



A place where businesses and families thrive

URBAN RENEWAL AGENCY MEETING AGENDA

MONDAY, JANUARY 9, 2016

9:00 PM – Urban Renewal Agency Meeting

Community Auditorium
1915 Main Street
Forest Grove, OR 97116

PETER B. TRUAX, DIRECTOR BOARD CHAIR

Thomas L. Johnston, Vice Chair
Timothy A. Rippe
Ronald C. Thompson

Elena Uhing
Matthew J. Vandehey
Malynda H. Wenzl

All meetings of the Urban Renewal Agency Board are open to the public and all persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Urban Renewal Agency Board as follows:

➔ **Public Hearings** – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Board, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Board action.

➔ **Citizen Communications** – Anyone wishing to address the Board on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Board, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the Urban Renewal Agency Board, please contact the City Recorder, aruggles@forestgrove-or.gov, 503-992-3235.

All meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder, aruggles@forestgrove-or.gov, 503-992-3235, at least 48 hours prior to the meeting.

- 9:00**
1. **URBAN RENEWAL AGENCY MEETING:** Roll Call
 2. **CITIZEN COMMUNICATIONS:** Anyone wishing to speak to Urban Renewal Agency Board on an item not on the agenda may be heard at this time. Please sign-in before the meeting on the Citizen Communications form posted in the foyer. In the interest of time, please limit comments to two minutes. Thank you.
 3. **CONSENT AGENDA:**
 - A. *Approve Urban Renewal Agency Regular Meeting Minutes of November 14, 2016.*
 4. **ADDITIONS/DELETIONS:**
 5. **PRESENTATIONS:**
- 9:05 5. A.
 - *Urban Renewal Plan Recap*
- 9:20 6. **URA RESOLUTION NO. 2017-01 AUTHORIZING THE TRANSFER OF APPROPRIATIONS WITHIN THE FOREST GROVE URBAN RENEWAL AGENCY FOR FISCAL YEAR 2016-147**
- 9:30** 7. **ADJOURNMENT:**

(PowerPoint Presentation)
Dan Riordan, Senior Planner
Jesse VanderZanden, City Manager

Paul Downey, Administrative
Services Director
Jesse VanderZanden, City Manager

Urban Renewal Agency Meeting Minutes

**Monday, November 14, 2016
8:30 p.m., Community Auditorium**

Minutes are unofficial until approved by the Urban Renewal Agency.

1. CALLED TO ORDER AND ROLL CALL:

Peter Truax, Urban Renewal Agency (URA) Director Chair, called the regular URA meeting to order at 8:25 p.m.

ROLL CALL: URA DIRECTORS PRESENT: Thomas Johnston, Vice-Chair; Richard Kidd; Ronald Thompson; Malynda Wenzl; and Peter Truax, Chair. **URA BOARD DIRECTOR ABSENT:** Victoria Lowe and Elena Uhing, excused.

STAFF PRESENT: Jesse VanderZanden, Executive Director; Paul Downey, Administrative Services Director; Jon Holan, Community Development Director; Dan Riordan, Senior Planner; Jeff King, Economic Development Manager; Michael Kinkade, Fire Chief (in the audience); and Anna Ruggles, City Recorder.

2. CITIZEN COMMUNICATIONS: None.

3. CONSENT AGENDA:

- A. Approve Urban Renewal Agency Regular Meeting Minutes of June 27, 2016.
- B. Approve Urban Renewal Agency Work Session (Storefront Revitalization Program) Meeting Minutes of September 26, 2016.
- C. Approve Urban Renewal Agency Work Session (Storefront Revitalization Program) Meeting Minutes of October 10, 2016.
- D. Approve Urban Renewal Agency Work Session (Storefront Revitalization Program) Meeting Minutes of October 24, 2016.

MOTION: Director Kidd moved, seconded by Director Wenzl, to approve the Consent Agenda as presented. **ABSENT:** Directors Lowe and Uhing. **MOTION CARRIED 5-0 by voice vote.**

4. ADDITIONS/DELETIONS: None.

5. PRESENTATIONS: None.

6. URA RESOLUTION NO. 2016-05 OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY ESTABLISHING STOREFRONT IMPROVEMENT PROGRAM AND AUTHORIZING THE DIRECTOR TO IMPLEMENT SUCH PROGRAM

Staff Report:

Holan presented the above-noted URA resolution establishing a storefront improvement program for the Town Center utilizing tax increment funds. Holan presented a PowerPoint Presentation summarizing work sessions held on September 26, October 10 and October 24, 2016, noting Board refined the program and grant application requirements as outlined in Exhibit A, Urban Renewal Storefront Improvement Grant Program and Storefront Improvement Grant Program Eligibility Area. Holan summarized the storefront improvement program's tiered grant funding as follows:

Tiered Grant Program:

- \$1 to \$2,500 – public to private ratio: 2 to 1. This tier would apply when net URA funds are \$5,000 to \$15,000 for the fiscal year.
- \$2,501 to \$7,500 – public to private ratio: 1 to 1. This tier would apply when net URA funds are \$15,001 to \$30,000 for fiscal year.
- \$7,501 to \$10,000 – public to private ratio: 1 to 2. This tier would apply when net URA funds are \$30,001 to \$50,000 for the fiscal year.

- The property owner may obtain other grant funding, but must contribute at least 25 percent of their own funds for any project;
- Grants are on a "first come, first serve" basis until funding for that fiscal year is allocated;
- Grants are only available to property or business owners in the Town Center Area (as shown in Attachment 2, Map of Eligibility Area)
- Grants are for exterior improvements only; and
 - Compliance with applicable city standards and guidelines;
 - Contribution to the historic character of the Town Center;
 - Applicant's demonstrated ability to complete the project; and
 - Need for assistance been demonstrated.

To apply to an Urban Renewal Storefront Improvement Grant:

- The applicant for assistance must be the property owner or business owner;
- Property owner must be current on taxes;
- Grant must be used to make improvements on the exterior of the store;
- The project shall contribute to the historical nature of the Town Center if the building is a contributing resource or shall compliment the historical nature of the area if not a contributing resources;
- Project shall comply with all applicable city standards and requirements. Of a particular note are (but not limited to):
 - City downtown design standards and guidelines;

- Sidewalk standards; and
- Relevant building codes.
- One application per parcel per fiscal year (may include multiple addresses on the same tax lot parcel).

Before proceeding with Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2016-05.

VanderZanden read URA Resolution No. 2016-05 by title.

MOTION: Director Thompson moved, seconded by Director Kidd, to adopt URA Resolution No. 2016-05 of the City of Forest Grove Urban Renewal Agency Establishing Storefront Improvement Program and Authorizing the Director to Implement such Program.

Board of Directors Discussion:

In response to Wenzl's inquiry pertaining to the application process, Holan explained the agency would begin accepting applications on July 1, 2017, noting the agency will notify the applicant as part of the application process and priority is established by the date of the application. Holan added grants would be approved by the agency until funds are expended for the fiscal year.

Hearing no further discussion from the Board, Director Chair Truax asked for a voice vote on the above motion.

VOICE VOTE: AYES: Directors Vice Chair Johnston, Kidd, Thompson, Wenzl, and Director Chair Truax. ABSENT: Directors Lowe and Uhing. MOTION CARRIED 5-0.

7. URA RESOLUTION NO. 2016-06 AUTHORIZING URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE ACCEPT A LOAN FROM THE CITY OF FOREST GROVE IN THE AMOUNT OF NINE HUNDRED SIXTY TWO THOUSAND FIVE HUNDRED SIXTY ONE DOLLARS (\$962,561.00) FOR A TOTAL PRINCIPAL LOAN FROM CITY TO AGENCY OF TWO MILLION SIXTY TWO THOUSAND FIVE HUNDRED SIXTY ONE DOLLARS (\$2,062,561.00) (TOTAL LOAN); APPROVING A FORM OF PROMISSORY NOTE FROM THE AGENCY IN FAVOR OF THE CITY FOR SAID TOTAL LOAN

Staff Report:

Downey presented the above-proposed resolution requesting to authorize the Urban Renewal Agency (URA) to accept a principal loan of \$962,561 from the City to cover certain contractual obligations the URA has to Jesse Quinn, LLC, relative to

redevelopment of the former Times Litho site so that there is a total principal loan of \$2,062,561 and approve a promissory note from the Agency in favor of the City for the total loan. Downey reported the Disposition and Development Agreement with Tokola Properties (now Jesse Quinn, LLC) stated the URA and City agreed to do the following: 1) sell the property to Tokola Properties for \$10; 2) waive up to \$72,563 in building permits and planning fees; and 3) pay up to \$962,561 in system development charges (SDC) and public improvements. Downey reported the property sale is ready to complete and building permits are ready to issue, noting the URA needs to pay the SDCs when building permits are issued so the City needs to loan the URA the \$962,561 as previously approved. Downey advised the City would loan the funds from the Capital Project Funds for a 10-year period, which is the maximum period allowed by statute, noting loan repayment has been reflected in the projected cash flow for the URA and the promissory note contains the repayment schedule. In conclusion of the above-noted staff report, Downey advised staff is recommending the URA approve the proposed resolution to borrow the funds and to repay the loan over the next 10 years as outlined in Exhibit A.

Before proceeding with Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2016-06.

VanderZanden read URA Resolution No. 2016-06 by title.

MOTION: Director Kidd moved, seconded by Director Vice Chair Johnston, to adopt URA Resolution No. 2016-06 Authorizing Urban Renewal Agency of the City of Forest Grove Accept a Loan from the City of Forest Grove in the Amount of Nine Hundred Sixty Two Thousand Five Hundred Sixty One Dollars (\$962,561.00) for a Total Principal Loan from City to Agency of Two Million Sixty Two Thousand Five Hundred Sixty One Dollars (\$2,062,561.00) (Total Loan); Approving a Form of Promissory Note from the Agency in favor of the City for said Total Loan.

Board of Directors Discussion:

Hearing no questions from the Board, Director Chair Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Directors Vice Chair Johnston, Kidd, Thompson, Wenzl, and Director Chair Truax. ABSENT: Directors Lowe and Uhing. MOTION CARRIED 5-0.

8. **ADJOURNMENT:**

Director Chair Truax adjourned the URA regular meeting at 8:38 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

This page is intentionally blank.



Urban Renewal Agency Report

Forest Grove Urban Renewal Agency
Board of Directors Meeting
January 9, 2017

A place where businesses and families thrive.

Purpose of Presentation

- Review Urban Renewal Plan goals and project categories.
- Update the URA Board of Directors on 2016 accomplishments.
- Highlight URA revenues and expenses to preface the upcoming FY 17-18 budget process.
- Discuss future funding priorities.

Urban Renewal Plan

- Under state law (ORS 457) allows adoption of urban renewal plans by cities and counties. The purpose of an urban renewal plan is to eliminate blight and blighting influences within a defined geographic area (urban renewal area). Urban Renewal plans usually last 20 years.
- Forest Grove has an urban renewal plan for the Town Center and Pacific Avenue/19th Avenue Corridor from the Town Center to just east of the Quince Street/Pacific Avenue intersection. The Plan was adopted in 2014.



Forest Grove Urban Renewal Area



Urban Renewal Plan

- When an urban renewal plan is adopted the governing body, it must make findings that blight exists in the urban renewal area. Blight is defined broadly under state law and includes factors such as obsolete, deteriorated or dilapidated buildings, disuse of property, inadequate infrastructure, prevalence of depreciated property values, or lack of proper utilization of land.
- Under state law an urban renewal area may not encompass more than 25% of a city's land area or taxable value. Forest Grove's urban renewal area includes about 6.6% of the City's land area and 9.5% of the City's taxable value.
- Under state law, an Urban Renewal Agency is a separate legal entity from a city or county. As a separate entity, the Forest Grove Urban Renewal Agency is governed by a Board of Directors. In Forest Grove the Urban Renewal Agency Board of Directors is made up of the Mayor and City Council which is commonly used by small and mid-sized cities. In Forest Grove, adoption of an urban renewal plan does not require approval at an election.

Forest Grove Urban Renewal Plan Goals

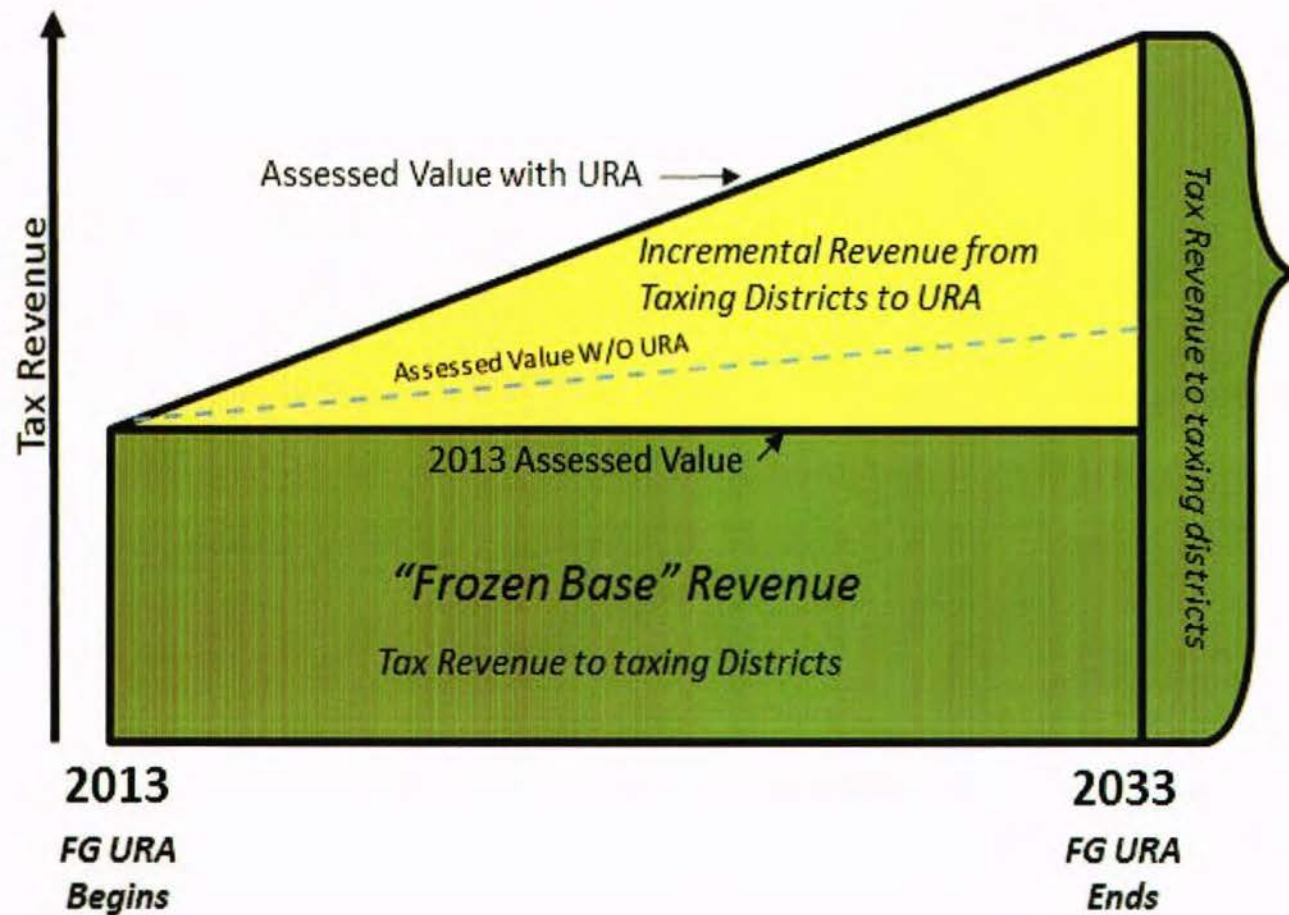
- Provide Opportunities for Public Participation in preparation and adoption of urban renewal plans, plan amendments and policies.
- Adopt a prudent annual budget to minimize financial risk to the Urban Renewal Agency and the City of Forest Grove.
- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.
- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.
- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Forest Grove Urban Renewal Plan Projects

- Acquisition of Redevelopment Sites from Willing Sellers
- Redevelopment Project Assistance
- Exterior Building Improvement Program
 - Building façade improvements
 - Returning historic buildings to original character
 - Seismic upgrades
 - ADA accessibility improvements
- Interior Building Improvement Program
 - Upgrading buildings to current building code standards
 - Seismic upgrades
 - Improvements to fill vacant space
- Sustainability Incentive Program
 - Energy efficiency
 - “Green” building amenities
- Funds for Matching Grant Opportunities

Urban Renewal Agency Funding

- Primary Source of Funding: Tax Increment Financing



Agency Accomplishments (2016)

- Payback to City on purchase of Times-Litho property
- Tokola (Jesse Quinn) Mixed-Use Development
 - Ground breaking December 2016
- Town Center Storefront Revitalization Grant Program
 - Program guidelines approved by Board October 2016
 - Advertising and Promotion to begin January 2017
 - Project Funding to begin July 2017

Agency Revenue & Expenses

Tax Increment			Agency Costs		Net Funding					
Year	Annual Total Increment	Cumulative Increment	Administrative Costs	Combined Loan Payoff	Total Annual Costs	Cumulative Total Costs	Annual Increment - Net Revenue	Cumulative Increment - Total Cost	Storefront	Year-End Estimated Net Cash Balance
2016	\$27,101	\$27,101	\$5,050.00	\$13,750.00	\$18,800.00	\$18,800.00	\$8,301.00	\$8,301.00		\$8,301.00
2017	\$75,231	\$102,332	\$15,500.00	\$33,803.00	\$49,303.00	\$68,103.00	\$25,928.00	\$53,029.00	\$10,000.00	\$24,229.00
2018	\$125,311	\$227,643	\$8,000.00	\$51,546.03	\$59,546.03	\$127,649.03	\$65,764.97	\$168,096.97	\$10,000.00	\$79,993.97
2019	\$203,514	\$431,157	\$8,160.00	\$184,395.37	\$192,555.37	\$320,204.40	\$10,958.63	\$238,601.63	\$5,000.00	\$85,952.60
2020	\$257,584	\$688,741	\$8,323.20	\$317,226.72	\$325,549.92	\$645,754.32	(\$67,965.92)	\$363,191.08	\$5,000.00	\$12,986.68
2021	\$313,261	\$1,002,002	\$8,489.66	\$317,226.72	\$325,716.38	\$971,470.70	(\$12,455.38)	\$676,285.62	\$0.00	\$531.30
2022	\$325,600	\$1,327,602	\$8,659.46	\$317,226.72	\$325,886.18	\$1,297,356.88	(\$286.18)	\$1,001,715.82	\$0.00	\$245.12
2023	\$377,478	\$1,705,080	\$8,832.65	\$317,226.72	\$326,059.37	\$1,623,416.25	\$51,418.63	\$1,379,020.63		\$51,663.75
2024	\$430,912	\$2,135,992	\$9,009.30	\$317,226.72	\$326,236.02	\$1,949,652.27	\$104,675.98	\$1,809,755.98		\$156,339.73
2025	\$485,950	\$2,621,942	\$9,189.49	\$317,226.72	\$326,416.21	\$2,276,068.47	\$159,533.79	\$2,295,525.79		\$315,873.53
2026	\$542,638	\$3,164,580	\$9,373.28	\$157,042.93	\$166,416.21	\$2,442,484.68	\$376,221.79	\$2,998,163.79		\$692,095.32
2027	\$601,027	\$3,765,607	\$9,560.74		\$9,560.74	\$2,452,045.42	\$591,466.26	\$3,756,046.26		\$1,283,561.58
2028	\$661,169	\$4,426,776	\$9,751.96		\$9,751.96	\$2,461,797.37	\$651,417.04	\$4,417,024.04		\$1,934,978.63
2029	\$809,809	\$5,236,585	\$9,946.99		\$9,946.99	\$2,471,744.37	\$799,862.01	\$5,226,638.01		\$2,734,840.63
2030	\$876,214	\$6,112,799	\$10,145.93		\$10,145.93	\$2,481,890.30	\$866,068.07	\$6,102,653.07		\$3,600,908.70
2031	\$944,611	\$7,057,410	\$10,348.85		\$10,348.85	\$2,492,239.16	\$934,262.15	\$7,047,061.15		\$4,535,170.84
2032	\$1,015,059	\$8,072,469	\$10,555.83		\$10,555.83	\$2,502,794.99	\$1,004,503.17	\$8,061,913.17		\$5,539,674.01
2033	\$1,087,621	\$9,160,090	\$10,766.95		\$10,766.95	\$2,513,561.93	\$1,076,854.05	\$9,149,323.05		\$6,616,528.07
2034	\$1,162,360	\$10,322,450	\$10,982.29		\$10,982.29	\$2,524,544.22	\$1,151,377.71	\$10,311,467.71		\$7,767,905.78
2035	\$1,239,341	\$11,561,791	\$11,201.93		\$11,201.93	\$2,535,746.15	\$1,228,139.07	\$11,550,589.07		\$8,996,044.85

Agency Revenue and Expenses

- The revenue and expense chart shows:
 - The Agency's cash balance will be very limited until 2024 unless additional development in the urban renewal area increases the taxable value of property.
 - Constrained revenue limits possible allocations to the storefront revitalization program to \$10,000 in FY 2017 and FY 2018 and \$5,000 in FY 2019 and FY 2020.
 - The Urban Renewal Agency will repay the loan from the City by 2026 freeing-up revenue for other urban renewal project priorities beginning in 2027.

Policy Discussion

- The Agency achieved significant project accomplishments since the Urban Renewal Plan was adopted in 2014.
- Although funds are limited due to these two projects, there is a high level of interest from property owners and developers for development project assistance. Discussion is needed to establish expectations for longer-term funding priorities and to respond to inquiries.
- Possible Non-Urban Renewal Alternatives for project assistance
 - Oregon Vertical Housing Development Zone (property tax exemption for housing)
 - Metro Transit Oriented Development Program (mixed-use development)
 - Metro Storefront Improvement Program (façade improvements)
 - Federal Community Development Block Grant or Home Investment Partnership for low and moderate income areas (affordable housing and infrastructure)
 - Federal Low Income Housing Tax Credits (affordable housing)
 - Community Development Corporations (affordable housing)

This page is intentionally blank.



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #:

MEETING DATE:

FINAL ACTION:

6.

URBAN RENEWAL AGENCY STAFF REPORT

TO: URA Board of Directors

FROM: Jesse VanderZanden, Executive Director

MEETING DATE: January 9, 2017

PROJECT TEAM: Paul Downey, Administrative Services Director

SUBJECT TITLE: Budget Resolution – Authorizing Transfer of Urban Renewal Agency Appropriations

ACTION REQUESTED:

☐ Ordinance	☐ Order	☒ Resolution	☐ Motion	☐ Informational
------------------------------------	--------------------------------	--	---------------------------------	--

X all that apply

ISSUE STATEMENT: The FY 2016-17 Budget for the Forest Grove Urban Renewal Agency contained \$962,561 in public assistance to Jessie Quinn, LLC (formerly Tokola Properties) as approved in the Disposition and Development Agreement by the Forest Grove Urban Renewal Agency Board on February 22, 2016. Of that total assistance, \$759,477 was planned for system development charges (SDC), construction excise taxes, and some permit fees. The remainder of the assistance, \$203,084 was planned for payment for public improvements required by the project. As the project was being finalized, the Water SDC was increased by \$66,139 based on a design change in the amount and size of water meters. To facilitate the timely issuance of the building permits, Jessie Quinn, LLC, requested that the total for SDC be increased by \$66,139 and the public improvements payment be decreased by that amount. The total assistance as approved by the Urban Renewal Agency Board of Directors would remain unchanged at \$962,561. Only the categories of assistance will change. Jessie Quinn, LLC will pay the additional \$66,139 for public improvements as those improvements are built. The FY 2016-17 Urban Renewal Agency Adopted Budget was established using the categories of assistance to be provided. Since the payments within the expenditure categories have been adjusted, the Adopted Budget needs to be amended to reflect the adjusted totals. Staff has prepared a resolution to correct the appropriation for the expenditures of the funds.

FISCAL IMPACT: There is no fiscal impact to the Urban Renewal Agency as the total of public assistance approved by the Board of Directors is not changing.

STAFF RECOMMENDATION: Staff recommends the Forest Grove Urban Renewal Agency Board of Directors approve the attached resolution.

ATTACHMENT(s): Resolution Authorizing the Transfer of Appropriations within the Forest Grove Urban Renewal Agency for Fiscal Year 2016-17

6

URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE, OREGON

RESOLUTION NO. 2017-01

**RESOLUTION AUTHORIZING THE TRANSFER OF APPROPRIATIONS WITHIN THE
FOREST GROVE URBAN RENEWAL AGENCY FOR FISCAL YEAR 2016-17**

WHEREAS, Oregon Local Budget Law allows for a transfer of appropriations within a fund (ORS 293.463(1)); and

WHEREAS, the total public assistance provided on the Jessie Quinn development to Jessie Quinn, LLC, is not changing, but the assistance being provided is being adjusted between system development charges appropriated within the Materials and Services category and public improvements payments which is appropriated within the Capital Outlay category; and

WHEREAS, the appropriation for the Materials and Services category will be exceeded if a transfer of appropriations from the Capital Outlay category is not made.

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE RESOLVES AS FOLLOWS:

Section 1. In the Forest Grove Urban Agency Renewal Fund, the appropriation for Intergovernmental Services (Materials and Services account # 850-85-00-520557) is increased by \$66,139 to \$836,616 and the appropriation for Construction Projects (Capital Outlay # 850-85-00-550760) is reduced by \$66,139 to \$136,945. Total appropriations remain unchanged at \$1,041,676. Materials and Services Appropriations are increased to \$852,366 and Capital Outlay Appropriations are decreased to \$136,945.

Section 2. This resolution is effective immediately upon its enactment by the Urban Renewal Agency of the City of Forest Grove.

PRESENTED AND PASSED this 9th day of January, 2017.

Jesse VanderZanden
Urban Renewal Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 9th day of January 2017, and filed with the Forest Grove City Recorder this date.

Peter B. Truax
Urban Renewal Agency Chair