Obligations of the County.**
 - A. Upon written request from the City, County may construct the necessary infrastructure and install a dark fiber connection to customers who have agreed to have the City serve as an ISP. Infrastructure construction shall be performed by County in its sole discretion. The County is and will remain the owner of any infrastructure and dark fiber installed as part of said construction. Prior to County performing such construction, the County will consult with the City to ensure that the specifications of the infrastructure and fiber are compatible with City’s system. Prior to the County performing the construction, the City shall ensure the following construction and installation requirements are satisfied for each property to be served:
 - i. The City has secured all easements, leases, licenses, authorizations, or other agreements from property owner as determined necessary by County to allow County to use existing pathways to, into and within each site to the demarcation point for service, and to otherwise perform the infrastructure construction.
 - ii. A path acceptable to the County is provided for the fiber optic cable from the point of entry into the service site to the termination panel or CSP (Customer Splice Point) and into the home demarcation that complies with all applicable building, electrical, fire and related codes.
 - iii. The County and its employees, agents, lessees, officers and its authorized vendors, upon

reasonable notice, have the right to reasonable ingress and egress into and out of the properties and buildings in connection with the provision of service.

- B. Following construction of such infrastructure, and throughout the term of this Agreement, County shall maintain and repair, as necessary, all County-owned infrastructure necessary to provide service to each customer receiving service pursuant to this Agreement. County shall have the sole discretion to determine how to maintain said infrastructure and make the required repairs, provided that (1) the repair is sufficient to restore service at a level equal to or better than the level that existed prior to the damage necessitating the repair, and (2) the repair is completed promptly, and in any event no later than forty-eight (48) hours after County is notified of the need for repair.
- C. Subject to the availability of funds, as determined by the County in its sole administrative discretion, the County will provide up to but not to exceed \$3,000.00 for the expansion of the fiber network to serve each customer. If the construction cost will exceed \$3,000.00, the City will collect the additional funds from the customer and distribute the funds to County either in lump sum or an agreed amount over the term of the customer's service order.
- D. County will secure all franchises, licenses, or other authorizations necessary for operating in the appropriate utility right of way ("ROW"). County will be responsible for paying all ROW specific fees and taxes. City will collect those fees and taxes on the County's behalf and transmit to County.

3. **Rights and Obligations of City.**

- A. If County performs the infrastructure construction necessary to serve a customer, the City will provide ISP services to the customer pursuant to those terms and conditions as may be mutually agreed to between the City and the customer. County will have no involvement or interest in, and will not be a party to, any such agreement entered into by and between City and the customer.
- B. In serving as an ISP, City shall provide all commercially reasonable ISP services including, but not limited to, IP addresses, billings, and general customer service. Customer service will, at a minimum be available Monday through Friday from 9 am to 5 pm, excluding federal holidays.
- C. As of the date of this Agreement, City will provide ISP services to customers under the following packages:
 - i. Gigabit Business Dedicated Internet Access (DIA) at a minimum cost of \$225.00 per month per customer for a symmetrical 1 Gig service. Of the fees actually collected from each customer each month, \$105.00 will be distributed by the City to the County. Minimum cost does not include any fees or taxes that may be imposed on City or County, which may be added to the customer's cost.
 - ii. Half Gigabit Business Shared Internet Access at a minimum cost of \$120.00 per month per customer for symmetrical 500Mbps service. Of the fees actually collected from each customer each month, \$60 will be distributed by the City to the County. Minimum cost does not include any fees or taxes that may be imposed on the City or County, which may be added to the customer's cost.
 - iii. Lottery Contract Site is a specific tier designated for Oregon Lottery circuits and offer internet access at a minimum of \$80 per month per Oregon Lottery site for symmetrical 250Mbps service. Of the fees actually collected for each Oregon Lottery site, \$40 will be distributed by the City to the County. Minimum cost does not include any fees or taxes that may be imposed on the City or County, which may be added to the customer's cost.

- D. The City reserves the right to upsell, or provide over-the-top services to customers including but not limited to: phone service, television and network services, so long as it does not require any additional dark fiber connections. Any services requiring dark fiber must be mutually agreed upon between both parties.
- E. Rate increases shall occur no more than once per year and shall be mutually agreed upon by both parties and memorialized in an amendment to this agreement, unless the increase is (1) related to a government-imposed fee or tax., or (2) an amount not related to a government-imposed fee or tax which is not greater than three percent (3%) per year.

4. Location.

- A. The rights and obligations of the Parties pursuant to this Agreement apply only in the geographic area served by the Clackamas County fiber network.

5. Representations and Warranties.

- A. *City representations and warranties:* City represents and warrants to County that City has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of City enforceable in accordance with its terms.
- B. *County Representations and Warranties:* County represents and warrants to City that County has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of County enforceable in accordance with its terms.
- C. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.

6. Termination.

- A. The County and City, by mutual written agreement, may terminate this Agreement at any time.
- B. Either Party may terminate this Agreement for convenience upon sixty (60) day's written notice to the non-terminating Party.
- C. Either the County or City may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination, however, the Party seeking the termination shall give the other Party written notice of the breach and of the Party's intent to terminate. If the breaching Party has not entirely cured the breach within fifteen (15) days after such notice, or other time as may be agreed between the parties in writing, then the Party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. If the default is of such a nature that it cannot be completely remedied within such fifteen (15) day period, this provision shall be complied with if the breaching Party begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar default in any twelve (12) month period.
- D. The County or City shall not be deemed to have waived any breach of this Agreement by the other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.

- E. Either Party may terminate this Agreement in the event the Party fails to receive expenditure authority sufficient to allow that Party, in the exercise of its reasonable administrative discretion, to continue to perform under this Agreement, or if federal or state laws, regulations or guidelines are modified or interpreted in such a way that performance under this Agreement is prohibited or a Party is prohibited from paying for such work from the planned funding source.
- F. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
- G. Upon expiration or termination of this Agreement, regardless of cause, County's obligations under this Agreement shall nevertheless remain in full force and effect with regard to any customers then being served under this Agreement, for a period of time equal to the term of any service order then in effect for such customer, or three (3) years, whichever is less. Upon receipt of a notice to terminate, for any reason, City shall not enroll any additional customers for the services described in this Agreement.

7. **Indemnification.**

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the County agrees to indemnify, save harmless and defend City, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the County or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the County has a right to control.
- B. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, City agrees to indemnify, save harmless and defend the County, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of City or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which City has a right to control.

- 8. **Insurance.** The Parties agree to maintain insurance levels sufficient to cover the obligations agreed to in this Agreement.

9. **Party Contacts**

- A. Duke Dexter or his designee will act as liaison for the County.

Contact Information:

Duke Dexter
121 Library Court
Oregon City, Oregon 97045
ddexter@clackamas.us
Fax: 503-655-8255

Greg Brewster or his designee will act as liaison for City.

Contact Information:

Greg Brewster
 39250 SE Pioneer Blvd
 Sandy, Oregon 97055
gbrewster@ci.sandy.or.us
 (503) 489-0937

- B. Either Party may change the Party contact information, or the invoice or payment addresses, by giving prior written notice thereof to the other Party at its then current notice address.

10. General Provisions

- A. **Oregon Law and Forum.** This Agreement, and all rights, obligations, and disputes arising out of it will be governed by and construed in accordance with the laws of the State of Oregon without giving effect to the conflict of law provisions thereof. Any claim between County and City that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Clackamas County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by either Party of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. City, by execution of this Agreement, hereby consents to the in personam jurisdiction of the courts referenced in this section.
- B. **Compliance with Applicable Law.** Both Parties shall comply with all applicable local, state and federal ordinances, statutes, laws and regulations. All provisions of law required to be part of this Agreement, whether listed or otherwise, are hereby integrated and adopted herein. Failure to comply with such obligations is a material breach of this Agreement.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- D. **Access to Records.** The Parties shall retain, maintain, and keep accessible all records relevant to this Agreement ("Records") for a minimum of six (6) years, following Agreement termination or full performance or any longer period as may be required by applicable law, or until the conclusion of an audit, controversy or litigation arising out of or related to this Agreement, whichever is later. The Parties shall maintain all financial records in accordance with generally accepted accounting principles. All other Records shall be maintained to the extent necessary to clearly reflect actions taken. During this record retention period each Party shall permit the other Parties' authorized representatives' access to the Records at reasonable times and places for purposes of examining and copying.
- E. **Debt Limitation.** This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent

upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.

- F. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- G. **Integration, Amendment and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties regarding its subject matter. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- H. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- I. **Independent Contractor.** Each of the Parties hereto shall be deemed an independent contractor for purposes of this Agreement. No representative, agent, employee or contractor of one Party shall be deemed to be a representative, agent, employee or contractor of the other Party for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, partnership, joint venture or any similar relationship, and each Party hereby specifically disclaims any such relationship.
- J. **No Third-Party Beneficiary.** City and County are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.
- K. **Assignment.** Neither Party shall assign or transfer any of its interest in this Agreement, by operation of law or otherwise, without obtaining prior written approval from the other Party, which shall be granted or denied in that Party's sole and absolute discretion. One Party's consent to any assignment shall not relieve the other Party of any of its duties or obligations under this Agreement.
- L. **Counterparts.** This Contract may be executed in several counterparts (electronic or otherwise), each of which shall be an original, all of which shall constitute the same instrument.
- M. **Survival.** The provisions of Sections 5, 7, and 10 shall survive the termination of this Agreement.

- N. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.
- O. **Successors in Interest.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.
- P. **Force Majeure.** Neither City nor County shall be held responsible for delay or default caused by events outside of City's or County's reasonable control including, but not limited to, fire, terrorism, riot, acts of God, or war.
- Q. **Confidentiality.** The Parties and their employees or agents may, in the course of this Agreement, be exposed to or acquire material identified as confidential information. Such information shall be deemed confidential information of the Party identifying it as such ("Confidential Information"). The Parties agree to hold Confidential Information in strict confidence, using at least the same degree of care that each Party uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purpose unless specifically authorized in writing under this Agreement.
- R. **Notice.** Any notice required to be provided under this Agreement shall be provided to the Party Contact at the address specified in Section 9 of this Agreement. Notices shall be made by personal service, in which case they are effective on the date of service, or by certified mail, in which case they are effective on the date of delivery, or if delivery is refused, upon the date of delivery refusal.
- S. **Dispute Resolution.** Should any dispute arise between the parties, it is agreed that such dispute will be submitted to a mediator prior to any litigation and the parties hereby expressly agree that no claim or dispute arising under the terms of this Agreement shall be resolved other than first through mediation and only in the event said mediation efforts fail, through litigation. The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties agree in writing otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If a party requests mediation and the other party fails to respond within ten (10) calendar days, or if the parties fail to agree on a mediator within ten (10) calendar days, a mediator shall be appointed by the presiding judge of the Clackamas County Circuit Court upon the request of either party. The parties shall have any rights at law or in equity with respect to any dispute not covered by this Section.
- T. **No Attorney Fees.** In the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorneys' fees and expenses.

IN WITNESS HEREOF, the Parties have executed this Agreement by the date set forth opposite their names below.

Clackamas County

City of Sandy

Chair, Board of County Commissioners

By:

Date

Date

Recording Secretary

Meeting Type:	City Council
Meeting Date:	July 20, 2026
From:	Jeff Aprati, Deputy City Manager
Subject:	Declaration of City Council Vacancy: Seat #1

DECISION TO BE MADE:

Whether to formally declare Sandy City Council Seat #1 to be vacant.

BACKGROUND / CONTEXT:

On June 8, 2026 City Councilor Chris Mayton sent an email to the Mayor and City Manager announcing his resignation from his seat, effective June 27, 2026. The email is attached to this staff report. His resignation was further discussed during the Council Meetings on [June 8, 2026](#) and [June 15, 2026](#).

City Council vacancies are discussed in Chapter VII of the [City Charter](#), and in Chapter 10 of the [Council Rules](#).

KEY CONSIDERATIONS / ANALYSIS:

When a City Councilor resigns, it is necessary for the remaining Council to formally declare the seat to be vacant. This is done by motion of the Council.

Filling Vacancies

The Council has the ability to appoint a qualified individual to fill a vacancy by adopting an appointment process, advertising the opportunity, reviewing and interviewing applicants, and making a selection during a public meeting. This most recently occurred following the resignation of Carl Exner in 2024.

However, because Seat #1's term expires in less than six months, it would likely make more sense to leave the seat vacant and allow the impending election process to decide the matter instead (rather than appointing someone who may only be able to serve for a short time). Staff and the City Attorney agree this would be a prudent course to take.

RECOMMENDATION:

Staff recommends the Council formally declare Seat #1 to be vacant, but take no further action until the November 3, 2026 general election has concluded.

SUGGESTED MOTION LANGUAGE:

"Due to the recent resignation of Chris Mayton, I move to declare Sandy City Council Seat #1 to be vacant, effective immediately."

From: Christopher Mayton [REDACTED]
Subject: Notice of Resignation — City Councilor (Effective June 27)
Date: Jun 8, 2026 at 12:30 PM
To: tdeems@ci.sandy.or.us, kwalker@ci.sandy.or.us
Cc: japrati@ci.sandy, cmayton@ci.sandy.or.us

Dear Mayor Walker/ City Manager Deems,

Please accept this letter as my formal resignation from my position as City Councilor for the City of Sandy, effective June 27, 2026. I have sold my home and will be relocating out of state, and I will no longer be able to fulfill the duties of my office.

It has been an honor to serve our community and to work alongside the mayor, fellow council members, city staff, and residents. I appreciate the opportunity to have contributed to many positive accomplishments, as well as our community's growth and wellbeing.

I am committed to assisting with a smooth transition over the coming weeks. Please let me know how I can help with handing off active matters, providing records, or briefing my successor.

Thank you for your understanding and for the opportunity to serve.

Sincerely,

Christopher Mayton
City Councilor Seat #1



STAFF REPORT

Item # 5.

Meeting Type: City Council
Meeting Date: July 20th 2026
From: AJ Thorne Public Works Director
Subject: Contract Award: 2026 Pavement Maintenance

DECISION TO BE MADE:

Whether to authorize the City Manager to sign an agreement with Knife River Corporation, NW for the 2026 Pavement Maintenance Project.

APPLICABLE COUNCIL GOAL:

- **Goal 7.11:** Complete pavement management plan; ensure pavement plans are visible and accessible to the public.

BACKGROUND / CONTEXT:

The City uses Pavement Maintenance System software to prioritize street maintenance projects based on a condition survey performed every five years. The City hires a firm to perform an inventory of Sandy's streets, assigning each street section a Pavement Condition Index (PCI) score. In 2025, Capital Asset calculated Sandy's average PCI score at 79. This is a drop of 3 points since the 2020 inventory.

Using local option fuel tax revenue, the City has historically completed \$500,000 to \$600,000 worth of street maintenance (asphalt overlays and surface treatments) projects every two years. Unfortunately this approach has become inadequate over the years. The half-million dollar projects do not complete enough pavement upgrades to maintain our PCI goal of 80. According to the 2025 report, a budget of \$600,000 each biennium is expected to lower our score to 75 by the year 2030. To maintain our current pavement condition, we would need to budget approximately \$1,270,000 for maintenance every two years.

PW has already exhausted this budget line item for the current biennium with the project in summer 2025, which totaled of \$536,751.38 This new project was bid in an attempt to make headway toward better pavement management for the City.

KEY CONSIDERATIONS / ANALYSIS:

Pavement projects are suggested by the inventory report in order to provide the maximum return on investment. In addition, PW staff performs additional inspection and prioritizes projects with known safety issues or high impacts for earlier improvements.

On June 25th 2026 the City of Sandy received three bids for our 2026 Street Maintenance program. The work will consist of slurry seal treatments and paving selected streets as shown on the attached map. A summary of the bids is listed below:

Bidder	Amount
Knife River Corporation	\$561,990.50
S-2 Contractors	\$577,024.00
Western United Civil Group	\$690,762.50

BUDGET IMPACT:

The budget line item for pavement work in the Street Utility fund has already been used by the 2025 Street Maintenance project. However, during the 2025-2027 budget process, Council expressed interest in using Street Fund contingency funds to perform additional paving work. This bid was advertised in response to that request.

The 2025-2027 Street Utility fund budget includes just over \$2,000,000 in contingency funds.

RECOMMENDATION:

Authorize the City Manager to sign an agreement with Knife River Corporation, NW for the 2026 Pavement Maintenance Program Construction Contract in an amount not to exceed \$561,990.50

SUGGESTED MOTION LANGUAGE:

"I move to accept the low bid of \$561,990.50 with Knife River Corporation, NW for the 2026 Pavement Maintenance Program Construction Contract, and authorize the City Manager to enter into an agreement with Knife River Corporation, NW to complete this project."

LIST OF ATTACHMENTS / EXHIBITS:

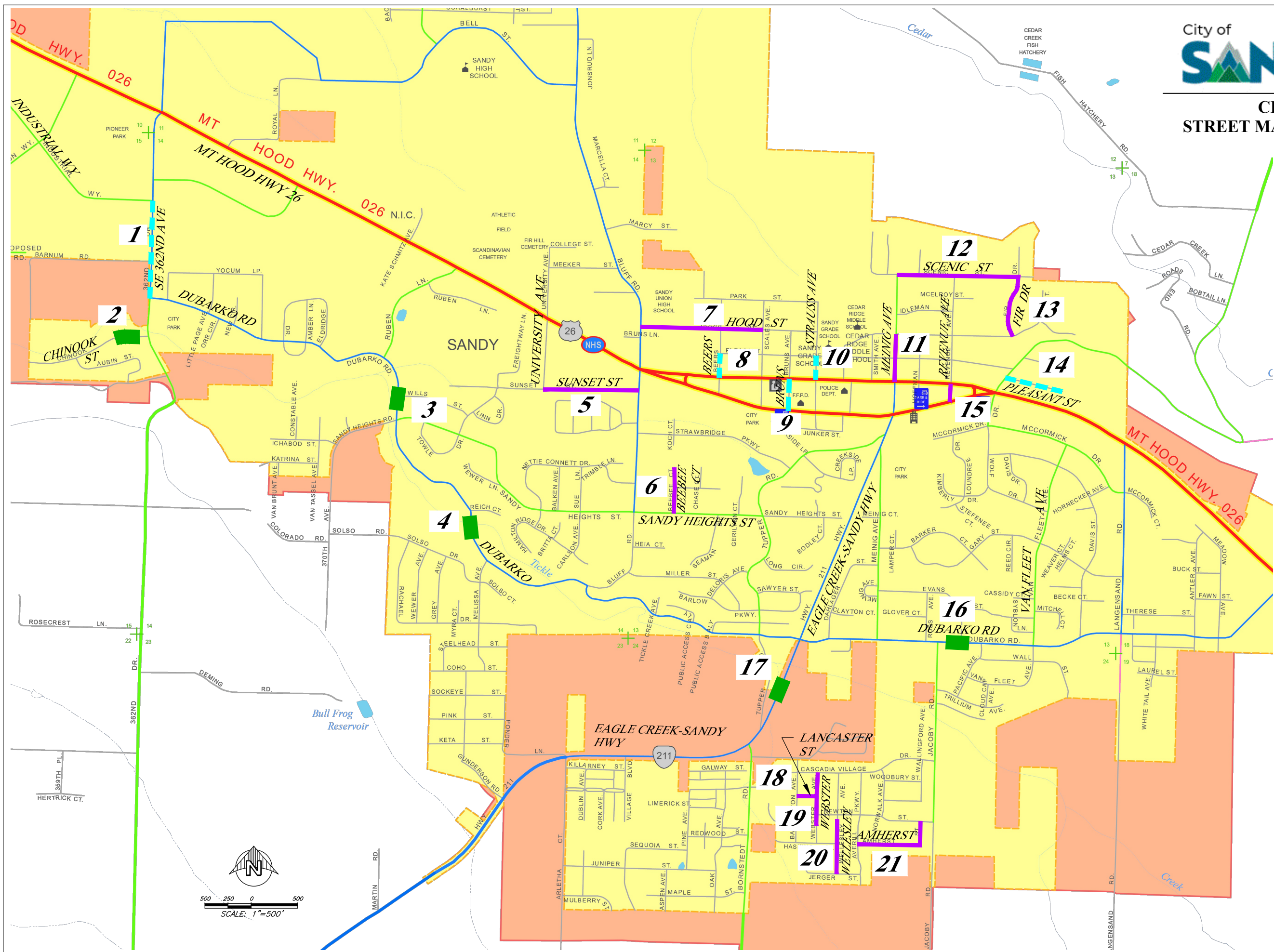
- Map of streets to receive treatment
- Bid Opening Summary & Tabulation



CITY OF SANDY
STREET MAINTENANCE MAP 2026

- LEGEND:**
- 2026 SLURRY SEAL
 - 2026 GRIND AND 2" OVERLAY
 - FULL LANE WIDTH REPAIR

- STREET INVENTORY:**
- SE 362 AVE:
GRIND AND 2" OVERLAY
 - CHINOOK ST:
FULL LANE REPAIR (1400 SF)
 - DUBARKO ST:
FULL LANE REPAIR (600 SF)
 - DUBARKO ST:
FULL LANE REPAIR (1400 SF)
 - SUNSET ST:
SLURRY SEAL
 - BEEBEE CT:
SLURRY SEAL
 - HOOD ST:
SLURRY SEAL
 - BEERS AVE:
GRIND AND 2" OVERLAY
 - BRUNS AVE:
GRIND AND 2" OVERLAY
 - STRAUSS AVE:
GRIND AND 2" OVERLAY
 - MEINIG AVE:
SLURRY SEAL
 - SCENIC ST:
SLURRY SEAL
 - FIR DR:
SLURRY SEAL
 - PLEASANT ST:
GRIND AND OVERLAY
 - REVENUE AVE:
SLURRY SEAL
 - DUBARKO ST:
FULL LANE REPAIR (2200 SF)
 - EAGLE CREEK - SANDY HWY 211:
FULL LANE REPAIR
(NORTH BOUND LANE 600 SF)
 - WEBSTER AVE :
SLURRY SEAL
 - LANCASTER DR:
SLURRY SEAL
 - WELLESLEY AVE:
SLURRY SEAL
 - AMHERST ST:
SLURRY SEAL



June 30, 2026

Mr. AJ Thorne, PE, City Public Works Director
City of Sandy
39250 Pioneer Blvd.
Sandy, OR 97055

**RE: CITY OF SANDY
2026 STREET MAINTENANCE PROJECT
BID TABULATION & RECOMMENDATION OF AWARD**

Dear Mr. Thorne:

On Thursday, June 25th, 2026, the City of Sandy received three (3) bids for the 2026 Street Maintenance Project. A bid tabulation is attached, and a summary of the bids is listed below:

1	Knife River Corporation, NW	\$561,990.50
2	S-2 Contractors	\$577,024.00
3	Western United Civil Group	\$690,762.50

The bids were reviewed for bonding, acknowledging the addenda, noting their residency, and execution of the bid proposal. All bidders were deemed to be responsible, with no deviations noted.

The low bidder was responsible and responsive. As a result, we recommend the City Council award the 2026 Street Maintenance project to Knife River Corporation, NW in the amount of \$561,990.50 and authorize the City to execute the contracts. Upon notification of the award, our office will prepare contract documents and coordinate with your office for execution of the contracts within 15 days.

We have issued the seven-day Notice of Intent to Award today, June 30, 2026. Pending no protests are received by July 7th, the Council can award the project at the next regular Council meeting.

Please let us know if you have any questions.

Very truly yours,

MacKay, Lake Oswego Branch



Jeremy S. Thomas, P.E.

Enclosure: Bid Tabulation

CITY OF SANDY

Project: 2026 STREET MAINTENANCE

Bid Date: Thursday, June 25, 2026, @ 2PM



Item # 5.

1

2

3

BID TABULATION			Knife River	S-2 Contractors	Western United Civil Group
Basic Bid Items:			Units	Unit / Total	Unit / Total
A. Schedule A - Street Overlay					
A.1	Mobilization, Including Bonding, Insurance & Miscellaneous Costs Not Identified as a Bid Item	1	LS	\$ 25,905.00	\$ 30,000.00
				\$ 25,905.00	\$ 30,000.00
A.2	Traffic Control & Temporary Erosion Control Measures	1	LS	\$ 40,760.00	\$ 22,000.00
				\$ 40,760.00	\$ 22,000.00
A.3	Curb Grind Existing Pavement, (6' wide panel along the curb, 2" to 0" depth)	4,150	LF	\$ 5.22	\$ 7.00
				\$ 21,663.00	\$ 29,050.00
A.4	2"- 4" Spot/End Grind Existing Pavement, Width & Depth Determined in Field	885	SY	\$ 42.20	\$ 16.00
				\$ 37,347.00	\$ 14,160.00
A.5	Deep Base Repair of Failed Roadway Sections, Includes Saw Cut, 16" Common Excavation, 12" of Base Rock. HMAC Paid Under AC Overlay Bid Item	720	SY	\$ 68.00	\$ 130.00
				\$ 48,960.00	\$ 93,600.00
A.6	1/2" Dense Mix HMAC Pavement Overlay & Pre-Level Where Needed. PG 64-22 Binder, 2" Thick Per Lift	1400	Tons	\$ 145.00	\$ 140.00
				\$ 203,000.00	\$ 196,000.00
A.7	4" Wide White or Yellow Thermoplastic Stripe, Including All Labor, Equipment, Material, and Installation	2,100	LF	\$ 2.15	\$ 2.60
				\$ 4,515.00	\$ 5,460.00
A.8	8" Wide White or Yellow Thermoplastic Stripe, Including All Labor, Equipment, Material, and Installation	2,100	LF	\$ 2.60	\$ 3.00
				\$ 5,460.00	\$ 6,300.00
A.9	12" Wide White Stop Bars or 24" Wide White Thermoplastic Crosswalk Bars, 2' Wide x 10' Long Continental Crosswalk	180	SF	\$ 19.00	\$ 22.00
				\$ 3,420.00	\$ 3,960.00
A.10	Bike Markings, Left Turn Arrows, Straight & Right Turn Arrows, Including All Labor, Equipment, Material, and Installation	4	Ea	\$ 435.00	\$ 450.00
				\$ 1,740.00	\$ 1,800.00
A.11	ADA Curb Ramp, Includes Sawcut, Curb & Gutter, Concrete, Truncated Dome, All Formwork & Site Restoration As Needed	1	Ea	\$ 15,450.00	\$ 14,000.00
				\$ 15,450.00	\$ 14,000.00
A.12	Minor Manhole Grade Adjustment Ring	15	Ea	\$ 290.00	\$ 300.00
				\$ 4,350.00	\$ 4,500.00
A.13	Fire Hydrant Reflector	2	Ea	\$ 23.00	\$ 100.00
				\$ 46.00	\$ 200.00
Subtotal				\$ 412,616.00	\$ 421,030.00
Basic Bid Items:			Units	Unit / Total	Unit / Total
B. Schedule B - Slurry Seal Treatment					
B.1	Mobilization, Including Bonding, Insurance & Miscellaneous Costs Not Identified as a Bid Item	1	LS	\$ 2,900.00	\$ 18,000.00
				\$ 2,900.00	\$ 18,000.00
B.2	Traffic Control Measures, Including Public Outreach/Notification	1	LS	\$ 12,380.00	\$ 8,000.00
				\$ 12,380.00	\$ 8,000.00
B.3	Type II Slurry Seal Including All Labor, Equipment, and Material	26,200	SY	\$ 4.65	\$ 4.42
				\$ 121,830.00	\$ 115,804.00
B.4	4" Wide White or Yellow Thermoplastic Striping	2,000	LF	\$ 2.15	\$ 2.50
				\$ 4,300.00	\$ 5,000.00
B.5	12" Wide White Stop Bars or 24" Wide White Thermoplastic Crosswalk Bars, 2' Wide x 10' Long Continental Crosswalk	220	SF	\$ 19.00	\$ 22.00
				\$ 4,180.00	\$ 4,840.00
B.6	Thermoplastic Striping Removal	2,175	LF	\$ 1.74	\$ 2.00
				\$ 3,784.50	\$ 4,350.00
Subtotal				\$ 149,374.50	\$ 155,994.00

Red denotes variation from written bid, after calculation

TOTAL BASIC BID \$ 561,990.50 \$ 577,024.00 \$ 690,762.50



STAFF REPORT

Item # 6.

Meeting Type: City Council
Meeting Date: July 20, 2026
From: Kelly O'Neill Jr., Development Services Director
Josh Soper, City Attorney
Subject: Discussion: Senate Bill 1561 - Nonconforming Development

DECISION TO BE MADE:

This is an opportunity to discuss proposed code amendments in SMC Chapter 17.08 related to Senate Bill 1561. A public hearing for the ordinance will be scheduled for a later meeting.

APPLICABLE COUNCIL GOAL:

- **Goal 6.9:** Ensure compliance with state legislative and regulatory mandates through code amendments that are responsible and reflect the community's values.

BACKGROUND / CONTEXT:

In 2026, the Oregon legislature adopted Senate Bill 1561, essentially extending and expanding a law originally written for the 2020 fires to apply to all natural disasters. Specifically, it requires a city or county to approve an application, without conditions, to "restore or replace" a dwelling that is "damaged or destroyed by a natural or involuntary event," provided the former dwelling meets certain statutory requirements.

Further, the new dwelling must (1) not exceed the former dwelling floor area by more than 25%, (2) be adequately served by utilities, (3) be located wholly or partially within the footprint of the former dwelling, and (4) comply with building codes that were in effect when the building was damaged or destroyed.

An application under this bill must be filed within three years following the event, and the construction of the new dwelling must commence no later than four years after application approval.

KEY CONSIDERATIONS / ANALYSIS:

City staff were advised by the City Attorney that compliance with Senate Bill 1561 requirements could be accomplished by adding a new section to Chapter 17.08 Nonconforming Development within Title 17 of the Sandy Municipal Code. The primary modifications to Chapter 17.08 are included in a new proposed section titled "Sec. 17.08.50. Statutorily Required Restoration or Replacement." With these revisions, the City would be in compliance with the requirements on Senate Bill 1561.

[The Planning Commission held a public hearing](#) regarding Senate Bill 1561 on June 22, 2026, and recommended that the City Council adopt the code modifications.

Unfortunately, the proposed code language cannot be modified if the City is to achieve compliance with the new state statute.

BUDGET IMPACT:

Staff and City Attorney expenses that have already been incurred.

RECOMMENDATION:

Discuss proposed code amendments in Chapter 17.08 of the Sandy Municipal Code related to Senate Bill 1561.

LIST OF ATTACHMENTS / EXHIBITS:

- Draft Ordinance No. 2026-17
 - Exhibit A. Chapter 17.08 modifications
 - Exhibit B. Findings



ORDINANCE NO. 2026-17

AN ORDINANCE UPDATING THE CITY'S REGULATIONS ON NONCONFORMING DEVELOPMENT IN SANDY MUNICIPAL CODE CHAPTER 17.08

WHEREAS, in 2026, the Oregon legislature adopted SB 1561 relating to restoration of dwellings damaged by involuntary causes such as wildfires and other natural occurring events; and

WHEREAS, SB 1561 requires local governments to approve restoration or replacement of dwellings rendered uninhabitable under an alternative process that is not a land use decision; and

WHEREAS, with adoption of SB 1561 the City Attorney reviewed Chapter 17.08 Nonconforming Development in Title 17 of the Sandy Municipal Code and identified multiple sections that were not aligned with ORS 215.213, 215.283, and 215.755; and

WHEREAS, with the proposed revisions to Chapter 17.08, the City would be in compliance with the requirements of SB 1561 and the modified Oregon Revised Statutes; and

WHEREAS, the Planning Commission held a public hearing on June 22, 2026, allowing the public an opportunity to provide testimony on the proposed code amendments; and

WHEREAS, the City Council held a public hearing on August 3, 2026, allowing the public an opportunity to provide testimony on the proposed code amendments.

NOW, THEREFORE, THE CITY OF SANDY ORDAINS AS FOLLOWS:

Section 1. Sandy Municipal Code Chapter 17.08 is hereby amended as detailed in Exhibit A, attached and incorporated by reference.

Section 2. In support of this ordinance, the City Council adopts the findings and conclusions attached as Exhibit B.

Section 3. This Ordinance shall become effective 30 days from the date of adoption.

This ordinance is adopted by the City Council of the City of Sandy on this 3rd day of August 2026.

Kathleen Walker, Mayor

ATTEST:

Jeffrey Aprati, City Recorder

Title 17 - DEVELOPMENT CODE
CHAPTER 17.08 NONCONFORMING DEVELOPMENT

CHAPTER 17.08 NONCONFORMING DEVELOPMENT¹

Sec. 17.08.00. Intent.

These regulations are intended to permit nonconforming uses and structures to continue, but not to encourage their perpetuation. The regulation of nonconforming development is intended to bring development into conformance with this Code and the Comprehensive Plan.

As used in this chapter, nonconforming development includes nonconforming structures and nonconforming uses. A nonconforming structure is a structure that does not fully comply with the zoning district provisions because of setbacks, building height, off-street parking, or with some other standard of the district.

Within the zoning districts established by this Code, development may exist that was lawful at the time it began, but would be prohibited in the future under the terms of this Code or future amendments.

In order to avoid undue hardship, nothing in this Code shall be deemed to require a change in the plans, construction, or designated use of any building on which actual substantial construction was lawfully begun prior to the effective date of adoption or amendment of this Code and upon which actual building construction has been carried on diligently. Construction is considered to have started if excavation, demolition, or removal of an existing building has begun in preparation of rebuilding, and a building permit has been acquired, prior to the effective date of adoption or amendment of this Code.

(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

Sec. 17.08.10. General provisions.

- A. *Alterations of a Nonconforming Use.* No building, structure, or land area devoted to a nonconforming use shall be enlarged, extended, reconstructed, moved, or structurally altered unless such development conforms to the provisions of this Code. Nothing in this chapter shall be construed to prohibit normal repair, maintenance, and nonstructural alterations to such development, nor the alteration, strengthening, or restoration to safe condition as may be required by law.
- B. *Alteration of a Nonconforming Structure.* Where the use of a structure is permitted by the applicable development district but the structure is nonconforming, an alteration, expansion, enlargement, extension, reconstruction, or relocation may be administratively approved if the improvement, evaluated separately from the existing structure, would be in compliance, and is not within a vision clearance area, [or the structure otherwise complies with Section 17.08.50.](#)

~~(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)~~

Sec. 17.08.20. Discontinuance of a nonconforming use.

Whenever a nonconforming use is discontinued for more than one year, further use shall be in conformity with the provisions of this Code. For purposes of this Code, rental payments or lease payments and taxes shall not

¹Editor's note(s)—Pre-republication, this chapter was last revised by Ord. No. 2013-11, effective December 18, 2013. Any amendments occurring post-republication have a history note in parenthesis at the bottom of the amended section.

be considered a continued use. "Discontinued" shall mean nonuse and shall not require a determination of the voluntary or involuntary nature of the discontinuance or the intent to resume the nonconforming use.

(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

Sec. 17.08.30. Damage to a nonconforming use.

Except as provided in Section 17.08.50, if a structure with a nonconforming use is damaged by any means to an extent exceeding 80 percent of its most recent, pre-damage assessed valuation as indicated by the Clackamas County Assessor's office, any future development on the site shall conform to the requirements of the zoning district in which it is located.

~~(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)~~

Sec. 17.08.40. Reclassification to conditional development.

Whenever a nonconforming use is classified as a use that may be permitted conditionally, it shall be reclassified as conforming upon receipt of an approved conditional use permit in accordance with Chapter 17.68.

(Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

Sec. 17.08.50. Statutorily Required Restoration or Replacement.

A. As required by state law, if a nonconforming dwelling meets the following criteria, then the City shall approve an application to restore or replace it:

1. The former dwelling is damaged or destroyed by a natural or involuntary event; and
2. The former dwelling had intact exterior walls and roof structure; and
3. The former dwelling had indoor plumbing consisting of a kitchen sink, toilet, and bathing facilities connected to a sanitary waste disposal system; and
4. The former dwelling had interior wiring for interior lights; and
5. The former dwelling had a heating system; and
6. Either:
 - a. The former dwelling was authorized by building permits or by other regulatory approval process by the appropriate authority; or
 - b. The former dwelling was assessed as a residential dwelling for purposes of ad valorem taxation for the tax year beginning on July 1, 10 years before the date of the application, and is not subject to unresolved enforcement proceedings challenging the lawfulness of the dwelling; and
7. The proposed dwelling will not exceed the floor area of the former dwelling by more than twenty-five percent; and
8. The proposed dwelling will be adequately served by water, sanitation and roads; and
9. The proposed dwelling will be located wholly or partially within the footprint of the former dwelling unless necessary to comply with local flood regulations or to avoid a natural hazard area, in which case the applicant may choose a suitable location on the same lot or parcel; and
10. The proposed dwelling will comply with applicable building codes that were in effect on the date the dwelling was damaged or destroyed.

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(Supp. No. 5, Update 4)

- B. The applicant shall remove the damaged dwelling, demolish the damaged dwelling, incorporate the damaged dwelling into the replacement dwelling, or convert the damaged dwelling into a nonresidential use, within three months after the replacement dwelling is certified for occupancy.
- C. The applicant shall file an application under this section within three years following the date of the natural or involuntary event.
- D. The applicant shall commence construction of a replacement dwelling approved under this section no later than four years after approval of the application under this section.
- E. The City's findings in approving an application under this section are not land use decisions and are subject to review only under ORS 34.010 to 34.100. Notice of the application and decision shall be provided in accordance with Section 17.22.10. The City's findings and conclusions are entitled to deference if there is any evidence to support the findings.

Sec. 17.08.650. Exceptions.

- A. *Multi-Family Dwellings, Office Uses, Automotive Fueling Stations, Car Washes, and Retail Auto Dealerships in the C-1 Zoning District.*
 - 1. Multi-family dwellings in existence as of September 30, 1997, shall not be classified as nonconforming development. However, any redevelopment or expansion shall require compliance with current landscaping, access and parking standards and shall be processed as a conditional use permit.
 - 2. Office uses in existence as of September 30, 1997, shall not be classified as nonconforming development. However, any redevelopment or expansion shall require compliance with current landscaping, access and parking standards and shall be processed as a conditional use permit.
 - 3. Automotive fueling stations and car washes in existence as of September 30, 1997, shall not be classified as nonconforming development. However, any redevelopment or expansion shall require compliance with current landscaping, access and parking standards and shall be processed as a conditional use permit.
 - 4. Retail auto dealerships in existence as of September 30, 1997, shall not be classified as nonconforming development. Redevelopment of the existing dealership shall require compliance with current landscaping, lighting and access requirements. Expansion of an existing dealership shall be permitted only on property contiguous to the existing auto dealership and in the same ownership as the auto dealership on the effective date of the ordinance from which this chapter is derived. Expansion shall be processed as a conditional use permit. If the existing auto dealership building is proposed to be altered or if a new building is proposed to be constructed on the expansion property, the entire dealership shall be required to conform to current applicable criteria and standards in the Sandy Development Code. If the expansion is proposed to include only parking for the display of automobiles, landscaping, light standards and signage, only the expansion property shall be required to conform to current applicable criteria and standards in the Sandy Development Code.
- B. *Self-Service Storage in the C-1, C-2, and I-1 Zoning Districts.*
 - 1. Self-service storage facilities in the C-1 or C-2 zoning districts in existence as of February 16, 2023, shall not be classified as nonconforming development. Permitted expansion of an existing self-service storage facility shall be limited to an increase in building footprint of 20 percent and shall be permitted only on the subject property.
 - 2. Self-service storage facilities in the I-1 zoning district in existence as of February 16, 2023, shall not be classified as nonconforming development. Expansion of an existing self-service storage facility shall be permitted only on the same property or on property contiguous to and in the same ownership as the existing self-service storage facility as of February 16, 2023. If the existing self-service storage building

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is proposed to be altered or expanded on the subject property or if a new building is proposed to be constructed on the subject property, the application shall be processed as a conditional use permit.

- C. *Nonconforming Duplexes.* Where a duplex is a nonconforming building type in the zoning district where it is located and has been damaged as described in 17.08.30 above, a duplex may be reconstructed provided such reconstruction commences within one year of the damage and complies with required development standards.
- D. *Nonconforming Lots.* An existing legal lot may not meet the lot size requirements of the zoning district in which it is located. Such a lot may be occupied by a use permitted in the district. If, however, the lot is smaller than the size required in its district, residential use shall be limited to a single detached dwelling or duplex or to the number of dwelling units consistent with density requirements of the district. Also, other applicable requirements of the zoning district must be met.
- E. *Street and Drainageway Dedications.* The act of conveyance to or appropriation by the City for street, drainage, or other public purposes shall not in itself render as nonconforming the use of land, structure, or other improvement maintained upon a lot.
- F. *Residential Uses.* Any residential dwelling permitted prior to adoption of this Code, but which is no longer allowed as a new use, may be modified or enlarged, provided it complies with required development standards of the district.
- G. *Legally Required Alterations.* Alterations of any nonconforming use shall be permitted when necessary to comply with any lawful requirement for alteration in the use.

(Ord. No. 2000-02, 2000; Ord. No. 2022-26, § 1(Exh. A), 1-17-2023; Ord. No. 2024-01, § 1(Exh. A), 2-20-2024)

Ordinance 2026-17 Findings

Goal 1: Citizen Involvement

This goal calls for "the opportunity for citizens to be involved in all phases of the planning process."

Findings: The City held public hearings before both the Planning Commission and the City Council to afford the public the opportunity to be involved. Notice of the two hearings was published in the Sandy Post, posted on the City's website, and on the City Facebook account. Notice was provided to the Department of Land Conservation and Development on May 15, 2026.

Conclusion: *Goal 1 Public Involvement requirements are met.*

Goal 2: Land Use

This goal requires each local government in Oregon to have and follow a comprehensive land use plan and implementing regulations. Cities and counties must build their comprehensive plans on a factual basis and follow their plan when making decisions on appropriate zoning.

Findings: The proposed code amendments provide the development community with a clear understanding of an approval process that was previously not aligned with ORS 215.213, 215.283, and 215.755 for dwellings damaged by involuntary causes. These amendments will update the local municipal code to align with ORS requirements requiring local governments to approve restoration or replacement of dwellings rendered uninhabitable under an alternative process that is not a land use decision. With approval of these amendments the City will now be in compliance with SB 1561.

Conclusion: *Goal 2 Land Use requirements are met.*

Goal 10: Housing

This goal calls for an adequate housing supply to ensure opportunity for and promotion of the provision of adequate numbers of needed housing units and the efficient use of land within a city's urban growth boundary. Additionally, this goal aims to promote safe, accessible, and affordable housing options for all Oregonians in their communities of choice, in alignment with the Affirmatively Furthering Fair Housing mandate.

Findings: SB 1561 introduces new provisions for the purpose of addressing issues surrounding the effects of wildfires and other natural occurring events. These amendments update the City's regulations to allow an owner a separate path to restore a destroyed home. The amendments will comply with ORS 215.213, 215.283, and 215.755, and associated administrative rules, which impose the right to rebuild a non-conforming dwelling where prior to these amendments it would not have been allowed. In addition, these amendments provide a process to rebuild and maintain housing stock during emergencies that are declared by the United States Federal Government, the State of Oregon, or the City of Sandy.

Conclusion: *Goal 10 Housing requirements are met.*