



# ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING - DECEMBER 2023

Wednesday, December 06, 2023 at 6:30 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/85290684685>

Or by phone: (253) 215-8782; Meeting ID: 85290684685

### ROLL CALL

### PUBLIC COMMENT

### APPROVAL OF MINUTES

1. Approval of minutes – June 2023
2. Approval of minutes – September 2023

### NEW BUSINESS

3. New member appointments
4. Shout outs: Updates from Board members

### EC DEV OFFICE UPDATES

5. **Sewer & water systems update:** An update for the Board as to the current status of the sewer system and water system upgrades.
6. **Moratorium update:** An update for the Board as to the current status of the moratorium.
7. **Retail market report:** Board review

### ROUNDTABLE DISCUSSION

8. **Economic Opportunities Analysis (EOA) presentation & discussion:** Nicole Underwood (ECONorthwest) will present the latest information from the development of Sandy's EOA and invite discussion and input from the Ec Dev Advisory Board.

## 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**  
**Economic Development Advisory Board Meeting**  
**Wednesday, June 6<sup>th</sup>, 2023 6:30 PM**

**COMMITTEE PRESENT:** Jeremy Pietzold (Chair), Hans Wipper (Board member), Khrys Jones (Board member), Chris Mayton (Board member), Marcel Brache (Board member)

**COMMITTEE ABSENT:** Paul Reed (Board member), Bill Schwartz (Board member), Stan Pulliam (Board member), Laurie Smallwood (Board member)

**STAFF PRESENT:** David Snider, Economic Development Manager

**MEDIA PRESENT:**

**1. MEETING INFORMATION**

This meeting will be conducted in a hybrid in-person / online format. The Board will be present in-person in the Council Chambers and members of the public are welcome to attend in-person as well. Members of the public also have the choice to view and participate in the meeting online via Zoom.

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 virtually

Please click the link below to join the webinar: <https://us02web.zoom.us/j/83111834302>

**2. CALL TO ORDER**

6:30 PM

**3. APPROVAL OF MINUTES**

Approval of April 5<sup>th</sup>, 2023 meeting minutes

**4. EC DEV OFFICE UPDATES**

- 362<sup>nd</sup>/Bell Street is on target for August completion
- 38888 Pioneer has been sold; new owner plans to invest in building, may want to divide it into two suites; may want to build an additional mixed use building on the rear lot
- Smith Building: all options are open right now; interior improvements have been made

- Barlow Trail lot next to Action Ctr: getting close

## 5. COMMUNICATIONS – CHAIR

### Shout-outs

- Wipper: covered structure complete; OLCC approved service out there; customers like it!
- Jones: Lennox Jai looking to bail
- Mayton: nothing to add
- Pietzold: went to Sandbar BBQ; good food; glad he's finally open

## 6. ITEMS FOR DISCUSSION – BOARD

- Our 1<sup>st</sup> ec dev strategic plan is now complete – basic description & plan review for new members
- Staff would like to get input from the EDAB on a few items; how to prioritize?
- (Mayton) Prioritization of items is in the report; 12 items have “high” priority, so let's look at those 12 items to start with
- 6.1.2 – retail market survey; (Chair) Clarification on whole city vs. areas of focus?; “this has to get done” → board members strongly agree with this; this is a high priority → funding needed; do we need to go through the RFP process for this?
- (Chris) 2.2.2 – Identify partnerships with economic development partners...and distribute marketing collateral communicating the benefits of SandyNet to remote workers and other target audiences → new construction in West Sandy; what are home businesses looking for?; multi-gig connections now offered...is there a market for this?
- 5.3.4 (downtown park) – This just went through City Council recently and was approved to move forward
- 5.1.1 (new hotel) – Now is the time for us to start looking for this (Wipper); Loge Hotels suggested by Elliot and looks super cool (?); are there other opportunities like Loge out there?; (Wipper) lodging lobbying groups out there (ClackCo Tourism (Samara, a few hoteliers on the county tourism board), Travel Oregon (Scott Bricker))
- 5.2.4 (outdoor rec marketing) – the ClackCo CPP grant program is gone, but being replaced by the SIP grant; we have a project for Vision Around the Mountain.
- 1.1.4 (child care) – Mayton emphasizes how important this point is; Jones, Pietzold agree → we are still significantly underserved in this capacity; there is a lot of money available out there for this topic right now

## 7. ADJOURN

8:00 PM



# ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING - SEPTEMBER 2023

Wednesday, September 06, 2023 at 6:30 PM  
Sandy City Hall and via Zoom

## MINUTES

### TO ATTEND THE MEETING IN-PERSON:

Come to Sandy City Hall (lower parking lot entrance) - 39250 Pioneer Boulevard, Sandy, OR 97055

### TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/82161456659>

Or by phone: (253) 215-8782; Meeting ID: 82161456659

**CALL TO ORDER** 6:34 PM

### ROLL CALL

Members present: Jeremy Pietzold (Chair), Chris Mayton, Hans Wipper, Bill Schwartz, Marcel Brache

### PUBLIC COMMENT

#### Carl Exner:

- Concerned about the conditions of the City (downtown); liked the Façade updates, West End of couplet and the ODOT updates, but other items are of concern; a couple of properties that are not great
- Example: outdoor lighting seems to be at at least three different levels, east end of the couplet has some trees that are outgrowing their spaces, "bark chip islands", highway divider islands at Les Schwab & AM/PM, etc.
- Would like to put together a group together (EDAB members, Council, business owners) to go through downtown Sandy and identify properties that need work on landscaping, entrances, screening (garbage/recycling bins), etc....but address them proactively (giving recognition, awards)
- Wants to put together a winter-time proposal together (by spring) (?!?!); would run by EDAB first to refine
- Chair recap: group of citizens, business owners want to find creative ways to encourage business owners to clean up their properties through inexpensive means →
- Wipper: how about a holiday lighting contest? → Mayton: Winterfest will have a grant contest for this very purpose; was presented at City Council at Monday's meeting
- Chair: Carl to send me list of property owners, business owners that are interested to Ec Dev Mgr

## APPROVAL OF MINUTES

1. Approval of Minutes - June 2023  
Minutes were not added to the packet due to technical difficulties. Will forward to November meeting for approval.

## ROUNDTABLE DISCUSSION

2. Welcome to new member: Robbie Walters  
  
Mr. Walters was absent; move this to November meeting
3. Shout outs: Updates from board members
  - Wipper: May slowest month ever, June slow, but camps in July sold out; business getting back to normal → looking for staffing (café); getting lots of apps, many are too young → covered structure was great this summer
  - Schwartz: Summer is good for breweries; Trivia Night is awesome, live music is up and down
  - Brache: Two vacant spaces are filling up (massage, insurance); AEC building will be at 100% occupancy!
  - Mayton: Winterfest! Information; expand the event and make it more uniform throughout the City
  - Brewster (SandyNet): upgrades at the data ctr; offering multi-gig (2G & 5G) in the next few months; 10G to come → bringing on weekend employee (badly needed; eliminates outsourcing) & new utility worker to replace utility worker moving into jr. network engineer position (new)

## EC DEV OFFICE UPDATES

4. Development Updates:
  - 362nd/Bell Street: ODOT signal controller was faulty & needed to be replaced, tested → Road should be open 1<sup>st</sup> week of October.
  - Moratorium: Have not been able to get a full assessment from Planning Director (he is very busy, has not been available lately), but new numbers are pending
  - Tollgate Inn covered structure: history of why this project has taken so long; finally ready for final SURA review at next SURA Board meeting
  - Other active commercial development in Sandy:
    - 38888 Pioneer: recently purchased; there are a lot of code issues that will need to be addressed → there is a childcare business interested in occupying it → BTVC: he is ready to proceed
    - 16800 SE 362<sup>nd</sup>: now owned by Johnson RV; is new maintenance, cleaning and painting facilities; also making multiple improvements

- Rogue Fabrication site: trying to get a hold of Joey Gambino to discuss developing his site, Enterprise Zone application; have a discussion about metals fab in Sandy per the EDSP

## 5. Current Grant Projects

Sandbar BBQ: approved & in process, must stripe entire parking lot, add street trees prior to reimbursement

Mt Hood Cigar (pending): have to leave the business to access the deck currently, this project would correct this; waiting on door cost information

Scoter's (pending): concrete floors, correct lottery access; complete bathroom remodel.

## NEW BUSINESS

6. EDSP - List of high priority items: Per board direction, the staff liaison will present a draft prioritization of high priority items from the EDSP for Board discussion.
  - Retail market analysis: I think this is the most important item in the report; not expensive and very functional for businesses; general agreement from Chair and Board
  - Chair: take 5-10 minutes to read through staff proposal for ranking these items
  - Mayton: Action 5.3.4 should fall right behind 5.2.3; multi-modal transit plan seems more important than metals fab
  - Include meeting/event space in hotel discussions; we need more conference and meeting space in Clackamas County as a whole.
  - Brache: Top 3 are exactly right (general agreement amongst the Board); requested copy of Walkability Report (staff will forward)

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# STAFF REPORT

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**Meeting Type:** Economic Development Advisory Board meeting  
**Meeting Date:** December 6, 2023  
**From:** David C. Snider  
**Subject:** Retail market report – Board review

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**DECISION TO BE MADE:** Should the EDAB recommend moving forward with a new retail market report for the City of Sandy?

**PURPOSE / OBJECTIVE:** Board review of the attached proposal from ECONorthwest, and recommendation to the City Council from the Board as to whether the City of Sandy should engage in this retail market report.

**BACKGROUND / CONTEXT:** We have now received an updated proposal from ECONorthwest to engage in a retail market analysis and survey for 2023/2024. A retail market report is an analysis of a community’s current retail market conditions and demographics that retail business owners and entrepreneurs can use as justification for soliciting lending for new business ventures. There is an additional staff summary added as an addendum to this report (Staff summary – retail market report) that gives more detail as to the composition and uses of this report.

This report was originally solicited by staff and approved by the Sandy City Council in early 2020. Staff had signed a contract and was ready to proceed with ECONorthwest at that time, but the report was placed on hold due to the COVID-19 pandemic as market conditions were changing rapidly and any market report generated at that time would not have provided the City with accurate data.

**BUDGET IMPACT:** There is currently no specific appropriation for this study in the budget. In order to proceed with this study, the City Council will need to identify an appropriate source of funding.

The cost of this report would be \$22,500, with a possible \$5,500 add on for case studies of comparable peer communities.

**RECOMMENDATION:** Staff supports a recommendation to the City Council to move forward with a new retail market report for the City of Sandy.

**SUGGESTED MOTION LANGUAGE:** “I move to recommend that the Sandy City Council move forward with the proposed retail market report for 2023/2024, pending the identification of necessary funding.”



**LIST OF ATTACHMENTS / EXHIBITS:**

- Staff summary - Retail market report
- Sandy Retail Market Report Proposal

## Staff summary

### Retail market report

A retail market report is a specialized report providing detailed metrics with regard to the demographics and market conditions of a specific municipality or region for the purpose of informing business development.

This report is different from other economic development related reports like the Economic Opportunities Analysis (EOA), which looks very specifically at a community's supply of industrially and commercially zoned land that is available for development to ensure that there is room to grow. It is also different from a strategic plan for economic development in that a retail market report is intended to be a current snapshot of the community – a display of the community's current market conditions and demographics – while an economic development strategic plan shows where a community would like its local economy to be in five, ten or fifteen years at a policy level and lays out a roadmap of how to get there. Finally, while an EOA and an EDSP look at the entire economy of a municipality or region including industrial and public sector development, a retail market survey looks **only** at restaurant, retail and service sector businesses.

This report typically gives current baseline data for the following economic data:

- Defines the **target market area** of a region – this is the geographic area containing the people that are likely to buy goods and services within that region. Sandy's target market area includes areas outside the City (the Villages, Gov'y, Eagle Creek, parts of Boring, etc.) where Sandy is still the most convenient place for residents to shop, bank and seek services versus another market area like, say, east Gresham. *A good portion of Estacada has also traditionally been part of Sandy's market area, but with recent growth patterns and commercial development in that community over the last 10 years, I would wager that this will no longer be the case going forward.*
- **Demographics of residents** – Retail market reports provide detailed demographic information about the residents that reside within the target market area. This is critical information for local retail business interests that are trying to determine how many potential customers are within the defined market area and what kinds of characteristics and behaviors these people display. Includes things like age, median household income, education, employment, family metrics like households with people under 18 or over 65, commuting patterns, etc.
- **Visitor data** – Retail market reports for tourism destinations tend to include data on number of visitors, pass through traffic, visitor growth rates, visitor spending data, and how all of these things are trending. A significant portion of Sandy's economy is related to outdoor recreation tourism driven by Mount Hood and the Mount Hood National Forest.
- **Retail gap analysis** – This is one of the most useful items for an economic development professional in a retail market report. This section of the report shows the demand for and supply of different categories of retail business within the market area based on spending potential per square foot of existing business versus actual spending per square foot for each type of business. If there is more demand (spending potential per square foot) than supply (actual spending per square foot), this is called **leakage** and suggests that existing demand is

“leaking” out to neighboring municipalities because we don’t have enough of that particular type of business to meet existing supply. According to our 2015 retail market report, the Sandy market area has a surplus of *grocery* and *home improvement/gardening* stores, and rather large amounts of leakage in areas like *apparel*, *general merchandise* and *health & personal care*.

- **Land & space inventory** – A retail market report will also contain a snapshot of the inventory of available built commercial space and potential commercial space in the form of available commercial land for development. This section typically also contains current market data on things like vacancy rates and commercial lease rates.
- **Retail market analysis** – This section of the report analyzes the data from all of the previous sections and provides an evaluation of the market area’s strengths, weaknesses, opportunities and threats, and a set of recommendations on how best to grow the local economy.

While a retail market survey provides important benchmark data for economic development professionals, it is arguably more important for local businesses and entrepreneurs. In addition to providing data about potential customers, this report can be used in the development of a business plan to provide evidence that a particular business type is underrepresented in a particular market area. Hans Wipper, the owner of Wippersnapper’s Kid’s Play Place, was able to solicit the funding that he ultimately used to start his business from private lenders through the use of Sandy’s 2015 market report, which showed that Sandy has a higher concentration of young families than either Clackamas County or the State of Oregon. This, along with data showing that the nearest similar business was in Clark County, Washington, was one of the main reasons he was able to secure the loans necessary to start this business.

Typically, it is good practice for a small municipality to engage in a retail market report every five years on average, as this time span is long enough for economic conditions to change significantly, especially in a community that has experienced robust population growth like ours. Sandy has had two retail market reports crafted for us in the past fifteen years – one in 2009, and an update to that report in 2015. Both of these reports were crafted for us by Marketek, a Lake Oswego based company.

The City of Sandy was prepared to engage in our third retail market report and had already chosen a contractor (ECONorthwest, for a change of perspective) and set aside funding to move forward with this project when the COVID-19 pandemic struck in the spring of 2020. Staff decided to press “pause” on this project at that time, largely because the pandemic was causing massive changes to retail behaviors and the data collected during this period would be skewed and not particularly helpful to local business interests. When it became clear that local retail market conditions would be unmeasurable for the foreseeable future, this project was temporarily abandoned, and the funding for it was folded into the City’s pandemic response.

DATE: October 30, 2023  
TO: David Snider, City of Sandy  
FROM: Chris Blakney, ECOorthwest  
SUBJECT: Proposed Scope of Work for a Retail market Analysis for the City of Sandy

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The City of Sandy has a history of supporting commercial retail businesses, commissioning a Retail Market Analysis in 2009, updating it in 2015, and establishing an Economic Development Committee to advance economic development objectives. Prior to the COVID-19 Pandemic, the City of Sandy was interested in better understanding its commercial retail market in an effort to diversify the supply of commercial services in the City. In February 2020, ECOorthwest was selected by the City to provide fresh look at the commercial retail market. Just a month later, the world experienced an event that would change retail markets forever.

Sandy has come out of the Pandemic with a relatively healthy economy. Development interest is increasing, and new development opportunities are materializing. A shift in household growth pressure to tertiary cities coupled with strong spending growth on tourism and commercial services have shifted the balance of market opportunities.

In this proposal, we outline an approach similar to what we offered in 2020. We maintain a data-driven approach that is focused on describing current and anticipated consumer behavior, understanding the depth of the market, and assessing barriers to speculative commercial development.

## Work Program

Chris Blakney will serve as Project Director; Nicole Underwood will serve as Project Manager. This leadership team will rely on ECO's bench of Associates and Research Analysts for project support. Our proposed work plan is as follows.

### Task 1: Development Outcome Assessment

In this task we will review the previous market research reports and determine the extent to which actual development and growth has tracked with forecast estimates. This review will include an evaluation of developed space, population and household growth, and consumer spending.

### Task 2: Evaluation of changes in Structural Market Conditions

Here, we will assess structural changes in consumer behavior and the local market area that may influence the trajectory of the future retail market. This assessment will pay particular attention to how businesses and consumers have reacted to the "new normal" post-pandemic. Factors may include:

- Shifts in space utilization
- Changes to the food service industry because of ready-made delivery services.

- Change in migration patterns
- Shifts in tourism and tertiary-area spending patterns.

### Task 3: Sandy Market Area Consumer Profile

This task will begin with the delineation of a primary trade area (PTA). This area will reflect the geographic region from which the majority of Sandy's customers are expected to originate. The PTA will reflect access/travel time, demographic factors, physical/manmade barriers, and the location and character of competitive retail alternatives. We will then develop a comprehensive consumer profile for the PTA. This assessment will include factors that are typical components of a retail site selection process, including population, age, income, and educational attainment. However, income and demographic factors do not fully capture the lifestyle nuances that impact consumer behavior. To gain further insight into consumer behavior, we will employ both psychographic and market potential assessments of the PTA. Key questions that the profile can answer include: Do households in the PTA prefer discount or luxury goods? Are they bargain shoppers? What retail store types do they frequent more often than other consumers? Do they eat out in restaurants at an above average rate? This task will address these, among other questions.

### Task 4: Forecast of Current and Future Market Potential

We will distill the information in Tasks 2 and 3 into an estimate of current and future retail market support. We will forecast demand by retail category with estimates of consumer spending and space demand by retail category. This assessment will consider varied scenarios of household growth resulting from net-migration pressures and local policy, including Sandy's current development moratorium. We will also explore the ratio of resident and non-resident retail support and the nuances in how the magnitude of each of those demand sources influence different retail typologies.

### Task 5: Inventory of Current Land and Space Supply

This task will leverage the City's database of existing retail space and vacant commercial land supply. To the extent data are available, we will supplement information with information on the current commercial retail market, including vacancy rates, lease rates, absorption, and development activity.

### Task 6: Retail Market Analysis, Competitive Assessment, and Recommendations Report

Our work will culminate in a final report that provides a summary of the findings from all of the previous tasks and a competitive assessment of Sandy's retail environment. This assessment will include:

- An evaluation of strengths, weaknesses, opportunities, and challenges in the local and regional market.

- An analysis of the suitability of existing land and retail stock to accommodate market potential.
- An assessment of retail leakage by retail category.
- A set of recommendations and action items for the City to consider to support the retail environment.

## Task 7: Case Study Analysis (Optional)

In this task we would develop case study profiles of retail districts for up to three peer communities in the Portland region. Case study candidates would be drawn from communities with similar scale, tourism impacts, and proximity to larger employment and population centers. We would document the actions that those communities have taken to recruit and retail developers and businesses to their retail districts, and the outcomes that have occurred as a result of these efforts. Findings would be summarized into a technical appendix to the Retail Market Analysis.

## Task 8: Prototype Development Feasibility

We would employ a return-on-cost (ROC) pro forma model to test the feasibility of a prototypical retail development on a selected site in City of Sandy. Findings from the market analysis would inform the size and scale of the development prototype we would model, as well as the rental revenue parameters. The outcome of this task would be a demonstration of the feasibility of speculative development in Sandy. If a project is found to be feasible, this work would serve as a marketing resource in the attraction of developer interest and capital. Conversely, if a project is found to be unfeasible, we would calculate the magnitude of the “feasibility gap.” Using this metric, the City could develop strategies to narrow the feasibility gaps and attract development.

## Fee Proposal

The professional fee for this project would be variable based on the extent that the city would desire to add additional tasks. The table below includes our fee proposal for the core scope of work (Tasks 1 through 6) alongside a fee for each optional task.

Task	Fee
Core Market Analysis (Tasks 1-6)	\$22,500
Task 7: Case Studies	\$5,500
Task 8: Prototype Feasibility	TBD