STAFF REPORT

Meeting Type:	Urban Renewal Board
Meeting Date:	November 3, 2025
From:	Tyler Deems, Executive Director
Subject:	Review of New Urban Renewal Financing Programs

DECISION TO BE MADE:

Review new financing program concepts and provide feedback. If desired, move to authorize staff to begin implementing the programs.

BACKGROUND / CONTEXT:

For several years the Board has expressed an interest in reimagining the programs through which the Urban Renewal Agency invests in property within the district. Several Board Members have expressed that the Façade Program and the Tenant Improvement Program, while historically useful, are no longer the most effective way to accomplish the goals of the Agency and generate economic development and long-term growth in property values.

Earlier this year the City contracted with Jon Legarza and Healthy Sustainable Communities to provide economic development consulting services. As part of his scope of work, Mr. Legarza performed an audit of the Urban Renewal District and has proposed several new urban renewal financing program concepts for the Agency's consideration. These programs are intended to help existing businesses expand and attract new employers. Business owners have described scenarios where modest gap financing could enable significant expansion, but traditional lending often does not align well with the needs of growing businesses in smaller communities.

The Economic Development Advisory Board received a briefing on the proposed financing programs at its last meeting and has provided a recommendation that the Board approve the programs for implementation.

KEY CONSIDERATIONS / ANALYSIS:

Three complementary financing programs, all of which address different business development needs while maintaining fiscal responsibility and measurable outcomes, are being proposed: (1) Conceptual Design & Feasibility Grants, (2) Capital Improvement Grants, and (3) a Revolving Loan Fund.

1. **Business, Community & Conceptual Design Grant Program**

   Total Program Funding: $100,000

   Program Purpose: Stimulate local business growth, enhance community assets, and advance project readiness through strategic non-repayable grants for initiatives that deliver clear public and economic benefits.

   Eligible Applicants:
   - Businesses operating within City of Sandy Urban Renewal Limits
   - Property owners with commercial or mixed-use projects in the City of Sandy Urban Renewal Limits
   - Nonprofit organizations or community-serving developments within the City of Sandy Urban Renewal Limits

   Eligible Project Types:

   - Conceptual design and feasibility planning (maximum $25,000) for projects leading to future capital development including site planning, architectural design, feasibility studies, and permitting assistance requiring 50% match

2. **Capital Improvement Grant Program**

   Total Program Funding: $400,000

   Program Purpose: Support substantial business expansions and property improvements that create long-term economic benefits for Sandy. This grant program provides larger, one-time awards to projects that deliver measurable increases in assessed value, job creation, and community vitality within the Urban Renewal Area.

   Eligible Applicants:
   - Businesses operating within City of Sandy Urban Renewal Limits
   - Property owners with commercial or mixed-use projects in the City of Sandy Urban Renewal Limits
   - Nonprofit organizations or community-serving developments within the City of Sandy Urban Renewal Limits

   Eligible Project Types:
   - Building renovations and tenant improvements
   - Major equipment purchases that are permanently affixed to the property
   - Site improvements that enhance long-term business operations
   - Expansion of existing facilities that create new employment opportunities

3. **City of Sandy Revolving Loan Fund**

   Total Fund Capitalization: $1 million

Program Purpose: Provide competitive, low-interest financing for business expansion, infrastructure investment, and strategic development projects that strengthen Sandy's economic foundation and employment base.

Loan Parameters:
- Maximum loan amount: $250,000 per project
- Interest rate: Fixed rate, set competitively below market rates
- Loan terms: 3-7 years with flexible repayment structures
- Repayment schedule: Monthly principal and interest with seasonal adjustment options available for qualifying businesses

Eligible Uses of Funds:
- Building renovations and facility improvements
- Equipment purchases and technology upgrades
- New construction projects
- Site preparation and infrastructure development
- Conceptual design, engineering, and predevelopment activities for construction-ready projects that advance employment and economic development goals

BUDGET IMPACT:

The overall impact on the budget is dependent upon the interest in the programs. For the current biennium, $400,000 was budgeted for grant programs. There is currently over $3 million in contingency for Urban Renewal, which could be used to activate the revolving loan fund as described above.

RECOMMENDATION:

Review new financing program concepts and provide feedback. If desired, move to authorize staff to begin implementing the programs.

SUGGESTED MOTION LANGUAGE:

n/a

LIST OF ATTACHMENTS / EXHIBITS:

- Ignite Growth: Building Sandy’s Economic Future Through Strategic Investment