



ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING

Thursday, May 21, 2026 at 6:30 PM
Sandy City Hall and via Zoom

AGENDA

TO ATTEND THE MEETING IN-PERSON:

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

TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/82254727312>
Or by phone: (253) 215-8782; Meeting ID: 82254727312

ROLL CALL

PUBLIC COMMENT

APPROVAL OF MINUTES

1. Approval of Minutes: October 29, 2025

NEW BUSINESS

2. Clackamas County Tourism Grant Presentation - Julia McCotter
3. Hotel Study Presentation
4. Roundtable Input First Annual Sandy Small Business Connection
 - Round table participation for Small business support
 - Mt. Hood Community College
 - CDFI, Credit Unions
 - Web design / Accounting Support
 - SBA programs
5. Update of Energize Sandy Program
 - Update on Programs
 - Design/Feasibility Grant
 - Improvements Grant
 - Loan

ECONOMIC DEVELOPMENT UPDATES & OPPORTUNITIES

ADJOURN

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) 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 — Economic Development Advisory Board (EDAB)

Meeting Minutes Oct 29, 2025

Call to Order: 6:30 PM

Location: City Hall (hybrid)

Chair: Jeremy Pietzold

Staff: Tyler Deems

Consultant: Jon Legarza (Healthy Sustainable Communities)

1) Roll Call

Present: Mayor Walker, Chris Mayton, Rich Sheldon, Bill Schwartz (Boring Brewing), Darren Wegener (Wegener Travel & Cruise / Planning Commission Chair), Khrys Jones (Sandy Area Chamber of Commerce), Hans Wipper (Whippersnappers), Jeremy Pietzold(Chair).

Absent: Aryn Ferguson (excused), Marcel Brache

2) Public Comment

None (in-person or online).

3) Approval of Previous Minutes

Approval of Minutes (June 11)

- A correction was noted and accepted.



- Motion to approve minutes was made and seconded.
- Approved unanimously.

4. New Business

A. Entrance Signage & Marketing Banners

Discussion Highlights:

- Current entrance signage lacks visibility and consistency.
- Strong support for enhanced, larger, more prominent gateway signage at city entrances.
- Interest in reintroducing the tagline: “Gateway to Mount Hood.”
- Preference for Sandy-style design (wood, stone, iron elements) with durable and visible materials.
- Consideration of placement challenges due to ODOT right-of-way restrictions.
- Recommendation to explore private property placement or alternative compliant locations.

Banners & Wayfinding:

- Existing banners are too small and not visually impactful.
- Consensus to:
 - Increase size and visibility
 - Simplify designs (less busy, fewer detailed photos)
 - Use bold colors and clear messaging
 - Consider seasonal rotation (winter/summer themes)
- Need for a cohesive wayfinding and branding system across signage, banners, and downtown identity.

Next Steps:

- Develop a conceptual wayfinding and signage plan
- Explore design contract for:
 - Entrance signage
 - Marketing banners
 - Wayfinding system
- Conduct mockups and pilot designs before full implementation



B. Sandy Ignite Program Overview

Presented by: HSC Team

Program Components:

1. Concept Design Grant Program
 - Total: \$100,000
 - Up to \$25,000 per applicant
 - 50% match required
 - Supports early-stage planning (architecture/engineering)
2. Capital Improvement Grant Program
 - Total: \$400,000
 - Up to \$100,000 per project
 - 50% match required
 - Supports construction and capital investment
3. Revolving Loan Fund
 - Total: \$1,000,000
 - Loans up to \$250,000
 - Designed to fill financing gaps

Key Discussion Points:

- Programs aim to stimulate private investment and redevelopment
- Estimated return: \$3–\$5 private investment per \$1 public investment
- Strong emphasis on:
 - Living wage job creation
 - Long-term business sustainability
 - Financial review (3-year financials required)
- Program launch proposed for May, with application cycles twice per year

Concerns & Considerations:

- Ensure funds go to businesses that truly need assistance
- Establish clear scoring criteria and accountability measures



- Prevent misuse or inactivity (“squatting” on funds)
- Consider program scalability based on demand

Outcome:

- General consensus and strong support to move forward
- Recommendation to advance to City Council for consideration

C. Sewer Capacity & Infrastructure Update

Key Points:

- City working toward unlocking 190 additional ERUs (Equivalent Residential Units) by September 2026
- Major infrastructure upgrades underway (e.g., expanded equalization basin)
- Two primary long-term solutions under evaluation:
 - Pipeline to Sandy River
 - Connection to Gresham wastewater system

Timeline:

- Preferred alternative to be selected by end of year
- Estimated completion:
 - Best case: ~5 years
 - Conservative: ~7 years
 - Maximum (EPA compliance): 13 years

Implications:

- Sewer capacity remains a key constraint on development
- Near-term focus may prioritize commercial and industrial projects

D. Tourism & Hotel Feasibility (Introduction)

- Initial discussion introduced regarding the need for a hotel feasibility study
- Recognized gap in capturing tourism-related economic opportunities



- Further discussion to continue in future meetings

5. Summary of Key Takeaways

- Strong support for enhanced city branding and entrance signage
- Consensus to modernize and expand marketing banners and wayfinding
- Positive reception of the Sandy Ignite Program as a catalytic investment tool
- Continued awareness of infrastructure limitations (sewer capacity)
- Interest in expanding tourism and lodging opportunities

6. Adjournment

Adjournment: ~8:00 PM

Staff Report Summary

Clackamas County Tourism Business Grant Program Presentation

Background:

Clackamas County Office of Economic Development in partnership with Oregon's Mt. Hood Territory has launched a new one-time Tourism Business Grant Program aimed at supporting tourism-related businesses throughout Clackamas County. The program is funded through Transient Lodging Tax (TLT) revenues and was created to address the limited availability of long-term investment funding opportunities for tourism and hospitality businesses.

The program is intended to strengthen the county's tourism economy by supporting business growth, enhancing visitor experiences, and helping tourism-related businesses remain competitive in the regional market. Eligible businesses may include lodging operators, tour companies, recreation providers, hospitality businesses, and visitor-serving attractions located within Clackamas County.

Program Timeline

- Applications Open: May 14, 2026
- Applications Close: June 18, 2026
- Review & Scoring Period: June–July 2026
- Funding Decisions Announced: August 2026
- Grant Agreements & Distribution: Fall 2026

Program Goals

The Tourism Business Grant Program seeks to:

- Support long-term business investment in the tourism sector
- Encourage tourism-related economic development
- Increase visitor attraction and spending throughout Clackamas County
- Strengthen tourism infrastructure and visitor-serving businesses
- Expand opportunities for local tourism operators and hospitality businesses
- Reinforce tourism as an economic driver supporting jobs, events, recreation, and community vitality

Discussion

Tourism continues to play a significant role in Clackamas County's economy, supporting local businesses, recreation assets, community events, and hospitality-related employment opportunities. The establishment of

this grant program demonstrates the County's continued investment in strengthening tourism infrastructure and supporting local business growth.

The program aligns with broader regional tourism strategies that focus on enhancing visitor experiences, improving recreational amenities, promoting destination awareness, and encouraging year-round economic activity throughout the county. Similar tourism-related funding initiatives across Oregon have helped communities leverage tourism as a catalyst for downtown revitalization, outdoor recreation investments, trail enhancements, and business expansion opportunities.

Staff Recommendation

Staff recommends continued coordination and outreach with local tourism-related businesses and community partners to ensure awareness of the Tourism Business Grant Program and to encourage eligible applicants to participate. The program presents an opportunity to support business expansion, visitor attraction efforts, and economic vitality throughout Clackamas County communities.

For additional information and application materials, businesses may visit:

[Clackamas County Tourism Business Grant Program](#)



Sandy, OR Hotel Study Report

Healthy Sustainable Communities

May, 2026

Executive Summary

- **Sandy is positioned within one of Oregon's strongest tourism regions.** The Mt. Hood/Gorge region recently reached a record \$523M in travel spending, with accommodations serving as the fastest-growing spending category and maintaining the highest occupancy rates in Oregon.
- **Sandy has a clear lodging capture opportunity.** The city records approximately 29,200 overnight trips and 88,900 visit nights annually, yet its standardized commercial lodging supply remains limited to a single 45-room hotel, causing many visitors to stay elsewhere along the Mt. Hood corridor or in the Portland metro area.
- **Sandy faces a strategic choice:** pursue a 90-key select-service hotel that maximizes long-term impact (~\$113M economic impact; 82 jobs/year) or a 90-unit outdoor hospitality model that offers a lower-capital, lower-risk path (~\$87M economic impact; 43 jobs/year).

Agenda



Healthy Sustainable Communities partners with cities and counties to win critical funding, deliver actionable plans, and see projects through to completion—built on real results, local expertise, and deep commitment to Oregon’s future.

- **01**
Regional Overview
- **02**
Sandy Lodging Market
- **03**
Financial Modelling Results
- **04**
Recommendations

Regional Overview

01

Hotel performance is closely tied to growth, inflation, and employment

GDP Growth (Oregon)

Slightly under national, but slow and positive growth still supports baseline travel demand.

0.9%

Inflation (West Region)

While consumer inflation is moderate, rising operational costs for hotels may outpace modest room rate growth.

3.5%

Unemployment (Oregon)

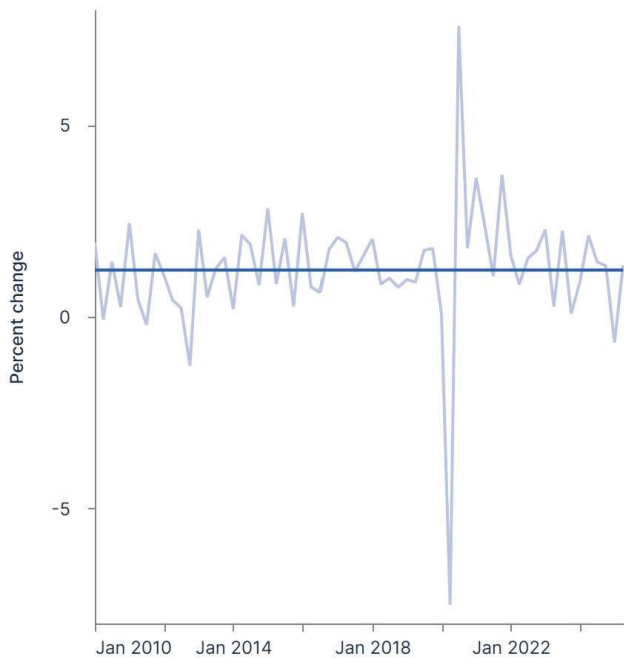
The labor market is showing signs of cooling which could soften leisure demand but may ease the tight labor market for staffing

5.2%

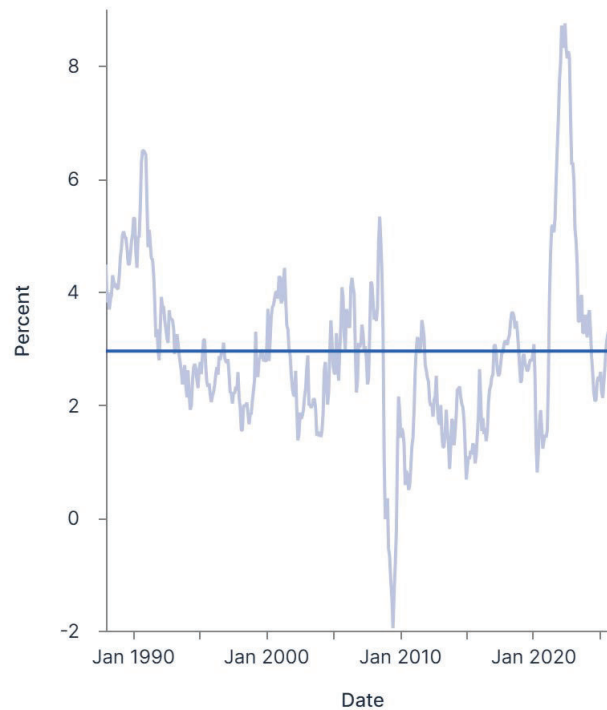
Sources: U.S. Bureau of Labor Statistics, Healthy Sustainable Communities 5

Macro conditions near average levels support our long-term assumptions

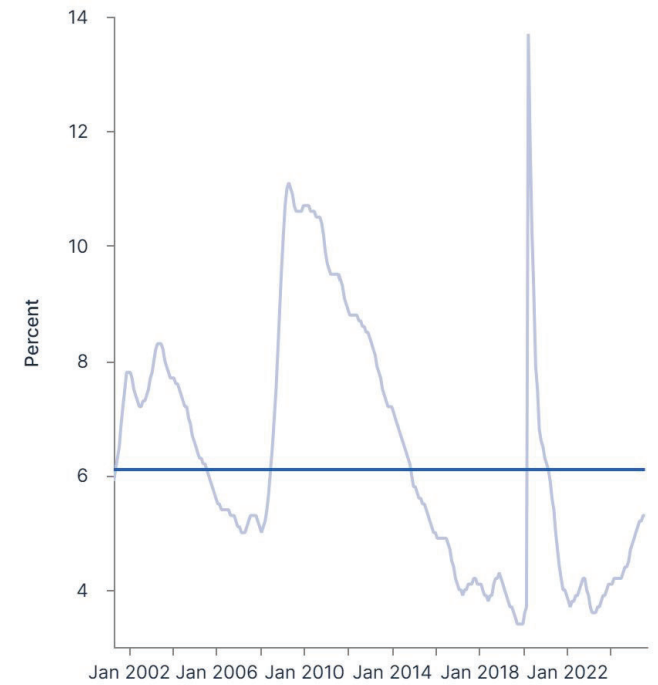
GDP Growth (Oregon)



Inflation



Unemployment Rates in Oregon



The local economic impact of travel is clear

In the Mt. Hood / Gorge Region:

\$523.2 M

Total travel spending in 2024

\$201.1M

Annual earnings

5,880

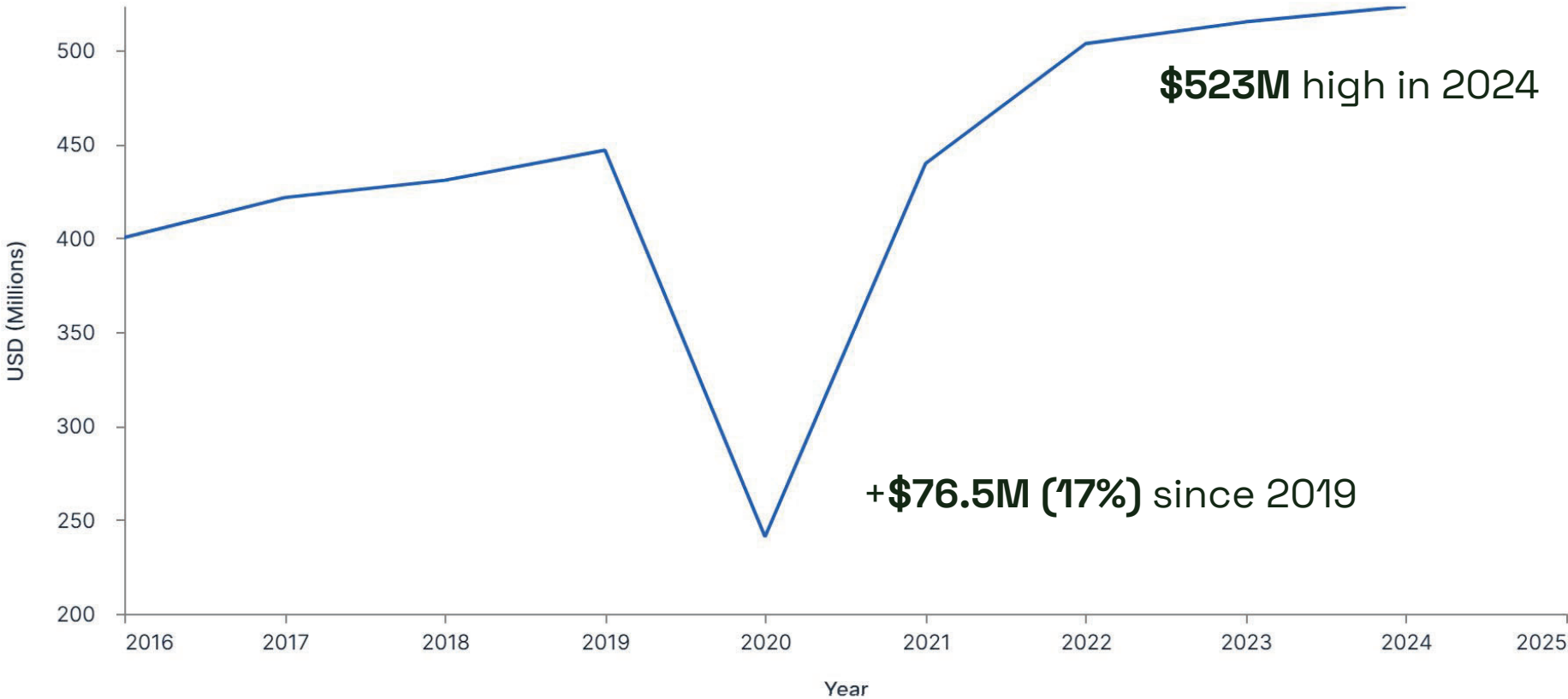
Jobs supported

\$27.3 M

Annual tax revenues

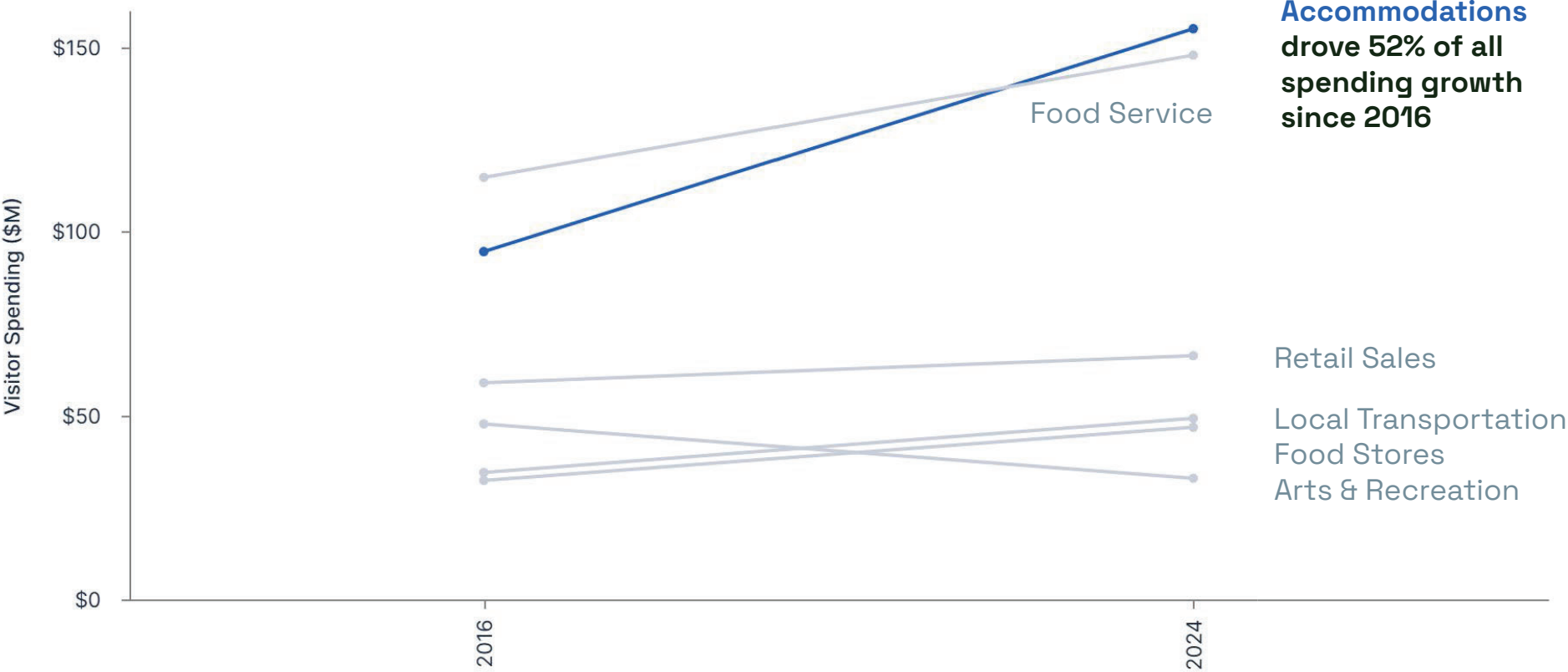
Source: Travel Oregon

Mt. Hood / Gorge travel spending continues to reach new highs post-pandemic

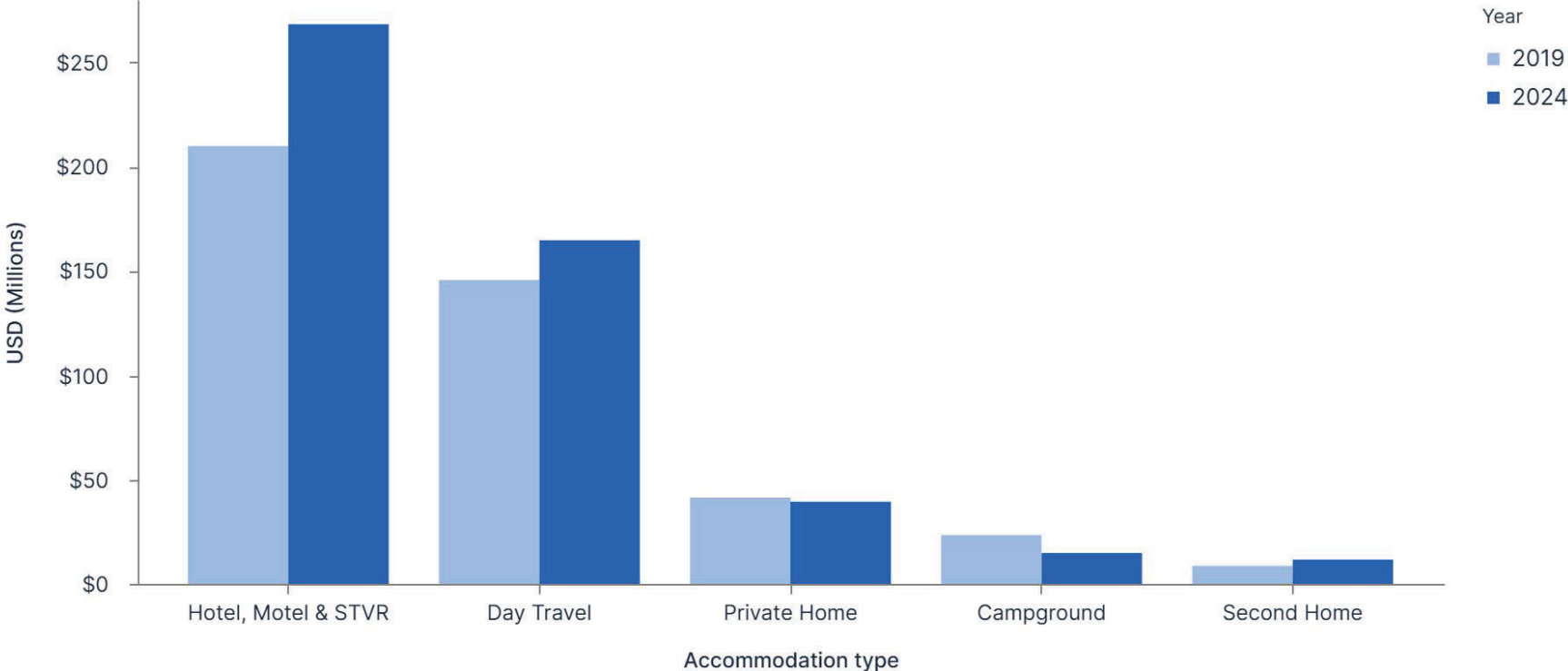


Source: Dean Runyan Associates, Healthy Sustainable Communities

Accommodations are the largest and fastest growing visitor spending category



Demand for paid lodging drove 84% of the spending growth from 2019 to 2024



Mt. Hood/Gorge leads the state with strong hotel fundamentals

Running 12 Month Reporting

Running 12 Months (R12): Sep 2024 - Aug 2025

Region	Occupancy %		Room Rate (\$)		RevPAR (\$)		Room Supply		Room Demand		Room Revenue (\$)	
	R12	YoY%	R12	YoY%	R12	YoY%	R12	YoY%	R12	YoY%	R12	YoY%
Statewide	60.7%	0.3%	\$141.4	-0.6%	\$85.8	-0.3%	25.93M	0.6%	15.74M	0.9%	\$2.23B	0.4%
Central	61.3%	4.4%	\$161.98	1.4%	\$99.33	5.9%	2.21M	-0.4%	1.35M	4.0%	\$219.42M	5.4%
Coast	59.4%	2.0%	\$167.83	0.7%	\$99.68	2.7%	4.18M	0.7%	2.49M	2.7%	\$417.09M	3.4%
Eastern	56.3%	3.1%	\$113.55	1.2%	\$63.96	4.4%	1.9M	1.1%	1.07M	4.2%	\$121.28M	5.5%
Mt. Hood/Gorge	64.3%	2.5%	\$150.21	1.3%	\$96.65	3.9%	819K	-0.4%	527K	2.1%	\$79.16M	3.5%
Portland	62.0%	-0.8%	\$133.12	-2.7%	\$82.6	-3.5%	9.74M	-0.5%	6.04M	-1.3%	\$804.27M	-4.0%
Southern	60.5%	2.1%	\$119.3	1.0%	\$72.12	3.1%	3.18M	0.1%	1.92M	2.2%	\$229.33M	3.2%
Willamette Valley	60.8%	-3.3%	\$143.69	-0.6%	\$87.37	-3.9%	3.95M	3.3%	2.4M	-0.1%	\$345.53M	-0.7%

Source: Travel Oregon

- **Mt. Hood/Gorge region has the highest occupancy rates in the state**
- **The demand for rooms is growing (2.1%) while room supply is contracting (-0.4%)**
- **Strong revenue growth as Revenue Per Available Room (RevPar) increased 3.9% compared to the statewide decline of -0.3%**

Sandy Lodging Market

02

Industry data for Sandy shows record-high room rates despite relaxed occupancy rates

Occupancy Rates

60.4%

62.6%
Historic Average ▼

Average Daily Rate
(ADR)

\$113.09

\$103.25
Historical Average ▲

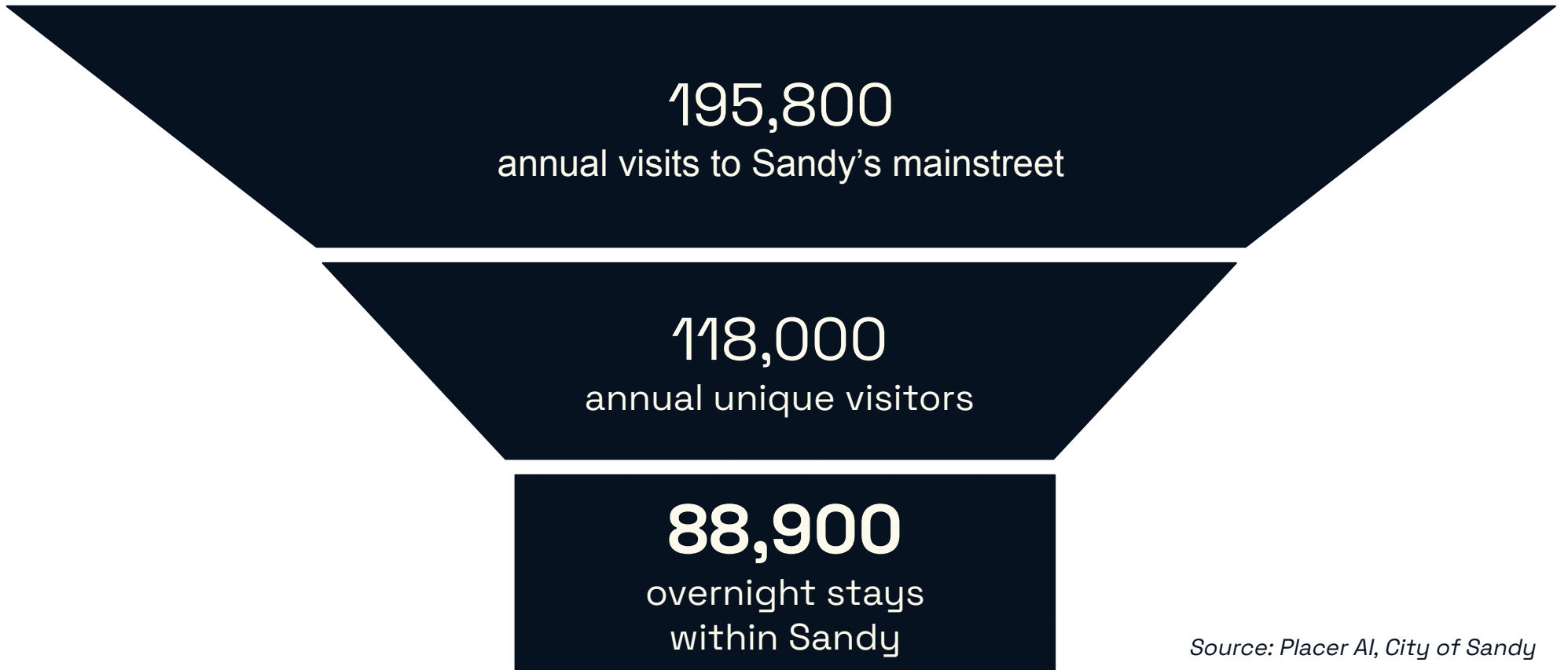
Revenue Per Available
Room (RevPAR)

\$68.30

\$64.85
Historical Average ▲

Source: Smith Travel Research (STR) / CoStar

High visitation volume generates over 88,900 annual overnight stays in Sandy



Source: Placer AI, City of Sandy

Local lodging supply has a combined supply of 55,700 room nights available in Sandy



16,425

Annual hotel room nights

39,353

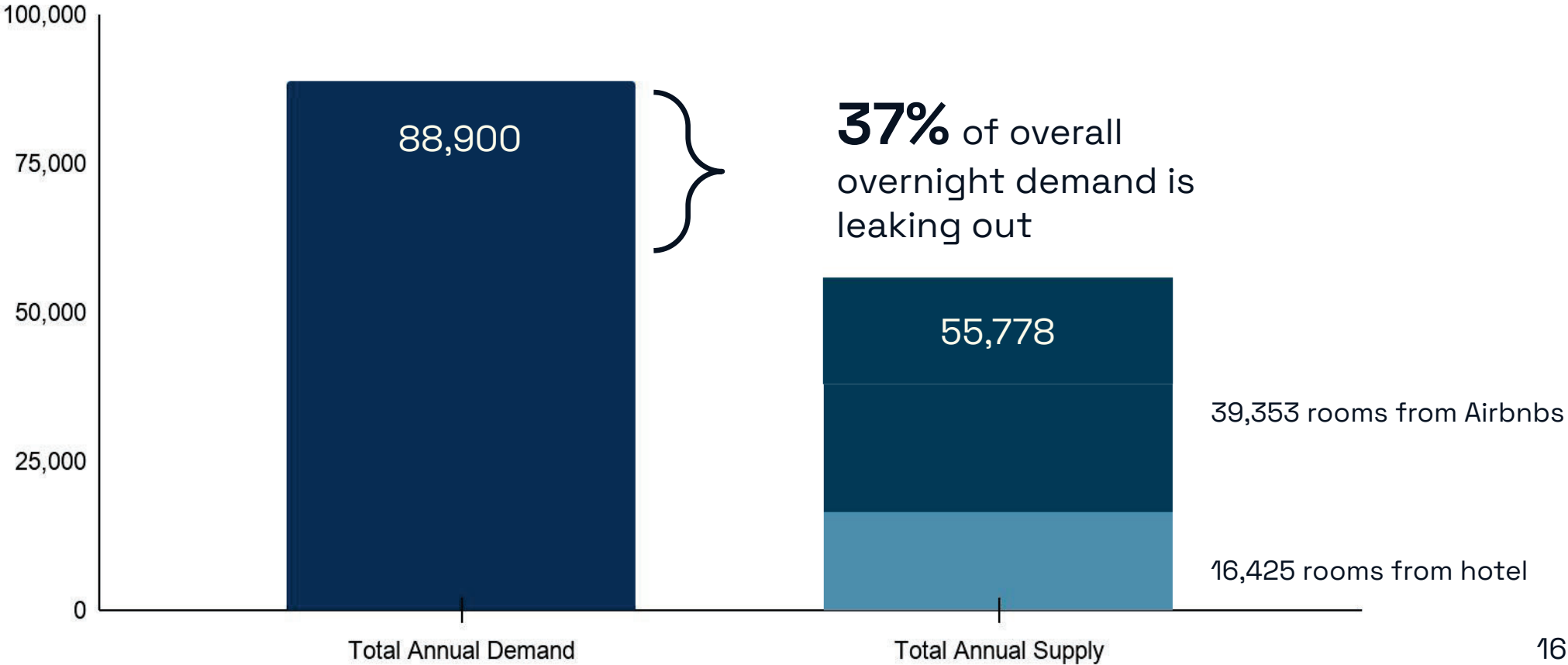
Annual STR room nights

55,778

Total annual room nights

*Source: City of Estacada Hotel Study,
2012; Airroi Data 2025*

More than half of Sandy overnight demand is leaking out of the city



Local stakeholder feedback confirms a lack of lodging for transient visitors

Metric	Stakeholder Response	Key Insight
Current Availability	1.78 / 5.0 Rating	78% of respondents rate current lodging as "Poor" (1-2 rating).
New Development Support	4.11 / 5.0 Rating	67% are "Likely" or "Very Likely" to support new lodging projects.
Lodging Pressure Indicator	89% hear lodging requests/full lodging reports weekly	Most respondents encounter lodging demand signals at least once per week during peak season, including 33% who hear them three or more times weekly.

Source: Healthy Sustainable Communities; survey distributed to 329 local organizations; 11.6% response rate (N=9).

Financial Model

03

Revenue and costs are anchored to market data

Revenue and Cost Estimates

Benchmarks by Hotel Segments

Segment	Cost per Key	RevPAR
Limited-service	\$ 167,000.00	\$ 56.94
Midscale extended-stay	\$ 170,000.00	\$ 65.95
Upscale extended-stay	\$ 266,000.00	\$ 102.10
Select-service	\$ 223,000.00	\$ 121.28
Full-service	\$ 410,000.00	\$ 153.36
Luxury	\$ 1,060,000.00	\$ 266.11

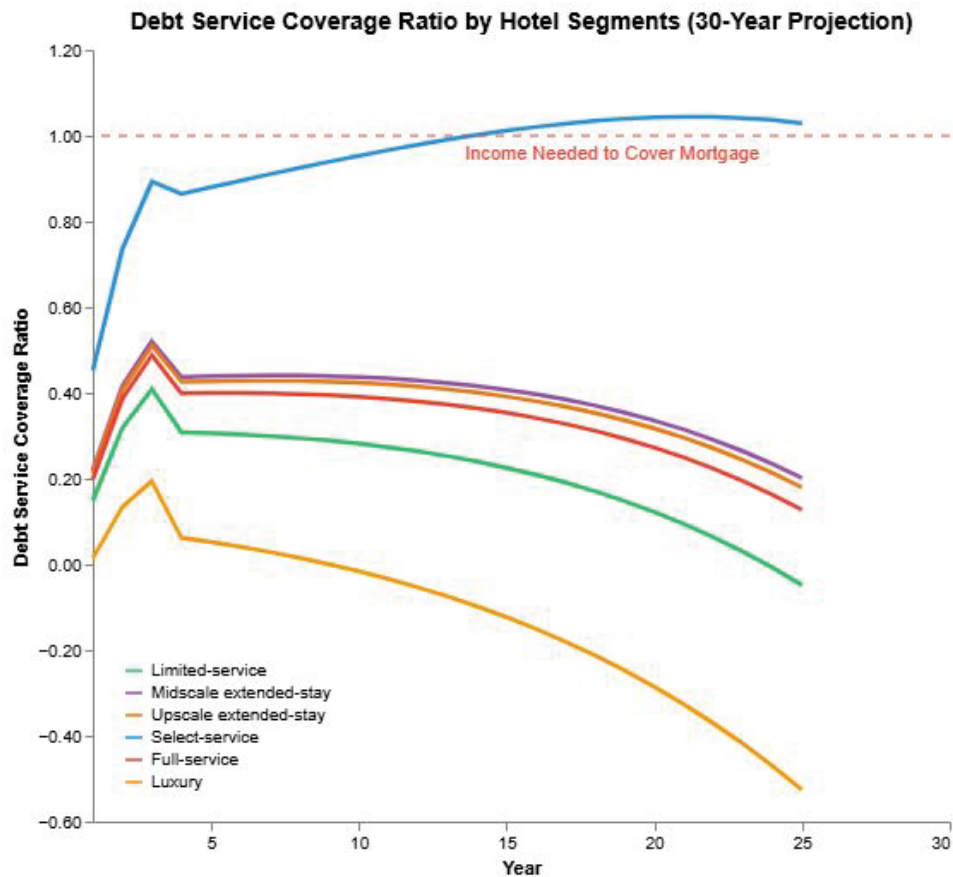
Source: HVS and Colliers

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Other Key Assumptions

- **90 rooms**
- **Occupancy** ramps up to market 60% by Year 4
- **Operating costs** consist of 72% of total revenues
- **Loan-to-cost** at standard 60% and an **interest rate** of 6.5% over 25 years
- **Property taxes** have an assumed 3-year abatement
- **Insurance rates** at 1.7% and 6.2% annual growth

Select-service development demonstrates strongest economics compared to other hotel segments



Select-service hotels are the only segment that is projected to meet the minimum threshold needed to eventually cover debt payments

Our analysis suggests select-service offers the best balance of rate, occupancy, and cost structure among the modeled hotel segments.

Select-service hotels combine quality lodging with streamlined amenities



Best Western Plus

Cascade Locks, OR



Hampton Inn

Hood River, OR

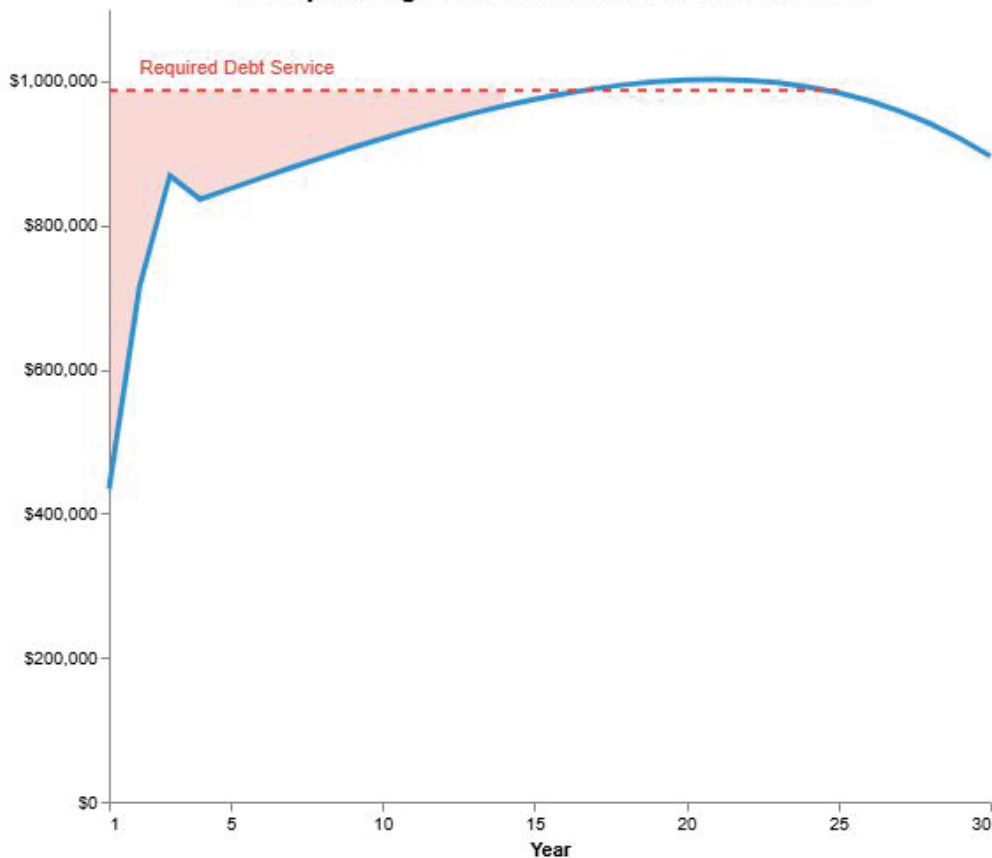


Best Western

Government Camp, OR

High debt service requirements for a select-service hotel create a funding gap in the early years

Net Operating Income for a Select-service Hotel

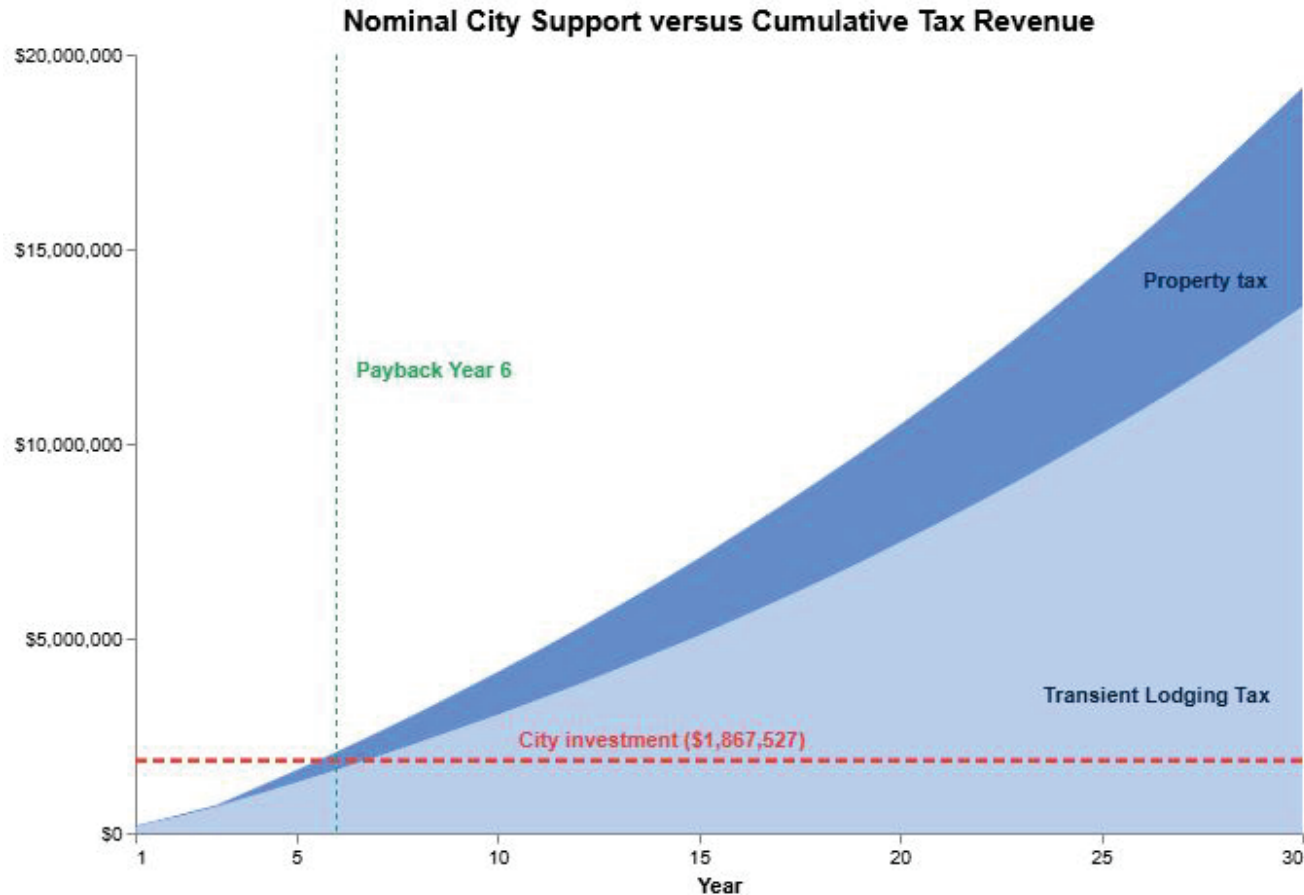


Select-service would still require **\$1.8M** in gap financing over the period.

Projected net operating income (NOI) falls short of the required debt service, creating a gap.

Strategic city support or partnership in this range can help unlock a viable private development while retaining long-term community benefits.

An “investment” would break-even by Year 6



A city “investment” of **\$1.4M** would break-even by **Year 6** through new tax generation.

The project generates a **24% internal rate of return for the city over 30 years** on property and lodging taxes alone.

Outdoor Hospitality



Successful outdoor hospitality is plentiful in the PNW



The Vintages

Dayton, OR



Sou'wester

Seaview, WA

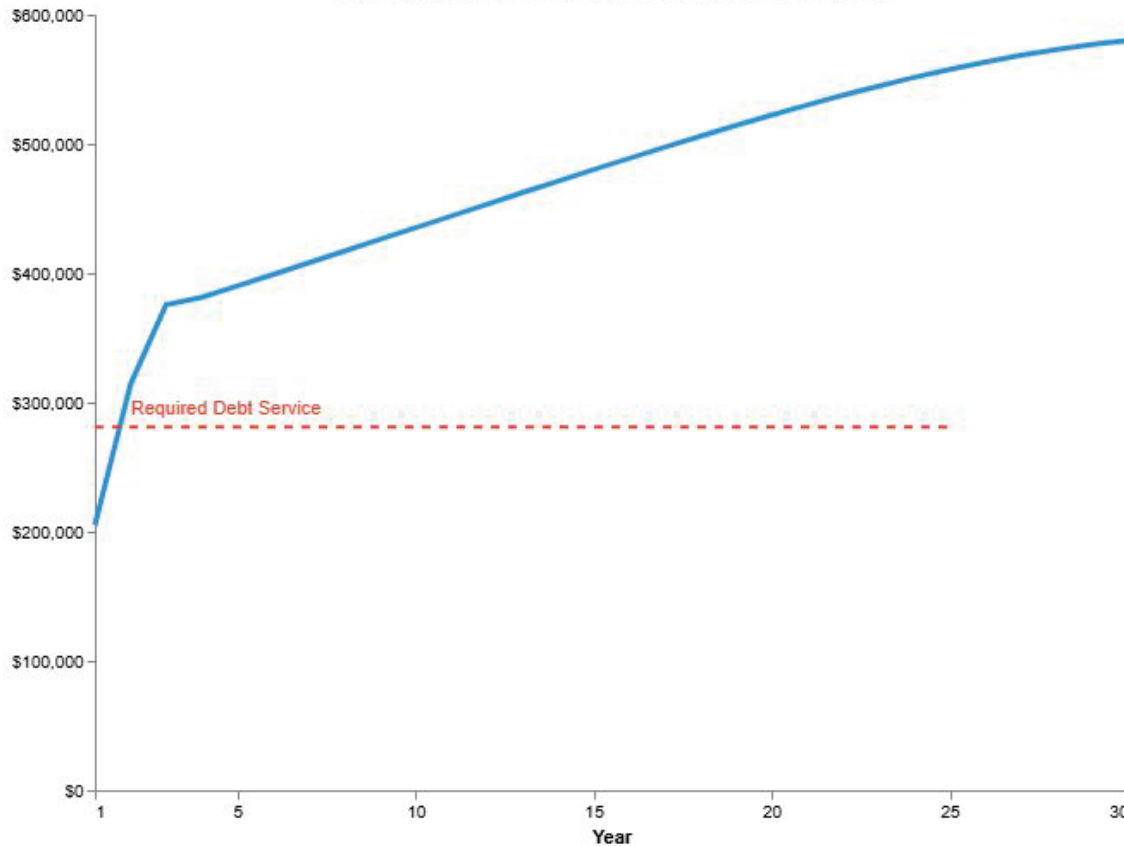


Postcard Cabins

Glenwood, WA

Outdoor hospitality generates immediate positive cash flow with no financing gap

Net Operating Income: Outdoor Hospitality



Because this model requires less capital for comparable revenue, the Net Income exceeds the required debt service immediately.

There is no need for gap financing to make this model commercially viable.

Roadmap Ahead

04

Hotels offer higher long-term tax revenue

Nevertheless, outdoor hospitality offers economic impact and lower risks with financial feasibility

	Select-service hotel	Outdoor hospitality
Property Tax (City, 30-yr)	\$5,646,706	\$1,602,063
Transient Lodging Tax (City, 30-yr)	\$13,507,521	\$5,161,438
Ancillary Visitor Spend (30-yr)	\$94,710,492	\$80,330,667
Total Economic Impact (30-yr)	\$113,864,718	\$87,094,168
Avg Annual Visitor Spend	\$10,875,600	\$5,627,082
Avg Annual On-Site Revenue	\$7,718,583	\$2,949,393
Regional Jobs Supported (per year)	82.3	42.6
Regional Wages Supported (per year)	\$4,241,484	\$2,194,562
Direct On-Site Jobs (per year)	108.8	41.6

Choice is between maximizing long-term fiscal impact vs minimizing near-term development risk

Hotel (Select-service)

Goal: Maximize long-term municipal revenue and regional employment.

City Leverage: Explore using tools such as eligible infrastructure participation, Urban Renewal/TIF where available, fee relief, reserve support, or performance-based agreements.

Best Fit: A downtown-adjacent site to catalyze local business spending.

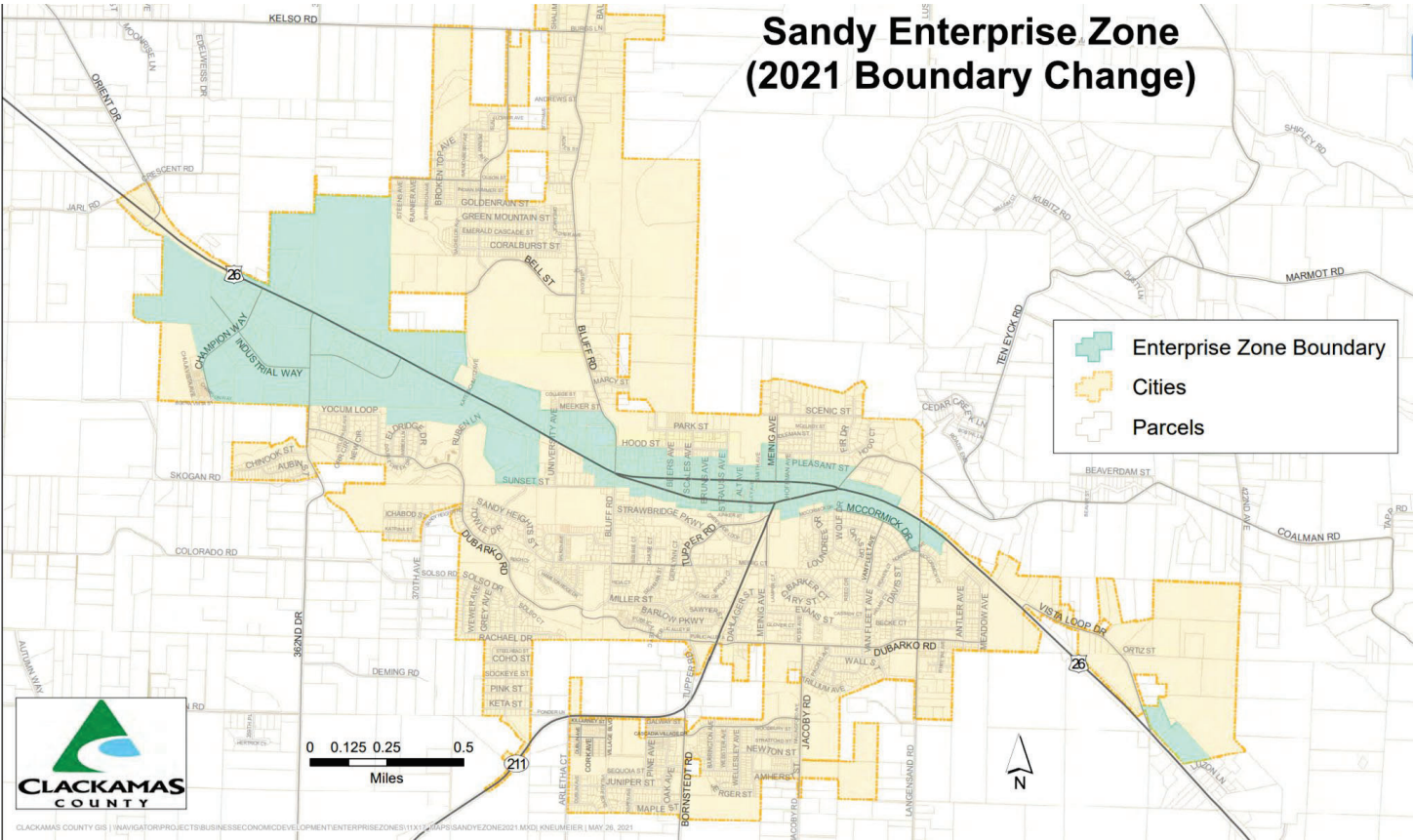
Outdoor Hospitality

Goal: Minimize capital requirement and immediate risk of developer default.

City Leverage: Focus less on subsidy and more on site control, entitlement support, and identifying a premium experiential parcel with tree canopy, views, privacy, river access, or trail connectivity.

Best Fit: Larger, nature-oriented sites where the visitor experience itself supports outdoor lodging rates.

Development feasibility ultimately contingent on site selection





Energize Sandy: Grants & Loans for Business Growth and Investment

The Energize Sandy programs support businesses located within the Sandy Urban Renewal Area. Learn more below:



Apply Here

Concept & Feasibility Grant

Up to \$25,000 | Matching Grant

Supports early-stage planning work that prepares a project for construction, expansion, or private financing.

Eligible uses include: planning and design, feasibility studies, engineering, permits, market analysis, and cost estimating.



Capital Improvement Grant

Up to \$100,000 | Matching Grant

Supports permanent building improvements and business expansions that increase assessed value, create or retain jobs, and leverage private investment.

Eligible uses include: construction and renovations, permanent improvements, or facade improvements..



Apply Here

Revolving Loan Fund

Loans up to \$250,000 | Low-interest Loan

Provides flexible financing to fill gaps and support expansion, new construction, equipment upgrades, and job creation.

Loan terms are typically 3–7 years with fixed, below-market interest rates. Collateral is required.



Apply Here

Energize Sandy Update

Introduction

This update summarizes current Energize Sandy activity by parcel, applicant or owner status, and grant or financing position as of May 2026. It is organized to give a quick program-level view, followed by a parcel-by-parcel status table and short implementation notes based on the latest internal update provided by the City team.

The program continues to show a mix of active Tier 1 project movement, Tier 2 follow-up and underwriting work, and Tier 3 monitoring of properties that are either constrained, listed, or not yet ready for immediate participation.

Program Status

At the top of the pipeline, the WRG 3 Creeks LLC restaurant and pub effort at 38015 US 26 is moving forward on both Grant 1 and Grant 2, while the related property at 38016 US 26 remains under loan application review.

Several Tier 2 properties are in active but incomplete stages, including facade improvement follow-up for Paolas + Whitney, capital application work for Cascade Investment & Development, ownership transition outreach for Muff Property, grant support coordination for Mt. Hood Meadows, and preliminary next-step discussions with Chris Gunderson at 39150 Pioneer Blvd.

Tier 3 activity remains largely relationship-based and opportunistic, with continued conversations tied to tax issues at 38763 Proctor Blvd, a note that the owner at 39010 Pioneer Blvd is not interested in selling at this time, and marketing or broker outreach for properties already listed for sale.

Parcel and Grant Status

Parcel Address	Activity	Owner	Tier / Timeline	Current Status / Notes
<hr/>				

Parcel Address	Activity	Owner	Tier / Timeline	Current Status / Notes
38015 US 26, Sandy	Proposed Restaurant + Pub	WRG 3 Creeks LLC	Tier 1	Moving forward on Grant 1 and Grant 2.
38016 US 26, Sandy	Proposed Restaurant + Pub	WRG 3 Creeks LLC	Tier 1	Reviewing loan application.
39070-39100 Pioneer Blvd	Improve Exterior Facade	Paolas + Whitney	Tier 2	Additional information requested.
38888 Pioneer Blvd	Approved Plans	Cascade Investment & Development	Tier 2	Working on capital application.
38763 Proctor Blvd	Tax constraints	Turra	Tier 3	Continued conversations.
38871 Proctor Blvd	Property transfer to new owners	Muff Property	Tier 2	In escrow; outreach to owners is ongoing; close anticipated in June.

39010 Pioneer Blvd	Owner Occupied	Not listed	Tier 3	Owner is not interested in selling at this time.
38454 Pioneer Blvd	Listed for Sale	Next Adv	Tier 3	Listed on City website.
38015 US 26 Hwy	Listed for Sale	Not listed	Tier not specified	Outreach to broker underway.
Mt. Hood Meadows	Grant Support	Mt. Hood Meadows	Tier 2	Grant support in progress.
39150 Pioneer Blvd	Next steps under discussion	Chris Gunderson	Tier 2	Preliminary issues and next steps under review.

Action Notes

Near-term staff attention should remain focused on closing the loop on active Tier 1 financing and grant execution, since those projects appear closest to visible implementation and can help demonstrate early program traction.

For Tier 2 properties, the most important next actions are collecting missing materials, maintaining contact during ownership transitions, and helping applicants move from conceptual interest into complete applications.

For Tier 3 properties, the current posture is appropriately light-touch: maintain outreach, monitor listings and tax-related constraints, and be ready to re-engage when ownership, market timing, or seller interest changes.